



Colac Otway  
SHIRE

**AGENDA**

ORDINARY COUNCIL MEETING  
OF THE  
COLAC-OTWAY SHIRE  
COUNCIL

15 DECEMBER 2010

at 3:00 PM

COPACC

An audio recording of this meeting is being made for the purpose of verifying the accuracy of the minutes of the meeting. In some circumstances the recording may be disclosed, such as where Council is compelled to do so by court order, warrant, subpoena or by any other law, such as the Freedom of Information Act 1982.

# COLAC-OTWAY SHIRE COUNCIL MEETING

15 DECEMBER 2010

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NOTICE is hereby given that the next *ORDINARY COUNCIL MEETING OF THE COLAC-OTWAY SHIRE COUNCIL* will be held in COPACC on 15 December 2010 at 3.00 pm.

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## **AGENDA**

### **1. OPENING PRAYER**

*Almighty God, we seek your blessing and guidance in our deliberations on behalf of the people of the Colac Otway Shire. Enable this Council's decisions to be those that contribute to the true welfare and betterment of our community.*  
*AMEN*

### **2. PRESENT**

### **3. APOLOGIES**

### **4. MAYORAL STATEMENT**

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

Colac Otway Shire encourages active community input and participation in Council decisions. Council meetings provide one of these opportunities as members of the community may ask questions to Council either verbally at the meeting or in writing.

Please note that some questions may not be able to be answered at the meeting, these questions will be taken on notice. Council meetings also enable Councillors to debate matters prior to decisions being taken.

I ask that we all show respect to each other and respect for the office of an elected representative.

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Thank you, now question time. 30 minutes is allowed for question time. I remind you that you must ask a question, if you do not have a question you will be asked to sit down and the next person will be invited to ask a question. This is not a forum for public debate or statements.

1. Questions from the floor
2. Questions received in writing prior to the meeting (subject to attendance and time)

**5. QUESTION TIME**

**6. DECLARATION OF INTEREST**

**7. CONFIRMATION OF MINUTES**

- **Ordinary Council Meeting held on the 24/11/10**
- **Statutory Council Meeting held on the 8/12/10.**

**Recommendation**

***That Council confirm the above minutes.***

**OFFICERS' REPORTS**

**Chief Executive Officer**

OM101512-1 CEO'S PROGRESS REPORT TO COUNCIL

**Corporate and Community Services**

OM101512-2 FINANCIAL SUSTAINABILITY REPORT  
OM101512-3 APOLLO BAY SENIORS CITIZEN CENTRE - LEASE RENEWAL  
OM101512-4 REVIEW OF INSTRUMENT OF DELEGATION - OLD BEECHY RAIL  
TRAIL

**General Business**

OM101512-5 ASSEMBLY OF COUNCILLORS

**Notices of Motion**

OM101512-6 BIRREGURRA STRUCTURE PLAN  
OM101512-7 BIRREGURRA STRUCTURE PLAN

**Rob Small**  
**Chief Executive Officer**

**CONSENT CALENDAR**

**OFFICERS' REPORT**

D = Discussion  
W = Withdrawal

ITEM	D	W
<p><b><u>CHIEF EXECUTIVE OFFICER</u></b></p> <p><b><u>OM101512-1      CEO'S PROGRESS REPORT TO COUNCIL</u></b></p> <p>Department: Executive</p> <p><b><u>Recommendation(s)</u></b></p> <p><i><b>That Council notes the CEO's Progress report to Council.</b></i></p>		

**Recommendation**

***That recommendations to items listed in the Consent Calendar, with the exception of items ....., be adopted.***

**MOVED**                                    .....

**SECONDED**                                .....



**OM101512-1      CEO'S PROGRESS REPORT TO COUNCIL**

AUTHOR:	Rhonda Deigan	ENDORSED:	Rob Small
DEPARTMENT:	Executive	FILE REF:	GEN00460

**EXECUTIVE****G21 Board Meeting**

The Mayor and CEO attended this meeting in Bannockburn on the 26 November 2010.

Agenda items included:

- Regional Research and Information Centre – presentation by Prof David Lowe
- Regional Land Use Plan – presentation by Lauren Terry and Peter Bettess
- Appointment of Auditor
- Stakeholder Survey
- Board Strategy Day
- Branding Proposal
- Canberra Delegation
- Barwon South West Regional Development Australia update
- Barwon South West Regional Management Forum update

**G21 Delegation to Parliament**

The Acting CEO, as part of a G21 delegation to Canberra, met with senior Australian Government representatives on the 22 & 23 November 2010 including:

- Parliamentary Secretary to the Prime Minister
- Population Taskforce Group Manager
- Minister for School Education, Early Childhood & Youth
- Minister for Innovation, Industry, Science & Research
- Parliamentary Secretary Climate Change & Energy Efficiency
- Senior Advisor to the Minister for Sustainability, Environment, Water, Population & Communities
- Federal member for Wannon
- Independent Members of Parliament and others with a broader focus and varying degrees of relevance to the Colac Otway Shire.

Members of the delegation broke up into separate groups to meet with the various delegates to ensure that a balanced and appropriate representation was available for all discussions. While the broader regional issues were the focus of the discussions, specific Colac Otway issues were raised within the context of the above whenever the opportunity arose.

**Towards Liveable Communities Coordination Committee (TLCCC/TLC3)**

As Chair of the Colac TLC3 Working Group, the CEO attended the regional meeting in Camperdown on the 30 November 2010, which included:

- Terms of Reference Review
- Updates from the Colac, Portland and Corio/Norlane TLC3 groups
- Secretary's Aboriginal Project Update

The Colac TLC3 Working Group met on the 7 December 2010. The meeting was chaired by the CEO and discussed the terms of reference and the immediate priorities. It is anticipated

that funding from the State Government with respect to disadvantaged rural towns will fund a person for four years to assist with this work. That person will be employed by Council but fully funded by the DPCD fund. The fund also includes a \$250,000 fund for capital or projects associated with TLC3 that needs to be matched on a one for one basis.

### **"headspace" Round Table Discussion**

**"headspace"** is Australia's National Youth Mental Health Foundation providing mental and health wellbeing support, information and services to young people from a "one-stop-shop" complex. Services include general health, mental health and counselling, education, employment and other services and alcohol and other drug services.

A Round Table Discussion was held on the 1 December 2010 to look at youth services in the Colac Otway community and to explore the possibility of establishing **"headspace"** health services in Colac for young people aged 12-25 years.

Applications are to be lodged by Colac Area Health to the Health and Hospital funds: Regional Priority round for a building to house a Youth Hub. Approaches will also be made to **"headspace"** regarding their resourcing a centre in Colac if the facility can be established.

### **State Election**

Following the result of the recent State elections, Council looks forward to working with Terry Mulder MP and the Coalition Government, to implement the following election promises:

- \$4m over four years Roads and Bridges funding
- \$257.5m for the duplication of the Princes Highway between Winchelsea and Colac
- \$10m for an additional 6 passing lanes between Colac and the South Australian border
- \$10m for increased rail services between Colac and Geelong
- \$11m for Colac Secondary College
- \$10m for Apollo Bay P12
- \$360k for foreshore trail from Apollo Bay to Skene's Creek.

### **South West 2030 Regional Transport Study**

The CEO and General Manager for Infrastructure & Services met with representatives from the Department of Transport regarding a proposed transport study for South West Victoria. The objective is to understand future freight and supply chain patterns so that business cases can be prepared for future roading and rail initiatives. It is planned that the study would complement those in Geelong and the Green Triangle Freight Action Plan. The Colac Otway Shire will be required to match \$10,000 being committed by three other Councils in our region. A further \$20,000 will be provided by the Department of Transport.

### **Early Childhood Meeting with State Agencies**

The CEO and General Manager for Corporate & Community Services met with representatives from the Department of Education and Early Childhood Development. The discussions involved our progress in the Shire towards meeting the future 15 hour/child Commonwealth target in kindergartens. They indicated satisfaction with our progress.



## **CORPORATE & COMMUNITY SERVICES**

### **Family Day Care**

Family Day Care (FDC) has been granted a full licence to run a 24 hour a day program for Council and appreciates all the support and assistance given to them.

FDC has distributed over \$24,000 of Commonwealth Childcare Benefit funding to families throughout the Shire for assistance with their childcare costs for the month of November.

Due to lack of childcare for school age children in the municipality the FDC Scheme has taken on 47 more school age children this Christmas Holidays. Council Officers are benchmarking vacation care options. Benchmarking is being undertaken across other municipalities to determine who runs vacation care programs, costs, private vs Council etc. As part of the analysis other information is also being gathered to assist in determining the way forward and the level of Council's involvement. The benchmarking and additional information will assist in assessing future options.

### **Health**

- Of a total of 367 food premises, 34 inspections were carried out in October and 33 in November.
- In October, 23 inspections of selling points for tobacco were also carried out to ensure legislations requirements are being met. 31 inspections were carried out in November.
- 15 Caravan Park inspections were carried out in October and 12 in November.

The following relate to the month of November:

- 13 Prescribed Accommodation inspections.
- 12 Food stalls inspected.
- 17 Septic Tank inspections were carried out with 5 permits to install and 5 permits to use systems being issued.
- 2 food recalls were advised to suppliers within the municipality.
- 5 complaints were investigated including
  - contaminated food
  - water over the footpath
  - barking dogs
  - two reports of dead animals causing nuisance.

Inspections of four new premises are presently in progress.

### **Food Sampling**

The results of 13 food samples that were taken in October were received. There were 4 samples that required further investigation. Three samples had high standard plate count indicating possible poor food handling techniques. One food sample registered the presence of E. Coli, indicating possible cross contamination or improper cooking procedures.

### **Transport Connections**

The State Government will continue to fund the Transport Connections Project (TCP) after Phase 2 finishes on 31 December 2010. The focus of Phase 2 has been Public Transport connections, whereas Phase 3 will offer innovative transport beyond public transport. TCP Coordinator Trina Ebeling completes her contract with Phase 2 and a new Coordinator will be sought for TCP Phase 3 (2011-2013).

A partnership with Travellers Aid Australia and 12 TCP's across Victoria, the Medical Companions Project (MCP), is an illustration of how TCP regional networks and partnerships established in Phase 2 is one of several initiatives that will continue in Phase 3. The MCP will provide a volunteer to assist travellers with medical transport connections from Southern Cross or Flinders Street Stations.

During summer 2010-2011, these Transport Connections bus routes will operate in partnership with the Department of Transport:

- *Apollo Bay to Colac **Wednesday bus – 8 December 2010 to 20 April 2011***
- *Colac to Lorne summer bus - **13 December 2010 to 24 April 2011***
- *Colac to Apollo Bay summer bus - **17 December 2010 to 24 April 2011***
- *Lavers Hill to Colac **Friday bus - 1 January 2011 to 30 April 2011***
- *Colac to Lavers Hill **Saturday bus - 1 January 2011 to 20 April 2011***

A total of \$967, 000 funding for TCP has been contributed to the Colac Otway Shire with \$600,000 from the Department of Transport and \$367,000 from the Department of Planning and Community Development.

The new Colac to Lavers Hill Saturday bus starting on New Year's Day, will offer public transport (with bikes) between Melbourne and the Old Beechy Rail Trail, Otway Fly and Otway Estate. Timetables are available at Southern Cross, Geelong and Colac stations and through various websites - Rail Trails Victoria, Otway Fly and Metlink/Viclink and Colac Otway Shire. All timetables will be available over summer on Metlink and Viclink for Google searches.

The free transport to the Colac Community Library and Learning Centre launch on 22 October was a great success for the *Colac City bus*, not just in terms of numbers on the day but the event also encouraged new travellers who have continued their patronage. Numbers are still contingent on weather and events, with October recording highest daily patronages of 127 (22<sup>nd</sup>) and 100 (21<sup>st</sup>).

As part of the Transport Connections Project further work is being undertaken to improve the transport links and options with the Colac Community Library and Learning Centre.

### **Aged & Disability Services**

#### **Community Aged Care Packages**

The outcome for the 2009-10 Community Aged Care Packages approval rounds has not been announced by the Commonwealth Government. The initial date was July 2010, however the expected date is now December 2010.

Requests for written submissions for the Australian Government Aged Care approval round for 2010-2011 will close 21 January 2011. The written submission will be jointly submitted by City of Greater Geelong, Surfcoast Shire Council, Queenscliff Borough and Colac Otway Shire. The submission will apply for Community Aged Care Packages, Extended Aged Care at Home Packages and Extended Aged Care Packages at Home Dementia Packages.

#### **Grant**

Colac Otway Shire is one of 12 councils that has been targeted for a \$100,000 grant over two years. The focus is "Ready For Tomorrow – A Blue Print for Regional and Rural Victoria Improving Liveability for Older People Initiative". The first phase is around consultation and planning with older people in their local communities. The focus is on communities that have less than 10,000 people and preference will be given to initiatives targeting more than one

small town/community. The second phase is developing and funding partnerships projects and delivering in a specific time frame.

### **Property Maintenance Contract**

The current property maintenance contract between Otway Community College and Colac Otway Shire will cease in December 2010. A review of the property maintenance program will be undertaken to ensure that needs are met at reasonable rates, which is becoming increasingly difficult. There are a number of options that are being explored including the segregation of tasks/maintenance that bear reasonable costs and tasks/maintenance that have significant costs. The property maintenance service that is provided by Council is an important service as it assists to maintain people in their own home who have minimal income. The review will assist in determining the preferred option with respect to future contract arrangements.

### **Maternal Child Health**

The focus for this month has been the start of the community consultation process as part of the Maternal Child Health (MCH) Service Review. Staff have visited the 3 rural centres of Cressy, Beech Forrest and Gellibrand to ensure that the service is relevant and issues of access are addressed. The Cororooke centre hours have been modified so that the same nurse visits this centre every two weeks to improve continuity. Staff have also visited Beac Community Health Centre and hope to visit regularly to coincide with the playgroup that runs out of this centre.

### **Number of infants enrolled from birth notifications**

Total number of new enrolments	15
First Time mothers	7

### **Key Ages and Stages Consultations**

Home visits	20				
2wks	19	8mths	24	3.5yrs	19
4wks	20	12mths	10		
8wks	19	18mths	13		
4mths	17	2yrs	15		

The Maternal Child Health service in this period has included:

- 99 additional consultations
- 41 phone consults
- 13 opportunistic immunisations
- 15 referrals
- 25 counselling sessions provided
- 5 new parents groups sessions in Colac
- 38 families currently enrolled under Enhanced Home Visiting service (vulnerable and at risk families)

### **Rural Access**

#### **International Day of People with Disability – Friday 3 December**

The week-long schedule of activities and the Friday night celebration dance were well supported and a great success. Rural Access has suggest to the Colac Disability Network that the organising of future celebration dances are to be lead more by the network rather

than Rural Access so that people with a disability can take a greater part in the organisation of the event, which they want to do.

Rural Access lead the nomination process and the selecting of the Colac Disability Network's Award recipients with a group of representatives from various disability services as well as two people with a disability.

The 2010 Colac Disability Network International Day award recipients are:

- Good Access Award – Botanic Café and Colac Low Floor Bus
- Community Participation Award – Colac Neighbourhood House
- Individual Achievement Awards:
  - Christopher Worden – Sport and Recreation
  - Andrew Knight – Community Volunteering Contribution
  - Catherine Farrell – Community Membership
  - John Preston – Arts and Culture
  - Tim Hunt – Education
  - Steven Nelson – Employment
  - Robyn McPhee – Personal Achievement

### **Recharge Scheme**

Rural Access has involved Colac Otway Shire in the implementation of a 'recharge scheme' where recharge points for electric scooters and wheelchairs are being listed (at this stage in Colac and Apollo Bay) on a website, [www.rechargescheme.org.au](http://www.rechargescheme.org.au). This is to support people who use an electric scooter or wheelchair to find one of the many recharge point locations across Victoria so that they may plan trips accordingly.

Over 60 Councils and over 1000 businesses and organisations have affiliated across the state for this scheme. Local businesses and organisations are encouraged to provide a power point in a convenient location to facilitate a recharging point if required. Recharge stickers are displayed on the windows of participating businesses and also placed near power points to ascertain which power point has been designated.

### **Events**

#### **Jeep 24 Hour Mountain Bike Race (27 and 28 November)**

The small town of Forrest was inundated with hundreds of riders that once again took on the 24 hour challenge - Victoria's only 24 hour event. The event revolved around a massive relay where solo riders or teams of up to six people competed, riding as many laps as possible within the 24 hours in the scenic Yaughner Mountain Bike Park. The event village was based at the Forrest Recreation Reserve and transformed the ground into a tent city with plenty of suitable amenities and food provided by local community groups.

#### **Christmas Toy Appeal by Ulysses Club Inc. (4 December)**

The annual Christmas Toy Appeal was carried out on Saturday 4 December from 10am to 12pm followed by a display of bikes in Memorial Square. Collection boxes had been placed in the foyer of Colac Otway Shire and other businesses in Colac to collect the toys and enable the public to donate funds on the day. Toys were then distributed by the Salvation Army and St Vincent De Paul to local families in need over the Christmas period.

#### **Rainforest Ride (11 December)**

The Rainforest Ride took place in the Apollo Bay region starting on the Great Ocean Road. The event included three routes of 140km, 70km and 23km. The event was a non competitive participation of road riding. The organisers of the race hoped to attract 2,000 competitors and with supporting family and friends, at least 4,000 visitors to the area. The

main objectives of the event were to showcase the spectacular natural features of the region and to educate the general public (particularly youth) on the benefits of being fit and healthy and to assist local communities to grow and develop.

### **2011 Australia Day Celebrations in Colac**

Colac community groups, organisations and businesses are keenly getting involved with the planning of the 2011 Colac Australia Day celebrations. Bulla Dairy Foods has generously committed to donating ice-creams on the day. Memorial Square will be filled with market stalls and plenty of free entertainment including music, children's activities and a free community sausage sizzle. The Colac Lions Club in partnership with the Events Unit are recruiting market stall holders that do not usually operate at the Market Square. A stall holder application form has been developed and is available from the Colac Otway Shire website and customer service centres. The Colac Lions Club will cook the free sausage sizzle sponsored by Colac Otway Shire.

The Colac Otway Shire Advisory Committee met to select recipients of the Citizen of the Year, Young Citizen of the Year, Community Services and Sporting Service 2011 Australia Day awards.

### **Upcoming Events**

Events which will be held throughout the Colac Otway Shire in January include the Custom Car and Bike Show (15 January 2011) and Australia Day Celebrations in Colac (26 January 2011).

## **Recreation**

### **Open Space Strategy**

Council has appointed Sykes Consulting, in partnership with Urbis, to prepare the Public Open Space Strategy. Sykes Consulting has extensive experience in open space and recreation planning. The partnership with Urbis, a well regarded organisation with experience in urban planning and landscape architecture, will provide a strong team to adequately perform the task of developing the strategy. It is expected that the project will commence in December 2010 and be completed by July 2011.

### **Healthy Sporting Environments Demonstration Project**

There was a very strong attendance at the recent briefing and celebration event held at the Birregurra Bowling Club to acknowledge those clubs who have registered as part of the Healthy Sporting Environment Demonstration Project. Approximately 50 attendees representing the 17 Colac Otway Shire sporting clubs who have nominated to participate in the project celebrated their club's successful involvement, gathered important information about the project and met other participating clubs. This exciting new project will offer clubs the opportunity to build capacity and change around creating healthy sporting environments into the future.

The main focus of the project is to support clubs to implement minimum standards in six areas of club development. These areas include:

- Sports injury prevention
- Protection from harmful effects of UV
- Healthy food
- Smoke-free environments
- Responsible use of alcohol
- Safe and respectful clubs (particularly for women) and reducing race-based discrimination

Clubs representing a diverse range of sports including cricket, football, pony club, bowls and tennis, attended the briefing session.

### **Old Beechy Rail Trail**

Work has commenced on the development of a new survey for trail users. The purpose of this survey is to provide trail users with an opportunity to express their opinion and experiences of the trail and offer any suggestions for improvements. The survey will also help the Old Beechy Rail Trail Committee to better understand the demographics, motivations and experiences of the current users which will assist with information for future growth and management. The survey will only take 5-10 minutes to complete and will be available on the web and in hard copy.

A marketing plan specifically developed to promote the Old Beechy Rail Trail was considered at the Old Beechy Rail Trail Committee meeting held 6 December 2010.

The Old Beechy Rail Trail brochure will be reprinted in time for Christmas 2010. The new brochure contains information about accessing the trail on Code Red Days, transportation options, a listing of businesses along the trail and a new photographic image for the front page.

### **Country Football Netball Program *Irrewillipe Recreation Reserve***

An application for funding has been re-submitted to Sport and Recreation Victoria's Country Football Netball Program to resurface one competition netball court, one warm up court and to install lighting and fencing at the Irrewillipe Recreation Reserve. The Western Eagles Football Netball Club is seeking \$60,000 from this program and contributing substantial cash and in-kind contributions.

### ***Priority Project Planning***

Correspondence has been forwarded to all football/netball clubs in the shire seeking details of each club's priority projects in the short, medium and long term. This list will assist Council to identify and plan for priority projects in our region through local and State Government funding opportunities, specifically the Country Football Netball Program.

### **Tennis Strategy/Forum/Audit**

A tennis club survey has been distributed to all clubs within the Colac Otway Shire to seek feedback and information about tennis participation and club issues. Survey results will be collated in early 2011.

Colac Otway Shire in conjunction with Tennis Victoria will host a shire wide tennis forum in early 2011. The forum will include an interactive workshop and consultation with the tennis community and also include a range of presentations on topics such as grants, club development, facility improvement, volunteers, attracting players and coaches, funding opportunities and programs supported by Tennis Victoria. It is anticipated that the forum will be followed by a shire-wide review of the 2004 Tennis Audit which will identify and assist with future project planning.

