

Colac Otway Shire **Annual Report**

For the year ended 30 June 2022



Colac Otway
SHIRE

Acknowledgement of Traditional Custodians

The Colac Otway Shire Council respectfully acknowledges the Gulidjan and Gadubanud peoples of the Maar Nation as the Traditional Custodians of the Colac Otway region, the land and waterways upon which the activities of the Colac Otway Shire Council are conducted.

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

IT IS WITH GREAT PRIDE THAT I PRESENT THE COLAC OTWAY SHIRE COUNCIL ANNUAL REPORT 2021-22.

This report details the operational performance of the Council measured against the key objectives and strategies included in the Council Plan 2021-2025 and the Budget 2021-22.

This has been another challenging year for Council and our community as the long awaited "COVID normal" was slow to arrive. I'm immensely proud of how the whole Colac Otway Shire community continued to show that we are stronger together. Council was delighted to host a Civic Thank You event in March 2022 to express its appreciation to some of the many people who contributed to keeping our community safe over the last two years.

Getting the community back together saw us move our Community Awards to a larger stage at the Colac Kana Festival and we continued to welcome new Australian citizens who have chosen Colac Otway Shire to be their home.

Council continued to support many community groups and businesses to achieve their own goals. Community Grants were distributed to assist the community to undertake projects and activities, with more than \$335,000 distributed as a result of 110 applications. We also delivered fully subsidised digital support programs to 30 local small businesses as part of our COVID recovery initiatives.

This year Council attracted significant infrastructure funding, including oval lighting upgrades and the Colac city reserves planning project, as well as \$3 million from the Victorian Government for the Elliminyt Wetlands project, adding to \$1.2 million of

Federal Government funding.

Council was pleased to decide on a purchaser for its Bruce Street property in Colac and looks forward to seeing this land develop for housing in coming years. Council is also furthering other work, such as rezoning land in Deans Creek to open up residential land supply as more people see the value of a regional lifestyle.

Coastal communities are facing significant housing challenges and Council continues to work with local and regional partners to find solutions.

The environment continued to be a strategic focus and in addition to our street trees and open spaces programs, Council planted 2,575 biodiversity-focused trees, shrubs, grasses and lilies. Our environmental leadership also saw us purchase 100 per cent Greenpower, which has had a considerable impact on our emissions.

I thank our Councillors, our local businesses, community groups and Council officers for their contributions to helping our caring and inclusive community thrive. I have been privileged to serve consecutive terms as your Mayor. It is immensely rewarding to represent my community in this way and I feel really proud to live in this community and to serve its people.

**Cr Kate Hanson
Mayor**





Chief Executive Report

I TAKE GREAT PLEASURE IN PRESENTING, WITH OUR MAYOR CR KATE HANSON, THE COLAC OTWAY SHIRE COUNCIL ANNUAL REPORT 2021-22.

Once again, we were faced with pandemic challenges that included lockdowns, vaccine mandates and ever-changing working arrangements. I'm proud of our workforce in the way everyone has adapted and made continuous improvements for our customers.

Supporting our community through COVID challenges continued to be a focus, including helping vulnerable people without support networks to access food and household supplies. This was alongside the work we did with health services and community-led response groups.

We continue to improve access to our services in ways that are more convenient to customers and have introduced more online service delivery, such as forms, payments, animal registrations and requests. We also moved to a cloud-based phone system, which has further helped us deliver more of our services from anywhere.

This year we continued to implement the *Local Government Act 2020* requirements including development of Council's Long Term Financial Plan, Asset Plan and Workforce Plan. The newly adopted Community Vision 2050 and Council Plan 2021-25 provided us direction and will continue to guide our work in the years ahead. We also established our first Gender Equity Action Plan, helping us to position ourselves as an employer of choice.

The workforce issues in our community, which include childcare shortages and housing affordability and availability continued to take

our focus this financial year. However, progress was seen with the opening of the Apollo Bay Kindergarten and Maternal and Child Health Hub, as well as the sale of 4.2 hectares of land in Bruce Street, Colac for residential development, including provision for social housing.

Forrest Caravan Park, the main provider of visitor accommodation to the township, was leased to BelgraviaPRO. Plans to upgrade the site sit well alongside improvements to the Mountain Bike Trails to make this an outstanding destination area in our shire for recreation in years to come.

Rubbish and roads are always a focus and this year we rolled-out the glass-only purple bin and undertook the reconstruction of a number of key roads across the shire.

This report includes details of our financial performance which demonstrates that Council has been successful in securing significant external funding for operational and capital projects. Like other Councils, businesses and households, Council is moving into a period of greater financial challenge as we face the highest inflation for many years, global uncertainty and competitive markets. We will continue to strengthen our financial, asset and project management practices to ensure that public money is used effectively.

I would like to thank our Mayor and our Councillors, as well as staff, for their work and dedication. I look forward to more progress as we move out of the pandemic and prepare for any new challenges ahead.

Anne Howard
Chief Executive Officer



Introduction

COUNCIL IS COMMITTED TO TRANSPARENT REPORTING AND ACCOUNTABILITY TO THE COMMUNITY AND THE REPORT OF OPERATIONS 2021-22 WITHIN THE ANNUAL REPORT IS THE PRIMARY MEANS OF ADVISING THE COMMUNITY ABOUT COUNCIL'S OPERATIONS AND PERFORMANCE DURING THE FINANCIAL YEAR.

This introductory section to the Report of Operations provides context to our performance and highlights key achievements and challenges faced during the year. The annual report also includes the Performance Statement, which provides the audited results achieved against prescribed performance measures and indicators and the Financial Statements, which are prepared in accordance with the Australian Accounting Standards.

THE COLAC OTWAY SHIRE

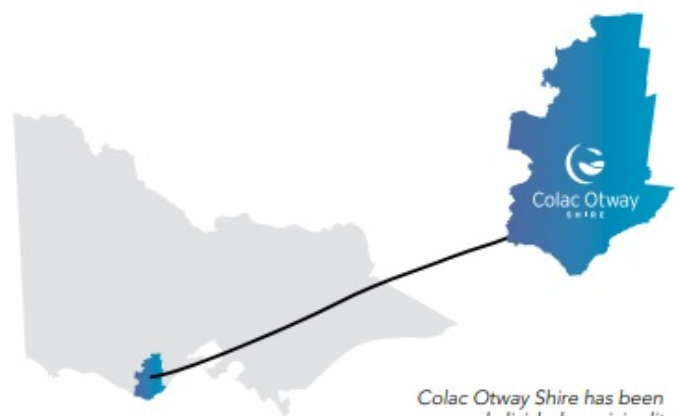
Located approximately 160 kilometres south west of Melbourne, Colac Otway Shire sits upon the land of its traditional custodians, the Gulidjan and Gadubanud Peoples of the Maar Nation.

It is a diverse landscape with rugged coastlands, rainforest, fertile farming lands and volcanic inland lakes. Its main industries are agriculture (including farming, cropping and dairying) timber, fishing and tourism especially in the region accessed by the Great Ocean Road.

Located within commuting distance of the major regional cities of Geelong and Ballarat and with Warrnambool to the west, the municipality features two main townships being Colac as the major administrative, retail and commercial centre and Apollo Bay.

The region benefits from a rich tapestry of smaller scenic townships both inland and coastal, which support a diverse range of small and medium sized businesses across a wide range of industries.

Our Location



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

The Community

Fast Facts

Colac Otway Shire has a geographic area of **3,433** square kilometres

Population of **22,304**

10,740 residents of the municipality are employed in work either within or outside the municipality and in June 2021 there were **10,491** jobs located in the municipality, which is an increase on the last census

1.4 per cent identify as Aboriginal or Torres Strait Islander, **10.3** per cent were born overseas up from the 2016 census and **5.8** per cent of residents speak languages at home other than English

On average there are **2.28** persons per dwelling

29 per cent of ratepayers are non-resident, with the Otways and coastal areas having the highest percentage of non-residents

The median age is **45** with the largest age group being those **60-64** years

The percentage of people who feel safe alone at night in Colac Otway is **65.5** per cent compared with a Victorian average of **55.1** per cent and the percentage of residents who feel valued by society is also higher than the state average

1,440 persons work in manufacturing; **1,341** in health care and social assistance; **1,284** in agricultural, forestry and fishing industries; **936** in retail and **876** in accommodation and food services

Birth notifications increased **14.3** per cent in the 2021-22 financial year, with Colac Otway recording **239** new babies, up from **209** the previous year. Maternal and child health consultations also increased in line with this trend with Council nurses delivering **2,840** consultations, an increase on the previous year



The Council



CR KATE HANSON, MAYOR

First elected: 2016 Re-elected: 10 November 2021

M: 0409 038 843

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



CR GRAHAM COSTIN, DEPUTY MAYOR

First elected: 2020 Re-elected: 10 November 2021

M: 0475 444 006

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CR JAMIE BELL

First elected: 2020

M: 0475 777 002

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CR STEPHEN HART

First elected: 2002

Re-elected: 2008, 2012, 2016, 2020

M: 0407 962 412

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CR JOE MCCRACKEN

First elected: 2016 Re-elected: 2020

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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

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The Organisation – A Year in Review

SERVICE DELIVERY KEY STATISTICS

- Council delivered 40,632 hours of care for older persons across all categories including respite care, domestic assistance, home care, property maintenance and transport, which is an increase of 325 hours of care from the previous year. Meals on wheels delivery declined slightly with 5,514 meals delivered compared to 6,875 meals delivered the previous year.
- In addition to its street trees and open spaces programs, Council planted 2,575 biodiversity-focused trees, shrubs, grasses and lilies, which was a slight decrease on the previous year as Council's planting program from previous years matures
- 730 lineal metres of footpaths were reconstructed which is down from 1,271 lineal metres in the previous year as Council's overall renewal program is improving asset condition ratings and gradually reducing the meterage of footpaths needing reconstruction.
- Road maintenance works delivered on time was up to 98 per cent from 95 per cent in the previous year, well ahead of the target of 85 per cent
- 1,628 km of roads (568km sealed, 1,060km unsealed), 248 bridges and major culverts, 163km of footpaths and 162 buildings were maintained by Council
- There was a slight reduction of general waste going to landfill from households via the kerbside collections during 2021-22 from 396kg to 394kg
- There were 47,093 walk-in visitor enquiries and 2,681 phone calls at our Visitor Information Centres. The number of calls received by Customer Service totalled 35,386
- 1,264 persons attended the learn-to-swim program which was a slight improvement on the previous year, noting participation across both years was impacted by public health measures related to the pandemic
- Visits to Bluewater Leisure Centre were also impacted by public health measures and total member visits were 43,843 compared to the prior year total of 60,005

- Statutory planning faced increased demand for its services with 420 applications processed this year compared to 396 applications in the previous year. Time taken to process applications was up marginally reflecting the increased throughput with median processing times being 31.7 days compared to 31.4 days in the previous year.

KEY ACHIEVEMENTS

Establishing the Community Vision and Council Plan

Following an extensive community engagement process and work by a Community Panel, Council adopted its 2050 Community Vision, which informed the development of the 2021-2025 Council Plan, also adopted in October 2021 following exhibition and community feedback. For the first time, the Health and Wellbeing Plan priorities are fully integrated into Council's planning and accountability framework and will inform strategy and delivery across Council's full breadth of services and programs.

These key documents are accompanied by two supporting documents, Council's first Asset Plan and its Long Term Financial Strategy, both of which are essential to position Colac Otway Shire Council to deliver against the community's aspirations articulated in the Community Vision. The collection of asset documents including six category Asset Management Plans provide an integrated document set dealing with the quantum of assets Council owns and manages. This Plan and Council's Long Term Financial Plan (into which it is integrated), sits behind the resource allocation required to achieve the 2050 Community Vision and Council Plan.

Financial achievements

Council provided further financial support to many hospitality businesses across the Shire by waiving and refunding street furniture fees, recognising the impact of ongoing restrictions and workforce challenges presented by the pandemic.

Council's ongoing advocacy for funding of major projects continued to pay dividends with \$3 million committed by the Victorian Government funding from the Regional Infrastructure Fund towards the Elliminyt Wetlands project. In addition to \$1.2 million from the Commonwealth Government, this critical

infrastructure will support land opening in Colac West at no cost to ratepayers.

Council also delivered a 2022-23 Budget within the constraints of the lowest rate revenue increment approved by the Victorian Government since the introduction of rate capping and included a strong commitment to Council funding its asset renewal program.

Progressing waste reforms

It has been a significant year for waste policy and operations with Council adopting a Resource Recovery and Waste Management Strategy 2021-2030 and the introduction in October 2021 of glass-only purple bins to the 10,420 households with kerbside services. Supported by behaviour change campaigns, Council and the community is achieving measurable improvements in waste performance with a current diversion from landfill rate of 58.9 per cent which is a major achievement. The Service also achieved a result of 67 points in the Community Satisfaction Survey, which is slightly higher than the average for large rural shires.

Supporting the community through COVID-19

Council's support to the community through the various stages of pandemic-related restrictions included support through coordination on testing and vaccinations, provision of services through additional channels including online services and various relief services including food delivery to people isolating. Council particularly focused on supporting those in the community without support networks to stay at home when required through coordinated management of food and household supplies.

One of the key features of the region's response to COVID-19 outbreaks in Colac was a community-led response by a Community Leadership Group including AKD Softwood's Shane Vicary, Colac Area Health Chief Executive Fiona Brew and community members. This group led a proactive approach to protecting the community through its Keep Colac Safe campaign. Council hosted a major civic thank you event in March 2022 to celebrate the contribution of community members, businesses, frontline health and emergency services workers and key agencies in avoiding a major outbreak of COVID in the region.

Kindergarten opens doors

The new Apollo Bay Kindergarten opened its doors in time for Term 1 2022, ushering in a new era of early childhood education in the coastal town. Located on the Apollo Bay P-12 College site and including a dedicated Maternal and Child Health consulting space, this new facility run by Council's kindergarten operator, One Tree Community Services, will be of great benefit for local children and families as they transition between kinder to school.

Delivering housing for Colac

Demand for housing for families and key workers increased in Colac enabled by the completion of the highway duplication from Geelong to Colac and ongoing development of Colac as a regional centre. In June 2022 Council resolved to sell 4.2 hectares of land to TW Projects for residential development, which will have a strong focus on sustainability and will assist in providing much-needed housing supply to the area. Part of the deal included three lots for social housing provided back to Council which will partner with other agencies to develop and manage these sites.

Upgrading Forrest Caravan Park

In June 2022, Council executed a lease with BelgraviaPRO to manage the Forrest Caravan Park, which is the main provider of visitor accommodation to the township. The plans for the site include improvements to further enhance the facility as an asset to local tourism.

Delivering emergency response and recovery

While Council and its partners were continuing the work of supporting the community through the pandemic, its emergency management functions were working hard to support recovery from the September 2021 storm event as well as continuing the key focus on fire prevention and community resilience. This challenge was particularly significant given the imposition of health orders that impacted community members with second homes in the municipality needing to travel for fire prevention works on their properties. With support from the Customer Service, Information Management and Communications teams, the online application and approval systems managed to process more than 500 letters of support for travel required by the municipality's non-resident property owners.

Recognising community contributions

This year's Community Awards were presented in a new format following a redesign informed by more than 250 responses to a community survey. Council announced winners across the three awards categories being Citizen of the Year, Young Citizen of the Year and Community Service of the Year with the presentation celebrated at the Colac Kana Festival in Memorial Square.

Celebrating IDAHOBIT Day

Council showed allegiance to the LGBTQIA+ community and took a stand against discrimination by going 'rainbow' for the first workplace IDAHOBIT Day celebration. A pledge board was set up for staff to make a personal pledge against discrimination as a sign of commitment to a safe and inclusive place for everyone in the workplace and by extension the community.

Opening the Memorial Square playspace

The Memorial Square is an integral open space in Colac for residents and visitors to the region. The playspace was co-funded by the Victorian and Federal Governments and creates a play environment that caters to all age groups from toddlers to early teens. The playspace is more inclusive through installation of an all-abilities carousel; the upgrade also included new seating, picnic tables, flying fox, fencing and a water refill station.

KEY CHALLENGES AND LOOKING AHEAD

Planning for and managing impacts of climate change

The effects of climate change continue to have social and environmental impacts within the Colac Otway Shire including on current infrastructure. Flooding and landslip issues have ongoing implications for future planning and development and there is continuing pressure for development along the coast, which creates both environmental and service delivery challenges.

Council will focus on the development of the new Environment Strategy 2022-2030 and related implementation plans to recalibrate and formalise Council's strategic priorities and directions in relation to environmental management, sustainability and climate change response.

Managing supply constraints and cost escalation

The efficient and cost-effective delivery of capital works during this year was challenged by ongoing supply chain issues related to the pandemic, delays for delivery of materials, cost escalation, a tight market for suitable contractors to undertake the work and, of course, travel restrictions limiting attendance to site by consultants and contractors.

Rising commodity, construction and energy prices continue to present challenges when initiating projects. Council will need to continue to find new mechanisms to address cost increases which may include re-scoping planned projects to ensure delivery stays within budget.

Ongoing Covid-19 recovery

Like all businesses, Council has responded to unexpected demands during the pandemic leaving its workforce fatigued and will need support to recover and transition to new ways of working that are still evolving. Workforces are more mobile which creates both challenges and opportunities for Council, as it competes for talent in a competitive market.

As a major infrastructure manager, Council has experienced new challenges within the construction market with respect to both costs and supply chain issues that are not expected to resolve in the foreseeable future in the unstable global environment.

Council will need to continue to support its local communities and businesses to rebuild after the pandemic, in the face of cost of living and other economic pressures.

Managing financial constraints

Council will continue to face significant financial challenges while its costs of service and project delivery continue to increase at a greater rate than Council revenue. Council will work to address this to ensure it can continue to provide important services to the community.

Council's commitment to strong financial management and project management will provide the discipline needed to ensure public money is used responsibly. It is recognised that these are critical foundations of a high-performing Council and remain areas of ongoing focus for improvement.

A number of Council's regular operations are delivered through long-term contracts that are being impacted by current economic pressures including rates of inflation. The actual price increases exceed the assumptions in Council's adopted Long Term Financial Plan and will need to be monitored closely. The Long Term Financial Plan serves a dual purpose. It provides important financial context for Council decisions and commitments as well as reflecting the financial impacts of external influences on Council's future. Council and the community will need to make informed choices about the services Council delivers as well as the levels at which they are provided.

Improving decision making in asset management

Council continues to have ongoing challenges with assets that are reaching the end of their useful life, as well as balancing requirements to build new infrastructure that meets current standards and future demand with an increasing population. The investment by Council in understanding its asset base and planning across key asset categories will position it to better manage future decisions around service provision against the background of financial constraints. Further, a new organisational structure creates greater ability for Council to maintain its focus on strengthening its asset management capabilities.

Improving the customer experience

Council is continuing to identify innovative and digital options for customers. Considerable progress has already been made to deliver online services such as forms, payments and requests that are accessible to all in the community. In 2021-22 Council implemented an online animal registration system to provide convenience for residents and ratepayers. There is further work ahead to continue to drive efficiency and offer choice and high quality of service to customers.

Addressing workforce challenges

The employment landscape post COVID-19 lockdowns, hybrid working arrangements and employee burnout will present challenges for Council. The competition for talent has increased with job seekers looking for work arrangements that are more suited to their personal life, family and other commitments. Council's Workforce Plan, developed to meet the new requirements in the *Local Government Act 2020*, is designed to ensure that Council's workforce is aligned and attracts and retains the capabilities required to deliver the strategic objectives of the Council.

Establishing effective relationships with key partners

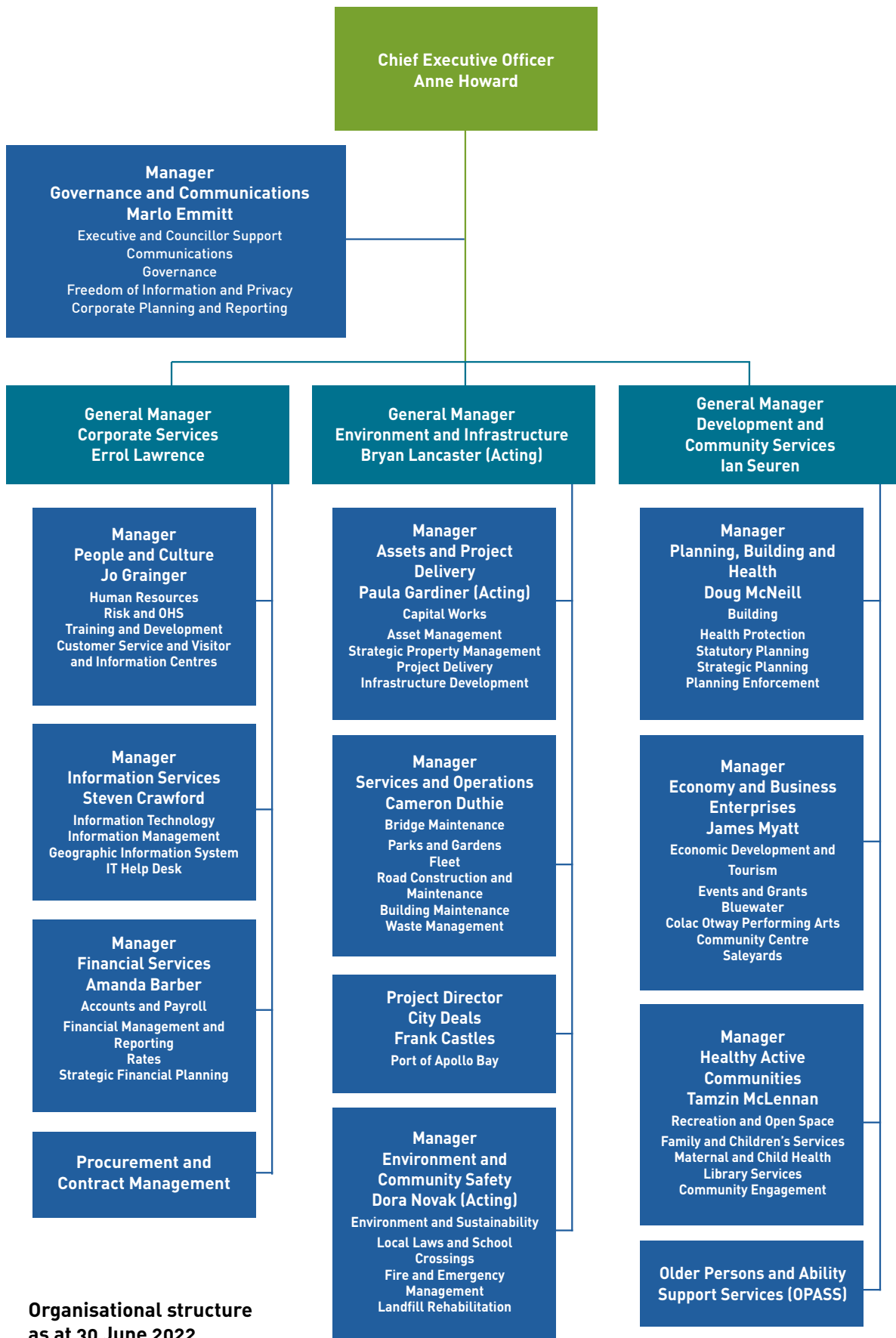
Council continues to work with its key partners on projects and arrangements that support Council priorities including ongoing development of the tourism sector and Council's assets and positioning as a tourism destination. Critical to this is partnership with key business groups, the Victorian Government and the Great Ocean Road Coast and Parks Authority.

Keeping pace with legislative changes and reforms across multiple services

In addition to addressing the requirements under the *Local Government Act 2020*, Council continues to adjust policies and procedures and make operational changes in response to broad service delivery reforms and other legislative changes including child safety, provision of kindergarten and aged care, asset and financial management, environmental management and emergency management.



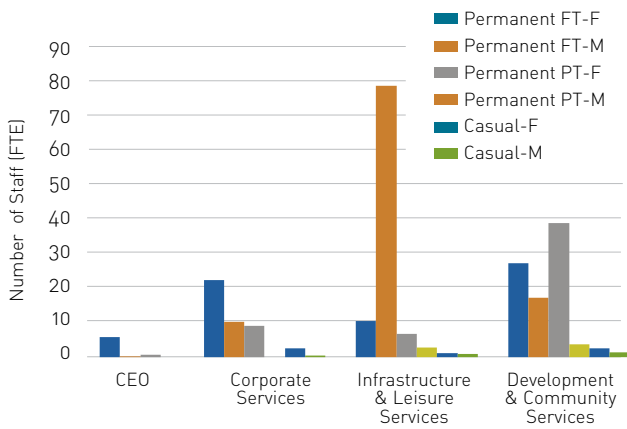
People and structure



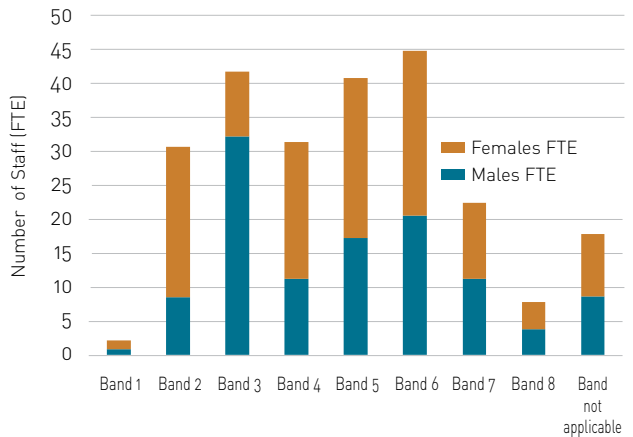
**Organisational structure
as at 30 June 2022**

Workforce demographics

STAFF BY EMPLOYMENT TYPE



STAFF BY GENDER



WORKFORCE PLAN

Council has developed and commenced implementation of a formal Workforce Plan. The Plan incorporates the Municipal Health and Wellbeing Plan, the Gender Equality Action Plan and other Council plans to ensure that the workforce is aligned to Council priorities and has the capabilities to deliver the strategic objectives of Council.

Council looks forward to embedding the Workforce Plan in a manner that will enhance the culture and working environment. The negotiation of a new Enterprise Agreement will provide further opportunities to position Council as a contemporary workplace. These combined strategies will seek to address the employment market challenges, increase diversity and position Colac Otway Shire Council as an employer of choice.

The development of the Workforce Plan was informed by industry benchmarking, employee surveys, internal audits and future state of working research. It will assist Council in attracting and retaining high performing talent and identifying appropriate professional development strategies for identified employment/skill gaps.

RECRUITMENT

A new Recruitment and Selection Policy was implemented in December 2021. It provides a framework to ensure a consistent approach to recruitment and selection processes using a competitive process underpinned by the principles of merit, equity and transparency and is consistent with equal opportunity principles and other applicable legislation and regulations. The Policy assists to attract the talent Colac Otway needs to support it as a high-performance organisation that delivers high quality outcomes for the community.

EMPLOYEE CODE OF CONDUCT

Council already had a comprehensive Employee Code of Conduct embedded in the organisation, however this was reviewed and further developed this year to ensure that it complied with the requirements of the Local Government Act 2020. The Code outlines the standards of behaviours expected by Council employees and supports its commitment to organisational excellence and the organisation's values. The review enabled the inclusion of new values and behaviours and ensures best practice guidance on professional decision-making, transparent corporate governance and ethical conduct.

GENDER EQUALITY ACTION PLAN

As required by the Gender Equality Act 2020, Council developed and implemented its first Gender Equality Action Plan. The Plan aims to improve engagement and staff wellbeing and enhance Council's ability to attract talent and retain employees. It is currently internally focused and will expand with an external focus in future iterations.

FLEXIBLE WORKING

Council is proud to support its employees by facilitating a range of flexible working arrangements to assist them fulfil their professional and personal responsibilities. This need was again highlighted with lockdowns and work from home arrangements. Employees continue to be supported with a wide variety of informal and formal flexible working arrangements, including additional purchased leave, job sharing, unpaid leave and hybrid working.

