

2020 - 2021
**Annual
Report**



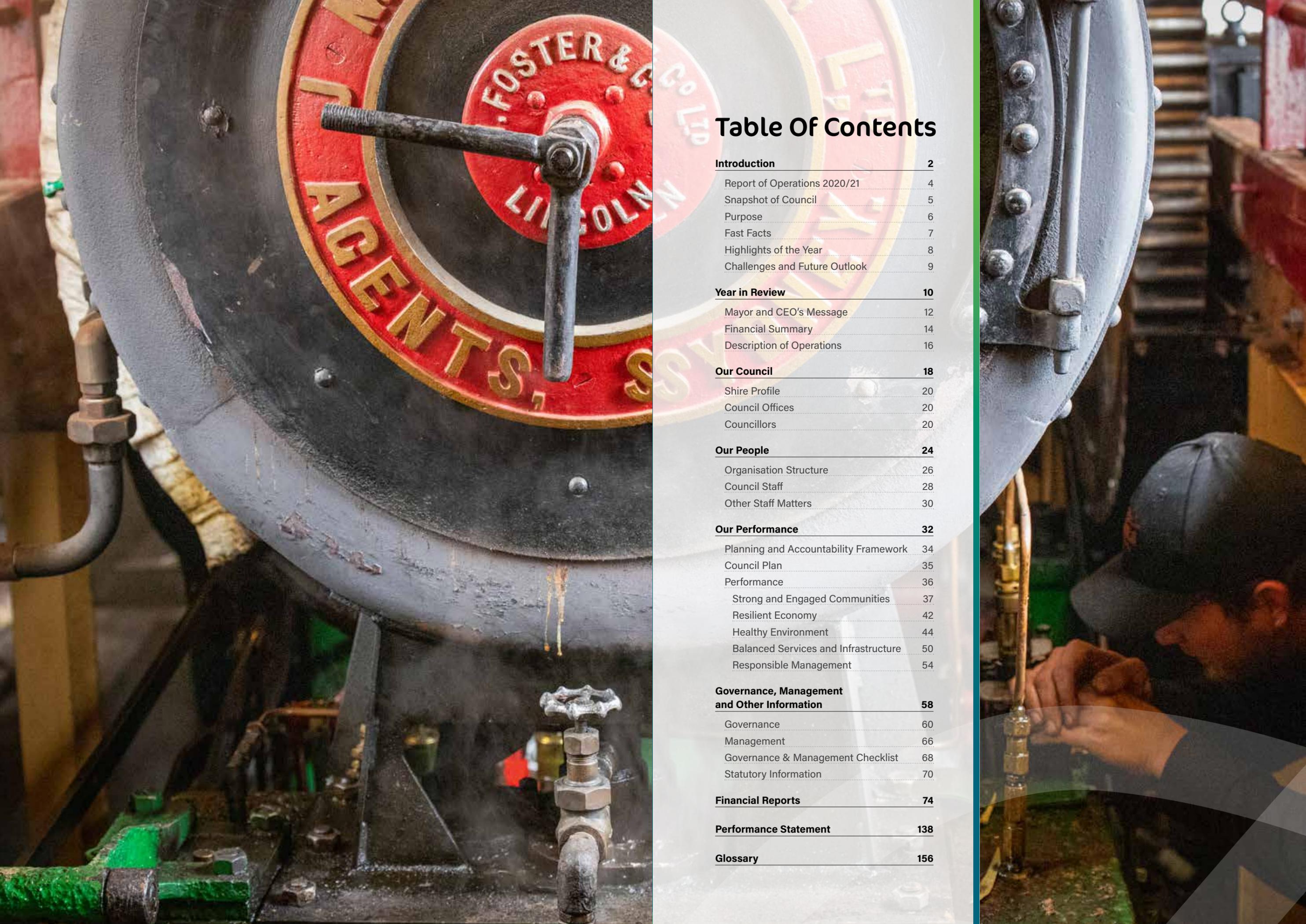
The background of the page is a composite image. On the left, there is a close-up of a large, dark grey industrial machine with a prominent red circular dial. The dial has gold lettering that reads 'FOSTER & CO LTD' at the top and 'LINCOLN' at the bottom. A metal handle is attached to the center of the dial. On the right, a worker wearing a dark grey cap and a dark shirt is focused on a task, possibly adjusting a component of the machinery. The overall scene is industrial and well-lit.