### **Central Reserve Advisory Committee**

A revised Terms of Reference has been developed for the Central Reserve Advisory Committee. This was discussed at the December meeting of the Advisory Committee.

Upon completion of upgrades to the Colac Youth and Recreation Centre there will be further discussions with respect to a Section 86 Committee of Management to manage and operate the facility. Discussions will also take place as to a revised lease agreement.

## **COPACC**

### **Carols by Candlelight**

The Colac City Band's 64<sup>th</sup> annual Carols by Candlelight concert at COPACC on Sunday 28 November was a success. More than 200 people attended the concert which featured the City Band, Colac Pipes & Drums, Otway Harmony Choir, Colac Chorale and Sacred Heart Choir. MC for the event was COPACC's Jamie McGuane.

### **Business Events**

COPACC hosted 95 events attracting more than 7,000 people in the month of November and eclipsed the previous record for highest monthly income in the centre's history.

### **Education Program**

Within two days of launching its education season to the Shire's primary school teachers in late November, COPACC had sold more than 820 tickets to the 2011 performances.

### **2011 Season**

The final touches are being made to COPACC's 10<sup>th</sup> annual subscription season which will be launched on Saturday 5 February 2011 in the auditorium.

### **Blue Water Fitness Centre**

The Colac Basketball Association have booked the stadium for a series of Saturday night senior representative basketball games as part of the Country Basketball League, bringing other teams from across country Victoria to the venue.

The stadium sponsorship packs are on offer and two local businesses have taken up the package with sixteen spaces still available.

Dry Program staff members attended the Caring for Carers event at COPACC run by Centrelink to present information on the centre and the benefits of exercise and a healthy diet.

A staff member attended the Victorian Fitness Academy industry night and presented to students that are currently enrolled at the Academy. This was a great opportunity to promote the Centre and seek out prospective employees.

The Centre's aquatics program has experienced a very busy November. Schools involved in the aquatics program included Trinity College, Colac Secondary College, Colac Specialist School, Hampden Specialist School and the following Primary Schools; Beeac, Alvie, Colac South West, Simpson and Sacred Heart.

Water safety week "Play it safe around the water" was conducted in the aquatic program. The program's key message was promoting parent supervision around all aquatic environments.

The Apollo Bay Swimming Pool opened to the public on 4 December 2010. New Lifeguard staff from Apollo Bay have completed training and induction ready for the summer season.

### **Youth Council**

Youth Council will conduct interviews for 2011 Youth Councillors in February 2011.

**INFRASTRUCTURE & SERVICES**  
**CAPITAL WORKS UNIT**

The Capital Works unit has been busy with the following:

**Budget Requests**

All departments have compiled budget requests for consideration in future budgets. All requests have been reviewed by Executive and are currently being ranked to give priority assessments. It is anticipated the priority list of projects will be reported to Executive by the end of December. Following this review, projects will be considered for the 2011/12 budget.

**Heavy Vehicle Route**

Quotes have been received from Consultancies for the development of the alternative Heavy Vehicle Route for Colac. The quotes received are currently being evaluated and it is expected that subject to the successful outcome of the interview process, the appointment of a consultant will occur prior to Christmas.

**Sinclair Street South, Elliminyt – Special Charge Scheme**

A hearing was held on 2 December 2010 at VCAT to hear submissions to the Sinclair Street South Special Charge Scheme. Prior to the hearing, one applicant withdrew their objection, which left one applicant at VCAT. The Chairman determined to reduce the applicants contribution for a very small lot within the Scheme, based on a combination of Lot benefit and Lot frontage rather than the method used by Council which followed the Ministerial guidelines of benefit unit only. The Chairman upheld the Council calculations for other properties within the Scheme.

**Emergency Works Agreements – Corangamite Catchment Management Authority (CCMA)**

Council is currently in the process of reviewing the draft protocol from the CCMA, which provides Council with clear obligations and limitations with respect to land slips and soil disposal issues adjacent to declared waterways. To do this, a case study has been undertaken for the Barham River Road and Barham River. It is hoped that this review will be completed and a response provided to the CCMA before the end of the year.

**Cressy Shelford Road Rehabilitation**

On 24 November 2010 a workshop was held at the Cressy Bowling Club to enable key stakeholders to provide feedback on the draft Cressy-Shelford Road Grassland Rehabilitation and Management Plan. The full day workshop was broken into three separate sessions which focused on the key themes of the plan:

- fire and biomass management
- road maintenance and
- environmental management.

The first session attracted approximately 40 key stakeholders, with significant representation from the County Fire Authority (CFA) and land holders who adjoin the road. Together with the professional facilitator and Steering Committee members the workshop allowed all the key stakeholders to have the opportunity to provide their feedback. The Steering Committee members provided an fundamental role throughout the day in engaging key stakeholders, clarifying their concerns and ensuring that all their input was captured. The feedback generated through this workshop and the conversations that were had around the reserves management, will assist Council is developing a more robust and inclusive document.



The feedback provided will be captured in a community engagement report, which will be considered by the Steering Committee when reviewing the plan, and a detailed report of how the comments were either incorporated into the plan or not will be provided to key stakeholders. Given the key stakeholder interest in the plan, another draft may be provided to them for comment on prior to the final being sent to DSE and Department of Environment, Water, Heritage and the Arts for endorsement as required by the Agreement.

## **SUSTAINABLE ASSETS UNIT**

### **Building Maintenance and Renewal**

<i>Kanyana Alterations/Upgrade</i>	Kanyana Club development is progressing well. The office and storeroom are nearing completion. The toilets have been completed and are now in use.
<i>Irrewillipe Hall</i>	Construction of the access ramp and footpath to the Irrewillipe Hall has now been completed. Cosworks have programmed works to resheet the car park fronting the hall in the near future.
<i>Rae Street Office</i>	External painting of the Rae Street office commenced in early December 2010.

### **Library Annexe**

The Fire Safety Engineer engaged to consider the fire separation requirements between the Annexe and future office space has concluded that the new wall is not required to be fire resistant as the existing building already satisfies the requirements of the Building Code.

Based on this advice, an application for a building permit was submitted for Stage 1 of the Library redevelopment (Library Annexe). The permit has been granted and construction of the wall has commenced. Contractors have also been engaged to undertake relocation of existing electrical and data services within the Annexe.

All works except the front entrance will be completed prior to Christmas and it is proposed to open the Annex on 20 December 2010. The front entrance will be upgraded in conjunction with the fitout of the balance of the building in early 2011.

### **Christmas Decorations**

Renewal of the existing bud lighting in Murray Street has been completed. Christmas themed banners and other Christmas decorations have been sourced and were delivered during the first week of December. Cosworks have installed banners and decorations on the centre road light poles along Murray Street and Bromfield Street.

### **Mechanical Services Maintenance Tender**

GRS Insulpak have completed their initial inspection and first scheduled service of Council's heating and cooling equipment. GRS's inspection report identified some units requiring maintenance but generally found the plant to be in good condition.

### **Testing and Tagging of Electrical Equipment**

Testing and tagging of electrical items in a number of Council's buildings commenced on 16 November 2010. Under the Victorian *Occupational Health and Safety Act 2004* Council has a legal liability to provide and sustain a safe working environment which is without risks to employees' health. For Council to fulfill its duty of care to provide a safe workplace any dangers related with electrical equipment must be identified. To do this, electrical equipment

such as photocopiers, printers, office equipment, kitchen appliances (e.g. fridges, microwaves, ovens etc), extension leads, and power boards must be inspected and tested on a periodic basis. No major issues have been found to date.

### **Routine Road Inspections**

The following is a summary of the routine road network inspections completed for the month of November 2010:

<p><i>Colac Footpath Area 1 Level 2 – (Residential Streets, north east area extending from Murray Street, Corangamite Street to Glenn Court)</i></p>	<p>Movement in sections of footpath were noted during inspection of the footpath network in this area. This largely is due to seasonal ground movement and root intrusion from nearby trees. Raised sections that do not meet Council's maintenance criteria will be either ground off or have a pre mix wedge applied to ensure that pedestrian safety is maintained. Other maintenance issues noted related to overhanging trees including both nature strip trees and trees located in private property. Trimming of overhanging street trees will be programmed. Notices have been issued to private property owners where vegetation is noted as overhanging the property boundary. These works have been reported to Council's Local Laws department for further follow up.</p>
<p><i>Hordern Vale Rural Roads</i></p>	<p>Road inspections in the Hordern Vale area have commenced with a number of signs being identified as missing or damaged. Replacement signs will be ordered and installed on arrival. Given the ongoing wet conditions, various soft spots along sections of gravel roads in this inspection area were noted. It has been recommended that these short sections of road be programmed for resheeting.</p>

### **COSWORKS DEPARTMENT**

**Capital Works:** Larpent Road reconstruction works have started and are nearing completion.

**Storm Damage:** Storm damage occurred in McRae Road, Boundary Road, Campiglis Road and the Old Beechy Rail trail. Flooding occurred on the road network in Colac when the underground drainage system was unable to cope with the volume of water from the recent heavy rainfall on 24 November 2010.

**Road Regrading:** Maintenance grading has increased in all areas due to improved weather conditions.

**Road Pavement Minor Patching:** There has been an increased level of maintenance on sealed roads in all areas due to the higher than average rainfall.

**Gravel Road Re-sheeting:** Resheeting works are being carried out on Burrupa Road, Woods Road, Connells Road, South Cundare Road and Foleys Road. Mahoneys Road and Monaghans Road resheeting works have been completed.

**Major Drainage Works:** Major drainage works have been completed on Sunnyside, Killala and Barham River Roads and Sinclair Street South.

**Routine Drainage Works:** Routine drainage works have been undertaken in Apollo Bay areas including weed spraying. The replacement of a 600mm culvert on Pipeline Road has been completed. Lower Gellibrand areas have been given priority for maintenance works due to the possibility of land slips.

**Vegetation Control:** Vegetation control works have been undertaken on Montrose Ave, Ferrier Drive, Roberts Road, Old Horden Vale Access, Old Coach Road, Sunnyside Road, Beatties Lane, Jones Road, Kennedys Access, Barham River Road, Killala Road, Hickeys Cutting, Broughtons Access, Morris Access and Breakwater Road.

**Roadside Slashing:** Roadside slashing works have been completed in Kawarren, Irrewillipe, Pirron Yallock, Alvie, Dreeite, Warrion, Cressy, Beeac and Yeodene areas. Works involved a single cut width due to soft drainage lines. Intersections in these areas have also been cut to improve sight distances along both the major and minor roads.

**Tree Maintenance:** Trimming works have been ongoing in Colac and surrounding areas.

**Bridge Maintenance:** Removal of debris on and around bridge structures in flood affected areas mainly in the south of the Shire has been completed.

**Township Mowing:** Due to the rapid spring growth an increased effort in township mowing and weed spraying has occurred throughout the municipality.

**Gardens:** General maintenance of all gardens has been undertaken.

**Playground Maintenance:** Playground maintenance has been completed as per recommendations and inspections required under the playground audits.

## **MAJOR CONTRACTS/WASTE UNIT**

### **Volunteer Undaria Weed Removal Day – Apollo Bay Harbour**

A volunteer Undaria removal day was organised by Parks Victoria on 13 November 2010 for the Apollo Bay Harbour. *Undaria Pinnatifida* is a marine pest, commonly known as Japanese Kelp that was first detected at the Apollo Bay Harbour in mid 2009. In 2009 the efforts of Department of Sustainability & Environment (DSE) to remove Undaria from the harbour waters using contracted divers, was not successful and the current focus is on containment of Undaria rather than eradication.

In a report prepared by Parks Victoria dated 13 November 2010, it was indicated that the Volunteer Undaria Removal Day was successful in achieving the following outcomes:

- Significant removal of a large amount of Undaria within the harbour especially on the floating pontoons
- Collection and removal of more than 2500 kilograms of Undaria
- The cost of Undaria removal using volunteers was approximately \$2,775. The cost was funded by Parks Victoria which was a relatively low expenditure and
- The focus was on removal of mature plants reducing the risk of spread by natural dispersal.

In the report, Parks Victoria mentioned that another similar exercise is planned for December 2010 or January 2011 focussing on areas that were not targeted in the first round, e.g. within the seagrass areas. Parks Victoria will be engaging with the media for providing necessary information to the public and stakeholders. Some of the future recommendations include setting up of monitoring sites on heavily infested areas and control of vessel movements to prevent the risk of spread to other areas.



### **Barwon Regional Waste Management Group (BRWMG) - Board Meeting**

The quarterly Barwon Regional Waste Management Group (BRWMG) Board meeting was held on 25 November 2010 at Otway Estate. The meeting started with a presentation on “Energy from Wave – the Scandinavia approach” and provided information on –

- Forrest chips to heat and provide electricity energy
- Energy from offshore wind in shallow waters of Sweden
- Stockholm – municipal waste to energy
- Second generation biofuels (straw to ethanol)
- Wet Waste energy - sewerage to Biogas methane for bus fuel
- Property facility for riding and parking of bicycles in cities
- City air quality improvement measures
- Energy efficient housing
- Grey water treatment and
- Power sources being replaced by energy from municipal waste and Biogas.

Some of the other issues discussed at the meeting were:

- Advice to DiCOM Contractors regarding regional tender outcome
- Progress report on Review of Regional Waste Management Group
- Enterprise Bargaining Agreement- BRWMG
- BRWMG – future waste management – EPA – organic processing under review
- SKM Plant – fire at Coolaroo plant and emergency measures for uninterrupted service.

### **Waste Update**

#### **e-Waste and small Electrical Drop Off**

The e-Waste collections were successfully carried out at Colac on the 13 November and Apollo Bay on the 20 November. The initiative was successful as approximately 100 cubic metres of small electrical and e-waste items were collected at Colac.

The Apollo Bay collection was relocated to the Apollo Bay Recreation Reserve for better visibility, accessibility and participation. This resulted in more than 30 cubic metres of e-waste being collected from the Apollo Bay area. This is nearly six times more than the volume collected last year.

Thanks should go to the Otway Foreshore Committee for allowing the use of the reserve and their assistance with placing public notices around Apollo Bay. GDP Recyclers in Geelong, the operators of the Duoro Street Transfer Station are also thanked for accepting the collection of items at no charge.

**Contracts****SKM**

The SKM plant now has its weighbridge operating. Council weights will now be based on actual weight delivered rather than the historical averages used for the first three months of the contract. This will improve the quality of waste data and reporting.

**Kerbside Collections**

Council's kerb side waste collection contractors are still experiencing problems with residents placing out old bins for collection. Contractors have been advised not to collect any old bins that are placed out. These bins are generally being placed out in addition to the new bins or by residents who are not registered with Council for having a waste collection service.

Council Officers are continuing to work through the issues and are undertaking regular bin audits.

**Tenders**

Tenders opened since the last reporting period:

- 1018 – Apollo Bay Main Breakwater Remediation
- 1023 – Urban Design Framework – Colac
- 1026 – Civic Hall Theatre Alterations
- 1029 – Supply & Deliver 55kw Tractor
- 1031 – Supply & Deliver 14 Tonne Tip Truck

Tenders awarded since the last reporting period are:

- 1017 – Botanic Gardens Footpath – to Gary Riches
- 1022 – Apollo Bay Urban Design Review – to Planisphere
- 1025 – COPACC Civic Hall Portable Staging and Seating – to BCBG (Vic) Pty Ltd

Tenders advertised since the last reporting period are:

- 1015 – Casual Recruitment Services, closing 22 December 2010
- 1028 – Linemarking Services, closing 22 December 2010

**Subdivision Works**

The following table shows the current status of various subdivisional works which will be handed over to Council when completion is approved:-

Subdivision	Status
Apollo Bay Industrial Estate Stage 1 9 lots	Council has been advised that the developer has lodged documents with the Titles office allowing for the sale of property and transfer of titles for Stage 1 on the subdivision including the Apollo Bay Transfer Station. The developer is continuing to complete outstanding civil works, although an agreement to bond incomplete works has been arranged.
Wyuna Estate Stage 11 24 lots	Currently contractors are constructing the final layers of pavement base course with asphalt expected to be placed prior to Christmas. Completion of services installation and construction of footpath has commenced.

**Apollo Bay Transfer Station**

Works have been completed for this stage of the Apollo Bay Transfer Station construction. A Practical Completion Certificate was issued on 25 November 2010 following the issue of an occupancy certificate signed off by the building surveyor. It is anticipated to open the facility on 20 December 2010 subject to Council receiving the property title.

**Bituminous Sealing Works**

Sprayline Surfacing Services was awarded the contract for Council's 2010/2011 annual reseal program. Currently Sprayline is preparing to complete initial seal designs and will be starting sealing in January 2011.

**SUSTAINABLE PLANNING & DEVELOPMENT****Planning Scheme Amendment C58**

Amendment C58 seeks to include policy references in the Planning Scheme to reflect the outcomes of the Kennett River, Wye River and Separation Creek Structure Plan adopted by Council in 2008, and to rezone land north of Separation Creek from Low Density Residential to Rural Conservation. An independent panel heard submissions to the amendment at Wye River on 11 November 2010, and is expected to provide its report to Council with recommendations on how to proceed with the amendment prior to Christmas. The Panel report will be presented to Council for a decision on the amendment early in the New Year.

**Apollo Bay Harbour Master Plan Planning Scheme Amendment**

Following the receipt of a \$95,000 grant from the State Government under its Creating Better Places program and an earlier grant of \$160,000 from Tourism Victoria, Council is in the process of engaging a project manager to oversee the preparation and exhibition of a planning scheme amendment that incorporates the Apollo Bay Harbour Master Plan into the Planning Scheme. Exhibition of the amendment is expected to occur late in 2011.

**G21 Regional Land Use Plan**

Council officers are participating in the G21 Regional Land Use Plan which is currently under preparation. The Plan will identify opportunities and constraints to urban growth in the region, as well as examine the implications of future population growth for Colac and smaller settlements such as Birregurra. There will be opportunities for public input into the Plan's development early in 2011.

**Rural Living Strategy**

The draft Rural Living Strategy has been considered by the Project Steering Committee and is now being finalised taking into account feedback from the Committee and Council staff. Councillors were briefed on the draft Strategy at a workshop early in November, with a report due to be considered by Council at its January 2011 meeting, prior to community consultation. Consultation on the draft Strategy could not be undertaken prior to Christmas due to the need to avoid consulting with the community over the holiday period.

**Draft Birregurra and Forrest Structure Plans**

The draft Birregurra and Forrest Structure Plans are currently on public exhibition. Written comments are due by Friday 17 December 2010. Public drop-in information sessions were held in Forrest and Birregurra at different times in November which allowed members of the community to talk to Council officers and the consultant in an informal setting. The workshops were well attended. Local community members are encouraged to access the documents and to express their views on the draft recommendations of the Structure Plans so that these views can be considered prior to finalisation of the Plans.

**Colac and Apollo Bay Car Parking Study**

The Issues and Opportunities Papers were exhibited to the public earlier this year and a series of community workshops took place in Colac and Apollo Bay. In addition to the feedback received at these workshops, officers also received a number of written submissions highlighting issues that may warrant further investigation. Following consideration of these issues, consultant AECOM has presented a draft Car Parking Strategy and Precinct Plan which is being reviewed by officers. This will be followed by a meeting of the Project Steering Committee to finalise the draft Strategy prior to presenting the documents to Council for consideration.

**Salinity Management Overlay Review**

At its meeting in September 2009 Council resolved to proceed with a Planning Scheme Amendment to apply the Salinity Management Overlay to saline areas throughout the Shire. The mapping and accompanying overlay schedule were provided to Council by the Corangamite Catchment Management Authority (CCMA). Subsequent discussions between Council and the CCMA have identified the need for minor changes to the overlay mapping to take advantage of higher resolution topographical data. The CCMA is currently updating the mapping and Council will formally seek Authorisation from the Minister for Planning to prepare a Planning Scheme Amendment once the revised mapping is received.

**Apollo Bay Future Settlement Boundary and Urban Design Review**

Consultant firm Planisphere P/L has been appointed through a public tender process to undertake the Apollo Bay Settlement Boundary and Urban Design Review project for Council. The project was part funded by the State Government under the Creating Better Places program and will re-examine the potential for urban growth of select locations at the periphery of Apollo Bay in light of the Great Ocean Green development not proceeding. It will also examine urban design issues in parts of the town. Planisphere have good local knowledge of Apollo Bay, having been responsible for preparing the 2007 Apollo Bay Structure Plan and 2003 Apollo Bay to Marengo Neighbourhood Character Study for Council, and for producing the Great Ocean Road Region Landscape Assessment Study for the State Government in 2004 which led to landscape protection controls being introduced to the coastal hinterland around Apollo Bay in 2009. Opportunities for public input to the project will be available early in 2011.

**Colac Central Activities Area and Entrances Urban Design Framework**

Officers are currently in the process of evaluating tenders for suitable consultants to undertake an urban design framework for the Colac Central Activities Area and City Entrances. The project aims to identify streetscape improvements which will increase the visual appeal and liveability of the town, and has been part funded by Regional Development Victoria. Tenders closed on 1 December 2010.

**MAV STEP Planning Process Improvement Project**

Council planning officers have commenced participation in the MAV led STEP program aimed at introducing best practice planning processes across local government in Victoria. This initiative will complement the current initiatives of the Colac Otway Shire's Planning Department to continually improve internal processes and communication methods. The early sessions have focussed on data collection and issue identification. Further workshops aimed at developing options for process improvement will be held early in 2011.

**Interim Enforcement Order – Balnagowan**

Council was recently successful in obtaining an interim enforcement order from the Victorian Civil and Administrative Tribunal (VCAT) requiring the owners of the Balnagowan homestead in Stoddard Street, Colac to undertake interim protection works to prevent further damage to the building until more permanent works to restore the building commence. Officers had been concerned at the damage occurring to the heritage listed building from weather and

vandals. The owners have not complied with the VCAT Order by the due date however, and Council has written to the Tribunal requesting that proceedings to enforce compliance with the order be initiated.