STUDENT WORK PLACEMENTS

Council continues to support students in their pursuit of career advancement. This year the following work placements were supported within the organisation:

- One La Trobe University nursing student obtained experience in the practice of immunisation
- Three Year 10 students completed work experience at Bluewater Leisure Centre
- Two students completed placements in the Information Technology Department
- One student from the Australian College of the Arts, who is studying a Bachelor of Audio Engineering, completed an industry placement at Colac Otway Performing Arts and Cultural Centre
- The Parks and Gardens team hosted two students from Colac Specialist School and two from the secondary school
- Three Year 11 students are participating in an ongoing work experience program

TRAINEESHIPS

Council is proud to support young people to obtain employment and develop work skills and experience directly from the workplace and continues to offer opportunities to school leavers and mature age trainees and apprentices. Seven apprentices and trainees are currently working across Council in the roles of mechanics and parks and gardens apprenticeships and civil construction, horticultural and business traineeships.

EQUAL EMPLOYMENT OPPORTUNITY

Council's commitment to equal employment opportunity is covered in its local Enterprise Agreement and through the Equal Employment Opportunity Diversity and Inclusion and Workplace Behaviour Policies. Council identifies as an Equal Opportunity Employer in all external recruitment advertisements and ensures that all new employees are made aware of the relevant suite of policies as a mandatory component of the induction program. In addition, all staff are required to attend mandatory equal opportunity, anti-discrimination and unacceptable workplace behaviour refresher training at regular intervals.

HEALTH AND WELLBEING

Council is committed to ensuring all employees across the organisation have access to information and training regarding health and wellbeing. Council's health and wellbeing program was affected by COVID-19 again this year, with many activities unable to take place due to social distancing restrictions. Instead, Council engaged with staff virtually, sharing information through the intranet 'COS We Care' portal and providing access to online webinars and resources including:

- Promoting various self-care resources through EAP provision
- Workstation self-assessments for those working remotely and in the office
- Sit-stand desks are offered to staff who have a medical requirement or work in a office-based role
- An increase in online health and wellbeing training for all staff addressing issues around resilience, stress management and mental health first aid

Council continues to maintain a proactive and self-motivated Mental Health Network to help support the role of the mental health first aid officers. The Network developed and adopted a two-year Mental Health Network Strategy aimed at the prevention of psychosocial hazards in the workplace. Strategic actions are based on consultation with staff and the findings from Council's participation in the 2020-21 People at Work survey, which assesses a number of the most common psychosocial hazards and factors. Implementation of strategic actions will continue into 2022-23, led by the passion of volunteer network members and facilitated by Council's People and Culture team.

Snapshot of the Community Satisfaction Survey

IN THIS YEAR'S COMMUNITY SATISFACTION SURVEY PRODUCED BY JWS RESEARCH, IT IS NOTED THAT "DESPITE THE DECLINE IN PERCEPTIONS OF COUNCIL DIRECTION IN 2022, COLAC OTWAY SHIRE RESIDENTS HAVE SIGNIFICANTLY MORE POSITIVE VIEWS ON COUNCIL DIRECTION THAN RESIDENTS IN THE LARGE RURAL GROUP OVERALL" WITH COUNCIL ACHIEVING 50 POINTS COMPARED TO AN AVERAGE IN THE GROUP OF 47 POINTS.

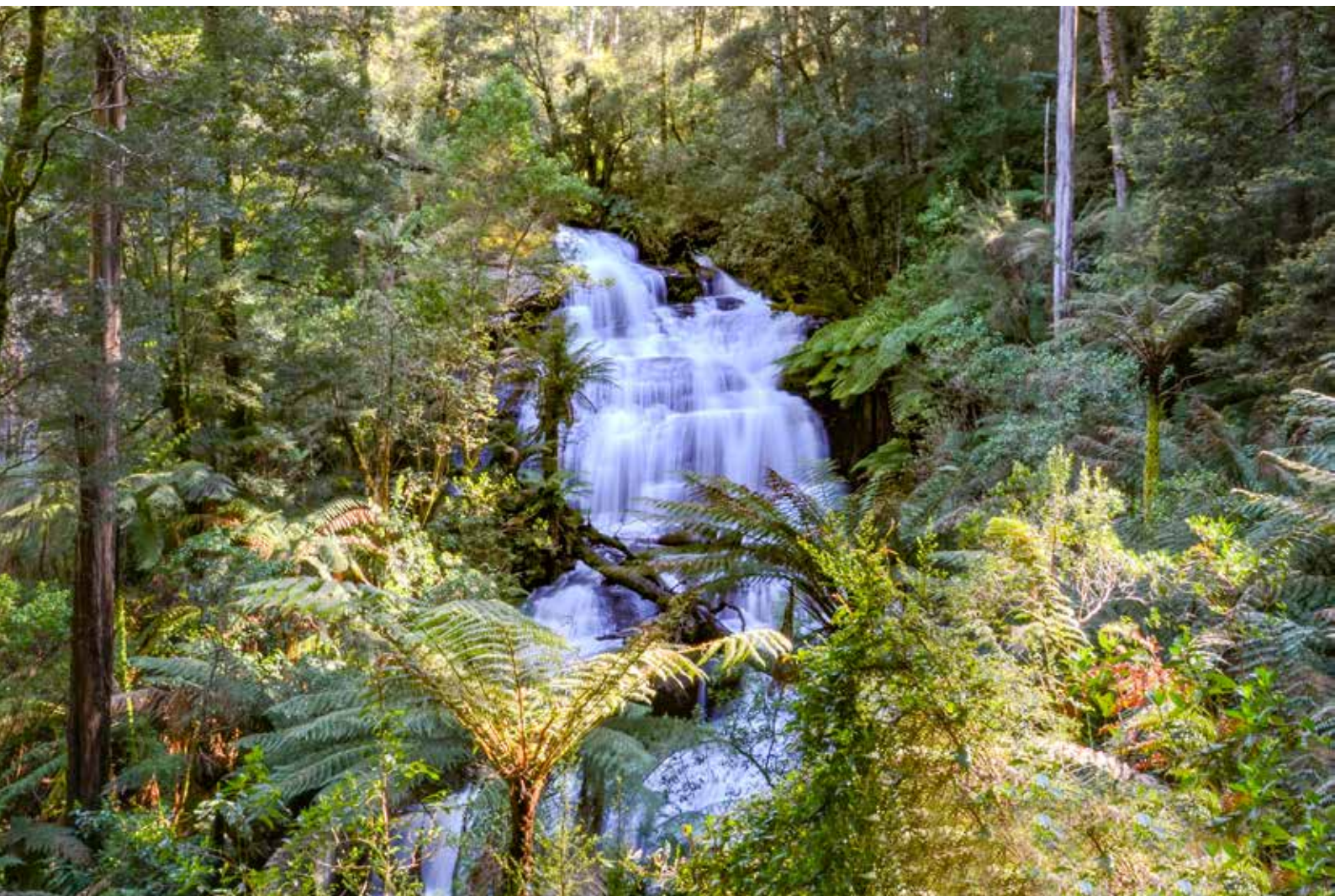
Council sought additional information through this year's survey to give further insight into key factors driving community perception of Council services. In particular, Council requested that further information be sought from the 270 survey respondents that rated the performance of sealed local roads as 'average', 'poor' or 'very poor' to gain more in depth understanding of this area. Of the

top 20 roads of concern, only two are managed by Council, which is useful for Council to note in its ongoing advocacy efforts with the relevant State Government agencies.

Council has continued to perform significantly higher than its peers in large rural councils in satisfaction with support services for the elderly, family support and local streets/footpaths with scores of 69, 67 and 54 points across these services respectively.

For the second year in a row, Council has also maintained its highest recorded rating of 69 points for performance on appearance of public areas.

The state-wide average comparisons highlighted planning and building permits, sealed local roads and unsealed roads as areas for improvement as well as localised concerns on these matters expressed by residents of Apollo Bay and surrounds.



Theme 1

Strong and Resilient Economy

INTRODUCTION

This chapter outlines Council's performance against the key themes and objectives in the Council Plan.

It provides:

- Key service descriptions, highlights and key challenges
- Service statistics
- Progress in relation to major initiatives identified in the Budget
- Progress in relation to initiatives and actions in the Annual Plan 2021-2022
- Progress towards the strategic objectives/outcomes in the Council Plan as per the indicators in that document.

The strategic objectives aligned to this theme are:

- Affordable and available housing will support a growing community and economy
- Attract, retain and grow business in the Shire
- Key infrastructure investments supports the economy and liveability
- Colac Otway Shire is a destination to visit
- Grow the Colac Otway Shire's permanent population by at least 1.5 per cent.

Measuring Council's performance against the key themes and objectives in the Council Plan



Complete and/or business as usual



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



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

Consistent with the Council Plan, Annual Plan Actions that contribute to the achievement of priority health and wellbeing areas are colour coded with a corresponding infographic, as outlined below:



PREVENTING ALL FORMS OF VIOLENCE



IMPROVING MENTAL HEALTH & WELLBEING



TACKLING CLIMATE CHANGE & ITS IMPACT ON HEALTH



GENDER EQUITY



INCREASING ACTIVE LIVING



PANEL RECOMMENDATION

ACHIEVEMENTS

Eliminyt Wetlands Project

Council was successful in securing \$3 million in funding from the Victorian Government for the Elliminyt Wetlands Project which will assist in the management of stormwater to enable significant long term economic, social and environmental outcomes. The benefits will include facilitating residential land development and improving open space for recreation purposes.

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 this past year, the delivery of grants was impacted as a result of COVID-19 with many events cancelled, re-scoped or rescheduled. In 2021-22 Council provided a total of \$335,810 as a result of 110 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 facade improvements, sporting equipment, arts and theatre group initiatives. A total of \$64,324 was allocated to support community events.

Apollo Bay Skenes Creek and Marengo Community Infrastructure Plan

Council, in partnership with the Great Ocean Road Coast and Parks Authority, prepared a draft community infrastructure plan for Apollo Bay, Skenes Creek and Marengo. The draft plan proposes a range of improvements to foreshore areas of the towns, as well as streetscape improvements in central Apollo Bay. Some of these include potential widening of the footpath and traffic management improvements along the Great Ocean Road, improved pedestrian connections and a street tree planting program. The plan is scheduled for finalisation in late 2022 and will provide direction to Council and other agencies in prioritising funding requests and implementing change.

Forrest Mountain Bike Revitalisation Project

After a number of years of planning and advocacy, construction began on the Forrest Mountain Bike Revitalisation Project. Stage 1 of the \$2.37 million project, funded through contributions from the Victorian Government and Council, saw the start of upgrades to existing trails and the development of new trails within the southern trails network. The completion of the project is expected to result in increased tourism, economic development and recreational opportunities for visitors, businesses and the community.

Digital support program for businesses

Council delivered a fully subsidised Digital Support Program to 30 local small businesses to address digital shortfalls highlighted through COVID-19 and ensure small businesses are better placed to remain competitive in an increasingly digital world.

CHALLENGES AND FUTURE OUTLOOK

Rezoning of land in Colac to achieve increased residential land supply

Council will undertake a range of projects aimed at increasing the supply of zoned residential land in Colac to meet demand. A key initiative to support this objective is the Deans Creek Precinct Structure Plan and this will be supplemented by rezoning of precincts at the edge of Elliminyt to residential land. Council will prepare funding plans for the areas being rezoned to ensure that contributions are paid by developers of land for future infrastructure improvements required to support newly developing areas. Council will also finalise the Colac West Development Plan and associated Shared Infrastructure Funding Plan for the residential area abutting Rifle Butts Road in Colac, adjacent to the former Colac High School.

Conducting a Review of the Planning Scheme

Council will undertake a review of the effectiveness and performance of its Planning Scheme. This review is required by the *Planning and Environment Act 1987* and is aimed at ensuring continuous improvement of planning schemes to ensure that they meet the contemporary needs of the community. Planning scheme reviews identify Council's forward-looking strategic planning priorities and assist allocating priorities within budget. The 2022 review will include engagement with the community and key stakeholders, providing an opportunity for direct feedback on how the planning scheme can be improved.

Impact on Council's recreation and cultural facilities

Council's business enterprises including Bluewater and the Colac Otway Performing Arts and Cultural Centre were significantly impacted by numerous restrictions as a result of COVID-19. This had a profound impact on visitation and membership numbers, along with Council's ability to attract and retain staff. The delivery of events and associated permits was also particularly challenging, with additional COVID-19 restrictions and requirements to which event organisers were required to adhere. This year the focus will be on reinvigorating the events and cultural programming, which is critical to tourism and business viability in the region.

Impact on tourism and business

The tourism sector and specifically small businesses that rely on visitors, were strongly impacted through COVID-19. As restrictions eased, a shortage of workers to fill roles in businesses has impacted operational capacity, a situation further exacerbated by a shortage of affordable short and long-term housing for workers both in Apollo Bay and Colac.

A review of Council's events policy will be undertaken in the coming year to ensure it continues to support the attraction and safe delivery of events. It is anticipated that the region will continue to be attractive to events and tourism as increasing numbers of visitors seek to enjoy the natural attributes of the region.

Reviewing Colac Regional Saleyards

Colac Regional Saleyards remains a major asset for the regional agriculture sector. After its operations were impacted throughout the pandemic, throughput peaked at the January 2022 weaner sale where 3,148 head of cattle were sold. In the coming year, Council will undertake a service review of the Colac Regional Saleyards to guide the future provision of this important service. Biosecurity planning will also remain a focus for the saleyards for 2022-23.

Continuous Improvement initiatives









- The economy team uplifted customer experience through the new small business advice and event permit application process. Both projects involved creating online digital tools. Council's event permit application process was streamlined through combining application forms into a single online digital form.
- Council introduced a customer survey for statutory planning permit applicants to receive feedback on the statutory planning service, so as to inform future service improvements.
- As a further step in the process of replacing paper-based processes with electronic ones, a range of streamlined processes were implemented in statutory planning and building compliance to increase efficiency and track the timely completion of tasks.
- The organisation introduced Docusign to digitally sign correspondence to allow remote working by staff and increase timeliness and efficiency.

























Performance

PRIORITIES AND INITIATIVES

The following reviews Council’s performance against its 2021-22 Annual Plan actions. A ‘Not applicable’ indicates there was no 2021-22 action required.

2021-22 Major Initiative	Status	Progress comments
Facilitate the process of making additional residential land available		
<p>Colac has a significant lack of development-ready land which is constraining the town’s residential and economic growth. With the completion of the Princes Highway duplication and high quality social, education and recreation facilities, Colac has an enhanced reputation as an attractive place to live and work. The Colac 2050 Growth Plan was adopted by the Victorian Government in late 2020 and paves the way for the future growth of the town. Council committed to undertake further planning work in 2021-22 to unlock the potential for growth in key areas of Colac and ensure land is ready for residential development.</p>		<p>Council has worked with landowners, developers and key authorities to facilitate the availability of land for residential growth by referring three strategic land use projects to DELWP’s Development Facilitation Program for accelerated assessment and determination:</p> <ol style="list-style-type: none"> Hillview Planning Scheme Amendment C122cola Irrewillipe Road (Bakerland) Planning Scheme Amendment C120cola Flood Overlay Amendment to facilitate assessment of Planning Permit PP105/2016-1 (130-154 Sinclair Street, Colac) <p>Council has also commenced work on a Precinct Structure Plan for the Deans Creek Growth Area in partnership with the Victorian Planning Authority (VPA) and Regional Development Victoria (RDV), who have committed \$150k and \$425k funding respectively as a result of Council’s advocacy work. In addition to Council’s funding of \$300k, this will kickstart the preparation of a plan and cost-sharing of infrastructure for the Deans Creek Growth Corridor. Council has also secured a purchaser for Council-owned land at 36-52 Bruce Street, Colac, already zoned for residential development, incorporating a minimum of three sites for social housing outcomes as part of a future development process.</p>
2021-22 Annual Initiative/Action	Status	Progress comments
Participate in Great Ocean Road Authority Strategic Framework Plan		Officers have attended workshops by the Great Ocean Road Coast and Parks Authority in relation to technical work being undertaken as a precursor to the Strategic Framework Plan and have contributed feedback.
<p>Progress sale of the Council owned land at Bruce Street, Colac, for residential development with social housing</p> 		Council reviewed its approach to the sale of this land in November 2021 and put it to market again early in 2022 with a simplified sale approach. As a result, Council attracted a reputable buyer and, at its 4 May 2022 meeting, resolved to sell the land with three lots to be returned to Council for the purposes of social housing.
<p>Work with the Apollo Bay community to progress actions that achieve key worker housing</p> 		Officers worked with the Apollo Bay Key Worker Housing Taskforce in relation to potential housing initiatives and have provided advice on a number of possible housing sites. Council has incorporated elements of the Taskforce’s ideas into applications to Homes Victoria at McLachlan St, Apollo Bay, to ensure its ideas are recognised and leveraged. Council also advocated to the Great Ocean Road Coast and Parks Authority for temporary worker accommodation in the Apollo Bay Recreation Reserve Caravan Park.
Commence Deans Creek Outline Development Plan and Development Contributions Plan		<p>Council was successful in securing key funding and project partners that has enabled it to start work on planning for and rezoning of land in the Deans Creek Growth Area. Council has leveraged its own commitment of \$300k to secure \$150k from the Victorian Planning Authority and \$425k through Regional Development Victoria.</p> <p>This is a multi-year project and aims to deliver a Precinct Structure Plan for the Deans Creek Growth Corridor. A range of consultants are being engaged to prepare first phase technical assessments.</p>
Complete Colac West Development Plan and Shared Infrastructure Plan		<p>A Draft Development Plan was placed on public exhibition in August/September 2021 and submissions heard by Council in November 2021.</p> <p>Officers have continued to work on a Shared Infrastructure Plan in partnership with key landowners. This work is ongoing in the next financial year.</p>

<p>Process privately led Colac residential housing planning scheme amendments</p> 		<p>Council started preparing key private scheme amendments to rezone land in Elliminyt (Hillview and Bakerland) ready for public exhibition and has referred these projects to DELWP's Development Facilitation Program for accelerated assessment and determination.</p>
<p>Adopt Social Housing Strategy</p> 		<p>Council adopted the Colac Otway Social Housing Plan at its meeting in August 2021.</p>
<p>Work with G21 regional partners to finalise a regional plan</p>		<p>Council has worked closely with its G21 region partners to progress a regional social housing plan. G21 has adjusted its approach and now expanded the initiative to encompass other housing issues, including key worker housing.</p>
<p>Work with Homes Victoria and housing providers to deliver social housing projects under the State's Big Housing Build program</p> 		<p>Council advocated to the Victorian Government that suitable sites in its ownership be prioritised for development under the Big Housing Build program, in addition to opportunities on privately owned land identified by Council. Council also identified that Council-owned land in Apollo Bay was surplus to its needs and submitted it to Homes Victoria as a potential site for affordable housing for key workers however this offer was not accepted.</p>
<p>Participate in a regional Key and Essential Housing Worker project</p> 		<p>Council has partnered with member councils of the SouthWest Victoria Alliance and Surf Coast Shire Council in a regional Key and Essential Worker Housing Project, and has been involved in the engagement of a consultant and project manager. The project has begun, stakeholder consultation has occurred, and the consultant is investigating the feasibility of development sites for key worker housing across the different Councils.</p>
<p>Investigate site options for future provision of key worker housing in Apollo Bay</p> 		<p>Council has worked with the Apollo Bay Key Worker Housing taskforce about potential housing initiatives and has provided advice on a number of possible housing sites. Collaborative work was also undertaken with the Great Ocean Road Coast and Parks Authority about temporary worker accommodation in the Apollo Bay Recreation Reserve Caravan Park.</p>
<p>Advocate to Victorian and Federal Government for support towards key worker accommodation</p> 		<p>Council has established a strong awareness and level of support for key worker housing initiatives with its regional partners including the G21 Region Alliance and SouthWest Victoria Alliance, Victorian Government departments and agencies and Homes Victoria. This work is ongoing.</p>
<p>Review Council's local law exemption process to consider increased facilitation of short-term accommodation on residential lots for essential workers</p>		<p>Officers developed a complementary local law permit process for consideration of key worker permits to camp on private land for the summer period. This was adopted at the November 2021 Council meeting.</p>
<p>Deliver small business Digital Transformation program</p>		<p>Consultants appointed and delivered both the Digital Infrastructure Capacity and Gap Analysis and the Small Business Digital Literacy Program, being undertaken by 26 local businesses.</p>
<p>Complete year one milestones in City Deals projects plans</p>		<p>The 2021-22 financial year presented a range of challenges for the three City Deal Projects, including escalating costs in the construction market and an increasingly complex regulatory and approval environment. Council worked collaboratively with funding partners and other stakeholders to re-set timeframes and revised year one milestones were met.</p>
<p>Finalise a list of Council priority projects for funding advocacy</p>		<p>Council adopted an Advocacy Framework at its April 2022 Council meeting. This framework explains Council's approach to advocacy, including the project readiness assessments, and confirmed Council's regional, municipal and local advocacy priorities in advance of the Federal Government election.</p>
<p>Finalise the Colac Civic Precinct Master Plan</p>		<p>Stakeholder engagement was undertaken about opportunities and constraints for the precinct, and draft master plan documentation is being prepared. The project is scheduled to be completed late 2022. Workshops and meetings have continued to occur with key partners including a workshop between Colac Area Health Board and Council in March 2022 to discuss future needs of the health services in the precinct.</p>

Complete the Apollo Bay Community Infrastructure Plan		There was significant progress on this long-term project in 2021-22. A number of outstanding stakeholder concerns were resolved, the recently established GORCAPA Board was briefed and provided strategic input, and the draft Community Infrastructure Plan was endorsed by Council for the purposes of public exhibition in June 2022. Council will consider community feedback in consultation with GORCAPA and determine next steps in the next financial year.
Complete a Digital Infrastructure Gap Analysis study		Contractors were engaged and are currently undertaking the study.
Advocate to Barwon Water and Victorian Government to fund Forrest Wastewater Upgrade		Council continues to partner with Barwon Water to explore and understand models for establishing a viable wastewater solution for Forrest, including funding options. Barwon Water is likely to include next-phase funding for this project in its 2023-28 pricing submission to the Essential Services Commissioner.
Assist GORCAPA with information necessary to conduct the preliminary assessment required to start the Ecotourism certification process		GORCAPA's preliminary assessment of Ecotourism Certification eligibility for the region has been completed with Council's assistance.

Progress towards Council Plan Objectives/Outcomes

Desired Outcome	Contribution/Influence 2021-22	Indicators	Results 2021-22
Affordable and available housing will support a growing community and economy	Housing and accommodation challenges have continued to be felt in Colac Otway Shire through 2021-22, and across Regional Victoria and most of the country. Regional migration through the COVID-19 pandemic amplified a long-standing challenge and also led to significant changes in market valuation of properties across the state but particularly in coastal areas.	Strategic Growth Plan and Settlement Strategy developed	Not applicable. Was not a funded initiative in 2021-22
		Relevant Planning Scheme Amendments adopted	No residential amendments finalised in 2021-22
		Refreshed Apollo Bay Structure Plan delivered by 2022-23	Not applicable. Was not a funded initiative in 2021-22
		Increase land supply by 200 new lots annually	210 lots created
		Increased availability of affordable housing	Not available
		Levels of housing stress including rental and mortgage stress	Not available
		Number of hectares rezoned	No rezonings finalised
		Number of residential lots approved by planning permits	51 new residential lots approved for Colac
		Social Housing Strategy completed and implemented	Strategy adopted August 2021
		Number of dwellings made available for social housing	Three additional dwellings under construction by Homes Victoria
More accommodation options are available in towns including Apollo Bay, Birregurra, Forrest and Colac, specifically for workers	Not available		

Attract, retain and grow business in the Shire	Support was provided to assist local businesses recover from COVID including delivery of the Digital Transformation Program, Colac Otway Career Fair and an event skills workshop series. In addition, Council provided small business financial support through waiving street furniture and health registration permit fees with Victorian State funding assistance. Funding was also attained through Regional Development Victoria for new business investment assistance including a Bulla Ice Creamery development.	At least 80% of actions from Economic Development Strategy completed	30 per cent complete. Note that the measure will be unachievable due to the percentage of ongoing actions proportion of actions that are ongoing rather than project based
		Community satisfaction with business and tourism increases annually from current result of 60%	The result of 59 points is similar to the average of large rural shires of 58 points and Council's 2020 result also of 58 points
		Increased level of investment in the region by 2025	No data available
		Number of commercial and industrial lots approved by planning permits (use and development)	17 properties issued permits for use and/or development
		Gross Regional product increased	GRP increased from \$1.497 billion in 2020 to \$1.518 billion in 2021 (Data Source: REMPLAN)
		Greenfield industrial land in Colac developed (subdivision)	No new industrial subdivision approved
		All three City Deals projects delivered on time and on budget	Not applicable. Multi-year projects not due for completion in 2021-22
		Doubled berthings for recreational and commercial boats (currently 33 combined)	Not available
		Funding secured from private sector or government for commercial development of the harbour waterfront	\$4,563,268 secured from Victorian Government across four projects
Key infrastructure investment supports the economy and liveability	Funding secured for Elliminyt Wetlands will support future liveability in a key growth area of Colac.	Number of projects that have attracted funding	23 projects attracted external funding
		\$ funding received	\$10,470,265
		Grant funds secured for Colac and Apollo Bay CBD streetscape upgrades	No applications lodged
		Priority upgrades are achieved (eg, mobile black spots)	Funding achieved for Elliminyt Wetlands Project
		Funding secured to deliver Wastewater Scheme in Forrest	Not applicable
		Arts and culture groups are actively engaged as part of consultation processes for relevant strategic projects	Groups engaged as part of Apollo Bay Skenes Creek Marengo Community Infrastructure Plan and Colac Civic Health and Rail Precinct Plan
Colac Otway Shire is a destination to visit	COVID-19 restrictions continued to impact international visitation through the year. Early in 2021-22 domestic visitation within Victoria drew strong visitor numbers to the area, but this reduced as interstate borders were relaxed and international visitor numbers remain slow to return.	Increased visitor spend and stay	No current data available
		Increased total visitor overnight stays	No current data available
		Delivery of Destination Actions Plans	Not applicable
		In partnership with GORCAPA, achieve Ecotourism Certification	Completed the preliminary ecotourism certification assessment for the region
		Increased availability of visitor accommodation	No current data available
		Public Toilet Strategy completed and 60% of actions delivered by 2025	Draft Public Toilet Strategy was endorsed and exhibited, with public submissions received

Desired Outcome	Contribution/Influence 2021-22	Indicators	Results 2021-22
Grow the Colac Otway Shire's permanent population by at least 1.5%	Major influences include population driven by COVID-19 and market changes, and constraints of housing and accommodation availability.	Increase total population of working-aged people and young families	15,923 residents between the ages of 15 and 65 (ABS census 2021)
		1.5% annual population growth achieved	Average growth 1 per cent pa. Population increased from 21,362 in 2016 to 22,423 in 2021 (ABS Census).
		Reduced seasonality impacts on businesses by having stable permanent population	Not applicable



Theme 2

Valuing the Natural and Built Environment

INTRODUCTION

This chapter outlines Council's performance against the key themes and objectives in the Council Plan.

It provides:

- Key service descriptions, highlights and key challenges
- Service statistics
- Progress in relation to major initiatives identified in the Budget
- Progress in relation to initiatives and actions in the Annual Plan 2021-22
- Progress towards the strategic objectives/outcomes in the Council Plan as per the indicators in that document.

The strategic objectives aligned to this theme are:

- We mitigate impacts to people and property arising from climate change
- We operate sustainably with a reduced carbon footprint
- Protect and enhance the natural environment
- We will satisfy the community's reasonable expectations to reduce waste going to landfill, increase resource recovery and minimise waste charges
- Provide and maintain an attractive and safe built environment.

