



Council Agenda



Date: 15 September 2021

Time: 6:00 pm

Venue: Virtual Meeting

Photo Left to Right: Cr Daniel Mackrell, Cr Rob Amos, Cr Leanne Pentreath (Deputy Mayor), Cr Tony Marwood, Cr John Zobec, Cr Colleen Gates, Cr Paul Jarman, Cr Chrissy Weller (Mayor), Cr Adrian Weston.

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For a meeting of the ninth Campaspe Shire Council to be held on Wednesday 15 September 2021, commencing at 6:00 pm at the Virtual Meeting.

Opening Prayer

We pray to almighty God that our decisions as a Council be in the best interest of the people, culture and the environment of the Shire of Campaspe.

Amen

Acknowledgement of Country

The Shire of Campaspe is the traditional lands of the Dja Dja Wurrung, Taungurung and Yorta Yorta Peoples.

We respect and acknowledge their unique Aboriginal cultural heritage and pay our respect to their ancestors, descendants and emerging leaders as the Traditional Owners of this Country.

We acknowledge their living culture and their unique role in the life of this region.

Meeting Procedures

Please ensure that all electronic devices are turned off or switched to silent.

Council meetings are broadcast live via the internet. During the meeting, members of the public may be recorded, particularly those speaking to an item. By attending this meeting, you are consenting to the possibility that your image may also be broadcast to the public. Any personal and health information voluntarily disclosed by any person at Council meetings may be broadcast live, held by Council and made available to the public for later viewing.

Those people who have requested to speak to an item will be allowed five minutes to address Council. Speakers will be notified with a bell when there is 60 seconds remaining. Speakers must only speak in relation to the subject stated on their application and shall not debate the issue with Councillors and officers. Councillors are able to ask questions of the speaker on points of clarification.

Speakers are advised that they do not enjoy any special protection from defamation arising from comments made during their presentation to Council and should refrain from voicing defamatory remarks or personal defamatory statements against any individual. Speakers will be treated with respect when addressing Council. I ask that the same respect is extended to Councillors and officers.

1 Apologies And Requests For Leave Of Absences

1.1 Apologies

1.2 Leave Of Absence

2 Confirmation Of Minutes

RECOMMENDATION

That the following minutes be confirmed:

- Campaspe Council Meeting held on 18 August 2021.

3 Changes To The Order Of Business

Once an agenda has been prepared and sent to Councillors, the order of business for that meeting may only be altered by resolution of the Council. This includes the request for an item to be brought forward.

4 Declarations Of Conflict Of Interest

In accordance with Section 130(1)(a) of the *Local Government Act 2020* Councillors are required to disclose any conflict of interest in respect of a matter to be considered at a Council meeting.

5 Responsible Authority Decisions

Responsible Authority – Defined under Section 13 of the *Planning & Environment Act 1987*. Responsible for administering and enforcing the planning scheme and its provisions in relation to use and development.

6 Planning Authority Decisions

Planning Authority – Defined under Section 12 of the *Planning & Environment Act 1987*. Responsible for implementing the objectives of planning in Victoria and reviewing and preparing amendments to a planning scheme.

7 Question Time

Question time will be available at every Ordinary Meeting to enable members of the public to address questions to Council. Questions must be received in writing, on the prescribed form from Council's website, by the Chief Executive Officer or other person authorised for this purpose by the Chief Executive Officer, no later than 12:00pm (noon) on the day of the Ordinary Meeting.

8 Acknowledgements

At each Ordinary Meeting, Councillors will have the opportunity to acknowledge significant community members and events. These may relate to notable achievements by community members and groups and offering of condolences to a person who has previous distinguished service in the local area.

The duration of any report from a Councillor will be limited to two (2) minutes.

Any acknowledgment intended to be raised by a Councillor at an Ordinary meeting must be notified to the Chief Executive Officer at least three (3) hours before the commencement of the meeting.

9 Council Decisions

9.1 Endorsement 20/21 Financial Statements

Author	Department	Manager	General Manager
Manager Finance	Finance	Manager Finance	General Manager Corporate

1. SUMMARY

Council is required to produce financial statements and a performance statement at the end of the reporting period, 30 June, which are reviewed by the Audit and Risk Committee and recommended to Council to adopt in principle pending final review by the Victorian Auditor General's Office.

The statements are attached (Attachment 1 and Attachment 2) and reflect the appropriate financial position of Council.

2. RECOMMENDATION

That Council:

- Approve 'in principle' the financial statements and performance statement for the period ended 30 June 2021, appended as Attachment 1 and Attachment 2.**
- Authorise the Manager Finance (Principal Accounting Officer) to make changes to the Financial Statements and Performance Statement as may be determined by the Victorian Auditor General's Office and that any material amendments be made in consultation with the Chief Executive Officer and Chair of the Audit and Risk Committee.**
- Be notified of any material amendments if they are made, as soon as possible.**
- Authorise the Mayor, Cr Chrissy Weller, and Cr _____ to sign the annual financial statements and performance statement on behalf of Council.**

3. PURPOSE

To present the audited draft financial and performance statements for Council's 'in principle' approval and authorise two Councillors to sign the 2020/21 Financial Statements and Performance Statement on behalf of Council.

4. DISCUSSION

Under sections 131(7) and 131(8) of the Local Government Act 1989, Council cannot submit its financial or performance statements to the Victorian Auditor General's Office (VAGO) until Council has considered the statements, provided 'in principle' approval and signed them.

To satisfy this requirement, Council must pass two resolutions, the first gives 'in principle' approval for the financial statements and performance statement and the second authorises two councillors, on behalf of Council, to certify the statements once amendments or changes requested by the VAGO have been made.

The State Government provides the following guidance to Local Government on the process:

- The Audit and Risk Committee reviews the draft financial statements and performance statement and recommends any required changes.

- Council formally meets to review the draft financial statements and performance statement. These are attached as attachment 1 and attachment 2. Council is then required to pass a resolution giving 'in principle' approval to the statements and to authorise two specific councillors to sign the statements in their final form, before they can be forward to VAGO for sign off.
 - The statements and other documentation are provided to the audit contractor who forwards them to VAGO.
 - VAGO reviews the statements and other documentation and requests changes if appropriate.
 - The Principal Accounting Officer considers the VAGO requested changes and incorporates them into the statement as agreed.
 - The authorised councillors, CEO and Principal Accounting Officer sign the financial statements and submit a final signed copy of the statements to VAGO.
 - VAGO then issues the audit report for both the financial statements and performance statement.
- Council's VAGO appointed auditor, Johnsons MME, have worked with council officers to ensure the statements as presented reflect the appropriate financial position of Council. These statements were provided to Council's Audit and Risk Committee and discussed at their meeting held on the 6 September 2021.

The Audit and Risk Committee have referred these statements to Council for their 'in principle' approval.

The financial statements for the year ending 30 June 2021 report a deficit of (\$4,673,000), which is less than the budgeted surplus of \$2,730,000.

For a detailed explanation of the material variations refer to Note 1.1 within the 2020/21 Financial Report.

However, the key differences leading to the variance between budget and actuals are:

- An additional \$2.358 million of income, which includes the recognition of contributed assets (\$2.774 million) and increased operating and capital grants (\$2.079 million); offset by a reduction in fees and fine income (\$3.052 million).
- An additional \$9.759 million of expenditure, which includes a loss on disposal of assets (\$6.100 million) due to the capitalisation process that 'writes off' any remaining written down value of assets that are renewed, and then have their new value recognised on the balance sheet; an increase to depreciation of (\$1.575 million) due to the revaluation of all major asset classes in the 2019/20 and an impairment loss of (\$7.316 million) on the reclassification of an asset to assets held for sale, the expected sale prices is less than the written down value recognised in the asset register; offset by savings in employee costs and materials and services (\$5.326 million).

The deficit result of \$4.673 million includes several non-cash items, these are:

- An impairment cost of \$7.316 million;
- A loss on disposal of property, infrastructure, plant and equipment of \$6.100 million; and
- Contributed assets of \$2.774 million.

The impairment relates to an asset that Council has resolved to sell. Council recognised this asset in the asset register at replacement cost of \$8.166 million. To comply with accounting standards, when assets are going to be sold, they need to be reclassified as assets held for sale.

Accounting standards require that the amount expected to be realised on sale, is the amount that is transfer to assets held for sale. The difference between the replacement cost and expected sale price is recognised as an impairment expense and impacts the year end result.

The following table removes the non-cash items and capital grants to show the adjusted underlying result for the reporting period.

Adjusted underlying result	\$000
Reported Deficit	(4,673)
<i>Write back of non-cash items</i>	
Impairment loss	7,316
Net loss on disposal of assets	6,100
Contributed assets	(2,774)

Total of non-cash items	10,642
Remove capital grants	(4,372)
Adjusted operating Surplus / (Deficit)	1,597

As part of the preparation of the financial statements this year, Council performed a revaluation of land and buildings. This has resulted in a substantial uplift in asset values. More detailed information on these movements can be found in Note 9.1 of the Financial Report.

The performance statement reports on Council's results against the local government performance reporting indicators and demonstrates results consistent with prior years. These results will be available on the Know Your Council website and can be compared with other councils of similar size and all councils across Victoria.

The financial and performance statements are being finalised with VAGO's appointed auditor and are still subject to final review of VAGO.

This report recommends that Mayor, Cr Chrissy Weller, the current Mayor, and Cr _____, a current member of Council's Audit and Risk Committee, sign the financial statements and performance statement following advice from VAGO.

5. CONSULTATION

External consultation:

- Council's Audit and Risk Committee reviewed the financial statements and performance statement on 6 September 2021 and discussed the results with Council's VAGO appointed auditor, Johnsons MME.

Councillors:

- 8 September 2021 and 15 September 2021 Council Briefing Session.

6. POLICY AND LEGISLATIVE IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no Council Policy and relevant law has been identified within this report.

7. FINANCIAL AND ECONOMIC IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no economic sustainability issues for the municipality have been identified within this report.

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no issues of ongoing financial viability of the Council have been identified within this report.

8. ENVIRONMENTAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no environmental sustainability issues including mitigation and planning for climate change risks have been identified within this report.

9. SOCIAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no social implications for the municipality have been identified with this report.

10. RELEVANCE TO COUNCIL PLAN 2017-2021

Responsible Management

- Enable the delivery of services, facilities and programs to the community through sound corporate governance and fiscal responsibility.

11. ISSUES AND RISK MANAGEMENT

Issues:

There are no issues identified in connection with this report.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

12. CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, the officer preparing this report declares no conflict of interest regarding this matter.

13. CHARTER OF HUMAN RIGHTS

This Report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of *Human Rights and Responsibilities Act 2006*.

14. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer is so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

15. CONCLUSION

It is recommended that Council adopt the financial and performance statements 'in principle' pending VAGO review, to ensure that Council meets the legislative requirements of Section 133 of *Local Government Act 1989* (as per the transitional provision of the *Local Government Act 2020*).

Section 133 requires that Council submit the annual report to the Minister within three months after the end of the financial year.

16. ATTACHMENTS

1. Financial Statements 2020-21 Final Draft [9.1.1 - 63 pages]
2. Performance Statement 2020-21 Final Draft [9.1.2 - 15 pages]

**Campaspe Shire Council
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2021

**Campaspe Shire Council
Financial Report
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Campaspe Shire Council
2020/2021 Financial Report

Certification of the Financial Statements

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

Ailsa Box CPA

Principal Accounting Officer

Date : XX/09/2021

Echuca

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

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

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

Cr Christine Weller

Councillor

Date : XX/09/2021

Echuca

Cr xxxx xxxxx

Councillor

Date : XX/09/2021

Echuca

Declan Moore

Chief Executive Officer

Date : XX/09/2021

Echuca

Campaspe Shire Council
2020/2021 Financial Report

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Campaspe Shire Council
2020/2021 Financial Report

<INSERT VAGO REPORT - PAGE 2>

Campaspe Shire Council
2020/2021 Financial Report

Comprehensive Income Statement
For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Rates and charges	3.1	44,696	43,922
Statutory fees and fines	3.2	1,941	2,000
User fees	3.3	12,772	14,648
Grants - operating	3.4 (a)	16,201	17,037
Grants - capital	3.4 (b)	4,372	6,669
Contributions - monetary	3.5	244	232
Contributions - non monetary	3.5	2,774	4,793
Fair value adjustments for investment property	6.4	-	(1,307)
Recognition of assets under Council control		-	372
Other income	3.7	1,315	2,133
Total income		84,315	90,499
Expenses			
Employee costs	4.1	(27,817)	(32,367)
Materials and services	4.2	(21,651)	(20,207)
Depreciation	4.3	(20,650)	(18,908)
Depreciation - right of use assets	4.4	(633)	(644)
Bad and doubtful debts	4.5	(168)	(167)
Borrowing costs	4.6	(113)	(167)
Finance costs - leases	4.7	(34)	(52)
Other expenses	4.8	(4,506)	(4,348)
Impairment loss	6.2	(7,316)	-
Net loss on disposal of property, infrastructure, plant and equipment	3.6	(6,100)	(13,361)
Total expenses		(88,988)	(90,221)
(Deficit) for the year		(4,673)	279
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	9.1 (a)	19,628	111,377
Total comprehensive result		14,955	111,656

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

Campaspe Shire Council
2020/2021 Financial Report

Balance Sheet
As at 30 June 2021

	Note	2021	2020
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	14,539	16,219
Other financial assets	5.1 (b)	48,030	49,000
Trade and other receivables	5.1 (c)	4,921	4,844
Inventories		676	720
Other assets	5.2 (a)	561	759
Non-current assets classified as held for sale	6.1	850	-
Total current assets		69,577	71,542
Non-current assets			
Trade and other receivables	5.1 (c)	17	32
Other financial assets	5.1 (b)	18,500	10,000
Property, infrastructure, plant and equipment	6.2	717,404	703,909
Right of use asset - lease assets	5.8	571	1,125
Investment property	6.4	-	7,312
Intangible assets - water rights	5.2 (b)	3,721	3,811
Total non-current assets		740,213	726,189
Total assets		809,790	797,732
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	3,716	8,032
Trust funds and deposits	5.3 (b)	2,716	2,173
Unearned Income	5.3 (c)	3,883	569
Provisions	5.5	6,447	6,517
Interest-bearing liabilities	5.4	1,009	1,064
Lease liabilities	5.8	384	673
Total current liabilities		18,155	19,028
Non-current liabilities			
Trust funds and deposits	5.3 (b)	18	18
Provisions	5.5	1,724	2,378
Interest-bearing liabilities	5.4	2,322	3,331
Lease liabilities	5.8	205	566
Total non-current liabilities		4,269	6,293
Total liabilities		22,424	25,320
Net assets		787,366	772,412
Equity			
Accumulated surplus		321,925	328,336
Reserves	9.1	465,441	444,075
Total Equity		787,366	772,412

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

Campaspe Shire Council
2020/2021 Financial Report

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

		Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
2021		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		772,412	328,336	420,572	23,503
Deficit for the year		(4,673)	(4,673)	-	-
Net asset revaluation increment	6.2/9.1 (a)	19,628	-	19,628	-
Transfers to other reserves	9.1 (b)	-	(6,852)	-	6,852
Transfers from other reserves	9.1 (b)	-	5,114	-	(5,114)
Balance at end of the financial year		787,366	321,925	440,200	25,241

		Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
2020		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		658,450	330,846	309,362	18,241
Recognition of found assets	8.6 (a)	2,306	2,306	-	-
Prior year error correction	8.6 (b)	-	167	(167)	-
Surplus for the year		279	279	-	-
Net asset revaluation increment	9.1 (a)	111,377	-	111,377	-
Transfers to other reserves	9.1 (b)	-	(8,345)	-	8,345
Transfers from other reserves	9.1 (b)	-	3,083	-	(3,083)
Balance at end of the financial year		772,412	328,336	420,572	23,503

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

Campaspe Shire Council
2020/2021 Financial Report

Statement of Cash Flows
For the Year Ended 30 June 2021

	Note	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		44,135	43,561
Statutory fees and fines		2,072	2,131
User fees		13,938	18,540
Grants - operating		16,201	17,037
Grants - capital		7,985	7,538
Contributions - monetary		244	232
Interest received		1,163	1,651
Trust funds and deposits taken		4,194	3,909
Other receipts		376	669
Net GST refund/payment		1,036	695
Employee costs		(30,575)	(30,674)
Materials and services		(25,459)	(20,634)
Other payments		(4,956)	(5,185)
Short-term, low value and variable lease payments		(228)	(443)
Trust funds and deposits repaid		(3,652)	(3,862)
Payments for landfill rehabilitation		(58)	(270)
Net cash provided by/(used in) operating activities	9.2	26,416	34,894
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(20,507)	(25,409)
Proceeds from sale of property, infrastructure, plant and equipment	3.6	1,881	924
Payments for investments		(37,030)	(32,000)
Proceeds from sale of investments		29,500	28,000
Net cash provided by/(used in) investing activities		(26,156)	(28,485)
Cash flows from financing activities			
Finance costs		(113)	(167)
Repayment of borrowings		(1,064)	(1,015)
Interest paid - lease liability		(34)	(51)
Repayment of lease liabilities		(729)	(532)
Net cash provided by/(used in) financing activities		(1,940)	(1,766)
Net increase (decrease) in cash and cash equivalents		(1,680)	4,644
Cash and cash equivalents at the beginning of the financial year		16,219	11,575
Cash and cash equivalents at the end of the financial year		14,539	16,219
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Campaspe Shire Council
2020/2021 Financial Report

Statement of Capital Works
For the Year Ended 30 June 2021

	2021	2020
	\$'000	\$'000
Property		
Land improvements	-	59
Total land	-	59
Buildings	88	1,704
Heritage buildings		5
Total buildings	88	1,709
Total property	88	1,768
Plant and equipment		
Heritage plant and equipment	254	53
Plant, machinery and equipment	3,266	1,621
Computers and telecommunications	13	35
Library books	-	146
Total plant and equipment	3,533	1,855
Infrastructure		
Roads	10,088	10,224
Bridges	484	1,533
Footpaths and cycleways	1,892	849
Drainage	2,846	2,794
Recreational, leisure and community facilities	300	4,761
Waste management	407	582
Parks, open space and streetscapes	74	104
Aerodromes	129	-
Other infrastructure	666	364
Total infrastructure	16,886	21,211
Total capital works expenditure	20,507	24,834
Represented by:		
New asset expenditure	814	4,301
Asset renewal expenditure	16,808	15,759
Asset upgrade expenditure	2,885	4,774
Total capital works expenditure	20,507	24,834

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

OVERVIEW

Introduction

Campaspe Shire Council was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate.

The Council's main office is located at Heygarth Street, Echuca.

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not *AASB 1059 Service Concession Arrangements: Grantors* is applicable (refer to Note 8.2)
- other areas requiring judgments

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

OVERVIEW

(b) Impact of Covid-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020-21 year, Council has noted the following significant impacts on its financial operations:

- Additional revenue – several grant programs have been rolled out by both the Federal and State governments. These grants have been for both capital and operational projects.
- Revenue reductions – several services were closed due to government directives, these services were recreation facilities including aquatic facilities, libraries, caravan parks and tourism related services. The closure of these services has reduced the revenue generated by the service.
- Cost reductions – there have been savings made due to the closure of services, both in materials and labour costs.
- Additional costs – Additional cleaning has been required to comply with the required covid plans, but there have been no other additional costs.
- Asset valuations – Land assets have been revalued in the current year resulting in a \$23.1 million valuation increment. The current market environment, impacted by the pandemic, creates significant valuation uncertainty. The value assessed at valuation date may therefore change over a relatively short time period.
- Rates and debt collection – Council waived interest on unpaid rates and ceased debt collection, these measures have had a less than one percent impact on the collection of rate revenue.

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For the Year Ended 30 June 2021

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 per cent or \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

1.1 Income and expenditure

	Budget	Actual	Variance	Variance	
	2021	2021	2021	%	Ref
	\$'000	\$'000	\$'000	%	Ref
Income					
Rates and charges	38,636	38,767	131	0.3%	1
Garbage charges	5,875	5,929	54	0.9%	
Statutory fees and fines	2,179	1,941	(238)	(10.9%)	2
User fees	15,586	12,772	(2,814)	(18.1%)	3
Grants - operating	15,871	16,201	330	2.1%	4
Grants - capital	2,623	4,372	1,749	66.7%	5
Contributions - monetary	-	244	244	100.0%	6
Contributions - non monetary	-	2,774	2,774	100.0%	7
Other income	1,187	1,315	128	10.8%	8
Total income	81,957	84,315	2,358	2.9%	
Expenses					
Employee costs	32,858	27,817	5,041	15.3%	9
Materials and services	21,936	21,651	285	1.3%	10
Depreciation	19,075	20,650	(1,575)	(8.3%)	11
Amortisation - Right of use assets	-	633	(633)	100.0%	12
Bad and doubtful debts	-	168	(168)	100.0%	13
Borrowing costs	165	113	52	31.6%	14
Finance costs - Leases	-	34	(34)	100.0%	15
Other expenses	5,434	4,506	928	17.1%	16
Impairment loss	-	7,316	(7,316)	100.0%	17
Loss on disposal of property, infrastructure, plant and equipment	(240)	6,100	(6,340)	2641.6%	18
Total expenses	79,228	88,988	(9,759)	(12.3%)	
Deficit for the year	2,730	(4,673)	(7,403)	(271.2%)	

1.1 Income and expenditure (cont.)

(i) Explanation of material variations

Ref	Explanation
1	<p>Rates and Charges - The variance between the budget and the actual result is due to the supplementary rates raised being greater than expected when setting the budget. A conservative approach is taken when budgeting for supplementary rates.</p>
2	<p>Statutory fees and fines - The variance between the budget and the actual result is due to less than expected certificates and permits being requested than budgeted by \$177k, animal registrations being greater than budget due to an increase in public awareness of the requirements to register domestic animals \$23k, and a less than anticipated number of infringements being issued, \$69k.</p>
3	<p>User fees - The variance between the budget and the actual result is due to a number of services being closed because of the current pandemic, some of these losses have been offset by increased sales at the Quarry of \$541k. At the time of setting the budget Aged care services user fees were included as it was uncertain that Council would be exiting this service by the 30 June 2020. Council received notification that we would be exiting the service to late to adjust the budget and this has impacted the variance by \$1,766 million.</p>
4	<p>Grants - operating - Additional grants have been received from all levels of Government in response to the pandemic to assist the community recovery. These include \$100k for information technology and \$250k to assist business to increase the capacity of using external spaces for dining and entertainment.</p>
5	<p>Grants - capital - A number of unbudgeted grants have been received from both the State and Federal Governments in response to the pandemic. These include the Local Roads and Community Infrastructure grants, Bridge Renewal and Heavy Vehicle Safety program and Murray Darling Basin Economic Development program.</p>
6	<p>Contributions - monetary - Monetary contributions from developers for public open space and carparking, as per planning conditions, are unbudgeted.</p>
7	<p>Contributions - non monetary - On completion of the subdivisions by developers, the infrastructures assets are transferred to Council's control, these assets comprise roads, footpaths, kerbs and channel, drainage and parks & reserves. It is unpredictable and unbudgeted during the budget time.</p>
8	<p>Other income - Interest rates and the amount of funds available for investments is budgeted conservatively. The actual rates achieved and the amount of funds available to invest have been greater than budgeted, resulting in greater than budgeted interest income.</p>

1.1 Income and expenditure (cont.)

(i) Explanation of material variations

Ref	Explanation
9	<p>Employee costs - \$2.4 million of the variance is due to the budget being set assuming that Council would continue to deliver Aged care services, this was due to not having received confirmation that we would be exiting the service on the 30 June 2020. By the time Council had received the confirmation that it would be exiting the service it was too late to adjust the budget. The balance of the variance is partly due to services being closed due to the pandemic, therefore not requiring the services of casual employees and a larger than usual vacancy rate. Recruitment was hampered by pandemic restrictions that were in place for a large percentage of the 2020/21 year.</p>
10	<p>Materials and services - There has been a large number of small variances, both favourable and unfavourable across the entire organisation. The net effect of these is an overall saving in materials and services.</p>
11	<p>Depreciation - The increase in the depreciation expenses is the result of all major asset classes being revalued in 2019/20. The value and the remaining useful life of the individual assets effects the depreciation expense. Over all the value of assets increased, therefore increasing the depreciation.</p>
12	<p>Amortisation right of use assets - The timing of the introduction of the accounting standard was not considered when the budget was set. This has been considered in subsequent budgets.</p>
13	<p>Bad and doubtful debts - The expense related to the allowance made for bad and doubtful debts is not budgeted.</p>
14	<p>Borrowing costs - The drawn down of new loans budgeted to occur in the 2020/21 has not happened due to the projects not having commenced when expected. The draw down will occur in the 2021/22 year.</p>
15	<p>Finance costs - Leases - The interest component of the cost of leasing assets was not considered when the budget was set.</p>

1.1 Income and expenditure (cont.)

(i) Explanation of material variations

Ref	Explanation
16	<p>Other expenses - As a result of exiting Aged care services, meals have not been required for the meals on wheels service \$380k and planned activity meals \$24k. Savings of \$132k in postage, printing and stationery and savings in the cost of leased equipment of \$204k make the majority of the variance. The remainder is small savings in a number of areas.</p>
17	<p>Impairment loss - The impairment loss is the difference between the written down value of an asset that has been reclassified as assets held for sale and the amount to be realised on the sale of the asset.</p>
18	<p>Loss on disposal of property, infrastructure, plant and equipment - The result is due to the written down value of renewed assets being 'written off' and then written back on at their new value. The main asset classes that have impacted the result are roads \$4.7 million, footpaths \$440k, crown land \$501k and other land that has been sold \$875k and buildings \$928k.</p>

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Note 1 Performance against budget (cont.)

1.2 Capital works

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance 2021 %	Ref
Property					
Buildings	4,734	88	4,646	98.1%	1
Total Buildings	4,734	88	4,646	98.1%	
Total Property	4,734	88	4,646	98.1%	
Plant and Equipment					
Heritage plant and equipment	147	254	(107)	(72.6%)	2
Plant, machinery and equipment	1,899	3,266	(1,367)	(72.0%)	3
Computers and telecommunications	229	13	216	100.0%	4
Total Plant and Equipment	2,275	3,533	(1,258)	(55.3%)	
Infrastructure					
Roads	11,005	10,088	917	8.3%	5
Bridges	1,112	484	628	56.5%	6
Footpaths and cycleways	1,172	1,892	(720)	(61.4%)	7
Drainage	3,698	2,846	852	23.0%	8
Recreational, leisure and community facilities	123	300	(177)	(144.1%)	9
Waste management	-	407	(407)	100.0%	10
Parks, open space and streetscapes	266	74	192	72.2%	11
Aerodromes	-	129	(129)	100.0%	12
Other infrastructure	-	666	(666)	100.0%	13
Total Infrastructure	17,376	16,886	490	2.8%	
Total Capital Works Expenditure	24,385	20,507	3,878	15.9%	
Represented by:					
New asset expenditure	430	814	(384)	(89.2%)	
Asset renewal expenditure	19,763	16,807	2,956	15.0%	
Asset upgrade expenditure	4,192	2,885	1,307	31.2%	
Total Capital Works Expenditure	24,385	20,507	3,878	15.9%	

1.2 Capital works (cont.)

(i) Explanation of material variations

Ref	Explanation
1 Buildings	The budget includes the redevelopment of the Echuca East Community Precinct, this project did not commence as early in the 2020/21 year as expected, the costs will be incurred in the 2021/22 year.
2 Heritage plant and equipment	Works budgeted on the vessels in 2019/20 were unable to be carried out due to safety issues with the slipway. These works have been carried out in 2020/21 along with budgeted works.
3 Plant, machinery and equipment	Previously leased equipment due for replacement has been purchased, these were a crushing plant and a loader. It was more cost effective to purchase than to lease, these two plant items were an unbudgeted spend of \$2.00 million. Other items due to be replaced have not been purchased either due to supply issues or it has been deemed that they do not need replacing at this time.
4 Computers and telecommunications	Implementation of the replacement telephony system has been delayed due to issues with supply of new handsets. The delivery of these has been delayed because of the worldwide pandemic. The costs of this project will carry over into the 2021/22 year.
5 Roads	Savings have been realised on the annual gravel resheeting program and on the Finlay Road Tongala pavement rehabilitation.
6 Bridges	Savings have been realised on the annual bridge barrier replacement program. One bridge has been moved to design only in 2020/21 with construction to take place in 2021/22. Work on four other bridges will carry over into the 2021/22 year.
7 Footpaths and cycleways	Additional footpaths have been replaced and missing links footpaths constructed due to receiving additional grant funds through the Local Roads and Community Infrastructure program.

Campaspe Shire Council
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Notes to the Financial Report
For the Year Ended 30 June 2021

1.2 Capital works (cont.)

(i) Explanation of material variations

Ref	Explanation
8	<p>Drainage Savings have been realised on the Ramsay Street Rochester open drain renewal and work on Ash Street and McEwan Road Echuca projects will carry over into 2021/22.</p>
9	<p>Recreational, leisure and community facilities Projects budgeted in prior years have been completed in the 2020/21 year.</p>
10	<p>Waste management E waste facilities that were budgeted in the prior year were completed in the 2020/21.</p>
11	<p>Parks, open space and streetscapes The major project that was budgeted this year, Gunbower Lions Park, redevelopment has been delayed. This project will be completed in the coming year.</p>
12	<p>Aerodromes Unbudgeted design works have been done to enable a grant application as per Council resolution made on 17 February 2021.</p>
13	<p>Other infrastructure These costs relate to carry overs from prior years for work carried out at the Echuca Holiday Park and work on retaining wall as a result of floods in prior years.</p>

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following pillars as defined in the Council Plan 2017-21, these themes guide the delivery of services.

Note 2 (a) Strong and engaged communities

Strong and engaged communities will be fostered by the delivery of services, programs and advocacy that enable improved health, wellbeing and safety of our community. The strategies will deliver outcomes through fostering community partnerships in the delivery of service, implementing best practice in service delivery and enabling engaged and active residents.

Resilient economy

A resilient economy is a diverse and growing economy with increased employment and investment opportunities, economic prosperity and community development. The strategies will deliver outcomes through facilitating and enabling local enterprise, developing business networks, promoting our competitive advantages, supporting tourism opportunities and partnering to improve education and training.

Healthy environment

A healthy environment for current and future generations. The strategies will deliver outcomes through planning for growth, promoting resource minimisation and recovery, adoption of and supporting alternative energy options, supporting response to the impacts of a changing climate and developing partnerships for a healthy environment.

Balanced Services and infrastructure

Providing balanced services and infrastructure will ensure services and assets meet current and future community needs. The strategies will deliver outcomes through improved asset management, planning and advocating for services and infrastructure, maximising innovation and partnerships and relinquishing services and assets that no longer meet community needs.

Responsible management

Responsible management is strong leadership, advocacy and good governance and an organisation that is responsive, flexible, honest, accountable and consistent. The strategies will deliver outcomes through clear and opened communication, advocacy, relationships and partnerships. Sound governance and fiscal responsibility, promote positive organisation culture with a customer centered approach.

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Note 2 Analysis of Council results by program (cont.)

2 (b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Balanced Services and infrastructure	24,430	35,961	(11,531)	4,633	542,721
Healthy environment	15,797	10,620	5,176	245	16,480
Resilient economy	11,336	7,828	3,508	-	60,347
Responsible management	10,729	8,404	2,325	12,774	48,340
Strong and engaged communities	22,023	26,174	(4,151)	2,920	141,902
	84,315	88,988	(4,673)	20,572	809,790

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Balanced Services and infrastructure	33,043	36,306	(3,263)	6,731	470,678
Healthy environment	16,412	10,964	5,448	230	18,635
Resilient economy	11,089	9,030	2,059	4	65,687
Responsible management	6,639	9,520	(2,881)	12,581	66,820
Strong and engaged communities	23,317	24,400	(1,083)	4,160	173,608
	90,499	90,220	279	23,706	795,428

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Note 3 Funding for the delivery of our services	2021	2020
3.1 Rates and charges	\$'000	\$'000

Council uses capital improved values as the basis of valuation of all properties within the municipal district. The capital improved value of a property is its equivalent to market price at the prescribed date of valuation.

The valuation base used to calculate general rates for 2020/21 was \$8,182 million (2019/20 was \$7,731 million).

Residential	20,525	19,832
Commercial	3,712	3,565
Industrial	1,881	1,765
Farm	8,244	7,840
Municipal charge	4,070	4,037
Waste management charge	4,362	4,769
Recycling and garden organics charges	1,566	1,491
Supplementary rates and rate adjustments	336	544
Interest on rates and charges	-	79
Total rates and charges	44,696	43,922

The date of the general revaluation of land for rating purposes, relevant to the reporting period, within the municipal district was 1 January 2020 by the Victorian Valuer General, and the valuation was first applied in the rating year commencing 1 July 2020.

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines

Infringements and costs	474	597
Town planning fees	807	739
Land information certificates	126	92
Animal registrations	534	572
Total statutory fees and fines	1,941	2,000

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

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3.3 User fees	2021	2020
	\$'000	\$'000
Aged and disability	341	1,516
Caravan park fees	2,435	2,010
Child care/children's programs	3,717	2,336
Leisure centre and recreation	564	953
Livestock selling centre	563	593
Tourism	657	665
Other fees and charges	711	2,967
Parking	515	785
Quarry sales	2,718	2,308
Sale of materials	551	515
Total user fees	12,772	14,648
User fees by timing of revenue recognition		
User fees recognised at a point in time	12,772	14,648
Total user fees	12,772	14,648

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

3.4 Funding from other levels of government

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	16,595	16,958
State funded grants	3,976	6,748
Total grants received	20,571	23,706

(a) Operating Grants

Recurrent - Commonwealth Government

Aged and Disability Services	365	1,448
Environmental Health	3	1
Financial Assistance Grants - General purpose	7,942	8,035
Financial Assistance Grants - Local roads	4,212	4,263

Recurrent - State Government

School Crossing Supervisors	91	93
Family and Children	1,020	1,016
Aged and Disability Services	-	472
Environmental Health	76	48
Libraries	298	276
Total recurrent operating grants	14,007	15,652

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3.4 Funding from other levels of government (cont.)	2021	2020
Non-recurrent - Commonwealth Government	\$'000	\$'000
Aged & Disability Services	-	61
Family and Children	144	137
Community Programs	348	270
Economic Development	262	-
Non-recurrent - State Government		
Family and Children	2	174
Aged and Disability Services	-	2
Emergency services	-	326
Environmental Health	252	76
Libraries	9	15
Natural Resources	-	62
Recreation	-	15
Community Programs	1,077	76
Infrastructure Services	-	171
ICT Technology	100	-
Total non-recurrent operating grants	2,194	1,385
Total operating grants	16,201	17,037
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,648	2,598
Total recurrent capital grants	2,648	2,598
Non-recurrent - Commonwealth Government		
Economic Development	-	140
Roads	116	-
Infrastructure Services	-	5
Local Road and Community Infrastructure	556	-
Non-recurrent - State Government		
Libraries	-	9
Natural Resources	-	40
Roads	-	600
Bridges	-	404
Recreation	-	110
Economic Development	-	2,578
Waste Management	1,052	55
Environmental Health	-	130
Total non-recurrent capital grants	1,724	4,071
Total capital grants	4,372	6,669
(c) Unspent grants received on conditions that they be spent in a specific manner		
Operating		
Balance at start of year	1,712	1,051
Received during the financial year and remained unspent at balance date	595	1,066
Received in prior years and spent during the financial year	(725)	(405)
Balance at year end	1,582	1,712

3.4 Funding from other levels of government (cont.)	2021	2020
Capital	\$'000	\$'000
Balance at start of year	637	1,375
Received during the financial year and remained unspent at balance date	3,444	512
Received in prior years and spent during the financial year	(185)	(1,250)
Balance at year end	3,896	637

Operating grant revenue with sufficiently specific performance obligations are recognised over time, in accordance with AASB 15, as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific operating grant revenue is recognised, in accordance with AASB 1058, on the earlier of receipt or when an unconditional right to receipt has been established.