### **Fire Prevention and Planning**

The fire danger period started on 1 November 2010. Council is inspecting properties and is issuing fire prevention notices to properties that do not comply with the standards. By minimising fuel fire loads around buildings, fences and roadsides land owners can help prevent fires that damage the natural and built environments. Council has completed the first round of inspections and although a substantial number of notices were issued the numbers are lower than last year. This is a good indication that people are generally committed to doing the right thing especially in a season when grass growth has been prolific. Council will carry out follow up inspections on properties that have been issued notices if they have failed to comply then contractors will be sent in to clean up the property. The landowner will then be issued a fine and an invoice for the cost of the contractor. Although the general compliance levels have been good the community needs to remember that they need to maintain their vigilance throughout the fire danger period and the inspections will be ongoing during this time.

### **Bike Fleet**

In September Council launched a new bike fleet to allow Council staff to carry out local trips in a more healthy and environmentally friendly manner. So far 40 staff members have registered to use the five bikes that are located at Council's Rae St and Murray St offices and also the Blue Water Fitness Centre. Not surprisingly the most common usage has been on sunny days to go to meetings located nearby. Obviously bikes cannot be used for all of Council's transport needs but if used for many of the short trips this will help reduce Council's carbon footprint and help improve the health and wellbeing of Council staff. Once the trial period has ended a report will be developed recommending whether the fleet should be maintained and whether more bikes are necessary.

### **New Research On The Weed In The Apollo Bay Harbour**

In November 2009 Japanese Sea Kelp (*Undaria pinnatifida*) was found in the Apollo Bay Harbour. A native to Japan, Korea and China this aquatic weed has successfully invaded many areas around the world. This plant causes problems in aquatic environments around the world by out competing the native sea plants that provide habitat and food for local animals. When the weed was first found in the Apollo Bay Harbour attempts were made to eradicate it but unfortunately efforts have not been successful. The infestation within Apollo Bay harbour has already affected the local community, recreation and fishing industry. If the weed spreads out of the harbour it will threaten the health of local fish, crayfish and abalone populations. Current coastal surveys have shown no new outbreaks but the weed poses an extreme risk to the local fishing industry.

Strategies have been put in place to allow the harbour to continue to operate in such a way that minimises the risk of spreading the weed further along the coast. Wash down facilities have been produced to help stop dispersal on boat hulls, education programs have been set up to advise recreational fishers on the need to wash down fishing gear and all boats are required to empty ballast water within the harbour before exiting. Although there is an interdepartmental committee dedicated to dealing with this problem, further research is necessary to find out more about '*Undaria pinnatifida*', how it infests and colonises our local marine environment and the likely impacts of that infestation. It is also vital that eradication methods are well informed so that the threat is permanently removed. In order to help achieve this Council's Environment Officer, Simon Howland is starting a research project with Melbourne University to better understand how to manage our unwanted visitor and to ensure that it does not spread further along our precious coastline.



**School Fishing Day**

On 12 November over 130 students from five primary schools learnt about water safety, identifying fish species and rigging and casting of fishing lines at a fishing day at Peterborough. The students were also taught the importance of keeping waterways clean. The event was undertaken using funds obtained through a Recreational Fishing Grant from the Department of Primary Industries. The day was considered to be very successful and it is hoped that a similar event can be undertaken again next year.

**Business Development**

- G21 Agri Business tour of Colac was successful in showcasing our manufacturers.
- A representative of RDV, visited major businesses in Colac Otway Shire with EDU officers. The officer also toured our small towns to look at recently completed projects and projects which are currently underway.
- The RDV Cadetship program will be announced and promoted to businesses soon.

**Trade Training Centre (TTC)**

- The Colac Otway Vocational Education Cluster (COVEC) has been successful in its application for funding a Trade Training Centre (TTC) in Colac. COVEC was granted \$5.5 million to establish a TTC at Colac Secondary College with the Hospitality sector located at Trinity College.

**Grants**

The following funding announcements have been made

- Local Halls - \$172,000
- Cressy Bowling Club – \$60,000
- Apollo Bay Harbour – \$95,000
- Revitalising Regional Towns - \$750,000
- Liveability for Older People - \$20,000
- Trade Training Centre - \$5,500,000
- Birregurra and Forrest Master Plans – \$40,000
- Lions Park – Total \$105,000 (\$54,000 State Gov) (\$51,000 Fed Gov). .

**Tourism**

- Visitor Information Centres conducted a staff forum in Apollo Bay.
- A Volunteer staff forum was also conducted.

**GOR RTB Implementation Committee**

The implementation meeting was held on 8 December 2010 to finalise options for the proposed Regional Tourism Board. A workshop was also conducted earlier in the day to update Council on the issues. Council will receive a further report as the matter progresses.

**Small Town Improvement Program (STIP) / Master Plans**

- Funding has been received for Beech Forest, Stonyford and Hordern Vale halls - this is included in the above halls grant.
- Birregurra and Forrest have received funding for Master Plans as above.

**Attachments**

Nil

**Recommendation(s)**

***That Council notes the CEO's Progress report to Council.***

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**CONSENT CALENDAR****OFFICERS' REPORT**

D = Discussion

W = Withdrawal

| ITEM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | D | W |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <p><b><u>CORPORATE AND COMMUNITY SERVICES</u></b></p> <p><b><u>OM101512-2 FINANCIAL SUSTAINABILITY REPORT</u></b></p> <p>Department: Corporate and Community Services</p> <p><b><u>Recommendation(s)</u></b></p> <p><i>That Council receives the Financial Sustainability report.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                           |   |   |
| <p><b><u>OM101512-3 APOLLO BAY SENIORS CITIZEN CENTRE - LEASE RENEWAL</u></b></p> <p>Department: Corporate and Community Services</p> <p><b><u>Recommendation(s)</u></b></p> <p><i>That Council signs and seals the lease of the Apollo Bay Senior Citizens Centre for a further 5 year period with Otway Health and Community Services at a lease fee of \$1 per annum.</i></p>                                                                                                                                                                                                                                                                                                                    |   |   |
| <p><b><u>OM101512-4 REVIEW OF INSTRUMENT OF DELEGATION - OLD BEECHY RAIL TRAIL</u></b></p> <p>Department: Corporate and Community Services</p> <p><b><u>Recommendation(s)</u></b></p> <p><i>That Council:</i></p> <ol style="list-style-type: none"> <li><i>1. Signs and seals the revised Instrument of Delegation for the Old Beechy Rail Trail Committee.</i></li> <li><i>2. In accordance with Section 81(2A) of the Local Government Act 1989, resolves to exempt members of the committee from being required to submit a Primary or Ordinary "Register of Interest" return.</i></li> <li><i>3. Adopts the "Use of the Old Beechy Rail Trail by Recreational Vehicles" Policy.</i></li> </ol> |   |   |

**Recommendation**

***That recommendations to items listed in the Consent Calendar, with the exception of items ....., be adopted.***

**MOVED** .....

**SECONDED** .....

**OM101512-2 FINANCIAL SUSTAINABILITY REPORT**

|             |                                |           |               |
|-------------|--------------------------------|-----------|---------------|
| AUTHOR:     | Colin Hayman                   | ENDORSED: | Rob Small     |
| DEPARTMENT: | Corporate & Community Services | FILE REF: | GEN0392 Audit |

**Purpose**

For Council to consider a report on Financial Sustainability which provides financial information on the Colac Otway Shire as well as comparisons with those Councils in the Large Shire Grouping.

**Declaration of Interests**

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

**Background**

This is the fifth report that has been prepared on financial information for both Colac Otway and other Councils.

The information is up to the 2009/2010 financial year and is taken from Annual Reports where the information is available.

The Large Shire Grouping consists of 16 Councils:

- Bass Coast
- Baw Baw
- Campaspe
- Colac Otway
- Corangamite
- East Gippsland
- Glenelg
- Macedon Ranges
- Mitchell
- Moira
- Moorabool
- Moyne
- South Gippsland
- Southern Grampians
- Surf Coast
- Wellington

The paper includes information on the following:

- A. Colac Otway Shire Data 2002/2003 to 2009/10
- B. Colac Otway Shire Indicators/Ratios 2002/03 to 2009/10
- C. Staff Numbers and Salary Expenditure 2008/09
- D. Staff Numbers and Salary Expenditure 2009/10
- E. Large Shire Grouping 2008/09 and 2009/10
- F. Financial and Other Indicators 2009/10
- G. Fees and Charges
- H. Debt Management/Borrowings
- I. Financial Sustainability and Viability Indexes

## **Council Plan / Other Strategies / Policy**

### **Leadership and Governance**

Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.

### **Issues / Options**

#### Information

The information provided in the report plus the MAV LG Sustainability Program which is well underway will provide valuable information on how Council is performing in comparison with like councils and to therefore understand areas where Council performs well and where there are opportunities for Council to seek improvement.

#### Strategic Resource Plan

It is important that Council continues to address the challenges in the Strategic Resource Plan:

- Ensure asset renewal gap capital commitments are met in real terms for each year of the Strategic Resource Plan;
- Achieve consistent operating surpluses;
- Achieve strong working capital and liquidity positions;
- Ensure cash balances are equal or above statutory and reserve levels;
- Ensure funding is available to meet the Shire's current and future environmental obligations;
- Ensure funding is available to meet the Shire's current and future accommodation obligations;
- Review user fees and charges on an annual basis for equity and fairness.

These targets will:

- Meet the strategic objectives proposed in the Council Plan;
- Continue to address the infrastructure funding gap issues of Council;
- Provide a reasonable degree of consistency and stability in the level of rates burden;
- Enhance the longer term financial sustainability of Council.

#### Recommendations

In Chapter 2 of the report a number of recommendations are made:

1. Strategic Resource Plan  
*That the Strategic Resource Plan is reviewed on an annual basis to ensure that it reflects the current financial position of Council.*
2. Updating Data  
*That the data in the report is updated on an annual basis to ensure that the steps that have been taken are recorded to develop a greater understanding of trends both positive and negative.*
3. Underlying Deficit  
*That emphasis continues to be placed on achieving an Underlying Deficit.*
4. Useful Lives of Assets  
*That a further review is undertaken of the useful lives of assets and depreciation rates.*
5. Debt Management  
*That Council continues to assess its borrowing capacity against the Prudential Guidelines set by State Government.*

6. Financial Sustainability and Viability Indexes

*A number of organisations eg. Auditor General, MAV and "Strategy Plus" prepare data and indexes on Financial Sustainability on an annual basis*

- *That Council continues to monitor the various indicators with respect to Financial Sustainability.*

**Proposal**

That Council receive the report on Financial Sustainability and note the recommendations in the report.

**Financial and Other Resource Implications**

The report and data indicates that the main areas for ongoing review are:

- The underlying operating deficit;
- The level of capital expenditure; and
- Useful lives of assets and depreciation.

The continued emphasis on these areas will continue to ensure that Colac Otway improves its financial position.

**Risk Management & Compliance Issues**

The report highlights areas where Council needs to continue to monitor.

**Environmental and Climate Change Considerations**

Not applicable

**Community Engagement**

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

There has been no consultation. The report was included in the Audit Committee agenda for 15 December 2010.

**Implementation**

The report is to be noted. The information will be considered as part of the MAV LG Sustainability Program.

**Conclusion**

This report provides a picture of the financial situation of the Colac Otway Shire and how the Shire compares with other Councils of similar size ie. Large Rural Shire grouping.

The data that is available indicates that as at 30 June 2010, Colac Otway compares well with the average of Large Rural Councils in most categories/key performance indicators.

The main areas for ongoing review that are being addressed are:

- The underlying operating deficit;
- The level of capital expenditure.

It is also important that a review of useful lives of assets and depreciation rates is undertaken as the level of depreciation is high compared with like Councils.

The continued emphasis on these aspects will continue to ensure that Colac Otway Shire improves its financial position.

**Attachments**

1. Financial Sustainability Report - November 2010

**Recommendation(s)**

***That Council receives the Financial Sustainability report.***

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# FINANCIAL SUSTAINABILITY

**November 2010**

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## **1. INTRODUCTION**

### **FINANCIAL SUSTAINABILITY**

A financial sustainability report was first prepared in 2006 and has been updated on an annual basis.

#### **PART 1**

1. INTRODUCTION
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3. INFORMATION
  - A. Colac Otway Shire Data 2002/2003 to 2009/10
  - B. Colac Otway Shire Indicators/Ratios 2002/03 to 2009/10
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### **STRATEGIC RESOURCE PLAN**

The latest Strategic Resource Plan was prepared for the period 2009/2013 as part of the development of the new Council Plan.

### **LINK WITH COUNCIL PLAN**

The Strategic Resource Plan is developed within an overall planning framework which guides the Council in identifying community needs and aspirations over the long term, converting these into medium (Council Plan) and short-term (Budget) goals and objectives.

The Strategic Resource Plan summarises the financial impacts of those goals and objectives and determines whether Council can afford those plans. The annual budget is framed within the financial plan, taking into account the activities and initiatives of the current year that contribute to achieving the strategic objectives specified in the Council Plan.

The Strategic Resource Plan is not a 'stand alone' document. The SRP links with other Council strategies.

## **RESOURCES**

The resources available to Council can be grouped into three main sections:

1. Financial Resources
2. Infrastructure
3. Human Resources

### **1. FINANCIAL RESOURCES**

The financial outcomes and forecast long-term financial statements provided in the Strategic Resource Plan are reviewed on an annual basis.

The Strategic Resource Plan has been prepared on the basis of a number of challenges, targets and principles including:

#### **FINANCIAL CHALLENGES**

Challenges facing the Council are:

- Ageing infrastructure and a backlog of asset renewal;
- Extensive local roads system;
- Funding of capital expenditure investment;
- Environmental obligations including climate changes;
- Maintaining operating surpluses;
- Maintenance of existing liquidity levels;
- Managing financial risks prudently in regard to debts, assets and liabilities;
- Development of rating policies that provide reasonable stability and equity in the level of the rate distribution;
- Financial capacity to fund major infrastructure projects.

Other challenges which also need to be considered:

- Availability of appropriately skilled staff;
- Changing demographics and an ageing population resulting in a changing demand for existing Council services and changing community expectation to enhance existing services;
- Diverse township and rural environments creating diverse wants and needs requiring flexible strategies to deal with them.
- Increasing government regulation placing demands on Council particularly in public risk, health and safety, planning, building, asset management and environmental management.
- Dealing with reduced levels of federal and state government funding.

#### **LONG TERM FINANCIAL PLAN**

Council will need to develop a Long Term Financial Plan which will provide further details on:

- Long Term Borrowing Strategy
- Rating and Other Revenue Strategy
- Long Term Reserve Strategy
- Asset Management/Asset Renewal Strategy

The Plan will be a document that will enable Council to better manage its financial resources.

Long-term financial planning enables Councils to better plan and understand their long-term financial requirements, which includes consideration of sustainability, service provision levels and the creation, upgrading and renewal of infrastructure.

### **TARGETS**

Targets to be achieved to address the challenges are:

- Ensure asset renewal gap capital commitments are met in real terms for each year of the Strategic Resource Plan;
- Achieve consistent operating surpluses;
- Achieve strong working capital and liquidity positions;
- Ensure cash balances are equal or above statutory and reserve levels;
- Ensure funding is available to meet the Shire's current and future environmental obligations;
- Ensure funding is available to meet the Shire's current and future accommodation obligations;
- Review user fees and charges on an annual basis for equity and fairness.

These targets will:

- Meet the strategic objectives proposed in the Council Plan;
- Continue to address the infrastructure funding gap issues of Council;
- Provide a reasonable degree of consistency and stability in the level of rates burden;
- Enhance the longer term financial sustainability of Council.

## 2. KEY FINDINGS AND RECOMMENDATIONS

The report and information available indicates that Colac Otway Shire is addressing a number of challenges that face Council.

Over the last 5 years there has been an increased emphasis on key challenges to ensure that Colac Otway achieves certain targets as soon as possible to ensure that the Council's financial position is improved.

- Increased asset renewal and maintenance spending;
- Moving from operating deficits to operating surpluses.

It is also critical that levels of liquidity and debt are continually reviewed and managed responsibly.

The need to improve Council's financial position has been supported by increased and improved data and information both internally eg. Infrastructure Renewal analysis and externally eg MAV, Price Waterhouse etc.

Even though different organisations use different measures the messages are consistent with respect to Infrastructure Renewal and Operating Deficits.

### COMPARISONS

This report provides a picture of the financial situation of the Colac Otway Shire and how the Shire compares with other Councils of similar size ie. Large Rural Shire grouping.

The data that is available indicates that as at 30 June 2010, Colac Otway compares well with the Average of Large Rural Councils in most categories/key performance indicators.

The main areas for ongoing review that are being addressed are:

- The underlying operating deficit;
- The level of capital expenditure.

The continued emphasis on these aspects will continue to ensure that Colac Otway improves its financial position.

It is also important that a review of useful lives of assets and depreciation rates is undertaken as the level of depreciation is high compared with like Councils.

### RECOMMENDATIONS

1. *Strategic Resource Plan*

*That the Strategic Resource Plan is reviewed on an annual basis to ensure that it reflects the current financial position of Council.*

2. *Updating Data*

*That the data in the report is updated on an annual basis to ensure that the steps that have been taken are recorded to develop a greater understanding of trends both positive and negative.*

3. *Underlying Deficit*

*That emphasis continues to be placed on achieving an Underlying Deficit.*

4. *Useful Lives of Assets*

*That a further review is undertaken of the useful lives of assets and depreciation rates.*

5. *Debt Management*

*That Council continues to assess its borrowing capacity against the Prudential Guidelines set by State Government.*

6. *Financial Sustainability and Viability Indexes*

*A number of organisations eg. Auditor General, MAV and "Strategy Plus" prepare data and indexes on Financial Sustainability on an annual basis.*

- That Council continues to monitor the various indicators with respect to Financial Sustainability.*

### **3. INFORMATION**

#### **A - Colac Otway Shire Data 2002/2003 to 2009/2010**

Includes financial data for the period 2001/2002 to 2008/09 and a snapshot of the last 4 years of:

- Expenditure (Operating)
- Depreciation
- Revenue
- Rates and Charges
- Grants
- Operating Surplus (Deficit)
- Assets
- Loan Liability

#### **B - Colac Otway Shire - Indicators/Ratios 2002/2003 to 2009/2010**

The ratios listed include 5 that are included in the financial statements and another 6 that are part of the Indicators required to be reported by the Victorian Local Government Department.

#### **C - Staff Numbers and Salary Expenditure 2008/2009**

Provides details of staff numbers and Salary Expenditure for 2008/2009 for the Large Shire Grouping of Councils.

The information has been obtained from Annual Reports where available on the Internet. Not all staffing information re. staff numbers and EFT's has been obtained.

#### **D - Staff numbers and Salary Expenditure 2009/2010**

Provides details of staff numbers and salary expenditure for 2009/10 for the Large Shire Grouping of Councils.

The information has been obtained from Annual Reports where available on the Internet. Not all staffing information re. staff numbers and EFT's has been obtained.

The figures provide a guide only, as they do not tell the full story.

#### **E - Large Shire Grouping 2009/2010**

The information provides a variety of indicators of the Large Shire Grouping of 15 Councils.

#### **F - Financial and Other Indicators**

The information provides data for 2009/10 and a comparison against the average of the Large Rural Councils over a broad range of information.



**G - Fees and Charges**

The information provides an update on fees and charges. A separate fees and charges report has been prepared as part of discussions on the 2011/12 Budget process.

**H – Debt Management/Borrowings**

The information provides details on debt management and details of Council's borrowings.

**I – Financial Sustainability Indicators**

The information provides further details on the Victorian Auditor-General's Financial Sustainability Indicators.

## A – COLAC OTWAY SHIRE DATA 2002/2003 TO 2009/10

The following table provides data on various financial categories for the period from 2002/2003 to 2009/10 (8 year period).

Also included in this section is a snapshot in graph form of the last 4 years of:

- Expenditure (Operating)
- Depreciation
- Revenue
- Rates and Charges
- Grants
- Operating Surplus (Deficit)
- Assets
- Loan Liability

### WHAT DOES THE DATA SHOW?

#### INCOME

|                                 | 2002/03<br>\$'000 | %          | 2009/10<br>\$'000 | %          |
|---------------------------------|-------------------|------------|-------------------|------------|
| Rates & Charges                 | 10,891            | 43         | 18,559            | 48         |
| Grants                          | 8,251             | 32         | 12,276            | 31         |
| User Charges, Fees & Fines      | 4,878             | 19         | 4,267             | 11         |
| *Reimbursements & Contributions | 1,091             | 4          | 3,081             | 8          |
| Interest Income                 | 187               | 1          | 447               | 1          |
| Other                           | 160               | 1          | 496               | 1          |
| <b>Total</b>                    | <b>25,458</b>     | <b>100</b> | <b>39,126</b>     | <b>100</b> |

\*Reimbursements and contributions for 2009/10 includes one off insurance and legal recoveries of \$224,000 and \$1.1m respectively.

#### OVER THE 8 YEAR PERIOD

|                   |              |       |
|-------------------|--------------|-------|
| Total Income      | increased by | 53.7% |
| Rates and Charges | increased by | 70.4% |
| Grants            | increased by | 48.8% |

#### OPERATING EXPENSES

Over the 8 year period:

|                      |              |       |
|----------------------|--------------|-------|
| Total Expenses       | increased by | 22.2% |
| Employee Costs       | increased by | 42.4% |
| Depreciation         | increased by | 3.9%  |
| Finance Costs        | decreased by | 58.3% |
| Materials & Services | increased by | 20.8% |

**CAPITAL WORKS**

The 2009/10 total Capital Works is 143.2% higher than 2002/2003.

In 2002/03 Capital Works of \$5.3m were undertaken. For 2009/10 Capital Works of \$12.89m were undertaken.