Measuring Council's performance against the key themes and objectives in the Council Plan



Complete and/or business as usual



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



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

Consistent with the Council Plan, Annual Plan Actions that contribute to the achievement of priority health and wellbeing areas are colour coded with a corresponding infographic, as outlined below:



PREVENTING ALL FORMS OF VIOLENCE



IMPROVING MENTAL HEALTH & WELLBEING



TACKLING CLIMATE CHANGE & ITS IMPACT ON HEALTH



GENDER EQUITY



INCREASING ACTIVE LIVING



PANEL RECOMMENDATION

ACHIEVEMENTS

Asset Management

There were many significant achievements within the asset management portfolio with the development of the Asset Plan, Asset Management Policy, Asset Management Strategy, and six key infrastructure category Asset Management Plans. The collection of asset documents provides an integrated document set dealing with the full quantum of major assets that the Council owns and manages.

The documents provide the strategic direction and focus for Council's management of assets and is prepared to assist in improving the way it delivers community services from the asset portfolio, which includes buildings, roads, bridges, pathways and footpaths, stormwater, and open space assets. The adopted Asset Plan is financially integrated with the Council Financial Plan as part of the Integrated Strategic Planning and Reporting process and outlines expenditure in line with maintaining current service levels from its asset base, with expenditure to support the 2050 Community Vision and Council Plan.

Infrastructure development

With steadily increasing residential development and strategic planning for new developments, Council has completed thousands of inspections and permit applications for new stormwater connections, roads, footpaths, drainage and other works.

Advocacy and works to improve road safety were ongoing including road safety audits for accident hot spots, and speed and traffic data collection on priority streets to inform future traffic management options.

Strategic work has also been undertaken to inform infrastructure improvements in flood prone areas including the Birregurra flood study.

Bridge Replacement – King Track – Chapple Vale

The old timber structure over Gellibrand River, Chapple Vale, was constructed around 1950 and has undergone numerous repairs to shore up the southern abutment, which was slowly collapsing. Council obtained a 50 per cent co-funding agreement with the Department of Infrastructure, Transport, Regional Development and Communications under the Federal Bridges Renewal Program and a significant contribution from a resident who relies on the structure for their farming operations.

The new bridge which opened in June 2022 has a design life of 100 years, has removed any load restrictions and provides improved access for emergency services local residents and road users.

Road reconstructions

A number of roads have been completely reconstructed or are in progress across the municipality. The completed roads are Forest Street, Colac, and Swan Marsh Stoneyford Road, Stoneyford. The projects still underway are Stewart Street in Colac, McLachlan Street, Apollo Bay, and Strachan Street, Birregurra. The works include pavement widening and reconstruction, kerb and channel, drainage improvements, line marking and signage. These projects have been funded by various government grants to the value of \$2.7m.

Environment Strategy 2010-2018 review

Officers undertook a detailed review of Council's Environment Strategy 2010-2018 which involved an examination of progress towards the 41 targets set and relevant achievements and highlights. The review was presented to Council in February 2022 and has been made publicly available.

The 2022-2030 Environment Strategy will build on strong environmental credentials and will be the Council's roadmap for delivering a sustainable natural and built environment for the community, providing a strategic framework for mitigating and adapting to a changing climate while delivering the relevant priorities in the Council Plan 2021-2025.

New online, interactive Lake Colac history and timeline

A timeline mapping the history of Lake Colac has been created to show key historical milestones, significant events and celebrations, lake level and other environmental information, as well as a record of how the lake and the immediate surroundings have been used by humans through history. The aim of the project is for the timeline to be interactive and ever-evolving as further information or source material becomes available and is shared with Council.

Environmental upgrades to Council buildings

Throughout 2019-2021 a range of energy efficiency upgrades were completed at Council facilities as part of the Local Government Energy Saver program. Co-funded by Sustainability Victoria, these upgrades included new heating, ventilation and air conditioning units at the performing arts centre, optimisation of building management systems, LED lighting retrofits and solar systems installed at Colac library and the Pound Road depot.

Emergency management and fire prevention

The Otway District Strategic Fire Management Plan 2021-24, which is a shared plan with Corangamite and Surf Coast Shire Councils, went through a refresh and update.

In September 2021, Council was informed that the Commonwealth Government had endorsed an expression of interest to take part in the Strengthening Telecommunications Against Natural Disasters program which was established to maintain telecommunications which may otherwise be cut off due to infrastructure damage or power loss. Satellite NBN connections were established at Barwon Downs, Beech Forest, Carlisle River, Forrest, Gellibrand, Wye River and Lavers Hill. A larger capacity connection was also established in Apollo Bay. These will now be incorporated into the ongoing community fire and emergency plans under development.

Closed landfill management

Council started work on recommendations from a risk assessment of seven of its former smaller landfill sites across the shire. Works will spread over the next two to three years, depending on findings, and include landfill gas and groundwater monitoring bore installation, scheduled testing of the new bores and development of aftercare management plans. The plans will outline the expected ongoing aftercare of the landfill sites.

Delivery of programmed works

All programmed and scheduled capital works were successfully delivered as well as a diverse range of projects across its parks and gardens, road maintenance, building and facility maintenance, waste management, fleet and workshop functions.

Highlights included:

- Grading of 1,065 km of gravel road surfaces and of associated drainage maintenance, tree pruning and roadside slashing
- Bi-annual footpath cleaning program in Colac and Apollo Bay
- Installation of green material storage, composting and essential irrigation for heritage listed trees at the Colac Botanic Gardens. Council also successfully relocated the Grey Headed Flying Fox from heritage listed trees to a more sustainable location in the gardens
- Delivery of stage 1 of the Kennett River wetlands maintenance and renewal works which included drainage and vegetation maintenance

CHALLENGES AND FUTURE OUTLOOK

Delivery of capital works

Council's delivery of capital works continues to be impacted by upward pressures on prices from strong demand, a tight labour market and capacity constraints in some sectors of the economy. Council, like many businesses faces financial

pressures that are generally outside of Council's control.

Climate change

The effects of climate change continue to have social and environmental impacts within the Colac Otway Shire including on current infrastructure. Flooding and landslip issues have ongoing implications for future planning and development. This, combined with continuous pressure for development along the coast, creates both environmental and service delivery challenges.

Fire risk

With the cooler and wetter La Niña climate, fire risk was lower than in previous years, but still present. The fire prevention inspection program issued 308 fire prevention notices with an overall compliance of over 90 per cent. After engagement with the owners, those properties that did not initially comply, subsequently did comply and no infringements were issued.

Emergency management and fire prevention

The *Emergency Management Legislation Amendment Act 2018* made changes to Council's responsibilities for the preparation and publication of the Municipal Emergency Management Plan from a Council prepared and owned document to one that is prepared by a broader, regionally-based committee. This committee is constituted by representatives of emergency response, relief and recovery agencies and community members and works in a collaborative manner that acknowledges and reflects the importance of community emergency management planning. The plan is due for revision during 2023 and will be updated in accordance with the Act and the new State Emergency Management Plan.

Asset portfolio

Council continues to have ongoing challenges with assets that are reaching the end of their useful life and the obligation to build new infrastructure that meets current standards, service requirements and future demand as population grows within the area. The establishment of Council's suite of Integrated Strategic Asset Plans will assist it in prioritising funding and engaging with the community to develop specific strategies to maintain assets needed in the future.

Managing task of monitoring on-site wastewater treatment

Council's health team is working through a program of audits of domestic on-site wastewater treatment systems in the regions declared water catchment areas under the Domestic Wastewater Management Plan. The environmental health team is continually

balancing audit responsibilities and ensuring we have a proactive education approach to compliance in accordance with the Domestic Wastewater Management Plan.

CONTINUOUS IMPROVEMENT INITIATIVES

















- Introduction of the GoodSort app and an A-Z waste materials guide to provide detailed information to assist householders in their contribution to waste management .
- Introducing iPad technology to record and monitor works by field staff resulting in improved and more efficient data collection.
- Upgrading field staff communication equipment in all vehicles including a duress alarm system and satellite mobile phone technology supporting efficiency of works and safety of staff.
- Boosting in-house building maintenance programs resulting in savings and other efficiencies for the benefit of tenants and users of Council facilities.













Performance

PRIORITIES AND INITIATIVES

The following reviews Council's performance against its 2021-22 Annual Plan actions. A 'Not applicable' indicates there was no 2021-22 action required.

2021-22 Major Initiative	Status	Progress comments
Facilitate the process of making additional residential land available		
Implementation of additional glass recycling kerbside collection In February 2020 the Victorian Government announced significant reforms to household recycling to ensure Victoria is well placed to transition to a circular economy, including introduction of a four-bin model to separate glass from co-mingled recycling.	 Kerbside glass collection  Transfer station upgrades	In November 2021 Council introduced a fourth bin for glass collection to all residents who receive the kerbside collection service. Since implementation 330 tonnes of glass has been collected and recycled.
2021-22 Annual Initiative/Action	Status	Progress comments
Deliver Council's Street Tree planting program to identified candidate streets 		Street tree planting was completed in 2021-22 in: <ul style="list-style-type: none"> • Manifold Street, Colac • Roadknight, Molesworth Streets, Birregurra • Township planting in Cressy • Western, Wallace Streets, Beac
Review and update (as required) emergency plans for emergency events and ensure Council is prepared to undertake its functions (eg, Council's Pandemic Plans) 		Review and update of emergency plans is ongoing. The Otway District Strategic Fire Management Plan, in collaboration with Corangamite and Surf Coast Shires, has been updated and endorsed by the Municipal Emergency Management Planning Committee.
Provide support and input to community sustainability projects such as the Apollo Bay Neighbourhood Battery Feasibility Study, the Geelong+ Community Solar Program and the BSW Community Power Hub and Small Business Energy Saver Program 		Council continues to support and provide input to community sustainability projects including the Apollo Bay Neighbourhood Battery Feasibility Study, the Geelong+ Community Solar Program and the Barwon South West Community Power Hub and Small Business Energy Saver Program. Officers have attended various project Advisory/Working Group meetings.
Complete scheduled capital works projects that address impacts from climate change and extreme weather events		Bass Crescent, Skenes Creek Outfall upgrade is complete, addressing coastal erosion and preventing further damage to the Great Ocean Road. Works completed to address a landslip on Morris Access, Skenes Creek North.
Establish and verify Council's net-zero emissions/carbon neutral status by participating in a not-for-profit, revegetation-based offsetting program 		The emissions inventory verification was completed in 2021-22 by a certified auditor for emissions produced by Council in the prior year. Council decided to defer the purchase of offsets to fully consider options and in July resolved to purchase certified offsets rather than not-for-profit revegetation based offsets (note that this resulted in a change to this outcome).
Conduct feasibility study into the opportunity to install electric heat pumps at Bluewater Leisure Centre to replace the existing gas heat pumps 		Feasibility study has been completed. Project not viable at this time and has been closed.
Explore membership of a regional greenhouse alliance		Council resolved to join the Barwon South West Climate Alliance in April 2022, for one year.
Support community initiated environmental projects through the Colac Otway Shire Grant Program 		Council's grants program assisted seven community groups and local businesses to undertake environmental projects in 2021-22. Projects included infrastructure energy efficiency upgrades, an organic composting system and community education workshops.

<p>Conduct detailed and targeted educational activities including bin audits, to educate the community in the correct sorting of household waste at the source</p> 		<p>Council's waste education program was undertaken with the delivery of the fourth glass-only collection bin to residents in November 2021. Key messages included:</p> <ul style="list-style-type: none"> • Separation of the glass from the co-mingled recycling into the glass-only bin • Food waste to be placed in the green (FOGO) organics bins • Use the GoodSort app to know how to be a good sort and to place items in the correct bin. <p>Bin audits were completed in November 2021 providing data to Council to inform the waste education program. Council introduced the GoodSort app to the community in November 2021. Residents can search waste materials to find out what bin it goes in and to date there are 2,500 users of this application.</p>
<p>Review the existing Environment Strategy and commence community and stakeholder consultation for the new Environment Strategy 2022-2030</p> 		<p>The review of the previous Environment Strategy was presented to Council in February 2022 and made publicly available. Community and stakeholder consultation for the new Environment Strategy 2022-2030 has commenced.</p>
<p>Deliver and support community and corporate environmental events (eg. National Tree Day, World Environment Day, Clean Up Australia Day)</p> 		<p>World Environment Day was marked by Council delivering an interactive environmentally themed event for local schools as part of COPACC's Education program. National Tree Day was supported in August 2021 with plantings in Apollo Bay. Council also ran one corporate clean up in Colac and a community Clean Up Australia Day event in Apollo Bay in 2022.</p>
<p>Coordinate and deliver annual pest plant and animal control programs across environmental reserves, road reserves and other council managed land</p>		<p>Council's annual pest plant and animal control programs across environmental reserves, road reserves and other Council-managed land were delivered.</p>
<p>Continue to implement year one actions from the Colac Otway Resource Recovery and Waste Management Strategy, including roll out of the Colac Otway Shire GoodSort app for residents</p> 		<p>Council also ran one corporate clean up in Colac and a community Clean Up Australia Day event in Apollo Bay in 2022.</p>
<p>Continue to identify opportunities to collaborate with regional partners, including Barwon Water and Barwon South West Waste Resource and Recovery Group</p> 		<p>Colac Otway Shire Council has collaborated with Barwon Water and the Barwon South West Waste Resource and Recovery Group throughout 2021-22 on waste, recycling and organics initiatives</p>
<p>Review Events Policy and include provisions for waste wise events</p> 		<p>The review of the Events Policy commenced.</p>
<p>Conduct detailed and targeted educational activities including bin audits, to educate the community in the correct sorting of household waste at the source</p> 		<p>As part of the waste and recycling education program, Council introduced and reinforced the use of kitchen caddy liners to encourage food waste in the green (FOGO) organics bins and reduce food waste to landfill. Council's bin audit program was completed in November 2021.</p>
<p>Introduce a fourth glass collection bin for the kerbside collection of glass, which will reduce the contamination of the current comingle stream</p> 		<p>Reducing contamination in the yellow recycling bins started in October, with the rollout of a fourth purple glass bin to 10,500 residents who receive a kerbside waste collection. The total glass collected in 2021-22 was 330 tonnes.</p>
<p>Research and present options for a hard waste service leading to trials</p> 		<p>Research was undertaken to assess options including assessment of comparative models from other LGAs for hard waste collection.</p>
<p>Ensure that identified road defects are rectified in accordance with settings in the Road Management Plan (RMP)</p>		<p>As per the RMP, all footpath and roads inspections have achieved 100 per cent compliance in the last 12 months. Defect rectification has achieved 89 per cent compliance in the past 12 months against 85 per cent as per the RMP.</p>
<p>Provide efficient and effective capital works delivery in line with agreed targets</p>		<p>Established Capital Work Program comprised new funds allocated through Council's budget and carry over projects, with a total amended budget of \$20.3 million. A total of \$12.6 million capital works was delivered in 2021-22 year.</p>
<p>Complete Council's Asset Plan</p> 		<p>Adopted by Council in June 2022.</p>

Progress towards Council Plan Objectives/Outcomes			
Desired Outcome	Contribution/Influence 2021-22	Indicators	Results 2021-22
We mitigate impacts to people and property arising from climate change	Council continues to mitigate the impacts of climate change to the community by programs relating to land use planning, urban greening, emergency management and building or retrofitting existing infrastructure to improve resilience to Climate Change.	Climate Change Action Plan completed by 2022	Environment Strategy review commenced in preparation for Action Plan to be delivered in 2023
		Number of trees planted in public spaces (open space and streetscape)	316
		Development of an urban cooling strategy and canopy target as part of the reviewed environmental strategy	Not applicable
		Review the quality of street trees and streetscapes when planting appropriate trees in the future	Not applicable
		Emergency Management Plan regularly reviewed	Not applicable. The Municipal Emergency Management Plan was updated in 2020 and is next due for review in 2023
		Community satisfaction with emergency and disaster management increases annually from the current result of 73 points	The result of 67 points is very similar to the Council's result of 68 points in 2020 and average for large rural shires of 66 points
		Upgrades completed in vulnerable locations	Not applicable
We operate sustainably with a reduced carbon footprint	Council continues to measure its corporate emissions and implement actions to reduce actual emissions, including purchase of more energy efficient vehicles and a new 100 per cent green powered electricity contract for Council operations. External influences in Council's achievement of net zero carbon emission include availability and cost of carbon offset opportunities and an emerging focus on domestic options.	Maintain Council's net zero carbon emissions and reduce dependence on carbon offsets through implementation of emission reduction projects	Prior year 2020-21 carbon emissions were audited and cost for offsets included in the 2021-22 budget
		Community satisfaction with environmental sustainability increases annually from current result of 62 points	The result of 58 points is lower than Council's result in 2020 of 54 points and similar to the average for large rural shires of 59
		Council has considered opportunities for regional partnerships in relation to climate change	In April Council resolved in to join the Barwon South West Climate Alliance for 2022-23
		Raised awareness of whole-of-community climate change mitigation/adaptation focused activities	Not applicable
		Reduction in CO2 emissions for Colac Otway	Not available
		Reduced waste to landfill, emissions and water usage in the community	Data not available
		Protect and enhance the natural environment	Council and partners continue to make contributions to protection of the natural environment through a number of programs including habitat restoration, revegetation, weed and pest animal control, and education and awareness programs. Extensive collaboration with, and support of, Landcare and other environmental groups in the region including coordination of and contributions to planting events and establishment of new environmental stewardship groups.
Number of community activities and education initiatives that promote stewardship of the natural environment	19 activities conducted for school children and youth Four events held to promote environmental stewardship to the wider community		
Connecting and supporting Landcare and environmental interest groups	Ongoing support was provided to these groups through the year		
Kilometres or hectares of roadside weed control conducted	Weed control completed for 774km of unsealed road and 500km of sealed roadside		

<p>We will satisfy the community's reasonable expectations to reduce waste going to landfill, increase resource recovery and minimise waste charges</p>	<p>Council and its regional partners continued to progress the implementation of waste service reforms in line with the Victorian Government's Recycling Victoria Policy, focusing on waste diversion and managing waste streams.</p>	<p>Community satisfaction survey (waste management components) (Score of 69 points in 2021)</p>	<p>The result of 67 points is slightly higher than Council's result of 65 points for 2020 and the average for large rural shires of 65 points</p>
	<p>In 2021-22 the Victorian Government's Waste authority was established and accordingly the Barwon South West Waste and Resource Recovery Group concluded on 30 June 2022 after providing many years of support and guidance to Councils in the region.</p>	<p>Waste management charges</p>	<p>Not applicable</p>
		<p>Percentage of organics waste diverted from landfill stream and composted</p>	<p>35 per cent</p>
		<p>Percentage of contamination in recycling stream</p>	<p>16 per cent</p>
		<p>Percentage of glass diverted</p>	<p>8 per cent</p>
		<p>Hard waste trial conducted, evaluated and recommendations made to Council</p>	<p>Recommendations for a hard waste service provided to Councillor Briefing session in March 2022. Hard waste trial scheduled for 2022-23</p>
<p>Provide and maintain an attractive and safe built environment</p>	<p>Council's ongoing capital works, which are largely renewing existing assets, ensures that the safety and amenity of public places and spaces is incorporated into its approach to infrastructure provision. This comes at increasing cost as standards and expectations continue to lift.</p> <p>COVID-19 impacted the delivery of Council's Capital Works Program including delays for delivery of materials, industry costs increasing due to demand, limited availability of suitable contractors.</p>	<p>Community satisfaction with sealed roads increases annually from current result of 53 points</p>	<p>The result of 47 per cent is slightly higher than Council's 2020 result of 44 points and the average for large rural shires of 45 points</p>
	<p>Community satisfaction with unsealed roads increases annually from current result of 44</p>	<p>The result of 37 is slightly higher than the average for large rural shires of 45 points and Council's result of 44 points in 2020</p>	
	<p>Development of a Road Safety Strategy</p>	<p>Not applicable</p>	
	<p>Road safety funding attracted and priority improvements implemented</p>	<p>\$370,712 secured across two projects</p>	
	<p>Road Management Plan compliance 100 per cent</p>	<p>Not achieved</p>	
	<p>Complete 85 per cent or more of capital projects annually against allocated budget</p>	<p>Capital works delivery was 62 per cent against amended budget</p>	
	<p>Greater than 85 per cent of renewal work for sealed and unsealed roads annually</p>	<p>Completion of 94 per cent of projects associated with the renewal of sealed and unsealed roads for 2021-22 was achieved</p>	
	<p>Asset Management Plans completed</p>	<p>Asset Management Plans for six major infrastructure classes were completed (buildings, roads, bridges, pathways, stormwater, open space and recreation)</p>	
	<p>Capital funding allocated annually in accordance with levels identified in AMPs</p>	<p>Not applicable</p>	
	<p>Landscape Guidelines for developers completed</p>	<p>Not applicable</p>	
<p>Conditions relating to quality landscape, open space, streetscape and urban design outcomes developed and enforced</p>	<p>Not available</p>		

Theme 3

Healthy and Inclusive Community

INTRODUCTION

This chapter outlines Council's performance against the key themes and objectives in the Council Plan.

It provides:

- Key service descriptions, highlights and key challenges
- Service statistics
- Progress in relation to major initiatives identified in the Budget
- Progress in relation to initiatives and actions in the Annual Plan 2021-22
- Progress towards the strategic objectives/outcomes in the Council Plan as per the indicators in that document.

The strategic objectives aligned to this theme are:

- All people have the opportunity to achieve and thrive in the shire
- People are active and socially connected through engaging quality spaces and places
- We are a safe, equitable and inclusive community.

Measuring Council's performance against the key themes and objectives in the Council Plan



Complete and/or business as usual



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



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

Consistent with the Council Plan, Annual Plan Actions that contribute to the achievement of priority health and wellbeing areas are colour coded with a corresponding infographic, as outlined below:



PREVENTING ALL FORMS OF VIOLENCE



IMPROVING MENTAL HEALTH & WELLBEING



TACKLING CLIMATE CHANGE & ITS IMPACT ON HEALTH



GENDER EQUITY



INCREASING ACTIVE LIVING



PANEL RECOMMENDATION

ACHIEVEMENTS

Recreation reserve oval lighting upgrades

Council was successful in receiving Victorian Government funding to upgrade the sports oval lighting to AFL match standard at Birregurra, Alvie, Irrewillipe, Warrowie (Irrewarra) and Gellibrand recreation reserves. Works at two of the reserves are almost complete with Birregurra and Irrewarra football participants now training under the new lights. The new lighting at the remaining sites will be completed in time for the 2023 football season.

Colac city reserves planning project

Council was successful in receiving \$30,000 funding from the Victorian Government under the 2020-2021 Local Sports Infrastructure Fund Planning category to undertake master planning for four main Colac city reserves: Eastern Reserve, Western Reserve, Lake Oval Colac Cricket Ground and Central Reserve.

For the past 12 months, officers have worked with consultants, key stakeholders and user groups to develop draft master plans to guide future development at each reserve. This work is also supported by the development of a principles-based planning framework to prioritise future work not just across these reserves, but all reserves within the Colac Otway Shire.

Embracing the regional library

Through a strong partnership with the Corangamite and Geelong library corporations Council made a smooth transition to the new library service provider. Colac Otway community members now have access to a significantly larger physical and e-collection of titles as well as a great variety of innovative programs delivered through the network of participating libraries. Information about the work and achievements of the Geelong Regional Library Corporation can be found in their Annual Report 2021-22 <https://protect-au.mimecast.com/s/JN1SCyojB5U9wZvcZ8tRv?domain=grlc.vic.gov.au> <https://www.grlc.vic.gov.au/sites/default/files/GRLC%20Annual%20Report%202021-22.pdf>

Youth programs

The youth of Colac Otway gained a new voice with Council securing funding under Engage! Victoria, FReeZA and VicHealth to deliver a range of youth engagement services across the shire. Coupled with Stephanie Alexander Kitchen Garden Foundation's decision to establish an advisor in Colac and Headspace's progress towards establishing a new base in Colac, young people will have new avenues to engage and provide input into services that matter to them.

CHALLENGES AND FUTURE OUTLOOK

Demand for home care packages continuing to grow

Demand for home care packages is at 160 customers and is expected to continue to grow into 2022-23. Council continues to be a preferred provider due to trust in Council's highly trained community care workers. This is reflected in the 2022 Community Satisfaction Survey result for the range of elderly support services, where ratings remain strong at 69 points and are higher than the average for other large rural councils at 65 points.

Council must also ensure its operations anticipate the timing of the proposed reforms and amalgamations of regional assessment services, Commonwealth home support program and home care packages.

Baby boom

Birth notifications increased 14.3 per cent in the 2021-22 financial year, with Colac Otway recording 239 new babies, up from 209 the previous year. The largest percentage increase in birth notifications received was from the Wye River, Separation Creek, Apollo Bay to Johanna region. The maternal and child health team remains focussed on achieving high levels of engagement with families amid the ongoing challenges posed by COVID-19 as well as a year of high birth notifications. To achieve this, the team employs a range of flexible approaches including clinics in various local towns as well as home visits.

Early childhood education reform

Newly announced early childhood education reform, which includes access to 30 hours of four-year-old kindergarten, offers exciting opportunities for Council in addition to challenges. The Victorian Government is assembling a taskforce to support the rollout of the new reforms, which will require significant investment in new kindergarten infrastructure across Victoria, including in Colac Otway Shire.

Reconciliation Action Plan

Council is preparing a Reconciliation Action Plan as part of its commitment to stronger partnerships with the local indigenous community. The first phase of the project has involved strong cross-organisational staff involvement and the next phase involves engagement with the Eastern Maar Aboriginal Corporation.

Local sporting clubs

Local sporting clubs are still feeling the effects of disrupted seasons due to the COVID-19 pandemic and restrictions, with reduced participant and

volunteer numbers and opportunities to raise revenue for club operations. Throughout the pandemic Council worked closely with clubs to assist them to comply with the changing community safety measures. Now that community sport has resumed, Council's focus has returned to making ongoing improvements to infrastructure planning and provision to ensure local clubs have solid foundations on which to rebuild their memberships and participation.

Bluewater Leisure Centre closure during pandemic

Bluewater Leisure Centre was closed for a total of 80 days in the 2021-22 financial year and, when open, the centre was frequently operating with patron limits due to health orders. The Centre lost some experienced staff due to closures and minimal availability of work, resulting in ongoing rostering challenges. As COVID-19 recovery continues, patronage is expected to continue to improve alongside increases in active recreation in the community.

CONTINUOUS IMPROVEMENT INITIATIVES

- Council's family and children's services team has utilised its existing Harmony software to modernise its interactions with family day care clients. The software enables the contactless logging of children into and out of care via a mobile device, which provides both efficiencies and safeguards against COVID-19 exposure. The software also offers a portal for parents to view their children's learning journals, developmental progress and milestone achievements, and photographs of their children in care.
- All maternal and child health nurses enrolled in the Royal Children's Hospital's paediatric health education program as part of their professional development. The program offers monthly online webinars to enhance their practice as nurses, with modules including common infant rashes, the unwell child, developmental hip dysplasia and more.
- In partnership with the Colac Secondary College and the Geelong Regional Library Corporation, Council has upgraded the Colac library's meeting rooms so that they offer online conferencing.
























Performance

PRIORITIES AND INITIATIVES

The following reviews Council’s performance against its 2021-22 Annual Plan actions. A ‘Not applicable’ indicates there was no 2021-22 action required.