Capital grants are recognised over time, in accordance with AASB 1058, when the obligations of the underlying agreement are met. This is normally in line with the stage of completion of the underlying non-financial assets being constructed.

3.5 Contributions

Monetary	244	232
Non-monetary	2,774	4793
Total contributions	3,018	5,025

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

Land	189	2,499
Infrastructure	2,585	2,294
Total non-monetary contributions	2,774	4,793

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

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

Proceeds of sale	1,881	924
Write down value of assets disposed	(7,980)	(12,418)
Written down value of investment buildings disposed	-	(834)
Written down value of assets held for sale	-	(1,033)
Total net loss on disposal of property, infrastructure, plant and equipment	(6,100)	(13,361)

The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

3.7 Other income

Interest	938	1,463
Investment property rental	374	664
Reimbursements	3	6
Total other income	1,315	2,133

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

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Note 4 The cost of delivering services	2021	2020
4.1 (a) Employee costs	\$'000	\$'000
Wages and salaries	18,729	20,176
Annual leave and long service leave	2,144	2,836
Casual staff	2,649	2,926
Superannuation	2,635	2,613
Work cover	390	161
Fringe benefits tax	119	188
Sick leave	1,118	1,085
Redundancy	33	2,382
Total employee costs	27,817	32,367
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super).	135	141
	135	141
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,864	1,908
Employer contributions - other funds	636	565
	2,500	2,474
Employer contributions payable at reporting date.	351	94
Refer to note 9.3 for further information relating to Council's superannuation obligations.		
4.2 Materials and services		
Consultants	1,075	1,179
Contract payments	7,721	5,912
Contract payments - waste management	1,916	1,840
Information technology	1,539	1,353
Insurance	865	757
Legal services	183	298
Materials	2,575	2,374
Repair and maintenance	2,432	2,437
Service level contributions	720	803
Utility costs	1,980	2,280
Vehicle costs - other	73	301
Vehicle fuel costs	572	673
Total materials and services	21,651	20,207

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	2021	2020
4.3 Depreciation	\$'000	\$'000
Property	2,792	2,500
Plant and equipment	2,428	2,249
Infrastructure	15,430	14,158
Total depreciation	20,650	18,907

Refer to note 6.2 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 Depreciation - Right of use assets		
Fleet and plant & equipment	463	495
Office equipment	91	71
Other assets	79	78
Total depreciation - right of use assets	633	644

4.5 Bad and doubtful debts		
Parking fine debtors	85	90
Animal debtors	55	64
Other debtors	28	13
Total bad and doubtful debts	168	167

Movement in provisions for doubtful debts

Balance at the beginning of the year	(558)	(391)
New Provisions recognised during the year	(168)	(167)
Amounts already provided for and written off as uncollectible	9	16
Amounts provided for but recovered during the year	(10)	(16)
Balance at end of year	(727)	(558)

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.6 Borrowing costs		
Interest - borrowings	113	167
Total borrowing costs	113	167

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.7 Finance Costs - Leases		
Interest - lease liabilities	34	52
Total finance costs	34	52

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	2021	2020
4.8 Other expenses	\$'000	\$'000
Advertising	158	185
Audit expenses	129	108
Bank fees	162	184
Commission	993	793
Contributions and Community Grants	299	493
Councillor - other expenses	6	16
Councillor allowances	298	316
Councillor election costs	222	-
Equipment hire	737	509
Fire service levy	97	114
Food purchases	115	283
Licence fees	20	19
Marketing	56	99
Membership to associations	285	251
Operating lease rentals	203	254
Postage and stationery	315	294
Property rent	169	127
Protective clothing	84	75
Quarry Royalties	20	22
Veterinary costs	138	206
Total other expenses	4,506	4,348
Note 5 Our financial position		
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	9	9
Cash at bank	14,530	16,210
Total cash and cash equivalents	14,539	16,219
(b) Other financial assets		
Term deposits - current	48,030	49,000
Term deposits - non-current	18,500	10,000
Total Other financial assets	66,530	59,000
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 5.3)	2,734	2,191
- Grants received but not acquitted (Note 3.4(c))	5,478	2,349
Total restricted funds	8,212	4,540
Total unrestricted cash and cash equivalents	6,327	11,679
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Reserve funds allocated for specific future purposes	25,241	23,504
- Cash held to fund carried forward capital works	10,565	7,702
- Cash held to fund carried forward operational works	1,582	1,712
Total funds subject to intended allocations	37,388	32,918
Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.		
Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.		

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5.1 Financial assets (cont.)	2021	2020
(c) Trade and other receivables	\$'000	\$'000
Current		
<i>Statutory receivables</i>		
Rates debtors	2,578	2,008
Parking infringement debtors	1,191	1,109
Provision for doubtful debts - parking infringements	(727)	(559)
Special rate scheme	6	15
Net GST receivable	610	712
<i>Non statutory receivables</i>		
<i>Other debtors</i>		
Other debtors	1,263	1,559
Total current trade and other receivables	4,921	4,844
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	17	32
Total non-current trade and other receivables	17	32
Total trade and other receivables	4,938	4,876

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

(d) Ageing of Receivables

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

Current (not yet due)	975	1,050
Past due by up to 30 days	53	274
Past due between 31 and 180 days	162	161
Past due between 181 and 365 days	43	41
Past due by more than 1 year	30	1
Total trade and other receivables	1,263	1,527

(e) Ageing of individually impaired Receivables

At balance date, debtors representing financial assets with a nominal value of \$1,095,578(2020: \$1,049,794) were impaired. The amount of the provision raised against these debtors was \$726,684 (2020: \$558,871). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged for debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)	52	5
Past due by up to 30 days	16	11
Past due between 31 and 180 days	54	161
Past due between 181 and 365 days	69	196
Past due by more than 1 year	904	677
Total trade and other receivables	1,095	1,050

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5.2 Non-financial assets	2021	2020
(a) Other assets	\$'000	\$'000
Prepayments	250	225
Accrued Income	311	536
Total other assets	561	760
(b) Intangible assets		
Water Rights	3,721	3,811
Total intangible assets	3,721	3,811
Gross carrying amount		
Water Rights		
Balance at 1 July 2020	3,811	2,952
Revaluation	(74)	859
Write off water right transferred to community group	(16)	
Balance at 1 July 2021	3,721	3,811

Valuation of water rights is based upon market value by reference to the water rate charged by the relevant authority and trading prices as at 30 June 2021.

5.3 Payables

(a) Trade and other payables

Trade payables	2,994	5,204
Accrued expenses	722	2,828
Total trade and other payables	3,716	8,032

(b) Trust funds and deposits

Current

Refundable deposits	1,143	621
Refundable contract retention deposits	246	378
Fire services levy	1,009	897
Caravan Park deposits	318	277
Total current trust funds and deposits	2,716	2,173

Non-current

Other refundable deposits	18	18
Total non-current trust funds and deposits	18	18
Total trust funds and deposits	2,734	2,191

Amounts received as deposits and retention amounts controlled by council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

5.3 Payables (cont.)

Purpose and nature of items

Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire Services Levy - Council is the collection agent for fire services levy on behalf of the state government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Retention amounts - council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with council's contractual obligations.

Caravan park deposits - deposits are taken for forward accommodation bookings at the caravan park. These deposits are refundable if the accommodation booking is cancelled or converted to income when accommodation is used.

	2021	2020
	\$'000	\$'000
(c) Unearned income		
Grants received in advance - operating	-	269
Grants received in advance - capital	3,444	300
Prepaid Rates	439	-
Total unearned income	3,883	569

5.4 Interest-bearing liabilities

Current

Borrowings - secured	1,009	1,064
	1,009	1,064

Non-current

Borrowings - secured	2,322	3,331
	2,322	3,331

Total	3,331	4,395
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Borrowings are secured by rates

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

Not later than one year	1,009	1,064
Later than one year and not later than five years	2,235	3,017
Later than five years	87	314
	3,331	4,395

5.4 Interest-bearing liabilities

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

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5.5 Provisions	Employee provision \$ '000	Landfill restoration \$ '000	Total \$ '000
2021			
Balance at beginning of the financial year	7,171	1,724	8,895
Additional provisions	1,580	(348)	1,232
Amounts used	(2,211)	58	(2,153)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	297	(99)	198
Balance at the end of the financial year	6,837	1,335	8,172
2020			
Balance at beginning of the financial year	7,198	1,994	9,192
Additional provisions	2,219	(454)	1,765
Amounts used	(2,592)	(102)	(2,695)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	346	286	632
Balance at the end of the financial year	7,171	1,724	8,894
(a) Employee provisions	2021	2020	
Current provisions expected to be wholly settled within 12 months	\$'000	\$'000	
Annual leave	1,483	1,447	
Long service leave	480	466	
	1,963	1,913	
Current provisions expected to be wholly settled after 12 months			
Annual leave	297	346	
Long service leave	4,092	4,191	
	4,389	4,537	
Total current employee provisions	6,352	6,450	
(a) Employee provisions (cont.)			
Non-current			
Long service leave	485	721	
Total non-current employee provisions	485	721	
Aggregate carrying amount of employee provisions:			
Current	6,352	6,450	
Non-current	485	721	
Total aggregate carrying amount of employee provisions	6,837	7,171	

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

5.5 Provisions (cont.)

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

Key assumptions:	2021	2020
- discount rate	1.66%	0.89%
- inflation rate	2.95%	4.25%
	2021	2020
(b) Landfill restoration	\$'000	\$'000
Current	96	67
Non-current	1,240	1,657
	1,336	1,724

The provision for landfill restoration maintenance has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to maintain and monitor the site to comply with EPA requirements. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council has no operating landfills, the landfill restoration provision relates to capped landfills previously operated by Council.

Key assumptions:	2021	2020
- discount rate	0.70%	0.40%
- inflation rate	1.10%	2.20%

5.6 Financing arrangements	2021	2020
	\$'000	\$'000
Council has the following funding arrangements in place as at 30 June 2021.		
Bank overdraft	1,200	1,250
Credit card facilities	200	250
Asset finance leasing	59	685
Loans	3,392	4,420
Total facilities	4,851	6,605
Used facilities	3,467	4,562
Unused facilities	1,384	2,043

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5.7 Commitments

Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

2021	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection	2,108	2,171	6,911	12,972	24,162
Landfill	1,242	1,228	3,910	4,273	10,653
Recycling and transfer stations	1,771	1,710	4,599	3,011	11,091
Consultancies	5	-	-	-	5
Corporate software	544	760	57	-	1,361
Caravan parks	1,185	331	-	-	1,516
Total	6,855	6,200	15,477	20,256	48,788
Capital					
Tourism	89	-	-	-	89
Road	162	-	-	-	162
Drainage	600	-	-	-	600
Plant and Fleet	948	-	-	-	948
Infrastructure	580	-	-	-	580
Recreation	137	-	-	-	137
Total	2,516	-	-	-	2,516
2020					
2020	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection	2,302	-	-	-	2,302
Landfill	1,224	1,201	3,825	5,657	11,907
Recycling and transfer stations	1,232	505	1,106	-	2,843
Environment centre management	389	-	-	-	389
Consultancies	31	5	-	-	36
Cleaning/maintenance contracts	142	-	-	-	142
Corporate software	480	466	452	-	1,398
Caravan parks	1,185	1,185	331	-	2,701
Total	6,986	3,362	5,714	5,657	21,718
Capital					
Tourism	154	-	-	-	154
Roads	342	-	-	-	342
Drainage	1,971	-	-	-	1,971
Plant and Equipment	988	-	-	-	988
Infrastructures	706	-	-	-	706
Total	4,161	-	-	-	4,161

5.8 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Council has elected to apply the temporary option available under *AASB 16 Leases* which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Council does not have any leases, as a lessee, that are significantly below-market terms.

5.8 Leases (cont.)

Right-of-Use Assets

	Office Equipment	Fleet, Plant & Equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	199	808	118	1,125
Additions	-	47	32	79
Depreciation charge	(91)	(463)	(79)	(633)
Balance at 30 June 2021	108	392	71	571

Lease Liabilities

	2021	2020
	\$'000	\$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	400	673
One to five years	190	588
More than five years	33	-
Total undiscounted lease liabilities as at 30 June:	623	1,261

Lease liabilities included in the Balance Sheet at 30 June:

Current	384	673
Non-current	205	566
Total lease liabilities	589	1,239

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2021	2020
	\$'000	\$'000
Expenses relating to:		
Short-term leases	3	221
Leases of low value assets	204	182
Total	207	403

Non-cancellable lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Payable:

Within one year	119	160
Later than one year but not later than five years	96	71
Total lease commitments	215	231

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Note 6 Assets we manage

6.1 Non current assets classified as held for sale	2021	2020
	\$'000	\$'000
Buildings held for resale	850	-
Buildings held for resale	850	-
Total non current assets classified as held for sale	850	-

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Council has entered into negotiations to sell an asset, it is expected that the sale will be completed in the 2021/22 year. As such the asset has been reclassified as an asset held for sale as required by accounting standards.

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6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2020	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Impairment of Assets	Adjustments & Transfers	At Fair Value 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	96,465	-	189	23,129	(12)	(1,390)	(606)	4,118	121,894
Buildings	123,706	-	-	122	(2,780)	(987)	(6,711)	(10,069)	103,282
Plant and Equipment	11,662	-	-	-	(2,428)	(103)	-	4,051	13,182
Infrastructure	446,268	-	2,584	(3,549)	(15,430)	(5,501)	-	37,635	462,007
Artworks	1,138	-	-	-	-	-	-	-	1,138
Work in progress	24,670	20,505	-	-	-	-	-	(29,273)	15,902
Total	703,909	20,505	2,774	19,702	(20,650)	(7,981)	(7,316)	6,462	717,404

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Land and Buildings	2,001	1,634	(2,623)	-	1,013
Plant and Equipment	1,106	3,251	(4,051)	-	305
Infrastructure	21,563	15,621	(22,600)	-	14,584
Total	24,671	20,506	(29,273)	-	15,903

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6.2 Property, infrastructure, plant and equipment (cont.)
(a) Property

	Land - Un Specialised	Land under roads	Land - specialised	Land improvements	Total Land	Buildings - Non Specialised	Buildings Specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	19,652	3,795	72,537	518	96,501	-	200,318	200,318	2,001	298,821
Accumulated depreciation at 1 July 2020	-	-	-	(36)	(36)	-	(76,612)	(76,612)	-	(76,648)
	19,652	3,795	72,537	482	96,465	-	123,706	123,706	2,001	222,173
Movements in fair value										
Acquisition of assets at fair value	-	-	-	-	-	-	-	-	1,634	1,634
Contributed assets	-	7	183	-	189	-	-	-	-	189
Recognition of Assets	-	-	-	-	-	-	-	-	-	-
Revaluation increments/decrements	6,012	595	16,522	-	23,129	-	1,809	1,809	-	24,938
Fair value of assets disposed	(520)	-	(865)	(5)	(1,390)	-	(1,576)	(1,576)	-	(2,966)
Impairment losses recognised in operating result	-	-	(606)	-	(606)	-	-	-	-	(606)
Transfers	4,159	-	(53)	12	4,118	-	(14,662)	(14,662)	(2,623)	(17,284)
	9,651	601	15,181	7	25,441	-	(14,429)	(14,429)	(988)	5,906
Movements in accumulated depreciation										
Depreciation	-	-	(1)	(11)	(12)	-	(2,780)	(2,780)	-	(2,792)
Revaluation increments/decrements	-	-	-	-	-	-	(1,687)	(1,687)	-	(1,687)
Accumulated depreciation of disposals	-	-	-	-	-	-	589	589	-	589
Impairment losses recognised in operating result	-	-	-	-	-	-	(6,711)	(6,711)	-	(6,711)
Transfers	-	-	-	-	-	-	4,593	4,593	-	4,593
	-	-	-	(11)	(12)	-	(5,996)	(5,996)	-	(6,008)
At fair value 30 June 2021	29,303	4,396	87,718	525	121,942	-	185,889	185,889	1,013	308,844
Accumulated depreciation at 30 June 2021	-	-	-	(47)	(47)	-	(82,608)	(82,608)	-	(82,655)
	29,303	4,396	87,718	478	121,895	-	103,282	103,282	1,013	226,189

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6.2 Property, infrastructure, plant and equipment (cont.)

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fittings, furniture and equipment \$'000	Heritage plant and equipment \$'000	Computers and telecomms \$'000	Library books \$'000	Total plant and equipment before WIP \$'000	Artworks \$'000	Total artworks \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2020	13,659	349	3,029	9,802	-	26,840	1,138	1,138	1,106	29,084
Accumulated depreciation at 1 July 2020	(9,595)	(220)	(422)	(4,941)	-	(15,178)	-	-	-	(15,178)
	4,064	129	2,608	4,861	-	11,662	1,138	1,138	1,106	13,906
Movements in fair value										
Acquisition of assets at fair value	-	-	-	-	-	-	-	-	3,251	3,251
Fair value of assets disposed	(3,171)	-	-	(124)	-	(3,295)	-	-	-	(3,295)
Transfers	4,043	-	-	8	-	4,051	-	-	(4,051)	-
	872	-	-	(117)	-	756	-	-	(800)	(44)
Movements in accumulated depreciation										
Depreciation	(1,377)	(8)	(37)	(1,006)	-	(2,428)	-	-	-	(2,428)
Accumulated depreciation of disposals	3,105	-	-	86	-	3,192	-	-	-	3,192
Transfers	-	-	-	-	-	-	-	-	-	-
	1,729	(8)	(37)	(920)	-	764	-	-	-	764
At fair value 30 June 2021	14,531	349	3,029	9,686	-	27,595	1,138	1,138	305	29,039
Accumulated depreciation at 30 June 2021	(7,866)	(229)	(458)	(5,861)	-	(14,414)	-	-	-	(14,414)
	6,665	121	2,571	3,825	-	13,182	1,138	1,138	305	14,626

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6.2 Property, infrastructure, plant and equipment (cont.)
(c) Infrastructure

	Roads	Bridges	Footpaths and Cycleways	Drainage	Recreational, Leisure and Community	Parks, Open Spaces and Streetscapes	Off Street Car Parks	Other infrastructure	Total infrastructure before WIP \$'000	Work In Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2020	482,602	33,456	27,665	76,282	8,674	5,878	-	7,034	641,592	21,563	663,155
Accumulated depreciation at 1 July 2020	(130,633)	(16,588)	(13,047)	(28,159)	(2,266)	(2,828)	-	(1,803)	(195,324)	-	(195,324)
	351,969	16,868	14,618	48,123	6,408	3,050	-	5,232	446,268	21,563	467,830
Movements in fair value											
Acquisition of assets at fair value	-	-	-	-	-	-	-	-	-	15,621	15,621
Contributed Assets	1,164	-	374	1,003	-	-	-	43	2,584	-	2,584
Revaluation increments/decrements	(7,154)	-	-	-	884	1	-	-	(6,269)	-	(6,269)
Fair value of assets disposed	(10,657)	(353)	(850)	(185)	-	(107)	-	(29)	(12,181)	-	(12,181)
Transfers	15,450	698	2,899	4,912	9,821	379	-	11,752	45,911	(22,600)	-
	(1,197)	346	2,422	5,730	10,705	273	-	11,766	30,046	(6,979)	23,067
Movements in accumulated depreciation											
Depreciation	(11,985)	(337)	(580)	(1,076)	(686)	(289)	-	(478)	(15,430)	-	(15,430)
Revaluation increments/decrements	3,370	-	-	-	(650)	(1)	-	-	2,720	-	2,720
Accumulated depreciation of disposals	5,915	176	410	101	-	72	-	5	6,680	-	6,680
Transfers	-	(59)	-	(626)	(4,124)	-	-	(3,466)	(8,275)	-	(8,275)
	(2,699)	(220)	(170)	(1,601)	(5,460)	(217)	-	(3,939)	(14,306)	-	(14,306)
At fair value 30 June 2021	481,405	33,802	30,087	82,013	19,379	6,151	-	18,801	671,638	14,584	686,222
Accumulated depreciation at 30 June 2021	(133,332)	(16,808)	(13,217)	(29,760)	(7,726)	(3,045)	-	(5,742)	(209,629)	-	(209,629)
	348,074	16,994	16,870	52,252	11,653	3,106	-	13,059	462,007	14,584	476,591

6.2 Property, infrastructure, plant and equipment (cont.)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class, these thresholds have been reviewed in the 2020-21 year and have not been amended as no current data indicates that there have been any significant changes to the useful lives of asset categories.

	Depreciation Period 2020/21	Depreciation Period 2019/20	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>			
Land and land improvements			
land	Not applicable	Not applicable	At cost
land improvements	Not applicable	Not applicable	0
water rights	Not applicable	Not applicable	At cost
Buildings			
heritage buildings	75 years	75 years	10
buildings	75 years	75 years	10
building improvements	20 -50 years	20 -50 years	10
Plant and Equipment			
heritage plant and equipment (paddlesteamers)	100 years	100 years	5
plant, machinery and equipment	3 - 20 years	3 - 20 years	10
fixtures, fittings and furniture	3 - 15 years	3 - 15 years	5
computers and telecommunications	4 years	4 years	5
Infrastructure			
road seals	15 - 20 years	15 - 20 years	10
road pavement	80 years	80 years	10
road formation and earthworks	999 years	999 years	10
road kerb, channel and minor culverts	50 - 80 years	50 - 80 years	10
gravel roads and gravel shoulders	15 years	15 years	10
bridges deck	100 years	100 years	10
bridges substructure	100 years	100 years	10
footpaths and cycleways	40 - 50 years	40 - 50 years	10
drainage	20 - 80 years	20 - 80 years	10

Land under roads

Council recognises land under roads it controls at fair value.

6.2 Property, infrastructure, plant and equipment (cont.)

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, Simon Eishold, a qualified independent valuer from Eishold Property. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

The current market environment, impacted by the pandemic (Covid 19), creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The date of the current valuation is detailed in the following table.

Details of council's land and buildings and information about the fair value hierarchy as at 30 June 2021 are as follows:

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6.2 Property, infrastructure, plant and equipment (cont.)

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	DoV
Specialised land	-	-	87,718	Apr 21
Non specialised land	-	29,303	-	Apr 21
Non specialised buildings	-	-	103,282	Apr 21
Land under roads	-	-	4,396	Jun-21
Land improvements	-	-	478	Jun-20
Total	-	29,303	195,874	

Valuation of infrastructure

Valuation of infrastructure assets has been determined by Council staff using unit rates derived from the construction cost of contributed assets.

The date of the current valuation is detailed in the following table.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	DoV
Roads	-	-	348,074	Jun-20
Bridges	-	-	16,994	Jun-20
Footpaths and cycleways	-	-	16,870	Jun-20
Drainage	-	-	52,252	Jun-20
Recreational, leisure and community facilities	-	-	11,653	Jun-14
Parks, open space and streetscapes	-	-	3,106	Dec-14
Other infrastructure	-	-	13,059	Jun-14
Total	-	-	462,008	

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads are valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.15 and \$5,000 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$50 to \$5,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 25 years to 75 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

6.2 Property, infrastructure, plant and equipment (cont.)

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 0 to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2021	2020
	\$'000	\$'000
Reconciliation of specialised land		
Specialised land	87,718	22,225
Land under roads	4,396	3,720
Land improvements	478	481
Total specialised land	92,592	26,426

Valuation of Artworks

Artworks are not revalued in line with councils asset revaluation policy but are carried at their nominal value.

Details of council's artworks and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level 2	Level 3
	\$ '000	\$ '000	\$ '000
Artworks	-	-	1,138

6.3 Investments in associates, joint arrangements and subsidiaries

Council does not have any investments in associates, joint arrangements or subsidiaries.

Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

6.4 Investment property	2021	2020
	\$'000	\$'000
Balance at beginning of financial year	7,312	8,619
Disposals	-	(835)
Transfers to Land & Buildings	(7,312)	835
Fair value adjustments	-	(1,307)
Balance at end of financial year	-	7,312

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

The investment properties have been reclassified to land and buildings. The properties did not meet the criteria of investment properties. The properties are held by council to preserve historically significant buildings across the municipality, not primarily to generate economic benefit.

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Shire of Campaspe is not the parent entity of any other entities.

Subsidiaries and Associates

Council does not have any investments in associates, joint arrangements or subsidiaries.

(b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors	Councillor Christine Weller (Mayor, 17 November 2020 - current)
	Councillor Adrian Weston
	Councillor Leanne Pentreath
	Councillor John Zobec
	Councillor Daniel Mackrell
	Councillor Robert Amos (17 November 2020 - current)
	Councillor Colleen Gates (17 November 2020 - current)
	Councillor Paul Jarman (17 November 2020 - current)
	Councillor Tony Marwood (17 November 2020 - current)
	Councillor Kristen Munro (30 June 2020 - 24 October 2020)
	Councillor Vicki Neele (30 June 2020 - 24 October 2020)
	Councillor Annie Vickers (30 June 2020 - 24 October 2020)
	Councillor Leigh Wilson (30 June 2020 - 24 October 2020)
	Councillor Neil Pankhurst (30 June 2020 - 24 October 2020)
KMP	Chief Executive Officer
	General Manager - Corporate
	General Manager - Development
	General Manager - Community
	General Manager - Infrastructure
	Manager Planning and Building
	Manager Finance
	Manager Community Business
	Manager Governance & Strategy

	2021	2020
	No.	No.
Total Number of Councillors	14	9
Total of Chief Executive Officer and other Key Management Personnel	9	11
Total Number of Key Management Personnel	<u>23</u>	<u>20</u>

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7.1 Council and key management remuneration (cont.)

(c) Remuneration of Key Management Personnel

	2021	2020
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	2,172	2,395
Long-term benefits	41	46
Post-employment benefits	152	157
Total	2,365	2,598

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2021	2020
	No.	No.
\$1 - \$9,999	5	-
\$10,000 - \$19,999	4	-
\$20,000 - \$29,999	3	8
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	1	-
\$110,000 - \$119,999	-	1
\$130,000 - \$139,999	-	2
\$140,000 - \$149,999	-	1
\$170,000 - \$179,999	-	2
\$180,000 - \$189,999	2	1
\$190,000 - \$199,999	2	-
\$200,000 - \$209,999	-	1
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	2	1
\$240,000 - \$249,999	2	-
\$250,000 - \$259,999	-	1
\$350,000 - \$359,999	1	-
\$400,000 - \$409,999	-	1
	23	20

The remuneration bands above are based on a position and represents the combined totals of all individuals who filled the role during the reporting period. The remuneration includes salary, superannuation, net leave provision increase/decrease and the value of benefits derived from Council's provision of a motor vehicle.

7.1 Council and key management remuneration (cont.)

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$151,000.

The number of Senior Officers are shown below in their relevant income bands:

	2021	2020
	No.	No.
Income Range:		
<\$151,000	-	1
\$151,000 - \$159,999	5	1
\$160,000 - \$169,999	-	3
\$170,000 - \$179,999	1	-
	6	5
	2021	2020
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	939	791

7.2 Related party disclosure

(a) Transactions with related parties

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

Council has six employees who are close family members of key management personnel, the total remuneration paid to these employees	506	629
Total rental income received from related parties	51	10
Total transactions paid to related parties	3	-

All contracts and transactions were at arms length and under normal business terms and conditions.

(b) Outstanding balances with related parties

There are no balances outstanding at the end of the reporting period in relation to transactions with related parties 2020/2021 Nil (2019/2020 Nil).

(c) Loans to/from related parties

No loans have been made, guaranteed or secured by council to a responsible person 2020/2021 Nil (2019/2020 Nil).

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by council to a related party are as follows:

Council has long term commercial rental agreements with related parties for properties owned by council.	384	-
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Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of properties located at the Port of Echuca and surplus commercial properties in Kyabram. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 5 years. All leases include a CPI based revision of the rental charge annually.

Future undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:

	2021 \$'000	2020 \$'000
Not later than one year	380	391
Later than one year and not later than five years	305	556
Later than five years	27	28
	<u>712</u>	<u>975</u>

(b) Contingent liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

In addition to the disclosed contributions, Council has not paid any unfunded liability payments to Vision Super during the 2020/21 year (2019/20 \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 are \$220,000.

Compulsory acquisition of land compensation

Council has an ongoing compensation claim that relates to the compulsory acquisition of Council owned land. At balance date it was not possible to estimate the financial implications of this claim.

Insurance claims

Council has no major insurance claims that could have a material impact on future operations.

Legal matters

Council has no major legal matters that could have a material impact on future operations.

Building cladding

Council has no potential contingents existing in relation to rectification works or other matters associated with building cladding that may have the potential to adversely impact on Council.

8.1 (b) Contingent liabilities (cont.)

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

(c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

	2021	2020
	\$'000	\$'000
<i>Bank Guarantees held in favour of other Entities</i>		
(a) Council currently has three Bank Guarantees in favour of the Department or Environment, Land, Water and Planning for the rehabilitation bond at the Nanneella Quarry.	365	365
(b) Council currently has three Bank Guarantees in favour of the Department or Environment, Land, Water and Planning for the rehabilitation bond at the Mt Scobie Quarry.	151	151
(c) Council currently has two Bank Guarantees in favour of the Department or Environment, Land, Water and Planning for the rehabilitation bond at Weeks and Browns Pits.	14	14
(d) Council currently has one Bank Guarantees in favour of the Environmental Protection Agency for the rehabilitation bond for Council landfills.	800	800
Total	1,330	1,330

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

8.3 Financial instruments

(a) Objectives and policies

Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in notes of the financial statements. Risk management is carried out by senior management under policies approved by Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. We manage interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk:

- Council has a policy for establishing credit limits for the entities we deal with;
- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating as specified in Council's Investment Policy.

8.3 Financial instruments (cont.)

(c) Credit risk (cont.)

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements Council will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to finance guarantees disclosed in note 8.1(c) and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of +0.5% and -0.5% in market interest rates (AUD) from year-end rates of 1.06%.

These movements will not have a material impact on the valuation of council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Note 8 Managing uncertainties (cont.)

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

8.4 Fair value measurement (cont.)

Impairment of assets

At each reporting date, The Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

No other matters have occurred after balance date that require disclosure in the financial report.

8.6 Adjustment directly to equity

Following a review of infrastructure assets registers Council found that assets to the value of \$2.306 million were not reflected in the register. The asset categories effected are drainage, land and roads. In 2021 these asset adjustments have been brought to account as an adjustment to the Councils accumulated surplus in the 2019/20 year.

	2021	2020
	\$'000	\$'000
(a) Found assets		
Drainage	472	-
Land	900	-
Land under roads	74	-
Roads	860	-
Total assets found	2,306	-

The effect of Council recognising found assets in the 2020/21 year is an increase to the years opening balance of accumulated surplus of \$2.306 million and an increase to property, infrastructure, plant and equipment of \$2.306 million.

(b) Correction to the recognition of assets

Footpaths and cycleways	167	-
	167	-

Council incorrectly revalued footpath and cycleways assets to zero instead of disposing off the asset. The effect of this is an adjustment between the revaluation reserve and accumulated surplus opening balances of \$167k.

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Note 9 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2021			
Property			
Land and land improvements	27,457	23,129	50,586
Water rights	3,524	(74)	3,450
Artworks	124	-	124
Plant and Equipment	1,659	-	1,659
Buildings	83,401	122	83,523
	<u>116,165</u>	<u>23,176</u>	<u>139,342</u>
Infrastructure			
Roads	258,750	(3,784)	254,966
Bridges	11,305	-	11,305
Footpaths and cycleways	4,623	-	4,623
Drainage	22,233	-	22,233
Other infrastructure	7,496	235	7,731
	<u>304,407</u>	<u>(3,549)</u>	<u>300,858</u>
Total asset revaluation reserves	420,572	19,628	440,200
2020			
Property			
Land and land improvements	25,348	2,109	27,457
Water rights	2,665	859	3,524
Artworks	124	-	124
Plant and equipment	1,659	-	1,659
Buildings	50,510	32,891	83,401
	<u>80,306</u>	<u>35,859</u>	<u>116,165</u>
Infrastructure			
Roads	174,558	84,192	258,750
Bridges	10,003	1,302	11,305
Footpaths and cycleways	12,807	(8,184)	4,623
Drainage	26,386	(4,153)	22,233
Other infrastructure	5,303	2,193	7,496
	<u>229,057</u>	<u>75,351</u>	<u>304,408</u>
Total asset revaluation reserves	309,363	111,210	420,573

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Campaspe Shire Council
2020/2021 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2021

	Balance at beginning of reporting period	Transfer to accumulated surplus	Transfer from accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
9.1 (b) Other reserves				
2021				
Restricted reserves				
Recreational land	1,326	-	71	1,397
Car parking	184	-	4	188
	1,510	-	75	1,585
Unrestricted reserves				
Accumulated unallocated cash	2,517	-	-	2,517
Active Transport Strategy Reserve	247	-	-	247
Asset renewal - non-roads	2,254	-	3,394	5,648
Asset renewal - plant replacement	3,027	(2,403)	1,346	1,970
Asset renewal - roads	4,582	(2,000)	-	2,582
Commercial investment - Holiday Park	1,162	(458)	250	954
Community plan implementation	82	(3)	-	79
Capital Works Contingency	1,000	-	-	1,000
Disability Discrimination Act reserve	674	(250)	137	561
Drainage reserve	666	-	368	1,034
Industrial land	1,806	-	195	2,001
Policy 130 - reserve	725	-	200	925
Rochester water rights reserve	173	-	-	173
Waste reserve	3,078	-	887	3,965
	21,993	(5,114)	6,777	23,656
Total Other reserves	23,503	(5,114)	6,852	25,241

Campaspe Shire Council
2020/2021 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2021

	Balance at beginning of reporting period \$'000	Transfer to accumulated surplus \$'000	Transfer from accumulated surplus \$'000	Balance at end of reporting period \$'000
9.1 (b) Other reserves (cont.)				
2020				
Restricted reserves				
Recreational land	1,317	-	9	1,326
Car parking	164	-	20	184
	1,481	-	29	1,510
Unrestricted reserves				
Accumulated unallocated cash	692	-	1,825	2,517
Active Transport Strategy Reserve	247	-	-	247
Asset renewal - non-roads	1,970	-	284	2,254
Asset renewal - plant replacement	3,404	(1,937)	1,560	3,027
Asset renewal - roads	3,504	-	1,078	4,582
Commercial investment - Holiday Park	1,317	(405)	250	1,162
Community plan implementation	94	(80)	68	82
Capital Works Contingency	-	-	1,000	1,000
Disability Discrimination Act reserve	674	(100)	100	674
Drainage reserve	370	(68)	364	666
Industrial land	1,587	-	219	1,806
Policy 130 - reserve	525	-	200	725
Rochester water rights reserve	69	-	104	173
Waste reserve	2,307	(493)	1,264	3,078
	16,760	(3,083)	8,316	21,993
Total Other reserves	18,241	(3,083)	8,345	23,502

Restricted Reserves - Must be cash backed at all times and relate to funds received that must be used by Council for a specific purpose.