The 2009/10 capital works amount includes significant expenditure on the Colac Community Library and Learning Centre.

**EMPLOYEE PROVISIONS**

|                    | 2002/2003<br>\$'000 | 2009/2010<br>\$'000 |
|--------------------|---------------------|---------------------|
| Annual Leave etc.  | 612                 | 972                 |
| Long Service Leave | 1,003               | 2,048               |
| <b>Total</b>       | <b>1,615</b>        | <b>3,020</b>        |

Annual Leave provisions have increased by 58.8% while Long Service Leave Provisions have increased by 104.2%.

The provisions in 2009/10 include oncosts for superannuation and workcover. Oncost was not included in 2002/03.

**STAFF NUMBERS**

While total Expenditure (Operating and Capital) has increased 40.6%.

|              | 2002/03<br>\$'000 | 2009/10<br>\$'000 |              |
|--------------|-------------------|-------------------|--------------|
| Operating *  | 29,809            | 36,430            |              |
| Capital      | 5,276             | 12,892            |              |
| <b>Total</b> | <b>35,085</b>     | <b>49,322</b>     | <b>40.6%</b> |

\*Excludes Assets adjustments

Staff numbers have increased (excludes vacant positions):

Total 12.2% (increase) (2009/10 - \*331 2002/03 - 295)  
EFT: 21.0% (increase) (2009/10 - \*211.8 2002/03 - 175)

\*The 2009/10 figures include 27 pay periods and the inclusion of Apollo Bay Harbour staff previously not included.

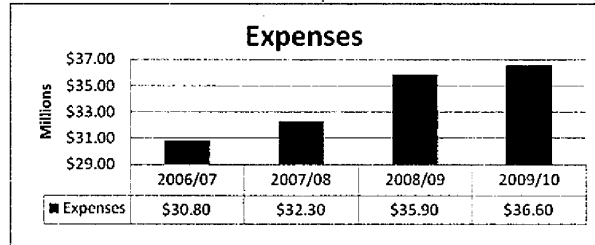
**A - COLAC OTWAY SHIRE DATA 2002/03 TO 2009/10**

|                              | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Income \$'000                | 26,706  | 30,567  | 31,264  | 31,042  | 31,791  | 32,950  | 37,771  | 39,680  |
| Expenses \$'000              | 34,082  | 30,070  | 33,439  | 29,303  | 30,816  | 32,271  | 35,926  | 36,613  |
| Net Surplus/(Deficit) \$'000 | (7,376) | 497     | (2,175) | 1,739   | 975     | 679     | 1,845   | 3,067   |
| Rates & Charges \$'000       | 10,891  | 11,660  | 12,305  | 13,198  | 14,748  | 16,384  | 17,602  | 18,559  |
| Increase on Previous Year    | 4.9%    | 5.5%    | 5%      | 7.3%    | 11.7%   | 11.1%   | 7.4%    | 5.4%    |
| Grants \$'000                | 8,251   | 9,343   | 9,397   | 11,534  | 9,635   | 10,818  | 13,066  | 12,276  |
| Employee Expenses \$'000     | 8,699   | 8,223   | 8,643   | 8,987   | 9,577   | 10,058  | 11,250  | 12,387  |
| Depreciation \$'000          | 8,093   | 7,114   | 7,173   | 7,545   | 7,435   | 7,508   | 8,902   | 8,409   |
| Capital Works \$'000         | 5,189   | 5,158   | 5,778   | 8,536   | 8,292   | 8,968   | 8,027   | 12,892  |
| Assets \$'000                | 184,290 | 184,218 | 198,462 | 207,058 | 208,010 | 237,186 | 247,927 | 253,852 |
| Cash \$'000                  | 3,542   | 5,562   | 8,021   | 8,114   | 6,988   | 6,412   | 9,651   | 9,762   |
| Indebtedness \$'000          | 5,455   | 4,865   | 4,419   | 3,991   | 3,514   | 3,006   | 2,462   | 4,157   |
| Employee Provisions \$'000   | 1,632   | 1,695   | 1,797   | 2,029   | 2,095   | 2,031   | 2,311   | 3,020   |
| Staff Nos - Total            | 295     | 286     | 291     | 290     | 288     | 289     | 287     | 331     |
| - EFT                        | 175     | 181     | 187.2   | 183.9   | 185     | 186     | 189     | 211.8   |

**SNAPSHOT – LAST 4 YEARS**

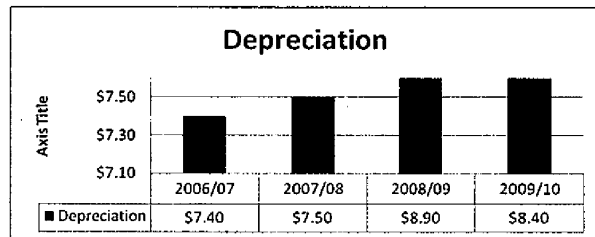
**Expenses**

|           |         |
|-----------|---------|
| 2006/2007 | \$30.8m |
| 2007/2008 | \$32.3m |
| 2008/2009 | \$35.9m |
| 2009/2010 | \$36.6m |



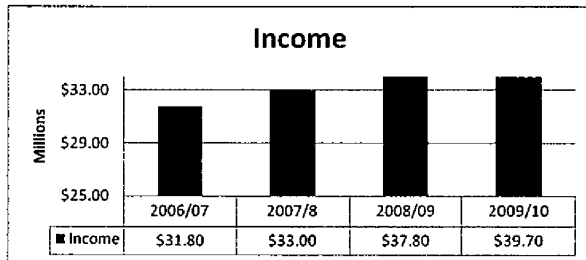
**Depreciation**

|           |        |
|-----------|--------|
| 2006/2007 | \$7.4m |
| 2007/2008 | \$7.5m |
| 2008/2009 | \$8.9m |
| 2009/2010 | \$8.4m |



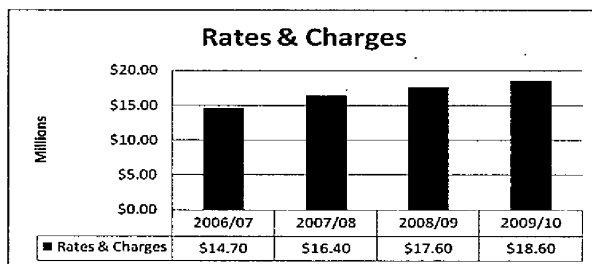
**Income**

|           |         |
|-----------|---------|
| 2006/2007 | \$31.8m |
| 2007/2008 | \$33.0m |
| 2008/2009 | \$37.8m |
| 2009/2010 | \$39.7m |



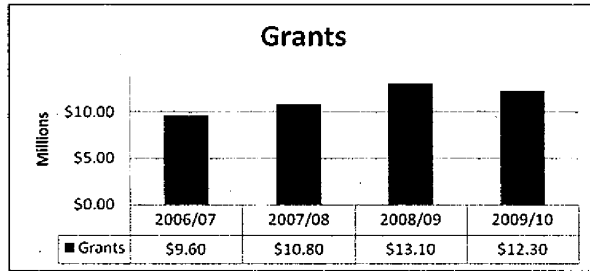
**Rates & Charges**

|           |         |
|-----------|---------|
| 2006/2007 | \$14.7m |
| 2007/2008 | \$16.4m |
| 2008/2009 | \$17.6m |
| 2009/2010 | \$18.6m |



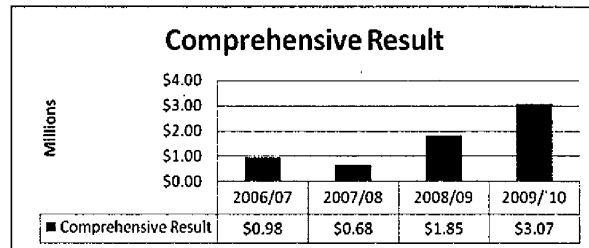
**Grants**

|           |         |
|-----------|---------|
| 2006/2007 | \$9.6m  |
| 2007/2008 | \$10.8m |
| 2008/2009 | \$13.1m |
| 2009/2010 | \$12.3m |



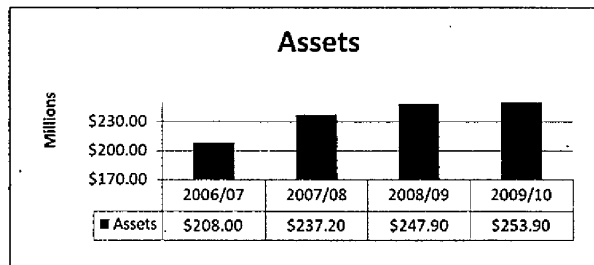
**Comprehensive Result**

|           |              |
|-----------|--------------|
| 2006/2007 | \$0.98m Surp |
| 2007/2008 | \$0.68m Surp |
| 2008/2009 | \$1.85m Surp |
| 2009/2010 | \$3.07m Surp |



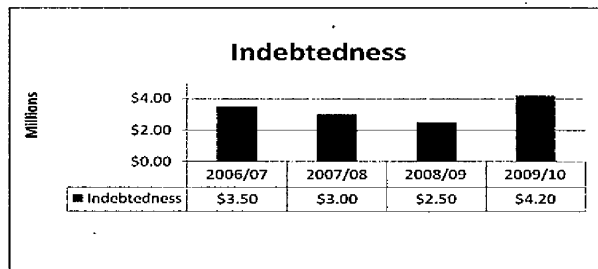
**Assets**

|           |          |
|-----------|----------|
| 2006/2007 | \$208.0m |
| 2007/2008 | \$237.2m |
| 2008/2009 | \$247.9m |
| 2009/2010 | \$253.9m |



**Indebtedness**

|           |        |
|-----------|--------|
| 2006/2007 | \$3.5m |
| 2007/2008 | \$3.0m |
| 2008/2009 | \$2.5m |
| 2009/2010 | \$4.2m |



**B - COLAC OTWAY SHIRE INDICATORS/RATIOS 2002/2003 TO 2009/2010**

|   | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| Debt Servicing Ratio (%)<br>(to identify the capacity of a Council to service its outstanding debt)                                 | 1.3%    | 1.3%    | 1.0%    | 0.9%    | 0.8%    | 0.7%    | 0.5%    | 0.4%    |
| Debt Commitment Ratio (%)<br>(to identify a Council's debt redemption strategy)   | 8.0%    | 8.3%    | 6.9%    | 5.3%    | 5.0%    | 4.4%    | 4.0%    | 2.4%    |
| Debt Exposure Ratio<br>(to identify a Council's exposure to debt)   | 18.2%   | 19.8%   | 21.5%   | 13.9%   | 12.1%   | 11.2%   | 11.4%   | 14.0%   |
| Revenue Ratio (%)<br>(to identify a Council's dependence on non-rate income)  | 40.8%   | 40.9%   | 39.4%   | 44.0%   | 46.4%   | 49.7%   | 46.9%   | 47.4%   |
| Working Capital Ratio<br>(to assess a Council's ability to meet current commitments)  | 155.1%  | 209.3%  | 207.6%  | 243.2%  | 266.6%  | 226.0%  | 226.8%  | 218.1%  |
| Average Rates & Charges per Assessment  | \$811   | \$869   | \$907   | \$956   | \$1,069 | \$1,151 | \$1,228 | \$1,288 |
| Average Rates & Charges per Residential Assessment  | \$688   | \$764   | \$822   | \$878   | \$950   | \$1,090 | \$1,000 | \$1,031 |
| Average Liabilities per Assessment  | \$752   | \$698   | \$885   | \$818   | \$698   | \$619   | \$695   | \$887   |
| Operating Result per Assessment   | (\$564) | (\$115) | (\$161) | \$128   | \$71    | \$48    | \$129   | \$213   |
| Average Operating Expenditure per Assessment  | \$2,603 | \$2,261 | \$2,482 | \$2,142 | \$2,069 | \$2,246 | \$2,437 | \$2,528 |
| Average Capital Expenditure per Assessment  | \$396   | \$388   | \$429   | \$626   | \$601   | \$630   | \$564   | \$895   |
| <b>Victorian Auditor General Ratios</b>   |         |         |         |         |         |         |         |         |
| Underlying Result   | (28.4%) | (8.8%)  | (16.7%) | 5.0%    | (5.0%)  | 0.8%    | 1.1%    | 6.0%    |
| Self-Financing Ratio (to assess Council's ability to replace assets from cash generated by operations)                              | 21.7%   | 20.3%   | 28.3%   | 22.5%   | 24.2%   | 25.8%   | 32.0%   | 31.9%   |
| Indebtedness Ratio (to assess Council's ability to cover longer term liability from its own sourced revenue)                        | 37.4%   | 33.8%   | 39.3%   | 34.2%   | 31.3%   | 24.1%   | 21.1%   | 27.1%   |
| Investment Gap Ratio (measures whether Council is spending on Infrastructure at a faster rate than the Infrastructure depreciation) | 64%     | 73%     | 81%     | 113%    | 112%    | 119%    | 90%     | 170%    |

## **B - SHIRE INDICATORS/RATIOS 2002/2003 to 2009/2010**

The ratios listed include 5 that are included in the financial statements, another 6 that are part of the Indicators reported by the Victorian Local Government Department and 4 from the Victorian Auditor General.

### **DEBT SERVICING RATIO**

Since 2002/2003 there has been a steady decrease from 1.3% to 0.4% in 2009/10.

This will increase in 2010/11 as a result of the loan borrowing program undertaken.

### **DEBT COMMITMENT RATIO**

Since 2002/2003 there has been a steady decrease from 8.0% to 2.4% in 2009/10.

This will increase in 2010/11 as a result of the loan borrowing program undertaken.

### **DEBT EXPOSURE RATIO**

The ratio has reduced from 18.2% in 2002/2003 to 14.0% in 2009/10.

This will increase in 2010/11 as a result of the loan borrowings program undertaken.

### **REVENUE RATIO**

The ratio has increased to around 47.4%.

This has increased from 40.8% in 2009/10.

A Pricewaterhouse Coopers report indicates that where rates are less than 40% of Council revenue, there is an indication that own-source revenue generating capacity is constrained and that the Council is likely to have a degree of dependence on grants from other levels of government.

For the last four years the ratio has averaged 47.6%

### **WORKING CAPITAL RATIO**

The ratio has increased over the past few years as a result of grants received in advance and works incomplete as at 30 June. For 2009/10 the ratio is 218.1%.

The aim is to have a ratio of at least 150% or 1.5:1.



### **VICTORIAN LOCAL GOVERNMENT DEPARTMENT**

The following 6 indicators/ratios are collected by the Victorian Local Government Department.

- Average Rates and Charges per Assessment
- Average Rates and Charges per Residential Assessment
- Average Liabilities per Assessment
- Operating Result per Assessment
- Average Operating Expenditure per Assessment
- Average Capital Expenditure per Assessment

Comparisons with other Councils in the Large Shire Grouping of the above 6 ratios for the 2008/2009 financial year are detailed in Part E of this report.

The 2009/2010 indicators for Councils have been included where information is available from Annual Reports.

### **VICTORIAN AUDITOR GENERAL FIGURES - RECORDED SINCE 2002/2003**

#### **UNDERLYING RESULT**

The figures indicate the Shire has moved to modest underlying surpluses. Needs to be closely monitored.

#### **LIQUIDITY RATIO**

Figures have not been included as same as the Working Capital ratio on previous page.

#### **SELF-FINANCING RATIO**

Results indicate that the Shire is generating enough cash from operations to fund the acquisition of new assets and the renewal of existing assets.

#### **INDEBTEDNESS RATIO**

The ratio has reduced from 37.4% in 2002/03 to 27.1% in 2009/10. The ratio increased in 2009/10 due to the loan program undertaken.

#### **INVESTMENT RATIO**

The figures show that Council has made significant improvements since 2002/03 in funding the renewal of the Shire's existing assets.

#### **SUMMARY**

These indicators are then categorised into Risk Levels – High, Medium, Low. For further details see Section I of this report.

For 2009/10 Council will achieve a 'low' risk in all of the five Sustainability ratios.

### C - STAFF NUMBERS AND SALARY EXPENDITURE 2008/09

Provides details of staff numbers and Salary Expenditure for 2008/2009 for the Large Shire Grouping of Councils.

The information has been obtained from Annual Reports where available on the Internet. Not all staffing information re staff numbers and EFT's has been obtained.

|                    | Total Operating Expenditure *<br>\$ '000 | Total Employee Expenditure<br>\$ '000 | % of Employee Expenditure/Total Operating Expenditure<br>% | Total Capital Expenditure<br>\$ '000 | Staff Numbers | EFT        |
|--------------------|--|---------------------------------------|--|--------------------------------------|---------------|------------|
| <b>Colac Otway</b> | <b>35,926</b>                            | <b>11,250</b>                         | <b>31.3</b>  | <b>8,027</b>                         | <b>287</b>    | <b>189</b> |
| Bass Coast         | 41,129                                   | 17,242                                | 41.9   | 14,381                               | 284           | N/A        |
| Baw Baw            | 49,508                                   | 16,177                                | 32.7   | 10,783                               | N/A           | N/A        |
| Campaspe           | 64,996                                   | 21,143                                | 32.5   | 12,628                               | 605           | N/A        |
| Corangamite        | 30,358                                   | 11,425                                | 37.6   | 11,906                               | 354           | 190.6      |
| East Gippsland     | 55,597                                   | 11,587                                | 20.8   | 22,333                               | 231           | N/A        |
| Glenelg            | 34,112                                   | 13,288                                | 39.0   | 9,274                                | N/A           | 206        |
| Macedon Ranges     | 44,163                                   | 19,189                                | 43.5   | 9,481                                | 601           | N/A        |
| Mitchell           | 36,782                                   | 14,002                                | 38.1   | 10,960                               | 419           | N/A        |
| Moira              | 36,546                                   | 12,442                                | 34.0   | 13,196                               | 221           | 174.6      |
| Moorabool          | 32,106                                   | 11,752                                | 36.6   | 9,319                                | 275           | 180.4      |
| Moyne              | 35,833                                   | 10,865                                | 30.3   | 12,000                               | 305           | 209        |
| South Gippsland    | 36,807                                   | 13,847                                | 37.6   | 7,981                                | 314           | N/A        |
| Southern Grampians | 27,779                                   | 11,178                                | 40.2   | 9,093                                | 355           | N/A        |
| Surf Coast         | 42,018                                   | 14,772                                | 35.2   | 11,693                               | 289           | N/A        |
| Wellington         | 58,915                                   | 16,397                                | 27.8   | 21,994                               | 445           | 271        |

## D - STAFF NUMBERS AND SALARY EXPENDITURE 2009/10

Provides details of staff numbers and salary expenditure for 2009/10 for the Large Shire Grouping of Councils.

The information has been obtained from Annual Reports where available. Not all staffing information re staff numbers and EFT's has been obtained.

As can be seen by the data a growing number of Councils are now not including EFT staff numbers in their Annual Reports.

The figures provide a guide only, as they do not tell the full story eg. depends on the level of contracting out of services.

|                      | Total Operating Expenditure \$ '000 | Total Employee Expenditure \$ '000 | % of Employee Expenditure/Total Operating Expenditure % | Total Capital Expenditure \$ '000 | Staff Numbers | EFT        |
|----------------------|-------------------------------------|------------------------------------|---|-----------------------------------|---------------|------------|
| <b>Colac Otway *</b> | <b>36,613</b>                       | <b>12,387</b>                      | <b>33.8</b>   | <b>12,892</b>                     | <b>331</b>    | <b>211</b> |
| Bass Coast           | 47,371                              | 18,023                             | 38.0  | 17,424                            | 384           | 305        |
| Baw Baw              | 54,806                              | 18,040                             | 32.9  | 13,906                            | 387           | N/A        |
| Campaspe             | 60,841                              | 22,190                             | 36.5  | 11,887                            | 565           | N/A        |
| Corangamite          | 32,256                              | 12,182                             | 37.8  | 10,531                            | 270           | N/A        |
| East Gippsland       | 62,491                              | 14,279                             | 22.9  | 25,216                            | 314           | N/A        |
| Glenelg              | 36,289                              | 15,082                             | 41.6  | 11,038                            | N/A           | 211        |
| Macedon Ranges       | 47,280                              | 20,450                             | 43.3  | 19,470                            | 611           | N/A        |
| Mitchell             | 37,968                              | 14,491                             | 38.2  | 10,534                            | N/A           | 202        |
| Moira                | 39,175                              | 13,008                             | 33.2  | 9,066                             | 226           | 175        |
| Moorabool            | 37,968                              | 12,996                             | 34.2  | 10,909                            | 274           | 184        |
| Moyne                | 35,970                              | 12,465                             | 34.7  | 14,944                            | 316           | 213        |
| South Gippsland      | 40,012                              | 15,588                             | 39.0  | 8,108                             | 320           | N/A        |
| Southern Grampians   | 31,140                              | 12,131                             | 39.0  | 8,885                             | 352           | 210        |
| Surf Coast           | 48,475                              | 16,357                             | 33.7  | 16,952                            | 335           | 209        |
| Wellington           | 62,143                              | 18,932                             | 30.5  | 22,852                            | 441           | 264        |

\*The 2009/10 figures include 27 pay periods and the inclusion of Apollo Bay Harbour staff previously not included.

## **E - LARGE SHIRE GROUPING 2008/2009 AND 2009/2010**

The information provides a variety of indicators of the Large Shire Grouping of 16 Councils of which Colac Otway Shire is included.

- Bass Coast
- Baw Baw
- Campaspe
- Colac Otway
- Corangamite
- East Gippsland
- Glenelg
- Macedon Ranges
- Mitchell
- Moira
- Moorabool
- Moyne
- South Gippsland
- Southern Grampians
- Surfcoast
- Wellington

The final information for 2008/2009 financial year has been prepared by Local Government Victoria. The information for 2009/10 is taken from Annual Reports where available.