2021-22 Major Initiative	Status	Progress comments
Facilitate the process of making additional residential land available		
<p>Implementation of the transition from Corangamite to Geelong Regional Library Corporation</p> <p>Council resolved to transition to the Geelong Regional Library Corporation on 1 July 2021. GRLC offers a range of enhanced services to the community including a large collection of more than 400,000 items and specialist programs for children and adults.</p>		Library service successfully transitioned to the Geelong Regional Library Corporation on 1 July 2021.
<p>Construction of Apollo Bay Early Years Hub</p> <p>The construction of this new facility is the result of a partnership between the Victorian Government and Council. Council’s financial contribution of \$500k supports new MCH consulting spaces and an allocation to get the building ready to take children, with fixtures and fittings such as window coverings, and the costs associated with getting the building licenced for operation.</p>		Construction of the Apollo Bay Early Years Hub complete and kindergarten and Maternal and Child Health services successfully transitioned into new facility at the Apollo Bay P-12 College site. Kindergarten services commenced in the facility in February 2022, supported by the new two-room, 66-place kindergarten, co-located with Maternal and Child Health services.
2021-22 Annual Initiative/Action	Status	Progress comments
<p>Deliver Small Business Digital Transformation project</p>		Consultants appointed and delivering both the Digital Infrastructure Capacity and Gap Analysis and the Small Business Digital Literacy Program. 26 local businesses are undertaking the program.
<p>Deliver the Colac Otway Careers/Jobs Fair</p> <p></p>		The Careers Fair was delivered with 34 local businesses, more than 400 school pupils and 50 members of the public attending.
<p>Continue to work towards securing long-term childcare solutions for Apollo Bay and Colac</p> <p></p>		Discussions are ongoing with key stakeholders to investigate ways to ensure ongoing, secure childcare is available to Apollo Bay and district residents. A new private childcare development in Colac is expected to open in 2022-23.
<p>Complete Early Years Infrastructure Plan to guide facility maintenance and investment decisions across the shire</p> <p></p>		The Early Years Infrastructure Plan is in draft. The Victorian Government’s policy announcement for 30 hours of four-year-old kindergarten to all Victorian children within the next 10 years will require further consideration on future infrastructure provision. The Victorian Government will take a lead role in assessing capacity via a review of the Kindergarten Infrastructure and Services Plan.
<p>Work with service providers, P-12 College and community to transition the Apollo Bay Preschool into new Apollo Bay Early Years Hub</p> <p></p>		Completed. Kindergarten and Maternal and Child Health services have settled into the new facility very well, and families have responded positively to the new space.
<p>Partner with other community organisations within Colac Otway Shire and boarding Aged Care and Disability services to enhance relationships with the community in building high quality and accessible service delivery to the home and community</p>		Regular meetings have been established with key partners, and relationships with other agencies established and further developed. The partnership will move into the next phase as aged care services go through changes in 2023.
<p>Construction of a shared pedestrian and cycling path along the Great Ocean Road north of Cawood Street, Apollo Bay</p> <p></p>		Project progressing, with construction of a pathway from Cawood Street through to Milford Street programmed for completion in 2022-23 financial year.

<p>Upgrade the shared path along the Barongarook Creek, Colac</p> 		<p>Project has been completed which provides an accessible shared pathway from Murray Street to Lake Colac.</p>
<p>Complete upgrades to Memorial Square Playspace and Cororooke Open Space</p> 	 <p>Colac</p>  <p>Cororooke</p>	<p>The Memorial Square Playspace was officially opened in May 2022 and has been extremely well received by the community.</p> <p>Cororooke Open Space playspace installation and civil work is scheduled to commence in second half of 2022.</p>
<p>Secure land on the former Colac High School site for future public open space</p>		<p>Council has formally acquired the 2.4 hectares at the north end of the site (the donated component of the land) and has received the contract of sale for the additional two hectares that Council is purchasing. Acquisition to be completed in first quarter 2022-23.</p>
<p>Complete masterplans with four city reserves (Eastern Reserve, Western Reserve, Lake Oval and Central Reserve) to provide direction for facility upgrades and improvements</p> 		<p>Draft City Reserves Masterplan was developed in consultation with various user groups in preparation for exhibition and adoption in 2022-23.</p>
<p>Implement oval lighting upgrades at five sporting reserves, being Alvie, Birregurra, Gellibrand, Irrewillipe and Warrowie recreation reserves</p> 		<p>Birregurra and Warrowie lighting upgrades complete, and light towers in place at Irrewillipe, with power upgrade to take place in mid-2022. Alvie and Gellibrand upgrades will happen in the second quarter of 2022-23 as they are dependent on Powercor programming power upgrades.</p>
<p>Develop and implement the Gender Equality Plan</p> 		<p>The Gender Equality Action Plan (GEAP) was approved by 31 March 2022 in accordance with the Gender Equality Act 2020 and implementation has commenced. The GEAP was submitted successfully to the Commission for Gender Equality in the Public Sector by 31 March 2022 and the Commission has advised that the Plan is compliant with the requirements of the Act.</p>
<p>Support Colac Area Health's advocacy for a Headspace facility in Colac</p> 		<p>Strong partnerships have been forged between Council and headspace Colac, with collaboration underway to establish a joint Youth Advisory Group</p>
<p>Conduct an EOI for a private operator to open a café facility in Bluewater that provides healthy eating options</p>		<p>A draft Expression of Interest has been developed and is to be issued in 2022-23.</p>
<p>Conduct community consultation to understand community views and perceptions on the future of Council's Australia Day Events</p>		<p>Community consultation was undertaken and engagement results presented to the October 2021 Council meeting. Council determined to conduct its Community Awards on a date other than Australia Day.</p>
<p>Complete Reflect Action Plan in partnership with local Aboriginal community, ensuring it includes a specific section for the early years</p> 		<p>Cross-functional Reconciliation Action Plan (RAP) working group established and developing a plan to deliver on the Reflect level of RAP. It is anticipated the RAP will be completed in 2022-23 and will include strong input from the local Indigenous community. A successful Reconciliation Week Event delivered as part of Council's commitment to reconciliation.</p>
<p>Commence a campaign to highlight the positive aspects of Council's compliance activities</p>		<p>An audit of the main compliance issues has been done with the Local Laws team, as well as a web review. Compliance letters have been reviewed to improve messages including support for people experiencing financial issues.</p>
<p>Raise awareness about gender equity by displaying flags in Murray Street as part of the 16 Days of Activism Against Gender-Based Violence, and partner with other agencies to support events during this period</p> 		<p>Council secured a grant to purchase flags to display in Murray Street as part of the 16 Days of Activism Against Gender-Based Violence. The flags went on display during November and December 2021 and were accompanied by awareness raising and publicity to promote discussion about gender equity in the community. Council also partnered with Colac Area Health to support a community walk and event.</p>

Progress towards Council Plan Objectives/Outcomes			
Desired Outcome	Contribution/Influence 2021-22	Indicators	Results 2021-22
All people have the opportunity to achieve and thrive in the shire	<p>COVID-19 has continued to impact the community's ability to engage and stay connected with ongoing lockdowns experienced in late 2021. As pandemic restrictions lifted in 2022, new ways of working, schooling and socialising were introduced that continue to influence peoples' behaviours and confidence. Workforce and accommodation challenges across the nation have also impacted workforce access locally. Health services and early childhood workers are particularly scarce and access to key workers will continue to have an influence on the desired outcome of a thriving community</p> <p>A further influence on connected and active communities is the ability to attract and retain volunteers which has been challenging in recent years.</p>	Reduced youth unemployment rate	Relevant 2021 census data unavailable until October 2022
		Reduced total unemployment rate	Relevant 2021 census data unavailable until October 2022
		Links facilitated between employers and educators to ensure workforce skills meet community needs	Workshops with school career advisers and local employment agencies and further education providers held
		Increase Year 12 or equivalent completion rate to at least the Victorian average (43.5 per cent as at the 2016 census)	2021: 43.2 per cent for Colac Otway (Census 2021 ABS)
		Funding for early years infrastructure secured (\$)	Funding secured: Shade sail replacement Wydinia Kindergarten \$14,457 Colac East Kindergarten bathroom upgrade \$137,300 Wydinla Kindergarten bathroom upgrade \$100,900
		Increased childcare options/availability	One additional Family Day Care educator recruited
		Partner with agencies to decrease 23.3 per cent children developmentally vulnerable in one or more domain	2018: 23.3 per cent 2021: 20.2 per cent
		Increase in 3 and 4-year-old kindergarten participation rates	99.6 per cent (2018 Australian Early Development Census) 96.4 per cent (2021 Australian Early Development Census)
		Community satisfaction for Family Support Services increases annually from current result of 70 points	67 points
		Community satisfaction for Elderly Support Services increases annually from current result of 69 points	This remains one of Council's highest rated services and with a result 69 points is higher rated than the average for large rural shires of 64 points
Participation rates in Maternal and Child Health checks	75.83 per cent (2021-22)		

<p>People are active and socially connected through engaging quality spaces and places</p>	<p>Funding programs continue to support Council in its provision of quality spaces and places, notably the new accessible Playspace at Memorial Square, which was acknowledged at the Parks and Leisure Australia awards and has greatly enhanced Colac's premier public open space.</p> <p>COVID-19 directions, including lockdowns and density restrictions, resulted in COPACC and Bluewater Leisure Centre in Colac being closed or operating with greatly reduced availability through 2021-22- which reduced the community's opportunities to be active and connect at these facilities. This was partially offset by the return of outdoor events, and the community enjoyed events such as Summer Mild and return of the Arts Trail.</p>	<p>New or upgraded priority footpath, trail and cycling connections and improvements delivered annually (metres)</p>	<p>3314 metres of new or upgraded pathways were completed in 2021-22</p>
	<p>Review strategic footpath plans for Apollo Bay and Colac</p>	<p>Not applicable</p>	
	<p>Council-managed open space provision aligns with standards for development outlined in the Public Open Space Strategy</p>	<p>Not applicable</p>	
	<p>Colac Otway Playspace Strategy developed and adopted</p>	<p>Not applicable</p>	
	<p>Community satisfaction for recreation facilities increases annually from current result of 72%</p>	<p>The result of 66 points is the same as the average of large rural shires and slightly higher than Council's result of 64 points in 2020</p>	
	<p>Community satisfaction for arts, centres and libraries increases annually from current result of 72 points</p>	<p>The result of 69 points is the same as the average for large rural shires and slightly higher than Council's result of 64 points in 2020</p>	
	<p>Increased participation rates at libraries; and increased visitation to COPACC programs</p>	<p>11.98 per cent active library borrowers per capita.</p> <p>27.32 per cent average audience attendance at COPACC shows. This was impacted by COVID-19 venue capacity restrictions.</p>	
	<p>All new and upgraded Council facilities are universally accessible</p>	<p>Achieved</p>	
	<p>Community satisfaction for appearance of public spaces increases annually from current result of 69 points</p>	<p>69 points</p>	
	<p>Perceptions of safety during the day greater than 97.6 per cent and after dark greater than 65.5 per cent</p>	<p>Not available</p>	
	<p>Increased visitation and memberships at Bluewater Leisure Centre and Apollo Bay Aquatic Centre</p>	<p>Total visitation of over 80,000 at Bluewater Leisure Centre. Visitation has decreased due to COVID-19 impacts such as closures and restrictions</p> <p>Total visitation of 6,326 at Apollo Bay Aquatic Centre</p>	
	<p>Level of community grants funding directed to projects that encourage physical activity</p>	<p>\$67,138 funded across 15 projects</p>	
	<p>Gender Equality Plan for Council adopted and implemented</p>	<p>The Gender Equality Action Plan (GEAP) was approved by 31 March 2022 in accordance with the <i>Gender Equality Act 2020</i>. The GEAP is compliant with the requirements of the Act and implementation has commenced.</p>	
<p>New and upgraded community facilities accommodate gender neutral design principles</p>	<p>Not applicable</p>		
<p>Community facility fees and charges structures encourage facility users to embrace gender equity</p>	<p>Not applicable</p>		

<p>We are a safe, equitable and inclusive community</p> <p>Treaty continues to progress across Victoria and there is an ongoing effort to integrate the voice and aspirations of Traditional Owners in the planning and delivery of projects and works on Country. Housing and accommodation pressures create challenges in ensuring equity of access to basic needs for some in the region and this will influence government policy and funding. Cost of living pressures will also influence community life.</p>	<p>Accessibility of services that lead to reduced rates of: Suicide and self-inflicted injuries (101 per 100,000 people) Psychological distress (20.3 per cent) Anxiety or depression (31.7 per cent)</p>	<p>People reporting high to very high levels of psychological distress rates reduced in 2020 to 18.5 per cent. Other measures not surveyed in 2020 Victorian Population Health Survey (VPHS) at a Local Government level.</p>
	<p>Reduced rates of diet-related chronic disease</p>	<p>Not surveyed in 2020 Victorian Population Health Survey (VPHS) at a Local Government level</p>
	<p>Community facility fees and charges structures encourage facility users to embrace healthy eating, reduced tobacco, alcohol and other drug use</p>	<p>Not available</p>
	<p>Increased partnerships and advocacy with relevant organisations</p>	<p>Not available</p>
	<p>Greater than 45 per cent of residents' support multiculturalism as measured by Department of Health data</p>	<p>60.1 per cent (2020 Victorian Population Health Survey)</p>
	<p>Contribute to greater than 57 per cent of residents feel valued by society</p>	<p>Not available</p>
	<p>Key council documents and communications are provided in accessible formats and multiple languages</p>	<p>Not available</p>
	<p>Increase in number of community events that celebrate diversity</p>	<p>Not available</p>
	<p>Reflect level Reconciliation Action Plan delivered by 2022</p>	<p>Reconciliation Action Plan in early draft form, with next step being engagement with Eastern Maar Aboriginal Corporation</p>
	<p>Community satisfaction for enforcement and local laws increases annually from current result of 67 points</p>	<p>64 points</p>
	<p>Local Law reviewed by 2023</p>	<p>Not applicable</p>
	<p>Decrease family violence incident rates</p>	<p>Not available</p>
<p>Gambling Policy developed for inclusion in the planning scheme</p>	<p>Not applicable</p>	

Theme 4

Strong Leadership and Management

INTRODUCTION

This chapter outlines Council's performance against the key themes and objectives in the Council Plan.




It provides:

- Key service descriptions, highlights and key challenges
- Service statistics
- Progress in relation to major initiatives identified in the Budget
- Progress in relation to initiatives and actions in the Annual Plan 2021-22
- Progress towards the strategic objectives/outcomes in the Council Plan as per the indicators in that document.

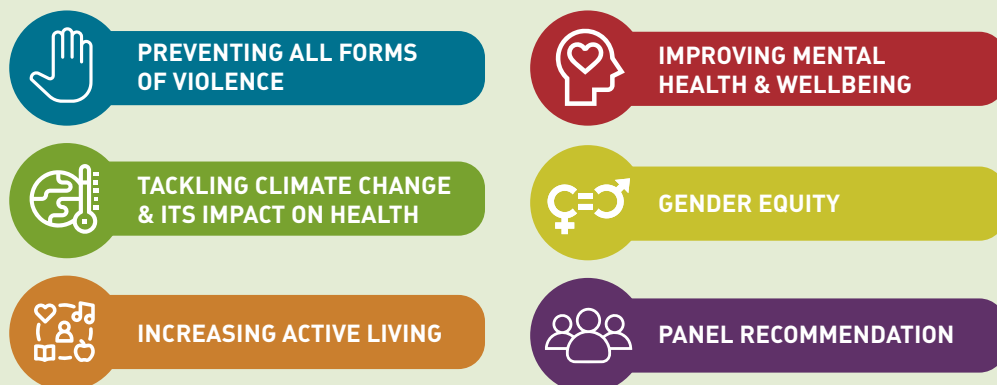
The strategic objectives aligned to this theme are:

- We commit to a program of best practice and continuous improvement
- We are a financially robust organisation
- We provide exceptional customer service
- We support and invest in people.

Measuring Council's performance against the key themes and objectives in the Council Plan

-  Complete and/or business as usual
-  Complete with further priorities (i.e. stage two of project) in the Council Plan- 2021-2025
-  Carry over with ongoing priorities in the Council Plan 2021-2025

Consistent with the Council Plan, Annual Plan Actions that contribute to the achievement of priority health and wellbeing areas are colour coded with a corresponding infographic, as outlined below:



KEY ACHIEVEMENTS

Cloud phone system

The recent ICT project implementation of a cloud-based phone system has eliminated the dependency on internal on-premise telephony infrastructure. This ensures that Council staff can operate the fixed line phone system from anywhere which allows for business continuity and more efficient flexible working arrangements. This cloud system is protected by highly secure data centres with several layers of redundancy and encryption to reduce cyber risk.

Implementation of online animal registration service

The new e-service online animal registration forms allow more efficient management of the registration of new animals and the re-registration of existing animals. Previously customers would need to process registrations in person at the Council offices or via mail and they now have the option of conducting this business at their own convenience.

Risk Management

Risk Management has a high organisational profile, reinforced by a corporate risk register which is managed by staff within a specialist risk management software program and monitored by Council's executive management team and Audit and Risk Committee. 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.

In 2021, Council's executive began a review of Council's strategic risk register and, through this process, a comprehensive strategic risk register of 18 revised items reflective of current and emerging risks specific to Colac Otway Shire was developed.

Business Continuity

In 2020, Council began an independent review of its business continuity framework, taking the opportunity to capture and apply learnings from the COVID-19 pandemic to further mature its response to business disruption. Council's approach towards this project has been a collaborative one, combining business continuity planning with various aspects of emergency management planning, most critically the planning of resourcing of key staff during an emergency.

In addition to the ongoing work required to maintain accurate and effective business continuity practices, work will continue into 2022-23 to finalise this project and embed a strong foundation for continuous improvement.

Insuring risk

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

In order to test the current insurance market and ensure good corporate governance, cost effectiveness and adequacy of cover and services, Council conducted a tender for its insurance broking and risk management services in 2021. The outcome of this tender identified cost savings for Council while maintaining the same levels of insurance cover.

Digitisation of Customer Service functions

Council continued to identify innovative, digital means of customer service. Considerable progress has been made to deliver online services such as forms, payments and requests that are accessible to all in the community.

The 2022-23 financial year will be an exciting time for the Customer Service team with a project to be undertaken to implement a new customer relations management system. With a customer experience focus for the whole organisation this will provide enhanced systems to support the customer service function and management of customer interactions.

Environmental leadership

The purchase of 100 per cent Greenpower from 1 July 2020 has had a considerable impact on organisational emissions in 2020-21, significantly reducing Council's greenhouse gas emissions. Efficiency upgrades and COVID-19 lockdowns reduced energy consumption from utility consumption by seven per cent compared to 2019-20. The leadership has delivered significant performance improvements across the whole of Council operations as outlined below:

- **Buildings**
Council's purchase of 100 per cent Greenpower removes the emissions attributable to buildings. Electricity consumption at Council buildings fell by 14 per cent due to energy efficiency improvements and COVID-19 shutdowns. In particular, electricity use at the Pound Road Depot fell by 93 per cent compared with 2019-20, largely due to the 30kW solar system installed in early 2020.
- **Streetlights**
Street and public lighting is also emissions-free due to the purchase of Greenpower. Streetlight electricity consumption overall fell nine per cent in 2020-21, due largely 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 one per cent in fleet emissions during 2020-21. Fuel card diesel was down 28 per cent due to COVID-19 restrictions on staff travel, however bulk diesel was up 27 per cent 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.

- **Water**

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

CHALLENGES AND FUTURE OUTLOOK

Information services

Two key challenges face provision of information services in Council. The first is the risk and evolving nature of cyber-attacks and the second is pandemic related delays due to supply constraints for information technology and audio-visual hardware equipment.

The upcoming Customer Request Management project is designed to efficiently manage service requests. Integration with other core council systems will allow for seamless customer service and performance monitoring across all Council operations. In addition, Council is pursuing an intranet upgrade which will provide improved functionality and performance, utilising enterprise-grade, modern content management system technology and architecture which will improve communication, reduce manual tasks and drive higher performance.

Delivery of workforce strategies

The employment landscape post COVID-19 lockdowns, vaccine mandates, hybrid working arrangements and employee burnout will deliver challenges for Council. The competition for talent has increased with job seekers looking for positions that offer flexible working arrangements.

Council is looking forward to embedding the strategic plans developed in 2021-22 that will enhance the organisation's culture and working

environment. The negotiation of a new Enterprise Agreement will provide further opportunities to place Colac Otway as a contemporary workplace. These combined strategies will seek to address the employment market challenges, increase diversity and position Council as an employer of choice.

Occupational Health and Safety

Colac Otway health and safety committee meetings are held on a quarterly basis for each division which is attended by the relevant General Manager, Managers and health and safety representatives. Health and safety representatives across the organisation received regular training and were empowered to become more actively involved in promoting a positive and action focused organisational safety culture.

In response to an increase in occupational violence and aggression related incidents reported in 2021 and the proposed Victorian OHS Amendment (Psychological Health) Regulations, particular focus was given to providing staff with skills in conflict resolution. Customised workshops provided specific tools and strategies that can be used to resolve issues early and prevent interactions from escalating. This training will continue into 2022-23, with priority given to those staff most at risk. Just as with all other incidents and injuries, these particular incidents are actively reported and investigated in order to track trends and proactively facilitate the implementation of corrective actions and preventative control measures.

There were seven WorkCover claims in 2020-21, the same number as the previous year, although psychological injuries accounted for more than half of these claims. Council has developed a toolkit which aims to tailor the way these injuries are managed, including a return to work plan template specifically designed for psychological injuries. This template is also designed as a preventative tool to plan for 'stay at work' arrangements with staff who may be impacted by psychological stressors inside or outside the organisation.

Continuous improvement initiatives

- Upgrade of the electronic document record management system to the latest supported version to ensure continuation of legislative compliance against public records requirements.
- To further tighten cyber security controls to reduce cyber risk, the Information Communications Technology team migrated and upgraded to a new hybrid cloud email service.
- Ongoing training for staff to improve cyber awareness and information management enabling hybrid workforce flexibility.










- Following the roll-out of the new organisational values and behaviours in 2020-21, Council launched the ShoutOut application to provide a platform where all smart phone users can access the Council designated portal to recognise, acknowledge and thank staff publicly for positive behaviour and actions that strengthen organisational, team and community relationships. It also provides an alternative means of communication (other than email) that both office and non-office-based staff can access.
- Boosting in-house building maintenance programs resulting in savings and other efficiencies for the benefit of tenants and users of Council facilities.








Performance

PRIORITIES AND INITIATIVES

The following reviews Council's performance against its 2021-22 Annual Plan actions. A 'Not applicable' indicates there was no 2021-22 action required.

2021-22 Major Initiative	Status	Progress comments
Facilitate the process of making additional residential land available		
<p>Service review of Colac Regional Saleyards</p> <p>The saleyards industry has changed substantially in recent years including a move from some farmers to sell directly to abattoir and online sales. Colac Regional Saleyards has seen a decline in throughput in recent years, largely due to an overall decrease in local stock volumes. A full service review is required to ensure that Council is managing the asset and its operations in line with current best practice, with consideration of future strategic priorities.</p>		<p>Council was unable to commence service reviews in 2021-22 due to a range of challenges that meant focus was directed to other financial matters such as the establishment of its first Financial Plan under the <i>Local Government Act 2020</i>.</p> <p>Despite not commencing the service reviews as planned, the organisation continued to find financial savings as part of its budget development and incorporated these into business processes.</p>
<p>Development of Asset Management Plans</p> <p>As a requirement of the <i>Local Government Act 2020</i>, Council is preparing a suite of Asset Plans for adoption prior to July 2022. These plans will include an Asset Management Strategy and Asset Management Plans for six major asset classes: bridges, roads, footpaths, stormwater/drainage, open space and buildings. Preparation of the plans involves collection of up-to-date condition data, a preliminary review of service levels and demand, and community consultation. The Asset Management Plans will inform the long-term financial plan.</p>		<p>Council finalised asset management plans for its six largest infrastructure groups, and these informed the development of an overarching Asset Plan as required under the <i>Local Government Act 2020</i>.</p> <p>The development of the Asset Plan was concurrent with the development of Council's 2022-23 budget, providing the opportunity to integrate these documents. The Financial Plan will be updated annually to incorporate asset renewal funding and commitments.</p>
2021-22 Annual Initiative/Action	Status	Progress comments
Upgrade to a modern cloud-based phone system for access to enhanced features, improving reliability, security, scalability and accessibility from anywhere, including during an emergency, while delivering a seamless customer experience		The upgrade to modern cloud-based phone system project has been implemented.
Investigate and scope further cyber security and data protection measures to provide continued protection and compliance for council systems		Transition to the new cloud email service includes extra cyber-security using multi factor authentication technology. Cyber Security and Data Protection measures are scoped and investigated regularly and are now part of operational activities.
Upgrade conference rooms to modern meeting technology		Global supply chain issues acquiring new audio visual equipment since the COVID-19 pandemic has delayed this project which is deferred to the 2022-23 financial year for completion.
Develop online process to submit new animal registrations (cats and dogs) through Council's website		The online animal registration facility project has been implemented and was made available to the public in August 2021.
Develop online process to submit 'Request forms' through Council's website		The online 'Submit a Request Form' has been developed and is now available on Council's website.
Develop online process for Public Event Permit applications		Commenced in March 2022, but the implementation was delayed due to competing priorities.
Deliver an online self-assessment tool for small business to establish their permit requirements through the Better Approval process		An online small business permit self-assessment tool went live on Council's website in September 2021.

Theme 4

Introduce customer survey for planning and building related services		A survey was introduced in March 2022 for completion by planning permit applicants upon the issue of a decision on planning permit applications.
Prepare a report on expanding the scope of applications suitable for VicSmart approval		Council has worked with the Department of Environment Land Water and Planning (DELWP) to review the potential of expanding the range of planning permit applications that could be assessed as VicSmart (with a more streamlined approval pathway). This work will be completed late in 2022 and implemented by a planning scheme amendment.
Conduct a service review of Colac Regional Saleyards		Not commenced
Conduct a service review of services and operations		Not commenced
Capital Funds allocation and prioritisation policies adopted		Draft policies exhibited, yet to be finalised.
Review Revenue and Rating Policy		Adopted by Council in April 2022.
Review Council's Investment Policy		Not commenced due to other priorities. Scheduled to commence in 2022-23.
Development of online forms and payment options to deliver accessible customer services for all customers		Customers are now able to use online payment facilities to pay rates, debtor invoices, infringements, new animal registration and registration renewals. The 'Submit a Request' form allows customers to report on more than 30 Council services.
Development and implementation of Customer Service Charter		Development of a Customer Service Charter has commenced but will not be finalised until 2022-23 to allow the implementation of the new Customer Experience Officer role to oversee this process.
Undertake engagement with coastal communities to better understand factors that contribute to perceptions of Council's performance		Scheduled to commence in 2022-23
Commence the development of the organisation's purpose with engagement at the team level 		Scheduled to commence in 2022-23
Review Council's safety programs against best practice using the National Audit Tool		The People and Culture team will lead the development of a strategic Health and Safety Program which will identify gaps against the National Audit Tool and implementation of a new corporate safety system.
Implement the actions of the Prevention of sexual harassment plan   		The majority of the actions outlined in the prevention of sexual harassment plan have been completed and final actions will be completed in 2022.
Investment in leadership programs across the organisation to create internal pathways for career progression, development and succession planning  		The Senior Leadership Team commenced in a Leadership Program in the second half of 2021. The program was designed to identify and support individual professional development. This forms the basis of further strategic leadership development in 2022.
Develop a Workforce Plan  		The Workforce Plan was finalised and approved by the Chief Executive Officer in December 2021.
Deliver training to Council staff to improve Council's community engagement practices in line with the Community Engagement Policy and Framework		Training for 23 staff took place in May 2022.