Recreational Land - The purpose of this reserve is to provide improved recreational facilities for the Campaspe Shire Council, both of an active and passive nature. This reserve is funded solely from subdivision developer contributions in lieu of the 5% public open space requirement. Outflows are limited to capital works on parks and playgrounds, recreation reserves and other outdoor sporting activities including swimming pool development. The call on the reserve has to be directly connected to the residential catchments for which the contribution has been made.

Car parking - The purpose of this reserve is to capture funds that are received by Council either from developer contributions for lieu of parking or from the sale of car parking land, and also to establish funding for future development of car parking spaces in accordance with the Echuca CBD and Heritage Parking Strategies. This reserve is funded principally from developer contributions and used to provide parking development.

Unrestricted Reserves - Must be cashed back at year end but can be used throughout the year to fund Council's working capital requirements.

9.1 (b) Other reserves (cont.)

Accumulated Unallocated Cash

The purpose of this reserve is to separately identify Council's unallocated cash and is funded from the year end unallocated cash result.

Active Transport Strategy reserve

The purpose of this reserve is to have funds available to take advantage of grant funds to progress the active transport strategy adopted by Council.

Asset Renewal - non-roads

The purpose of this reserve is to isolate funds identified for asset renewal - non roads that have not been expended in the budget year and any savings from completed capital projects. These funds are to be used to support the delivery of the adopted 10 year capital works program.

Asset Renewal - plant replacement

The purpose of this reserve is to provide for the replacement of fleet, major and minor plant and is funded by a 100% budgeted depreciation allocation of these assets.

Asset Renewal - roads

The purpose of this reserve is to isolate funds identified for asset renewal - roads that have not been expended in the budget year and any savings from completed capital projects. These funds are to be used to support the delivery of the adopted 10 year capital works program.

Capital Works Contingency

The purpose of this reserve is to hold funds to cover unforeseeable additional costs associated with capital works projects.

Commercial Investment - Echuca Holiday Park

The purpose of this reserve is to allocate funds for investment in the Echuca Holiday Park to maintain and grow revenue and is funded from operations or the resale of assets on the site.

Community Plan Implementation

The purpose of this reserve is to allocate funds for implementation of community plans in line with Council strategy and is funded from operations.

Disability Discrimination Act reserve

The purpose of this reserve is to allocate funds to upgrade community facilities in line with the Disability Discrimination Act when it is deemed necessary and is funded from operations.

Drainage reserve

The purpose of this reserve is to provide funding for capital projects in line with the approved strategy adopted by Council and is funded by operations.

Industrial land

The purpose of this reserve is to develop industrial land that can facilitate the growth, expansion and attraction of business across the Shire. This reserve is funded solely from sales of industrial land and must be used for the establishment of industrial estates.

Policy 130 reserve

The purpose of this reserve is to provide a funding mechanism to allow Council to consider contributing to works by developers where there is a measurable or clearly defined benefit to Council.

Rochester water rights reserve

The purpose of this reserve is to manage the funds from the sale of water rights in Rochester to ensure these funds are spent back in the community.

Waste reserve

The purpose of this reserve is to provide funding in line with the approved waste strategy as adopted by Council. It is funded from the surplus or deficit of the waste service.

Campaspe Shire Council
2020/2021 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2021

	2021	2020
	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus		
Surplus/(deficit) for the year	(4,673)	279
Depreciation	20,650	18,908
Depreciation - right of use assets	633	644
(Profit)/loss on disposal of property, infrastructure, plant and equipment	6,100	13,361
Impairment losses	7,316	-
Recognition of assets under Council control	-	(372)
Fair value adjustments for investment property	-	1,307
Contributions - Non-monetary assets	(2,774)	(4,793)
Borrowing costs	113	167
Finance costs - leases	34	52
Bad debts	168	167
Other	(151)	(169)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(62)	2,444
(Increase)/decrease in prepayments	(25)	(35)
Increase/(decrease) in trust funds and deposits	543	47
Increase/(decrease) in accrued income	225	196
Increase/(decrease) in unearned income	3,314	569
Increase/(decrease) in trade and other payables	(4,316)	2,279
(Increase)/decrease in inventories	44	141
Increase/(decrease) in provisions	(723)	(297)
Net cash provided by/(used in) operating activities	<u>26,416</u>	<u>34,895</u>

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saving, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2021, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Campaspe Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 Employee Benefits.

9.3 Superannuation (cont.)

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020.

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

- Net investment returns 5.6% pa
- Salary information 2.5% pa for two years and 2.75% pa thereafter
- Price inflation (CPI) 2.0% pa.

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the estimated VBI at the quarter ending 30 June 2021 was 109.7%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/20). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

9.3 Superannuation (cont.)

The 2020 triennial actuarial investigation surplus amounts

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

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

	2020	2019
	(Triennial)	(Interim)
	\$m	\$m
A VBI surplus	100.0	151.3
A total service liability surplus	200.0	233.4
A discounted accrued benefits surplus	217.8	256.7

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2020.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

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

The 2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

Note 10 Change in accounting policy

Council has adopted AASB 1059 *Service Concession Arrangements: Grantors*, AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Material* and AASB 2019-1 *Amendments to Australian Accounting Standards - References to the Conceptual Framework* from 1 July 2020.

a) AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 *Service Concession Arrangements: Grantor*, deals with assets that are constructed by a private entity and operated to provide a public service. Often referred to as public-private partnerships.

There will be no impact to Council on the adoption of AASB 1059 *Service Concession Arrangements: Grantor* as Council does not provide any service concessions to private sector operators for the delivery of specified public services.

b) AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material

The amendments refine the definition of material in AASB 101 *Presentation of Financial Statements* (July 2015). The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

c) AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework

This Standard makes amendments to Australian Accounting Standards, Interpretations and other pronouncements to permit other entities to continue using the Framework for the Preparation and Presentation of Financial Statements adopted by the AASB in 2004 (Framework) and Statement of Accounting Concepts SAC 1 Definition of the Reporting Entity to determine whether they are a reporting entity that needs to prepare general purpose financial statements that comply with Australian Accounting Standards.

d) AASB 1058 Income of Non-for Profit Entities

AASB 1058 *Income of Not-for-Profit Entities* applies to income received where no contract is in place. Council has adopted AASB1058 *Income of Not-for-Profit Entities* using the modified(cumulative catchup) approach. Income for 2020 is not adjusted as the new standard is only applied from the date of initial application.

e) Impacts

The changes to these standards is not expected to have significant impact on council.



PERFORMANCE STATEMENT

For the year ending 30 June 2021



Performance Statement

For the year ended 30 June 2021

Description of municipality

The Shire of Campaspe is located in north central Victoria, approximately 180 kilometres north of Melbourne. It includes the communities of Echuca, Kyabram, Rochester, Lockington, Gunbower, Rushworth, Stanhope and Tongala as well as many smaller areas outside of these main townships. The shire is located in the heart of one of the richest and most diverse agriculture and food processing areas in Victoria. Its climate, history, cultural heritage, natural assets and location in relation to major urban centres provide the shire with extensive opportunities. The shire encompasses a total land area of over 4,500 square kilometres.

The Shire of Campaspe scores 967 on the SEIFA (Socio-Economic Indexes for Areas) index, indicating that it is more disadvantaged than the Victorian average of 1010 and the national average of 1001.9. The level of disadvantage varies across the Shire of Campaspe from well below the national average to above the Victorian average.

Overview of 2020/2021

On 30 January 2020, COVID 19 was declared as a global pandemic by world health organisation. Since then, various measures were taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted Council's operations in the following areas for the financial year ended 30 June 2021.

- Additional revenue – several grant programs have been rolled out by both the Federal and State governments. These grants have been for both capital and operational projects.
- Revenue reductions – several services were closed due to government directives, these services were recreation facilities including aquatic facilities, libraries, caravan parks and tourism related services. The closure of these services has reduced the revenue generated by the service.
- Additional costs – Additional cleaning has been required to comply with the required covid plans, but there have been no other additional costs.
- Cost reductions – there have been savings made due to the closure of services, both in materials and labour costs.
- Asset valuations – Land assets have been revalued in the current year resulting in a \$23.1 million valuation increment. The current market environment, impacted by the pandemic, creates significant valuation uncertainty. The value assessed at valuation date may therefore change over a relatively short time period.
- Rates and debt collection – Council waived interest on unpaid rates and ceased debt collection, these measures have had a less than one percent impact on the collection of rate revenue.

The comments against individual indicators will explain the impact of these closures on the indicators results.

Sustainable Capacity Indicators

For the year ended 30 June 2021

Indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material variations and comments
Population					
C1 Expenses per head of municipal population <i>[Total expenses / Municipal population]</i>	\$2,263.38	\$2,117.87	\$2,434.72	\$2,361.99	Expenses per head of population has decreased in 2020-21 due to the one-off net loss of \$13.3 million on the disposal of property plant and equipment impacting in 2019-20. The result in 2020-21 is in line with all other prior years.
C2 Infrastructure per head of municipal population <i>[Value of infrastructure / Municipal population]</i>	\$13,433.25	\$13,362.55	\$16,123.72	\$15,806.42	The result is consistent with the previous reporting period.
C3 Population density per length of road <i>[Municipal population / Kilometres of local roads]</i>	9.28	9.26	9.39	9.40	The long-term trend of the population density per length of road remains generally steady.
Own-source revenue					
C4 Own-source revenue per head of municipal population <i>[Own-source revenue / Municipal population]</i>	\$1,639.86	\$1,625.64	\$1,677.88	\$1,611.76	The overall trend in own-source revenue per head of municipal population has been an increase over the preceding four years in line with Council's financial principles of cost recovery for services where possible. The reduction in the current year is the result of service closures due to the pandemic and therefore a reduction in the associated revenue.
Recurrent grants					
C5 Recurrent grants per head of municipal population <i>[Recurrent grants / Municipal population]</i>	\$454.50	\$469.59	\$485.50	\$442.07	The variation is the result of exiting Aged Care Services and the loss of grant income that was tied to the service.
Disadvantage					
C6 Relative Socio-Economic Disadvantage <i>[Index of Relative Socio-Economic Disadvantage by decile]</i>	3.00	3.00	3.00	3.00	
Workforce turnover					
C7 Percentage of staff turnover <i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i>	11.4%	11.9%	19.01%	15.2%	The decrease in staff turnover from the prior year can be attributed to Councils exit from the provision of Aged and Disability services in 2019-20. There were 77 staff with an FTE of 30.3 made redundant as a result Council exiting this service.

Sustainable Capacity Indicators

For the year ended 30 June 2021

Definitions

"adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Statement
For the year ended 30 June 2021

	Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material variations and comments
	Aquatic Facilities Utilisation					
AF6	<i>Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]</i>	6.22	6.22	3.04	1.87	Attendance at the Echuca War Memorial Aquatic Centre has been significantly impacted by State Government restrictions relating to closures or restricted patron numbers. This has seen a reduction of approximately 80% on the 2018/19 attendance and a reduction of 38% on the 2019/20 attendance figures. Previous years' attendance has indicated a steady increase in usage at the indoor facility with the growth of the learn to swim and aqua group fitness programs. Due to the closure of the indoor facility, Council opened a number of the outdoor pools up to three weeks early. This saw a slight increase in attendance at 5 of the 7 outdoor pools.
	Animal Management					
	Health and safety					
AM7	<i>Animal management prosecutions [Number of successful animal management prosecutions/Total number of animal management prosecutions]x100</i>	New in 2020	New in 2020	0.00	0.00	No prosecutions in 2020-21. Council implements a range of alternative enforcement methods to prosecution. Council continues to implement animal management programs which seek to educate the community about responsible pet ownership.
	Food Safety					
	Health and safety					
FS4	<i>Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i>	95.00%	100.00%	100.00%	100.00%	In 2020 staff identified 16 major non compliances and no critical non compliances. No major or critical non compliances were reported to Council by third party auditors. A number of audits were carried out remotely due to State Government restrictions which may have impacted on the number of non-compliances identified by third party auditors. Staff prioritised all major non compliances to ensure follow up and close out. Ongoing use of the risk assessment approach ensures businesses understand priorities identified by staff and major non compliances can be targeted and addressed in a timely manner.
	Governance					

Service Performance Indicators

For the year ended 30 June 2021

	Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material variations and comments
	Satisfaction					
G5	<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	46.00	47.00	48.00	52.00	Throughout 2020/21 Council made a number of significant decisions. Council recognises that there are diverse views across the community in relation to many of these decisions. Understanding the drivers of community satisfaction with decisions of Council remains a focus.
	Libraries Participation					
LB4	<i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	16.32%	15.34%	15.31%	13.69%	The number of active borrowers declined in the reporting period, which is largely attributable to State Government closures or restricted patron limits, impacting library services and programs. It is noted that there was an increase in the number of e-resource only members, from approximately 200 to 500 patrons in the reporting period.
	Maternal and Child Health (MCH) Participation					
MC4	<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	75.47%	73.71%	72.81%	72.20%	Participation has remained on trend with prior reporting periods. Families responded well to an evolving service model to meet State Government restriction requirements.
	Participation					
MC5	<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	70.49%	69.54%	73.91%	82.74%	Increased participation in the MCH service by Aboriginal children has resulted from embedding practice change with service coordination and documentation processes.
	Roads Satisfaction					
R5	<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	45.00	47.00	49.00	47.00	Council's understanding of the sealed local road network, gained through customer service requests and the ongoing inspection program, both indicate the network is generally in good condition.

Service Performance Indicators
For the year ended 30 June 2021

	Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material variations and comments
Statutory Planning						
Decision making						
SP4	<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	80.00%	90.91%	83.33%	80.00%	Council has very few decisions appealed (5) to VCAT each year. Staff seek to address concerns through the processing of applications, including consultation meetings. The service measure does not reflect that changes were made to applications prior to the appeal or what type of appeal was considered (conditions or decision). Staff note and review VCAT decisions to ensure consistency and to understand any changes to planning case law.
Waste Collection						
Waste diversion						
WC5	<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	40.35%	39.03%	48.02%	48.46%	The diversion rate has increased slightly which can be attributed to additional Food and Garden Organic services being adopted by residents.

Service Performance Indicators

For the year ended 30 June 2021

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 98 of the Act

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

"critical non-compliance outcome notification" means a notification received by council under section 19N (3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the *Food Act 1984*

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

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

Financial Performance Indicators

For the year ended 30 June 2021

Dimension/ indicator/ measure	Results				Forecast				Material variations and comments	
	2018	2019	2020	2021	2022	2023	2024	2025		
Efficiency										
E2	Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,107.99	\$3,860.50	\$4,408.60	\$4,202.70	\$3,780.70	\$3,871.00	\$3,936.03	\$4,002.87	Expenses per property assessment has decreased in 2020-21 due to a \$13.3 million net of loss on the disposal of property plant and equipment and the sale of assets impacting the prior reporting period. The trend in the forecast years is expected to remain steady.
E4	Revenue level <i>Average rate per property assessment.</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	1,784.07	\$1,830.88	\$1,884.37	\$1,906.75	\$1,935.35	\$1,964.38	The overall trend for the average rate per property assessment is consistent with the increase in property values.
Liquidity										
L1	Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	378.13%	370.05%	376.00%	383.24%	347.78%	288.17%	257.75%	246.73%	The trend in percentage of working capital has remained strong across the preceding years and will continue this trend in the forecast years. The current year result reflects Council holding cash to fund the 2021-22 capital works program and to pay liabilities on time.
L2	Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	259.95%	190.66%	270.55%	232.48%	235.50%	203.74%	174.43%	161.32%	The trend in percentage of unrestricted cash has seen a decrease in 2020-21 from the previous year due to more cash being required for carried forward capital works from the prior year. The cash reserves are anticipated to decrease as the spend on maintenance and renewal of assets increases to improve the condition of Council's assets.

*The forecast results differ to those published in the 2021-2022 budget due to different calculation methods being used for indicators that reference rate income, the budget calculation does not include waste income, the performance statement calculations include waste income. Other indicators that differ from the 2021-2022 budget are due to calculation errors in the budget which have been corrected in the Performance Statement.

Financial Performance Indicators

For the year ended 30 June 2021

Dimension/ indicator/ measure	Results				Forecast				Material variations and comments	
	2018	2019	2020	2021	2022	2023	2024	2025		
Obligations										
Loans and borrowings										
O2	<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	15.96%	12.83%	10.01%	7.45%	21.95%	19.33%	15.87%	12.44%	The trend in percentage of loans and borrowings compared to rates has decreased across the preceding four years as Council pay down current loans. There will be an increase in 2021-22 as Council will draw down borrowings to complete two significant pieces of community infrastructure, these are Echuca East Community Centre and redevelopment of the Gunbower Lions Park.
O3	<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.29%	3.22%	2.69%	2.63%	2.56%	2.68%	3.43%	3.39%	The trend across the preceding four years has been a steady decline as current borrowings are paid down. The trend is forecast to increase in the forecast years as the effect of new borrowings will impact the result.
Indebtedness										
O4	<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	13.22%	11.39%	9.98%	7.03%	20.16%	16.25%	13.23%	11.41%	The trend in indebtedness has declined significantly over the preceding years, this has been driven by Council paying down loans by \$1.064 million. The trend will be an increase in 2021-22 when the effects of new borrowings will impact the result.

*The forecast results differ to those published in the 2021-2022 budget due to different calculation methods being used for indicators that reference rate income, the budget calculation does not include waste income, the performance statement calculations include waste income. Other indicators that differ from the 2021-2022 budget are due to calculation errors in the budget which have been corrected in the Performance Statement.

Financial Performance Indicators

For the year ended 30 June 2021

Dimension/ indicator/ measure	Results				Forecast				Material variations and comments
	2018	2019	2020	2021	2022	2023	2024	2025	
Asset renewal and Upgrade O5 <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset Depreciation] x 100	New in 2020	New in 2020	108.59%	95.37%	122.56%	134.67%	115.01%	105.26%	The trend in the forecast shows that Council is meeting its asset renewal obligations
Operating position Adjusted underlying result OP1 <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	(7.52%)	0.22%	(10.49%)	(11.38%)	(3.24%)	(4.46%)	(4.86%)	(5.28%)	The fluctuation in this indicator is the result of the loss on the disposal of property, plant and equipment impacting on the actual result. The actual result is a deficit of \$4.5 million which has been impacted by a loss on the disposal of property, plant and equipment of \$6.3 million and an impairment loss of \$7.3 million. The impact is to increase the deficit.
Stability Rates concentration S1 <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	51.76%	52.82%	53.02%	56.17%	59.24%	59.27%	59.39%	59.51%	The trend in the percentage of rates concentration has generally remained steady over the four years of reporting and is forecast to continue to remain steady through to 2024-25.

*The forecast results differ to those published in the 2021-2022 budget due to different calculation methods being used for indicators that reference rate income, the budget calculation does not include waste income, the performance statement calculations include waste income. Other indicators that differ from the 2021-2022 budget are due to calculation errors in the budget which have been corrected in the Performance Statement.

Financial Performance Indicators

For the year ended 30 June 2021

Dimension/ indicator/ measure	Results				Forecast				Material variations and comments
	2018	2019	2020	2021	2022	2023	2024	2025	
Rates effort									
S2 <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.61%	0.57%	0.57%	0.54%	0.56%	0.55%	0.54%	0.53%	The trend in the percentage of rates effort has remained steady across the four years of reporting and is forecast to continue to remain steady to 2024-25.

*The forecast results differ to those published in the 2021-2022 budget due to different calculation methods being used for indicators that reference rate income, the budget calculation does not include waste income, the performance statement calculations include waste income. Other indicators that differ from the 2021-2022 budget are due to calculation errors in the budget which have been corrected in the Performance Statement.

Retired Measures

The following indicators were retired in the year ended 30 June 2020

Service/indicator/measure	Results 2017	Results 2018	Results 2019	Material variations and comments
Animal Management				
AM4 Health and Safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	3.00	0.00	Retired in 2020 and replaced by a similar indicator which is a measure of proportion (percentage) rather than a number.
Efficiency				
E1 Revenue level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$1,703.37	\$1,721.59	\$1,866.47	Retired in 2020 and replaced by a similar indicator that includes all assessment types across all differential categories, instead of just residential.
Obligations				
O1 Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	77.64%	71.07%	69.50%	Retired in 2020 and replaced by a similar indicator that includes asset renewal and upgrade, instead of just renewal.

Definitions

"adjusted underlying revenue" means total income other than-

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in

paragraphs (a) and (b)

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's the budget

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

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

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

Other Information

For the year ended 30 June 2021

1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the local Government Act 2020).

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's budget. *The Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the local Government Act 2020) requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its budget on 16 June 2021, which forms part of the council plan. The budget includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The budget can be obtained from Council's website.

Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the local Government Act 2020).

Ailsa Box, CPA
Principal Accounting Officer
Dated: XX September 2021

In our opinion, the accompanying performance statement of the *Campaspe Shire Council* for the year ended 30 June 2020 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the local Government Act 2020).

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the local Government Act 2020) to certify this performance statement in its final form.

Cr Christine Weller
Councillor
Dated: XX September 2021

Cr XXXXXX XXXXXXXX
Councillor
Dated: XX September 2021

Declan Moore
Chief Executive Officer
Dated: XX September 2021

9.2 Audit And Risk Committee Annual Report

Author	Department	Manager	General Manager
General Manager Corporate	Corporate		

1. SUMMARY

The Audit and Risk Committee supports Council in discharging its governance oversight responsibility including financial management, risk management, fraud prevention, maintenance of a sound internal control environment and the assurance activities through internal and external audit.

The Audit and Risk Committee (Committee) reports to Council twice per year under its Charter that was adopted by Council in July 2020. This Charter aligns with the requirements of the Local Government Act 2020.

The attached annual report, prepared by the Chair of the Committee, reports on the activities undertaken by the Committee against the key responsibility areas defined in their Charter.

2. RECOMMENDATION

That Council:

- Note the Annual Report 2020-21 from the Audit and Risk Committee at Attachment 1.**
- Acknowledge and thank the independent committee members for their commitment and contribution provided to the Audit and Risk Committee over the past 12 months.**

3. PURPOSE

To note the Audit and Risk Committee Annual Report that highlights the functions and activities of the Audit and Risk Committee for the financial year period of 1 July 2020 to 30 June 2021.

4. DISCUSSION

In accordance with the Committee Charter, 'the Chairperson will prepare a report to Council through the Chief Executive Officer on the Committee's activities twice per annum. One of these reports will be prepared after the meeting at which the annual financial report and the performance statements have been considered and recommended to Council for adoption, such report indicating how the Committee has discharged its responsibilities as set out in the Charter for the previous year.'

On receipt of the report from the Committee the Chief Executive Officer must table the report to the next available Council meeting. This report satisfies these requirements.

The Committee's half year report was noted by Council at its meeting held on 17 February 2021.

5. CONSULTATION

External consultation:

- The Audit and Risk Committee reviewed the annual report prepared in consultation with the Chair of the Committee at their meeting held on 6 September 2021.

Councillors:

- The Chair of the Audit and Risk Committee attended the Council Briefing Session held on 15 September 2021 to talk to the annual report and provided an opportunity for Councillors to ask questions.

6. POLICY AND LEGISLATIVE IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no Council Policy and relevant law has been identified within this report.

7. FINANCIAL AND ECONOMIC IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no economic sustainability issues for the municipality have been identified within this report.

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no issues of ongoing financial viability of the Council have been identified within this report.

8. ENVIRONMENTAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no environmental sustainability issues including mitigation and planning for climate change risks have been identified within this report.

9. SOCIAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no social implications for the municipality have been identified with this report.

10. RELEVANCE TO COUNCIL PLAN 2017-2021

Responsible Management

- Enable the delivery of services, facilities and programs to the community through sound corporate governance and fiscal responsibility.

11. ISSUES AND RISK MANAGEMENT

Issues:

There are no issues identified in connection with this report.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

12. CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, the officer preparing this report declares no conflict of interest regarding this matter.

13. CHARTER OF HUMAN RIGHTS

This Report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of *Human Rights and Responsibilities Act 2006*.

14. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer is so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

15. CONCLUSION

The Audit and Risk Committee reports to Council twice a year to report on its activities and how it is fulfilling its responsibilities defined within the Audit and Risk Committee. This report outlines the activities of the Committee for the period 1 July 2020 to 30 June 2021.

16. ATTACHMENTS

1. Annual Report 2020-21 - Audit and Risk Committee [9.2.1 - 10 pages]



Audit and Risk Committee Annual Report 2020-21



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3.	Memberships, Meetings and Performance	5
4.	Audit & Risk Committee Activities 2020-21	7

1. MESSAGE FROM THE CHAIRPERSON

The Audit and Risk Committee Charter, in alignment with the Local Government Act 2020, requires the chairperson of the Campaspe Shire Council Audit and Risk Committee, to prepare a report to Council, through the Chief Executive Officer on the Committee's activities. The Committee has agreed that a mid year report be prepared for the 1 July -31 December period with an annual report covering the full financial year report. These reports provide the Council with details of how the Committee has discharged its responsibilities contained in the Committee's Charter. The first half yearly report was presented to Council at its meeting held on 17 February 2021.

This is the annual report for the 2020-21 financial year.

The key purposes of this report is to:

- Increase awareness of the composition, purpose, role and responsibilities of the Audit and Risk Committee;
- Outline the activities of the Audit and Risk Committee;
- Provide Council and the Community with confidence about the oversight provided on Council's operations, risk management, governance, internal controls and financial management.

During the 2020-21 year, Council's internal auditor, AFS and Associates, presented a program of four separate internal audit reviews. Further details of these audits can be found in section 4 of this report.

This year the Committee provided oversight to the implementation of numerous internal audit recommendations and Council's Internal Auditor has verified the implementation of the recommendations that addressed the identified risks.

For the 2020-21 financial year the Victorian Auditor General's Office appointed JohnsonsMME as their external audit agent for Campaspe Shire. The external auditors play a key role in providing the Committee and Council with confidence that the annual financial audits fully reflect the financial performance of Council.

In addition to the formal audit programs, the Committee reviews Council's quarterly finance reports to ensure that any financial risks are being appropriately managed and are an accurate reflection of Council's financial position. Further to this, the Committee provided oversight to the review and further development of Council's Risk Management Framework and the identification of strategic risks for the organisation.

The Committee appreciates that Council understands the valuable oversight role it performs and that it adds value through the diverse experience and knowledge of its members.

This year Council and the Committee acknowledged the valued contributions of its independent member, Mr Mike Bennett, who resigned as at 30 June 2021. Mr Bennett was farewelled by the Committee after serving a term of 6 years and 6 months.

The Committee reviewed the requirements of the new Local Government Act 2020, which passed through the Victorian Parliament in March 2020. Contained in the Act are newly defined role and responsibilities of the appointed Audit and Risk Committee. This will be a focus of the Committee into next year to ensure that it embeds and meets these new requirements.

On behalf of the Committee, I wish to acknowledge the professionalism and support of the Victorian Auditor General's appointed external audit agents, JohnsonsMME, Council's internal auditor, AFS and Associates and all Council officers who contributed to the work of the Committee.

Finally, I thank all my fellow Audit and Risk Committee members for their participation, diligence, professionalism and contributions throughout 2020-21.

Linda MacRae – Chair & External Member

2. AUDIT & RISK COMMITTEE PURPOSE

The Audit and Risk Committee (the Committee) operates under a Charter that defines the role, responsibilities, composition and operation of the Committee. This Charter was reviewed, updated and approved by Council in July 2020.

The Committee's purpose is to support Council in discharging its oversight responsibilities related to:

- financial and performance reporting,
- risk management,
- fraud prevention systems and controls,
- maintenance of a sound internal control environment,
- assurance activities including internal and external audit functions; and
- Council's performance with regard to compliance with its policy and legislative requirements.

Further details of the Committee's responsibilities under each of the above points can be found in the Committee's Charter that is available on Council's website.

The Committee achieves its purpose by monitoring, reviewing, endorsing and advising on the above matters.

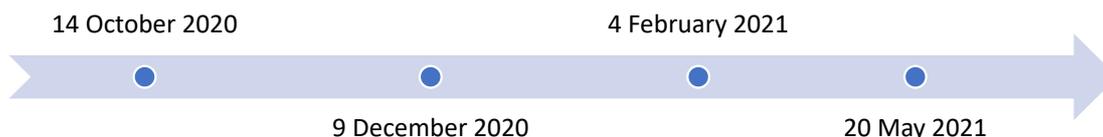
To ensure that the Committee is appropriately discharging its responsibilities, the Committee can request information from management on topics, within its areas of responsibility. This assists the Committee in providing further assurance to Council that it is meeting the responsibilities contained in the adopted Charter.

3. MEMBERSHIPS, MEETINGS AND PERFORMANCE

Committee membership comprises three external members, one affiliate member and two councillors, with support provided by the Corporate Division staff and Chief Executive Officer.

The Committee is required to meet a minimum of four times each year, based on the approved Charter.

For the 2020-21 year the Committee met four times as follows:



The following is a table of attendance for each of the Committee Members for the financial year:

Committee member	Eligible to attend	Attended
Mike Bennett (Full Member)	4	4
Linda MacRae (Full Member)	4	4
Simone Knight (Full member)	4	4
Ray Warren (Affiliate Member)	4	4
Cr Leanne Pentreath (Councillor Member)	1	1
Cr John Zobec (Councillor Member)	1	0
Cr Rob Amos (Councillor Member)	3	3
Cr Tony Marwood (Councillor Member)	3	2
AFS Chartered Accountants (internal auditor)	4	4
JohnsonsMME (external auditor)	4	2

In addition to the appointed members of the Committee, the Committee Charter provides for the Mayor or any other Councillor to attend a meeting of the Audit and Risk Committee as an observer. The Mayor attended each of the meetings held during the reporting period.

Each year the Committee undertakes a self-assessment of its performance against the Campaspe Shire Council's Audit and Risk Committee Charter. This assessment was managed and completed in December 2020 by AFS & Associates, Council's appointed internal auditor.

The results of this self-assessment were independently collated and of the eight (8) committee members invited to participate, five (5) committee members responded.

The following is an excerpt from the AFS report on the summary of results from the self-assessment.

Overall Result

The overall average response score from Audit and Risk Committee ('Committee') members on a scale of 1 to 6 was 5.06.

This is a strong positive result and an increase from last year's average response of 4.83. Of the 33 survey questions, there was an increase in rating across 18 of the questions (2019: 3) and decrease of eight areas (2019:28).'

Areas of strength were identified as follows:

- Promoting compliance with applicable laws and regulations
- Working with Management and Internal Audit to develop a framework for monitoring the multi-dimensional elements of corporate governance.
- Meeting agendas and supporting papers have been well structured and well written.

The following areas were identified as requiring improved oversight:

- Determining the level and effectiveness of appropriate Business Continuity and Disaster Recovery Planning.
- Providing governance over Council's Information Technology control environment.

4. AUDIT & RISK COMMITTEE ACTIVITIES 2020-21

The following table outlines the activities of the Committee during the reporting period under the areas of responsibilities defined within the Audit and Risk Committee Charter.

Financial & Performance Reporting
<p>14 October 2020</p> <ul style="list-style-type: none"> Review of the Annual Financial Statements and Performance Statement for the 2019/20 year were considered by the Committee, which was later than in prior years due to an extension of time granted by the Minister of Local Government in response to the current COVID-19 pandemic. The review included presentation and discussion of the Victorian Auditor General's Office (VAGO) drafts of the 2019-20 Management Letter, Closing Report and Management Representation Letter. After review and consideration of all documentation, the Committee recommended to Council that the Annual Financial Statements and Performance Statement be signed. <p>9 December 2020</p> <ul style="list-style-type: none"> Reviewed the Quarterly Budget Report for the period ended 30 September 2020 <p>4 February 2021</p> <ul style="list-style-type: none"> Review of changes to accounting policies and disclosures as well as areas of focus for the 2020-21 VAGO audit. Reviewed the Quarterly Budget Report for the period ended 31 December 2020 and noted that Council was in receipt of significant operational and capital funding as an outcome of the COVID-19 pandemic that have restrictions and timeframes that are required to be met. <p>20 May 2021</p> <ul style="list-style-type: none"> Received information on the proposed review of the Local Government Performance Reporting Framework and establishment of two technical working groups by the State Government to inform the review. Reviewed the Quarterly Budget Report for the period ended 31 March 2021.
Internal Control Environment
<p>9 December 2020</p> <ul style="list-style-type: none"> A status of current policies that are reviewed by the Committee was noted. One policy remained overdue for review (Competitive Neutrality Policy) and was scheduled for the first meeting of 2021. An overview of a management review conducted on the Echuca Riverfront Development Project was presented and noted. This review was to identify learnings from the project and improvement opportunities for Council's policies, systems and internal controls for future major projects. <p>4 February 2021</p> <ul style="list-style-type: none"> Reviewed the Draft Competitive Neutrality Policy and recommended that the updated policy be referred to Council for adoption. <p>20 May 2021</p> <ul style="list-style-type: none"> Reviewed a management report on the response and actions taken to a suspected privacy breach incident in consultation with the Office of the Victorian Information Commissioner (OVIC).
Risk Management
<p>9 December 2020</p> <ul style="list-style-type: none"> Reviewed the current strategic risk register of Council and the profile of these risks against the risk matrix. In addition to this the Committee reviewed the treatment (action) plan in place for the risks classified above Council's current risk appetite of 'moderate'. <p>4 February 2021</p> <ul style="list-style-type: none"> Received a demonstration of Council's risk management system and reviewed the controls in place for each of the strategic risks in the Strategic Risk Register.