*"Indicators are measures of outputs or outcomes, individually and without associated explanations, they can only ever tell part of the story.*

*It is important to put indicator results in context and to remember that they only give an indication of where to start looking for the reasons behind differences. The usefulness of indicators is not in the numbers themselves but the analysis of why some local governments may appear to perform better than others, as well as insights as to how to improve their performance.*

*It may therefore be more useful to consider the combined results of several broad indicators in assessing performance rather than any one indicator on its own. When comparing one local government with another or assessing one local government's performance it is important to remember that the indicators do not on their own give the full picture of local governments performance.*

*Although indicators show the differences between local governments, they do not explain why these differences have arisen. Differences may arise for many reasons, such as democratic policy choices, geographic and demographic factors, population density and external funding decisions."*

Local Government in Victoria 2005

LARGE SHIRE GROUPING – 2008/2009

|                    | ALLIATES                            | RESIDENTIAL RATES                            | OPERATING COSTS                         | CAPITAL EXPENDITURE                   | RENEWAL                  | RENEWAL & MAINTENANCE                    | LIABILITIES                   | OPERATING RESULT                   |
|--------------------|-------------------------------------|--|---|---------------------------------------|--------------------------|--|-------------------------------|------------------------------------|
|                    | Rates and charges per assessment \$ | Residential rates and charges per assessment | Operating expenditure per assessment \$ | Capital expenditure per assessment \$ | Infrastructure renewal % | Infrastructure renewal and maintenance % | Liabilities per assessment \$ | Operating result per assessment \$ |
| Bass Coast         | 1,070                               | 1,002  | 1,537                                   | 542                                   | 79                       | 90                                       | 485                           | 616                                |
| Baw Baw            | 1,270                               | 1,053  | 2,372                                   | 517                                   | 48                       | 77                                       | 1,064                         | 499                                |
| Campaspe           | 1,167                               | 1,077  | 3,262                                   | 634                                   | 66                       | 82                                       | 1,035                         | (9)                                |
| Colac Otway        | 1,232                               | 1,032  | 2,510                                   | 561                                   | 75                       | 87                                       | 694                           | 129                                |
| Corangamite        | 1,450                               | 787  | 3,216                                   | 1,261                                 | 93                       | 96                                       | 1,100                         | 437                                |
| East Gippsland     | 1,111                               | 1,034  | 1,932                                   | 483                                   | 93                       | 66                                       | 580                           | 542                                |
| Glenelg            | 1,225                               | 699  | 2,469                                   | 678                                   | 38                       | 61                                       | 909                           | 334                                |
| Macedon Ranges     | 1,329                               | 1,409  | 2,257                                   | 481                                   | 54                       | 72                                       | 881                           | 687                                |
| Mitchell           | 1,039                               | 1,214  | 2,408                                   | 667                                   | 52                       | 76                                       | 740                           | 472                                |
| Moira              | 1,204                               | 1,113  | 2,236                                   | 763                                   | 92                       | 95                                       | 1,511                         | 389                                |
| Moorabool          | 1,361                               | 1,214  | 2,360                                   | 685                                   | 108                      | 103                                      | 895                           | 184                                |
| Moyne              | 1,120                               | 928  | 3,218                                   | 1,078                                 | 89                       | 93                                       | 587                           | 393                                |
| South Gippsland    | 1,302                               | 1,079  | 2,022                                   | 438                                   | 80                       | 92                                       | 564                           | 515                                |
| Southern Grampians | 1,100                               | 776  | 2,683                                   | 809                                   | 84                       | 91                                       | 1,041                         | 413                                |
| Surfcoast          | 1,505                               | 1,419  | 2,269                                   | 625                                   | 53                       | 76                                       | 700                           | 628                                |
| Wellington         | 993                                 | 775  | 1,756                                   | 676                                   | 77                       | 87                                       | 729                           | 315                                |
| Median             | 1,214                               | 1,044  | 2,366                                   | 651                                   | 78                       | 87                                       | 810                           | 425                                |
| Average            | 1,217                               | 1,038  | 2,407                                   | 681                                   | 74                       | 84                                       | 845                           | 409                                |

LARGE SHIRE GROUPING – 2009/2010

|                    | RATES                               | RESIDENTIAL RATES                               | OPERATING COSTS                         | CAPITAL EXPENDITURE                   | RENEWAL                  | RENEWAL & MAINTENANCE                    | LIABILITIES                   | OPERATING RESULTS                  |
|--------------------|-------------------------------------|---|---|---------------------------------------|--------------------------|--|-------------------------------|------------------------------------|
|                    | Rates and charges per assessment \$ | Residential rates and charges per assessment \$ | Operating expenditure per assessment \$ | Capital expenditure per assessment \$ | Infrastructure renewal % | Infrastructure renewal and maintenance % | Liabilities per assessment \$ | Operating result per assessment \$ |
| Bass Coast         | 1,151                               | 1,077   | 1,746                                   | 642                                   | 52                       | 121                                      | 503                           | 443                                |
| Baw Baw            | N/A                                 | N/A   | N/A                                     | N/A                                   | N/A                      | N/A                                      | N/A                           | N/A                                |
| Campaspe           | 1,241                               | 1,091   | 2,999                                   | 586                                   | 82                       | 80                                       | 849                           | (17)                               |
| Colac Otway        | 1,288                               | 1,031   | 2,528                                   | 895                                   | 71                       | 82                                       | 887                           | 213                                |
| Corangamite        | 1,521                               | 873   | 3,417                                   | 1,115                                 | N/A                      | 53                                       | 585                           | 251                                |
| East Gippsland     | N/A                                 | N/A   | N/A                                     | N/A                                   | N/A                      | N/A                                      | N/A                           | N/A                                |
| Glenelg            | 1,284                               | 766   | 2,626                                   | 799                                   | 42                       | 62                                       | 812                           | 201                                |
| Macedon Ranges     | 1,399                               | 1,365   | 2,421                                   | 941                                   | 43                       | 66                                       | 977                           | 494                                |
| Mitchell           | 1,276                               | 1,172   | 2,442                                   | 624                                   | 93                       | 30                                       | 796                           | 735                                |
| Muir               | 1,287                               | 1,196   | 2,380                                   | 551                                   | 99                       | 100                                      | 1,590                         | 186                                |
| Moorabool          | N/A                                 | N/A   | 2,571                                   | 765                                   | 59                       | N/A                                      | 1,096                         | 316                                |
| Moyne              | 1,148                               | 935   | 3,210                                   | 1,328                                 | 96                       | 98                                       | 722                           | 204                                |
| South Gippsland    | 1,375                               | 1,181   | 2,154                                   | 437                                   | 72                       | 87                                       | 494                           | 349                                |
| Southern Grampians | 1,140                               | 802   | 2,954                                   | 884                                   | 86                       | 92                                       | 1,106                         | 81                                 |
| Surfcoast          | 1,589                               | 1,530   | 2,530                                   | 886                                   | 54                       | 115                                      | 1,148                         | 306                                |
| Wellington         | 993                                 | 775   | 1,756                                   | 676                                   | 77                       | 87                                       | 729                           | 315                                |
| Median             | 1,284                               | 1,077   | 2,529                                   | 782                                   | 72                       | 87                                       | 831                           | 279                                |
| Average            | 1,284                               | 1,061   | 2,552                                   | 795                                   | 71                       | 83                                       | 807                           | 291                                |

## F - FINANCIAL AND OTHER INDICATORS 2009/2010

The following information provides general and financial data for the financial year 2009/10 taken from Annual Accounts and budget documentation.

The data is based on "Large Rural". The grouping includes 16 Councils.

### LARGE SHIRE GROUPING

The large Shire grouping includes sixteen Councils. Bass Coast, Baw Baw, Campaspe, Colac – Otway, Corangamite, East Gippsland, Glenelg, Macedon Ranges, Mitchell, Moira, Moorabool, Moyne, South Gippsland, Southern Grampians, Surf Coast and Wellington.

Below is data on each Council compared with Colac Otway.

The Population and Number of Assessments figures are taken from Local Government in Victoria Report 2009.

Population is the ABS Estimated Resident Population at June 2008 and the No of Assessments is for 2008/09.

|                    | Population    | No of Assessments | Area Sq kms  | Local Road Network kms | No of Councillors |
|--------------------|---------------|-------------------|--------------|------------------------|-------------------|
| <b>Colac Otway</b> | <b>21,448</b> | <b>14,312</b>     | <b>3,533</b> | <b>1,723</b>           | <b>7</b>          |
| Bass Coast         | 28,802        | 26,537            | 865          | 897                    | 7                 |
| Baw Baw            | 40,114        | 20,875            | 3,855        | 1,726                  | 9                 |
| Campaspe           | 38,339        | 19,925            | 4,526        | 3,200                  | 7                 |
| Corangamite        | 17,270        | 9,441             | 4,396        | 2,203                  | 7                 |
| East Gippsland     | 42,742        | 28,751            | 21,056       | 3,000                  | 8                 |
| Glenelg            | 20,871        | 13,680            | 6,212        | 2,631                  | 9                 |
| Macedon Ranges     | 40,939        | 19,564            | 1,747        | 1,500                  | 9                 |
| Mitchell           | 33,374        | 15,272            | 2,864        | 1,300                  | 9                 |
| Moira              | 28,752        | 16,344            | 4,057        | 3,547                  | 9                 |
| Moorabool          | 27,247        | 13,605            | 2,110        | 1,428                  | 7                 |
| Moyne              | 16,405        | 11,135            | 5,478        | 2,590                  | 10                |
| South Gippsland    | 27,165        | 18,205            | 3,280        | 2,807                  | 9                 |
| Southern Grampians | 17,451        | 10,390            | 6,807        | 2,350                  | 7                 |
| Surf Coast         | 24,442        | 18,707            | 1,562        | 1,057                  | 9                 |
| Wellington         | 42,578        | 32,522            | 10,900       | 3,300                  | 9                 |
| <b>Average</b>     | <b>29,246</b> | <b>18,079</b>     | <b>5,203</b> | <b>2,204</b>           | <b>8.3</b>        |

### Summary

Colac Otway is less than the average in each of the 5 categories of data.

- 5<sup>th</sup> lowest population
- 6<sup>th</sup> lowest number of rateable properties
- 6<sup>th</sup> lowest area sq kms
- 5<sup>th</sup> lowest local road network kms

As indicated in Part E Indicators only ever tell part of the story.

The Large Shire Grouping of 16 Councils varies greatly:

|                    |                             |
|--------------------|-----------------------------|
| Population         | 16,405 to 42,742            |
| Assessments        | 9,441 to 32,522             |
| Area Sq Kms        | 865 sq kms to 21,056 sq kms |
| Local Road Network | 897 kms to 3,547 kms        |

The following financial indicators indicate a number of points:

- (a) Even though Colac Otway has had a surplus for the last 3 years and a surplus of \$3.07m in 2009/2010 it is still well under the average of \$5.91m.
- (b) Even though Colac Otway had cash at the end of the 2009/10 year of \$9.76m it is still well under the average of \$14.59m. Colac Otway's level of cash is the 4<sup>th</sup> lowest in the Large Shire Grouping.
- (c) Colac Otway's Depreciation as a % of total expenditure is over the average of the Large Shire Grouping. Colac Otway's % is 23.0% compared with the average of 21.1%.
- (d) Colac Otway's Depreciation as a % of Total Assets is well over the average of the Large Shire Grouping. Colac Otway's % is 3.31% compared with the average 2.25%.
- (e) Colac Otway's Total Outstanding loans of \$4.16m is the 5<sup>th</sup> lowest and well under the average of \$6.12m.
- (f) Colac Otway's Principal Repayments of \$305,000 is the 3<sup>rd</sup> lowest and well under the average of \$906,000.
- (g) The Debt Servicing and the Debt Commitment ratios indicate that Colac Otway is under the average of the Large Shire Grouping.
- (h) For 2009/2010 Colac Otway had a Revenue Ratio of 47.4% which is just over the average of 46.4%.
- (i) Colac Otway Shire's Working Capital Ratio of 2.18 is under the average of 2.34.



**LARGE SHIRE GROUPING 2009/2010**

|                    | TOTAL INCOME<br>\$'000 | TOTAL EXPENSES<br>\$'000 | SURPLUS/<br>(DEFICIT)<br>\$'000 | RATE & CHARGE<br>REVENUE<br>\$'000 | GOVERNMENT<br>GRANTS<br>\$'000 | DEPRECIATION<br>\$'000 | TOTAL<br>ASSETS<br>\$'000 | CASH &<br>INVESTMENTS<br>\$'000 |
|--------------------|------------------------|--------------------------|---------------------------------|------------------------------------|--------------------------------|------------------------|---------------------------|---------------------------------|
| Bass Coast         | 59,397                 | 47,371                   | 12,026                          | 31,936                             | 9,539                          | 9,252                  | 430,192                   | 14,495                          |
| Baw Baw            | 63,958                 | 54,806                   | 9,152                           | 28,990                             | 18,933                         | 8,549                  | 430,842                   | 13,999                          |
| Campaspe           | 60,112                 | 60,841                   | (729)                           | 25,013                             | 18,771                         | 14,172                 | 548,018                   | 31,961                          |
| <b>Colac Otway</b> | <b>39,680</b>          | <b>36,613</b>            | <b>3,067</b>                    | <b>18,559</b>                      | <b>12,276</b>                  | <b>8,409</b>           | <b>253,852</b>            | <b>9,762</b>                    |
| Corangamite        | 34,627                 | 32,256                   | 2,371                           | 14,371                             | 12,563                         | 8,252                  | 339,241                   | 9,743                           |
| East Gippsland     | 81,868                 | 62,491                   | 19,377                          | 34,193                             | 23,095                         | 12,932                 | 671,996                   | 25,863                          |
| Glennelg           | 39,065                 | 36,289                   | 2,776                           | 17,741                             | 14,069                         | 6,712                  | 297,896                   | 14,215                          |
| Macedon Ranges     | 56,919                 | 47,280                   | 9,639                           | 28,176                             | 16,812                         | 8,006                  | 485,483                   | 14,956                          |
| Mitchell           | 49,373                 | 37,968                   | 11,405                          | 19,899                             | 14,152                         | 7,879                  | 337,558                   | 10,325                          |
| Moira              | 42,244                 | 39,175                   | 3,069                           | 21,184                             | 14,018                         | 7,676                  | 558,785                   | 12,949                          |
| Moorabool          | 42,748                 | 37,968                   | 4,780                           | 19,509                             | 12,087                         | 9,266                  | 278,164                   | 5,989                           |
| Moyné              | 38,262                 | 35,970                   | 2,292                           | 13,270                             | 14,267                         | 9,100                  | 331,333                   | 7,561                           |
| South Gippsland    | 46,504                 | 40,012                   | 6,492                           | 25,533                             | 15,375                         | 6,941                  | 441,102                   | 17,101                          |
| Southern Grampians | 32,002                 | 31,140                   | 862                             | 11,284                             | 11,489                         | 7,810                  | 263,056                   | 10,966                          |
| Surfcoast          | 54,322                 | 48,475                   | 5,847                           | 30,392                             | 7,286                          | 7,703                  | 357,100                   | 15,430                          |
| Wellington         | 64,223                 | 62,143                   | 2,080                           | 35,299                             | 20,377                         | 17,570                 | 653,746                   | 18,166                          |
| Median             | 47,939                 | 39,594                   | 3,925                           | 23,099                             | 14,111                         | 8,331                  | 393,646                   | 14,107                          |
| <b>Average</b>     | <b>50,332</b>          | <b>44,425</b>            | <b>5,907</b>                    | <b>21,090</b>                      | <b>14,694</b>                  | <b>9,389</b>           | <b>417,398</b>            | <b>14,593</b>                   |

LARGE SHIRE GROUPING 2009/2010

|                    | TOTAL DEBT<br>(\$'000) | PRINCIPAL<br>REPAYMENTS<br>(\$'000) | DEBT<br>OUTSTANDING<br>(\$'000) | RATES/STAFF<br>EXPENDITURE<br>RATES | RATIOS (details next page)             |   |                              |                                       |   | (e)<br>WORKING<br>CAPITAL<br>RATIO<br>% |
|--------------------|------------------------|-------------------------------------|---------------------------------|-------------------------------------|--|---|------------------------------|---------------------------------------|---|---|
|                    |                        |                                     |                                 |                                     | (f)<br>DEBT<br>SERVICING<br>RATIO<br>% | (d)<br>DEBT<br>COMMITMENT<br>RATIO<br>% | (c)<br>REVENUE<br>RATIO<br>% | (g)<br>DEBT<br>EXPOSURE<br>RATIO<br>% | (e)<br>WORKING<br>CAPITAL<br>RATIO<br>% |   |
| Bass Coast         | 5,613                  | 722                                 | 900                             | 2.8                                 | 0.6                                    | 3.4                                     | 53.5                         | 8.0                                   | 2.05                                    |   |
| Baw Baw            | 12,161                 | 1,757                               | 987                             | 3.4                                 | 1.0                                    | 8.4                                     | 45.3                         | 14.3                                  | 1.77                                    |   |
| Campaspe           | 5,068                  | 2,204                               | 380                             | 1.5                                 | 0.7                                    | 10.5                                    | 41.6                         | 7.6                                   | 4.44                                    |   |
| Colac Otway        | 4,157                  | 305                                 | 1,086                           | 5.9                                 | 0.4                                    | 2.4                                     | 47.4                         | 14.0                                  | 2.18                                    |   |
| Corangamite        | 2,955                  | 618                                 | 278                             | 1.9                                 | 0.7                                    | 5.9                                     | 41.5                         | 8.7                                   | 2.27                                    |   |
| East Gippsland     | 6,966                  | 1,415                               | 1,310                           | 3.8                                 | 0.3                                    | 4.9                                     | 41.8                         | 9.0                                   | 3.64                                    |   |
| Glenelg            | 2,398                  | 431                                 | 933                             | 5.3                                 | 0.4                                    | 3.3                                     | 45.4                         | 8.3                                   | 2.91                                    |   |
| Macedon Ranges     | 5,208                  | 1,200                               | 1,438                           | 5.1                                 | 0.5                                    | 5.4                                     | 49.5                         | 12.9                                  | 1.52                                    |   |
| Mitchell           | 4,408                  | 777                                 | 1,373                           | 6.9                                 | 0.5                                    | 5.2                                     | 40.3                         | 14.8                                  | 2.12                                    |   |
| Molra              | 10,855                 | 1,626                               | 963                             | 4.5                                 | 1.5                                    | 10.7                                    | 50.2                         | 23.3                                  | 1.87                                    |   |
| Moorabool          | 7,507                  | 861                                 | 1,843                           | 9.5                                 | 1.2                                    | 6.9                                     | 50.7                         | 17.4                                  | 1.17                                    |   |
| Moyne              | 377                    | 28                                  | 503                             | 3.8                                 | 0.1                                    | 0.9                                     | 34.7                         | 5.9                                   | 1.60                                    |   |
| South Gippsland    | 2,640                  | 1,137                               | 772                             | 3.0                                 | 0.5                                    | 5.3                                     | 54.9                         | 2.7                                   | 2.79                                    |   |
| Southern Grampians | 4,175                  | 193                                 | 720                             | 6.4                                 | 0.9                                    | 5.1                                     | 35.3                         | 11.7                                  | 2.85                                    |   |
| Surfcoast          | 9,448                  | 1,022                               | 1,417                           | 4.7                                 | 0.4                                    | 4.1                                     | 56.0                         | 13.7                                  | 1.96                                    |   |
| Wellington         | 13,937                 | 1,396                               | 1,053                           | 3.0                                 | 1.2                                    | 6.2                                     | 55.0                         | 16.8                                  | 2.23                                    |   |
| Median             | 5,138                  | 942                                 | 975                             | 4.2                                 | 0.6                                    | 5.3                                     | 46.4                         | 12.3                                  | 2.15                                    |   |
| Average            | 6,117                  | 906                                 | 997                             | 4.5                                 | 0.7                                    | 5.5                                     | 46.4                         | 11.8                                  | 2.34                                    |   |

## DESCRIPTION OF RATIOS

### (a) Debt Servicing Ratio (to identify the capacity of Council to service its outstanding debt)

Debt Servicing Costs  
Total Revenue

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease and bank overdraft. The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

### (b) Debt Commitment Ratio (to identify Council's debt redemption strategy)

Debt Servicing and Redemption Costs  
Rate Revenue

The strategy involves the payment of loan principal and interest, finance lease principal and interest. The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

### (c) Revenue Ratio (to identify Council's dependence on non-rate income)

Rate Revenue  
Total Revenue

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

### (d) Debt Exposure Ratio (to identify Council's exposure to debt)

Total Indebtedness  
Total Realisable Assets

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use. Any liability represented by a restricted asset is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets: land – other controlled; buildings on other controlled land; restricted assets; heritage assets; total infrastructure assets and Council's investment in associate.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared in total realisable assets which are all Council assets not subject to any restriction.

### (e) Working Capital Ratio (to assess Council's ability to meet current commitments)

Current Assets  
Current Liabilities

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

## **G - FEES AND CHARGES**

A recommendation from a previous report was that "A more detailed report and subsequent discussion needs to occur with respect to the purpose of the fees and charges and the level of them".

As a result of this recommendation a "Fees and Charges Report" was prepared and finalised in May 2007. An updated report was prepared in October 2008. A further report was prepared in September 2010 to assist in the preparation of the 2011/12 Budget process.

The reports provided further analysis of each of the various fees and charges that are included in the Budget documentation including details of the level of fees for the last 4 years and comparisons with other Councils where the type of fee was similar and information was available.

### **SETTING OF FEES AND CHARGES**

Currently fees and charges are set as part of the Budget document process.

The May 2007 report did suggest that in future all fees and charges are set by Council earlier ie. March or April Council meeting.

This would mean that fees and charges are approved prior to the commencement of the new financial year, so that any charges may take effect from 1 July rather than a couple of months later.

This has not been implemented. The proposed timelines will be reviewed for future budgets.