Progress towards Council Plan Objectives/Outcomes			
Desired Outcome	Contribution/Influence 2021-22	Indicators	Results 2021-22
We commit to a program of best practice and continuous improvement	<p>The organisation is committed to reviewing the way it seeks feedback on its services, and to drive improvement in customer experience through the engagement of a staff member to help facilitate this culture.</p> <p>Council's Complaints Policy is an important part of Council's improvement program as it gives first-hand insight into the customers' experiences. More work needs to be done to ensure that this policy is understood and used effectively.</p>	Community satisfaction for Council's overall performance increases annually from current result of 63 points	Council's overall performance of 56 points was very similar to the average of other large rural shires. The lift in performance in 2021 has not been replicated and this year's result is very similar to Council's result in 2020 of 55 points.
		Number of services that can be accessed by customers online	Not available
		Community satisfaction for Planning and Building services greater than 50 points by 2025	Community satisfaction with these services remains lower than the average of 46 points for and surveys indicate that time and complexity of applications are issues that contribute to this result
		85 per cent of planning applications, and 100 per cent of VicSmart applications determined in 60 days	74 per cent of applications (and 100 per cent of VicSmart applications) determined in 60 statutory days
		Conduct at least two service reviews annually and implement decisions made by Council, with a view to saving at least \$250,000 per year	These two service reviews were put on hold while other financial and operational priorities were addressed and will be undertaken in 2022-23
We are a financially robust organisation	<p>Council's Financial Plan sets out a 10-year financial outlook based on the 30 June 2021 position. The Plan demonstrates that we cannot sustain the current level of service and project delivery. Major influences over Council's financial position are its constrained ability to generate greater revenue due to Victorian Government policies, cost of living pressures and appetite to ask for greater contribution from users. Matters influencing Council's expenses include the number of services delivered to a dispersed community, and external impacts on costs such as CPI, regulatory requirements and market increases.</p>	Asset Management Policy reviewed to address asset decommissioning and divestment	Draft policy endorsed for exhibition. Decommissioning and divestment is part of separate Asset Disposal Policy.
		Asset Management Strategy and Plans adopted	Completed
		Asset Management Plans include strategic service planning recommendations	Completed
		Capital Funds allocation and prioritisation policies adopted	Drafts exhibited
		Agreed audit recommendations are implemented within defined timelines	Not applicable
		Rolling internal audit program implemented	Completed
		Reduced subsidy ratio for Council businesses (airports, saleyards, COPACC, Bluewater and Visitor Information Centres)	Not applicable
		Deliver 10-year Financial Plan	Completed
		VAGO LGPRF financial sustainability measures	<p>Expenses per head of population: \$2,726.65</p> <p>Infrastructure per head of population: \$17,967.21</p> <p>Population density per length of road: 13.20</p> <p>Own source revenue per head of population: \$1,919.00</p> <p>Recurrent grants per head of population: \$653.40</p> <p>Relative Socio-Economic Disadvantage: 3</p> <p>Percentage of staff turnover: 23.15 per cent</p>

We provide exceptional customer service	The Customer Service team has made significant progress in standardising internal systems and processing to ensure consistency of service delivery. This has consisted of strengthening relationships across the organisation to increase the ability of the team to service customers at the first point of contact. The team continues to develop digital solutions for customer's transactions and improving accessibility and wait times.	Community satisfaction for Customer Service increases annually from current result of 69 points	The result of 63 points is lower than the average result of other large rural shires of 67 points and returns to the same result Council achieved in 2020. Six in ten residents provide a positive customer service rating of 'very good' or 'good'
		Seek to understand factors contributing to the community's perception of Council's performance in Apollo Bay and surrounds	Not commenced
We support and invest in people	The development of the organisation's first Gender Equality Action Plan and Workforce Plan, and their action plans, provide clear deliverables to guide the organisation in its support and development of its employees. The implementation of these plans, with the commencement of enterprise agreement negotiations, enabled the setting of attraction and retention strategies. During the COVID-19 pandemic, priority was given to the implementation of appropriate health and wellbeing strategies for physical and psychological health, supporting flexible work arrangements, including work from home arrangements and ensuring business continuity strategies were implemented.	Employee satisfaction and engagement	Not available
		Delivery of targets and measures as outlined in the OHS Strategic Plan	The 2021-23 Occupational Health and Safety Plan was implemented outlining new objectives. Progress was made on the action items and now forms part of the organisation review of safety systems and processes.
		Attraction and retention of skilled workforce	The Workforce Plan identified a comprehensive action plan to respond to the attraction and retention challenges. This underpinned the strategy for the enterprise agreement negotiations to ensure Council works towards an employer of choice and market competitiveness.
		Number of secondments within the organisation	There were four formal internal secondments
		Number of internal promotions	There were 135 formal higher duties appointments
		Number of hours of training	In the absence of resources, due to long term illness, this manual task has not been undertaken in this period
		Number of traineeships/ apprenticeships	There are four traineeships and three apprenticeships.
		Development of a Workforce Plan	Completed
		Community satisfaction for Consultation and Engagement increases annually from current result of 60 points	53 points
		Rolling program of Community Conversations implemented	Not applicable
		Number of decisions made in closed Council meetings	2.27 per cent
		Community satisfaction for Council's community decision making increases annually from 58 point	53 points
Compliance with Public Transparency Policy	Achieved		

Democratic Governance

DEMOCRATIC GOVERNANCE

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 improvement are 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 or
- By Council officers under delegated authority. The Chief Executive Officer 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.

RELATIONSHIP BETWEEN COUNCIL AND THE EXECUTIVE

The Chief Executive Officer 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 Leadership

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's Code of Conduct was revised and adopted by Council on 27 April 2022. The Code outlines the principles of good governance, guides Councillors' behaviour, accountability and provides for dispute resolution processes between Councillors. The Code is available on Council's website.

KEY HIGHLIGHTS OF THE YEAR

Throughout 2021-22 we have continued to work on the implementation of the *Local Government Act 2020*. As at 30 June 2022, all the required policies and procedures designed to align with the new Act are now in place. Some of the key strategic documents adopted during the financial year included the 2050 Community Vision, Council's 2021-25 Council Plan (incorporating the Municipal Health and Wellbeing Plan), Council's Financial Plan 2021-22 to 2030-31 and Asset Plan 2022-23 to 2031-32.

Council also conducted a 12-month review of its Governance Rules, Public Transparency Policy and Councillor Code of Conduct all of which were subject to public consultation.

Council livestreamed its first Council meeting from The Project Space in Nelson Street, Apollo Bay on 20 April 2022.

To enable the community to have greater access to Council's decision-making processes, Council has continued to live-stream Council and Planning Committee meetings, allowing the public to view these meetings online and participate in real-time.

CONFLICT OF INTEREST

Councillors are elected by their communities to make decisions in the best interests of the municipality. 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 2021-22, Councillors disclosed six conflicts of interest during Council meetings and one conflict of interest at a Planning Committee meeting, guidance and support and to discuss status and critical issues.

COUNCILLOR ATTENDANCE AT MEETINGS

COUNCILLOR	Colac Otway Shire Council meetings (total 17)	Planning Committee meetings (total 9)	Submissions Committee Meetings (total 3)	Chief Executive Officer Employment Matters Committee (total 2)
Kate Hanson Mayor	17	9	3	2
Graham Costin Deputy Mayor	17	9	3	2
Jamie Bell	17	8	3	1
Stephen Hart	17	9	3	2
Joe McCracken	17	8	2	1
Chris Potter	17	9	3	2
Margaret White	15	9	1	2

COUNCILLOR SUPPORT AND REMUNERATION

The Council Expenses Policy provides a broad overview of how the Council assists and supports 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 and councillor expenses for the reporting period 2021-22.

COUNCILLOR	Allowance (including superannuation)	Travel	Car Mileage Expenses	Childcare Expenses	Information and Communications Technology Expenses	Conference and Training Expenses	Total
Kate Hanson (Mayor)	\$92,065.56	\$1,799.17	-	-	\$406.42	\$1,397.25	\$95,668.40
Graham Costin (Deputy Mayor)	\$39,280.96	\$2,419.06	\$2,851.00	-	\$537.01	\$2,082.74	\$47,170.77
Jamie Bell	\$29,602.30	-	-	-	\$534.70	-	\$30,137.00
Stephen Hart	\$29,523.02	\$137.00	\$2,602.09	-	\$341.05	\$184.09	\$32,787.25
Joe McCracken	\$29,602.30	-	-	-	\$534.97	-	\$30,137.27
Chris Potter	\$29,556.46	\$896.92	\$545.25	-	\$535.94	\$1,534.68	\$33,069.25
Margaret White	\$29,602.30	-	-	-	\$534.73	\$247.73	\$30,384.76

APPOINTMENTS TO COMMITTEES AND EXTERNAL ORGANISATIONS

The *Local Government Act 2020* acknowledges the need for various committees to enable Council to conduct its business effectively. Council has Councillor and officer representation on a number of committees associated with a variety of interests. This includes managing Council owned or managed facilities, advising Council on issues and representing Council views on regional and state-wide matters.

As at 24 November 2022, the current Councillor appointments to committees is detailed in the table below.

COMMITTEE	COUNCILLOR REPRESENTATIVE/S
Committees Established by Council / Colac Otway Shire	
Audit and Risk Committee	Cr Graham Costin Cr Margaret White
Central Reserve Advisory Committee	Cr Chris Potter
Colac Municipal Aerodrome Advisory Committee	Cr Joe McCracken
Colac Regional Saleyards Advisory Committee	Cr Jamie Bell
Friends of the Colac Botanic Gardens Advisory Committee	Cr Margaret White
Lake Colac Co-ordinating Committee	Cr Jamie Bell Cr Margaret White
Apollo Bay Harbour Precinct Redevelopment Project Control Group	Mayor, Cr Kate Hanson Cr Graham Costin
City Deals Project – Colac Otway Shire Executive Steering Committee	Cr Stephen Hart
COPACC Trust	Cr Joe McCracken Cr Margaret White
Mooleric Road Quarry Consultative Committee	Cr Jamie Bell
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
Weeds Consultative Committee	Cr Jamie Bell
External Committees and other bodies	
Australian Local Government Association (ALGA)	Cr Chris Potter
Barwon South West Waste and Resource Recovery Local Government Forum	Cr Graham Costin
Colac Community Library and Learning Centre Joint Use Committee	Cr Stephen Hart
Colac Road Safety Group	Cr Chris Potter
Geelong Regional Library Corporation	Cr Stephen Hart
G21 Board	Mayor, Cr Kate Hanson
Lavers Hill Swimming Pool Committee of Management	Cr Stephen Hart
Municipal Association of Victoria	Cr Stephen Hart
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
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	Cr Graham Costin
G21 Pillar Membership – Sports and Recreation	Cr Chris Potter
G21 Pillar Membership – Transportation	Cr Jamie Bell

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 2021-22:

- Colac Otway Shire Resource Recovery and Waste Management Strategy
- Asset Accounting Policy
- Colac Otway Social Housing Plan
- 2050 Community Vision
- Council Plan 2021-2025 (incorporating the Municipal Health and Wellbeing Plan)
- 2021-22 Annual Plan
- Financial Plan 2021-31
- G21 and AFL Barwon Towards 2030 Strategy
- Rates Assistance to Community Groups Policy
- Chief Executive Officer Employment and Remuneration Policy
- Environmental Sustainability Policy
- Communications Policy
- Development Plan Overlay - Jennings Street Colac
- Domestic Animal Management Plan 2021-25
- Planning Scheme Amendment C118cola - Colac Commercial Areas
- Amendment C119cola - Erosions Management Overlay Review
- 2022-25 Rating Strategy
- Councillor Code of Conduct

- Governance Rules
- Asset Management Strategy
- Colac Otway Shire Asset Plan 2022-23 to 2031-32
- 2022-23 Annual Plan
- Birregurra Flood and Drainage Strategy 2021
- Amendment C116cola
- Community Engagement Policy
- Committees Policy.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee 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 Audit and Risk Committee assists the Council and management by providing advice and guidance on the adequacy of initiatives 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 and Risk Committee meets five times in an annual cycle.

AUDIT AND RISK COMMITTEE MEMBERS

The Audit and Risk Committee comprises two Councillors and three independent members.

The maximum term of an independent member is three terms of three years, or nine years. Councillor appointments to the Audit and Risk Committee are reviewed in November each year.

In 2021-22, the independent members were:

- Brian Keane (Chair)
- Richard Trigg
- Melissa Field (commenced December 2021).

Former Chair, Mike Said, retired from the Audit and Risk Committee in December 2021 (having reached the nine year term permitted under the Audit and Risk Committee Charter).

Brian Keane BEc, FCPA first appointed from December 2018 and Chair from December 2021

Over 40 years' experience in Banking, Finance and Information Services, including over 25 years in executive management roles in both private and public sector companies. Now focused on providing expertise in these areas, especially in strategic risk and governance. Leadership roles in many transformation initiatives have provided experiences that assist in identifying good business practice and strategic opportunities.

Richard Trigg appointed from December 2020

Richard has more 40 years involvement with the Accounting profession in tax, business management and audit, including as partner of a large chartered accounting firm so he is well equipped to contribute to the leadership and governance of Council through the Audit and Risk Committee. Richard also spent 15 years in Local Government including positions

as Finance Manager, Director Corporate Services and Acting CEO, providing valuable insight into the role that the Audit & Risk Committee plays in local government.

Melissa Field, B. Comm, MBA, CA appointed from December 2021

Over 30 years commercial and financial experience, including 15 years in Big 4 Chartered Accounting firms. Melissa is an established independent governance professional. She has held Independent Non-Executive Director and Chair roles in multiple organisations and industries including privately held and publicly held multinational IT services, national Not for Profit organisations and state government bodies. She is also an experienced Audit and Risk Committee Chair, having held this role in private company, public company, not for profit and local government settings. Her passion is using the levers of governance to add value to all stakeholders.

ATTENDEE	Role	11 Aug 21	8 Set 21	8 Dec 21	9 Feb 22	25 May 22
Mike Said	Chairperson	✓	✓	Not a member	Not a member	Not a member
Brian Keane	Chairperson (from December 2021)	✓	✓	✓	✓	✓
Richard Trigg	Independent member	✓	✓	✓	✓	✓
Melissa Field	Independent member	Not a member	Not a member	✓	✓	✓
Councillor Stephen Hart	Independent member	✓	✓	* Not a member	* Not a member	* Not a member
Councillor Graham Costin	Councillor representative	✓	✓	✓	✓	✓
Councillor Margaret White	Councillor representative	** Not a member	** Not a member	✓	✓	✓

* Councillor Stephen Hart did not renominate as the Council representative on the Audit and Risk Committee in November 2021

** Council appointed Councillor Margaret White to the Audit and Risk Committee on 24 November 2021.

INTERNAL AUDIT

Council's internal audit service assists in maintaining robust, relevant and effective internal controls. Crowe has provided internal audit services under contract since July 2017, with the contract ending on 31 July 2022. On 29 June 2022, Council appointed Moore Australia Pty Ltd to deliver internal audit services for an initial term of two years, with three one year options to extend.

EXTERNAL AUDIT

The Victorian Auditor-General's Office is responsible for external audit. It focuses on three key areas: strategic planning, detailed audit system testing and financial statements.

OUTCOMES 2021-22

- Development of the Audit and Risk Committee annual work plan.
- Review and endorsement of the financial and performance statements.
- Review end of year financial management.
- Review of audit scopes, reports and recommendations of internal audit projects.
- Review of strategic and operational risks.

Corporate Governance

LEADERSHIP OF THE ORGANISATION

The Chief Executive Officer, Anne Howard, 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 are committed to ensuring that governance practices are accountable, transparent and fair, and that we act with honesty and integrity in operations and decisions. 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

COMMUNITY VISION

In October 2021, Council adopted its 2050 Community Vision following an extensive community engagement process and work by a representative Community Panel. The work of officers in preparing reports for Council decision is guided by the input of the community as articulated in the Community Vision and the Council Plan.

COUNCIL PLAN

The Council Plan 2021-2025, was developed following extensive community consultation. It is a high-level strategic document responding to the issues faced by the community and sets the goals, key strategic activities and performance indicators over a four-year period.

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 Audit and Risk Committee. 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 Audit and 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.

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

BUSINESS CONTINUITY

Recognising the importance of continuous improvement, Council conducted 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 beyond and incorporate invaluable learnings and operational efficiencies triggered by the events of the current global pandemic, such as the trend to remote working.

LEGISLATIVE COMPLIANCE

Council has responsibilities under a wide range of Victorian and Commonwealth legislation. The following information is provided in accordance with legislative and other requirements.

BENEFICIAL ENTERPRISES

In accordance with section 111 of the *Local Government Act 2020*, Council is required to report on the operations and performance of each beneficial enterprise in its annual report. The Geelong Regional Library Corporation is preparing its Annual Report concurrently with member councils and therefore a report on its operations is not available at this time. Once the Corporations' Annual Report is finalised it will be available on its website and Council will advise the community of its publication via the Council website.

PUBLICLY AVAILABLE DOCUMENTS

Council is required to make available for public inspection the following documents where they are not already on Council's website. These documents can be viewed at the Colac Otway Shire Offices at 2-6 Rae Street, Colac from 8.30am to 5pm Monday to Friday:

- Local laws
- Summary of personal interest returns
- Summary of election campaign donation returns
- A differential rate (if declared by Council) for any land
- Strategic and corporate documents
- Agendas and minutes for Council meetings and Delegated Committee meetings
- Audit and Risk Committee Charter and details of committee members
- Councillors and Delegated Committee Members Expenses, Resources and Support Policy
- CEO Employment and Remuneration Policy
- Recruitment Policy
- Community Engagement Policy
- Public Transparency Policy
- Governance Rules (including Election Period Policy)
- Complaints Handling Policy
- Procurement Policy
- Councillor and Staff Gift Policy
- Councillor Code of Conduct
- A register of delegations made under section 11 and 47 of the *Local Government Act 2020*
- A register of authorised officers appointed under section 224 of the *Local Government Act 1989*

- Other documents listed in Council's adopted Public Transparency Policy.

ACCESS, EQUITY AND INCLUSION PLAN

Council established its Access, Equity and Inclusion Plan in 2015 for a ten-year period. No specific actions were specified for the 2021-22 financial year however Council has continued to integrate universal access design principles into its infrastructure projects. Council also continues to deliver personal and home support services to people with disabilities through the Older Persons and Ability Support Services.

DOMESTIC MANAGEMENT ANIMAL PLAN

In accordance with section 68A of the *Domestic Animals Act 1994*, Council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report.

Council adopted the Domestic Animal Management Plan 2021-25 in December 2021. The new Plan was developed in consultation with various departments and was exhibited for a six week public consultation period from 27 September 2021.

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. No Ministerial Directions were received by Council during 2021-22.

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 requests must be made in writing and be accompanied by an application fee (\$31.10 in 2021-22 and indexed annually). For further information visit Council's website.

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 2021-22.

There were ten FOI requests received in 2021-22.

PRIVACY AND DATA PROTECTION ACT 2014

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 Council's website.

No complaints from regulatory bodies were received in 2021-22.

PUBLIC INTEREST DISCLOSURE ACT 2012

The Colac Otway Shire is committed to the aims and objectives of the *Public Interest Disclosures Act 2012*. 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.

Disclosures may be made by any person including a member, officer or employee of Colac Otway Shire. A copy of the Public Interest Disclosures Policy is available from Council's website.

During 2021-22 no disclosures were notified to the Independent Broad-based Anti-Corruption Commission.

ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

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 2021-22.

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, 55 complaints were recorded in the Complaints Register. The complaint handling process has been completed for 46 of these, with nine still in progress. Summary statistics for the 2021-22 complaints data are as follows:

- The average time to complete the complaints handling process was 24.6 days*. Council's standard for resolving complaints is within 28 days.
- For the finalised complaints:
 - » 46 per cent of the complaints were upheld, 15 per cent were partially upheld and 39 per cent were not upheld.
 - » Six of the complaints registered resulted in the recommendation for improvements in service delivery.
 - » 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 was set at the day the analysis was undertaken for the items that were not finalised.

Governance and Management Checklist

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

Governance and management items	Assessment	
Community engagement policy (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. Date of adoption: 29 June 2022	✓
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation. Date of adoption: 3 February 2021	✓
Financial Plan (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. Date of adoption: 27 October 2021	✓
Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act. Date of adoption: 29 June 2021	✓
Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act. Date of adoption: 24 June 2021	✓
Annual budget (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)	Adopted in accordance with section 94 of the Act. Date of adoption: 29 June 2022	✓
Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of commencement of current policy: 24 October 2018	✓
Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of commencement of current policy: 27 May 2020	✓
Municipal emergency management plan (plan under section 60ABD of the <i>Emergency Management Act 2013</i> for emergency mitigation, response and recovery)	In accordance with section 60ABD of the <i>Emergency Management Act 2013</i> Date of adoption: 30 October 2018	✓
Procurement policy (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)	Policy Date of commencement of current policy: 24 June 2021	✓

Governance and management items	Assessment	
Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation: 21 February 2018 Critical Incident Management Plan: 21 February 2018 <i>(Currently under review)</i>	✓
Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of commencement of current plan: 10 February 2021	✓
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of commencement of current framework: 2 March 2016 <i>(currently under review)</i>	✓
Audit and Risk Committee (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 August 2020	✓
Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider: 1 August 2017 <i>(New Internal Auditor appointed 29 June 2022, commences 1 August 2022)</i>	✓
Performance reporting framework (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>)	Framework Date of adoption of current framework: 28 July 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. 25 August 2021 Q1. 24 November 2021 Q2. 23 February 2022 Q3. 25 May 2022	✓
Financial reporting (quarterly statements to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	Dates statements presented: Q4. 25 August 2021 Q1. 24 November 2021 Q2. 23 February 2022 Q3. 25 May 2022	✓
Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 11 August 2021 10 February 2022	✓

Governance and management items	Assessment	
Performance reporting (six-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the <i>Local Government Act 2020</i>)	Only one performance report was prepared as part of the Annual Report. Reason: While quarterly reports on progress against the Council Plan have been presented to Council, measurement against the performance indicators referred to in section 98 of the has only been conducted annually.	X
Annual report (annual report under sections 98, 99 and 100 of the <i>Local Government Act 2020</i> containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 100 of the Act. Date presented: 15 December 2021	✓
Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters.)	Adopted in accordance with section 139 of the Act. Date reviewed and adopted: 27 April 2022	✓
Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act. Dates of most recent reviews: Council to Chief Executive Officer: 24 June 2021 Council to Planning Committee: 27 October 2021 Council to members of staff: 29 June 2022	✓
Meeting procedures (Governance rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Date reviewed and adopted: 27 April 2022	✓

I certify that this information presents fairly the status of Council's governance and management arrangements.

Anne Howard
Chief Executive Officer
Dated: 12 October 2022

Cr Kate Hanson
Mayor
Dated: 12 October 2022

Performance Statement

For the year ended 30 June 2022

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.

The municipality offers a great lifestyle, being ideally located for those looking for a rural idyll within a comfortable commuting distance to major centres.

The five major industry sectors include:

- Manufacturing
- Healthcare and Social Assistance
- Agriculture, Forestry & Fishing
- Retail Trade
- Tourism

Colac Otway Shire Council provides many 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' budget.

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.



Amanda Barber CPA

Principal Accounting Officer

Dated: 12 October 2022

In our opinion, the accompanying performance statement of the Colac Otway Shire Council for the year ended 30 June 2022 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 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 2020* to certify this performance statement in its final form.



Cr Margaret White

Councillor

Dated: 12 October 2022



Cr Graham Costin

Councillor

Dated: 12 October 2022



Anne Howard

Chief Executive Officer

Dated: 12 October 2022

Independent Auditor’s Report

To the Councillors of Colac Otway Shire Council

Opinion I have audited the accompanying performance statement of Colac Otway Shire Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2022
- sustainable capacity indicators for the year ended 30 June 2022
- service performance indicators for the year ended 30 June 2022
- financial performance indicators for the year ended 30 June 2022
- other information and
- certification of the performance statement.

In my opinion, the performance statement of Colac Otway Shire Council in respect of the year ended 30 June 2022 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020*.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor’s Responsibilities for the Audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Councillors' responsibilities for the performance statement The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the performance statement

As required by the *Audit Act 1994*, 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. 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 the 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.

MELBOURNE
18 October 2022



Travis Derricott
as delegate for the Auditor-General of Victoria

Sustainable Capacity Indicators

For the year ended 30 June 2022

<i>Indicator / measure</i> [formula]	Results				Comment
	2019	2020	2021	2022	
Population					
<i>Expenses per head of municipal population</i>	\$2,539.11	\$2,577.70	\$2,527.05	\$2,726.65	Council's expenses have grown over recent years, while the municipal population has remained relatively stable by comparison. This is forecast to continue until more housing becomes available and population growth occurs.
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$13,558.14	\$15,319.07	\$15,917.69	\$17,967.21	An asset revaluation (and indexation) was completed in 2021-22 for Land and Building assets, which resulted in a net revaluation increment. Council also reviewed and indexed the fair value of other infrastructure asset classes and a net increment resulted across the majority of asset classes. This is consistent with what is observed in many other councils and organisations that have also been impacted by the construction industry market.
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>	13.20	13.28	13.34	13.20	Council continues to observe minimal variation in this indicator as both the road network and overall population remain relatively stable.
[Municipal population / Kilometres of local roads]					

<i>Indicator / measure</i> [formula]	Results				Comment
	2019	2020	2021	2022	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i>	\$1,777.87	\$1,797.15	\$2,019.76	\$1,919.00	This indicator has returned to a level that is closer to Councils' previous level. The 2021-22 result is also closer to the average of other similar councils and the prior year (2020-21) may have been a minor anomaly.
[Own-source revenue / Municipal population]					
Recurrent grants					
<i>Recurrent grants per head of municipal population</i>	\$596.29	\$560.47	\$557.80	\$653.40	The fluctuation in this indicator is primarily the result of timing of the Federal Assistance funding allocations to Victorian councils. 75% of 2022/23 funding allocation was received in advance in 2021/22, which increased from 50% received in advance in 2020/21.
[Recurrent grants / Municipal population]					
Disadvantage					
<i>Relative socio-economic disadvantage</i>	3.00	3.00	3.00	3.00	No variation in this indicator has been observed over recent years and the Colac Otway community continues to experience significant socio-economic disadvantage in some parts of the community, while other parts do well and prosper.
[Index of Relative Socio-economic Disadvantage by decile]					
Workforce turnover					
<i>Percentage of staff turnover</i>	17.3%	11.2%	12.0%	23.1%	Council's turnover rate in 2021-22 was notably higher than prior years and higher than the average Victorian mobility rate. Workforce movement has largely resulted from natural attrition being retirements and employees taking advantage of the tight job market that is providing various job and career advancement opportunities. Employees are reevaluating their working arrangements and making adjustments following the changing employment landscape as a result of the pandemic (eg. Working closer to home and remote working arrangements).
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100					

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 above

"infrastructure" means non-current property, plant and equipment excluding land

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

"population" means the resident population estimated by council

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

For the year ended 30 June 2022

Service / indicator / measure	Results				Comment
	2019	2020	2021	2022	
Aquatic facilities					
Utilisation					
Utilisation of aquatic facilities	4.60	5.17	1.68	1.73	Council's aquatic facility was closed for 80 days and operated under restrictions for much of 2021-22, resulting in lower visitation.
[Number of visits to aquatic facilities / Municipal population]					
Animal management					
Health and safety					
Animal management prosecutions	New in 2020	100%	100%	0%	There were no animal prosecutions during the 2021-22 financial year.
[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100					
Food safety					
Health and safety					
Critical and major non-compliance outcome notifications	94.74%	97.50%	90.00%	88.89%	A change in staff resulted in one major follow up inspection being missed.
[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					
Governance					
Satisfaction					

Service / indicator / measure	Results				Comment
	2019	2020	2021	2022	
<i>Satisfaction with council decisions</i>	52.00	50.00	58.00	53.00	
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					The 2021-22 score for this indicator has decreased by five points and returns to scores similar to previous years.
Libraries					
Participation					This is the first full year with the Geelong Regional Library Corporation.
<i>Active library borrowers in municipality</i>	14.99%	15.45%	0.00%	3.98%	
[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100					
Maternal and child health					
Participation					
<i>Participation in the MCH service</i>	74.44%	55.23%	75.83%	75.84%	Participation remains consistent with prior years despite COVID-19 restrictions.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
Participation					
<i>Participation in the MCH service by Aboriginal children</i>	58.33%	55.26%	72.00%	79.63%	The increase can in part be attributed to active engagement by MCH Nurses and New Beginnings Project.
[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					
Roads					
Satisfaction					
<i>Satisfaction with sealed local roads</i>	42	44	53	47	The 2021-22 score for this indicator has returned to levels similar to years before 2020-21.