Risk Management <i>cont...</i>
<p>20 May 2021</p> <ul style="list-style-type: none"> Reviewed the current strategic risk register of Council and the profile of these risks against the risk matrix. It was noted that through the most recent management review two high risks had been reassessed with their risk rating reducing to within Council's current risk appetite of 'moderate' or below. Reviewed the Business Continuity Plan monitoring and review conducted by management and noted that the plan was activated and used to assist with the response to the COVID-19 pandemic.
Fraud Prevention Systems & Controls
<ul style="list-style-type: none"> There was no activity during the reporting period in this section.
Internal Audit
<p>14 October 2020</p> <ul style="list-style-type: none"> Reviewed past actions identified in internal audits that have been verified by the Internal Auditor that the action has been responded to and closed. <p>9 December 2020</p> <ul style="list-style-type: none"> Reviewed the outcomes of two Internal Audits completed by the Internal Auditor on the topics of Long Term Financial Planning and Budgeting and Staff Performance Management, noting that Management agreed, or partially agreed, with all actions recommended by the Auditor. <p>4 February 2021</p> <ul style="list-style-type: none"> Reviewed and endorsed an Internal Audit Charter to guide the operation of the Internal Audit Program. <p>20 May 2021</p> <ul style="list-style-type: none"> Reviewed the outcome of the Information and Knowledge Management internal audit completed by the Internal Auditor, noting that management accepted 4 out of 5 actions recommended by the Auditor. One action was not agreed to due to current resource priorities and the risk assessment of 'minor' and on that basis, management determined to accept the risk. <p>At all meetings the Committee:</p> <ul style="list-style-type: none"> Reviewed the status of the Annual Internal Audit Plan and the scopes for two Internal Audits that are scheduled for the first half of 2021. Reviewed the status of all actions recommended by the Internal Auditor from past Internal Audits that remain in progress.
External Audit
<p>9 December 2020</p> <ul style="list-style-type: none"> Reviewed the Final Closing Report and Management Letter issued by the Victorian Auditor General's Office (VAGO) and management's plan to address the points raised within these documents in readiness for the next audit. <p>20 May 2020</p> <ul style="list-style-type: none"> Reviewed and endorsed the 2020/21 Audit Strategy prepared by VAGO that outlines the scope and focus of the annual Financial and Performance audits. Reviewed the 2020/21 Interim Management Letter issued by VAGO, noting the progress of the outstanding management findings from the previous audit and two new management findings identified during the interim audit visit. Received a management report on the results of two VAGO reports tabled in parliament, Results of 2019-20 Audits: Local Government and Maintaining Local Roads, noting actions taken by management in relation to the report recommendations.

Compliance Management
<p>14 October 2020</p> <ul style="list-style-type: none"> Reviewed the legislated Governance Checklist for inclusion in Council's 2019-20 Annual Report. <p>9 December 2020</p> <ul style="list-style-type: none"> Received a report from management on Council's Waste Management approach as well as an overview of changes occurring within the sector. <p>4 February 2021</p> <ul style="list-style-type: none"> Received a report from management on the completion rates of staff compliance training. <p>At all meetings the Committee:</p> <ul style="list-style-type: none"> Reviewed the status of Council's compliance with implementing the requirements of the Local Government Act 2020.
Reporting to Council
<p>14 October 2020</p> <ul style="list-style-type: none"> A draft 2019-2020 Audit and Risk Committee Annual Report was reviewed and recommended to be presented to Council at the next available meeting. The report was included in the agenda and minutes of Council's meeting held on the 20 October 2020. The Chair of the Committee (Linda MacRae) attended a Council Briefing session (virtually) on 20 October 2020 to present the results of Council's 2019-20 Financial and Performance Statements and to advise Council of VAGO's draft findings in relation to these statements. This session occurred prior to Council's consideration and signing of the statements. <p>4 February 2021</p> <ul style="list-style-type: none"> A draft Half Yearly report for the period 1 July 2020 to December 2020 was reviewed and recommended to be presented to Council at the next available meeting. The report was included in the agenda and minutes of Council's meeting held on the 17 February 2021. The Chair of the Committee (Linda MacRae) attended a Council Briefing session on the 10 February 2021 to speak to the Committee's draft Half Yearly report and provide an opportunity for Councillors to ask any questions. This session occurred prior to report being presented to Council for noting.
Performance Evaluation
<p>14 October 2020</p> <ul style="list-style-type: none"> Reviewed the results of the Committee's self-assessment of its performance for the 2019-20 financial year. The results were reported in the Committee's Annual Report that was presented to Council at its meeting held on 20 October 2020. Reviewed the results of a survey conducted on the performance of the Internal Auditor. <p>4 February 2021</p> <ul style="list-style-type: none"> Reviewed the results of a survey conducted on the performance of the Internal Auditor for the 2020 calendar year. <p>20 May 2021</p> <ul style="list-style-type: none"> Reviewed the results of the Committee's self assessment that was conducted by the Internal Auditor. The summary of these results is contained within this report.
Review of Charter
<ul style="list-style-type: none"> As the Committee charter was adopted by Council at its meeting held on the 21 July 2020, the charter is next due for review in mid 2022.

Other Matters**9 December 2020**

- Appointed a Chair of the Committee for 2021. Independent Member, Linda MacRae, was nominated and accepted the position of Chair for the next 12 months.

At all meetings the Committee:

- Reviewed the Annual Work Plan of the Committee.
- Received a report summarising Councillor expenses & reimbursements received in accordance with Council's adopted Councillor Expenses Policy.

9.3 2021 Financial Assistance Measures - Part 1

Author	Department	Manager	General Manager
General Manager Corporate			General Manager Corporate

1. SUMMARY

The ongoing impacts of the COVID-19 pandemic are being experienced by all businesses, agencies and individuals. The impacts are also being experienced in different ways depending on individual circumstances and eligibility for the range of support measures provided by the State and Federal Governments. This report seeks to outline financial assistance measures to be offered by Campaspe Shire Council in support of individuals, businesses, community groups and agencies within the municipality.

2. RECOMMENDATION

That Council:

1) **Endorse the following financial assistance measures for ratepayers:**

- a) **Waiving of interest on any rates debt for the period 1 July 2021 to 30 June 2022.**
- b) **Facilitation of payment plan arrangements, on the request of a ratepayer, that responds to their individual needs and circumstances.**

2) **Endorse the following financial support measures for individuals:**

- a) **Refund of all fees paid in advance to hire Council facilities, including the Wharf, Pop Up Park and recreation reserves, if an event has been cancelled as a result of the State Government Directions.**
- b) **Credit annual site holders at the Echuca Holiday Park, for the periods that travel restrictions have applied to the annual site holder's ordinary place of residence, once travel restrictions are revoked.**
- c) **Waive parent/guardian gap fees for those not permitted to attend the Campaspe Community Children's Centre and the Rochester and District Child Care Centre for the duration the State Government restricts access to these services.**
- d) **The extension of all items on loan from library services until the service is permitted to open and waive overdue return fees for one month after the service is permitted to re-open.**
- e) **Pausing of direct debits for the Echuca War Memorial Aquatic Centre (EWMAC) during periods the facility is closed.**

3) **Endorse the following financial support measures for businesses and community groups:**

- a) **Reduce the registration fees for premises registered under the Public Health and Wellbeing Act 2008 by 1/5 of the fee adopted by Council in the 2021/22 Budget.**
- b) **Refund, on a pro rata basis, the annual or quarterly off-street parking permits paid in advance, for businesses that have been closed as a result of the State Government Directions, on application by the business and only if evidence of the business closure can be provided.**

- c) **Recalculate user fees for the 2021/22 year, for community groups occupying Council recreation reserve buildings and facilities by way of a User Agreement and who have been previously impacted by the State Government Directions, basing the calculation on the 2019 year data (last year not impacted by the pandemic) and applying a reduction based on the impact of the State Government Directions.**

4) **Note that all fees and charges incurred prior to 16 July 2021, remain outstanding and are due and payable to Council in accordance with previous resolutions of Council.**

5) **Encourage individuals, businesses and community groups to contact Council should they feel that the support measures provided by Council do not support their specific circumstances.**

3. PURPOSE

To seek approval for financial assistance measures in response to the COVID-19 pandemic and restrictions imposed by State Government Directions in 2021, with an aim to support community members, community groups and business.

4. DISCUSSION

Council at its meeting held on 21 April 2020, 18 August 2020 and 8 December 2020 considered and resolved to implement a range of financial support measures in response to the COVID-19 pandemic for ratepayers, individuals, community groups and businesses. All the measures, except for the payment terms extension for community groups occupying Council buildings and facilities by way of a User Agreement, have ended on or before 30 June 2021.

Since the commencement of the new financial year, Victoria has continued to experience various restrictions imposed by State Government Directions and Council has received several requests for support. This report recommends a range of financial assistance measures that could be implemented in response to the ongoing nature of the restrictions.

The measures previously provided and those recommended in this report recognise that everyone has been impacted in diverse ways and therefore the measures are spread across numerous services delivered by Council. It is also recognised that the Federal and State Government have also provided a range of support measures for businesses, community groups and individuals. A summary of the current support measures available from the Federal and State Governments can be found at Attachment 1.

Council has also been impacted by the restrictions imposed by the State Government which has resulted in service closures.

Support for Ratepayers

Council encouraged all ratepayers experiencing financial hardship to contact Council to discuss and establish a payment plan to enable their individual needs and circumstances to be considered.

In addition, all interest on outstanding rates debt was waived from the 25 March 2020 through to 30 June 2021. Ratepayers were provided until the 30 June 2021 to clear any rate debt before incurring interest charges.

Rate notices for the 2021/22 year have now been issued. On review of the outstanding rates owed to Council as at the 30 June, there has been an increasing rates debt for the past two years. The following table outlines the growing value of rates outstanding and is an indicator that there may be more people having trouble in meeting the costs of their rates:

	On 30 June 2021	On 30 June 2020	On 30 June 2019 (Pre-Pandemic)
Rates and Charges owed to Council	\$2,139,627.000 <i>(Increase of \$111,005)</i>	\$ 2,028,622.00 <i>(Increase of \$385,270)</i>	\$ 1,643,352.00

This report recommends that Council introduce a further waiver of interest on rates debt for the 2021/22 financial year, concluding on the 30 June 2022. By not charging interest, ratepayers owing outstanding rates will have an opportunity to put in place arrangements to pay the amount owed to Council without incurring additional debt. It is estimated that this will see Council forego approximately \$120,000 of income it had accounted for in Council's adopted budget.

Ratepayers are encouraged to contact Council and discuss the payment options available to them to assist them to meet these payments.

Support for Individuals

Council receives bookings in advance to use the Echuca Wharf, Echuca Pop Up Park and recreation reserves across the municipality for events such as ceremonies, photographs or group use. It is recommended that hirers receive a full refund of payments made in advance if the event is not able to proceed because of the State Government Directions.

The use of annual sites at the Echuca Holiday Park have been impacted by travel restrictions imposed by both Victorian and New South Wales Governments. On that basis it is recommended that annual site holders receive a credit of their fees for the period of time travel restrictions have been imposed, based on the site holder's usual place of residence. The estimated impact of this assistance measure, if all site holders were restricted from travel, would be \$47,690 per month.

Since 16 August 2021, the Campaspe Community Children's Centre (CCCC) and the Rochester and District Child Care Centre (RDCCC) has been only able to accept children from families who have a parent / carer that has been classified as an Authorised Worker, or children experiencing vulnerability. This has seen a 50% or greater reduction in the number of children attending the centres. In response to these restrictions the service has been invited to 'opt in' to receive business continuity payments of 25% of pre-lockdown revenue. This will partially offset the loss of fee income received. That said, it is recommended that families prevented from using the service receive a waiver of the 'gap fees' that would otherwise be payable to retain the enrolment at the service.

The estimated reduction in parent gap fees at CCCC is \$9,944 per week. The anticipated business continuity payment is approximately \$4,299 per week, meaning the net loss for the service is estimated to be \$5,646 per week. The estimated reduction in parent gap fees at RDCCC is \$3,166 per week. The anticipated business continuity payment is approximately \$1,050 per week, meaning the net loss for the service is \$2,166 per week. Staffing levels are being monitored and managed in response to the reduction in attendances.

During the restrictions, services such as the Echuca War Memorial Aquatic Centre (EWMAC) and Libraries have been closed. As the service is not able to operate, direct debits for memberships and learn to swim classes have been paused during the closure and all library material that is on loan has been extended. Library fees for late returned items is proposed to be waived for one month after the service is permitted to reopen.

Support for Businesses

In recognition of the restrictions imposed on hairdressers, beauty premises and accommodation, it is recommended that registration fees for premises registered under the Public Health and Wellbeing Act be reduced by 1/5 of the annual fee adopted by Council as part of its 2021/22 Budget. The estimated impact of this fee reduction would be \$4,785.

For businesses who pays in advance for annual or quarterly off-street parking permits and who have been impacted by the State Government Directions, applications for a pro rata refund will be processed on evidence of the business closure.

Support for Community Groups

For community groups and artisans occupying Council owned buildings and facilities by way of a lease, licence or user agreement in accordance with Council's Policy 161 – Leases for local community groups and artisans, who are impacted by the State Government Restricted Activities Direction, it is recommended that their rental be deferred for three months after the date they are permitted to operate.

Fees for community groups occupying Council recreation facilities by way of a User Agreement, have been calculated and issued to groups in mid-August. The calculation of these fees has been in accordance with

Council Policy 133 Recreation Reserve Fees and Charges and the total amount of fees being collected has considered that facilities were only accessible for 69% of the time in 2020. However, users are charged based on proportional use relative to other users of the facility therefore, some users over others been able to use the facilities due to restrictions, resulting in some community groups being invoiced for a greater proportion of the overall amount being collected for the reserve when compared to a previous year.

Council has the option to either retain the fees as invoiced recognising that these fees have already been adjusted for the time the facilities were unavailable or alternatively recalculate the fees in accordance with Council's Policy 133 using the actual usage data of users from 2019 (being a pre-pandemic year) and having regard for the inability to access the facilities in accordance with the impact of the State Government Directions.

Summary

This report provides recommendations on a range of measures that Council could implement to assist ratepayers, individuals, community groups and businesses who have all been impacted by the various restrictions imposed by State Governments to manage the current COVID-19 pandemic.

Council has also been impacted by the restrictions and have experienced the closure or restrictions applied to several of its services it delivers to the community. The closure of these services not only restrict the service being provided but also reduce the anticipated revenue accounted for in the 2021/22 budget. The quantification of this impact will be based on how long the closure of these services lasts.

The financial assistance measures are diverse, however for some these may not assist. Individuals, businesses and community groups are encouraged to contact Council to discuss their specific circumstances if the measures do not assist their individual circumstances.

Each of the financial assistance measures will further impact Council's ability to achieve its adopted budget for 2021/22 and will be adjusted through future budget reviews based on Council's resolution.

5. CONSULTATION

Internal consultation:

- The contents and recommendations have been discussed with relevant service managers and General Managers.

Councillors:

- The draft report was discussed with Councillors at the briefing held on 8 September 2021.

6. POLICY AND LEGISLATIVE IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no Council Policy and relevant law has been identified within this report.

7. FINANCIAL AND ECONOMIC IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no economic sustainability issues for the municipality have been identified within this report.

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no issues of ongoing financial viability of the Council have been identified within this report.

8. ENVIRONMENTAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no environmental sustainability issues including mitigation and planning for climate change risks have been identified within this report.

9. SOCIAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no social implications for the municipality have been identified with this report.

10. RELEVANCE TO COUNCIL PLAN 2017-2021

Resilient Economy

- Facilitate and enable local enterprise, support existing businesses and develop stronger business networks.

Responsible Management

- Foster a customer centered approach.

11. ISSUES AND RISK MANAGEMENT

Issues:

There have been no issues identified within this report.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

12. CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, the officer preparing this report declares no conflict of interest regarding this matter.

13. CHARTER OF HUMAN RIGHTS

This Report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of *Human Rights and Responsibilities Act 2006*.

14. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer is so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

15. CONCLUSION

This report recommends a range of financial assistance measures to support ratepayers, individuals, community groups and businesses in response to the ongoing restrictions imposed by the State Government Directions. It is however acknowledged that these measures may not support the individual needs of some people. Individuals, community groups and businesses are encouraged to contact Council to discuss their specific circumstances.

16. ATTACHMENTS

1. List of Government Support as at 1 September 2021 [9.3.1 - 12 pages]

Victorian State Government Support**Small Business COVID Hardship Fund**

Providing \$14,000 grants for eligible small and medium businesses that have experienced a reduction in turnover of at least 70%.

The Victorian Government's Small Business COVID Hardship Fund will assist eligible small and medium businesses:

- whose operations have been severely impacted by COVID-19 restrictions that have been in place since 27 May 2021
- that have experienced at least a 70% reduction in turnover as a result of the COVID-19 restrictions
- that are ineligible for other key COVID-19 Victorian Government business grant programs that have been announced since 27 May 2021.

The program offers grants of \$14,000 to eligible small and medium businesses, including employing and non-employing businesses. This program will allow more businesses who have previously not received support, to receive financial relief now.

**Live Performance Support Program
(Suppliers) Round Two**

Suppliers of goods and services involved with live performance events will be eligible for a grant of \$200 or \$500 per event.

The Live Performance Support Program (Suppliers) Round Two provides grants to eligible contracted suppliers affected by the cancellation or postponement of events as a result of lockdowns and public health restrictions between 11:59pm on 27 May 2021 and 11:59 on 2 September 2021.

Suppliers include those contracted to provide goods or services to a live performance event and may include performers, crew, technicians, venue owners and engineers.

Suppliers may be eligible for either \$200 or \$500 per event, depending on the level of loss or unrecoverable costs incurred. They can apply for support for up to 20 events through Round One and Round Two of the program. There is a cap of \$4000 in total support per applicant across the two rounds of the program.

In response to industry feedback, the eligibility and requirements for Round Two of the Live Performance Support Program (Suppliers) differ from the first round of the program, which closed on 16 July 2021.

Live Performance Support Program (Presenters) Round Two

Grants of up to \$7000 for one event and \$5000 for a second event for eligible live performance event presenters.

The Live Performance Support Program (Presenters) Round Two provides grants to eligible businesses affected by the cancellation or postponement of events as a result of lockdowns and public health restrictions between 11:59pm on 27 May 2021 and 11:59pm on 2 September 2021.

This program is for live performance event presenters. A presenter is a person or organisation with the right to hold, cancel or re-schedule an event, collect the proceeds from ticket sales or re-locate a given live performance event. For any given event, this may be the producer, promoter, venue owner or artist promoting their own show.

Applicants can apply for either \$7000 or \$5000 for one event, depending on losses or unrecoverable costs, and a further \$5000 for a second event. There is a cap of \$12,000 per applicant across the two rounds of the program.

In response to industry feedback, the eligibility and requirements for Round Two of the Live Performance Support Program (Presenters) differ from the first round of the program, which closed on 16 July 2021.

Small Business Digital Adaptation Program

Helping Victorian small businesses build their digital capability.

The Small Business Digital Adaptation Program provides \$1200 rebates so small businesses can access a range of digital business tools.

The Victorian Government has partnered with 14 suppliers to help you build or upgrade your website, improve your cash flow, start online marketing, manage your jobs and projects, and keep better track of stock.

Here's how it works:

- take free product trials and workshops
- choose one or more of the [digital products](#)
- purchase your product and start using it
- apply for the rebate to cover up to 12 months access
- claim your \$1200.

There are only a limited number of rebates and you will need to pay ongoing costs for the product after the rebate runs out.

Commercial Tenancy Relief Scheme

Alleviating financial hardship faced by tenants as a result of the COVID-19 pandemic.

The Commercial Tenancy Relief Scheme has been reintroduced by the Victorian Government to alleviate the financial hardship faced by tenants and landlords as a result of the COVID-19 pandemic.

The Scheme will be available to businesses with an annual turnover of less than \$50 million that have suffered a decline in turnover of at least 30% due to COVID-19.

The Scheme is broadly based on the previous Commercial Tenancy Relief Scheme that was introduced in 2020, with the objective of supporting tenants and landlords to negotiate in good faith to reach an agreement on rent relief in a timely manner.

[The Victorian Small Business Commission \(VSBC\)](#) will provide support to tenants and landlords through a free mediation service to assist parties in reaching a fair and satisfactory agreement.

Business Costs Assistance Program Round Three 19 and 22 August 2021 Top-Up

Additional payment for businesses that were recipients of the Business Costs Assistance Program Round Two or the Business Costs Assistance Program Round Two July Extension.

The Business Costs Assistance Program Round Three 19 and 22 August Top-Up provides an additional \$5600 to eligible small to medium businesses. This additional support was announced on [19 August 2021](#) for businesses in metropolitan Melbourne and was extended to regional Victorian businesses on [22 August 2021](#).

Successful recipients of the [Business Costs Assistance Program Round Two](#) or the [Business Costs Assistance Program Round Two July Extension](#) will receive the top-up, which will be processed and paid automatically.

Individuals who have lost income or hours due to the lockdown may be eligible for financial support through the Commonwealth Government's [COVID-19 Disaster Payment](#).

Business Costs Assistance Program Round Three

On Friday 6 August 2021, the Victorian Government announced an additional automatic payment for successful recipients of the Business Costs Assistance Program Round Two and the Business Costs Assistance Program Round Two July Extension.

The Business Costs Assistance Program Round Three provides additional support to eligible small to medium businesses in sectors affected by the current restrictions in metropolitan and regional Victoria.

Successful recipients of the [Business Costs Assistance Program Round Two](#) and the [Business Costs Assistance Program Round Two July Extension](#) will receive an additional \$2800.

Business Continuity Fund

The Business Continuity Fund supports businesses in 24 sectors that were affected by additional capacity limits when reopening in late July 2021 under COVID-19 restrictions.

The Business Continuity Fund provides a \$5000 payment to businesses in 24 sectors that were affected by additional capacity limits when reopening in late July 2021 under COVID-19 restrictions.

This payment is in addition to the Business Costs Assistance Program July Top-Up payments announced on 16 and 21 July 2021, and the Business Costs Assistance Program Round Three payment announced on 6 August 2021.

The payment will go to recipients of the [Business Costs Assistance Program Round Two](#) and the [Business Costs Assistance Program Round Two July Extension](#) who are in [24 sectors](#) that were affected by capacity limits when reopening in late July 2021 under COVID-19 restrictions.

Businesses in Melbourne's CBD that receive a Business Continuity Fund payment will receive an additional \$2000 payment.

Licensed Hospitality Venue Fund 2021 – Top-Up payments and CBD Payment

Successful recipients of the Licensed Hospitality Venue Fund 2021 and Licensed Hospitality Venue Fund 2021 July Extension are eligible for automatic top-up payments.

The Victorian Government has announced additional, automatic payments for businesses that have received the [Licensed Hospitality Venue Fund 2021](#) or [Licensed Hospitality Venue Fund 2021 July Extension](#).

The additional, automatic payments are:

- A top-up payment of \$3000 [announced on 16 July 2021](#).
- A top-up payment of \$4200 [announced on 21 July 2021](#).
- A top-up payment of between \$5000 and \$20,000, based on patron capacity, [announced on 28 July 2021](#).
- An additional \$2000 payment for premises located in the CBD, [announced on 28 July 2021](#).
- A top-up payment of between \$5000 and \$20,000, based on patron capacity, [announced on 6 August 2021](#).
- A top-up payment of between \$5000 and \$20,000, for business in metropolitan Melbourne based on patron capacity, [announced on 12 August 2021](#).
- A top-up payment of between \$10,000 and \$40,000, based on patron capacity. This was announced for premises located in metropolitan Melbourne on [19 August 2021](#) and extended to regional Victorian premises on [22 August 2021](#).

Patron capacity will be as reflected on the liquor licence for the premises in July 2021.

The payments will be processed automatically by Business Victoria.

Each payment will be made separately.

21 July 2021 Top-Up Payment

On Wednesday 21 July 2021, the Victorian Government announced another top-up payment for successful recipients of the Business Costs Assistance Program Round Two and the Licensed Hospitality Venue Fund 2021.

The 21 July 2021 Top-Up Payment provides additional support to eligible small to medium businesses in sectors affected by the current restrictions in metropolitan and regional Victoria.

This payment is additional to the 16 July 2021 Top-Up Payments.

Successful recipients of the [Business Costs Assistance Program Round Two](#) will receive an additional \$2800, and successful recipients of the [Licensed Hospitality Venue Fund 2021](#) will receive an additional \$4200. These payments will be processed automatically in July 2021.

Investment Fast-Track Fund

The aim of the Fund is to attract new investment, create new jobs and retain existing jobs in regional Victoria

Part of the Regional Jobs and Infrastructure Fund, the Investment Fast-Track Fund will focus on funding activities that will mobilise strategic investment projects through fast-track of business case development and planning for medium to longer term projects in regions, and increase the pipeline of investment ready projects, with a focus on leveraging private investment, boosting employment and improving the liveability of rural and regional Victoria.

Previously referred to as the Accelerating Readiness Fund, the Investment Fast-Track Fund provides Victorian Government financial assistance for activities that will fast-track achievement of an evidence base for their project in order to support and confirm investment readiness.

Funded activities will be considered on the basis of the resultant project's strategic importance for rural and regional communities including driving economic growth and prosperity for Victoria.

Jobs Victoria Fund

If you are a Victorian employer ready to hire new staff, the Jobs Victoria Fund can financially support you to employ people who have been most affected by the economic impacts of the pandemic.

The Jobs Victoria Fund is providing \$250 million in wage subsidies to assist Victorian businesses to employ at least 10,000 people who are looking for work.

If you are a Victorian employer ready to hire new staff, the Jobs Victoria Fund can financially support you to employ people who have been most affected by the economic impacts of the pandemic.

Small Business Energy Saver Program

Supporting Victorian small business upgrade to energy efficient equipment

The Small Business Energy Saver Program is supporting Victorian small business owners to save on energy efficient equipment. It will deliver \$5 million in discounts to small businesses across Victoria who upgrade to energy-efficient equipment. Through this program, your small business can reduce running costs and greenhouse gas emissions.

On-Farm Energy Tier 2 Grants

Support for businesses to make connected energy improvements across a farm systems

The On-Farm Energy Tier 2 grants are available to eligible primary producers until 15 December 2021.

The Victorian Government will provide \$50,000 to \$250,000 (excluding GST) per grant for On-Farm Energy Tier 2 grants.

Applicants are required to have a valid on-farm energy assessment conducted in the past two years to access Tier 2 grants available under the Agriculture Investment Energy Plan (AEIP).

On-Farm Energy Tier 1 Grants

Supports farms to replace energy inefficient equipment, install more energy efficient systems and enable own-generation capacity.

The On-Farm Energy Tier 1 grants are available to eligible primary producers until 15 December 2021.

The Victorian Government will provide grants between \$20,000 and \$50,000 for On-Farm Energy Tier 1 grants.

Applicants are required to have a valid On-Farm Energy Assessment conducted in the past two years to access Tier 1 grants available under the Agriculture Investment Energy Plan (AEIP).

Agriculture Energy Investment Plan

Free on-farm energy assessments and on-farm energy grants as part of implementing the \$30 million Agriculture Energy Investment Plan

Agriculture Victoria has rolled out free on-farm energy assessments and on-farm energy grants as part of implementing the \$30 million Agriculture Energy Investment Plan.

The Agriculture Energy Investment Plan (AEIP) supports on-farm businesses to improve energy efficiency, manage energy costs, improve energy reliability and support own-generation capacity.

Regional Jobs Fund

The aim of the Fund is to attract new investment, create new jobs and retain existing jobs in regional Victoria

The Regional Jobs Fund looks to support projects which create employment opportunities across industry sectors where regional competitive advantage exists. This includes, but is not limited to:

- food and fibre
- advanced manufacturing
- professional services
- new energy technology
- medical technology, life sciences and healthcare
- transport, defence and construction technology.

COVIDSafe Deep Cleaning Rebate

Rebates to help businesses cover the cost of cleaning after closing a worksite due to a suspected or confirmed coronavirus (COVID-19) case

The COVIDSafe Deep Cleaning Rebate is available for small and medium-sized businesses, where anyone suspected or confirmed to have coronavirus (COVID-19) has been on the premises or worksite when they may have been infectious.

The rebate will help eligible businesses cover the cost of hiring professional cleaning services to conduct a 'deep clean' or 'decontamination clean' of their premises or worksite. This will help businesses prevent further transmission of coronavirus (COVID-19), and reduce their out-of-pocket cleaning expenses.

The rebate will cover up to 80 per cent of the cleaning costs at each worksite, capped at a grant of \$10,000 (for a total cleaning cost of \$12,500).

Businesses that have received funding from other initiatives under the Victorian Government's Economic Survival Package and Business Support Package are also eligible to apply for this program.

Business recovery and resilience mentoring

The Victorian Government is partnering with the [Victorian Chamber of Commerce and Industry](#) (VCCI) to deliver a business mentoring program to help small businesses navigate the economic challenges posed by restrictions to help slow the spread of COVID-19.

Through this program, eligible business owners can receive up to four 2-hour mentoring sessions with an experienced professional who will help them make informed decisions about the future of their business.

The program offers tailored guidance on:

- **Business recovery** - to strengthen business recovery (cost reduction, debt and cashflow management)
- **Market transformation** - to understand how COVID-19 has triggered or accelerated market changes
- **Digital literacy and engagement** - to help businesses reach new customers and markets
- **Market and supply chain diversification** - to reduce exposure to supply chain risks
- **Reskilling and retraining** - to help businesses upskill their existing workforce

Wellbeing and Mental Health Support for Victorian Small Businesses

Providing mental health support to Victorians dealing with the challenges of running a small business to help them navigate through the impacts of coronavirus (COVID-19).

Through this program, Victorians dealing with the challenges of running a small business can get the mental health support they need to navigate through the impacts of COVID-19.

Current support under this program includes:

- [Partners in Wellbeing](#) telephone helpline [1300 375 330](tel:1300375330) (Monday to Friday 9am–10pm, Saturday to Sunday 9am–5pm, public holidays 9am–5pm):

If you're worried about your business, Partners in Wellbeing helpline provides one-to-one wellbeing support and free access to financial counsellors and business advisors.

Partners in Wellbeing Helpline

Personal support, business advice and financial counselling

It's only normal in these challenging times for small business owners to sometimes feel stressed or overwhelmed. Managing a business, staff and your day-to-day life can add a lot of pressure.

It's also normal – and important – to get support when you need it.

And it's now easy to do. The [Partners in Wellbeing Helpline](#) is a confidential, one-on-one service providing support for small business owners and employees through trained wellbeing coaches, financial counsellors and business advisers.

It's free and there for you seven days a week.

The Partners in Wellbeing Helpline number is [1300 375 330](tel:1300375330).

Operating hours

Monday–Friday: 9am–10pm

Saturday–Sunday: 9am–5pm

A jointly funded package from the Commonwealth and Victorian Governments was announced 28 July 2021 to provide Victorian small and medium businesses with extra support and confidence to recover.

The Victorian Business Support Package delivered an additional \$400 million in support to thousands of businesses, with funding split 50/50 between the Commonwealth and Victorian Government.

The package included \$85 million Small Business COVID Hardship Fund and \$156 million Business Continuity Fund, as well as delivering support for commercial tenants and landlords.

It also built on Victorian Government support for licenced hospitality and alpine venues, with \$70 million for the Licensed Hospitality Venue Fund 2021 and \$9.8 million for Alpine Business Support.

The programs are being administered by the Victorian Government.

Commonwealth Government Support

SME Recovery Loan Scheme

The Commonwealth Government's SME Recovery Loan Scheme is designed to provide continued assistance to SMEs that are dealing with the economic impacts of COVID-19.

The Commonwealth Government's SME Recovery Loan Scheme provides eligible small and medium enterprises (SMEs) access to loans of up to \$5 million over a term of up to 10 years.

The Scheme is designed to provide continued assistance to small and medium enterprises that are dealing with the economic impacts of COVID-19.

As announced by the Commonwealth Government on [25 August 2021](#), SMEs are no longer required to have received JobKeeper during the March quarter of 2021, or to have been a flood affected business, to be eligible for the SME Recovery Loan Scheme.

Further information about the SME Recovery Loan Scheme can be found on the [Treasury website](#).

Pandemic Leave Disaster Payment

Pandemic Leave Disaster Payment is a lump sum payment to help people during the 14 days you need to self-isolate, quarantine or care for someone. If you need longer term help, check to see what other payments you may be eligible to get by using our [payment guide](#).

9.4 2021 Financial Assistance Measures - Part 2

Author	Department	Manager	General Manager
General Manager Corporate			General Manager Corporate

1. SUMMARY

The ongoing impacts of the COVID-19 pandemic are being experienced by all businesses, agencies and individuals. The impacts are also being experienced in different ways depending on individual circumstances and eligibility for the range of support measures provided by the State and Federal Governments.

This report seeks to outline financial assistance measures to be offered by Campaspe Shire Council in support of businesses and community groups within the municipality.

2. RECOMMENDATION

That Council:

1. Endorse the following financial support measures for businesses and community groups:

- a) **Waive monthly retail commercial property rental payments for businesses, impacted by the State Government Restricted Activities Directions, occupying Council buildings and facilities by way of a lease or licence, commencing 16 July 2021 until the State Government direction to remain closed is revoked and then commencing a phased discount to rentals for the three months ensuing, based on the following schedule:**
 - a. **50% monthly rental reduction for the first month following the State Government directions allowing businesses to open.**
 - b. **25% monthly rental reduction for the second month following the State Government directions allowing businesses to open.**
 - c. **10% monthly rental reduction for the third month following the State Government directions allowing businesses to open.**
 - d. **0% rental reduction commencing from the fourth month following the State Government directions allowing businesses to open.**
- b) **Defer property rental payments for community groups and artisans, impacted by the State Government Restricted Activities Directions, occupying Council buildings and facilities by way of a lease, licence or user agreement, commencing 16 July 2021, until three months after the State Government Directions to remain closed is revoked.**
- c) **Agree to the surrender of any lease or licence, if a business, community group or artisan gives notice to do so, without penalty until the 30 November 2021, except when there is an outstanding debt that existed prior to 16 July 2021, which must be paid.**
- d) **Facilitate the entering of a payment plan arrangement, on the request of the tenant, for the payment of rent over the current term of the lease / licence.**
- e) **Reduce the 2021/22 Public Spaces Trading permits for the display of goods, A frames and footpath trading by ¼ of the fee adopted by Council in the 2021/22 Budget.**

2. Note that all fees and charges incurred prior to the 16 July 2021, remain outstanding and are due and payable to Council in accordance with previous resolutions of Council.