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Introduction

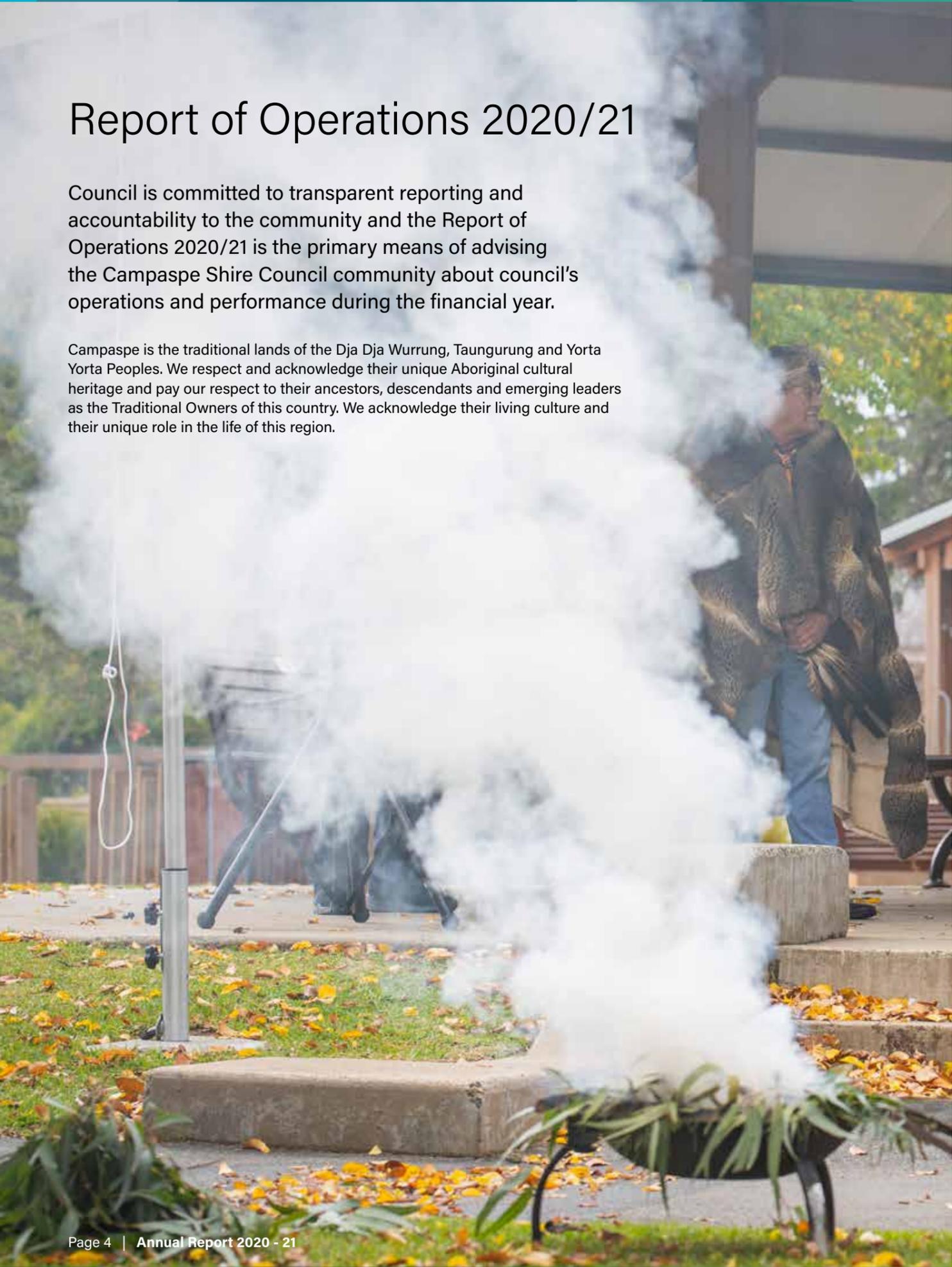
Report of Operations 2020/21
Snapshot of Council
Highlights of the Year
Challenges and Future Outlook