Service / indicator / measure	Results				Comment
	2019	2020	2021	2022	
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					
Statutory Planning					
Decision making					
<i>Council planning decisions upheld at VCAT</i>	0.00%	50.00%	0.00%	100.00%	One decision was varied by VCAT, and remaining Tribunal decisions are pending.
[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					
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>	52.06%	60.38%	57.53%	55.44%	Council received 200 tonnes less organics than 2020-21, contributing to lower diversion levels
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

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 borrower" 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 section 98 of the Act

"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

"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

Financial Performance Indicators

For the year ended 30 June 2022

Dimension / indicator / measure	Results					Forecasts			Material Variations and Comments
	2019	2020	2021	2022	2023	2024	2025	2026	
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i>	\$3,546.50	\$3,609.44	\$3,500.5	\$3,668.96	\$3,501.19	\$3,529.44	\$3,576.81	\$3,626.50	Council's average expenses per property have been relatively stable over recent year. Council-funded expenses per property assessment are forecast to remain relatively stable in future years, however external funding availability may result in some variability.
[Total expenses / Number of property assessments]									
Revenue level									
<i>Average rate per property assessment</i>	New in 2020	\$1,811.10	\$1,827.60	\$1,831.50	\$1,872.69	\$1,915.63	\$1,968.31	\$2,022.06	The average rate per property assessment has had minimal variation over recent years, however some individual ratepayers are experiencing significant variation to previous rates as a result of the large increases in the property market over the last year or two. Increases will be reduced from 20X5 following the introduction of rate capping in that year
[General rates and Municipal charges / Number of property assessments]									

Dimension / indicator / measure	Results					Forecasts				Material Variations and Comments	
	2019	2020	2021	2022	2023	2024	2025	2026			
Liquidity											
Working capital											
Current assets compared to current liabilities	204.46%	178.40%	189.73%	187.14%	147.91%	165.64%	180.07%	198.78%			Working capital ratio has decreased slightly compared to 2020-21 due to conditional unspent grants and trust funds included in current liabilities. This indicator is forecast to continually decline as Council's expenses continue to exceed its ability to increase its revenue.
[Current assets / Current liabilities] x100											
Unrestricted cash											
Unrestricted cash compared to current liabilities	119.98%	104.93%	93.11%	-16.72%	71.62%	127.40%	141.78%	159.98%			Council continues to experience (and forecast) an overall deterioration in this indicator. The underlying cause is that the cost of delivering Council's services is not balanced by its capacity to generate revenue and this disparity grows each year. Additionally, the 2021-22 indicator has reduced significantly due to a material increase in conditional unspent grants and trust funds included in current liabilities (\$1.4m which is \$5.2m higher than prior year). These liabilities are funded separately from restricted cash rather than unrestricted cash.
[Unrestricted cash / Current liabilities] x100											

Dimension / indicator / measure	Results					Forecasts				Material Variations and Comments	
	2019	2020	2021	2022		2023	2024	2025	2026		
Obligations											
Loans and borrowings											
<i>Loans and borrowings compared to rates</i>	8.92%	3.27%	2.31%	1.81%		1.13%	0.74%	0.36%	0.00%		This indicator has improved in 2021-22 due to a loan being fully redeemed. Council has approved a new borrowing of \$380k in June 2023 in the 2022/23 Budget to spread the final payments of the former loan over a further two years.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100											
Loans and borrowings											
<i>Loans and borrowings repayments compared to rates</i>	2.71%	5.74%	1.06%	0.55%		1.86%	0.38%	0.37%	0.36%		This indicator has improved in 2021-22 due to a loan being fully redeemed. Council has approved a new borrowing of \$380k in the 2022-23 Budget to spread the final payments of the former loan over a further two years.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100											
Indebtedness											
<i>Non-current liabilities compared to own source revenue</i>	23.52%	27.14%	16.12%	11.86%		14.23%	13.68%	12.93%	12.50%		Non-current liabilities reduced by 2.15m in 2021-22 due to payout of two way radio leases, no long term borrowing commitments at 30 June 2022, and a reduction in the landfill rehabilitation provision based on higher forecast inflation and discount rates applied per the Local Government Better Practice model.
[Non-current liabilities / Own source revenue] x100											

Dimension / indicator / measure	Results					Forecasts					Material Variations and Comments	
	2019	2020	2021	2022		2023	2024	2025	2026			
Asset renewal and upgrade												
Asset renewal and upgrade compared to depreciation	New in 2020	108.81%	97.61%	105.27%		109.93%	81.21%	84.02%	86.93%			In 2021-22 this indicator is higher than the prior year, reflecting the 13% increase in delivery of the capital works program. This is expected to also increase in 2022-23 due to capital projects that have been carried forward but this level of renewal may not be sustained if funding is limited, noting also that Council's depreciation is increasing at a greater rate than its funding and expenditure.
[Asset renewal and upgrade expense / Asset depreciation] x100												
Operating position												
Adjusted underlying result												
Adjusted underlying surplus (or deficit)	4.15%	-3.55%	7.60%	0.91%		-5.17%	-0.48%	0.51%	1.44%			This indicator has continued to reduce in line with forecast, and is also forecast to remain in deficit for 2022-23. Council's revenue is not increasing sufficiently to cover increases in operating costs associated with delivering the current level of services. Council's Long Term Financial Plan projects that its financial challenges will continue.
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100												

Dimension / indicator / measure	Results					Forecasts					Material Variations and Comments	
	2019	2020	2021	2022		2023	2024	2025	2026			
Stability												
Rates concentration												
<i>Rates compared to adjusted underlying revenue</i>	53.55%	58.39%	53.83%	55.67%		63.27%	61.32%	61.52%	61.72%			This indicator remains relatively stable and is close to the average of other councils similar to Colac Otway.
[Rate revenue / Adjusted underlying revenue] x100												
Rates effort												
<i>Rates compared to property values</i>	0.46%	0.47%	0.44%	0.41%		0.33%	0.33%	0.34%	0.35%			Property values have increased at a higher rate than rates revenue in the last year.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100												

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 above

"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 2022

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 2020* and *Local Government (Planning and Reporting) Regulations 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 2020* 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 financial plan on 27 October 2021. The financial 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 financial plan can be obtained by contacting council.



Service Performance Indicators (non-audited)

There are a range of performance indicators important to the effective and efficient management of Council services that do not form part of the set of audited results. They are provided here for completeness and are complimentary to the audited results produced in the next section following.

SERVICE / INDICATOR / MEASURE		Results 2019	Results 2020	Results 2021	Results 2022	COMMENTS
Aquatic Facilities						
AF2	Service Standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	1.00	0.00	1.00	A single Council owned and operated aquatic facility was inspected in accordance with the <i>Public Health and Wellbeing Act 2008</i> and regulations in the 2021-22 period.
AF6	Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.60	5.14	1.68	1.73	Council's aquatic facility was closed for 80 days and operated under restrictions for much of 2021-22, resulting in lower visitation.
AF7	Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	New in 2020	\$5.41	\$23.59	\$12.77	The impact of COVID-19 resulted in closures and restrictions on the use of the Bluewater Leisure Centre, making comparisons in recent years difficult. In 2021-22 there was a reduction in the cost of running the aquatic facilities and a marginal increase in visitation compared to the prior year which was also impacted by COVID-19.

SERVICE / INDICATOR / MEASURE	Results 2019	Results 2020	Results 2021	Results 2022	COMMENTS	
Aquatic Facilities						
AF2	Service Standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	1.00	0.00	1.00	A single Council-owned and operated aquatic facility was inspected in accordance with the <i>Public Health and Wellbeing Act 2008</i> and regulations in the 2021-22 period.
AF6	Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.60	5.14	1.68	1.73	Council's aquatic facility was closed for 80 days and operated under restrictions for much of 2021-22, resulting in lower visitation.
AF7	Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	New in 2020	\$5.41	\$23.59	\$12.77	The impact of COVID-19 resulted in closures and restrictions on the use of the Bluewater Leisure Centre, making comparisons in recent years difficult. In 2021-22 there was a reduction in the cost of running the aquatic facilities and a marginal increase in visitation compared to the prior year which was also impacted by COVID-19.
Animal Management						
AM1	Timeliness Time taken to action animal management requests [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	1.18	The majority of requests were actioned within one business day, however 15% were actioned within two to three business days, increasing the response time marginally for 2021-22.
AM2	Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	74.52%	48.62%	61.14%	71.36%	The number of animals reclaimed in 2021-22 increased by 17%. Of the total number of cats and dogs impounded, 40% of cats were reclaimed by their owners and 90% of dogs were reclaimed by their owners. Council increased the use of cages to trap domestic cats in response to community demand.

AM5	Service standard Animals rehomed [Number of animals rehomed / Number of animals collected] x100	New in 2020	42.46%	23.83%	22.07%	The number of animals rehomed in 2021-22 has reduced by nearly 8%. Of the total number of cats and dogs impounded, 47% of cats were rehomed and 0.08% of dogs were rehomed.
AF6	Service cost Cost of animal management service per population [Direct cost of the animal management service / Population]	New in 2020	\$15.98	\$14.69	\$14.49	The cost of animal management service per population is consistent with previous years.
AF7	Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	100%	100%	0%	There were no animal prosecutions during the 2021-22 financial year.
Food Safety						
FS1	Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.00	1.00	1.00	1.18	The majority of requests were actioned within one business day, however 15% were actioned within two to three business days, increasing the response time marginally for 2021-22.
FS2	Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100	95.02%	101.24%	49.02%	54.01%	As with 2020-21, the capacity of the Health Team to undertake statutory food safety inspections was constrained by the impacts of COVID-19 (e.g. staff availability and redirected focus to support to COVID-19 emergency response and recovery).

FS3	<p>Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</p>	\$501.48	\$468.48	\$458.84	\$298.02	The direct costs of food safety service have reduced compared to 2020-21, however, the number of food premises registered or notified in accordance with the Act has significantly increased. This has resulted in a large decrease in the costs of food safety service.
FS4	<p>Health and safety Critical and major non-compliance outcome notifications [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</p>	94.74%	97.50%	90.00%	88.89%	A change in staff resulted in one major follow up inspection being missed.
Governance						
G1	<p>Transparency Council decisions made at meetings closed to the public [Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100</p>	6.10%	8.11%	7.64%	2.27%	During 2021-22, only a small number of items were considered in closed session. This figure is lower compared with the last three years, which is an indication of increased openness and transparency in decision making.

G2	<p>Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</p>	54.00	55.00	60.00	53.00	Although the 2021-22 score is seven points lower than the result in 2020-21, it is on par with the State-wide score and slightly higher than the overall score for large rural councils.
G3	<p>Attendance Councillor attendance at council meetings [The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of Councillors elected at the last Council general election)] x100</p>	90.29%	92.48%	98.57%	98.35%	This score is similar to the 2020-21 figure and indicates a very high attendance rate by Councillors at Councillors meetings.
G4	<p>Service cost Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election]</p>	\$42,300.86	\$44,852.14	\$47,857.87	\$45,724.81	The costs of elected representation are comparable to previous years. It is important to note that this figure includes the Victorian Government determined increase in Councillor Allowances, backdated to December 2021.
G5	<p>Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	52.00	50.00	58.00	53.00	The 2021-22 score for this indicator has decreased by five points and returns to scores similar to previous years.

Libraries

LB1	<p>Utilisation Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]</p>	4.32	3.51	1.98	2.78	The definition for this indicator was changed in 2019-20 and cannot be compared against the result from previous years. This indicator includes physical collection items only (previously also included eCollections). An increase in loans on physical library collection items was recorded in this period as libraries were less impacted by COVID-19-related closures.
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LB2	<p>Resource standard Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100</p>	69.03%	66.40%	50.28%	59.10%	<p>Council joined the Geelong Regional Library Corporation (GRLC) on 1 July 2021. As part of the transition to the GRLC, older collection items were removed and the collection was refreshed with newer items, leading to an increase in the number of collection items purchased in the past 5 years. The number of library collection items purchased by GRLC (and previously the Corangamite Regional Library Corporation) over the past five years totals 21,565. The total number of library collection items as at 30 June 2022 at the Colac, Apollo Bay and mobile branches is 36,492 (includes e-collection).</p>
LB4	<p>Participation Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</p>	14.99%	15.45%	0.00%	3.98%	<p>This is the first full year with the Geelong Regional Library Corporation.</p>
LB5	<p>Resource standard Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100</p>	New in 2020	\$32.59	\$34.30	\$38.70	<p>The cost of the library per population has increased from the previous year by 12.8%.</p>
Maternal and Child Health (MCH)						
MC2	<p>Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</p>	100.91%	99.57%	100.00%	100.00%	<p>While the number of birth notices has increased, 100% enrolment has been maintained.</p>
MC3	<p>Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]</p>	\$81.94	\$68.33	\$73.60	\$72.29	<p>The cost of providing this service is consistent with previous years.</p>

MC4	Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	74.44%	55.23%	75.83%	75.84%	Participation remains consistent with prior years despite COVID-19 restrictions.
MC5	Participation Participation in the MCH service by Aboriginal children [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	58.33%	55.26%	72.00%	79.63%	The increase can in part be attributed to active engagement by MCH Nurses and New Beginnings Project.
MC6	Satisfaction Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	New in 2020	88.09%	103.35%	94.98%	There was an 8% reduction due to COVID-19 restrictions and COVID-19 positive infants and families.
Roads						
R1	Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	100.91%	99.57%	100.00%	100.00%	Sealed Local Road requests have decreased due to the implementation of a resealing program, and improvement in Road Management Plan inspections. Rectification of identified defects has resulted in a well-maintained road network with less customer requests.
R2	Condition Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	23.24	28.50	24.21	18.94	Implementation of a resealing program, and improvement in Road Management Plan inspections have helped to maintain a higher overall sealed road condition. New work practices have increased Council's ability to respond to reactive problems more timely manner.

R3	Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	93.73%	93.11%	100.00%	96.00%	This indicator can fluctuate each year depending on the location, nature and extent of each reconstruction project. COVID-19 has impacted the availability of suppliers and materials.
R4	Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$41.06	\$51.70	\$87.30	\$128.75	Council initiated a 3-year contract for sealing works. In any given year the average unit rate will fluctuate, influenced by the relative proportion of works requiring different construction materials and suppliers.
R5	Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	\$5.40	\$5.14	\$5.16	\$4.41	The 2021-22 score for this indicator has returned to levels similar to years before 2020-21.
Statutory Planning						
SP1	Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	86.00	91.00	74.00	78.00	Despite challenges recruiting to fill vacant staff positions and a 6% increase in the number of planning applications received, the planning team achieved a similar result to 2020-21 due to improved efficiency of processes.
SP2	Service standard Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of Vic Smart planning application decisions made within 10 days) / Number of planning application decisions made] x100	73.22%	80.23%	77.19%	78.33%	Similar result to 2020-21 and 2019-20, despite workload and recruitment challenges associated with COVID-19.

SP3	Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$3,367.43	\$3,447.93	\$1,998.25	\$2,247.33	The increase in service cost compared to the previous year, which is more than 10%, is primarily due to the greater reliance on contractors due to internal vacancies.
SP4	Decision making Council planning decisions upheld at VCAT [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	0.00%	50.00%	0.00%	100.00%	One decision was varied by VCAT, and remaining Tribunal decisions are pending.
Waste Collection						
WC1	Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	69.92	68.36	87.94	130.52	Kerbside bin collection requests have risen significantly compared with previous years which is primarily due to the challenges experienced with the introduction of a new glass (purple) bin collection service in 2021-22. Requests include 185 new kerbside services, 709 missed bin collections, 368 bin repairs and 98 reports of lost and stolen bins.
WC2	Service standard Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	2.13	1.63	3.09	5.75	There has been an increase in missed bins reported due to three new kerbside collection drivers learning collection routes. This was experienced as a 'spike' in missed bins and then settles in the second half of the financial year. The figure of 709 relates to red (garbage), yellow (recycling), green (FOGO) and purple (glass) bins missed.
WC3	Service cost Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$138.96	\$141.50	\$99.09	\$115.52	The cost of bin collection increased by 16.58% from the previous year due to the significant increase in the state landfill levy.

WC4	Service cost Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$45.44	\$61.21	\$62.04	\$45.44	The costs of recyclables collection reduced substantially from the previous year as a direct result of the introduction of the new glass (purple) bin collection service. Separating glass from recyclables reduced the cost significantly.
WC5	Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	52.06%	60.38%	57.53%	55.44%	Council received 200 tonnes less organics than 2020-21, contributing to lower diversion levels

The Financial Report in brief

INTRODUCTION

Council is committed to providing accurate, understandable and fair reporting on its financial performance for 2021-22 and its financial position at the end of the reporting period. The financial report enables an assessment of Council's ability to deliver current services and maintain existing facilities in the longer-term.

Council's 2021-22 Financial Statements present the following key outcomes for the financial year:

- Council achieved an operating surplus of \$5.74 million for the year, lower than \$6.4 million in the prior year.
- Council's capital works delivery was \$12.88 million which is higher than the prior financial year.
- Working capital \$14.63m (including \$4.6m capital grant revenue and \$5.7m operating grant revenue received in advance).
- Council's assets have been revalued and indexed at 30 June 2022, with a net increase in fair value of \$66.53 million, bring a carrying amount of \$437.6 million at the year end.
- Cash and cash equivalents balance \$13.81m and Other financial assets balance \$12m.

Some sustainability indicators have declined in 2021-22 and the underlying results continue to trend downward.

OPERATING RESULTS

The 2021-22 results show that Council achieved an operating surplus of \$5.74 million for the year, lower than \$6.40 million in the prior year. Because the operating result includes non-recurrent items, any trends need to be assessed over a longer period than year-on-year comparisons.

The operating environment was again impacted by COVID-19 which resulted in service revenue challenges due to restricted community, businesses and tourism movements, impacting Bluewater Leisure Centre, Colac Otway Performing Arts and Cultural Centre (COPACC) and Visitor Information Centres. Such impacts to operating revenue saw Council's financial performance supported via reductions in other planned expenditure.

Council's major challenge in future years remains ensuring Council is generating sufficient revenue to fund service delivery and infrastructure renewal requirements. Council established a Financial Plan in September 2021 for a 10-year period. This plan forecasts ongoing deficits and significant challenges

to Council's financial sustainability. Council's 2021-22 result is consistent with the projected trends.

REVENUE

Total revenue for 2021-22 is \$63.83 million (budgeted \$56.37 million) compared with \$61.14 million for 2020-21. Further detail on income can be seen in the Comprehensive Income Statement and notes 3.1 to 3.7 of the 2021-22 Financial Statements.

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

- Rates and charges 52% (2020-21: 52%)
- Operating grants 25% (2020-21: 23%)

EXPENDITURE

Total expenses for 2021-22 is \$58.086 million (budgeted \$53.10 million) with 96 % of its expenses incurred in the following three categories:

- Employee costs 37.9% (2020-21 :40.9%)
- Materials and services 40.0% (2020-21: 36.4%)
- Depreciation and amortisation 18.7% (2020-21: 18.2%)

Notable contributions to the higher expenditure are in the following areas:

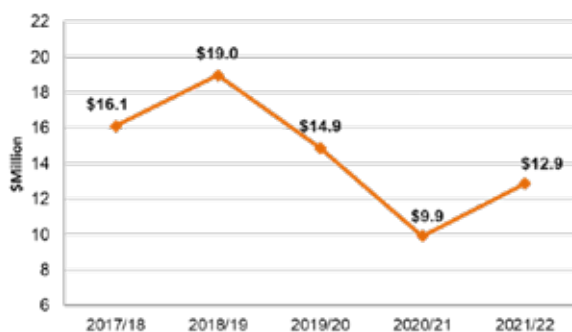
1. Materials and services higher than budgeted in a number of areas including:

- Contract Payments, (\$1.26 million favourable to budget). In some areas of Council "Contract Payments/Consultants" have been used interchangeably and so comparisons need to consider all these.
- Consultants, noting that these include several contracts for professional services on operating projects (particularly City Deals) that were not included in the budget but carried forward from the prior year (\$1.78 million unfavourable to budget);
- Agency staff (\$1.63 million unfavourable to budget) required to support continuity of service delivery in roles that would preferably be filled by employees in non-discretionary areas including engineering and project management. Agency staff were also used to deliver a range of operating projects.
- When the contractors/consultants/agency staff are considered together, the overall variance is \$2.15 million unfavourable and generally on capital and operating project expenditure not included in the adopted budget.

2. Depreciation and amortisation, higher than budgeted due to \$1.764 million unfavourable to budget which is largely due to revaluation adjustment in the bridges asset class.
3. 'Other' expenses were \$0.569 million unfavourable to budget, mainly due to the following:
 - Costs incurred through the transition to the Geelong Regional Library Corporation were \$287,304, including the winding up of the Corangamite Regional Library Corporation.
 - Council expended \$161,800 and \$97,000 on the 'COVID Community Support Package' and 'Outdoor Activation Fund' respectively. These programs were funded through Victorian Government.
 - Council incurred \$37,970 to enable it to sell land at 36-52 Bruce Street, Colac. These costs were not included in the budget and will be recovered through the proceeds of the sale.
 - Council provided Community Grants of \$38,190 through its Building Facade Improvement Programme Category 4.
 - Council expended \$27,269 to deliver works through its 'Roadside Weeds & Pests Management Project' which was funded externally through a grant.

CAPITAL WORKS

In 2021-22 Council's Capital Works delivery increased by \$2.95 million compared to the prior year, to a total of \$12.88 million.



Renewal of existing assets accounted for \$10.27 million, new assets accounted for \$1.56 million and upgrade to existing assets totalled \$1.06 million. Investment in capital works is a strategic approach to maintaining or renewing the community's existing assets as they age.

Activities included:

- \$6.6m on road works;
- \$0.6m on drainage and storm water;
- \$0.8m on bridge works;
- \$1.5m on renewal of Council's plant, machinery and equipment;
- \$0.9m on footpaths and cycle ways;

- \$0.5m on buildings; and
- \$1.7m on other infrastructure.

ASSETS

Total assets are valued at \$472.25 million; primarily consisting of:

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

The main contributor to the overall increase in the total assets was due to the revaluation of significant asset classes. These included:

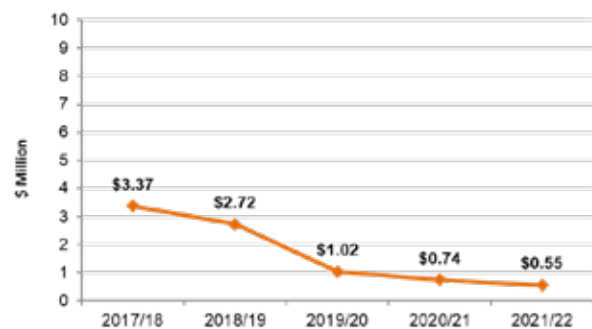
- land - \$24.57 million
- buildings - \$4.81 million
- roads - \$14.71 million
- footpaths - \$1.21 million
- drainage - \$20.79 million
- other infrastructure - \$0.45 million

A \$2.76 million transfer from buildings to right of use assets was recognised in 2021-22 for the Colac Regional Library and Learning facility.

LOAN LIABILITY

Council's borrowings liability levels reduced from \$0.74 million in 2020-21 to \$0.59 million in 2021-22.

During 2021-22 Council made total loan payments of \$326K (comprising of \$287K in principal repayments and \$39K interest). Council's current borrowings are very low.



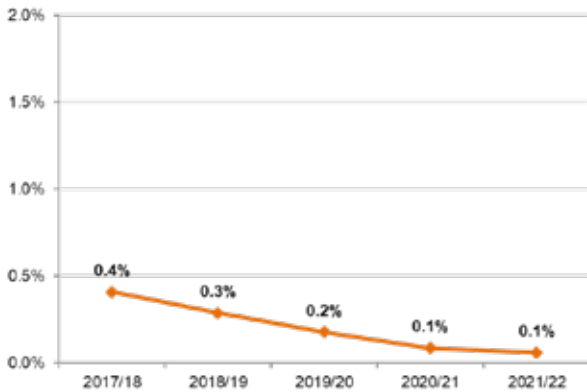
LIABILITIES

Total liabilities were \$21.69 million as at 30 June 2022. Liabilities include loans, lease obligations, amounts owed to suppliers, provisions for landfill rehabilitation and amounts owed to employees for leave entitlements. Liabilities increased by \$0.24 million, in comparison with 2020-21.

Unearned income has increased from 2020-21 by \$4.78 million. This was due to amounts received in advance for specific purpose government grants for operations, but in particular, \$3.90 million received for the Port of Apollo Bay operations.

FINANCIAL INDICATORS

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



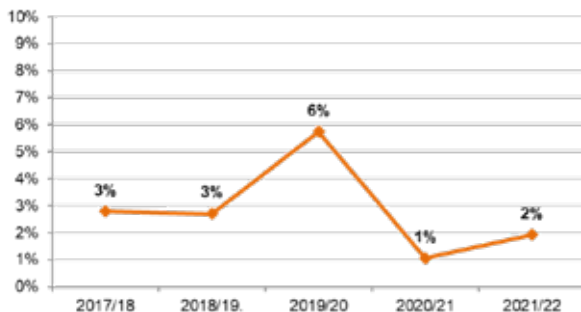
DEBT SERVICING RATIO

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 and any lease interest. The ratio expresses the amount of interest paid as a percentage of total revenue.

The ratio of 0.06% is very low and indicates that Council can service existing debt levels and have further capacity to borrow if required.

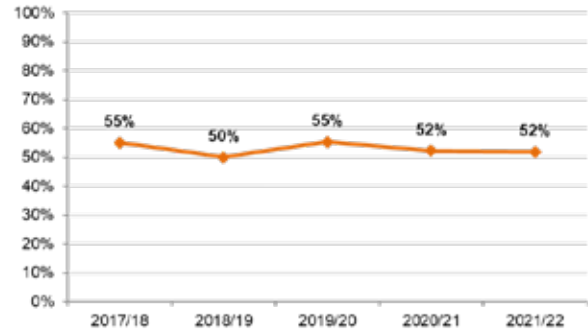
DEBT COMMITMENT RATIO

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 reflects 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 \$1m 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, eg. 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 prior financial years 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 following table summarises Colac Otway Shire Council's result for 2021-22:

Indicators	Colac Otway Result	Risk Levels		
		High	Medium	Low
Net Result Ratio	9.0%	Less than Negative 10%	Between negative 10% and zero	Greater than zero
Adjusted underlying result	0.7%	Less than 0%	Between 0% and 5%	Greater than 5%
Liquidity Ratio	187.1%	Less than 75%	Between 75% and 100%	Greater than 100%
Indebtedness Ratio	11.9%	Greater than 60%	Between 40% and 60%	Less than 40%
Internal Financing Ratio	152.0%	Less than 75%	Between 75% and 100%	Greater than 100%
Capital Replacement	129.9%	Less than 100%	Between 100% and 150%	Greater than 150%
Renewal Gap	105.3%	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.

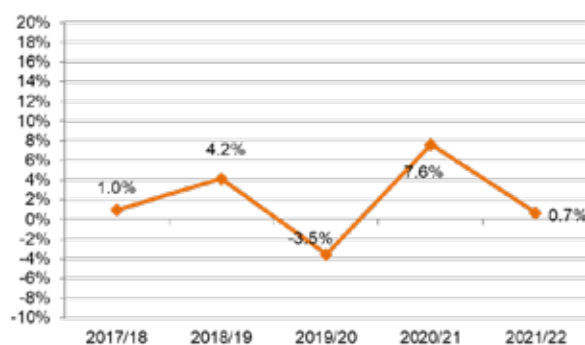


This ratio includes capital grants and grants received in advance that aid in generating a surplus. This can be utilised for new assets or asset renewal. This result places Council within the 'medium' risk category for financial sustainability.