3. PURPOSE

To seek approval for financial assistance measures in response to the COVID-19 pandemic and restrictions imposed by State Government Directions in 2021, with an aim to support community members, community groups and business.

4. DISCUSSION

Council at its meeting held on the 21 April 2020, 18 August 2020 and 8 December 2020, considered and resolved to implement a range of financial support measures in response to the COVID-19 pandemic for ratepayers, individuals, community groups and businesses. All the measures, except for the payment terms extension for community groups occupying Council buildings and facilities by way of a User Agreement, have come to an end on or before 30 June 2021.

Since the commencement of the new financial year, Victoria has continued to experience various restrictions imposed by State Government Directions and Council has received several requests for support. This report recommends a range of financial assistance measures that could be implemented in response to the ongoing nature of the restrictions.

The measures previously provided and those recommended in this report recognise that everyone has been impacted in different ways and therefore the measures are spread across various services delivered by Council. It is also recognised that the Federal and State Government have also provided a range of support measures for businesses, community groups and individuals. A summary of the current support measures available from the Federal and State Governments can be found at Attachment 1.

Support for Businesses

For businesses occupying Council owned buildings and facilities by way of a commercial lease, who are impacted by the State Government Restricted Activities Direction, it is recommended that their monthly commercial property rental be waived for the period they are not able to have customers enter the facilities and once open, have a graduated monthly rental payment for three ensuing months.

In recognition of the restrictions on trade, it is recommended that the fees for Public Spaces Trading permits for the display of goods, A frame and footpath trading be reduced by $\frac{1}{4}$ of the annual fee adopted by Council as part of its 2021/22 Budget. It is estimated the impact of this fee reduction would be \$18,664.

Support for Community Groups

For community groups and artisans occupying Council owned buildings and facilities by way of a lease, licence or user agreement in accordance with Council's Policy 161 – Leases for local community groups and artisans, who are impacted by the State Government Restricted Activities Direction, it is recommended that their rental be deferred for three months after the date they are permitted to operate.

Summary

This report provides recommendations on a range of measures that Council could implement to assist community groups and businesses who have been impacted by the various restrictions imposed by State Governments to manage the current COVID-19 pandemic.

Council has also been impacted by the restrictions and have experienced the closure or restrictions applied to several of its services it delivers to the community. The closure of these services not only restrict the service being provided but also reduce the anticipated revenue accounted for in the 2021/22 budget. The quantification of this impact will be based on how long the closure of these services lasts.

The financial assistance measures are diverse, however for some these may not assist. Businesses and community groups are encouraged to contact Council to discuss their specific circumstances if the measures do not assist their individual circumstances.

Each of the financial assistance measures will further impact Council's ability to achieve its adopted budget for 2021/22 and will be adjusted through future budget reviews based on Council's resolution.

5. CONSULTATION

Internal consultation:

- The contents and recommendations have been discussed with relevant service managers and General Managers.

Councillors:

- The draft report was discussed with Councillors at the briefing held on 8 September 2021.

6. POLICY AND LEGISLATIVE IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no Council Policy and relevant law has been identified within this report.

7. FINANCIAL AND ECONOMIC IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no economic sustainability issues for the municipality have been identified within this report.

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no issues of ongoing financial viability of the Council have been identified within this report.

8. ENVIRONMENTAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no environmental sustainability issues including mitigation and planning for climate change risks have been identified within this report.

9. SOCIAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no social implications for the municipality have been identified with this report.

10. RELEVANCE TO COUNCIL PLAN 2017-2021

Resilient Economy

- Facilitate and enable local enterprise, support existing businesses and develop stronger business networks.

Responsible Management

- Foster a customer centered approach.

11. ISSUES AND RISK MANAGEMENT

Issues:

There have been no issues identified within this report.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

12. CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, the officer preparing this report declares no conflict of interest regarding this matter.

13. CHARTER OF HUMAN RIGHTS

This Report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of *Human Rights and Responsibilities Act 2006*.

14. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer is so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

15. CONCLUSION

This report recommends a range of financial assistance measures to support ratepayers, individuals, community groups and businesses in response to the ongoing restrictions imposed by the State Government Directions.

It is however acknowledged that these measures may not support the individual needs of some people. Individuals, community groups and businesses are encouraged to contact Council to discuss their specific circumstances.

16. ATTACHMENTS

1. List of Government Support as at 1 September 2021 [TP3Q] [9.4.1 - 12 pages]

Victorian State Government Support**Small Business COVID Hardship Fund**

Providing \$14,000 grants for eligible small and medium businesses that have experienced a reduction in turnover of at least 70%.

The Victorian Government's Small Business COVID Hardship Fund will assist eligible small and medium businesses:

- whose operations have been severely impacted by COVID-19 restrictions that have been in place since 27 May 2021
- that have experienced at least a 70% reduction in turnover as a result of the COVID-19 restrictions
- that are ineligible for other key COVID-19 Victorian Government business grant programs that have been announced since 27 May 2021.

The program offers grants of \$14,000 to eligible small and medium businesses, including employing and non-employing businesses. This program will allow more businesses who have previously not received support, to receive financial relief now.

Live Performance Support Program (Suppliers) Round Two

Suppliers of goods and services involved with live performance events will be eligible for a grant of \$200 or \$500 per event.

The Live Performance Support Program (Suppliers) Round Two provides grants to eligible contracted suppliers affected by the cancellation or postponement of events as a result of lockdowns and public health restrictions between 11:59pm on 27 May 2021 and 11:59 on 2 September 2021.

Suppliers include those contracted to provide goods or services to a live performance event and may include performers, crew, technicians, venue owners and engineers.

Suppliers may be eligible for either \$200 or \$500 per event, depending on the level of loss or unrecoverable costs incurred. They can apply for support for up to 20 events through Round One and Round Two of the program. There is a cap of \$4000 in total support per applicant across the two rounds of the program.

In response to industry feedback, the eligibility and requirements for Round Two of the Live Performance Support Program (Suppliers) differ from the first round of the program, which closed on 16 July 2021.

Live Performance Support Program (Presenters) Round Two

Grants of up to \$7000 for one event and \$5000 for a second event for eligible live performance event presenters.

The Live Performance Support Program (Presenters) Round Two provides grants to eligible businesses affected by the cancellation or postponement of events as a result of lockdowns and public health restrictions between 11:59pm on 27 May 2021 and 11:59pm on 2 September 2021.

This program is for live performance event presenters. A presenter is a person or organisation with the right to hold, cancel or re-schedule an event, collect the proceeds from ticket sales or re-locate a given live performance event. For any given event, this may be the producer, promoter, venue owner or artist promoting their own show.

Applicants can apply for either \$7000 or \$5000 for one event, depending on losses or unrecoverable costs, and a further \$5000 for a second event. There is a cap of \$12,000 per applicant across the two rounds of the program.

In response to industry feedback, the eligibility and requirements for Round Two of the Live Performance Support Program (Presenters) differ from the first round of the program, which closed on 16 July 2021.

Small Business Digital Adaptation Program

Helping Victorian small businesses build their digital capability.

The Small Business Digital Adaptation Program provides \$1200 rebates so small businesses can access a range of digital business tools.

The Victorian Government has partnered with 14 suppliers to help you build or upgrade your website, improve your cash flow, start online marketing, manage your jobs and projects, and keep better track of stock.

Here's how it works:

- take free product trials and workshops
- choose one or more of the [digital products](#)
- purchase your product and start using it
- apply for the rebate to cover up to 12 months access
- claim your \$1200.

There are only a limited number of rebates and you will need to pay ongoing costs for the product after the rebate runs out.

Commercial Tenancy Relief Scheme

Alleviating financial hardship faced by tenants as a result of the COVID-19 pandemic.

The Commercial Tenancy Relief Scheme has been reintroduced by the Victorian Government to alleviate the financial hardship faced by tenants and landlords as a result of the COVID-19 pandemic.

The Scheme will be available to businesses with an annual turnover of less than \$50 million that have suffered a decline in turnover of at least 30% due to COVID-19.

The Scheme is broadly based on the previous Commercial Tenancy Relief Scheme that was introduced in 2020, with the objective of supporting tenants and landlords to negotiate in good faith to reach an agreement on rent relief in a timely manner.

[The Victorian Small Business Commission \(VSBC\)](#) will provide support to tenants and landlords through a free mediation service to assist parties in reaching a fair and satisfactory agreement.

Business Costs Assistance Program Round Three 19 and 22 August 2021 Top-Up

Additional payment for businesses that were recipients of the Business Costs Assistance Program Round Two or the Business Costs Assistance Program Round Two July Extension.

The Business Costs Assistance Program Round Three 19 and 22 August Top-Up provides an additional \$5600 to eligible small to medium businesses. This additional support was announced on [19 August 2021](#) for businesses in metropolitan Melbourne and was extended to regional Victorian businesses on [22 August 2021](#).

Successful recipients of the [Business Costs Assistance Program Round Two](#) or the [Business Costs Assistance Program Round Two July Extension](#) will receive the top-up, which will be processed and paid automatically.

Individuals who have lost income or hours due to the lockdown may be eligible for financial support through the Commonwealth Government's [COVID-19 Disaster Payment](#).

Business Costs Assistance Program Round Three

On Friday 6 August 2021, the Victorian Government announced an additional automatic payment for successful recipients of the Business Costs Assistance Program Round Two and the Business Costs Assistance Program Round Two July Extension.

The Business Costs Assistance Program Round Three provides additional support to eligible small to medium businesses in sectors affected by the current restrictions in metropolitan and regional Victoria.

Successful recipients of the [Business Costs Assistance Program Round Two](#) and the [Business Costs Assistance Program Round Two July Extension](#) will receive an additional \$2800.

Business Continuity Fund

The Business Continuity Fund supports businesses in 24 sectors that were affected by additional capacity limits when reopening in late July 2021 under COVID-19 restrictions.

The Business Continuity Fund provides a \$5000 payment to businesses in 24 sectors that were affected by additional capacity limits when reopening in late July 2021 under COVID-19 restrictions.

This payment is in addition to the Business Costs Assistance Program July Top-Up payments announced on 16 and 21 July 2021, and the Business Costs Assistance Program Round Three payment announced on 6 August 2021.

The payment will go to recipients of the [Business Costs Assistance Program Round Two](#) and the [Business Costs Assistance Program Round Two July Extension](#) who are in [24 sectors](#) that were affected by capacity limits when reopening in late July 2021 under COVID-19 restrictions.

Businesses in Melbourne's CBD that receive a Business Continuity Fund payment will receive an additional \$2000 payment.

Licensed Hospitality Venue Fund 2021 – Top-Up payments and CBD Payment

Successful recipients of the Licensed Hospitality Venue Fund 2021 and Licensed Hospitality Venue Fund 2021 July Extension are eligible for automatic top-up payments.

The Victorian Government has announced additional, automatic payments for businesses that have received the [Licensed Hospitality Venue Fund 2021](#) or [Licensed Hospitality Venue Fund 2021 July Extension](#).

The additional, automatic payments are:

- A top-up payment of \$3000 [announced on 16 July 2021](#).
- A top-up payment of \$4200 [announced on 21 July 2021](#).
- A top-up payment of between \$5000 and \$20,000, based on patron capacity, [announced on 28 July 2021](#).
- An additional \$2000 payment for premises located in the CBD, [announced on 28 July 2021](#).
- A top-up payment of between \$5000 and \$20,000, based on patron capacity, [announced on 6 August 2021](#).
- A top-up payment of between \$5000 and \$20,000, for business in metropolitan Melbourne based on patron capacity, [announced on 12 August 2021](#).
- A top-up payment of between \$10,000 and \$40,000, based on patron capacity. This was announced for premises located in metropolitan Melbourne on [19 August 2021](#) and extended to regional Victorian premises on [22 August 2021](#).

Patron capacity will be as reflected on the liquor licence for the premises in July 2021.

The payments will be processed automatically by Business Victoria.

Each payment will be made separately.

21 July 2021 Top-Up Payment

On Wednesday 21 July 2021, the Victorian Government announced another top-up payment for successful recipients of the Business Costs Assistance Program Round Two and the Licensed Hospitality Venue Fund 2021.

The 21 July 2021 Top-Up Payment provides additional support to eligible small to medium businesses in sectors affected by the current restrictions in metropolitan and regional Victoria.

This payment is additional to the 16 July 2021 Top-Up Payments.

Successful recipients of the [Business Costs Assistance Program Round Two](#) will receive an additional \$2800, and successful recipients of the [Licensed Hospitality Venue Fund 2021](#) will receive an additional \$4200. These payments will be processed automatically in July 2021.

Investment Fast-Track Fund

The aim of the Fund is to attract new investment, create new jobs and retain existing jobs in regional Victoria

Part of the Regional Jobs and Infrastructure Fund, the Investment Fast-Track Fund will focus on funding activities that will mobilise strategic investment projects through fast-track of business case development and planning for medium to longer term projects in regions, and increase the pipeline of investment ready projects, with a focus on leveraging private investment, boosting employment and improving the liveability of rural and regional Victoria.

Previously referred to as the Accelerating Readiness Fund, the Investment Fast-Track Fund provides Victorian Government financial assistance for activities that will fast-track achievement of an evidence base for their project in order to support and confirm investment readiness.

Funded activities will be considered on the basis of the resultant project's strategic importance for rural and regional communities including driving economic growth and prosperity for Victoria.

Jobs Victoria Fund

If you are a Victorian employer ready to hire new staff, the Jobs Victoria Fund can financially support you to employ people who have been most affected by the economic impacts of the pandemic.

The Jobs Victoria Fund is providing \$250 million in wage subsidies to assist Victorian businesses to employ at least 10,000 people who are looking for work.

If you are a Victorian employer ready to hire new staff, the Jobs Victoria Fund can financially support you to employ people who have been most affected by the economic impacts of the pandemic.

Small Business Energy Saver Program

Supporting Victorian small business upgrade to energy efficient equipment

The Small Business Energy Saver Program is supporting Victorian small business owners to save on energy efficient equipment. It will deliver \$5 million in discounts to small businesses across Victoria who upgrade to energy-efficient equipment. Through this program, your small business can reduce running costs and greenhouse gas emissions.

On-Farm Energy Tier 2 Grants

Support for businesses to make connected energy improvements across a farm systems

The On-Farm Energy Tier 2 grants are available to eligible primary producers until 15 December 2021.

The Victorian Government will provide \$50,000 to \$250,000 (excluding GST) per grant for On-Farm Energy Tier 2 grants.

Applicants are required to have a valid on-farm energy assessment conducted in the past two years to access Tier 2 grants available under the Agriculture Investment Energy Plan (AEIP).

On-Farm Energy Tier 1 Grants

Supports farms to replace energy inefficient equipment, install more energy efficient systems and enable own-generation capacity.

The On-Farm Energy Tier 1 grants are available to eligible primary producers until 15 December 2021.

The Victorian Government will provide grants between \$20,000 and \$50,000 for On-Farm Energy Tier 1 grants.

Applicants are required to have a valid On-Farm Energy Assessment conducted in the past two years to access Tier 1 grants available under the Agriculture Investment Energy Plan (AEIP).

Agriculture Energy Investment Plan

Free on-farm energy assessments and on-farm energy grants as part of implementing the \$30 million Agriculture Energy Investment Plan

Agriculture Victoria has rolled out free on-farm energy assessments and on-farm energy grants as part of implementing the \$30 million Agriculture Energy Investment Plan.

The Agriculture Energy Investment Plan (AEIP) supports on-farm businesses to improve energy efficiency, manage energy costs, improve energy reliability and support own-generation capacity.

Regional Jobs Fund

The aim of the Fund is to attract new investment, create new jobs and retain existing jobs in regional Victoria

The Regional Jobs Fund looks to support projects which create employment opportunities across industry sectors where regional competitive advantage exists. This includes, but is not limited to:

- food and fibre
- advanced manufacturing
- professional services
- new energy technology
- medical technology, life sciences and healthcare
- transport, defence and construction technology.

COVIDSafe Deep Cleaning Rebate

Rebates to help businesses cover the cost of cleaning after closing a worksite due to a suspected or confirmed coronavirus (COVID-19) case

The COVIDSafe Deep Cleaning Rebate is available for small and medium-sized businesses, where anyone suspected or confirmed to have coronavirus (COVID-19) has been on the premises or worksite when they may have been infectious.

The rebate will help eligible businesses cover the cost of hiring professional cleaning services to conduct a 'deep clean' or 'decontamination clean' of their premises or worksite. This will help businesses prevent further transmission of coronavirus (COVID-19), and reduce their out-of-pocket cleaning expenses.

The rebate will cover up to 80 per cent of the cleaning costs at each worksite, capped at a grant of \$10,000 (for a total cleaning cost of \$12,500).

Businesses that have received funding from other initiatives under the Victorian Government's Economic Survival Package and Business Support Package are also eligible to apply for this program.

Business recovery and resilience mentoring

The Victorian Government is partnering with the [Victorian Chamber of Commerce and Industry](#) (VCCI) to deliver a business mentoring program to help small businesses navigate the economic challenges posed by restrictions to help slow the spread of COVID-19.

Through this program, eligible business owners can receive up to four 2-hour mentoring sessions with an experienced professional who will help them make informed decisions about the future of their business.

The program offers tailored guidance on:

- **Business recovery** - to strengthen business recovery (cost reduction, debt and cashflow management)
- **Market transformation** - to understand how COVID-19 has triggered or accelerated market changes
- **Digital literacy and engagement** - to help businesses reach new customers and markets
- **Market and supply chain diversification** - to reduce exposure to supply chain risks
- **Reskilling and retraining** - to help businesses upskill their existing workforce

Wellbeing and Mental Health Support for Victorian Small Businesses

Providing mental health support to Victorians dealing with the challenges of running a small business to help them navigate through the impacts of coronavirus (COVID-19).

Through this program, Victorians dealing with the challenges of running a small business can get the mental health support they need to navigate through the impacts of COVID-19.

Current support under this program includes:

- [Partners in Wellbeing](#) telephone helpline [1300 375 330](tel:1300375330) (Monday to Friday 9am–10pm, Saturday to Sunday 9am–5pm, public holidays 9am–5pm):

If you're worried about your business, Partners in Wellbeing helpline provides one-to-one wellbeing support and free access to financial counsellors and business advisors.

Partners in Wellbeing Helpline

Personal support, business advice and financial counselling

It's only normal in these challenging times for small business owners to sometimes feel stressed or overwhelmed. Managing a business, staff and your day-to-day life can add a lot of pressure.

It's also normal – and important – to get support when you need it.

And it's now easy to do. The [Partners in Wellbeing Helpline](#) is a confidential, one-on-one service providing support for small business owners and employees through trained wellbeing coaches, financial counsellors and business advisers.

It's free and there for you seven days a week.

The Partners in Wellbeing Helpline number is [1300 375 330](tel:1300375330).

Operating hours

Monday–Friday: 9am–10pm

Saturday–Sunday: 9am–5pm

A jointly funded package from the Commonwealth and Victorian Governments was announced 28 July 2021 to provide Victorian small and medium businesses with extra support and confidence to recover.

The Victorian Business Support Package delivered an additional \$400 million in support to thousands of businesses, with funding split 50/50 between the Commonwealth and Victorian Government.

The package included \$85 million Small Business COVID Hardship Fund and \$156 million Business Continuity Fund, as well as delivering support for commercial tenants and landlords.

It also built on Victorian Government support for licenced hospitality and alpine venues, with \$70 million for the Licensed Hospitality Venue Fund 2021 and \$9.8 million for Alpine Business Support.

The programs are being administered by the Victorian Government.

Commonwealth Government Support

SME Recovery Loan Scheme

The Commonwealth Government's SME Recovery Loan Scheme is designed to provide continued assistance to SMEs that are dealing with the economic impacts of COVID-19.

The Commonwealth Government's SME Recovery Loan Scheme provides eligible small and medium enterprises (SMEs) access to loans of up to \$5 million over a term of up to 10 years.

The Scheme is designed to provide continued assistance to small and medium enterprises that are dealing with the economic impacts of COVID-19.

As announced by the Commonwealth Government on [25 August 2021](#), SMEs are no longer required to have received JobKeeper during the March quarter of 2021, or to have been a flood affected business, to be eligible for the SME Recovery Loan Scheme.

Further information about the SME Recovery Loan Scheme can be found on the [Treasury website](#).

Pandemic Leave Disaster Payment

Pandemic Leave Disaster Payment is a lump sum payment to help people during the 14 days you need to self-isolate, quarantine or care for someone. If you need longer term help, check to see what other payments you may be eligible to get by using our [payment guide](#).

9.5 Port Of Echuca Beneficial Enterprise Implementation

Author	Department	Manager	General Manager
CEO	Office of the CEO		Chief Executive Officer

1. SUMMARY

In April 2021, Council considered an update on the progress to date, by Cloudstreet Economics, on several reports focused on the Port of Echuca and adopted 'in principle' the Port of Echuca Precinct Integrated Manager Model (Beneficial Enterprise) as the preferred future management model for the Precinct as well as authorised the CEO to commence investigation of any outstanding matters supporting the implementation of the Integrated Manager Model.

This update presents the Beneficial Enterprise Structure Implementation Plan and Key Principles of Initial Transition that outline responsibilities and obligations of Council and the Beneficial Enterprise in relation to the completion of Transition Planning required (up to 30 June 2022) to support the completion of a transfer of Business Activities to the Beneficial Enterprise on 1 July 2022.

An addition, this report seeks Council approval to direct the CEO to commence the implementation and initial transition of the Beneficial Enterprise, including registration and commencement of the recruitment process for the Board of Management in line with Dr David Cochrane's report.

2. RECOMMENDATION

That Council:

1. **Adopt the Beneficial Enterprise Structure Implementation Plan and Key Principles of Initial Transition attached.**
2. **Direct the Chief Executive Officer to commence implementation of a Beneficial Enterprise approach to the management of the Port Precinct consistent with the Beneficial Enterprise Structure Implementation Plan and Key Principles of Initial Transition, including commencement of the recruitment process for the Board of Management.**
3. **Approve the name of the Beneficial Enterprise for Registration purposes to be 'Campaspe Port Enterprise' and direct the Chief Executive Officer to complete the registration process..**
4. **Approve a selection panel for the recruitment of Board Directors comprising Cr....., the Chief Executive Officer, Mr Michael Delahunty and a nominee of the Board of the Bendigo Trust.**

3. PURPOSE

To adopt the Beneficial Enterprise Structure Implementation Plan and Key Principles of Initial Transition and commence implementation in line with the Plan for the establishment of an Integrated Manager Model of Management (Beneficial Enterprise) for the Port of Echuca known as the 'Campaspe Port Enterprise'.

4. DISCUSSION

Background

At its April 2020 meeting, Council considered a report from the Port Precinct Working Group (PPWG), which had comprised three Echuca Moama Alliance and three Council representatives.

Council's response to the report included the following actions:

- *Reserve its position with respect to a preferred management model until a further report is prepared and presented to it by the Chief Executive Officer.*
- *Direct the Chief Executive Officer to develop an additional management model for Council's consideration that closely approximates an 'arm's length from council' approach (e.g. a Division with full delegations to operate independently of the Council but accountable to the CEO).*
- *The model developed to canvass management of all of the Council's functions, assets, activities and responsibilities within the Precinct (e.g. leases, financial management, commercial activities including boats, tourism and activation).*

At its August 2020 meeting, Council considered a report that advised that the CEO had appointed Cloudstreet Economics to conduct an independent review of the current management structure, a Not for Profit model as proposed by PPWG, and an arm's length council management model.

The review addressed structures, business models, staffing requirements, key responsibilities and financial forecasts as well as outline any likely 'subsidy' that the operation of each model would leave for the community (Council) to 'pay'.

Council directed the CEO to obtain further and definitive advice

..... with respect to an Independent Not for Profit Body and a Beneficial Enterprise's:

- a) legal structure;*
- b) ability to assume Committee of Management responsibility for Crown Land;*
- c) ability to take on their own industrial relations and associated responsibilities;*
- d) compliance with Council obligations (Local Government Act, Policies & Procedures, State reporting etc.).*
- e) liability to indirect taxes (State and Australia) and direct taxes*

At its January 2021 meeting Council determined:

That:

- 1. Council note the timeframe for delivery of the additional report.*
- 2. The CEO arrange an externally facilitated workshop, for Councillors and relevant Senior Staff, to consider the advice and recommendations contained within the suite of Cloudstreet reports.*
- 3. The Administration present a report to Council as soon as practicable thereafter, canvassing matters raised in the workshop and recommending how best to progress 'change' in the management and delivery of Council owned/managed services at the Port.*

Cloudstreet Economics review of the economic contribution of Council's tourism related activities in the Port of Echuca to the local/regional economy, was delivered in February 2021.

Dr David Cochrane then conducted separate workshops with councillors and members of the executive, plus a joint workshop to consider next steps.

At its April 2021 meeting Council determined:

That Council:

- 1. Adopt in principle the Port of Echuca Precinct Integrated Manager Model (Beneficial Enterprise) as the preferred future management model for the Precinct.*

2. Authorise the CEO to commence investigation of any outstanding matters supporting the implementation of the Integrated Manager Model.
3. Authorise the CEO to make a copy of the February 2021 report by Cloudstreet Economics, subject to the removal of any commercial in confidence information, available on Council's website for community information.
4. Direct the CEO to develop a scope/request for tender to commission targeted market research to gain a better understanding of the Precinct's tourism market; including consideration of visitor expectations and visitation drivers along with the identification of current and potential market segments and demand.
5. Progress its further consideration of the Port of Echuca operations within a broader 'Bridge to Bridge' precinct as outlined in this update.

In support of furthering Council's resolution in particular in relation to items 1 and 2, Dr David Cochrane then prepared the Beneficial Enterprise Structure Implementation Plan and Key Principles of Initial Transition which outline responsibilities and obligations of Council and the Beneficial Enterprise in relation to the completion of Transition Planning required (up to 30 June 2022) to support the completion of the transfer of Business Activities to the Beneficial Enterprise on 1 July 2022.

5. OPTIONS

Option 1: Adopt the Beneficial Enterprise Structure Implementation Plan and Key Principles of Initial Transition and commence implementation and transition.

The Realising the Port of Echuca Precinct Potential – Consideration of Options for the Future Management of the Port of Echuca Precinct investigated future management models for the Port of Echuca. The report noted the preferred model, as being the Port of Echuca Integrated Manager Model, but highlighted a number of implementation matters that required clarification. These matters have now been addressed and an implementation plan prepared to support establishment and transition to the new Beneficial Enterprise.

This option is recommended by officers.

Option 2: Not adopt the Beneficial Enterprise Structure Implementation Plan and Key Principles of Initial Transition and retain the existing management approach.

Significant investigation and analysis have preceded this report. Not seeking to progress an alternative management model for the Port of Echuca Precinct would likely prevent any realisation of the financial and economic benefits, and increased opportunity for innovation, within the precinct as is capable under the Beneficial Enterprise approach.

This option is not recommended by officers.

6. CONSULTATION

External:

- 23 06 2021 Better Regulation Victoria.

Councillors:

- 08 09 2021 Council Briefing Session.

7. POLICY AND LEGISLATIVE IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no Council Policy and relevant law has been identified within this report. Dr David Cochrane's reports outline the legislative implications and benefits of pursuing the Beneficial Enterprise management model for the Port of Echuca Precinct.

In addition Better Regulation Victoria were consulted in relation to competitive neutrality and have affirmed that a public interest test is not needed at this time.

8. FINANCIAL AND ECONOMIC IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no economic sustainability issues for the municipality have been identified within this report.

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no issues of ongoing financial viability of the Council have been identified within this report.

9. ENVIRONMENTAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no environmental sustainability issues including mitigation and planning for climate change risks have been identified within this report.

10. SOCIAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no social implications for the municipality have been identified with this report.

11. RELEVANCE TO COUNCIL PLAN 2017-2021

Responsible Management

- Enable the delivery of services, facilities and programs to the community through sound corporate governance and fiscal responsibility.

12. ISSUES AND RISK MANAGEMENT

Issues:

Dr David Cochrane's reports outline the financial and economic implications and benefits of pursuing the Beneficial Enterprise management model for the Port of Echuca Precinct.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

13. CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, the officer preparing this report declares no conflict of interest regarding this matter.

14. CHARTER OF HUMAN RIGHTS

This Report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of *Human Rights and Responsibilities Act 2006*.

15. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer in so far as this report is not contrary to existing policy or strategy previously adopted by Council.

16. ATTACHMENTS

1. Beneficial Enterprise Structure Implementation Plan and Key Principles of Initial Transition [**9.5.1** - 31 pages]

**KEY PRINCIPLES FOR THE AGREEMENT BETWEEN CAMPASPE SHIRE COUNCIL AND THE
PORT OF ECHUCA BENEFICIAL ENTERPRISE (NewCo)**

INITIAL TRANSITION AGREEMENT

AUGUST 2021

BASE ASSUMPTIONS

BASE ASSUMPTIONS

- The Beneficial Enterprise, referred to as NewCo has been established.
- The company name of NewCo has been determined by Council, with the incorporation documentation being in this name.
- Once the corporate name of NewCo has been determined, the use of NewCo will be replaced with this name in this document.
- The Board of Directors of NewCo, including the Chair, have been appointed.

KEY PRINCIPLES OF THE INITIAL TRANSITION AGREEMENT

1. PURPOSE OF THE AGREEMENT

- To outline responsibilities and obligations of Council and NewCo in relation to the completion of Transition Planning required (up to 30 June 2022) to support the completion of the expected transfer of Business Activities to NewCo on 1 July 2022.

2. INCLUSIONS AND EXCLUSIONS OF AGREEMENT

- The Beneficial Enterprise Structural Implementation Plan is included in Schedule 2. This Plan outlines the Business Activities which are to be transferred to NewCo along with those that are to be retained by Council while also outlining the activities that are required to be completed by Council and NewCo to facilitate the transfer of these Business Activities.

3. RELATIONSHIP

- NewCo is a Beneficial Enterprise established under the Local Government Act, with NewCo being a corporate entity which is a subsidiary of Council.
- As a subsidiary, NewCo is accountable to Council as the sole shareholder.
- Council is responsible for the appointment of NewCo Directors and Chair.
- NewCo Chair and Directors are to be independent of Council and are not to be involved in business activities that would represent a Conflict of Interest with NewCo planned Business Activities.

4. TERM OF AGREEMENT

- This agreement shall commence on appointment of the Directors and concludes on 30 June 2022 or earlier based on the timing of the transfer of the Business Activities.

**KEY PRINCIPLES FOR THE AGREEMENT BETWEEN CAMPASPE SHIRE COUNCIL AND THE
PORT OF ECHUCA BENEFICIAL ENTERPRISE (NewCo)**

INITIAL TRANSITION AGREEMENT

AUGUST 2021

- If the obligations under this Initial Transition Agreement have not been delivered within the identified timeframe, Council at its discretion can determine to extend this Initial Transition Agreement for a period specified by Council, but which cannot exceed an extension of more than 6 months.
- At conclusion, the agreement is expected to be replaced with a long-term Service Level Agreement between Council and Newco.

5. FINANCIAL COMMITMENT OF COUNCIL

- Council will provide funds required to assist in the transition of the PoEP business activities to NewCo for the period of this agreement with this expected to include reimbursement of expenses for:
 - Director fees
 - GM salary and other employment costs
 - Other associated establishment costs (e.g. legal fees, administrative costs etc).
- An Initial Transition Budget for the period of this Initial Transition Agreement (to 30 June 2022) is to be prepared within one month of the appointment of the Directors by Council, with this budget approved by Council.
- The preparation of this Initial Transaction Budget is to take into consideration the requirements of the Beneficial Enterprise Structural Implementation Plan (Schedule 2) along with the NewCo obligations included in this agreement.
- This Initial Transition Budget will include the allowance for the provision of working capital funding for NewCo (upon the establishment of NewCo banking arrangements).
- Payments will be made as required based on the confirmed budget, with Council's CEO having expense reimbursement approval rights.

6. RIGHTS AND OBLIGATIONS OF COUNCIL and NEWCO

- The Beneficial Enterprise Structural Implementation Plan (Schedule 2) details the key activities required to facilitate the establishment of NewCo and preparation for transfer of the Business Activities to NewCo, with the activities to be completed by either Council or NewCo. Determination of the responsibility and timetable for the completion of these identified activities is to be resolved within one month of the appointment of the Chair and Directors, with this being completed jointly by Council and NewCo.

6.1. RIGHTS AND OBLIGATIONS OF COUNCIL

6.1.1. RIGHTS OF COUNCIL

- Council has the right to reasonably terminate this agreement at any time under the conditions outlined in Section 9.

**KEY PRINCIPLES FOR THE AGREEMENT BETWEEN CAMPASPE SHIRE COUNCIL AND THE
PORT OF ECHUCA BENEFICIAL ENTERPRISE (NewCo)**

INITIAL TRANSITION AGREEMENT

AUGUST 2021

- Council has the right to receive updates on the activities of NewCo from its Chair along with the right to have the Chair respond to specific enquiries on the progress of completing the obligations under this agreement of NewCo.
- Council is required to direct such enquiries to the Chair and not other employees of NewCo.

6.1.2. OBLIGATIONS OF COUNCIL

- Appointment of the Chair and the Board Directors of NewCo in a timely manner (as outlined in Schedule 1).
- Provision of the financial resources required to enable the completion of the obligations of NewCo under this agreement, with these financial resources based on the agreed Initial Transition Budget.
- Provision of support, as required, to NewCo to facilitate the transfer of the Business Activities to NewCo on 1 July 2022, including not unreasonably withholding endorsement of the required documentation (e.g. Transition Corporate Plan, Transition Budget).
- Not entering into any agreement or supporting any activity which would adversely impact on the operations of the Port of Echuca Precinct prior to the transfer of the Business Activities.
- Inform and consult with NewCo on proposed Council initiatives or works planned for the area in and surrounding the Port of Echuca Precinct.
- Provide NewCo with access to the Business Activities during the period of this agreement (in an observer capacity) along with providing NewCo with access to the past management records and reports for these Business Activities

6.2. RIGHTS AND OBLIGATIONS OF NEWCO

6.2.1. RIGHTS OF NEWCO

- The NewCo Chair and Board of Directors will effectively operate in an Advisory Capacity to Council for the term of this SLA (i.e. to 30 June 2022) in that:
 - NewCo can make recommendations to Council on the identified areas of Business Activity, with Council being the final decision maker
 - NewCo will be responsible for fulfilling the requirements detailed in 8 and 9 below, with Council having final approval authority.
- As a separate corporate entity, NewCo will be responsible for its day-to-day activities, will control its own management structure and manage all of its financial obligations and statutory obligations. As a subsidiary of Council, NewCo will also be accountable to Council for the satisfactory completion of these obligations.
- NewCo has a right to expect Council to provide the support required to enable NewCo to complete the obligations required under this agreement and the Beneficial Enterprise Structural Implementation Plan (Schedule 2).