## H – DEBT MANAGEMENT

Council's borrowing strategy aims to provide a framework for council to work within when sourcing funds for various projects by borrowings. Part of Council's medium to long term financial strategy is to provide adequate and appropriate levels of service to the community, whilst maintaining a prudent financial position. In the light of this requirement, it can be seen that the borrowing strategy is an integral part of Council's long term financial plan.

Borrowings are identified as an important funding source for capital works programs. In the past Council has borrowed strongly to finance large infrastructure projects.

The following table provides a history of Council borrowings for the last seven years and the prudential ratios applicable.

| Year      | Total Borrowings 30 June \$'000 | Liquidity CA/CL Ratio % | Debt Exposure Realisable Assets % | Debt Management Debt/Rates % | Debt Management Servicing Costs/Revenue % |
|-----------|---------------------------------|-------------------------|-----------------------------------|------------------------------|---|
| 2003/2004 | 4,865                           | 201%                    | 19.8%                             | 41.7%                        | 1.3%                                      |
| 2004/2005 | 4,333                           | 247%                    | 21.5%                             | 35.1%                        | 1.1%                                      |
| 2005/2006 | 3,923                           | 243.2%                  | 13.9%                             | 29.7%                        | 0.9%                                      |
| 2006/2007 | 3,466                           | 266.6%                  | 12.1%                             | 23.8%                        | 0.8%                                      |
| 2007/2008 | 2,980                           | 226.0%                  | 11.2%                             | 18.4%                        | 0.7%                                      |
| 2008/2009 | 2,462                           | 226.8%                  | 11.4%                             | 14.0%                        | 0.5%                                      |
| 2009/2010 | 4,157                           | 218.1%                  | 14.0%                             | 22.4%                        | 0.4%                                      |
| Threshold |                                 | <110%                   | >50%                              | >80%                         | >5%                                       |

The table shows that at 30 June 2010 Council's borrowing level was \$4.16 million. The table also shows that Council has at all times been well within the Victorian State Government's prudential ratio limits.

### PRUDENTIAL GUIDELINES

All borrowings proposed by individual Councils are assessed under a borrowing assessment policy adopted by the Local Government Division following consultation with Local Government.

The policy identifies four key areas of financial management with certain thresholds that are required to be met.

| Area            | Financial Indicator                          | Threshold |
|-----------------|--|-----------|
| Liquidity       | Current Assets to Current Liabilities        | 110%      |
| Debt Exposure   | Total Liabilities to Total Realisable Assets | 50%       |
| Debt Management | Total Debt as a % of Rate Revenue            | 80%       |
| Debt Management | Debt Servicing Costs as a % of Total Revenue | 5%        |

**LIQUIDITY**

**Current Assets to Current Liabilities**

This indicator reflects the short-term liquidity position. That is, its ability to repay current commitments from cash or near cash assets. Councils with a ratio of 110% and below or with a deteriorating trend may be financially at risk of not being able to meet creditors commitments. Council's result at June 30, 2010 was 218.1%.

**DEBT EXPOSURE**

**Total Indebtedness to Total Realisable Assets**

This indicator reflects the ability to acquit liabilities with the proceeds from the disposal of its realisable assets. Ideally, total liabilities should be significantly less than 50% of total realisable assets. Council's result at June 30, 2010 was 14.0%.

**DEBT MANAGEMENT**

**Debt Management: Total Debt as a % of Rate Revenue**

The Local Government Act 1989 requires that all loans secured against the revenue stream from rates. A Council with total debt in excess of the revenue from rates would be unable to meet all debt commitments from rate revenue should they be required to be repaid at the one time. A threshold of 80% has been set. Council's result at June 30, 2010 was 22.4%.

**Debt Servicing Costs as a % of Total Revenue**

This indicator reflects the proportion of total revenue that is used to service debt (interest on outstanding debt and any loan administration charges) and which cannot be used directly for service delivery. A threshold of 5% has been set. Council's result at June 30, 2010 was 0.4%.

**2010/11 Budget**

The 2010/11 Budget includes a Loan Borrowing Program of \$1.1 million being the balance from the original loan program proposed in the 2009/10 Budget.

- Joint Use Library ( Colac Library)- \$1.3m
- Apollo Bay Transfer Station - \$1.5m
- Land Purchase - \$300,000

The following table sets out the future debt servicing performance and the expected new borrowings taken up. The figures are based on the forecast financial position of Council as at 30 June 2010.

| Year    | New Borrowings<br>\$'000 | Loan &<br>Principal Paid<br>\$'000 | Loan Interest<br>Paid<br>\$'000 | Balance<br>30 June<br>\$'000 | Loan Debt/Rate<br>Revenue |
|---------|--------------------------|------------------------------------|---------------------------------|------------------------------|---------------------------|
| 2010/11 | \$1,100                  | \$431                              | \$389                           | \$4,826                      | 23.62%                    |
| 2011/12 | \$0                      | \$488                              | \$322                           | \$4,338                      | 20.22%                    |
| 2012/13 | \$0                      | \$523                              | \$286                           | \$3,815                      | 16.78%                    |

The forecast levels are well within the Victorian State Government's prudential rate limits.

### What Level of Debt is Appropriate?

The following factors should be taken into account when considering to borrow:

- Prudential guidelines and level of the rating base;
- Achieving the right mix of capital works and debt commitments;
- Ability to raise revenue to fund the project in addition to rates;
- Community needs and demographics; and
- Major infrastructure assets that will serve the community for a long period of time.

Debt is an important way to financial capital improvements, but Council needs to be aware of the impact of borrowing into the future. The cost of debt servicing needs to be controlled to manageable levels. It is important that successive generations and new residents should contribute to infrastructure or facilities eg. new transfer station.

By borrowing Council ensures today's ratepayers are not fully funding these facilities, but it is important that Council continues to monitor the various ratios.

### Comparison with Other Councils

The following table highlights the relative debt levels of Councils within the Large Shire Grouping as at June 30, 2010.

|                             | \$'000       |
|-----------------------------|--------------|
| Moyne                       | 377          |
| Glenside                    | 2,398        |
| South Gippsland             | 2,640        |
| Corangamite                 | 2,955        |
| <b>Colac Otway</b>          | <b>4,157</b> |
| Southern Grampians          | 4,175        |
| Mitchell                    | 4,408        |
| Campaspe                    | 5,068        |
| Macedon Ranges              | 5,208        |
| Bass Coast                  | 5,613        |
| East Gippsland              | 6,966        |
| Moorabool                   | 7,507        |
| Surfcoast                   | 9,448        |
| Moira                       | 10,855       |
| Baw Baw                     | 12,161       |
| Wellington                  | 13,937       |
| <b>Average Large Shires</b> | <b>6,117</b> |
| <b>Median Large Shires</b>  | <b>5,138</b> |

Section F of this report provides further analysis of the Large Shire Grouping as at June 30, 2010.

|                           | Average Large Shires | Colac Otway      |
|---------------------------|----------------------|------------------|
| Debt Servicing            | \$338,000            | <b>\$140,000</b> |
| Principal Repayments      | \$906,000            | <b>\$305,000</b> |
| Debt Servicing Ratio (%)  | 0.7%                 | <b>0.4%</b>      |
| Debt Commitment Ratio (%) | 5.5%                 | <b>2.4%</b>      |
| Debt Exposure Ratio %     | 11.8%                | <b>14.0%</b>     |
| Working Capital Ratio     | 2.34                 | <b>2.18</b>      |

As previously indicated Council is well within acceptable tolerances with respect to compliance with Local Government guidelines.

## I - FINANCIAL SUSTAINABILITY INDICATORS

### VICTORIAN AUDITOR GENERAL - FINANCIAL SUSTAINABILITY INDICATORS

#### FINANCIAL SUSTAINABILITY

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, local governments 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 indicators utilised by the Victorian Auditor General to assess the financial viability of councils are:

- Operating Result – a measure of whether Council generates enough revenue from all sources to cover operating costs (including the cost of replacing assets, reflected in depreciation expense)
- Liquidity – a measure of whether Council has sufficient working capital to meet short term commitments
- Self-Financing – a measure of whether Council generates sufficient operating cash flows to invest in asset renewal and to repay any debt it may have incurred in the past
- Indebtedness – a measure of whether Council is overly reliant on debt to fund capital programmes
- Investment Gap – a measure of whether Council has been replacing assets at a rate consistent with the rate they are being consumed

The following information for the 2009/10 financial year indicates positive movement in each of the indicators:

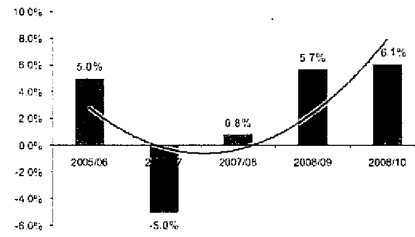
| Indicators              | Colac Otway Result | Risk Levels                |                               |                   |
|-------------------------|--------------------|----------------------------|-------------------------------|-------------------|
|                         |                    | High                       | Medium                        | Low               |
| Underlying Result Ratio | 6.1%               | Negative 10% or less       | Between negative 10% and zero | Greater than zero |
| Liquidity Ratio         | 218%               | Equal to or less than 100% | Between 100% and 150%         | Greater than 150% |
| Indebtedness Ratio      | 27.1%              | Greater than 60%           | Between 40% and 60%           | Less than 40%     |
| Self-Financing Ratio    | 31.9%              | Less than 10%              | Between 10% and 20%           | Greater than 20%  |
| Investment Gap Ratio    | 170%               | Equal to or less than 100% | Between 100% and 150%         | Greater than 150% |

Risk assessment is prepared in accordance with the Victorian Auditor General's financial viability guidelines



**Underlying Result Ratio**

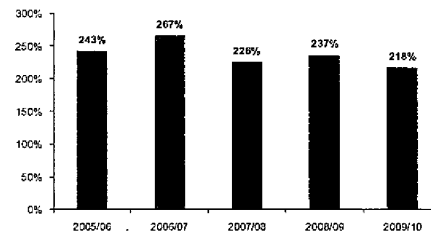
The overall trend indicates that the Shire is in positive territory and generating an underlying surplus which can be utilised for new assets or asset renewal. This is a positive result for Council and falls within the 'Low' risk category of the Victorian Auditor General Risk assessment for the financial sustainability of Council.



**Liquidity Ratio (or Working Capital Ratio)**

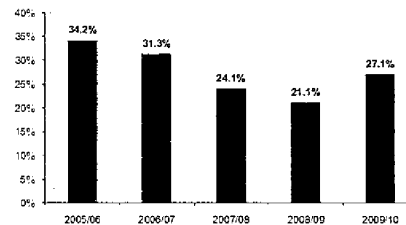
The Working Capital Ratio expresses the level of current assets, such as cash and investments, that Council has available to meet its current liabilities including outstanding creditors and employee entitlements.

The target in Council's Strategic Resource Plan is to maintain a ratio of at least 150%. Council's current ratio is well over the recommended limit of 150% indicated by the Auditor General. This indicates that the Shire has no immediate issue with repaying its liabilities when they fall due. This is a positive result for Council and falls within the 'Low' risk category of the Victorian Auditor General Risk assessment for financial sustainability of Council.



**Indebtedness Ratio**

The Shire has no concern over its ability to repay debt from its own sources of revenue (such as rates and charges). This is a positive result for Council and falls within the 'Low' risk category of the Victorian Auditor General Risk assessment for financial sustainability of Council.



**Self Financing Ratio**

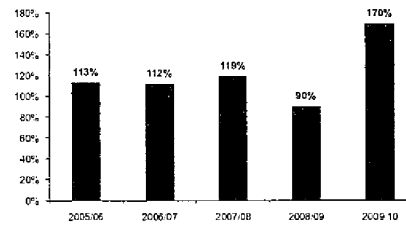
Results indicate that the Shire is generating enough cash from operations to fund the renewal of existing assets. This is also a positive result for Council and falls within the 'Low' risk category of the Victorian Auditor General Risk assessment for financial sustainability of Council.



**Investment Gap Ratio**

The graph shows that Council had made major improvements in the prior years in funding the renewal of the Shire's existing assets.

The current year saw a dramatic increase in the level of capital works and acquisitions recognised. This increase is in part due to the recognition of the Apollo Bay Waste Transfer Station and the Colac Library. The ratio now falls into the low risk category of the Victorian Auditor General's risk assessment.



| Ratio Indicator   | Ratio Objective   |
|-------------------|---|
| Underlying result | This is a measure of local governments surpluses (or deficits) as a percentage of their revenues. For surpluses, the higher the percentage the stronger the result. A negative result indicates a deficit. Operating deficits cannot be sustained in the longer term and deficits by their nature shift the burden of today's costs to future ratepayers. Adjusted net surplus is calculated by removing on-cash developer contributions and one off items from the statement of income and expenditure. Underlying revenue doesn't take into account non-cash developer contributions and other one off items. |
| Liquidity         | This is a measure of local governments' ability to pay their existing liabilities in the next 12 months.  |
| Indebtedness      | This is a longer term measure that compares non-current liabilities (which mainly comprises borrowings and employee benefit provisions) to own-sourced revenue. It complements the liquidity ratio which is a shorter-term measure. The higher the percentage, the less local governments are able to cover their non-current liabilities from the revenues they generate themselves.<br>Owned-sourced revenue is use (rather than total revenue) because it does not include capital grants, which are generally tied to specific projects and cannot be used to retire debt.                                  |
| Self-financing    | This is a measure of local governments ability to fund the replacement of assets from cash generated by their operations: the higher the percentage, the more able they are to do so.   |
| Investment Gap    | This is a measure of whether local governments are spending on infrastructure at a greater rate than the infrastructure is depreciating. Ratios higher than 1:1 (for example 2:1) indicate that they are. It is a longer-term indicator, because capital expenditure can often be deferred if there are insufficient funds available from operations and borrowing is not an option.  |

**OM101512-3****APOLLO BAY SENIORS CITIZEN CENTRE - LEASE RENEWAL**

|             |                                |           |                               |
|-------------|--------------------------------|-----------|-------------------------------|
| AUTHOR:     | Greg Fletcher                  | ENDORSED: | Colin Hayman                  |
| DEPARTMENT: | Corporate & Community Services | FILE REF: | 4 Whelan Strett<br>Apollo Bay |

**Purpose**

This report is to provide Council the opportunity to renew the lease of the Apollo Bay Senior Citizens Centre (the Centre) to Otway Health & Community Services (OHCS).

**Declaration of Interests**

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

**Background**

The principal lease for the Apollo Bay Senior Citizens Centre was made between the former Shire of Otway and the Apollo Bay & District Hospital ("the tenant") on 24 August 1994 for a period of 3 years. This lease arrangement has been regularly renewed on a number of occasions. Prior to the previous lease Council undertook extensive consultation which guided the development of a lease that considered communication and operational procedures. An Advisory Committee consisting of representatives from OHCS, an officer from Colac Otway Shire Council and current user groups meets on a quarterly basis to discuss issues of maintenance, usage, coordination and issues of concern. This is a progressive and cooperative approach to discuss issues of importance and carry out actions that are deemed necessary.

The Centre is currently used by a number of groups on a regular basis including the Senior Citizens Club, Probus, Red Cross, Lionsville and OHCS.

**Council Plan / Other Strategies / Policy****Community Health and Wellbeing**

Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities.

**Issues / Options**

Otway Health & Community Services have overseen a process to harmonise usage of the Centre with respect and fairness to the Seniors' Club and ongoing welcoming and support for other groups that involve seniors. The Centre has also been utilised for health and wellbeing activities provided they are appropriate to be held within the Centre. Community and civic functions and private celebrations are also held at the Centre. All ongoing bookings and activities are arranged through OHCS.

**Proposal**

It is proposed that OHCS continues as the lessee for the Centre after considering their commitment to community health and wellbeing, particularly for the elders of Apollo Bay region.

**Financial and Other Resource Implications**

It is proposed that the lease be set at \$1 per annum, which continues the current leasing arrangements. OHCS would be responsible for all gas, electrical, telephone, water and sewerage charges.

OHCS would also be responsible for maintaining the buildings and surrounds, insuring the property and undertaking other obligations as defined in the lease.

**Risk Management & Compliance Issues**

Details of risk are outlined in clauses 5 and 6 of the lease.

**Environmental and Climate Change Considerations**

Not applicable.

**Community Engagement**

The community engagement strategy will follow the recommendations of the Colac Otway Shire Council Community Engagement policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The engagement method used for the Advisory Committee would include all of the five levels of IAP2 depending on the issue.

The renewal of the lease has involved discussions with OHCS.

**Implementation**

It is proposed that Council sign both copies of the lease and forward them to OHCS for signing. After which, one copy is to be retained by OHCS and the other copy by Colac Otway Shire.

**Conclusion**

This long standing lease arrangement with OHCS has provided an ideal way to promote and support community health and wellbeing for elders and others from the Apollo Bay region.