ADJUSTED UNDERLYING RESULT

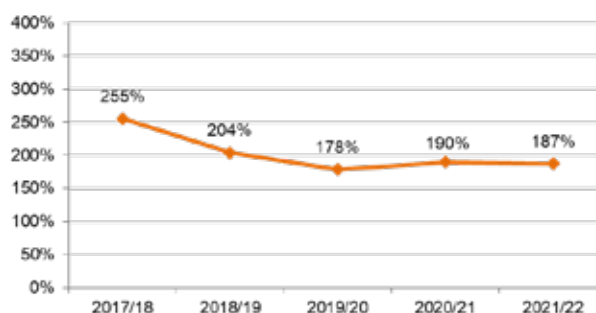
This measures an entity's ability to generate surplus in the ordinary course of business—excluding non-recurrent capital grants, non-monetary asset contributions, and other contributions to fund

capital expenditure from the net result. A deficit suggests a reduction in the operating position.



This indicator has reduced significantly primarily due to increases in revenue not being sufficient to cover increases in operating costs associated with delivering the current level of services. Council has reviewed its Long-Term Financial Plan, which focuses on reducing future costs to improve this result.

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 current liabilities. This includes outstanding creditors and employee entitlements.

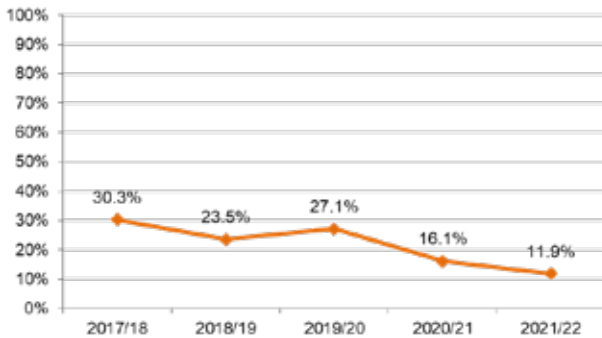
The current ratio of 187% is above the low-risk target but includes \$6.7 million of cash received in advance.

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-source 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 2021-22 due to a reduction in the landfill restoration provision by \$1.08 million, a reduction in the employee leave provisions of \$582K and repayment of loans and lease liabilities of \$731K.

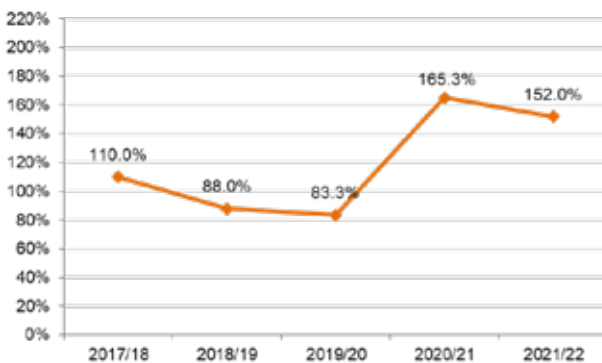


INTERNAL FINANCING RATIO

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.

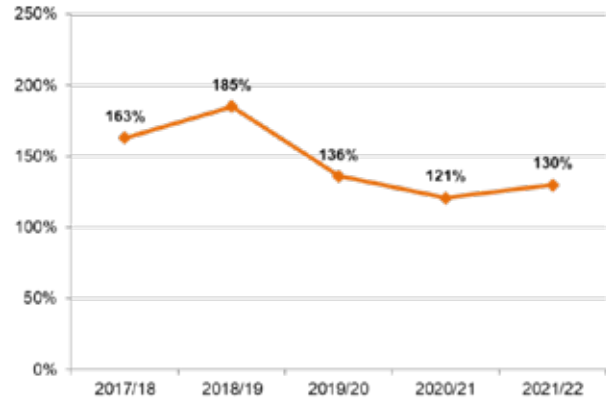
This indicator is primarily influenced by capital projects carried forward to 2022-23 of \$5.27 million.



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, and borrowing is not an option. A ratio less than 100% means the spending on capital works has not kept pace with consumption of assets.

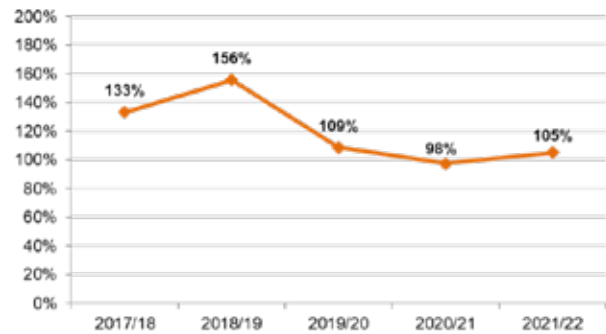
This ratio is about the overall spending on assets, both new and existing. The 2021-22 result is assessed as medium risk and is impacted by the carry forward of capital projects of \$5.27 million to 2022-23.



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 existing assets (i.e. replacing one asset with another of the same or better quality). The 2021-22 result is now above the low-risk category due to the increase in spending.



Understanding The Financial Statements

INTRODUCTION

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

Council presents the financial report in accordance with Australian Accounting Standards. Particular terms required by the standards may not be familiar to some readers. Council's 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.

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 Council's 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 Geelong 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 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 Council's total cash at the end of the financial year.

The Statement of Cash Flows is important as it shows the source of Council's 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.

Council's 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**

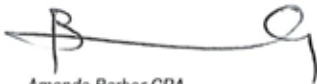
For the Year Ended 30 June 2022

**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 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Amanda Barber CPA
Principal Accounting Officer

12 October 2022

Colac

In our opinion, the accompanying financial statements present fairly the financial transactions of the Colac Otway Shire Council for the year ended 30 June 2022 and the financial position of the Council as at that date.

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 2020* to certify the financial statements in their final form.



Cr Margaret White
Councillor

12 October 2022

Colac



Cr Graham Costin
Councillor

12 October 2022

Colac



Anne Howard
Chief Executive Officer

12 October 2022

Colac

Independent Auditor's Report

To the Councillors of Colac Otway Shire Council

<p>Opinion</p>	<p>I have audited the financial report of Colac Otway Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2022 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
<p>Basis for Opinion</p>	<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>
<p>Councillors' responsibilities for the financial report</p>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</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>

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.

Comprehensive Income Statement For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Rates and charges	3.1	33,000	31,914
Statutory fees and fines	3.2	1,040	740
User fees	3.3	6,144	6,120
Grants - operating	3.4	15,952	13,856
Grants - capital	3.4	4,958	2,665
Contributions - monetary	3.5	204	254
Contributions - non monetary	3.5	2,016	617
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(617)	183
Share of net profits of associates and joint ventures	6.3	147	(44)
Other income	3.7	989	4,839
Total income		63,833	61,144
Expenses			
Employee costs	4.1	21,989	22,410
Materials and services	4.2	23,210	19,936
Depreciation and amortisation	4.3	10,754	9,868
Amortisation - right of use assets	4.4	108	119
Impairment - right of use assets	4.9	-	580
Bad and doubtful debts	4.5	(12)	34
Borrowing costs	4.6	39	53
Finance costs - leases	4.7	40	35
Other expenses	4.8	1,958	1,706
Total expenses		58,086	54,741
Surplus for the year		5,747	6,403
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.2	66,530	16,453
Total other comprehensive income		66,530	16,453
Total comprehensive result		72,277	22,856

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

Balance Sheet As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	13,807	15,958
Other financial assets	5.1	12,000	6,000
Trade and other receivables	5.1	3,134	4,009
Inventories	5.2	156	155
Non-current assets classified as held for sale	6.1	1,920	715
Other assets	5.2	409	496
Total current assets		31,426	27,333
Non-current assets			
Property, infrastructure, plant and equipment	6.2	437,591	372,238
Investments in associates, joint arrangements and subsidiaries	6.3	147	-
Right-of-use assets	5.8	3,084	165
Total non-current assets		440,822	372,403
Total assets		472,248	399,736
Liabilities			
Current liabilities			
Trade and other payables	5.3	558	2,961
Trust funds and deposits	5.3	1,131	741
Unearned income	5.3	10,258	5,477
Interest-bearing liabilities	5.4	596	142
Provisions	5.5	4,226	4,975
Lease liabilities	5.8	24	110
Total current liabilities		16,793	14,406
Non-current liabilities			
Interest-bearing liabilities	5.4	-	596
Provisions	5.5	4,881	5,792
Lease liabilities	5.8	18	663
Total non-current liabilities		4,899	7,051
Total liabilities		21,692	21,457
Net assets		450,556	378,279
Equity			
Accumulated surplus		133,368	130,794
Reserves	9.1	317,188	247,485
Total Equity		450,556	378,279

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

Statement of Changes in Equity For the Year Ended 30 June 2022

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2022					
Balance at beginning of the financial year		378,279	130,794	224,584	22,901
Surplus for the year		5,747	5,747	-	-
Net asset revaluation increment	6.2	66,530	-	66,530	-
Transfers to other reserves	9.1	-	(21,498)	-	21,498
Transfers from other reserves	9.1	-	18,325	-	(18,325)
Balance at end of the financial year		450,556	133,368	291,114	26,074

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021					
Balance at beginning of the financial year		355,423	130,529	208,131	16,763
Surplus for the year		6,403	6,403	-	-
Net asset revaluation increment	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)
Balance at end of the financial year		378,279	130,794	224,584	22,901

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 2022

	Note	2022 Inflows/ (Outflows) \$'000	2021 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		33,079	32,017
Statutory fees and fines		1,040	740
User fees		4,458	5,115
Grants - operating		20,225	13,527
Grants - capital		5,588	6,454
Contributions - monetary		204	254
Interest received		50	29
Trust funds and deposits taken/(paid)		390	(244)
Other receipts		18	1,388
Net GST refund		414	63
Employee costs		(22,537)	(22,385)
Materials and services		(25,719)	(21,159)
Net cash provided by operating activities	9.2	<u>17,210</u>	<u>15,799</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(12,787)	(9,907)
Proceeds from sale of property, infrastructure, plant and equipment	3.6	377	347
Payments for investments		(7,000)	(6,000)
Proceeds from sale of investments		1,000	6,000
Net cash used in investing activities		<u>(18,410)</u>	<u>(9,560)</u>
Cash flows from financing activities			
Finance costs		(39)	(53)
Repayment of borrowings		(142)	(286)
Interest paid - lease liability		(40)	(35)
Repayment of lease liabilities		(731)	(105)
Net cash used in financing activities		<u>(952)</u>	<u>(479)</u>
Net increase (decrease) in cash and cash equivalents		(2,152)	5,760
Cash and cash equivalents at the beginning of the financial year		15,958	10,198
Cash and cash equivalents at the end of the financial year		<u>13,806</u>	<u>15,958</u>
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 2022

	Note	2022 \$'000	2021 \$'000
Property			
Land		123	-
Total land		123	-
Buildings		541	224
Total buildings		541	224
Total property		664	224
Plant and equipment			
Plant, machinery and equipment		1,440	1,171
Fixtures, fittings and furniture		3	96
Computers and telecommunications		29	123
Total plant and equipment		1,472	1,390
Infrastructure			
Roads		6,646	4,094
Bridges		858	1,587
Footpaths and cycleways		885	648
Drainage		642	1,743
Other infrastructure		1,710	243
Total infrastructure		10,741	8,316
Total capital works expenditure	6.2	12,877	9,929
Represented by:			
New asset expenditure		1,556	297
Asset renewal expenditure		10,266	9,335
Asset upgrade expenditure		1,055	297
Total capital works expenditure		12,877	9,929

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

Note 1 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 2020, and the Local Government (Planning and Reporting) Regulations 2020.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Significant accounting policies

(a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, 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.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

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)

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

(b) Impact of Covid-19

During 2021-22 the COVID-19 pandemic continued to impact on Council's operations. Council has noted the following significant impacts on its financial operations:

- Revenue reductions – User Fees & Charges generated from leisure centre reduced (approx. 417k) due to closures during the lockdown.
- Revenue foregone – Waived street furniture permits of 24k during 2021-22.
- Additional costs – Additional \$92k of cleaning costs that were incurred resulting from the COVID-19 pandemic.

Note 2.1 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 2020* 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 24 June 2021. 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 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income and expenditure

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
Income					
Rates and charges	32,773	33,000	227	1	
Statutory fees and charges	826	1,040	214	26	1
User fees and charges	6,548	6,144	(404)	(6)	
Grants - Operating	10,690	15,952	5,262	49	2
Grants - Capital	4,691	4,958	267	6	3
Contributions - monetary	420	204	(216)	(51)	4
Contributions - non-monetary	-	2,016	2,016	100	5
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	25	(617)	(642)	(2,568)	6
Share of net profits of associates and joint ventures	30	147	117	390	7
Other income	367	989	622	169	8
Total income	56,370	63,833	7,463		
Expenses					
Employee costs	21,683	21,989	(306)	(1)	
Materials and services	20,730	23,210	(2,480)	(12)	9
Bad and doubtful debts	20	(12)	32	160	10
Depreciation and amortisation	8,990	10,754	(1,764)	(20)	11
Amortisation - right of use assets	110	108	2	2	
Borrowing costs	39	39	0	0	
Finance costs - leases	139	40	99	71	12
Other expenses	1,389	1,958	(569)	(41)	13
Total expenses	53,101	58,086	(4,985)		
Surplus for the year	3,269	5,747	2,478	76	

Note 2.1 Performance against budget

2.1.1 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 increased infrastructure development relating to subdivision supervision.
2	Grants - Operating	\$5.26m increased operating grants includes \$2.27m City Deal project funding received and expended for Apollo Bay harbour redevelopment (\$1.39m), Great Ocean Walk Stage 1 Wild Dog to Skenes Creek (\$573k) and Infrastructure Improvements Kennett River (\$302k). Council also recognised grant income of \$194k for introduction of the fourth compulsory glass bin service and \$181k relating to Port of Apollo Bay works. There was a \$2.14m increase in the Financial Assistance Grant allocation due mainly to an increase from 50% to 75% of the allocation from the Commonwealth to Council in advance. Council was also successful in attracting new funding for the Forrest Mountain Bike Trail project, which included \$299k recognised during the year as works were delivered.
3	Grants - Capital	Council was successful in attracting new capital grant opportunities which were released after the budget was completed. This funding is recognised during the year as works were delivered, including Local Roads and Community Infrastructure (LRCI) Program Round 2 (\$1.05m) and Swan Marsh Stoneyford Road reconstruction (\$533k). Memorial Square Playspace funding of \$325k, which is included in 2021/22 grant income, was budgeted in 2020/21 and carried forward for completion of works in 2021/22. Additional funding was offset by Local Sports Infrastructure Stimulus Funding (\$1.71m) for Recreation Reserve lighting upgrades that was lower than anticipated by \$584k and excludes \$979k carried forward for completion of works in 2022/23.
4	Contributions - monetary	Funding received from the Victorian Planning Authority for the Deans Creek Precinct Structure Plan project of \$150,000 was budgeted as a contribution and reclassified as operating grant funding. Capital contributions received included \$50,000 relating to renewal works for King Track Bridge, and were lower than budgeted capital contributions by \$50,000 due to carry forward of the Community Sport Lighting Upgrades project to 2022-23.
5	Contributions - non-monetary	Developer contributed assets were received relating to new subdivision infrastructure roads, drainage and footpath assets, not budgeted due to the difficulty in estimating the quantity and value of contributed assets Council may receive during the year.
6	Net gain (or loss) on disposal of property, infrastructure, plant and equipment	The unfavourable variance mainly relates to the written down value of buildings that were removed from Council's register during the review of assets as part of the revaluation process.
7	Share of net profits of associates and joint ventures	Council transitioned to the Geelong Regional Library Corporation on 1 July 2021 with Council's share of the net profit resulting from the assets initial recognition.
8	Other income	Movement in the provision relating to future landfill rehabilitation and aftercare. The reduction in the provision is shown as income in the Comprehensive Income Statement. The value of this movement is \$1.077m and mainly relates to increased discounted rates applied to future works.

Note 2.1 Performance against budget

2.1.1 Income and expenditure (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
9	Materials and services	The unfavourable variance mainly relates to fully funded City Deals project expenditure not budgeted, including the Apollo Bay Harbour Redevelopment \$1.53m, Great Ocean Walk Stage 1 Wild Dog to Skenes Creek \$614k and Kennett River Infrastructure Improvements \$396k.
10	Bad and doubtful debts	These are related to the impacts of COVID-19 across the shire plus a set of building fees removed.
11	Depreciation and Amortisation	Actual depreciation for buildings was \$1.35m, plant and equipment was \$1.72m, while infrastructure assets depreciation totalled \$7.68m, which accounted for the majority of the variation to the budget.
12	Finance costs - leases	Two way radio leases were paid out during 2021-22.
13	Other expenses	Council paid COVID-19 support packages of \$162k during the year.

Note 2.1 Performance against budget

2.1.2 Capital works

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	-	123	123	100	1
Buildings	702	541	(161)	(23)	2
Total property	702	664	(38)	(5)	
Plant and equipment					
Plant, machinery and equipment	2,100	1,440	(660)	(31)	3
Fixtures, fittings and furniture	8	3	(5)	(60)	4
Computers and telecommunications	80	29	(51)	(64)	5
Total plant and equipment	2,188	1,472	(716)	(33)	
Infrastructure					
Roads	5,713	6,646	933	16	6
Bridges	1,440	858	(582)	(40)	7
Footpaths and cycleways	372	885	513	138	8
Drainage	350	642	292	83	9
Other infrastructure	2,927	1,710	(1,217)	(42)	10
Total infrastructure	10,802	10,741	(61)		
Total capital works expenditure	13,692	12,877	(815)		
Represented by:					
New asset expenditure	118	1,556	1,439		
Asset renewal expenditure	8,570	10,266	1,696		
Asset upgrade expenditure	5,004	1,055	(3,949)		
Total capital works expenditure	13,692	12,877	(815)		

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Preliminary costs have been incurred in preparation for the sale of a parcel of Council land, which is to be settled in the 2022-2023 financial year.
2	Buildings	Various building works were programmed, the majority of which will be completed in the 2022-2023 financial year due to stakeholder expectations and delays in the commencement of works.
3	Plant, machinery and equipment	Due to supply issues, there are a number of items which are on order and due for delivery in the 2022-2023 financial year.
4	Fixtures, fittings and furniture	This relates to the supply of solar compaction bins that are due to be delivered in the 2022-2023 financial year.
5	Computers and telecommunications	Delayed delivery due to staff resourcing. These relate to works in conjunction with one of Council's corporate software applications.
6	Roads	The majority of programmed works have been completed in the 2021-2022 year. There were also additional projects delivered due to additional funding being secured by Council.
7	Bridges	Majority of programmed works practically completed. Council is waiting on final invoices from a contractor for the King Track bridge renewal works, which are expected in the 2022-2023 year.
8	Footpaths and cycleways	The original footpath programme was completed as scheduled. There was additional unbudgeted funding received under the Federal Government LRCI programme relating to additional works undertaken.
9	Drainage	The planned drainage program was disrupted by a major failure of a pit in Armstrong St Colac that required urgent redirection of substantial drainage budget. Planned works will be rescheduled over future financial years. Additional funding was received for the Elliminyt Wetlands development late in the 2021-2022 financial year and it is planned that these works will be delivered in the 2022-2023 year.
10	Other Infrastructure	There are a number of projects that were not completed within the 2021-2022 year which have been carried forward. There are also items which have been budgeted within other infrastructure areas but were allocated to other infrastructure.

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 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.

2.2.2 Summary of income, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Chief Executive	13	1,819	(1,806)	-	1,903
Corporate Services Management	47,434	19,548	27,886	9,222	7,170
Development and Community Services Management	8,905	15,564	(6,660)	3,076	17,603
Environment and Infrastructure Services Management	7,481	21,154	(13,673)	8,612	446,211
	63,833	58,086	5,747	20,910	472,886
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
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
Infrastructure and Leisure Services Management	6,510	18,413	(11,904)	4,974	378,715
	61,143	54,742	6,403	16,521	399,736

Note 3 Funding for the delivery of our services	2022	2021
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 2021/22 was \$7,964 million (2020/21 \$7,096 million).

General rates residential	17,253	16,779
General rates farm / rural	6,061	5,754
General rates commercial / industrial	3,092	3,204
Municipal charge	2,898	2,843
Garbage charge	3,219	3,089
Interest on rates and charges	226	-
Special rates and charges	22	22
Revenue in lieu of rates	229	223
Total rates and charges	33,000	31,914

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2022, and the valuation will be first applied in the rating year commencing 1 July 2022.

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	453	417
Health regulations	249	72
Building permits	124	118
Infringements and costs	69	88
Engineering fees	101	8
Land information certificates	43	36
Freedom of information	1	1
Total statutory fees and fines	1,040	740

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	3,201	3,957
Leisure centre fees	897	598
Colac livestock selling centre fees	511	432
Parking, animal control and local laws fees	258	217
Visitor information centre fees	132	105
Colac Otway performing arts & cultural centre fees	39	77
Waste disposal fees	289	238
Council properties fees and rental	237	175
Other fees and charges	231	147
Apollo bay harbour fees	275	112
Childrens programs	67	59
Town planning and building services fees	7	3
Total user fees	6,144	6,120

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

Note 3 Funding for the delivery of our services	2022	2021
3.4 Funding from other levels of government	\$'000	\$'000
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	15,531	11,258
State funded grants	5,379	5,263
Total grants received	20,910	16,521
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial assistance grant - untied base grant	5,451	4,648
Financial assistance grant - local roads	3,683	2,689
Family and community services	289	288
Diesel rebate scheme	89	-
Aged and disability services	62	93
Public health	1	2
Recurrent - State Government		
Aged and disability services	1,236	1,089
Port management	878	878
Maternal and child health	455	398
School crossing supervisors	56	41
Public health	19	40
Recreation and culture	14	114
Family and community services	-	147
Environment and protection services	-	32
Total recurrent operating grants	12,233	10,459
Non-recurrent - Commonwealth Government		
City Deal	2,269	1,041
Economic development	46	-
Family and community services	9	93
Recreation and culture	2	300
Non-recurrent - State Government		
Economic development	673	201
Waste management	229	-
Port management	184	-
Family and community services	122	199
Strategic planning	71	94
Recreation and culture	52	35
Environment	42	269
Emergency management	20	-
Corporate services*	-	983
Project delivery	-	34
Roads	-	24
Total non-recurrent operating grants	3,719	3,273
Total operating grants	15,952	13,732

*Relates to the Working for Victoria program funding for resources to respond to the COVID-19 pandemic.

Note 3 Funding for the delivery of our services	2022	2021
3.4 Funding from other levels of government (cont'd)	\$'000	\$'000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,836	1,624
Total recurrent capital grants	1,836	1,624
Non-recurrent - Commonwealth Government		
Roads	1,081	97
Bridges	360	-
Recreation and culture	342	383
Aerodromes	11	-
Non-recurrent - State Government		
Recreation and culture	770	249
Roads	534	312
Family and community services	24	-
Total non-recurrent capital grants	3,122	1,041
Total capital grants	4,958	2,665

(c) Unspent grants received on condition that they be spent in a specific manner

Balance at start of year	5,470	1,690
Received during the financial year and remained unspent at balance date	10,258	5,470
Received in prior years and spent during the financial year	(5,470)	(1,690)
Balance at year end	10,258	5,470

(d) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 Revenue from Contracts with Customers. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 Income for Not-for-Profit Entities.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

Income recognised under AASB 1058 Income of Not-for-Profit Entities

General purpose	10,970	8,961
Specific purpose grants to acquire non-financial assets	3,122	1,041
Other specific purpose grants	3,099	3,122

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants	3,719	3,397
	20,910	16,521

Note 3 Funding for the delivery of our services	2022	2021
3.5 Contributions	\$'000	\$'000
Monetary	204	254
Non-monetary	2,016	617
Total contributions	2,220	871

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

Drainage	642	41
Roads	1,108	495
Footpath	266	81
Total non-monetary contributions	2,016	617

Contributions of non monetary assets represent assets constructed by developers that have been transferred to Council ownership.

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

3.6 Net gain (or loss) on disposal of property, infrastructure, plant and equipment

Proceeds of sale	377	347
Written down value of assets disposed	(994)	(164)
Total net gain (or loss) on disposal of property, infrastructure, plant and equipment	(617)	183

The gain 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	(81)	545
Reimbursements	96	881
Interest	48	27
Rates legal costs recovered	3	2
Scheme interest received	2	2
Landfill rehabilitaion provision movement (Note 5.5)	921	3,382
Total other income	989	4,839

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	2022	2021
4.1 (a) Employee costs	\$'000	\$'000
Wages and salaries	16,256	16,401
Employee leave	1,598	2,297
Superannuation	1,958	1,900
Casual staff	745	674
Sick leave	645	602
WorkCover	490	330
Fringe benefits tax	180	97
Other employee benefits	116	109
Total employee costs	21,988	22,410

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	107	86
	107	86
Employer contributions payable at reporting date.	6	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	887	1,063
Employer contributions - other funds		
Australian Super	198	154
REST Industry Super	77	63
HOSTPLUS Superannuation Fund - Industry	67	57
Aware Super	58	45
Cbus	54	35
HESTA	52	33
VicSuper FutureSaver	49	55
UniSuper	33	37
Other	376	272
	1,851	1,814
Employer contributions payable at reporting date.	268	237

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

4.2 Materials and services

Contract Payments	8,861	8,288
Materials	4,566	4,280
Subscriptions and memberships	2,090	1,894
Consultants	2,727	1,577
Utilities	1,080	941
Agency staff	2,343	1,643
Plant and equipment maintenance	365	286
Insurances	742	610
Legal costs	177	153
Training costs	256	252
Other	7	10
Hire costs	(9)	1
Permits	5	1
Total materials and services	23,210	19,936

Note 4 The cost of delivering services	2022	2021
4.3 Depreciation and amortisation	\$'000	\$'000
Property	1,354	1,574
Plant and equipment	1,720	1,525
Infrastructure	7,682	6,768
Total depreciation and amortisation	10,755	9,868

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

Land and Buildings	75	-
Plant and Equipment	33	119
Total Amortisation - Right of use assets	108	119

Refer to note 5.8 for further information relating to amortisation - right of use assets.

4.5 Bad and doubtful debts

Other debtors	(12)	34
Total bad and doubtful debts	(12)	34

Movement in provisions for doubtful debts

Balance at the beginning of the year	83	57
New provisions recognised during the year	65	76
Amounts already provided for and written off as uncollectible	(77)	(50)
Balance at end of year	71	83

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	39	53
Total borrowing costs	39	53

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	40	35
Total finance costs	40	35

Refer to note 5.8 for further information relating to finance costs - leases.

4.8 Other expenses

Community grants and donations	653	696
Councillors' allowances	277	258
Other	859	593
Rates and charges written off	49	32
Fire services levy	62	59
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	31	46
Animal registration levy	23	20
Royalties and commissions	4	2
Total other expenses	1,958	1,706

4.9 Impairment - Right to use assets

Impairment - right of use assets	-	580
Total finance costs	-	580

Refer to note 5.8 for further information relating to impairment - right of use assets.