**KEY PRINCIPLES FOR THE AGREEMENT BETWEEN CAMPASPE SHIRE COUNCIL AND THE
PORT OF ECHUCA BENEFICIAL ENTERPRISE (NewCo)**

INITIAL TRANSITION AGREEMENT

AUGUST 2021

6.2.2. OBLIGATIONS OF NEWCO

- It is the responsibility of NewCo to complete the following during the term of this Agreement:
 - Appointment of the NewCo General Manager (with agreement of Council on the appointee)
 - Development of the Transition Corporate Plan (covering the initial transition period after Business Activity transfer to NewCo, being from 1 July 2022 to 30 June 2023 along with the period beyond this), with this including:
 - Specification of the Governance framework
 - Identification of key issues and approaches to resolution
 - Workforce structure and incentivisation
 - Product development strategy
 - Marketing strategy
 - Stakeholder management plan
 - NewCo performance measures and targets
 - Budget and financial forecast with the budget covering the year to 30 June 2023 and a financial forecast covering the following three years
 - Specification of a first year (i.e. to 30 June 2023) activity plan
 - Development of long-term SLA between the Council and NewCo covering the Business Activities to be transferred to NewCo, including individual party obligations, reporting structure and performance measures
 - Development of the SLA required between NewCo and the CoM for the CoM responsibilities which will be assumed by the BE for the Public Open Spaces/Places on Crown Land
 - Sourcing of the required staffing (to commence on 1 July 2022).
- Development and establishment of the long-term lease agreements between DELWP (via the CoM) and NewCo for assets on Crown Land.
- Item 7 below also details a number of activities which are required to be completed prior to the identified Council business activities transferring to NewCo (on 1 July 2022).
- The above key documents and reports are to be submitted to the Council (via the CEO) for final review and endorsement.
- Schedule 1 outlines the timetable for the provision of these key deliverables.

7. REQUIREMENTS TO FACILITATE BUSINESS TRANSFER

- NewCo is to put in place all necessary requirements to facilitate the transfer of the identified Council Business Activities to NewCo (as outlined in the Beneficial Enterprise Structural implementation Plan (Schedule 2)), with this including:

**KEY PRINCIPLES FOR THE AGREEMENT BETWEEN CAMPASPE SHIRE COUNCIL AND THE
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INITIAL TRANSITION AGREEMENT

AUGUST 2021

- Establishing of accounting and reporting processes and systems
- Establishment of management reporting framework
- Establishing of banking arrangements
- Employment of the required staff to support the businesses
- Completion of required registrations (e.g. GST)
- Established of insurances for the Business Activities assets and operations.
- The transfer is to be completed on 1 July 2022 provided these requirements are satisfied.
- Council will be the sole arbiter of the satisfaction of these requirements based on a report from and the recommendation of the Council CEO.

8. REPORTING REQUIREMENTS

- Submission to Council by NewCo of the key deliverables detailed in Schedule 1.
- Completion of the regular reporting obligations to Council by NewCo of the details in Schedule 1.

9. CESSATION OF AGREEMENT

- This agreement will be valid until 30 June 2022 or such other time as outlined in Section 4, unless:
 - both parties agree to terminate the agreement
 - NewCo becomes insolvent within the meaning of Corporations Law
 - Council or NewCo is not able to exercise their rights or fail to meet their obligations under Sections 6 and 7 of this agreement.

**KEY PRINCIPLES FOR THE AGREEMENT BETWEEN CAMPASPE SHIRE COUNCIL AND THE
PORT OF ECHUCA BENEFICIAL ENTERPRISE (NewCo)**

INITIAL TRANSITION AGREEMENT

AUGUST 2021

SCHEDULE 1: KEY DELIVERABLES

Deliverable	Measure	Timeframe
Completed Activities		
Completed activities included: <ul style="list-style-type: none"> - Determination of the company name - Company registration and establishment - Recruitment of Board progressed 	Completion of these activities is required no later than 30 September	30 September 22
Transition Activities and Processes		
Appointment of NewCo Directors and Chair	Appointment by Council	30 October 22
Determination of the responsibility and timetable for the completion of the identified activities in the Beneficial Enterprise Structural Implementation Plan (Schedule 2)	To be completed jointly by Council and NewCo within 30 days of Director appointments	30 November 22
Preparation and submission of the Initial Transition Budget	Submission to Council for approval within 30 days of Director appointments	30 November 22
Recruitment of NewCo General Manager	Appointment of GM	31 December 22
Development of Corporate Plan	Submission to Council	30 April 22
Development of Budget to support the Corporate Plan	Submission to Council	30 April 22
Completion of long term SLA between Council and NewCo	Completion of Draft for approval by Council	31 May 22
Completion of SLA between NewCo and the relevant Crown Land CoM	Completion of Draft for approval by Council	31 May 22
Preparation of lease agreement between NewCo and DELWP for the assets on Crown Land where NewCo assumes responsibility	Completion of Draft for approval by CoM and DELWP	31 May 22

**KEY PRINCIPLES FOR THE AGREEMENT BETWEEN CAMPASPE SHIRE COUNCIL AND THE
PORT OF ECHUCA BENEFICIAL ENTERPRISE (NewCo)**

INITIAL TRANSITION AGREEMENT

AUGUST 2021

Deliverable	Measure	Timeframe
Transfer of Port of Echuca Business Activities and information to NewCo	Effecting of transfer	1 July 22
Financials and Reporting		
Monthly reporting of performance against approved Initial Transition Budget	Submission of monthly financial report to Council CEO	Within 30 days of month end
Monthly invoicing for expense reimbursement	Submission of invoice to Council	Within 30 days of month end
Reporting to Council of progress in delivering on obligations under this agreement	Submission of quarterly reports to Council CEO	Quarterly reporting

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Campaspe Shire Council

Port of Echuca Precinct

Beneficial Enterprise Structure Implementation Plan

July 2021

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Port of Echuca Precinct

Beneficial Enterprise Structure Implementation Plan

June 2021

NOTE:

1. *For the purposes of this paper, the new Beneficial Enterprise will be referred to as NewCo.*
2. *The following addresses the legislative/structural matters for consideration. It does not consider the operational matters including recruitment of staff.*

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SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

A. GOVERNANCE

The principles of the Governance Structure are as follows:

Area	PoEP Manager Model
Legal Structure	<ul style="list-style-type: none"> ▪ Beneficial Enterprise under Section 110 of the <i>Local Government Act 2020</i>.
Entity owner/shareholder	<ul style="list-style-type: none"> ▪ Council
Shareholder responsibility	<ul style="list-style-type: none"> ▪ Council will be the sole member of NewCo holding the only shares in NewCo ▪ Council has the right to appoint the directors of NewCo ▪ Council will approve the NewCo Strategy Plan and Budget ▪ Council will commission the completion of an annual Performance Audit of NewCo based on established performance requirements
Board of Directors Appointment and Structure	<ul style="list-style-type: none"> ▪ Independent skills-based Board (remunerated) of 6 Non-Executive Directors (including the Chair) ▪ Director appointments controlled by Council (as shareholder) ▪ Board members will be appointed on 4 year terms, with reappointment up to a maximum of 8 years (noting that initial appointments would be for a combination of 2 and 4 years) ▪ Once established, one-half of the directors will retire every two year but may offer themselves for re-election (if eligible) ▪ The Board would also establish relevant sub-committees (particularly an Audit, Risk and Finance sub-committee required to support good governance).
Role and accountability of the Board	<ul style="list-style-type: none"> • The Board is responsible for setting strategic direction, monitoring performance and business development • The Board is accountable to the Council (with the CEO as the appointed representative of the shareholder).
Board Charter	<ul style="list-style-type: none"> • Has a constituent document that provides objectives based on Council requirements which include: <ul style="list-style-type: none"> ○ Financial sustainability ○ Economic development ○ Social responsibility.

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	PoEP Manager Model
Management of Conflicts of Interest	<ul style="list-style-type: none"> • Policies and procedures will be established to appropriately manage any actual or potential conflicts as they arise between directors and the objectives of the organisation • This would require the director to disclose the relevant interest and, if appropriate, for the director to not participate in or vote on that matter • Board must be independent of Council/Councillors and local industry representatives.
Port Manager GM responsibility and accountabilities	<ul style="list-style-type: none"> • Appointed by the Board • Reports to the Chair of the Board.

Based on this some of the Key Governance Activities would include:

Area	Activity	Responsibility	Timing
Governance Structure	Document Governance Structure for approval by Council		
Board Charter	Development of Board Charter		
Conflict of Interest Policy	Development of Conflict of Interest Policy and associated Director declarations		

Also refer to other sections of this report, which details a number of other associated governance implementation requirements.

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

B. AREAS OF ACTIVITY

The identified areas of activity/assets to be transferred to NewCo are outlined in the following.

(Note: This needs to be reviewed and confirmed by Council to ensure it reflects current thinking, and SLA updated if/as required.)

Area	Management Responsibility	Asset Ownership
▪ Tourism Services		
Discovery Centre (including cargo shed and wharf)	NewCo	Council
Museum	NewCo	Council
Kotta Station	NewCo	Council
Strathmerton Station	NewCo	Council
Steam Shed (including contents)	NewCo	Council
Popup Park	NewCo	Council
Wet dock (noting that the wreck in the wet dock is not owned by Council, although the actual owner has not been identified)	NewCo	Council
Allison Barge Walk	NewCo	Council
While NewCo will be responsible for facilities maintenance for the Tourism Assets (to Council requirements), as the facilities are on Crown Land, Council will retain CoM responsibility.		
▪ Paddlesteamer Services and Moorings		
PS Pevensey	NewCo	NewCo
PS Alexander Arbuthnot	NewCo	NewCo (unless Council leases to a third party)

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	Management Responsibility	Asset Ownership
PS Adelaide	NewCo	NewCo
D26 Barge	NewCo	NewCo
Moorings	NewCo	Council
Public Open Spaces/Places		
Aquatic Reserve (inside the levee)	Council responsible for maintenance and retention of booking responsibility NewCo will take a lead in activation and is able to book a venue through the normal booking procedures with Council. The open space must remain available to the public when it is used for events if appropriate.	Council
Onion Patch, Aquatic reserve area outside of the levee bank to the river		
Pump House car park		
St Georges Hall		
Hopwood Gardens		
Council retains responsibility for the Public Open Spaces of the Precinct and will retain Committee of Management responsibility for areas designated as Crown Land. Council will establish an SLA for services to be provided by NewCo as part of Council CoM responsibilities.		
Property and Buildings - Commercial		
Star Hotel - leased – <i>expires 2027</i>	Council	Council
Former Permewan Wright Offices Building – leased – <i>expires 2027</i>	Council	Council
Telley House – leased – <i>expires 2027</i>	Council	Council
Bridge Hotel – leased – <i>expires 2037</i>	Council	Council
Shackell Bond Store – leased - <i>expires 2038</i>	Council	Council
Shackell Bond Store Shop 1 – 2 year licence to 3/22	Council	Council

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	Management Responsibility	Asset Ownership
Kiosk both upstairs (café) and the wings down stairs (building recently refurbished and currently unoccupied)	Council	Council (as it is on Crown Land)
Pump House Building (Aquatic Reserve) - leased	Council	Council (as it is on Crown Land)
The above represents to original intention for the commercial leases, which was for NewCo to assume ownership and responsibility for these freehold assets. However, this approach has since been subject to further discussion and is still to be resolved.		
▪ Artisan Buildings and Agreements		
Photo Wagon in Murray Esplanade – leased space -- asset not owned by Council	NewCo	Third Party
Horse and wagon in Murray Esplanade – operating licence/permit	NewCo	Third Party
Blacksmith – 1 year licence	NewCo	Council
Atelier - leased	NewCo	Council
Strathmerton Station (Artist) – 3 year licence to 2022	NewCo	Council
Customs House (Artist) – 2 year licence to 3/22	NewCo	NewCo
▪ Art Precinct Buildings		
Foundry	Council	Council
Murray Hotel	Council	Council
Brothel including Little Leslie Street	Council	Council
Responsibility for these Arts Precinct assets remain with Council as the Arts Precinct is currently being further developed. Council has indicated that the assets could be transferred to the NewCo. Upon completion of this development. Such a transfer could also occur at the time of establishment of NewCo..		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Based on the above framework, key activities include:

Area	Activity	Responsibility	Timing
Freehold Leases Asset Ownership	1. Confirmation that Freehold assets and associated leases are to be retained by Council.		
Paddlesteamer Assets	1. Confirmation EPS asset and Paddlesteamers to be transferred to NewCo 2. Determination of timing of transfer (dependent on availability of paddlesteamers for service provision) 3. Negotiation of potential lease of PS Alexander Arbuthnot to third party.		
CoM lease to NewCo structure	1. Confirmation of areas of PoEP Crown Land assets which are to be leased to NewCo (i.e. the Tourism Assets) 2. Confirmation that the term of the lease is to be for an initial 10 years with two renewal options of 5 years (being a potential total of 20 years) 3. Discussion with DELWP to obtain indicative support of proposed approach.		
<p>NOTE: The Holding Redlich report concludes that the preferred approach would be for NewCo to enter into a lease agreement with Council (with it assuming certain responsibilities for the Crown land), with a lease term of up to 21 years being the preferred option.</p> <p>Such a lease can be granted by a Committee of Management with the approval of the responsible Minister. Based on this a 10+5+5 year lease term is recommended as it provides a sufficient basis to encourage investment while also providing reasonable termination points.</p>			

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	Activity	Responsibility	Timing
CoM lease to NewCo agreement establishment	<p>The structure of the lease and the establishment requirements will be dependent on the term of the lease. On the assumption of a lease of up to 21 years' duration, the CoM may issue leases over reserved Crown Land based on:</p> <ol style="list-style-type: none"> 1. obtaining the Minister's approval in principle before negotiations begin 2. the lease or licence must be consistent with the law and principles in the leasing policy for Victorian Crown land, the latest version of which was published in 2018 3. the Victorian State Government DELWP standard lease or licence template is used without alterations 4. the rent is of a market value unless an exemption is justified, such as community uses 5. the Minister's approval is obtained for the final version of the lease or licence before it is signed by the parties. 		
Artisan Leases	<ol style="list-style-type: none"> 1. Confirm Artisan leases and licences which are to be managed by NewCo 2. Incorporate into the CoM/NewCo lease agreement processes for the approval of the cancellation and replacement of existing Artisan leases (the objective of which is to avoid having to obtain Minister approval for all sub-leases and licences) 3. Establish subleases between NewCo and Artisans on existing terms and conditions. 		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	Activity	Responsibility	Timing
SLA for provision of CoM responsibilities for Tourism Assets on Crown Land	<ol style="list-style-type: none"> 1. Identify services to be provided by NewCo in fulfilling CoM responsibilities on Tourism Asset Crown Land 2. Establish associated service standards and 'fee for service' arrangements 3. Establish SLA. 		
SLA for provision of CoM responsibilities for Public Open Spaces/Places on Crown Land	<ol style="list-style-type: none"> 1. Identify services to be provided by NewCo in fulfilling CoM responsibilities on Public Open Spaces/Places Crown Land 2. Establish associated service standards and 'fee for service' arrangements 3. Establish SLA. 		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

C. NEWCO REGISTRATION

Below is a checklist with an overview of the requirements for *Campaspe Shire Council (Council, you)* to establish a beneficial enterprise under the Local Government Act 2020 (Vic) (**LGA**). It is important to note that Council must satisfy the requirements of section 110 of the LGA as a Beneficial Enterprise being:

The Council must remain the sole shareholder of NewCo

The Council must maintain the right to appoint directors to NewCo

The new company (NewCo) should only be established on and from 1 July 2021, as the sections of the LGA concerning beneficial enterprises do not come into operation until 1 July 2021.

The entity will be incorporated as a proprietary company limited by shares under the *Corporations Act 2001 (Cth) (Corporations Act)*

As beneficial enterprise is a new type of entity provided by the LGA, it should be noted that the State government will most likely be issuing further information on the requirements from time to time.

The activities to facilitate company establishment are:

Area	Activity	Responsibility	Timing
Determination of NewCo registration details	Council to determine the following information to facilitate company establishment:	Council	End September 2021
	1. Company Name - Determine a name for NewCo (e.g. Echuca Port Precinct Pty Ltd or Port of Echuca Pty Ltd). This will end with "Pty Ltd". Holding Redlich (HR) will check with the Australian Securities and Investments Commission (ASIC) if the name is available (for example, there may already be a company with an identical or similar name).		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	Activity	Responsibility	Timing
	<p>2. Registered Office - Determine the registered office address for NewCo and confirm if NewCo will be occupying the registered office? If not, provide the occupier's name.</p>	<p>NewCo – expected to be the Discovery Centre</p>	<p>On creation</p>
	<p>3. Principal Place of Business – Identify the principal place of business.</p> <p>It is assumed the principal place of business address will be the same as the registered office, with this expected to be either the Discovery Centre offices or the offices where NewCo will be established.</p> <p>It is recommended that the Council offices not be used for this purpose.</p>	<p>NewCo – expected to be the Discovery Centre</p>	<p>On creation</p>
	<p>4. Company office holders – Identify the founding directors, secretaries and public officers and determine the following details for each:</p> <ul style="list-style-type: none"> (a) first name, middle name (if any) and family name; (b) residential address; (c) date of birth; and (d) place of birth. <p>At least one person must be nominated as a public officer and director. You do not need a secretary.</p> <p>Under the Corporations Act, you are required to appoint at least one director.</p> <p>If the Council wishes, NewCo's constitution could require the minimum number of directors to be</p>		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	Activity	Responsibility	Timing
	higher (constitution, which is a standard form document, to be finalised and adopted by NewCo).		
	<p>5. Shareholder details - A key assumption is that the Council will be the sole beneficial (not on trust) shareholder of NewCo, holding initially two \$1 fully paid ordinary shares.</p> <p>Please specify if this is not the case.</p> <p>Alternatively, the Council may nominate a person to hold the shareholding on behalf of the Council.</p> <p>The issue of two shares is a holding position to establish NewCo. At a later time (e.g. when NewCo becomes active and when businesses are transferred to NewCo) it is anticipated that further shares will be issued (based on the value of the businesses/assets transferred from Council) to provide NewCo with an adequate equity base and operating funds. For example, an asset was transferred to NewCo with a value of \$750,000 would be affected through the issue of 750,000 \$1 shares to Council.</p> <p>Confirmation of this position is required, along with specification of an appropriate nominal capital base (i.e. total of \$1 shares that may be issued in the future, say 10 million.)</p>		
	<p>6. Company Seal - A key assumption is that NewCo does not need a company seal (most modern companies do not have one).</p>	Position confirmed by Council CEO. No action required.	

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	Activity	Responsibility	Timing
Establish Constitution	<ol style="list-style-type: none"> 1. HR to provide Council with a draft constitution for NewCo 2. Council and review and approve the constitution. 		
NewCo establishment	<ol style="list-style-type: none"> 1. Information developed above provided to HR 2. HR establish NewCo based on this information and provide Council with all incorporation documentation. 		
Satisfaction of the requirements of section 111 of the LGA as a Beneficial Enterprise	<p>The Council is required to satisfy the requirements of section 111 of the LGA as a Beneficial Enterprise. Therefore, the Council must:</p> <ul style="list-style-type: none"> • assess the total investment involved and the total risk exposure and ensure that its total risk exposure does not exceed NewCo's total investment • ensure that NewCo is a limited corporation • have regard to the risks involved • establish risk management arrangements • implement regular performance monitoring and reporting arrangements in relation to NewCo • ensure that any changes to the operation or purpose of NewCo are reported to the Council • identify and manage any risks associated with any changes to the operation or purpose of NewCo • report on the operations and performance of NewCo in the Council's annual report. 		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	Activity	Responsibility	Timing
	<p>Council needs to determine the actions required to meet these obligations. To assist with achieving the above:</p> <ol style="list-style-type: none"> 1. The Council’s financial policies (prepared pursuant to section 102 of the LGA) should provide for and give effect to the prudent monitoring and management of financial risks. 2. The Council’s budget should be developed such that the financial risks are monitored and managed 3. If the Council wishes to limit the operations of NewCo to a particular business, a provision to this effect can be included in the constitution of NewCo. However, this is not necessary and most modern companies do not include a provision limiting their operations. 		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN**D. BOARD/GENERAL MANAGER APPOINTMENT****Board/GM Appointment Process**

It is expected that the appointment process for the Chair, the Directors and the NewCo GM will be as follows:

- Chair – appointed by Council based on a Selection panel comprising CSC Councillor, CSC CEO, Michael Delahunty (EMA) and the Chair/Director of Bendigo Tramways Trust (like minded company).
- Directors – appointed by Council based on a Selection Panel consisting of CSC Councillor, CSC CEO and Chair.
- NewCo General Manager – appointed by Board based on a Selection Panel consisting of the Chair, one other Board Director and the CSC CEO.

NOTE: Selection Panel structures are to be reviewed and confirmed by Council.

The Council will call for applications for the positions of Chair and Directors of NewCo in the one advertisement, with the responders requested to advise whether they are applying for the position of Director only or Director and Chair. Based on these responses, the position of Chair will be filled follow by the Director positions.

Director Fees

In the financial forecasts estimated Director fees were based on the existing Victorian guidelines being the 'Appointment and Remuneration Guidelines - Remuneration schedules effective from 1 July 2019', with the rates being at the lower end for Group A Band 4 appointments (below \$50m turnover) inclusive of sub-committee allowances. The fees were:

- Chair - \$30,000 p.a. plus Superannuation
- Directors - \$15,000 p.a. plus Superannuation

General Manager Salary

Allowance for the General Manager salary is \$160,000pa (plus Superannuation), subject to formal review of the agreed Position Description.

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	Activity	Responsibility	Timing
Board Skills	Development of skills matrix for potential skills to be provided by Directors.		
Chair Position Description	Development and approval of PD for the Chair.	Council	
Director Position Description	Development and approval of the PD for the Directors.	Council	
Candidate governance	Development of required documentation including: <ul style="list-style-type: none"> - Declaration of Private Interests (which may be based on a combination of the Local Government 'Personal Interest' declaration and the 'Declaration of Private Interests' required for directors of State government entities - Conflict of Interest Declaration. 		
Chair recruitment	Recruitment of Chair based on a Selection panel comprising CSC Councillor, CSC CEO, Michael Delahunty (EMA) and the Chair/Director of Bendigo Tramways Trust (like minded company).	Council	
Chair appointment	<ol style="list-style-type: none"> 1. Council confirmation of preferred candidate based on the recommendations of the selection panel 2. Completion of normal appointment requirements and governance checks including: <ul style="list-style-type: none"> ▪ Provision of notice of appointment terms including period of appointment ▪ Requirement for the selected candidates to: <ul style="list-style-type: none"> ○ Complete the Declaration of Personal Interests ○ Agree to the completion of a Police Check ○ Satisfy Conflict of Interest requirements. 		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	Activity	Responsibility	Timing
Director recruitment	Recruitment of Directors based on a Selection Panel consisting of CSC Councillor, CSC CEO and Chair.		
Director appointments	<ol style="list-style-type: none"> 1. Council confirmation of preferred candidates based on the recommendations of the selection panel 2. Completion of normal appointment requirements and governance checks including: <ul style="list-style-type: none"> ▪ Provision of notice of appointment terms including period of appointment ▪ Requirement for the selected candidates to: <ul style="list-style-type: none"> ○ Complete the Declaration of Personal Interests ○ Agree to the completion of a Police Check ○ Satisfy Conflict of Interest requirements. 		
General Manager Position Description and Salary	<ol style="list-style-type: none"> 1. Development and approval of the PD for the General Manager 2. Based on the PD, determination of an appropriate salary package. 	NewCo	
General Manager recruitment	Recruitment of GM based on a Selection Panel consisting of the Chair, one other Board Director and the CSC CEO.		
General Manager appointment	<ol style="list-style-type: none"> 1. Board of Directors confirmation of preferred candidate based on the recommendations of the selection panel 2. Completion of normal appointment requirements and governance checks including: <ul style="list-style-type: none"> ▪ Provision of notice of appointment terms including period of appointment ▪ Requirement for the selected candidates to: <ul style="list-style-type: none"> ○ Complete the Declaration of Personal Interests ○ Agree to the completion of a Police Check ○ Satisfy Conflict of Interest requirements. 		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN**BOARD AGENDA/ OTHER KEY ACTIVITIES**

It is expected that in the first year of operations:

- the relevant businesses will be transferred to NewCo
- NewCo management will use the first year to establish and understand the businesses and the future opportunities
- where appropriate, NewCo management will make refinements and/or improvements to the business operations.

At the conclusion of the first year, it is expected that the NewCo Board and management would have developed a Strategy Plan for submission to and approval by Council.

Area	Activity	Responsibility	Timing
NewCo First Year Activity Plan	Development of proposed Activity Plan for NewCo (with the scope of this based on NewCo management assuming responsibility for and understanding the businesses and it also dependent on the timing of the various activities previously detailed).		
Performance Monitoring	<ol style="list-style-type: none"> 1. Development of Key Targets and Key Performance Indicators to be used by Council in monitoring the performance of NewCo 2. Development of management reporting framework and structures to be provided by NewCo to Council. 		
Council/NewCo working relationships	Development of working relationship protocols between NewCo and Council (and various levels of management).		
First Year Budget	Development of Budget for first year based on identified Implementation Activity Program and timing of assumptions of business activities.		
First Year Funding	Based on budget and assumption of cost responsibility: <ol style="list-style-type: none"> 1. Determination of initial approach to funding of NewCo 2. Confirmation by Council of funding approach and resources 		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	Activity	Responsibility	Timing
Banking establishment	Establishment of required bank accounts and banking arrangements.		
SLAs	Identification of services to be provided by Council for NewCo and establishment of relevant supporting SLAs including for: <ul style="list-style-type: none"> ▪ Financial services ▪ Insurances ▪ Audit Services. 		
Marketing Approach and Expenditure	Review Council approach and strategy for the completion of Marketing and Promotion for the region including a consideration of: <ul style="list-style-type: none"> ▪ Council expenditure (including in-kind contributions and EMDTA funding) ▪ Effectiveness ▪ Use and management of third-party marketing and promotion organisations. 		
Business Closedown	<ol style="list-style-type: none"> 1. Resolve the requirement – if any - for the potential closure of some or all of the business activities to facilitate business transfer to NewCo. 2. If required determine the timing for the closedown and: <ul style="list-style-type: none"> ▪ Complete planning ▪ Develop the required communications strategy. 		
Council Performance Audit	Establish and implement Annual Performance Audit requirements.		
Communications Strategy	Develop and implement a communications strategy to support the establishment of NewCo and the transfer of the business activities.		
Income Tax	As a Business Enterprise under the LGA, NewCo should be exempt from income tax. Upon establishment, this exemption should be confirmed with the Australian Taxation Office (ATO).		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	Activity	Responsibility	Timing
GST	Complete GST registration with the ATO.		
Payroll Tax	<p>It is unclear whether NewCo will be exempt from payroll tax, although HR has indicated the normal local government exemption may be available as the services are exempt under the existing arrangements.</p> <p>Therefore, NewCo will need to apply for an exemption of all activities. Given the issue is unclear we recommend you identify these activities for specific State Revenue Office review at the time of application.</p>		
Land Tax	The action required in regard to land tax is dependent on the decision in regard to the freehold assets which are to be transferred to NewCo (if any).		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

E. STAFFING RECRUITMENT AND EMPLOYMENT

The opinion of Holding Redlich on the relevant award for NewCo employees is that it would be the Local Government Industry Award 2020. Based on this advice an analysis of the rate differences between the existing Council EA rates, the LGA rates and relevant industry awards has been completed for the various PoEP positions. This comparison demonstrates that the LGA and industry award rates are comparable with them being significantly lower than the existing Council EA rates.

It is expected that existing staff will either remain with Council, transfer to NewCo or be no longer required (with it likely that the majority if not all will fall into the first two categories thereby obviating the need for a closedown of any business.

- Where staff are staying with Council it may be that, upon transfer of the business to NewCo, the staff may initially go with the business, but they would subsequently transition back to Council as the NewCo positions are filled with new appointments.
- Where staff transfer to NewCo on a permanent basis, these staff would continue to be employed under the existing Enterprise Agreement terms and conditions. However, any new appointments would be under the LGA rates etc.

The following is based on the immediate needs in determining the potential future employee arrangements rather than implementation of these arrangements.

Area	Activity	Responsibility	Timing
Existing Staffing	1. Review of existing staffing levels to determine: <ul style="list-style-type: none"> ▪ Staff who may remain with Council ▪ Staff who may transfer to NewCo ▪ Staff who will no longer be required ▪ Future positions that may be open to recruitment 2. Based on this determine a Staffing Strategy and potential termination conditions and costs.		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

Area	Activity	Responsibility	Timing
Future Staffing Rates	Based on an indicative staffing structure (as reflected in the Cloudstreet report): <ol style="list-style-type: none"> 1. Prepare PDs for each position 2. Determine the potential award rates and requirements under the Local Government Industry Award 3. Compare those to the current equivalent Council Enterprise Agreement. 		
Future Staffing Award	Confirmation that staff employed by NewCo will be employed under the Local Government Industry Award (except for those who transfer to NewCo from Council).		

SCHEDULE 2: BENEFICIAL ENTERPRISE STRUCTURE IMPLEMENTATION PLAN

F. COMPETITIVE NEUTRALITY

A meeting with Better Regulation Victoria (BRV) was held on 23 June 2021. This meeting indicated that:

- At the present time it is not expected that a Public Interest Test will be needed (as the releasing of the various reports has effectively kept the public informed)
- The requirements below are based on the verbal comments from BRV
- BRV provided, at the request of Council, an email outlining any identified needs (which aligned with the verbal comments provided)
- BRV appreciated being consulted and indicated this would assist them in responding to any third-party queries they may receive.

Area	Activity	Responsibility	Timing
CN Accounts	It would be advisable to continue to prepare annually CN Adjusted Accounts, for internal purposes, to monitor satisfaction of CN requirements.		
CN Adjustments	For the purpose of transparency, it would be advisable to include in any agreement between Council and NewCo for NewCo to make equivalent payments for any relevant CN adjustments. For example: <ul style="list-style-type: none"> - NewCo should adopt a Tax Equivalent Regime, with any income tax equivalent payments being made to Council - The same position should apply for other potential adjustments (e.g. differences in land tax or payroll tax) Therefore, such adjustments need to be identified and included in the agreement between Council and NewCo.		
Product bundling	In determining the potential product offering: <ul style="list-style-type: none"> - Care needs to be taken if product bundling occurs - CN issues may arise where NewCo is able to provide bundled services (that include paddlesteamer services) where the offer cannot be provided by a third party Therefore, in developed future product offerings, this requirement needs to be taken into consideration.		

9.6 Policy 075 Fraud Review

Author	Department	Manager	General Manager
Manager Governance & Strategy	Governance & Strategy		Chief Executive Officer

1. SUMMARY

The Independent Broad-based Anti-Corruption Commission notes that corruption in local government can lead to increased costs and reduction in economic growth, diminished trust in councils and jeopardise the delivery of valuable programs and services.

Policy 075 – Fraud outlines Council commitment to the prevention, deterrence, detection, investigation and follow up of all forms of fraud and to establish processes to prevent fraud and corrupt conduct.

2. RECOMMENDATION

That Council adopt the revised Council Policy 075 – Fraud.

3. PURPOSE

To seek adoption of the revised Council Policy 075 – Fraud.

4. DISCUSSION

Policy 075 – Fraud outlines Council's commitment to the prevention, deterrence, detection, investigation and follow up of all forms of fraud and to establish processes to prevent fraud and corrupt conduct.

The policy is supported by the Fraud Minimisation and Reporting Procedure which outlines the systems, procedures and management practices to minimise and prevent the occurrence of fraudulent activities.

Review of both the policy and procedure identified that they remain current, subject to small administrative updates to ensure alignment with new or updated legislation, or Council policy. In addition, the review removed duplication and replication of content from referenced source documents, readers should rely upon the original source documents not a summary of their contents.

The review involved analysis of documents, policies and procedures of the Independent Broad-based Anti-Corruption Commission.

5. CONSULTATION

Internal consultation:

- Executive Management Group August 2021

Councillors:

- Council Briefing Session 1 September 2021

6. POLICY AND LEGISLATIVE IMPLICATIONS

The requirements of Section 9(2)(a) of *Local Government Act 2020* have been considered and Policy 075 – Fraud appropriately references the Crimes Act, Independent Broad-based Anti-Corruption Commission Act and Public Interest Disclosures Act and relevant Council policy and procedures.

7. FINANCIAL AND ECONOMIC IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no economic sustainability issues for the municipality have been identified within this report.

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no issues of ongoing financial viability of the Council have been identified within this report.

8. ENVIRONMENTAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no environmental sustainability issues including mitigation and planning for climate change risks have been identified within this report.

9. SOCIAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no social implications for the municipality have been identified with this report.

10. RELEVANCE TO COUNCIL PLAN 2017-2021

Responsible Management

- Enable the delivery of services, facilities and programs to the community through sound corporate governance and fiscal responsibility.

11. ISSUES AND RISK MANAGEMENT

Issues:

Nil.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

12. CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, the officer preparing this report declares no conflict of interest regarding this matter.

13. CHARTER OF HUMAN RIGHTS

This Report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of *Human Rights and Responsibilities Act 2006*.

14. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer is so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

15. ATTACHMENTS

1. Policy 075- Fraud & PR 138 Fraud Minimisation Procedure - CURRENT [9.6.1 - 16 pages]
2. Policy 075 Fraud Review - TRACKED [9.6.2 - 4 pages]
3. Policy 075 Fraud Review - CLEAN [9.6.3 - 3 pages]
4. P R 138 - Fraud Minimisation Procedure - CLEAN [9.6.4 - 11 pages]

Fraud

Council Policy Number	075
Date adopted	25 June 2019
Scheduled for review	June 2021



Council Policy

Council Policy

Council Policy

Council Policy

Purpose

To demonstrate Campaspe Shire Council's ('Council') commitment to the prevention, deterrence, detection and investigation and follow up of all forms of fraud and to establish processes to prevent fraud and corrupt conduct.

To protect the integrity, security and reputation of the Council, Councillors, employees, contractors and Council assets

Policy Statement

In accepting its responsibilities for good governance of the municipality, Council will set the example for honesty and integrity in the provision of services to the community and the management of the organisation.

Council has zero tolerance for fraud. Council is committed to preventing, deterring and detecting fraudulent behaviour in the performance of Council activities.

Council promotes a culture where all fraudulent activities once noticed or legitimately suspected are reported, investigated and resolved in a timely and fair manner. There is a Fraud Minimisation and Reporting Procedure which explains how to report possible fraudulent activities.

Senior management will demonstrate a high level of commitment to controlling the risk of fraud and corruption within and by the Council.