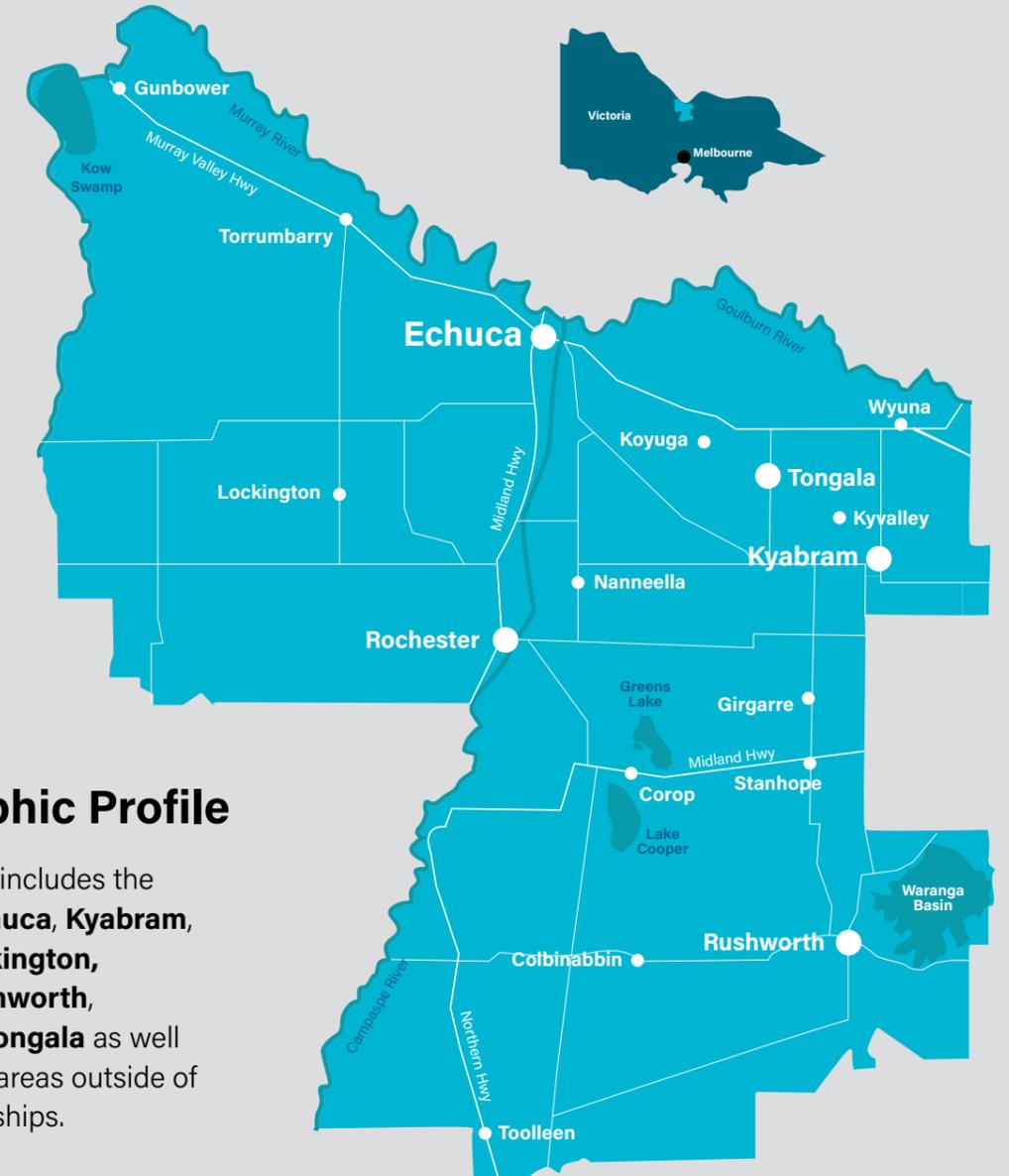
Report of Operations 2020/21

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2020/21 is the primary means of advising the Campaspe Shire Council community about council's operations and performance during the financial year.