Note 5 Our financial position	2022	2021
5.1 Financial assets	\$'000	\$'000
(a) Cash and cash equivalents		
Cash on hand	5	5
Cash at bank	10,344	6,995
At Call Deposit	3,458	8,957
Total cash and cash equivalents	13,807	15,958
(b) Other financial assets		
Term deposits - current	12,000	6,000
Total other financial assets	12,000	6,000
Total financial assets	25,807	21,958

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

- Trust funds and deposits	1,131	741
- Statutory reserves	1,218	1,086
- Conditional grants unspent (excludes Port of Apollo Bay)	6,359	5,360
- Port of Apollo Bay reserve cash held	4,137	555
- Disaster recovery reserve	6	6
Total restricted funds	12,851	7,748
Total unrestricted cash and cash equivalents	12,957	14,210

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.	15,442	14,536
- Carried forward works committed	5,270	6,717
Total funds subject to intended allocations	20,712	21,253

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.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

Note 5 Our financial position	2022	2021
5.1 Financial assets (cont'd)	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates Debtor	2,154	2,233
Government operating grants	349	463
Net GST receivable	(295)	119
Special rate assessment	43	42
Parking infringement debtor	78	69
Other infringements	139	129
Provision for doubtful debts - infringements	(16)	(14)
<i>Non-statutory receivables</i>		
Other debtors	737	1,037
Provision for doubtful debts - other debtors	(55)	(69)
Total current trade and other receivables	<u>3,134</u>	<u>4,009</u>
Total trade and other receivables	<u>3,134</u>	<u>4,009</u>

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

(d) Ageing of Receivables

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

Current (not yet due)	704	521
Past due by up to 30 days	20	2
Past due between 31 and 180 days	66	10
Past due between 181 and 365 days	15	7
Past due by more than 1 year	41	163
Total trade and other receivables	<u>846</u>	<u>703</u>

(e) 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	55	69
Total trade & other receivables	<u>55</u>	<u>69</u>

Note 5 Our financial position

5.2 Non-financial assets	2022	2021
(a) Inventories	\$'000	\$'000
Inventories held for distribution	10	22
Inventories held for sale	146	132
Total inventories	156	155

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	143	496
Accrued income	266	-
Total other assets	409	496

5.3 Payables, trust funds and deposits and unearned income/revenue

(a) Trade and other payables

Non-statutory payables

Trade payables	(12)	2,419
Accrued expenses	570	542
Total trade and other payables	558	2,961

(b) Trust funds and deposits

Refundable deposits	533	453
Fire services levy	397	113
Retention amounts	201	175
Total trust funds and deposits	1,131	741

(c) Unearned income

Grants received in advance - operating	5,675	1,516
Grants received in advance - capital	4,583	3,953
Other	-	8
Total unearned income/revenue	10,258	5,477

Unearned income represents contract liabilities and reflect consideration received in advance from customers in respect of specific purpose government grants and user fees received in advance. Unearned income are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.4.

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

5.4 Interest-bearing liabilities

	2022	2021
	\$'000	\$'000
Current		
Borrowings - secured	596	142
	596	142
Non-current		
Borrowings - secured	-	596
	-	596
Total	596	738

Borrowings are secured by council rates and charges

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

Not later than one year	596	142
Later than one year and not later than five years	-	596
	596	738

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. At present, Council's borrowings are classified at amortised cost.

5.5 Provisions

	Employee	Landfill	Total
	\$ '000	restoration	\$ '000
	\$ '000	\$ '000	\$ '000
2022			
Balance at beginning of the financial year	5,129	5,638	10,767
Change in provisions	1,659	(123)	1,536
Amounts used	(1,699)	(156)	(1,855)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(542)	(798)	(1,340)
Balance at the end of the financial year	4,546	4,561	9,107
2021			
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	5,129	5,638	10,767
	2022	2021	
	\$'000	\$'000	
Summary of provisions			
Total current provisions	4,226	4,975	
Total non-current provisions	4,881	5,792	
Total provisions	9,107	10,767	

Note 5 Our financial position

5.5 Provisions (cont'd)

	2022	2021
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,259	1,242
Long service leave	206	280
Time in lieu	91	110
	<u>1,556</u>	<u>1,632</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	452	536
Long service leave	2,117	2,556
	<u>2,569</u>	<u>3,092</u>
Total current employee provisions	<u>4,125</u>	<u>4,724</u>
Non-current		
Long service leave	420	405
Total non-current employee provisions	<u>420</u>	<u>405</u>
Aggregate carrying amount of employee provisions:		
Current	4,125	4,724
Non-current	420	405
Total aggregate carrying amount of employee provisions	<u>4,545</u>	<u>5,129</u>

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

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months.
- present value if the Council does not expect to wholly settle within 12 months.

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. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. 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 and measured at present value.

Key assumptions:

- discount rate	3.33%	0.24%
- index rate	2.75%	1.75%

	2022	2021
	\$'000	\$'000
(b) Landfill restoration		
Current	100	251
Non-current	4,461	5,387
	<u>4,561</u>	<u>5,638</u>

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

Key assumptions:

- discount rate	3.61%	0.18%
- index rate	2.50%	2.00%

Note 5 Our financial position

5.6 Financing arrangements

	2022 \$'000	2021 \$'000
The Council has the following funding arrangements in place as at 30 June 2022.		
Business Card Facility (balance cleared monthly)	50	50
Total facilities	50	50
Used facilities	-	-
Unused facilities	50	50

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.

(a) Commitments for expenditure

2022	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Garbage collection	4,457	4,733	6,154	-	15,345
Civil Works	150	-	-	-	150
Consultancies	809	-	-	-	809
Information Technology	106	-	-	-	106
Total	5,522	4,733	6,154	-	16,409
Capital					
Civil Works	1,588	-	-	-	1,588
Total	1,588	-	-	-	1,588
2021					
2021	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Garbage collection	3,000	3,150	6,330	-	12,480
Consultancies	195	216	-	-	411
Information Technology	84	77	108	-	269
Total	3,279	3,443	6,438	-	13,160
Capital					
Civil Works	2,788	2,248	-	-	5,036
Total	2,788	2,248	-	-	5,036

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.

Note 5 Our financial position

5.8 Leases (cont'd)

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.

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.

Right-of-Use Assets	Land and Buildings	Plant and Equipment	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2020	-	863	863
Additions	-	-	-
Fair value adjustments	-	(580)	(580)
Amortisation charge	-	(118)	(118)
Balance at 30 June 2021	<u>-</u>	<u>165</u>	<u>165</u>
Balance at 1 July 2021	-	165	165
Additions	3,076	45	3,121
Amortisation charge	(75)	(33)	(108)
Transfer to property, plant and equipment	-	(94)	(94)
Balance at 30 June 2022	<u>3,001</u>	<u>83</u>	<u>3,084</u>

The Colac Regional Library facility was reclassified at 1 July 2021 from land and buildings to a right-of-use asset and amortised following a review of the joint user agreement between Council and the Minister for Education.

Lease Liabilities	2022	2021
	\$'000	\$'000
Maturity analysis - contractual undiscounted cash		
Less than one year	26	140
One to five years	18	490
More than five years	-	264
Total undiscounted lease liabilities as at 30 June:	<u>44</u>	<u>894</u>

Lease liabilities included in the Balance Sheet at 30 June:

Current	24	110
Non-current	18	663
Total lease liabilities	<u>42</u>	<u>773</u>

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.

Expenses relating to:	2022	2021
	\$'000	\$'000
Short-term leases	40	35
Total	<u>40</u>	<u>35</u>

Note 6 Assets we manage	2022	2021
6.1 Non-current assets classified as held for sale	\$'000	\$'000
Land acquisition	1,920	439
Library book stock from wind up of Corangamite Regional Library Corporation	-	276
Total Non-current assets classified as held for sale	1,920	715

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

	Carrying amount 30 June 2021	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Carrying amount 30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	69,698	225	-	29,372	(1,353)	(788)	-	(4,241)	92,912
Plant and equipment	7,207	1,713	-	-	(1,720)	(189)	-	94	7,104
Infrastructure	292,659	5,621	2,016	37,158	(7,682)	(17)	-	-	329,755
Work in progress	2,674	5,318	-	-	-	-	-	(173)	7,819
	372,238	12,877	2,016	66,530	(10,755)	(994)	-	(4,320)	437,591

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	78	438	-	-	516
Plant and equipment	258	-	-	(173)	85
Infrastructure	2,338	4,880	-	-	7,218
Total	2,674	5,318	-	(173)	7,819

(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 2021	3,756	23,674	224	27,653	73,412	16,554	89,966	78	117,697
Accumulated depreciation at 1 July 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

Movements in fair value

Additions	-	-	-	-	182	43	225	438	663
Revaluation	2,354	22,014	199	24,566	1,853	2,952	4,806	-	29,372
Disposal	-	(17)	-	(17)	(610)	(161)	(771)	-	(788)
Transfers	-	(1,481)	-	(1,481)	(2,760)	-	(2,760)	-	(4,241)
	2,354	20,516	199	23,068	1,335	2,835	1,499	438	25,006

Movements in accumulated depreciation

Depreciation and amortisation	-	-	-	-	(1,137)	(215)	(1,353)	-	(1,353)
	-	-	-	-	(1,137)	(215)	(1,353)	-	(1,353)

At fair value 30 June 2022	6,109	44,189	423	50,721	72,077	19,389	91,465	516	142,703
Accumulated depreciation at 30 June 2022	-	-	-	-	(41,782)	(7,492)	(49,274)	-	(49,274)
Carrying amount	6,109	44,189	423	50,721	30,295	11,897	42,192	516	93,429

(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 2021	11,692	10,570	1,657	258	24,177
Accumulated depreciation at 1 July 2021	(6,825)	(8,551)	(1,336)	-	(16,713)
	4,867	2,018	321	258	7,465

Movements in fair value

Additions	1,363	197	153	-	1,713
Disposal	(189)	-	-	-	(189)
Transfers	94	-	-	(173)	(79)
	1,268	197	153	(173)	1,445

Movements in accumulated depreciation

Depreciation and amortisation	(1,237)	(348)	(135)	-	(1,720)
Accumulated depreciation of disposals	-	-	-	-	-
	(1,237)	(348)	(135)	-	(1,720)

At fair value 30 June 2022	12,961	10,766	1,810	85	25,622
Accumulated depreciation at 30 June 2022	(8,062)	(8,900)	(1,471)	-	(18,433)
Carrying amount	4,899	1,867	339	85	7,189

(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 2021	272,963	55,504	28,987	43,417	10,267	2,338	413,476
Accumulated depreciation at 1 July 2021	(68,972)	(26,862)	(9,545)	(9,438)	(3,663)	-	(118,480)
	203,991	28,642	19,442	33,979	6,604	2,338	294,996

Movements in fair value

Additions	3,785	57	946	518	316	4,880	10,501
Contributions	1,108	-	266	642	-	-	2,016
Revaluation	20,005	-	1,808	26,747	783	-	49,343
Disposal	(17)	-	-	-	-	-	(17)
Transfers	-	-	-	-	-	-	-
	24,881	57	3,020	27,907	1,099	4,880	61,843

Movements in accumulated depreciation

Depreciation and amortisation	(4,572)	(1,229)	(530)	(483)	(868)	-	(7,682)
Revaluation	(5,295)	-	(602)	(5,953)	(335)	-	(12,185)
Accumulated depreciation of disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
	(9,867)	(1,229)	(1,132)	(6,436)	(1,203)	-	(19,867)

At fair value 30 June 2022	297,844	55,561	32,007	71,324	11,366	7,218	475,319
Accumulated depreciation at 30 June 2022	(78,839)	(28,091)	(10,677)	(15,874)	(4,866)	-	(138,347)
Carrying amount	219,005	27,470	21,330	55,450	6,500	7,218	336,972

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>		
Land		
land	-	-
land under roads	-	-
land improvements	-	5
Buildings		
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
<u>Plant and Equipment</u>		
Furniture		
art work	0 - 100 years	4
indoor furniture	5 - 30 years	4
playground equipment	10 - 40 years	4
Plant		
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
Equipment		
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
<u>Infrastructure</u>		
Roads		
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
Bridges		
bridges deck	10 - 90 years	10
bridges substructure	10 - 90 years	10
bridges major culverts	50 - 90 years	10
Drainage		
open drainage network	10 - 100 years	10
pit and pipe network	40 - 100 years	10
water retention structures	80 - 100 years	10
Other Infrastructure		
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
<u>Intangible assets</u>		
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 2021-2022 by a qualified independent valuer Mr Callum Mann – Certified Practising Valuer – API Member No. 107462 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.

The value of land under roads had not been considered since its initial recognition. It was agreed that in the absence of mature asset data, that an average indexation in line with the land asset class be applied from this revaluation process as a reasonable basis for its fair value.

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 2022 are as follows:

	Level 1	Level 2	Level 3	Revaluation Date
Land	-	44,189	-	30/06/2022
Specialised land / land under roads	-	-	6,532	30/06/2022
Buildings	-	11,897	30,295	30/06/2022
Total	-	56,086	36,827	

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 indexation undertaken by Brendan Walsh (B.Eng (Civil)).

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 2022 are as follows:

	Level 1	Level 2	Level 3	Revaluation Date
Roads	-	-	219,005	30/06/2022
Bridges	-	-	27,470	30/06/2021
Footpaths and cycleways	-	-	21,330	30/06/2022
Drainage	-	-	55,450	30/06/2022
Other infrastructure	-	-	6,500	30/06/2022
Total	-	-	329,755	

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.

Specialised buildings are valued using a current 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 \$2,650 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 180 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 current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets have not been determined during this indexation process. 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.

	2022	2021
Reconciliation of specialised land	\$'000	\$'000
Land under roads	423	224
Parks and reserves	6,109	3,756
Total specialised land	6,532	3,980

Note 6 Assets we manage	2022	2021
6.3. Investments in associates, joint arrangements and subsidiaries	\$'000	\$'000

(a) Investments in associates

Investments in associates accounted for by the equity method are:

- Geelong Regional Library Corporation

Geelong Regional Library Corporation

Background

At the 30 June 2021 the Corangamite Regional Library Corporation was wound up and disbanded on agreement of the four member councils: Colac Otway Shire, Corangamite Shire, Moyne Shire and Warrambbool City.

At the 1 July 2021 the Council transitioned to the Geelong Regional Library Corporation by agreement with five (5) member councils, the results of this are shown below.

The Geelong Regional Library Corporation is a corporation owned by five (5) councils: Borough of Queenscliffe, City of Greater Geelong, Colac Otway Shire, Golden Plains Shire and Surf Coast Shire. Colac Otway Shire has a 1.42% equity interest.

Fair value of Council's investment in Geelong Regional Library Corporation	-	-
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	-	-
Reported surplus/(deficit) for year	(1)	-
Transfers (to) from reserves	-	-
Council's share of accumulated surplus/(deficit) at end of year	<u>(1)</u>	<u>-</u>
Council's share of reserves		
Council's share of reserves at start of year	-	-
Transfers (to) from reserves	-	-
Council's share of reserves at end of year (based on population)	<u>-</u>	<u>-</u>
Movement in carrying value of specific investment		
Carrying value of investment at start of year	-	-
Share of surplus/(deficit) for year	(1)	-
Share of asset adjustment	148	-
Carrying value of investment at end of year	<u>147</u>	<u>-</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 contributing 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	2,760	2,800
Depreciation/Amortisation	(75)	(40)
Carrying value of investment at end of year	<u>2,685</u>	<u>2,760</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 2022.

Significant restrictions

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

	2022	2021
	No.	No.
Note 7 People and relationships		
7.1 Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
Colac Otway Shire Council is the parent entity.		
<i>Associates</i>		
Interests in associates are detailed in Note 6.3.		
(b) Key Management Personnel		
Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Colac Otway Shire Council. The Councillors, Chief Executive Officer and General Managers are deemed KMP.		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
Councillors		
Councillor Kate Hanson		
Councillor Chris Potter		
Councillor Stephen Hart		
Councillor Joe McCracken		
Councillor Graham Costin		
Councillor Margaret White		
Councillor Jamie Bell		
Chief Executive Officer and other Key Management Personnel		
Chief Executive Officer		
General Manager Corporate Services		
General Manager Environment and Infrastructure Services		
General Manager Development & Community Services		
Total Number of Councillors	7	10
Total of Chief Executive Officer and other Key Management Personnel	4	4
Total Number of Key Management Personnel	<u>11</u>	<u>14</u>
(c) Remuneration of Key Management Personnel	2022	2021
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,077	1,047
Long-term benefits	(10)	19
Post employment benefits	110	111
Total	<u>1,177</u>	<u>1,177</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	4	3
\$30,000 - \$39,999	1	2
\$40,000 - \$49,999	1	-
\$60,000 - \$69,999	-	1
\$80,000 - \$89,999	1	-
\$180,000 - \$189,999	1	-
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	2	2
\$230,000 - \$239,999	-	-
\$250,000 - \$259,999	-	1
\$260,000 - \$269,999	1	-
	<u>11</u>	<u>14</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:		
	2022	2021
	No.	No.
Income Range:		
\$70,000 - \$79,999	-	1
\$80,000 - \$89,999	-	1
\$150,000 - \$159,999	1	4
\$160,000 - \$169,999	4	2
\$170,000 - \$179,999	4	1
\$180,000 - \$189,999	-	1
\$190,000 - \$199,999	1	1
	<u>10</u>	<u>11</u>
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	1,721	1,702

Note 7 People and relationships	2022	2021
7.2 Related party disclosure	\$'000	\$'000

(a) Transactions with related parties

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

Employee benefit	-	52
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The following is the aggregate amount of transactions with **Investments in associates**.

Payments made to Geelong Regional Library Corporation	842	
Payments received from Geelong Regional Library Corporation	-	
Payments made to Corangamite Regional Library Corporation		846
Payments received from Corangamite Regional Library Corporation		11

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	-	-

(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.

Landfill

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 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 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 2020*. 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 + 2.5% and -2.50% 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 3 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation 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
(a) Asset revaluation reserves			
2022			
Property			
Land	19,247	24,566	43,813
Buildings	8,570	4,806	13,375
	27,817	29,372	57,188
Plant and Equipment			
Fixed plant, furniture and equipment	293	-	293
	293	-	293
Infrastructure			
Roads	140,676	14,710	155,386
Bridges	21,649	-	21,649
Footpaths and cycleways	7,697	1,206	8,903
Kerb and channelling	11,619	-	11,619
Other Infrastructure	-	448	448
Drainage	14,833	20,794	35,627
	196,474	37,158	233,633
Total asset revaluation reserves	224,585	66,530	291,114
2021			
Property			
Land	16,529	2,718	19,247
Buildings	8,570	-	8,570
	25,099	2,718	27,817
Plant and Equipment			
Fixed plant, furniture and equipment	293	-	293
	293	-	293
Infrastructure			
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	196,474
Total asset revaluation reserves	208,131	16,453	224,585

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

2022

	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	6,717	3,376	(4,823)	5,270
Port of Apollo Bay	555	4,820	(1,238)	4,137
Waste Management	2,532	3,246	(3,030)	2,748
Long Service Leave	2,941	2,983	(2,941)	2,983
Landfill rehabilitation (Alvie)	1,037	57	-	1,094
Recreational lands	1,042	118	-	1,160
Colac livestock selling centre	(122)	121	-	(1)
Rehabilitation	1,040	143	(71)	1,112
Plant replacement	2,435	1,040	(2,206)	1,269
Tirrengower Drainage Scheme	23	45	(13)	55
Unallocated Surplus	163	-	(163)	-
Water Saving Urban Design	44	14	-	58
Strategic Projects	682	-	(35)	647
Financial Assistance Grants received in advance	3,805	5,535	(3,805)	5,535
Disaster Recovery	6	-	-	6
Total Other reserves	22,900	21,498	(18,325)	26,073

2021

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
Total Other reserves	16,763	18,473	(12,336)	22,900

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.

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	2022	2021
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	\$'000	\$'000
Surplus for the year	5,747	6,403
Landfill rehabilitation present value movement	(921)	(3,382)
Fair value adjustments for right of use assets	-	580
Depreciation/amortisation	10,862	9,987
Finance costs	79	88
Share of net profits of associate	(147)	44
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	617	(183)
Wind up of Corangamite Regional Library Corporation	-	119
Contributions - non monetary assets	(2,016)	(617)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	875	(649)
(Increase)/decrease in prepayments	353	(362)
(Increase)/decrease in accrued income	(266)	352
(Decrease)/increase in trade and other payables	(2,559)	(71)
(Decrease)/increase in unearned income/revenue	4,781	3,004
(Increase)/decrease in inventories	(1)	60
(Increase)/decrease in trust funds & deposits	390	(244)
(Decrease)/increase in provisions	(584)	670
Net cash provided by operating activities	17,210	15,799

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 2022, this was 10.0% as required under Superannuation Guarantee (SG) legislation (2020/21: 9.5%)).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Colac Otway Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding Arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. As at 30 June 2021, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category.

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns	4.75% pa
Salary inflation	2.75% pa
Price inflation (CPI)	2.25% pa

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2022.

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2020/21: August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns	5.5% pa
Salary inflation	2.5% pa to 30 June 3.5% pa thereafter
Price inflation (CPI)	3.0% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 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 2021 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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 2021 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the last full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2021 (Interim)	2020 (Triennial)
	\$m	\$m
A VBI surplus	214.7	100.0
A total service liability surplus	270.3	200.0
A discounted accrued benefits surplus	285.2	217.8

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 2021. 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 2021. 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 2021. Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

The 2022 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

Note 10 Change in accounting policy

There have been no changes to accounting policies in the 2021/22 year.

There are no pending accounting standards that are likely to have a material impact on Council.



Sustainability Report

This year's Sustainability Report outlines Council's performance in relation to two key areas of environmental sustainability: Carbon Neutrality and Water Usage.

COLAC OTWAY SHIRE CARBON NEUTRAL TARGET

In 2010, Council set an ambitious target to achieve carbon neutrality in 2020. Council has worked towards this goal over many years and through a range of initiatives reductions of 36 per cent were achieved by the end of 2019-20. A comprehensive report outlining Council's work towards this goal was presented at the Council meeting in February 2022.

Council's ability to achieve carbon neutrality in 2020 was dependent on Council purchasing carbon offsets for the remaining emissions that resulted from Council's operations where they had not been fully avoided. Council achieved carbon neutrality for the 2020-21 year by offsetting a residential amount of 1,520 CO₂-e tonnes, which were purchased in August 2022. This final volume of emissions which have been offset reflect the emissions boundary including Scope 1 and 2 emissions and were determined by Pangolin Associates who provided third party verification of Colac Otway Shire's greenhouse inventory. Emissions for 2021-22, the year that directly relates to this Annual Report, are still to be verified, but Council's emissions from various sources are detailed below.

ORGANISATIONAL EMISSIONS FOR 2021-22

Total COS Greenhouse Emissions (CO ₂ -e tonnes)					
Year	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)
2021-22	0* (1,341)	464	0* (334)	1,342	1,806 (3,481)

*Numbers in brackets show emissions avoided by purchasing 100% Greenpower.

Organisational emissions have remained relatively steady since 2021-22, increasing by 1.7 per cent since 2020-21. The impact of ongoing sustainability initiatives such as efficiency upgrades and solar installations are difficult to distinguish from COVID-19 lockdown related emission reductions. The effectiveness of these upgrades will become evident as Council facilities return to business as usual operation. For 2021-22, despite gradual reopening of facilities and return to work orders, consumption and emissions remained lower than pre-COVID-19 activity.

The above table reports total emissions as measured by Council's Environmental scorekeeper and includes some Scope 3 emissions for consistency as this has been Council's reporting approach for many years and provides comparison and trend data. Scope 3 emissions are those a company causes indirectly via its supply chain, eg. emissions from fleet used by a contractor, rather than Council's own plant or fleet. Carbon neutrality for an organisation only requires scope 1 and 2, with scope 3 emissions encouraged but not mandatory.

Council has included some but not all scope 3 emissions in its purchased offsets for 2020-21, which is why the purchased offsets for 1,520 CO₂-e tonnes is lower than the total emissions of 1,775 CO₂-e tonnes above which include more scope 3 emissions than required to achieve carbon neutrality.

BUILDINGS

Council's ongoing commitment to purchasing 100 per cent Greenpower since 2020 continues to provide emissions-free electricity consumption for buildings. The 10.6 per cent increase in consumption can be attributable to return to office arrangements following the COVID-19 pandemic. Nevertheless there has been a decrease in electricity consumption since pre-pandemic activity, most likely reflecting the energy efficiency works conducted as part of the Local Government Energy Saver (LGES) program. This includes installation of HVAC units, LED lights, Building Management Systems (BMS) and solar systems.

STREETLIGHTS

Greenpower is also purchased to provide emissions-free electricity for street and public lighting. Consumption has decreased by 13.5 per cent, largely attributable to efficiency upgrades performed on 125 major road streetlights in February 2021.

FLEET

Fleet and equipment related fuel emissions remained relatively steady, increasing by 1.3 per cent. Diesel fuel consumption related to Council fleet has decreased by 8 per cent whilst petrol consumption has increased by 5 per cent. As Council moves to gradually electrify its fleet, hybrid rather than diesel vehicles are prioritised during fleet renewal. The remaining increase in fuel use is attributable to dredge and bulk (heavy plant and machinery) diesel, that has increased by 5 per cent and 7 per cent respectively.

WATER USAGE FOR COUNCIL FACILITIES

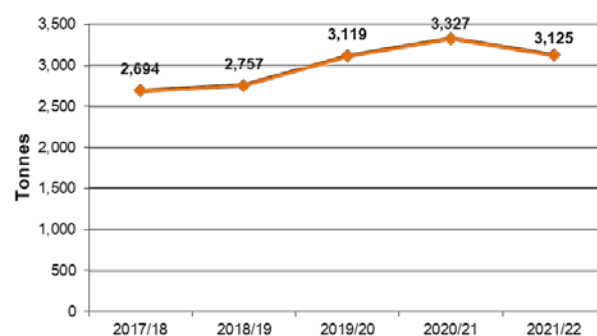
Council's underlying water usage continues to reduce over time as water efficiency initiatives are implemented. The 2020-21 year was significantly lower than the normal trend due to the impacts of COVID-19 lockdowns and service disruptions which meant that much less water was needed at Bluewater Leisure Centre and the Colac Regional Saleyards.

Year	Water usage (kilolitres)
2011-12	95,498
2012-13	104,735
2013-14	99,908
2014-15	86,740
2015-16	93,900
2016-17	80,887
2017-18	92,787
2018-19	92,935
2019-20	91,058
2020-21	67,333
2021-22	82,727

The above table demonstrates that water use has increased in 2021-22 by 18.6 per cent compared to the previous year, largely due to the reopening of several facilities and returfing of reserves conducted over the financial year. Sites significantly contributing to water use this financial year include Colac Botanic Gardens (33.4 per cent of total water use) and Bluewater Leisure Centre (17.2 per cent of total water use). Water use at Bluewater Leisure Centre significantly increased by 63.6 per cent due to its reopening post COVID-19.

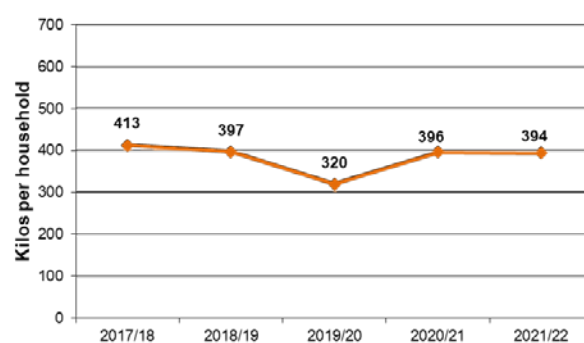
WASTE

Organic Waste Diverted from Landfill



Council recorded a decrease of 202 tonnes of organics material during the 2021-22 period which is expected to reflect the different seasonal factors to the prior year.

Household Waste to Landfill



The total general waste going to landfill from households via the kerbside collections is consistent with the previous year. Given the level of change in service in the 2021-22 year, including the introduction of a fourth bin, it is reasonable to expect that the year ahead will provide a greater opportunity to focus on the necessary behaviour change that will drive the reduction of waste to landfill particularly organics that can be placed in our organics stream.



Colac Otway
SHIRE

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Apollo Bay Customer Service Centre

100 Great Ocean Road, Apollo Bay

Open: 7-days a week, 9am - 5pm

For callers who have a hearing, speech or communication impairment, and for text telephone or modem callers, use our National Relay Service on 133677