Council will ensure that fraudulent activity is discouraged, conflicts of interest are avoided, and auditing systems are in place to deter and/or identify fraudulent activities.

All reports of fraudulent activity received will be fully investigated and appropriate action taken.

Councillors and staff will act in accordance with their relevant code of conduct and be aware that Council may report internal and/or external fraudulent activity to the relevant authorities. Council may also pursue recovery of any financial loss through civil proceedings

Exclusions

There are no exclusions to this policy. This policy applies to all staff, Councillors and volunteers engaged directly by council as well as all agents and contractors either engaged by Council or by authorised contractors of Council.

Human Rights

This report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of *Human Rights and Responsibilities Act 2006*.

Definitions

Fraud is defined in Australian Standard AS8001-2008: Fraud and Corruption Control as:
"dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit. The theft of property belonging to an entity by a person or persons internal

to the entity but where deception is not used is also considered “fraud” for the purposes of this definition.

To assist in understanding the definition some examples of fraud are:

- Theft and/or misappropriation of Council revenue;
- Unauthorised removal or use of equipment, parts, software, and office supplies from council premises;
- Deliberate over-ordering of materials or services to allow a proportion to be used for personal purposes;
- Submission of sham taxation arrangements for an employee or contractor to circumvent Council’s procedures for engagement of employees and contractors;
- Submission of fraudulent applications for reimbursement;
- Payment of fictitious employees or suppliers;
- Damage, destruction or falsification of documents for the purpose of material gain;
- Failure to disclose a conflict of interest in the performance of duties as a Councillor, employee or contractor of Council
- Kickbacks, gifts and bribes
- Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of Council-owned software
- Disclosing confidential and proprietary information to outside parties
- Misuse of powers granted under an instrument of delegation
- Accepting or seeking anything of material value from contractors, vendors or persons providing goods or services to Council
- Misuse of credit cards

The Victorian *Independent Broad-based Anti-Corruption Commission Act 2011* (the ‘Act’) defines corrupt conduct as follows:

4 Corrupt conduct

(1) For the purposes of this Act, corrupt conduct means conduct:

- (a) of any person that adversely affects the honest performance by a public officer or public body of his or her or its functions as a public officer or public body; or
- (b) of a public officer or public body that constitutes or involves the dishonest performance of his or her or its functions as a public officer or public body; or
- (c) of a public officer or public body that constitutes or involves knowingly or recklessly breaching public trust; or
- (d) of a public officer or a public body that involves the misuse of information or material acquired in the course of the performance of his or her or its functions as a public officer or public body, whether or not for the benefit of the public officer or public body or any other person; or
- (da) of a person (the first person) intended to adversely affect the effective performance or exercise by a public officer or public body of the functions or powers of the public officer or public body and result in the first person or an associate of the first person obtaining —
 - (i) a licence, permit, approval, authority or other entitlement under any Act or subordinate instrument; or
 - (ii) an appointment to a statutory office or as a member of the board of any public body under any Act or subordinate instrument; or

- (iii) a financial benefit or real or personal property; or
- (iv) any other direct or indirect monetary or proprietary gain— that they would not have otherwise obtained; or
- (e) that could constitute a conspiracy or an attempt to engage in any conduct referred to in paragraph (a), (b), (c), (d) or (da)— being conduct that would constitute a relevant offence.
- (1A) For the purposes of this Act, in determining whether conduct would constitute a relevant offence, the IBAC may assume that the required state of mind to commit the relevant offence can be proven

Related Legislation

Crimes Act 1958

Local Government Act 1989

Independent Broad-based Anti-corruption Commission Act 2011

Protected Disclosures Act 2012

Other relevant policies, codes and procedures are:

Employee Code of Conduct

Councillor Code of Conduct

Council Policy 81 Privacy and Data Protection

Council Policy 123 – Gifts, Benefits and Hospitality

Council Policy 126 - Procurement

Internal Policy INT006 - Reimbursement of Expenses for Staff

Internal Policy INT147 - Corporate Purchase Cards

Council Procedure - Protected Disclosure

Council Procedure PR119 Training and Development

Council Procedure PR132 Performance Review

Council Procedure PR134 National Police Checks

Attachments

Council Procedure PR138 - Fraud Minimisation and Reporting

Review Period Responsible Officer

Two years Governance Manager

Administrative Updates

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter the policy, such a change may be made administratively. Examples include a change to the name of a Council department, a change to the name of a Federal or State Government department, and a minor update to legislation which does not have a material impact. However, any change or update which materially alters this document must be by resolution of Council.

Approval History

Adopted	12 March 2002	Minute Book Reference No	5976 (Item 12.1)
Revised	14 September 2004	Minute Book Reference No	7941 (item 12.2)
Revised	8 March 2005	Minute Book Reference No	8413 (item 8.2)
Revised	16 October 2007	Minute Book Reference No	11542 (Item 9.1)
Revised	21 October 2008	Minute Book Reference No	12868 (item 9.5)
Revised	21 September 2010	Minute Book Reference No	16407 (Item 12.6)
Revised	18 October 2011	Minute Book Reference No	18261 (item 13.3)

Council Policy

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Revised 5 February 2014
 Revised 27 August 2014
 Revised 9 September 2015
 Revised 25 June 20109
 Revised 22 February 2021

Executive Management Group
 Executive Management Group
 Executive Management Group
 Minute Book Reference No 1988 (item 7.1)
 Administrative update to apply consistent references to
 Campaspe Shire Council ('Council')

Chief Executive Officer: *[Signature]*

Date: *24/2/2021*

Council Policy
 Council Policy
 Council Policy
 Council Policy



PROCEDURE PR138 FRAUD MINIMISATION & REPORTING

Adopted by Council 25 June 2019



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Version: 2
 Responsible Officer: Governance Manager
 Adopted by Council: 25 June 2019, item 7.1

PR138 Fraud Minimisation and Reporting Procedure

1. Statement of Policy

Council's Policy relating to fraud is outlined in Council Policy 075 - Fraud.

2. Procedure Development

These procedures have been prepared to compliment with Council Policy 075 - Fraud.

3. Background

Council is required to ensure that appropriate measures are in place for the prevention and detection of fraud.

The Chief Executive Officer has ultimate responsibility for the prevention and detection of fraud and is responsible for ensuring that appropriate and effective internal control systems are in place.

Council's Audit and Risk Committee supports the Chief Executive Officer in ensuring that appropriate and effective internal control systems are operating and being monitored.

The responsibility for the operational implementation of this procedure rests with the Corporate Services Division to establish and maintain proper internal controls that provide security and accountability for Council resources.

4. Council Responsibility

Council has a responsibility and obligation to ensure that systems, procedures and management practices are in place to minimise and prevent the occurrence of fraudulent activities.

The Audit and Risk Committee have a responsibility to work closely with the Internal Auditors and Council's Senior Management to ensure that systems and procedures are regularly tested as a fraud prevention mechanism.

The Council is committed to:

- ensuring that staff are educated about fraud prevention and detection;
- promoting ethical and honest behaviour of staff members;
- encouraging staff to report instances of fraud when they become aware of it;
- handling matters relating to fraud in the strictest confidence;
- ensuring that staff have the qualifications that they assert they have;

PR138 Fraud Minimisation and Reporting Procedure

5. Ethical Conduct

Ethical conduct is mentioned a number of times in this document. At Campaspe Shire Council ethical conduct is about ensuring that our decisions, actions and behaviour are in alignment with the Council values, Employee Code of Conduct principles and Council's mission.

These are:

- Values
 - Respect
 - Customer focused
 - Continuous improvement
 - Teamwork
 - Accountability

- Principles

Council's principles as quoted in the Employee Code of Conduct are:

- Act impartially
- Act with integrity including avoiding conflicts of interest
- Accept accountability for results
- Provide responsive service

- Purpose (Mission)

Campaspe Shire Council will provide services, facilities, support and advocacy to enable our community to be healthy, connected, prosperous and resilient.

6. Fraud Minimisation Procedures

The following fraud minimisation procedures are to be performed under the direction of the Chief Executive Officer:

- (a) Regular monitoring of Council's strategic and operational risks.
- (b) An ongoing internal audit process. Strong internal controls supported by internal audit reviews on a regular planned basis will minimise risk exposure.
- (c) Robust reporting processes including financial reporting, Council Plan reporting and operational reporting.
- (d) Maintain robust recruitment and employment practices, including the confirmation of all relevant employee details, thorough checking of references and qualifications, the obtaining of national police checks for designated roles, performance management system, training and development policy and strong separation processes.
- (e) All assets are properly recorded and regular stocktakes are performed to ensure significant items are present.

PR138 Fraud Minimisation and Reporting Procedure

- (f) There is segregation of duties of accounting staff in accordance with good internal control systems
- (g) Set a standard of ethical conduct for suppliers and contractors.
- (h) Procurement policies and procedures including exception reporting
- (i) Review work practices and areas open to collusion or manipulation.
- (j) Ensure that Council management and staff have been trained in identifying indicators of fraud.
- (k) Having policies and procedures relating to the appropriate use of Council assets and equipment.
- (l) Ensure Management are displaying the ethical conduct expected of senior management.
- (m) Ensure Staff are aware and abide by the requirements of the Employee Code of Conduct.
- (n) Ensure staff and Councillors are aware of Protected Disclosures Procedures and contact officers.

7. Areas Where Council is Possibly Exposed to Fraud and the Steps to Minimise Exposure

The following areas have been identified where risk of fraud could occur and procedures have been developed to minimise such occurrences:

- (a) Grant programs.
- (b) Misuse of credit and fuel cards.
- (c) Claiming of travel and other allowances.
- (d) Receipt of kickbacks, gifts and bribes.
- (e) Accounts payable.
- (f) Theft of Council assets.
- (g) Theft of cash.
- (h) Human resources.
- (i) Misuse of Council data.
- (j) Tendering irregularities.
- (k) Information Technology and Communication security
- (l) Information management especially the unauthorised release of confidential information.
- (m) Private use of Council assets and equipment.
- (n) Purchasing of goods and services.

The following procedures are in place to minimise fraud.

PR138 Fraud Minimisation and Reporting Procedure

(a) Grant Programs

This could involve a community group receiving favourable treatment in the grant allocation process by comparison with another group.

Controls in Place

Community grants recommendations are in accordance with an approved process and are either reported to Council or approved by Council.

(b) Misuse of Credit and Fuel Cards

This would involve a staff member using or allowing a credit or fuel card to be used for an unauthorised purpose.

There is a Corporate Purchase card policy in place.

Credit cards

The system in place require secondary approval of all credit card transactions and appropriate documentation. Review of credit card holders conducted at least annually to confirm they are still required.

Fuel cards

Must be used by staff in accordance with their contract of employment or in accordance with instructions given by their Executive Manager or the Chief Executive Officer.

Fuel usage is monitored over time to identify unusual or excessive use of fuel cards which may warrant further investigation.

(c) Travel and Other Allowances / Petty Cash

This may relate to illegal claims being submitted seeking reimbursement for expenditure that was not incurred or did not relate to Council business.

Petty cash payments must be supported by invoices or vouchers verifying that the payment was made. Payments in excess of \$100 are required to be counter signed by the employee's supervisor.

(d) Kickbacks, Gifts & Bribes

This would typically involve a Councillor or a member of staff accepting a reward in return for doing a favour.

Controls in Place

In accordance with s 81 (7)(e) of the Local Government Act Councillors and nominated staff must declare any gifts in excess of \$500 in their ordinary returns which is then included in Council's Register of Interests. In addition, Council Policy no 123 Acceptance of Gifts, Benefits and Hospitality requires Council to maintain a Gifts, Benefits and Hospitality Register which includes details of Councillors and staff' gift declarations.

PR138 Fraud Minimisation and Reporting Procedure

(e) Accounts Payable

This could occur whereby a Council officer falsified or prepared erroneous invoices/claims for goods or services which were not supplied to the Council.

Controls in Place

Council has a procurement policy and procedure in place that provides relative levels of control over necessary documentation and the receipt of goods or services prior to payment. There are also staff financial delegations which are incorporated into Council's accounting programs and systems.

(f) Theft of Council Assets

This could involve the theft of Council assets which may include Information and communication hardware such as laptops and mobile phones, computers, stationery, vehicles, tools, etc.

Controls in Place

Items of ITC equipment are recorded in the Asset Register. A code device is attached to each asset. A register of lap top computers is maintained, and overnight borrowing is recorded. A list is maintained of who has electronic devices and computers in the organisation.

When staff terminate their employment with Council, a check is carried out to ensure equipment is returned and accounted for.

The stationery room and cabinet has minimal supplies. Stationery orders are centrally coordinated.

Surveillance equipment is installed at various locations around the Shire.

Council has a process in place for the removal of stores from depot locations.

(g) Theft of Cash

This could involve the theft of cash collected by Council employees or contractors responsible for collecting cash on Council's behalf.

Controls in Place

Procedures are in place regarding banking and issuing of receipts at the municipal offices, transfer stations, aquatic facilities, caravan parks, Port of Echuca, childcare centres and quarries.

The procedures are subject to change and review from both Council's internal and external auditors. New alternative payment systems have been introduced to minimise the requirement for cash handling including EFTPOS, direct debit and online payments.

(h) Stores

Council has a store at its depot which houses day to day consumables used for repairs, maintenance and cleaning. As these consumables can be used for domestic use they can be subject to pilfering.

Controls in Place

Council uses the Tech1 stores system and performs a physical stock take every six (6) months. All material variations from actual to book stock are investigated.

PR138 Fraud Minimisation and Reporting Procedure

(i) Human Resources

This may relate to individuals claiming they have qualifications which they do not hold, falsifying claims for leave entitlements and attendance records and “dummy” names on payroll records.

Controls in Place

Where staff are required to hold a qualification to perform their work they will be asked to produce the original or a copy of the qualifications certified by the issuing University or College.

Independent reference appraisals will be performed by the Human Resource staff before positions are confirmed.

Overtime reports will be produced fortnightly for managers' perusal. New employees can only be included on payroll systems after completion of appropriate forms by the responsible manager.

Claims for leave are to be in accordance with Contract, Award or Enterprise Agreement requirements and where appropriate are to be supported by appropriate documentation.

Time sheets must be appropriately authorised before processing by the Payroll Officer.

(j) Termination of Employment

This could involve staff not returning keys, fuel cards, purchasing cards or other equipment when they cease their employment with Council.

The employee checklist is examined to ensure all equipment issued to the employee during the period of employment is recovered.

Controls in Place

There are requirements in the Contracts of Employment of individuals requiring the return of equipment and other Council owned property when they leave the Council's employment. An employee departure form is issued to the relevant Manager to check off the return of all issued equipment.

(k) Misuse of Council Data

This could involve staff or Councillors releasing to the public or others confidential information to gain a pecuniary advantage for themselves or someone else or releasing information to discredit another person's reputation.

Controls in Place

The Employee Code of Conduct makes it clear that staff are not to use information in such a manner. Senior Officers as defined in the Local Government Act, 1989 are required to submit Interest Declarations half-yearly and Related Party Declarations yearly. The Councillor Code of Conduct clearly sets out the penalties for the release of confidential information. Councillors are required to declare conflicts of interest and lodge Interest declarations half-yearly and Related Party Declarations yearly. Confidential information presented to Council is clearly marked and referenced to the confidentiality provisions in the Local Government Act.

PR138 Fraud Minimisation and Reporting Procedure

(l) Tendering / Quotation Irregularities

This may involve situations where one contractor may be given preferential treatments at the expense of another operator.

Controls in Place

A Procurement Policy and manual is strictly followed.

(m) Information Technology and Communications Security

This may relate to theft of hardware and software equipment, the manipulation of data and the introduction of computer viruses.

Controls in Place

Council requires passwords to be updated regularly. Levels to the computer system are approved by the relevant manager when a new staff member commences. The relevant Information Technology Officer arranges for passwords to be changed every two months.

Virus checking software is in place and this is updated by the relevant Information Technology Officer.

There is an adopted procedure relating to email security.

(n) Private Use of Council Assets and Equipment

This may involve staff using Council assets such as motor vehicles, computers, items of plant, tools, etc. when their use is not authorised.

Controls in Place

Letters of appointment and contracts of employment clearly set out the arrangements relating to the use of vehicles and computers.

The Induction Manual sets out the arrangements relating to the use of equipment and vehicles. In essence, if not authorised then it should not occur.

Regular monitoring and reporting by Fleet Officer of motor vehicle use.

(o) Purchasing

This may involve staff purchasing goods or services for private benefit or unauthorised use.

Controls in Place

Induction and ongoing training of staff re: Procurement policy, procedures and manuals.

Ensuring internal controls and systems have two-person authority on all purchasing transactions – both purchase order and purchasing cards. Financial delegations are in place and reviewed at least annually.

A possible indicator of fraud is where these controls are being ignored, worked around or subverted.

PR138 Fraud Minimisation and Reporting Procedure

8. Some Early Warning Signs of Fraud

The following are behavioural warning signs to be aware of relating to potential fraudulent behaviour:

- Refusing to take leave or always having an excuse not to take leave.
- Resigning suddenly or failing to attend work for no apparent reason.
- Drugs or alcohol abuse.
- A manager who takes an unusual interest in certain elements of the organisation's business.
- A manager who overrides internal control.
- Habitual gambling.
- Persistent anomalies in work practices.
- Excessive generosity towards other staff.
- Borrowing from other staff.
- Character changes.

9. Fraud Training

There is an online fraud training program that relevant staff are required to undertake. Face to face training will be undertaken to supplement the online training. As part of the induction program for new employees' details of the Protected Disclosure Procedure are provided. Reporting of Suspected Fraud

9.1 Reporting Systems

Staff

Instances of suspected fraud should be reported promptly and without delay.

If a staff member suspects that fraud is being committed against the Council, then the staff member must report the matter to their immediate manager, General Manager, or the Chief Executive Officer. If the staff member is not comfortable reporting to their manager, they can avail themselves of the protection offered under the *Protected Disclosure Act 2012*. There is a Protected Disclosure Procedure available on Council's website and Intranet which details how to make a disclosure. The staff member making the complaint should preferably make it in writing or at least provide sufficient detailed information to enable a comprehensive summary to be prepared by the Manager, General Manager or Chief Executive Officer. If possible, written, signed and dated summaries by the complainant should identify, where possible, the:

- section and/or location of the alleged incident;
- key person(s) involved;
- nature of the alleged incident;
- time period over which the alleged incident has occurred;
- value associated with the alleged incident; and

PR138 Fraud Minimisation and Reporting Procedure

- documentary evidence in support of the alleged incident.

Whether the notification is made via the *Protected Disclosure Act 2012* or not, management are required to maintain confidentiality with respect to matters referred to them

Anonymous reports can be difficult to action especially if further information is required and the results of any investigation cannot be communicated to the complainant.

However, anonymous complainants will receive due and proper consideration.

Where staff members do not wish to report to their immediate supervisor, they should go directly to the next level in the organisation and if the matter involved the Chief Executive Officer then it should be reported to the Mayor of the day.

Councillors

Instances of suspected fraud should be reported promptly and without delay.

If a Councillor suspects that fraud is being committed against the Council, it should immediately report the matter to the Chief Executive Officer. If the Chief Executive Officer is suspected of being involved the matter should be reported to the Mayor. If a Councillor is not comfortable reporting to either of these positions, they may avail themselves of the protected disclosure legislation.

Members of the Public

Instances of suspected fraud should be reported promptly and without delay.

If a member of the public suspects that fraud is being committed against the Council, it should immediately report the matter to the Chief Executive Officer. If the Chief Executive Officer is suspected of being involved the matter should be reported to the Mayor. If a member of the public is not comfortable reporting to either of these positions, they may avail themselves of the protected disclosure legislation.

9.2 Protected Disclosures

Confidentiality concerning the complainant and the information will be maintained at all stages.

In order to avoid damaging the reputations of innocent persons initially suspected of wrongful conduct, and to protect the Council from potential civil liability, the results of the audits/investigations will be disclosed or discussed only with those persons who require knowledge of each such investigation in the proper performance of their office or function.

The Council will seek advice from its provider of legal services to ensure that appropriate documentation of the facts has been achieved in order to permit:

- appropriate personnel action;
- protection of innocent persons;
- appropriate civil or criminal actions;
- documentation of claims against the Council's insurers;
- preservation of the integrity of any criminal investigation and prosecution; and
- avoidance of any unnecessary litigation.

Any breaches of confidentiality may be brought as a grievance under the Council's Grievance Policy.

Adopted by Council 25 June 2019

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PR138 Fraud Minimisation and Reporting Procedure

9.3 External Notification

If after initial investigations by Council management, Internal or External Auditors, or some other consultant, evidence confirms that a significant fraud against the Council has been committed the matter will be referred to the Victoria Police.

9.4 Investigation Standards

The Council will treat reported cases of suspected fraud with seriousness and confidentiality at all times.

Employees who make complaints will not be victimised or disadvantaged, the person against whom the complaint is made will be treated with procedural fairness.

Any person who feels they have been victimised as part of this process has recourse to the Grievance Procedure.

10. Prosecution

The Council has zero tolerance for fraudulent behaviour and will institute the necessary disciplinary procedures in respect of any staff member found to have perpetrated fraud.

Prosecution in the Civil or Criminal Courts may be undertaken to recover losses incurred by the Council where this is deemed appropriate.

11. Recovery Action

The Council does not condone the perpetration of fraud and will seek to recover losses from staff members who have been found guilty of fraud.

Any staff member found guilty of the theft of Council property will be dismissed.

An employment reference will not be provided to a staff member found guilty of a fraudulent action.

Fraud

Council Policy Number	075
Date adopted	25 June 2019
Scheduled for review	June 2025 ⁴



Council Policy

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Council Policy

Preamble

Council is required to ensure that appropriate measures are in place for the prevention and detection of fraud.

Purpose

To demonstrate Campaspe Shire Council's ('Council') commitment to the prevention, deterrence, detection, ~~and~~ investigation and follow up of all forms of fraud and to establish processes to prevent fraud and corrupt conduct.

To protect the integrity, security and reputation of the Council, Councillors, employees, contractors and Council assets

Policy Statement

In accepting its responsibilities for good governance of the municipality, Council will set the example for honesty and integrity in the provision of services to the community and the management of the organisation.

Council ~~has zero tolerance for~~will not tolerate fraud. Council is committed to preventing, deterring and detecting fraudulent behaviour in the performance of Council activities.

Council promotes a culture where all fraudulent activities, once noticed or legitimately suspected are reported, investigated and resolved in a timely and fair manner. There is a Fraud Minimisation and Reporting Procedure which explains how to report ~~possible~~suspected fraudulent activities.

Senior management will demonstrate a high level of commitment to controlling the risk of fraud and corruption within and by the Council.

Council will ensure that fraudulent activity is discouraged, conflicts of interest are avoided, and auditing systems are in place to deter and/or identify fraudulent activities.

All reports of suspected fraudulent activity received will be fully investigated and appropriate action taken.

Councillors and staff will act in accordance with their relevant code of conduct and be aware that Council may report internal and/or external fraudulent activity to the relevant authorities. Council may also pursue recovery of any financial loss through civil proceedings.

Exclusions

There are no exclusions to this policy. This policy applies to all staff, Councillors and volunteers engaged directly by council as well as all agents and contractors either engaged by Council or by authorised contractors of Council.

Human Rights

This report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of *Human Rights and Responsibilities Act 2006*.

Definitions

Fraud is defined in the Australian Standard AS8004-2008-for Fraud and Corruption Control defines fraud as:

"dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately

~~following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit. The theft of property belonging to an entity by a person or persons internal to the entity but where deception is not used is also considered "fraud" for the purposes of this definition.~~

~~To assist in understanding the definition some examples of fraud are:~~

- ~~*—— Theft and/or misappropriation of Council revenue;~~
- ~~*—— Unauthorised removal or use of equipment, parts, software, and office supplies from council premises;~~
- ~~*—— Deliberate over ordering of materials or services to allow a proportion to be used for personal purposes;~~
- ~~*—— Submission of sham taxation arrangements for an employee or contractor to circumvent Council's procedures for engagement of employees and contractors;~~
- ~~*—— Submission of fraudulent applications for reimbursement;~~
- ~~*—— Payment of fictitious employees or suppliers;~~
- ~~*—— Damage, destruction or falsification of documents for the purpose of material gain;~~
- ~~*—— Failure to disclose a conflict of interest in the performance of duties as a Councillor, employee or contractor of Council~~
- ~~*—— Kickbacks, gifts and bribes~~
- ~~*—— Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of Council owned software~~
- ~~*—— Disclosing confidential and proprietary information to outside parties~~
- ~~*—— Misuse of powers granted under an instrument of delegation~~
- ~~*—— Accepting or seeking anything of material value from contractors, vendors or persons providing goods or services to Council~~
- ~~*—— Misuse of credit cards~~

~~The Victorian Independent Broad-based Anti-Corruption Commission Act 2011 (the 'Act') defines corrupt conduct as follows:~~

~~4 Corrupt conduct~~

~~(1) For the purposes of this Act, corrupt conduct means conduct:~~

- ~~(a) of any person that adversely affects the honest performance by a public officer or public body of his or her or its functions as a public officer or public body; or~~
- ~~(b) of a public officer or public body that constitutes or involves the dishonest performance of his or her or its functions as a public officer or public body; or~~
- ~~(c) of a public officer or public body that constitutes or involves knowingly or recklessly breaching public trust; or~~
- ~~(d) of a public officer or a public body that involves the misuse of information or material acquired in the course of the performance of his or her or its functions as a public officer or public body, whether or not for the benefit of the public officer or public body or any other person; or~~
- ~~(da) of a person (the first person) intended to adversely affect the effective performance or exercise by a public officer or public body of the functions or powers of the public officer or public body and result in the first person or an associate of the first person obtaining—~~
 - ~~(i) a licence, permit, approval, authority or other entitlement under any Act or subordinate instrument; or~~

~~(ii) an appointment to a statutory office or as a member of the board of any public body under any Act or subordinate instrument; or~~

~~(iii) a financial benefit or real or personal property; or~~

~~(iv) any other direct or indirect monetary or proprietary gain that they would not have otherwise obtained; or~~

~~(e) that could constitute a conspiracy or an attempt to engage in any conduct referred to in paragraph (a), (b), (c), (d) or (da) being conduct that would constitute a relevant offence.~~

~~(1A) For the purposes of this Act, in determining whether conduct would constitute a relevant offence, the IBAC may assume that the required state of mind to commit the relevant offence can be proven~~

Related Legislation

Crimes Act 1958

Local Government Act [49892020](#)

Independent Broad-based Anti-corruption Commission Act 2011

~~Public Interest Protected~~ Disclosures Act 2012

Other relevant policies, codes and procedures are:

Employee Code of Conduct

Councillor Code of Conduct

Council Policy 81 Privacy and Data Protection

~~Council Policy 123 – Gifts, Benefits and Hospitality~~

Council Policy 126 – Procurement

[Council Policy 179 – Public Transparency](#)

[Council Policy 181 – Councillor Gifts](#)

~~Internal Policy INT006 – Reimbursement of Expenses for Staff~~ [Administrative Policy A-006 Reimbursement of Expenses for Staff and Volunteers](#)

~~Internal~~ [Administrative](#) Policy INT147 - Corporate Purchase Cards

Council Procedure – ~~Public Interest Protected~~ Disclosures

[Council Procedure – Welfare Management](#)

Council Procedure PR119 Training and Development

Council Procedure PR132 Performance Review

Council Procedure PR134 National Police Checks

Attachments

Council Procedure PR138 - Fraud Minimisation and Reporting

Review Period Responsible Officer

~~Two-Four~~ years

~~Governance~~ Manager [Governance & Strategy](#)

Administrative Updates

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter the policy, such a change may be made administratively. Examples include a change to the name of a Council department, a change to the name of a Federal or State Government department, and a minor update to legislation which does not have a material impact. However, any change or update which materially alters this document must be by resolution of Council.

Council Policy

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Approval History

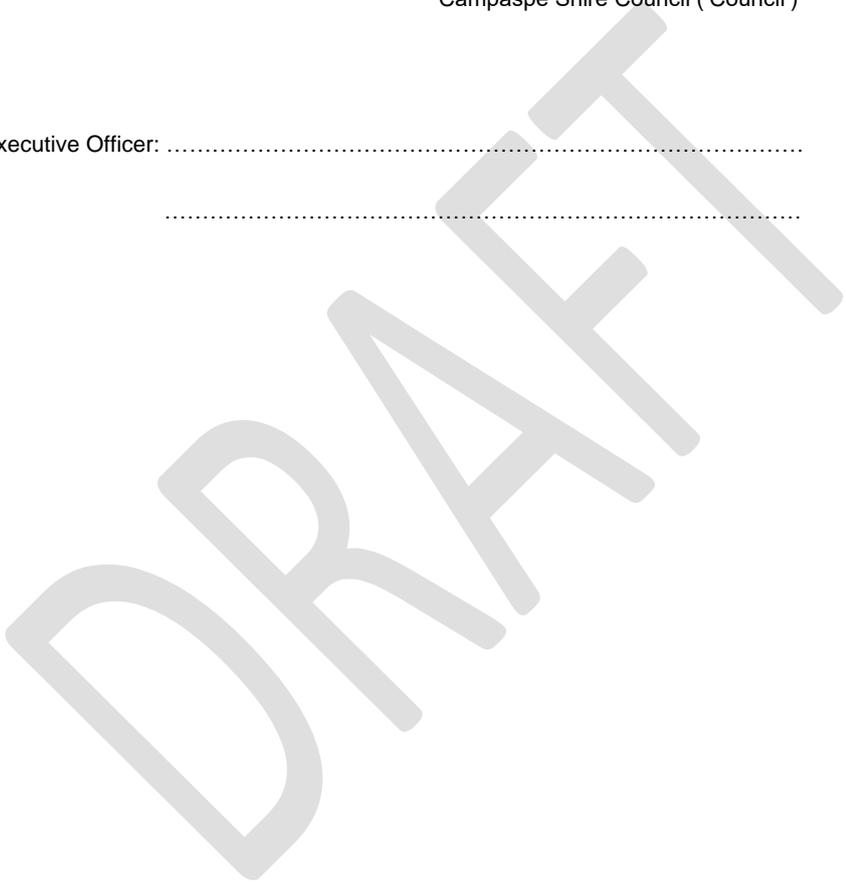
Adopted	12 March 2002	Minute Book Reference No	5976 (Item 12.1)
Revised	14 September 2004	Minute Book Reference No	7941 (item 12.2)
Revised	8 March 2005	Minute Book Reference No	8413 (item 8.2)
Revised	16 October 2007	Minute Book Reference No	11542 (Item 9.1)
Revised	21 October 2008	Minute Book Reference No	12868 (item 9.5)
Revised	21 September 2010	Minute Book Reference No	16407 (Item 12.6)
Revised	18 October 2011	Minute Book Reference No	18261 (item 13.3)
Revised	5 February 2014	Executive Management Group	
Revised	27 August 2014	Executive Management Group	
Revised	9 September 2015	Executive Management Group	
Revised	25 June 2019	Minute Book Reference No	1988 (item 7.1)
Revised	22 February 2021	Administrative update to apply consistent references to	Campaspe Shire Council ('Council')

Council Policy

Chief Executive Officer:

Date:

Council Policy



Council Policy

Council Policy



Fraud

Council Policy Number	075
Date adopted	25 June 2019
Scheduled for review	June 2025



Council Policy

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Preamble

Council is required to ensure that appropriate measures are in place for the prevention and detection of fraud.

Purpose

To demonstrate Campaspe Shire Council's ('Council') commitment to the prevention, deterrence, detection, investigation and follow up of all forms of fraud and to establish processes to prevent fraud and corrupt conduct.

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Policy Statement

In accepting its responsibilities for good governance of the municipality, Council will set the example for honesty and integrity in the provision of services to the community and the management of the organisation.

Council will not tolerate fraud. Council is committed to preventing, deterring and detecting fraudulent behaviour in the performance of Council activities.

Council promotes a culture where all fraudulent activities, once noticed or legitimately suspected are reported, investigated and resolved in a timely and fair manner. There is a Fraud Minimisation and Reporting Procedure which explains how to report suspected fraudulent activities.

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Definitions

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business purpose or the improper use of information or position for personal financial benefit.

Related Legislation

Crimes Act 1958

Local Government Act 2020

Independent Broad-based Anti-corruption Commission Act 2011

Public Interest Disclosures Act 2012

Other relevant policies, codes and procedures are:

Employee Code of Conduct

Councillor Code of Conduct

Council Policy 81 Privacy and Data Protection

Council Policy 126 – Procurement

Council Policy 179 – Public Transparency

Council Policy 181 – Councillor Gifts

Administrative Policy A-006 Reimbursement of Expenses for Staff and Volunteers

Administrative Policy INT147 - Corporate Purchase Cards

Council Procedure – Public Interest Disclosures

Council Procedure – Welfare Management

Council Procedure PR119 Training and Development

Council Procedure PR132 Performance Review

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Attachments

Council Procedure PR138 - Fraud Minimisation and Reporting

Review Period Responsible Officer

Four years Manager Governance & Strategy

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Chief Executive Officer:

Date:

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PROCEDURE PR138 FRAUD MINIMISATION & REPORTING



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Version: 2
Responsible Officer: Manager Governance & Strategy

PR138 Fraud Minimisation and Reporting Procedure

1. Statement of Policy

Council's Policy relating to fraud is outlined in Council Policy 075 - Fraud.

2. Procedure Development

These procedures have been prepared to complement Council Policy 075 - Fraud.

3. Background

Council is required to ensure that appropriate measures are in place for the prevention and detection of fraud.

The Chief Executive Officer has ultimate responsibility for the prevention and detection of fraud and is responsible for ensuring that appropriate and effective internal control systems are in place.

Council's Audit and Risk Committee supports the Chief Executive Officer in ensuring that appropriate and effective internal control systems are operating and being monitored.

The responsibility for the operational implementation of this procedure rests with the Corporate Division and Governance Department to establish and maintain proper internal controls that provide security and accountability for Council resources.

4. Council Responsibility

Council has a responsibility and obligation to ensure that systems, procedures and management practices are in place to minimise and prevent the occurrence of fraudulent activities.

The Audit and Risk Committee has a responsibility to work closely with the Internal Auditors and Council's Senior Management to ensure that systems and procedures are regularly tested as a fraud prevention mechanism.

Council is committed to:

- ensuring that staff are educated about fraud prevention and detection;
- promoting ethical and honest behaviour of staff members;
- encouraging staff to report instances of fraud when they become aware of it;
- handling matters relating to fraud and suspected fraud in the strictest confidence.

PR138 Fraud Minimisation and Reporting Procedure

5. Ethical Conduct

Ethical conduct is mentioned several times in this document. At Campaspe Shire Council ethical conduct is about ensuring that our decisions, actions and behaviour are in alignment with the Council values, Employee Code of Conduct principles and Council's mission.