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.



Snapshot of Council



Demographic Profile

Campaspe Shire includes the townships of **Echuca, Kyabram, Rochester, Lockington, Gunbower, Rushworth, Stanhope** and **Tongala** as well as many smaller areas outside of these main townships.



An estimated resident population of 37,675 (as at 30 June 2020) and 30% are aged 60 years and over.



Around 84% residents were born in Australia, but residents were born in more than 30 countries and speak more than 20 languages.



The majority of residents, 80%, work and live within the municipality, with a further 10% working in Murray River Council, an adjoining NSW local government area.



More than 10% of households earn an income of \$2,500 or more per week.

Purpose

Vision

We are strong, supportive, vibrant and sustainable.

Mission

Campaspe Shire Council will provide services, facilities, support and advocacy to enable our community to be healthy, connected, prosperous and resilient.

Values

We deliver quality, innovative and community focused services today that make a difference for tomorrow.

Respect

We embrace each individual's unique talents and value diverse life and work styles.

We operate in a spirit of cooperation and value human dignity.

Customer focused

We listen to our customers and deliver services which meet their demonstrated needs.

We focus on customer relationships that build trust, confidence and loyalty.

We are responsible for both external and internal customer satisfaction.

Continuous improvement

We work with enthusiasm and intellect and are driven to build upon what has already been achieved.

We improve productivity, processes and ourselves through measurement, analysis and review.

Teamwork

We listen to and respect each other whilst working together to achieve mutually beneficial results.

We help one another, value one another's views and make our work environment fun and enjoyable.

We are not afraid to stand alone, especially when it is the right thing to do.

Accountability

We conduct our business in accordance with the highest standards of professional behaviour and ethics.

We are open, honest and ethical in all our interactions with employees, clients, customers, vendors and the public.

We are responsible for and take ownership of our actions.

Fast facts



48,974
calls answered



1,210
kilometres of
gravel roads graded



7,995
dogs registered



3,504
tonnes of garden
and food material
collected in
kerbside bins



4,427
vaccines given



19,592
visits to service
centres



402
birth
notifications



3,966
tonnes of recycling
material collected
in kerbside bins



2,577
cats registered



415
kindergarten
places allocated



71,540
visits to library
branches



7,973
tonnes of waste
collected in
kerbside bins



Highlights of the Year

The Council Plan 2017-2021 guides the work of Council in providing services and projects for the community. The plan is set out in five strategic objectives and the following is a summary of achievements under those five key areas.

| Strategic Objectives | Overview | 2020/21 Achievements | |
|---|--|---|---|
| 1 Strong and engaged communities | Services, programs and advocacy enable improved health, wellbeing and safety of our community. | <ul style="list-style-type: none"> › Resilient Rochester project completed › Arts and Culture Strategy adopted › Volunteer Awards presented as part of Volunteer Week | <ul style="list-style-type: none"> › Whole of community event held in recognition of Reconciliation Week › Stanhope and Kyabram Place Based Plans completed › Community engagement completed to develop community vision |
| 2 Resilient economy | Diverse and growing economy with increased employment and investment opportunities, economic prosperity and community development. | <ul style="list-style-type: none"> › Creative Active Recovery Grant program opened to support pandemic recovery › Permanent umbrella sleeve program opened to support outdoor dining and pandemic recovery | <ul style="list-style-type: none"> › Children's play space within Cargo Shed on the Echuca Wharf updated |
| 3 Healthy environment | A healthier environment for current and future generations. | <ul style="list-style-type: none"> › Contract awarded for new kerbside bin collection services, to start 1 July 2021 | <ul style="list-style-type: none"> › Audit of 200 kerbside waste, recycling and organics bins completed |
| 4 Balanced services and infrastructure | Services and assets meet current and future community need. | <ul style="list-style-type: none"> › Two rounds of Local Roads and Infrastructure funding received › Detailed design plans completed for Gunbower Lions Park | <ul style="list-style-type: none"> › Contract awarded for redevelopment of Echuca East Community Precinct › Policy adopted for the sale of surplus Council land |
| 5 Responsible management | <p>Strong leadership, advocacy and good governance.</p> <p>An organisation that is responsive, flexible, honest, accountable and consistent.</p> | <ul style="list-style-type: none"> › General election completed › Ongoing financial assistance to ratepayers and businesses in response to coronavirus pandemic provided › Community Engagement Policy adopted | <ul style="list-style-type: none"> › Councillor Code of Conduct adopted › Revenue and Rating Plan adopted › Council grant programs reviewed and re-opened to the community |