**Attachments**

1. Apollo Bay Senior Citizen Lease - 2010

**Recommendation(s)**

***That Council signs and seals the lease of the Apollo Bay Senior Citizens Centre for a further 5 year period with Otway Health and Community Services at a lease fee of \$1 per annum.***

~~~~~\ ~~~~~

***LEASE***

***COLAC OTWAY SHIRE COUNCIL***

***-and-***

***THE OTWAY HEALTH AND  
COMMUNITY SERVICES***



THIS LEASE made the 1st day of July 2010

**BETWEEN**

**COLAC-OTWAY SHIRE COUNCIL** of 2-6 Rac Street Colac 3250 ("the Council")

and

**THE OTWAY HEALTH AND COMMUNITY SERVICES** of McLachlan Street, Apollo Bay 3233 ("OHCS")

**WITNESSES** as follows:

1. In Consideration of the rent and the covenant by OHCS hereinafter reserved and contained the Council hereby demises OHCS all that piece of land ("the premises") being situated at 4 Whelan Street, Apollo Bay together with the improvements thereon TO HOLD unto OHCS for a term of five years commencing on 1 July 2010 and expiring 30 June 2015 paying therefore during the term (and proportionately for any fraction of a year) the rent, subject to Clause 4(7) of one dollar a year payable yearly in advance if and when demanded by the Council.
2. OHCS hereby covenants with the Council to observe and perform the provisions and stipulations contained in Schedule A hereto.
3. The Council hereby covenants with OHCS and OHCS observing and performing the provisions and stipulations contained in Schedule A hereto shall peaceably hold and enjoy the leased premises during the tenancy without any interruption by the council or any person rightfully claiming under or in trust for it.
4. Provided always and it is agreed as follows:
  - (1) The Council may forthwith determine the tenancy hereby created without prejudice to the council's rights and remedies in respect of any such breach if:
    - (a) The reserved rent or any part thereof shall be in arrears for twenty-one days (after legal demand); or
    - (b) There is a breach of any stipulation or provision contained in Schedule A which continues for fourteen days after notice thereof given by the council to OHCS; or
    - (c) OHCS shall cease to exist; or
    - (d) OHCS vacates the premises without the approval of the Council which approval shall not be unreasonably withheld, for a continuous period in excess of two (2) months.
  - (2) OHCS may not remove on the termination of the tenancy all or any buildings structures or fixtures placed on the premises by it.
  - (3) Any notice required to be given to OHCS shall be duly served if sent by post in a prepaid letter addressed to the Chief Executive officer of OHCS at the premises and

any notice to the Council shall be duly served if sent in like manner addressed to it as its address as aforesaid. Any such notice shall be deemed to have been received on the day on which it ought in due course of post to have been delivered.

- (4) If the premises shall be destroyed or damaged whether by fire or otherwise so as to be unfit for occupation or use OHCS may forthwith by notice in writing to the Council:
  - (a) Determine this Lease; or
  - (b) Shall be entitled to a reduced rental during the period the premises are unfit for occupation or use provided the notice also specifies that OHCS intends reinstating the premises and OHCS substantially effects the reinstatement within twelve months of the date of giving the notice and if any dispute shall arise as to whether such notice was properly given the same shall be determined under and in accordance with the Commercial Arbitration Act 1984, as amended or re-enacted. If the premises are not substantially reinstated during the period of twelve months then this Lease may be determined by the Council.
  - (c) The Council shall not be obliged to reinstate the premises if they are substantially or totally destroyed by fire.
- (5) OHCS will ensure that a public risk policy is in force with respect to the premises (and shall provide evidence of such policy at the Council's request) for any single incident indemnifying OHCS and the council against claims in the sum of not less than ten million dollars.
- (6) OHCS will take out and keep in force in the joint names of the Council and OHCS a policy of insurance with an Insurance office approved by the Council (such approval not to be unreasonably withheld) to insure and to keep insured the demised buildings and any general property and equipment identified in the asset register as required in Schedule A10 ("the Contents") from loss or damage by fire flood lightning storm tempest earthquake riot civil commotion explosion malicious damage impact of vehicles or aircraft or articles dropped there from to the full replacement cost of the said buildings and the Contents and to pay all premiums necessary for that purpose before the same shall become due and whenever required to produce to the Council the policy of insurance and the receipt for the current year's premium and (unless in the case of destruction or damage by fire any moneys payable under a policy shall be refused payment by reason of any act of default of OHCS or the servants or agents of OHCS) to cause all moneys received by virtue of any such insurance together with such other sums as may be required to be forthwith laid out in rebuilding or reinstating or

replacing the said buildings and the Contents so that the same may be as commodious and convenient in all respects as they were before the destruction or damage took place.

- (7) If OHCS assigns or sublets the premises or any part of it to any person or entity and, in the unfettered discretion of the Council, the Council is of the opinion that the assignee or the sub-tenant, as the case may be, will not use the premises as assigned or the part sub-let, as the case may be, for the Primary Purposes as herein defined then the council may demand that the rental for the premises as assigned or the part sub-let, as the case may be, be redetermined and the rental from the date of assignment or sub-letting for the premises as assigned or the part sub-let, as the case may be, at the time as agreed between the Council and the assignee or sub-tenant, as the case may be, but if they are unable to agree within one month of the date of assignment or sub-letting, as the case may be:
- (a) The Council and the assignee or sub-tenant, as the case may be, may each appoint a valuer to decide the market rent;
  - (b) When the first party to appoint a valuer notifies the other party of the appointment and the identity of the valuer, the other party must, not later than 14 days after that time, appoint its valuer and notify the first-mentioned party of the appointment and of the identity of its valuer, and it is essential to comply with this time limit;
  - (c) If only one valuer is appointed and notified to the other party within time, that valuer alone will decide the market rent;
  - (d) If each party appoints a valuer, the valuers must try to decide the market rent jointly;
  - (e) If each party appoints a valuer and the valuers have not decided the market rent jointly within thirty days from the date of appointment of the valuer last appointed, each valuer will separately decide the market rent and notify the other valuer of his or her determinations;
  - (f) When the first valuer to decide the market rent notifies the other valuer of his or her determination, the other valuer must notify the first valuer of his or her determination within seven days after being notified, and it is essential to comply with this time limit;
  - (g) The rent as from the date of assignment or sub-letting will be:
    - (A) If only one value has decided the market rent or has notified the other valuer of his or her determination within time, the market rent decided by that valuer;



- (B) If both valuers have jointly decided the market rent, the market rent decided by them; or
- (C) If both valuers have separately decided the market rent, the average of the market rents decided by them.
- (8) OHCS shall have the right at its expense to make repairs and carry out reasonable maintenance to the building on the premises including the roof and roof guttering and the down pipes and the external walls and windows.
- (9) OHCS may determine the tenancy hereby created at any time by giving one month's notice in writing to the Council.

**EXECUTED AS A DEED**

**SCHEDULE A**

**Obligations of OHCS**

- 1.1 To pay when due all gas electricity telephone water and sewerage charges.
- 1.2 To keep and maintain the gardens and grounds of the premises in reasonable order and condition.
- 1.3 To keep the buildings on the premises in the same condition as at the commencement of the term (fair wear and tear excepted) or as altered or modified in accordance with the provisions of the Lease and properly cleaned repaired and maintained.
- 1.4 To keep the buildings on the premises free of rubbish and keep all waste in proper receptacles and arrange for its regular removal.
- 1.5 To replace all cracked or broken glass with glass of similar quality.
- 1.6 To immediately repair or replace all defective or missing services lights doors windows and fastenings.
- 1.7 To immediately notify the Council in writing of any missing or defective locks and keys.
- 1.8 To maintain in proper working order all drains toilets sinks guttering and pipes.
- 1.9 To promptly give notice in writing to the Council of any damage to or defect in the premises or any of its services and of the service by any authority of any Notice of Order affecting the premises.
- 1.10 To permit the Council and its agents and workmen if necessary with equipment to enter the premises during normal business hours upon reasonable notice and in cases of emergency at any time:-

- (I) To inspect the premises;
  - (II) To carry out any repair or alteration; and
  - (III) To comply with any notice or order of any competent authority.
- 1.11 To take all reasonable precautions required by law against fire including the servicing of existing fire extinguishers but OHCS shall not be liable to make structural alterations or install equipment.
  - 1.12 To keep the driveway in reasonable order and repair so as to provide proper access for vehicles.
  - 1.13 Not do or allow anything which may cause nuisance damage or disturbance to the Council or the owners of the occupiers of adjacent premises.
  - 1.14 Not do or allow anything which may result in any insurance on any building becoming void or avoidable, or any claim being declined or any premium being increased.
  - 1.15 Not keep or use chemicals flammable liquids or other hazardous materials on the premises other than any as may be required for the purposes for which OHCS uses the premises and only if any safety precautions recommended by the manufacturer and/or the supplier are complied with.
  - 1.16 Not make any alterations or additions to the premises except in accordance with the Council's consent which may be given or withheld at the Council's discretion save that OHCS may install without the Council's consent any fixtures or fittings reasonably required for the permitted use.
  - 1.17 Not interfere with any of the services in or to the premises except in an emergency.
  - 1.18 To pay during each year of the term all outgoing affecting the premises including all rates charges taxes (including any Goods and Services Tax so that any rent or other amount receivable by the Council is nett of any tax) and other liabilities payable on the premises and any special rates or charges imposed by any Statutory Authority or Public Utility and in so far as necessary OHCS shall join with the Council ensuring that the premises are separately metered or charged.
  - 1.19 Not to put any safe or safes or other heavy articles machinery or equipment in the premises save of such weight and in such place as may be approved by the Council.
  - 1.20 To comply with and observe at its expense all notices orders or directions given by any Statutory or Public Authority.
  2. To use the premises in a fair and reasonable manner and keep and at the end thereof deliver up the premises to the Council in good repair as at present or as hereafter improved or modified by the Council or, with its consent, by OHCS (fair wear and tear excepted) with the glass all whole in the windows and doors and the locks and keys and

- doors and door fastening and sewage connections and sanitary and other fittings and conveniences thereto belonging in good order except as aforesaid.
3. Not to assign underlet or part with the possession of the leased premises or any part thereof without first obtaining the written consent of the Council.
  4. Not to make any alterations in or additions to the demised buildings or other structures on the premises except such as shall be approved of as to site dimensions or otherwise by the Council or its surveyor after submission to the Council by OHCS of the proposed plans and specifications thereof or otherwise permitted by the Lease.
  5. To use the premises for the:
    - 5.1 Primary Purposes of a Senior Citizens Centre (“the Centre”);
    - 5.2 Purposes of that comply with the zoning and, if required, any applicable legislation, permit, local law or licence;
    - 5.3 Other users of the Centre include HACC funded or community based activities for HACC clientele.
  6. To comply with the zoning and any permit or local law of the Colac-Otway Shire Council relating to the premises.
  7. To pay;
    - 7.1 the Council’s costs of and incidental to the preparation and stamping of this Lease and of any assignment or sub-tenancy; and
    - 7.2 The stamp duty on this Lease and of any assignment or sub-tenancy.
  8. To notify the Council of any hazards or items of concern which may result in liability to OHCS or to the Council or in damage to the premises.
  9. OHCS will provide for the ongoing maintenance of general use equipment at the Centre.
  10. That an asset register be kept by OHCS of all general use equipment, including but not limited to chairs, tables, crockery, cutlery, electrical equipment and appliances, and stage equipment. Any new equipment purchased by OHCS would remain the property of OHCS and would be contained in their asset register, although located at the Centre. This asset register is to form a Schedule to the Lease.
  11. Clubs that use the Centre, and have exclusive use of their equipment will be required to secure and maintain that equipment. OHCS is to obtain an asset register from each Club of its equipment, indicating which equipment is for that Club’s exclusive use and which is for general use. These asset registers are also to form Schedules to the lease. OHCS will not accept any responsibility for equipment which is for the exclusive use of a Club but will maintain any equipment which is for general use.

12. The Centre will be cleansed at least three times per week by OHCS or their contractor, and at other times dependant on bookings. A light vacuum cleaner will be made available for use by user groups, if required.
13. The telephone located at the Centre is for local calls only. Telephone calls for taxis can be made through OHCS whose staff will immediately order a taxi on behalf of the caller.
14. That an Advisory Committee be established and chaired by OHCS to advise on issues related to the activities at the Centre. These issues would include equipment and property maintenance, funding opportunities and user group issues. OHCS is to review Terms of Reference for the Advisory Committee, which are to be approved by Colac-Otway Shire Council.

This Advisory committee should consist of 2 representatives from OHCS, an officer from Colac-Otway Shire council and representatives in such number as determined by the Terms of Reference from the Senior Citizens club, Lionsville, Probus, Apollo Bay Branch Red Cross and other HACC groups that regularly use the Centre.

The Terms of Reference should designate the number of representatives from each group and include consideration of successor or new groups of seniors and their representation on the Advisory Committee.

15. To deliver up the premises at the termination of the tenancy in a condition consistent with the foregoing provisions.
16. The OHCS Occupational Health and Safety policies, practices and procedures are applicable to the Apollo Bay Senior Citizens Centre for employees, centre users, community members and contractors.

THE COMMON SEAL of THE OTWAY )  
HEALTH AND COMMUNITY SERVICES )  
was hereto affixed by order of the Board of )  
Management in the presence of: )

..... Chief Executive Officer

THE COMMON SEAL of COLAC OTWAY )  
SHIRE COUNCIL was hereto affixed in )  
Accordance with its Local Law No. 4 )

..... Councillor

..... Councillor

..... Chief Executive Officer



**OM101512-4                      REVIEW OF INSTRUMENT OF DELEGATION - OLD  
BEECHY RAIL TRAIL**

|             |                                   |           |              |
|-------------|-----------------------------------|-----------|--------------|
| AUTHOR:     | Jodie Fincham                     | ENDORSED: | Colin Hayman |
| DEPARTMENT: | Corporate &<br>Community Services | FILE REF: | GEN 00374    |

**Purpose**

The purpose of this report is for Council to endorse the revised Instrument of Delegation for the Old Beechy Rail Trail Committee following a recommendation from the November Council Meeting to defer the decision to the December Council Meeting.

**Declaration of Interests**

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

**Background**

Council has in place a number of section 86 committees including the Old Beechy Rail Trail Committee. Under s.86(7) of the *Local Government Act* (the Act) this committee is classed as a Special Committee, which is defined as follows:

*“A committee that exercises a power, or performs a duty or function of the Council that has been delegated to that committee under any Act is a special committee for the purposes of this Act.”*

The committee has an Instrument of Delegation including a Charter which sets out the function, duties or powers of the committee. The revised Instrument of Delegation was presented at the 24 November Council meeting for consideration and endorsement.

At the Council meeting it was resolved:

***“That Council:***

***1. Defers to the December Council Meeting the revised Instrument of Delegation for the Old Beechy Rail Trail Committee with a view to:***

- ***Considering arrangements for the use of the Old Beechy Rail Trail by vehicles for recreational purposes; and***
- ***Modifying the wording of point 2 in the Instrument of Delegation.”***

**Council Plan / Other Strategies / Policy**

Under the community priority – strong leadership *“We are committed to providing strong community leadership, governance and advocacy services which will benefit the community now and into the future.”*

Council has a Section 86 Committees policy in place. The policy provides guidance to the various Special Committees.

**Issues / Options**Changes made to Charter

In November 2010, a copy of the revised Instrument of Delegation and Charter were provided to Council for consideration and endorsement. As a result of further review the following changes were made:

Sub clause 2.4.4 now reads *“where the Committee resolves to vacate a member’s position with the exception of the Council appointees.”*

Sub clause 5.10 now reads *“authorise vehicles on the Old Beechy Rail Trail subject to the completion of a Risk Assessment report; recreation vehicles will be subject to Council policy.”*

A Policy has been developed to determine appropriate “Use of the Old Beechy Rail Trail by Recreational Vehicles”. This Policy will assist the Old Beechy Rail Trail Committee to perform their delegated duties and ensure appropriate use of the Trail.

**Proposal**

That Council resolve to sign and seal the revised Instrument of Delegation for the Old Beechy Rail Trail Committee.

That Council confirm the exemptions provided to members of the Special Committee that they are not required to submit a primary or ordinary return.

That Council adopts the “Use of the Old Beechy Rail Trail by Recreational Vehicles” Policy.

**Financial and Other Resource Implications**

There are no additional costs relating to this item.

**Risk Management & Compliance Issues**

Risk Management documentation is provided to each of the Section 86 committees to assist them in the management of the facility.

As identified through the “Use of the Old Beechy Rail Trail by Recreational Vehicles” Policy, a Risk Assessment report approved by Council’s Risk Management Department is required prior to the Committee authorising recreational vehicle use of the trail.

**Environmental and Climate Change Considerations**

There are no environmental considerations applicable.

**Community Engagement**

The community engagement strategy has followed the recommendations of the Colac Otway Shire Council Community Engagement policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The method selected has been consult. The revised Instrument of Delegation has been reviewed by Council solicitors, the Chairperson of the Rail trail Committee, members of the Committee and Council Executive. The Instrument of Delegation was also discussed at the November Council workshop.

The method of consultation selected regarding the “Use of the Old Beechy Rail Trail by Recreational Vehicles” Policy has been consult. The draft Policy was presented to the Old Beechy Rail Trail Committee on 6 December 2010 for feedback and comment.



**Implementation**

Once the Instrument of Delegation has been signed and sealed, an updated copy will be included in the Register that is required to be kept and a copy forwarded to the Old Beechy Rail Trail Committee.

It is proposed that subject to Council adoption, the implementation of the Colac Otway Shire "Use of the Old Beechy Rail Trail by Recreational Vehicles" Policy will commence immediately.

**Conclusion**

Council's Special Committees provide a valuable service for the community and assist Council in managing and monitoring community assets.

The Old Beechy Rail Trail Instrument of Delegation has been revised in a number of areas following legal advice and consultation.

The proposed "Use of the Old Beechy Rail Trail by Recreational Vehicles" Policy provides objective criteria to determine appropriate use of the Old Beechy Rail Trail by recreational vehicles.

**Attachments**

1. Instrument of Delegation Special Committee Old Beechy Rail Trail
2. Use of the Old Beechy Rail Trail by Recreational Vehicles Policy

**Recommendation(s)*****That Council:***

1. ***Signs and seals the revised Instrument of Delegation for the Old Beechy Rail Trail Committee.***
2. ***In accordance with Section 81(2A) of the Local Government Act 1989, resolves to exempt members of the committee from being required to submit a Primary or Ordinary "Register of Interest" return.***
3. ***Adopts the "Use of the Old Beechy Rail Trail by Recreational Vehicles" Policy.***

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INSTRUMENT OF DELEGATION  
SPECIAL COMMITTEE

Old Beechy Rail Trail Committee

Pursuant to and in the exercise of the power conferred by section 86 of the Local Government Act 1989, Colac Otway Shire Council delegates to a Special Committee to be known as the **Old Beechy Rail Trail Committee** (established by resolution made on 26 September 2001 those functions, duties and powers set out in clauses 4 and 5 of Schedule titled Old Beechy Rail Trail Committee Charter (as amended)).

1. **This Instrument of Delegation** is authorised by a resolution of Council, passed on .....
  
2. **The Delegation:**
  - a) comes into force immediately the common seal of Council is affixed to this Instrument of Delegation;
  - b) remains in force until Council resolves to vary or revoke it;
  - c) is subject to any conditions and limitations set out in the Schedule; and
  - d) must be exercised in accordance with any guidelines or policies which Council from time to time adopts.
  
3. All members of the committee will have voting rights on the committee.

THE COMMON SEAL of the )  
 COLAC OTWAY SHIRE COUNCIL )  
 was hereunto affixed in accordance )  
 with Local Law No. 4 )

..... Chief Executive Officer

**OLD BEECHY RAIL TRAIL COMMITTEE  
SPECIAL COMMITTEE**

**CHARTER**

**1. Definitions**

- “Council” means Colac Otway Shire Council  
“Committee” means this Special Committee of Council as constituted pursuant to Section 86 of the *Local Government Act 1989*

**2. Membership**

2.1 Committee members (other than Council representatives) shall be appointed for a 3 year term by Council resolution.

2.2 Council representatives on the Committee will be appointed annually by Council resolution.

2.3 Committee membership may consist of:

2.3.1 two representatives from each of:

- Gellibrand/Kawarren Progression Association;
- Beech Forest Progress Association;
- the Colac area; and
- Council (one Councillor and one member of Council staff); and

2.3.2 one representative from each of:

- Midway Plantations;
- Parks Victoria;
- Department of Sustainability and Environment;
- Otway Scenic Circle Association;
- Landowner ;
- Friends of the Old Beechy Rail Trail; and
- User groups such as walking and cycling groups.

2.4 The Committee may by resolution declare a position vacant.

2.4.1 where a member has failed to attend 3 consecutive meetings without leave;

2.4.2 where a member has resigned from the Committee in writing;

2.4.3 on the advice of Council; or

2.4.4 where the Committee resolves to vacate a member’s position with the exception of the Council appointees.

- 2.5 Casual vacancies during the 3 years may be filled by the Committee recommending a replacement for Council to make by resolution.
- 2.6 Temporary appointments to the Committee may be made by Council, as required, on the recommendation of the Committee.

### **3. Meetings**

- 3.1 The Committee must annually appoint a chairperson from among its members. If the Committee fails to appoint a Chairperson the Council will make an appointment.
- 3.2 In the absence of a chairperson, the Committee may appoint an acting chairperson.
- 3.3 The Committee must meet at least 4 times each year.
- 3.4 Meetings will be held at such times and places fixed by the Committee.
- 3.5 Special meetings may be called by the chairperson or on the written request of at least 3 committee members.
- 3.6 Committee members must have at least 3 clear days written notice of meetings.
- 3.7 Meetings of the Committee which, in the opinion of the Committee, may prejudice Council must be closed to the public including meetings dealing with sensitive land management issues, proposed developments and legal and contractual matters.
- 3.8 The quorum for a Committee meeting is at least half of the members, at least one of whom must be a member of Council staff or Councillor.
- 3.9 All Committee members will have equal voting rights, but in the case of a tied vote the Chairperson will have a casting vote.
- 3.10 The chairperson must ensure that minutes of Committee meetings are kept.

### **4. Committee Functions**

- 4.1 The Committee is responsible for:
  - 4.1.1 development of strategic plans for future management and maintenance;
  - 4.1.2 ensuring effective means of communication to encourage community participation and ownership; and
  - 4.1.3 management and maintenance of the Old Beechy Rail Trail.

- 4.2 The Committee's corporate governance factors include:
- 4.2.1 defining and monitoring strategic direction;
  - 4.2.2 defining policies and procedures to ensure operation with legal and social responsibilities; and
  - 4.2.3 establishing control and accountability systems.

## **5. Delegated Power**

To carry out the functions and responsibilities listed in clause 4 above, Council delegates to the Committee the power to:

- 5.1 set strategic direction and guidance policies with respect to the Old Beechy Rail Trail;
- 5.2 implement the strategic policies outlined in clause 5.1 above;
- 5.3 develop and implement a Management Plan for the Old Beechy Rail Trail;
- 5.4 accept gifts, donations and bequests by the public towards projects associated with the Old Beechy Rail Trail;
- 5.5 incur expenditure with respect to the Old Beechy Rail Trail provided that the expenditure does not exceed annual budget parameters specified by Council and report to Council on a quarterly basis;
- 5.6 set Committee meeting dates;
- 5.7 appoint advisers to the Committee as appropriate and engage people to carry out minor works and improvements to the Old Beechy Rail Trail within approved budget parameters.
- 5.8 apply for relevant funding opportunities for the improvement and maintenance of the Old Beechy Rail Trail;
- 5.9 direct a Committee member to discuss arrangements with a wide range of land owners - including private land owners, statutory authorities and government departments - to allow for access, management, improvement, enhancement and maintenance of the Old Beechy Rail Trail and related infrastructure;
- 5.10 authorise vehicles on the Old Beechy Rail Trail subject to the completion of a Risk Assessment report; recreation vehicles will be subject to Council Policy;
- 5.11 authorise the conduct of special events for the purpose of publicity and/or fundraising subject to the completion of a Risk Assessment report;

- 5.12 make recommendations to Council in relation to:
  - 5.12.1 contracts, licences and leases to be entered into for the management and maintenance of the Old Beechy Rail Trail;
  - 5.12.2 monitoring behavior and withdrawing invitations to enter the Old Beechy Rail Trail;
  - 5.12.3 planning and other policy matters affecting the Old Beechy Rail Trail;
  - 5.12.4 accepting the grant of the benefit of easements in favour of Council with respect to the Old Beechy Rail Trail; and
  - 5.12.5 maintenance and major works on the Old Beechy Rail Trail.
- 5.13 notify Council, a staff member of Council and/or a relevant authorized officer of Council of the presence of:
  - 5.13.1 livestock;
  - 5.13.2 vehicles; and/or
  - 5.13.3 trespassers.on the Old Beechy Rail Trail

## **6. Minutes of Meetings**

- 6.1 Minutes of meetings must be saved in Council's internal Library system.