These are:

- Values
 - Respect
 - Customer focused
 - Continuous improvement
 - Teamwork
 - Accountability

- Principles

Council's principles as quoted in the Employee Code of Conduct are:

- Act impartially
- Act with integrity including avoiding conflicts of interest
- Accept accountability for results
- Provide responsive service
- Purpose (Mission)

Campaspe Shire Council will provide services, facilities, support and advocacy to enable our community to be healthy, connected, prosperous and resilient.

6. Fraud Minimisation Procedures

The following fraud minimisation procedures are to be performed under the direction of the Chief Executive Officer:

- (a) Regular monitoring of Council's strategic and operational risks.
- (b) An ongoing internal audit process. Strong internal controls supported by internal audit reviews on a regular planned basis will minimise risk exposure.
- (c) Robust reporting processes including financial reporting, Council Plan reporting and operational reporting.
- (d) Maintain robust recruitment and employment practices, including the confirmation of all relevant employee details, thorough checking of references and qualifications, the obtaining of national police checks for designated roles, performance management system, training and development policy and strong separation processes.
- (e) All assets are properly recorded and regular stocktakes are performed to ensure significant items are present.
- (f) There is segregation of duties of accounting staff in accordance with good internal control systems
- (g) Set a standard of ethical conduct for suppliers and contractors.

PR138 Fraud Minimisation and Reporting Procedure

- (h) Procurement policies and procedures including exception reporting
- (i) Review work practices and areas open to collusion or manipulation.
- (j) Ensure that Council management and staff have been trained in identifying indicators of fraud.
- (k) Having policies and procedures relating to the appropriate use of Council assets and equipment.
- (l) Ensure Management is displaying the ethical conduct expected of senior management.
- (m) Ensure staff are aware and abide by the requirements of the Employee Code of Conduct.
- (n) Ensure staff and Councillors are aware of Public Interest Disclosures and Welfare Management Procedures, Public Interests Disclosures Coordinator and contact officers.

7. Areas Where Council is Possibly Exposed to Fraud and the Steps to Minimise Exposure

The following areas have been identified where risk of fraud could occur and procedures have been developed to minimise such occurrences:

- (a) Accounts payable.
- (b) Claiming of travel and other allowances/Reimbursements.
- (c) Grant programs.
- (d) Human resources.
- (e) Information Technology and Communication security.
- (f) Misuse of Council data.
- (g) Misuse of credit and fuel cards.
- (h) Private use of Council assets and equipment.
- (i) Purchasing of goods and services.
- (j) Receipt of kickbacks, gifts and bribes.
- (k) Returning of Resources.
- (l) Stores.
- (m) Tendering irregularities.
- (n) Theft of cash.
- (o) Theft of Council assets.

The following procedures are in place to minimise fraud.

(a) Accounts Payable

PR138 Fraud Minimisation and Reporting Procedure

This could occur whereby a Council officer falsified or prepared erroneous invoices/claims for goods or services which were not supplied to the Council.

Controls in Place

Council has a procurement policy and procedure in place that provides relative levels of control over necessary documentation and the receipt of goods or services prior to payment. There are also staff financial delegations which are incorporated into Council's accounting programs and systems.

(b) Claiming Travel and Other Allowances / Reimbursements

This may relate to illegal claims being submitted seeking reimbursement for expenditure that was not incurred or did not relate to Council business.

Controls in Place

Claims for reimbursement must be supported by invoices or vouchers verifying that the payment was made. Payments are required to be counter signed by the employee's supervisor.

(c) Grant Programs

This could involve a community group receiving favourable treatment in the grant allocation process by comparison with another group.

Controls in Place

Community grants recommendations are in accordance with an approved process and are either reported to Council or approved by Council.

(d) Human Resources

This may relate to individuals claiming they have qualifications which they do not hold, falsifying claims for leave entitlements and attendance records and "dummy" names on payroll records.

Controls in Place

Where staff are required to hold a qualification to perform their work, they will be asked to produce the original or a copy of the qualifications certified by the issuing University or College.

Independent reference checks will be performed by the Human Resource staff before positions are confirmed. Police checks are performed for specific roles as part of the recruitment process in particular for those that handle/administer public funds e.g. finance and accounts employee's.

Overtime reports will be produced fortnightly for managers' perusal. New employees can only be included on payroll systems after completion of appropriate forms by the responsible manager.

Claims for leave are to be in accordance with Contract, Award or Enterprise Agreement requirements and where appropriate are to be supported by appropriate documentation.

Time sheets must be appropriately authorised before processing by the Payroll Officer.

(e) Information Technology and Communications Security

PR138 Fraud Minimisation and Reporting Procedure

This may relate to theft of hardware and software equipment, the manipulation of data and the introduction of computer viruses.

Controls in Place

Administrative policy A-072 IT Policy is an adopted policy that defines appropriate and inappropriate technology use.

Administrative policy A-180 ICT Equipment is an adopted policy relating to ICT Equipment whose purpose is to ensure that Information and Communications Technology devices used for Council service delivery are protected from threats that may cause loss or damage to the Council and to inform equipment users of their responsibilities and obligations with respect to the proper use, care and support of their devices.

Council requires passwords to be updated regularly. Access levels to computer systems are approved by the relevant manager when a new staff member commences or when a staff member's role changes. Automated system controls ensure passwords are required to be changed every 6 weeks.

Virus checking, email filtering and endpoint protection software is in place and is updated through automated system processes.

System logs track access to file system files.

Council provides monthly video-based security awareness training to staff to assist in minimising the human error factor in council's ICT security defences.

(f) Misuse of Council Data

This could involve staff or Councillors releasing to the public or others confidential information to gain a pecuniary advantage for themselves or someone else or releasing information to discredit another person's reputation.

Controls in Place

The Employee Code of Conduct makes it clear that staff are not to use information in such a manner. The Local Government Act 2020 requires the Chief Executive Officer (CEO), and nominated officers of the CEO to submit a Personal Interest Returns in accordance with the Local Government (Governance and Integrity) Regulations 2020. The Councillor Code of Conduct affirms the Councillors obligations for handling and using confidential and personal information. The Local Government Act 2020 at Section 125 clearly sets out the penalties for the release of confidential information. Councillors are required to declare conflicts of interest and lodge Personal Interest Returns in accordance with the Local Government (Governance and Integrity) Regulations 2020 and Related Party Declarations yearly. Confidential information presented to Council is clearly marked and referenced to the confidentiality provisions in the Local Government Act.

(g) Misuse of Credit and Fuel Cards

This would involve a staff member using or allowing a credit or fuel card to be used for an unauthorised purpose.

Controls in Place

A Corporate Purchase card policy is in place.

Credit cards

The system in place requires secondary approval of all credit card transactions and appropriate documentation. A review of credit card holders is conducted at least annually to confirm they are still required.

PR138 Fraud Minimisation and Reporting Procedure

Fuel cards

Must be used by staff in accordance with their contract of employment or in accordance with instructions given by their General Manager or the Chief Executive Officer.

Fuel usage is monitored over time to identify unusual or excessive use of fuel cards which may warrant further investigation.

(h) Private Use of Council Assets and Equipment

This may involve staff using Council assets such as motor vehicles, computers, items of plant, tools, etc. when their use is not authorised.

Controls in Place

Letters of appointment and contracts of employment clearly set out the arrangements relating to the use of vehicles and computers.

The Induction Manual sets out the arrangements relating to the use of equipment and vehicles. In essence, if not authorised then it should not occur.

Regular monitoring and reporting by Fleet Officer of motor vehicle use.

(i) Purchasing

This may involve staff purchasing goods or services for private benefit or unauthorised use.

Controls in Place

Induction and ongoing training of staff re: Procurement policy, procedures and manuals.

Ensuring internal controls and systems have two-person authority on all purchasing transactions – both purchase order and purchasing cards. Financial delegations are in place and reviewed at least annually.

A possible indicator of fraud is where these controls are being ignored, worked around or subverted.

(j) Receipt of Kickbacks, Gifts & Bribes

This would typically involve a Councillor or a member of staff accepting a reward in return for doing a favour.

Controls in Place

In accordance with the Local Government (Governance and Integrity) Regulations 2020 Councillors and nominated officers must declare any gifts where the value equals or exceeds \$500 or the gifts in form of goods or services and multiple gifts equal or exceed that amount in their personal interests return. In addition, Council Policy no 181 Councillor Gifts requires Council to maintain a Gifts, Benefits and Hospitality Register which includes details of Councillors gift declarations.

The Employee Code of Conduct outlines that the acceptance of gifts, benefits or hospitality can involve a conflict of interest or the perception of a conflict of interest. Further that any gifts accepted remain the property of council and must be declared.

(k) Retuning of Resources

PR138 Fraud Minimisation and Reporting Procedure

Returning of Council property and resources on the ceasing of employment including keys, fuel cards, purchasing cards or other equipment.

On the ceasing of employment the employee is reminded to return all council property in the letter acknowledging their resignation or termination, and the checklist is examined to ensure all equipment issued to the employee during the period of employment is recovered.

Controls in Place

There are requirements in the Contracts of Employment of individuals requiring the return of equipment and other Council owned property when they leave the Council's employment. An employee departure form is issued to the relevant Manager to check off the return of all issued equipment.

(l) Stores

Council has a store at its depot which houses day to day consumables used for repairs, maintenance and cleaning. As these consumables can be used for domestic use they can be subject to pilfering.

Controls in Place

Council uses the Tech1 stores system and performs a physical stock take every six (6) months. All material variations from actual to book stock are investigated.

(m) Tendering / Quotation Irregularities

This may involve situations where one contractor may be given preferential treatments at the expense of another operator.

Controls in Place

A Procurement Policy and manual is strictly followed.

(n) Theft of Cash

This could involve the theft of cash collected by Council employees or contractors responsible for collecting cash on Council's behalf.

Controls in Place

Procedures are in place regarding banking and issuing of receipts at the municipal offices, transfer stations, aquatic facilities, caravan parks, Port of Echuca, childcare centres and quarries.

The procedures are subject to change and review from Council's internal auditors. New alternative payment systems have been introduced to minimise the requirement for cash handling including EFTPOS, direct debit and online payments.

(o) Theft of Council Assets

This could involve the theft of Council assets which may include Information and communication hardware such as laptops and mobile phones, computers, stationery, vehicles, tools, etc.

Controls in Place

PR138 Fraud Minimisation and Reporting Procedure

Items of ICT equipment are recorded in the Asset Register. A code device is attached to each asset. A register of lap top computers provided by Information management is maintained, and borrowing is recorded. A list is maintained of who has electronic devices and computers in the organisation.

When staff terminate their employment with Council, a check is carried out to ensure equipment is returned and accounted for.

The stationery room and cabinet have minimal supplies. Stationery orders are centrally coordinated.

Surveillance equipment is installed in various council buildings.

Council has a process in place for the removal of stores from depot locations.

8. Some Early Warning Signs of Fraud

The following are behavioural warning signs to be aware of relating to potential fraudulent behaviour:

- Refusing to take leave or always having an excuse not to take leave.
- Resigning suddenly or failing to attend work for no apparent reason.
- Drugs or alcohol abuse.
- A manager who takes an unusual interest in certain elements of the organisation's business.
- A manager who overrides internal control.
- Habitual gambling.
- Persistent anomalies in work practices.
- Excessive generosity towards other staff.
- Borrowing from other staff.
- Character changes.

PR138 Fraud Minimisation and Reporting Procedure

9. Fraud Training

There is an online fraud training program that relevant staff are required to undertake. Face to face training is required to be undertaken to supplement the online training. As part of the induction program for new employees' details of the Public Interest Disclosures and Welfare Management Procedures are provided.

9.1 Reporting Systems

Council is committed to the aims and objectives of the Public Interest Disclosures Act 2012 and does not tolerate improper conduct by its elected representatives or employees, nor reprisals against those who come forward to disclose such conduct. Instances of suspected fraud must be reported promptly and without delay.

If a person (member of the public or staff member) suspects that fraud is being committed against the Council, then the person must report the matter to an officer who can receive disclosures:

- the Chief Executive Officer
- the Public Interest Disclosure Coordinator
- Manager or supervisor of the discloser
- Manager or supervisor of the person who is the subject of the disclosure

A person may make a disclosure verbally or in writing. The disclosure may also be anonymous. The Public Interest Disclosures Procedure (PIDP) is available on Council's website. The PIDP details who can make a disclosure, how to make a disclosure, what organisations that can receive a disclosure and how disclosures are handled.

The PIDP is supported by the Welfare Management Procedure (WMP). The WMP sets out the procedure for the welfare and protection of persons making genuine public interest disclosures as well as those persons who have cooperated or intend to cooperate with an investigation of a public interest complaint. Council is responsible for ensuring both those who make disclosures and co-operators, are protected from direct and indirect detrimental action.

10. Prosecution

Council will not tolerate fraudulent behaviour and will institute the necessary disciplinary procedures in respect of any staff member found to have perpetrated fraud.

Prosecution in the Civil or Criminal Courts may be undertaken to recover losses incurred by Council where deemed appropriate.

11. Recovery Action

Council does not condone the perpetration of fraud and will seek to recover losses from staff members who have perpetrated fraud.

Any staff member found guilty of the theft of Council property will be dismissed.

An employment reference will not be provided to a staff member found guilty of a fraudulent action.

9.7 Level Of Service - Gravel Road Maintenance

Author	Department	Manager	General Manager
Manager Assets	Assets	Manager Assets	General Manager Infrastructure

1. SUMMARY

The wet conditions experienced across the municipality are not suitable for maintenance grading works and has resulted in lost time for this activity. As a result, there has been an increasing backlog of roads with defects contributing to the likelihood that Council will not meet its commitments under the Road Management Plan (RMP).

Maintenance grading crews are currently working to complete overdue defects as a priority, however, with continual wet and unsuitable conditions they are gradually falling further behind.

At the same time, defects are increasing due to the wet conditions.

Approximately 101 defects are listed for repair in August, with 60 listed in September.

There is a risk that the continual growing backlog of gravel roads requiring maintenance could threaten our obligations under the RMP.

2. RECOMMENDATION

That Council:

- 1. Allocate \$205,000 for the purpose of catch up road maintenance works to be funded from operational budget savings and / or the Accumulated Unallocated Cash Reserve.**
- 2. Receive a business case for consideration in the next budget for an additional annual allocation for contracts, or an employed team and equipment for road maintenance works.**

3. PURPOSE

To inform Council of a current issue relating to the level of service currently provided regarding the maintenance of gravel roads throughout the municipality and seek endorsement for an allocation from current budgets to fund catch up road maintenance works.

4. DISCUSSION

Council currently maintains approximately 2,050 km of gravel roads.

Maintenance of this network is undertaken by three grading crews located within the Works Department based in Tongala. Due to poor weather conditions (heavier than usual rainfall) resulting in lost time, the Works Department is now requesting additional support in the form of one extra grading crew. This could be a new or hired in crew.

The alternative is to continue with only our current resource allocation, while slowly growing an increasing backlog of defects.

If neither of the options proposed are supported by Council, it is recommended that the CEO '*suspend the RMP*' until the defects are addressed. It is expected that it would take many months to 'return to normal'.

The RMP Compulsory Defects Report 10 August 2021 figures are:

- 23 gravel roads with defects have exceeded the response time for maintenance grading, however intervention action has been taken through the installation of hazard signage.
- 14 gravel roads are within a week of meeting the intervention response time and potentially will be added to the above figures.
- 37 gravel roads have met the RMP intervention response through the installation of hazard signage.

Short Term - Council wet hire a grading crew.

The leasing of the wet hire equipment for 3 months will enable the Works Department to catch up on the backlog of gravel roads requiring maintenance. The wet hiring of a grading crew could happen immediately, taking away risks to the organisation and improving safety of our gravel roads network.

Long Term – direct purchase of the required resources.

The maintenance of our gravel road and shoulders network through the municipality is a constant concern. Roads are prioritised based on condition and defects, and with growing community requests and demand on resources, it is difficult to maintain the entire network.

This is leading to a decrease in overall asset condition and a continual increase in required maintenance. An extra permanent grading crew would alleviate the current issues and allow Council to fulfil the required level of service to meet the current RMP.

However, this is considered a long-term solution because of the time taken to procure the equipment (in the past it has taken 12 months to acquire a Roller), and the recruitment of skilled staff could also impact on timeframes.

In effect, to bring us back to (a near) normal status for the current period, expenditure in the order of \$205,000 would be required; if Council wished to create a more permanent solution an **additional** \$880,000 of capital plus ongoing staffing costs of \$250,000 would be required.

Alternatively, Council could consider an additional increased allocation for gravel road maintenance (each year) to provide an extra crew for 3 months, via contractors, commencing with \$205,000.

5. OPTIONS

Option 1: Support the recommendation

To address the impact of poor weather conditions (heavier than usual rainfall) this option recommends a wet hire of a grading crew as a short term solution to 'catch up' on road maintenance.

This options also recommends that a further report for consideration in the next budget for an additional annual allocation for contracts or an employed team and equipment for road maintenance works.

This option is recommended by officers.

Option 2: Not support the recommendation and suspend the RMP

That Council not-endorse the two recommendations as listed. Should this option be adopted the CEO would need to suspend the RMP until the defects are addressed.

This option is not recommended by officers.

6. CONSULTATION

Internal consultation:

- Works Department
- Assets Department

- General Manager Infrastructure

Councillors:

- 08 09 2021 Council Briefing Session.

7. POLICY AND LEGISLATIVE IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and the following Council Policy and/or relevant law are impacted by this report: Policy 54 Requests for upgrades to the road network and Road Management Act (2004).

8. FINANCIAL AND ECONOMIC IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no economic sustainability issues for the municipality have been identified within this report.

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and issues of ongoing financial viability of the Council have been identified within this report. If an allocation of \$205,000 is taken from current operational budgets or reserve budgets, other planned or reactive operational activities could be negatively impacted on.

9. ENVIRONMENTAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no environmental sustainability issues including mitigation and planning for climate change risks have been identified within this report.

10. SOCIAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and social implications for the municipality have been identified with this report. If the recommendations are endorsed there will be improved access along the network of gravel roads throughout the municipality.

11. RELEVANCE TO COUNCIL PLAN 2017-2021

Balanced Services and Infrastructure

- Manage and maintain assets to optimise their lifecycle considering social, economic and environmental sustainability.
- Plan and advocate for services and infrastructure to meet community need.

12. CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, the officer preparing this report declares no conflict of interest regarding this matter.

13. CHARTER OF HUMAN RIGHTS

This Report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of *Human Rights and Responsibilities Act 2006*.

14. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer is so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

15. CONCLUSION

The wet conditions experienced across the municipality are not suitable for maintenance grading works and has resulted in lost time for this activity. As a result, there has been an increasing backlog of roads with defects contributing to the likelihood that Council will not meet its commitments under the Road Management Plan (RMP).

The purpose of this report is to seek Council endorsement for an allocation of from current operational budgets or reserve budgets to fund catch up road maintenance works.

16. ATTACHMENTS

Nil

9.8 Colbinabbin Place Based Plan

Author	Department	Manager	General Manager
Manager Community Development	Community	Manager Community Development	General Manager Community

1. SUMMARY

The Colbinabbin Community has identified an opportunity to develop a Place Based Plan, incorporating a Township Facility Plan, and a revision of their Recreation Reserve Masterplan. The establishment of the Colbinabbin Development Group offers Council an opportunity to collaborate with the community through an entity that is authorised and representational of the various groups within the community.

The Development Group is seeking approval from Council to release the remainder of the Community Planning Implementation Funds (CPIF) held for Colbinabbin, of \$8,493.10, to finalise these activities.

2. RECOMMENDATION

That Council approve the allocation of \$8,493.10 Community Planning Implementation Funds to the Colbinabbin Development Committee to support the facilitation of the following plans for the Colbinabbin community:

1. **Place Based Plan,**
2. **Township Facility Plan, and a**
3. **Masterplan for the Colbinabbin Recreation Reserve.**

3. PURPOSE

To seek approval from Council to release the remainder of Colbinabbin Community Planning Implementation Funds to support the facilitation of a Place Based Plan, a Town Facility Plan and revision of the Recreation Reserve Master Plan for Colbinabbin.

4. DISCUSSION

In a report tabled to Council in 2019, it was identified that Colbinabbin's funds be held for this community to activate a future Place Based Plan.

This is a timely opportunity for Council to collaborate with the Colbinabbin community to develop plans that will articulate its long-term ambition, make collaborative decisions on the future of key community assets with Council, and develop an action plan that will support the activation initiatives already in place in Colbinabbin.

Over recent years, several significant economic opportunities have been developed in Colbinabbin, these include, but are not limited to, the development of Silo Murals, the purchase of the Colbinabbin General Store by a community co-operative, and the transition of the Recreation Reserve and Hall to the management of a local incorporated body.

Further to this, the Colbinabbin community has created a platform for collective planning that benefits the whole town. The establishment of the Colbinabbin Development Group offers Council an opportunity to collaborate with the community through an entity that is authorised and is representational of the various groups within the community.

Membership includes local managers and users of key community assets within Colbinabbin and enables Council to not just look at the aspirational needs of Colbinabbin, but to develop a sustainable Town Facility Plan that will provide mutual benefits to the community and Council.

Over the past three years Council's Place Based Planning model has delivered successful outcomes within several communities across the Shire. The Colbinabbin community has presented to Council an opportunity to work in collaboration in identifying the future aspirations for this community and make strong strategic decisions on the future of key community assets within Colbinabbin.

Place Based Planning and Township Facility Planning scheduling.

Councillors are aware the Community Development Team has a schedule of communities that have been identified to undertake Place Based Planning and Township Facility Planning. Currently Council is undertaking preliminary work with the Tongala community. It is recognised that the scheduling process for this activity requires an element of flexibility enabling Council to work with motivated and coordinated communities when the opportunity arises. The Colbinabbin community is presently within this position. The community have undertaken a great deal of work to establish the Colbinabbin Development Committee, which has a broad and diverse representation of the community groups that exist within the town. The Community Development Team has the capacity to support the process in Colbinabbin.

5. OPTIONS

Option 1: Allocate the funds and support the recommendation

Colbinabbin is a motivated community with an appropriate structure in place to enable Council to collaborate and develop a Place Based Plan, Township Facility Plan and Recreation Reserve Masterplan that is sustainable and mutually beneficial.

This option is recommended by officers.

Option 2: Council does not allocate the funds

If Council resolves not to support the recommendation, it may lose a significant opportunity to progress, through a collaborative process, matters relating to key community assets within this community.

This option is not recommended by officers.

6. CONSULTATION

Internal consultation:

- Management Team

External consultation:

- Colbinabbin Community Development Group
- Colbinabbin Recreation Reserve Committee of Management

Councillors:

- Nil

7. POLICY AND LEGISLATIVE IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no Council Policy and relevant law has been identified within this report.

8. FINANCIAL AND ECONOMIC IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no economic sustainability issues for the municipality have been identified within this report.

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no issues of ongoing financial viability of the Council have been identified within this report.

9. ENVIRONMENTAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no environmental sustainability issues including mitigation and planning for climate change risks have been identified within this report.

10. SOCIAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no social implications for the municipality have been identified with this report.

11. RELEVANCE TO COUNCIL PLAN 2017-2021

Strong and Engaged Communities

- Enable residents to be active and engaged in their community and support participation in artistic, cultural, sporting, and leisure opportunities.

Balanced Services and Infrastructure

- Manage and maintain assets to optimise their lifecycle considering social, economic and environmental sustainability.
- Plan and advocate for services and infrastructure to meet community need.
- Maximise access and usage of assets through innovative design and partnership initiatives.
- Relinquish services and assets that no longer meet community need.

12. ISSUES AND RISK MANAGEMENT

Issue 1: Community Assets

By implementing the Place Based Planning model and the Township Facility Plan program in Colbinabbin, it will enable Council to resolve several key community asset matters relating to this community.

Issue 2: Closure of the Colbinabbin Community Implementation Funding

The request from Colbinabbin is in line with the previous resolution from Council to allocate any remaining CPIF resources to the activation of the Colbinabbin Place Based Plan

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

13. CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, the officer preparing this report declares no conflict of interest regarding this matter.

14. CHARTER OF HUMAN RIGHTS

This Report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of *Human Rights and Responsibilities Act 2006*.

15. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer in so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

10 Council Information

10.1 Staff And Volunteer Recognition Program - Policy A-062

Author	Department	Manager	General Manager
Executive Assistant Community	Community		General Manager Community

1. SUMMARY

That Council note and acknowledge significant number of years of service to the Campaspe Shire Council by 43 permanent and casual employees to 31 December 2021.

2. RECOMMENDATION

That Council note the significant milestones achieved by members of staff in line with Policy A-062, Staff and Volunteer Recognition Program.

3. PURPOSE

To acknowledge the completion of the number of years of service to the Campaspe Shire Council by all permanent employees and casual employees from 1 January 2021 - 31 December 2021.

4. DISCUSSION

Recognition of the following milestones employees have achieved.

Timothy Crosbie	10 years	4 January 2021	Works
Jo-Lee Jones	10 years	14 February 2021	Community Health
Renita Simons	10 years	14 February 2021	Community Health
Danae Ryan	10 years	10 March 2021	Community Health
Graham Garner	10 years	4 April 2021	Works
Donna Standfast	10 years	11 April 2021	Corporate
Jenny Hewitt	10 years	30 April 2021	Customer Service
Cameron Stewart	10 years	1 August 2021	Project & Facilities
Patricia Vickers	10 years	11 September 2021	Community Health
Melissa Mitchell	10 years	20 October 2021	Community Health
Andrew Buntine	10 years	5 November 2021	Works
Zane Goddard	10 years	7 November 2021	Works
Brian Holmes	10 years	5 December 2021	Community Business
Katie Pollock	10 years	10 December 2021	Finance
Breanna Bookham	10 years	17 January 2021	Community Health

Margaret Thompson	10 years	17 January 2021	Community Health
Kelly Simons	15 years	30 March 2021	Recreation
Jenny Newell	15 years	7 November 2021	Community Health
Brad Stone	15 years	9 January 2021	Works
Natalie Gould	15 years	16 June 2021	Human Resources
Nicholas Curnow	15 years	10 July 2021	Community Business
Glen Bradley	15 years	31 July 2021	Works
Kaye Mason	15 years	7 August 2021	Executive
Mark McGann	15 years	28 August 2021	Works
John Robinson	15 years	2 October 2021	Works
Rodney O'Neill	15 years	9 October 2021	Works
Astrid O'Farrell	15 years	12 December 2021	Community Development
Michael Boslem	15 years	2 March 2021	Community Business
Wendy West	15 years	30 March 2021	Community Health
Lynette Burrows	15 years	7 December 2021	Community Business
Daniel Clarke	20 years	2 April 2021	Works
Gary Adams	20 years	28 May 2021	Works
Linda Nielson	20 years	30 May 2021	Community Health
Jenny Mustey	20 years	4 June 2021	Community Health
Janelle Wheatley	20 years	27 August 2021	Community Health
Paul Kuiper	20 years	3 September 2021	Works
Robin Muller	20 years	1 October 2021	Assets
John McKenzie	20 years	8 October 2021	Assets
Victoria Green	25 years	12 August 2021	Community Health
Sally Bruhn	25 years	27 September 2021	Works
Brian Watson	25 years	13 November 2020	Community Business
Verna Bowes	30 years	5 April 2021	Community Health
Stephen Waters	40 years	6 February 2021	Works

In the past a reception has been arranged for late October for staff and families to attend for the presentation of recognition certificates and gift cards. Due to the uncertainty of COVID-19 it is not possible to plan a formal opportunity to celebrate together.

Certificates and gift cards will be distributed to the General Managers to present to staff at Division/Team meetings when these occur.

5. CONSULTATION

Internal consultation:

- EMG

External consultation:

- Not required

Councillors:

- Not required

6. POLICY AND LEGISLATIVE IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no Council Policy and relevant law has been identified within this report.

7. FINANCIAL AND ECONOMIC IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no economic sustainability issues for the municipality have been identified within this report.

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no issues of ongoing financial viability of the Council have been identified within this report.

8. ENVIRONMENTAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no environmental sustainability issues including mitigation and planning for climate change risks have been identified within this report.

9. SOCIAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no social implications for the municipality have been identified with this report.

10. RELEVANCE TO COUNCIL PLAN 2017-2021

Responsible Management

- Foster an organisational culture that promotes staff development, recognises achievements and celebrates successes.

11. ISSUES AND RISK MANAGEMENT

Issues:

Issue 1:

The current coronavirus pandemic restrictions make it difficult to plan with any certainty a formal opportunity to celebrate staff years of service together.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

12. CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, the officer preparing this report declares no conflict of interest regarding this matter.

13. CHARTER OF HUMAN RIGHTS

This Report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of *Human Rights and Responsibilities Act 2006*.

14. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer is so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

15. CONCLUSION

43 staff have completed significant number of years of service to the Campaspe Shire Council. This contribution of service is recognised in line with Policy A062 Staff and Volunteer Recognition Program.

10.2 Notes Of Appreciation

The following has been received:

- Mark Haydon – thank you for the recent grading of Glanville Road, Echuca Village.

RECOMMENDATION

That Council acknowledge the note of appreciation as listed.

10.3 Community Event Sponsorship

Author	Department	Manager	General Manager
Executive Assistant Community	Community		General Manager Community

1. SUMMARY

That Council note the one successful application for Community Event Sponsorship.

2. RECOMMENDATION

That Council note the following sponsorship that was approved in accordance with the Community Event Sponsorship criteria and the applicant advised in writing:

- **Goulburn Valley Equestrian Club Inc. - to assist with the cost to host the Horse Riding Club Association Victoria (HRC AV) Top Team Trophy (TTT) Show to be held on 12 December 2021 at the Elmore Events Centre, \$1,000 cash for arena hire and in-kind to the value of \$1,000 for the provision of 100 sections of temporary white picket fencing.**

3. PURPOSE

To note the outcomes of the Community Event Sponsorship application considered in accordance with the grant guidelines and criteria.

4. DISCUSSION

The Community Event Sponsorship program offers financial support to not for profit community organisations, groups and associations to conduct events that contribute to the municipality and support Council's vision.

The program has guidelines for applications submitted to Council.

The following application was received:

Goulburn Valley Equestrian Club Inc. – requested \$2,000 cash for venue hire (grassed arena and dressage arena) at the Elmore Events Centre and \$1,000 in-kind event equipment (100 sections temporary white picket fencing) for ring dividing (6 or 8 rings), for HRC AV TTT Show to be held at the Elmore Events Centre on 12 December 2021.

This is a State event and was held in Werribee two years ago. The event has been offered to the Goulburn Valley Equestrian Club to be held at the Elmore Events Centre due to the high standard of facilities at this site.

6. POLICY AND LEGISLATIVE IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no Council Policy and relevant law has been identified within this report.

7. FINANCIAL AND ECONOMIC IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no economic sustainability issues for the municipality have been identified within this report.

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no issues of ongoing financial viability of the Council have been identified within this report.

8. ENVIRONMENTAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no environmental sustainability issues including mitigation and planning for climate change risks have been identified within this report.

9. SOCIAL IMPLICATIONS

The requirements of Section 9(2)(c) of *Local Government Act 2020* have been considered and no social implications for the municipality have been identified with this report.

10. RELEVANCE TO COUNCIL PLAN 2017-2021

Strong and Engaged Communities

- Enable residents to be active and engaged in their community and support participation in artistic, cultural, sporting, and leisure opportunities.

Resilient Economy

- Facilitate and enable local enterprise, support existing businesses and develop stronger business networks.

11. ISSUES AND RISK MANAGEMENT

Issues:

The current coronavirus pandemic may impact the commencement of some events. This will be worked through with individual organisations regarding the event concerned and restrictions imposed at the time.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

12. CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, the officer preparing this report declares no conflict of interest regarding this matter.

13. CHARTER OF HUMAN RIGHTS

This Report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of *Human Rights and Responsibilities Act 2006*.

14. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer is so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

15. CONCLUSION

Council received one application to the Community Event Sponsorship Program. Council to note that the application was successful in receiving \$1,000 cash towards facility/arena hire and \$1,000 in-kind support for equipment use.

11 Councillor Reports

Councillors may provide a brief report on their activities, on behalf of Council, since the last Council meeting.

RECOMMENDATION

That the Councillor Reports be noted.

12 Chief Executive Officer's Calendar

Activities and meetings attended since the previous Council meeting:

- Regular Cross Border Commissioner Briefings
- Meeting with Assistant Commissioners - Fire Rescue Victoria
- Central Victorian Goldfields World Heritage Bid - Steering Committee
- NBN briefing for RCV Rural North Central Mayors and CEOs
- Department of Justice LG CEO consultation regarding the decriminalisation of sex work in Victoria
- Several Department of Health Rapid Response Engagement Sessions.
- Regular Local Government CEOs COVID-19 Briefings
- MAV Regional Meeting - Rural North Central
- Regular Echuca Moama Covid 19 Local Leaders Update meetings
- VLGGC Sector Information Session
- DJPR, CEOs and MAV forum
- Loddon Campaspe Councils CEOs Meeting

RECOMMENDATION

That Council note the Chief Executive Officer's activities.

13 Petitions And Letters

14 Notices Of Motion

15 Urgent Business

16 Confidential Business

Closure of Public Meeting

RECOMMENDATION

That pursuant to the provisions of the *Local Government Act 2020* (the Act), the meeting will now be closed to members of the public in accordance with section 66(2)(a) of the Act to enable consideration to be given to items that contain confidential information as defined in section 3(1) of the Act as follows:

- a) Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released.
- b) Security information, being information that if released is likely to endanger the security of Council property or the safety of any person.
- c) Land use planning information, being information that if prematurely released is likely to encourage speculation in land values.
- d) Law enforcement information, being information which if released would be reasonably likely to prejudice the investigation into an alleged breach of the law or the fair trial or hearing of any person.
- e) Legal privileged information, being information to which legal professional privilege or client legal privilege applies.
- f) Personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs.
- g) Private commercial information, being information provided by a business, commercial or financial undertaking that:
 - (i) relates to trade secrets; or
 - (ii) if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.
- h) Confidential meeting information, being the records of meetings closed to the public under section 66(2)(a).
- i) Internal arbitration information, being information specified in section 145.
- j) Councillor Conduct Panel confidential information, being information specified in section 169.
- k) Information prescribed by the regulations to be confidential information for the purposes of this definition.
- l) Information that was confidential information for the purposes of section 77 of the Local Government Act 1989.

Items

- 16.1 Authority to Award Contract
- 16.2 Drainage Tender
- 16.3 Land Sale
- 16.4 Land Sale

16.5 Potential Contract Variation

16.6 Land Sale

16.7 Commercial Lease

Resumption of Public Meeting

17 Close Meeting

Declan Moore

Chief Executive Officer