# USE OF THE OLD BEECHY RAIL TRAIL BY RECREATIONAL VEHICLES POLICY

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**Policy No: 12.5**

**Date Adopted:**

**File No: GEN01688**

**Revised:**

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## 1. PURPOSE

The purpose of this policy is to provide objective criteria to determine appropriate use of the Old Beechy Rail Trail (Trail) by recreational vehicles. This policy will assist the Old Beechy Rail Trail Committee to perform their delegated duties and ensure appropriate use of the Trail.

## 2. INTRODUCTION

The Trail was opened in 2005 and follows one of the state's former narrow gauge railway lines from Colac through to Beech Forest. The Trail runs on or near the route of the railway, using the original rail formation in many places, as well as accessing land owned by private land holders under a Licence agreement arrangement. The Trail is 45km in length but can be completed in shorter sections and in either direction. The Trail passes through the towns of Barongarook, Gellibrand, Dinmont and Beech Forest.

The Trail is located on a combination of Council owned land, private land and Crown Land. The Department of Sustainability and Environment (DSE) has appointed Colac Otway Shire (COS) as Committee of Management over small sections of the trail that traverse crown land. Colac Otway Shire has successfully negotiated License Agreements with a number of private land owners for access to the Trail across private land. Hence Colac Otway Shire retains ultimate management responsibility for the Trail.

The Old Beechy Rail Trail Committee is a Section 86 Committee of Management. Under s.86(7) of the *Local Government Act* (the Act) this committee is classed as a Special Committee, which is defined as follows:

*"A committee that exercises a power, or performs a duty or function of the Council that has been delegated to that committee under any Act is a special committee for the purposes of this Act."*

The committee has an Instrument of Delegation including a Charter which sets out the function, duties or powers of the committee.

The Trail is used for the purposes of walking, cycling and horse riding.

## 3. SCOPE OF THE POLICY

This Policy generally bans the use of motorised vehicles on the Trail with the exception of the following:

- Authorised maintenance vehicles;
- Authorised inspection vehicles;
- Vehicles which provide access to the Trail for those members of the community that would not normally be able to access the Trail; and/or
- Vehicles required to service the activities of Trail uses including walkers and cyclists.

This Policy does not apply to land owners and their agents on their own land.

In some instances, use of the Trail by vehicles for recreational purposes will be allowed. The Old Beechy Rail Trail Committee will assess requests for use of the Trail by recreational vehicles via a written application (Appendix 1). Applications will be assessed by the Committee and must meet the following criteria:

- A Risk Management report has been developed and approved by Council's Risk Management Unit.
- That the vehicle operator has appropriate insurances and registrations;
- The vehicular use is not detrimental to the Trail;
- Use of the Trail will be limited to a maximum of 12 occasions per applicant per calendar year, with preference being for mid week use;
- Should more than one applicant request the same date, the application lodged first will be given priority subject to meeting the appropriate approval requirements;
- Approved applicants will have sole use of the Trail for recreational vehicles on requested dates.

Private land owners will be notified of recreational vehicular use of the trail on approval by the Committee.

#### **4. DEFINITIONS**

For the purpose of this policy, a "vehicle" is defined as a land-based motorised device that is designed or used to transport people or cargo.

#### **5. RELATED LEGISLATION**

Not applicable.

#### **6. RELATED POLICIES/PROCEDURES/GUIDELINES**

Colac Otway Shire Instrument of Delegation Special Committee – Old Beechy Rail Trail Committee.

#### **7. POLICY IMPLEMENTATION**

This policy will be reviewed in accordance with the review of the Colac Otway Shire Instrument of Delegation Special Committee – Old Beechy Rail Trail Committee.

# APPENDIX 1

## Application to use a recreational vehicle on the Old Beechy Rail Trail.

|   |              |               |
|---|--------------|---------------|
| <b>Name</b>                             |              |               |
| <b>Organisation (if applicable)</b>     |              |               |
| <b>Address</b>                          |              |               |
| <b>Phone</b>                            |              |               |
| <b>Email</b>                            |              |               |
| <b>Requested dates and times of use</b> | <b>Day/s</b> | <b>Time/s</b> |
|   |              |               |
| <b>Reason for use</b>                   |              |               |

The applicant must provide evidence of relevant insurances, registrations and risk management assessments including:

- Copies of required insurances showing certificate of currency including a minimum \$10,000,000 public liability insurance;
- A Risk Management report including Occupational Health and Safety requirements and site specific potential hazard assessment;
- Evidence of current and correct licences;

# TERMS & CONDITIONS

- (1) All required documentation must be provided in full at least one month prior to use of the Old Beechy Rail Trail (Trail), unless the Old Beechy Rail Trail Committee (Committee) has approved suitable arrangements.
- (2) The applicant will not have exclusive use of the Trail and the Committee reserves the right to allow use of the Trail by other persons at any time.
- (3) The Committee reserves the right to cancel the applicant's use of the Trail on a date shown in this application in the event of the Trail being required for an extraordinary function or extraordinary use.
- (4) The Committee reserves the right to cancel the applicant's use of the Trail on a date shown in this application in the event that the Trail is unsuitable for use.
- (5) The applicant shall not do, or neglect to do, or permit to be done or left undone, anything that will affect the Colac Otway Shire Council's (Council) Insurance Policy or Policies relative to fire or public risk in connection with the use of the Trail and the applicant hereby agrees to indemnify the Council to the extent that such policies are affected by commission or omission.
- (6) The applicant agrees to indemnify and keep indemnified and to hold harmless the Committee and the Council, its servants and agents and each of them from and against all actions, claims, charges, expenses and damages whatsoever which may be brought about or made or claimed against it by any of them arising out of or in any way related to the use of the Trail.
- (7) The applicant shall at all times during the allocated period of use insure and keep insured with an insurance company approved by the Council against public risk for an amount of not less than \$10 million.
- (8) Bookings may need to be re-scheduled or cancelled in the event of unforeseen weather conditions. If weather conditions are extreme, Trail conditions will be monitored and an assessment will be made as to appropriateness of use.

## UNDERTAKING

I \_\_\_\_\_ of \_\_\_\_\_

hereby make application for use of the Trail for the dates and times specified and acknowledge having received and read the Terms and Conditions of hire and undertake to be bound by and comply with the Terms and Conditions in every respect and I further undertake to be responsible for ensuring that all individuals or groups using the Trail in association with this application comply with the terms and conditions.

**SIGNATURE OF APPLICANT:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**CONSENT CALENDAR**

**OFFICERS' REPORT**

D = Discussion  
W = Withdrawal

| ITEM  | D | W |
|---|---|---|
| <b><u>GENERAL BUSINESS</u></b>  |   |   |
| <b><u>OM101512-5 ASSEMBLY OF COUNCILLORS</u></b>  |   |   |
| Department: General Business  |   |   |
| <b><u>Recommendation(s)</u></b>   |   |   |
| <b><i>That Council notes the Assembly of Councillors reports for the:</i></b>   |   |   |
| <ul style="list-style-type: none"> <li>• <b><i>24 November 2010 Councillor Briefing Session</i></b></li> <li>• <b><i>18 November 2010 Municipal Emergency Management Planning Committee</i></b></li> <li>• <b><i>26 November 2010 Australia Day Advisory Committee</i></b></li> <li>• <b><i>1 December 2010 Pre-Statutory Council Meeting</i></b></li> <li>• <b><i>3 December 2010 23 Iluka Avenue</i></b></li> <li>• <b><i>8 December 2010 Councillor Workshop.</i></b></li> </ul> |   |   |

**Recommendation**

***That recommendations to items listed in the Consent Calendar, with the exception of items ....., be adopted.***

**MOVED** .....

**SECONDED** .....



**OM101512-5 ASSEMBLY OF COUNCILLORS**

|             |               |           |           |
|-------------|---------------|-----------|-----------|
| AUTHOR:     | Rhonda Deigan | ENDORSED: | Rob Small |
| DEPARTMENT: | Executive     | FILE REF: | GEN00460  |

Changes to the *Local Government Act 1989* and Regulations have redefined Assemblies of Councillors to include advisory committee meetings attended by at least one Councillor and planned/scheduled meetings involving at least half the Councillors and an officer.

It is now a requirement that the record of an assembly is to be reported to the next practicable Council meeting and be included in the minutes of that meeting, instead of being made available for public inspection.

The following Assemblies of Councillors have been held during this reporting period:

|                  |   |
|------------------|---|
| 18 November 2010 | Municipal Emergency Management Planning Committee |
| 24 November 2010 | Councillor Briefing Session                       |
| 26 November 2010 | Australia Day Advisory Committee                  |
| 1 December 2010  | Pre-Statutory Council Meeting                     |
| 3 December 2010  | PP173/2010 – 23 Iluka Avenue Wye River            |
| 8 December 2010  | Councillor Workshop                               |

**Attachments**

1. Municipal Emergency Management Planning Committee 18 November 2010
2. Councillor Briefing Session - 24 November 2010
3. Australia Day Advisory Committee 26 November 2010
4. Pre Statutory Council Meeting
5. PP173/2010 – 23 Iluka Avenue Wye River 3 December 2010
6. Councillor Workshop - 8 December 2010

**Recommendation(s)**

***That Council notes the Assembly of Councillors reports for the:***

- ***18 November 2010 Municipal Emergency Management Planning Committee***
- ***24 November 2010 Councillor Briefing Session***
- ***26 November 2010 Australia Day Advisory Committee***
- ***1 December 2010 Pre-Statutory Council Meeting***
- ***3 December 2010 PP173/2010 – 23 Iluka Avenue Wye River***
- ***8 December 2010 Councillor Workshop.***

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### Assembly of Councillors Record

This Form MUST be completed by the attending Council Officer and returned IMMEDIATELY to Document Management Co-ordinator for filing. A copy of the completed form must be provided to the Executive Officer to the CEO, Mayor & Councillors for reporting at the next Ordinary Council Meeting. {See over for Explanation/Guide Notes}

#### Assembly Details:

Date: 18 / 11 / 2010

Time: 2:00 pm – 4:00 pm

Assembly Location: ...COPACC Meeting Room 2.....  
(some e.g's. COPACC, Colac Otway Shire Offices, 2 - 6 Rae Street, Colac, Shire Offices – Nelson Street, Apollo Bay

#### In Attendance:

Councillors: Councillor Stuart Hart

Officer/s: Stewart Anderson, Manager Environment and Community Safety  
Mark Gunning, Manager Organisational Systems and Development  
Greg Fletcher, Manager Community Services  
Greg Anderton, Manager COSworks  
Meaghan Cooper, Municipal Emergency Management Officer

Matter/s Discussed: Municipal Emergency Management Planning Committee matters (see attached agenda)

.....  
(some e.g's. Discussion s with property owners and/or residents, Planning Permit Application No. xxxx re proposed development at No. xx Pascoe Street, Apollo Bay, Council Plan steering committee with Councillors and officers.)


#### Conflict of Interest Disclosures: (refer page 5)

Councillors: .....NA...../...../...../.....  
...../...../...../.....

Officer/s: .....NA...../...../.....  
...../...../.....

Left meeting at: .....NA.....

Completed by: ...Stewart Anderson, Manager Environment and Community Safety.

|                                                                                   |                                                                                                                                                                                 |                                                                                                |                                               |
|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------|
|  |                                                                                                                                                                                 | <h1 style="text-align: center;">Municipal Emergency Management Planning Committee</h1>         |                                               |
| <h1 style="font-size: 2em; transform: rotate(-15deg);">Agenda</h1>                |                                                                                                                                                                                 | <p>Thursday 18 November 2010<br/>2:00pm – 4:00pm<br/>Meeting Room 2 – COPACC, Rae St Colac</p> |                                               |
| 1.                                                                                | <b>ATTENDEES:</b>                                                                                                                                                               |                                                                                                |                                               |
| <h2 style="margin: 0;">Agenda topics</h2>                                         |                                                                                                                                                                                 |                                                                                                |                                               |
| 2.                                                                                | <b>APOLOGIES:</b><br>Jack Green (COS), Glen Stickland (Red Cross), Rob Leary (Powercor),<br>Christine Elliot (Red Cross), Peter Burns (Parks Vic)                               |                                                                                                |                                               |
| 3.                                                                                | <b>CONFIRMATION OF MINUTES FROM 19 August 2010 MEETING:</b>                                                                                                                     |                                                                                                |                                               |
| 4.                                                                                | <b>BUSINESS ARISING FROM PREVIOUS MINUTES</b>                                                                                                                                   |                                                                                                |                                               |
| 5.                                                                                | <b>CORRESPONDENCE</b><br>Inwards<br>Outwards                                                                                                                                    |                                                                                                |                                               |
| 6.                                                                                | <b>AGENCY REPORTS</b>                                                                                                                                                           |                                                                                                | All                                           |
| 7.                                                                                | <b>SUB COMMITTEE UPDATES</b><br><ul style="list-style-type: none"> <li>■ CERM Sub Committee</li> <li>■ MFMPC Sub Committee (Interim)</li> <li>■ Events Sub Committee</li> </ul> |                                                                                                | Wendie Fox<br>Stephanie Ryan<br>Jodie Fincham |
| 8.                                                                                | <b>GENERAL BUSINESS</b><br><ul style="list-style-type: none"> <li>■ MEMP Review</li> <li>■ Election of Executive Officer</li> <li>■ MEMPC Terms of Reference</li> </ul>         |                                                                                                | Wendie Fox                                    |
| 9.                                                                                | <b>ITEMS FOR FUTURE MEETINGS</b>                                                                                                                                                |                                                                                                |                                               |

17/11/10



Colac Otway  
SHIRE

## Assembly of Councillors Record

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### Assembly Details:

**Date:** .....24/11/2010.....

**Time:** .....12.30pm

**Assembly Location:** Senior Citizens Centre, Apollo Bay

(some e.g.'s. COPACC, Colac Otway Shire Offices, 2 - 6 Rae Street, Colac, Shire Offices – Nelson Street, Apollo Bay)

### In Attendance:

**Councillors:** Cr Lyn Russell (Mayor), Cr Stephen Hart, Cr Stuart Hart, Cr Frank Buchanan, Cr Brian Crook (from 2.20pm)

**Officer/s:** Rob Small (CEO), Jack Green (GM Sustainable Planning & Development), Neil Allen (GM Infrastructure & Services), Rick Morrow (A/GM Corporate & Community Services)

**Matter/s Discussed:**...Councillor reports from other meetings, Council Meeting Agenda, general business, presentation on the changeover to digital transmission.

.....  
(some e.g.'s. Discussion s with property owners and/or residents, Planning Permit Application No. xxxx re proposed development at No. xx Pascoe Street, Apollo Bay, Council Plan steering committee with Councillors and officers.)

### Conflict of Interest Disclosures: (refer page 5)

**Councillors:** Nil

**Officer/s:** Nil

**Left meeting at:** ...Not applicable.....

**Completed by:** ...Rhonda Deigan.....



# Assembly of Councillors Record

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## Assembly Details:

Date: 26 / 11 / 10

Time: 3:05pm to 3:45pm

**Assembly Location:** Councillors Room, 2-6 Rae Street, Colac

## In Attendance:

Councillors: Mayor Lyn Russell and Cr Frank Buchanan

Officer/s: Anneli Frisk, Events Officer

Matter/s Discussed: 2011 Australia Day nominations, selecting award recipients from nominations received and discussing most appropriate way to notify successful and unsuccessful nominators and nominees.


## Conflict of Interest Disclosures: (refer page 5)

Councillors: .....NO...../...../...../.....  
...../...../...../.....

Officer/s: .....NO...../...../...../.....  
...../...../...../.....

Left meeting at: ...NA.....

Completed by: ...NA .....

|                                                                                                                                                                        |                                                                                                                                             |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--|
|  <p>Colac Otway<br/>SHIRE<br/><i>'Naturally Progressive'</i></p> <p><b>Agenda</b></p> | <h1>Pre Statutory Council Meeting</h1> <p>Wednesday, 1 December 2009<br/>COPACC Meeting Room<br/>4.00 pm – 5.00 pm</p>                      |  |
|                                                                                                                                                                        | <p><b>ATTENDEES:</b><br/>Cr Russell (Mayor), Cr Buchanan, Cr Stephen Hart, Cr Stuart Hart, Cr Crook<br/>Cr Higgins,<br/>Rob Small (CEO)</p> |  |
|                                                                                                                                                                        | <h2>Agenda Topics</h2>                                                                                                                      |  |
| 4.00 pm – 5.00 pm                                                                                                                                                      | Pre Statutory Council Meeting                                                                                                               |  |



## Assembly of Councillors Record

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### Assembly Details:

**Date:** Friday, 3 December 2010

**Time:** 10.00 am

**Assembly Location:** Wye River Cafe, Great Ocean Road, Wye River

(some e.g's. COPACC, Colac Otway Shire Offices, 2 - 6 Rae Street, Colac, Shire Offices – Nelson Street, Apollo Bay)

### In Attendance:

Councillors: Lyn Russell, Frank Buchanan, Brian Crooke, Geoff Higgins, Stephen Hart and Stuart Hart.

Officer/s: Jack Green, General Manager Sustainable Planning and Development and Anne Sorensen, Statutory Planning Coordinator

Others: Will Pearce, Urbis Consulting, Maria and Chris Charalambous

Matter/s Discussed: PP173/2010 – 23 Iluka Avenue Wye River – Planning Committee report for meeting of 8 December 2010.

- The application for a dwelling at 23 Illuka Avenue Wye River was discussed as well as the building and works which were undertaken on the site without current planning approval.
- It was agreed by all Councillors present that a copy of the planning committee report could be forwarded to the consultant on Friday.
- All Councillors, Council officers, landowners and consultant attended a site inspection at the property.
- Councillors were given an opportunity to view the extent of building and works undertaken on the site.

.....  
(some e.g's. Discussion s with property owners and/or residents, Planning Permit Application No. xxxx re proposed development at No. xx Pascoe Street, Apollo Bay, Council Plan steering committee with Councillors and officers.)

**Conflict of Interest Disclosures:** (refer page 5) No expression of interest were disclosed.

Meeting Closed: 12.00 noon

Completed by: Anne Sorensen, Statutory Planning Coordinator



# Agenda

# Councillor Workshop

Wednesday, 8 December, 2010  
COPACC Meeting Room  
8.30 am to 5.00 pm

## ATTENDEES:

Cr Russell (Mayor), Cr Buchanan, Cr Stephen Hart, Cr Stuart Hart (from 9.00am), Cr Smith (from 9.30am – 12.05pm), Cr Higgins, Cr Crook  
Rob Small (CEO)  
Colin Hayman (GM, Corporate & Community Services)  
Jack Green (GM, Sustainable Planning & Development)  
Neil Allen (GM, Infrastructure & Services)

## Part:

Doug McNeill  
Mike Barrow  
Bronwyn Keenan  
Anne Sorensen  
Brett Exelby  
Paul Carmichael  
Briengan Rogers (CRLC)  
Roslyn Cousins (CRLC)

## Agenda Topics

|                    |                                                                            |                                               |
|--------------------|----------------------------------------------------------------------------|-----------------------------------------------|
| 8.30 am            | Declaration of Interest<br>Cr Stephen Hart - Item 3 of the Planning Agenda |                                               |
| 8.30 am – 9.30am   | Regional Tourism Action Plan Implementation                                | Mike Barrow (1 hr)                            |
| 9.30 am – 10.30 am | Planning Committee Briefing Session                                        | Doug McNeill, Bronwyn Keenan & Anne Sorensen  |
| 10.30 am – 12.05pm | Planning Committee Meeting                                                 | Doug McNeill, Bronwyn Keenan & Anne Sorensen  |
| 12.05pm – 12.45 pm | CRLC – Future Strategy and Other Issues                                    | Roslyn Cousins, Briengan Rogers (CRLC) (1 hr) |
| 12.45 pm – 1.15 pm | Lunch                                                                      |                                               |
| 1.15 pm – 4.00 pm  | Budget                                                                     | Brett Exelby<br>Paul Carmichael               |
| 4.00 pm – 5.00 pm  | Statutory Council Meeting                                                  |                                               |





**CONSENT CALENDAR**

**OFFICERS' REPORT**

D = Discussion  
W = Withdrawal

| ITEM                                                                                                                                                                                                                                                             | D | W |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <p><b><u>NOTICES OF MOTION</u></b></p> <p><b><u>OM101512-6      BIRREGURRA STRUCTURE PLAN</u></b></p> <p>Department: Notices of Motion</p> <p><b><u>Recommendation</u></b></p> <p><i><b>That Council consider the contents of this Notice of Motion.</b></i></p> |   |   |
| <p><b><u>OM101512-7      BIRREGURRA STRUCTURE PLAN</u></b></p> <p>Department: Notices of Motion</p> <p><b><u>Recommendation</u></b></p> <p><i><b>That Council consider the contents of this Notice of Motion.</b></i></p>                                        |   |   |

**Recommendation**

*That recommendations to items listed in the Consent Calendar, with the exception of items ....., be adopted.*

**MOVED**                                                 .....

**SECONDED**                                           .....



**OM101512-6            BIRREGURRA STRUCTURE PLAN (CR STEPHEN HART)**

TAKE NOTICE that it is my intention to move at the Ordinary Council Meeting of the Colac Otway Shire to be held on 15 December 2010:

"Council:

1. Notes in relation to the Birregurra Structure Plan that the lack of a Neighbour Character Study means that high density development may occur in Birregurra following adoption of the Structure Plan, and
2. Calls on the Chief Executive Officer to arrange a Councillor briefing as soon as practicable, to discuss options to ensure that the appealing character of Birregurra is not adversely affected by the adoption of the Birregurra Structure Plan."

**Recommendation**

***That Council consider the contents of this Notice of Motion.***

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**OM101512-7            BIRREGURRA STRUCTURE PLAN (CR STEPHEN HART)**

TAKE NOTICE that it is my intention to move at the Ordinary Council Meeting of the Colac Otway Shire to be held on 15 December 2010:

"Council:

1. Notes the public's concern about the public consultation process in relation to the draft Birregurra Structure Plan,
2. Notes that the Birregurra Structure Plan is being considered concurrently with the Forrest Structure Plan,
3. Resolves to increase the public submission period to close of business Monday 14/2/'11 for both plans, and
4. Requests the Chief Executive Officer to arrange for a public meeting in Birregurra about the plans no later than Monday 31/1/11."

**Recommendation**

***That Council consider the contents of this Notice of Motion.***

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**IN COMMITTEE**

**Recommendation**

***That pursuant to the provisions of Section 89(2) of the Local Government Act, the meeting be closed to the public and Council move "In-Committee" in order to deal with:***

| <b>SUBJECT</b>                                                                        | <b>REASON</b>                                                                                                                                     | <b>SECTION OF ACT</b>      |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| CEO's Employment Conditions                                                           | this matter deals with personnel matters; AND this matter deals with contractual matters; AND this matter may prejudice the Council or any person | Section 89 (2) (a) (d) (h) |
| End of Financial Year Management Report 2009/2010                                     | this matter may prejudice the Council or any person                                                                                               | Section 89 (2) (h)         |
| 2011 Australia Day Award Recipients                                                   | this matter may prejudice the Council or any person                                                                                               | Section 89 (2) (h)         |
| Contract Approval Contract 1026 – Civic Hall Alterations                              | this matter deals with contractual matters                                                                                                        | Section 89 (2) (d)         |
| Contract Approval (Mav Tender Mb8210) Contract 1033 – Provision Of Marketing Services | this matter deals with contractual matters                                                                                                        | Section 89 (2) (d)         |
| Apollo Bay Harbour Main Breakwater Remediation Works - Tender Evaluation Report       | this matter deals with contractual matters                                                                                                        | Section 89 (2) (d)         |