Challenges and Future Outlook

Challenges

- Ensuring that the network of roads, footpaths, bridges and drainage are maintained and renewed into the future and the particular challenge associated with the large number of kilometres of local roads, and age of bridge structures to maintain.
- The need for significant investment in our ageing aquatic infrastructure to meet the expectations of the community, with many outdoor pools built more than 50 years ago.
- The rapidly changing technology environment, driving community expectation to improve the ways we communicate, provide information, deliver services and report back to the community.

The future

- Seek funding to support the implementation of the wharf and aquatic reserve project.
- Partner with industry and government in the development of a Workforce Development Strategy.
- Exhibit a Planning Scheme Amendment that implements the Echuca West Precinct Structure Plan.
- Complete redevelopment of the Gunbower Lions Park and Echuca East Community Precinct.
- Progress sales of surplus Council land and facilities, in line with adopted policy.
- Adopt a community vision for Campaspe.
- Progress the requirements of the Gender Equality legislation.
- Develop and update our Asset Management Plans.



Year In Review

Mayor and CEO's Message
Financial Summary
Description of Operations



From the Mayor

On behalf of the Council, I am pleased to present the 2020/21 Annual Report. This summary aligns what the previous Council had outlined in the 2017/21 Council Plan.

With the four year term of Council ending in October 2020 the Council elections occurred under COVID-19 restrictions and the new Council was sworn in on 17 November.

I'd like to thank our previous Councillors who concluded their term for their ongoing commitment and work that they did for our Shire.

The changing Local Government Act 2020 has brought with it, reviews and the development of the Community Vision, Council Plan, Financial Plan, Budget and other strategic documents.

I feel very privileged and humbled to be a newly elected Councillor and given the opportunity to be Mayor for our wonderful Shire.

With that I'd like to thank my fellow Councillors of our new Council for their commitment and work for the Campaspe Shire and to Council staff for their support, hard work and effort in difficult unpredictable times.

The Council looks forward to continue to work with you all in 2021/22 for the betterment of our whole Shire.



Cr Chrissy Weller
Mayor

Mayor and CEO's Message

Welcome. It is our pleasure to present the Annual Report for 2020/21, the last to report against the 2017/21 Council Plan.

Our vision, we are strong, supportive, vibrant and sustainable, remains at the forefront of what drives us at Council. The organisation continues to focus on delivering vital services and infrastructure to support the community and positively influence lives of the 37,000 plus residents who all call Campaspe home.

The year continued to be impacted by State Government restrictions, responding to the ongoing coronavirus pandemic, resulting in the closures of service centres, library branches, Echuca War Memorial Aquatic Centre, playgrounds and sport stadiums, as well as Council businesses, the Port of Echuca Discovery Centre, and Echuca Paddlesteamers. Essential services continued to be delivered, in some instances delivered differently to limit the level of customer contact.

Local government elections were held in October 2020 with a new nine-member council elected, comprising of five new Councillors and four returning Councillors. The diverse group of Councillors bring a range of skills and experienced a busy induction program, starting development of the community vision, Budget, Council Plan, and a range of other key strategic documents.

Community celebrations

With ongoing gathering restrictions in response to the pandemic, community celebrations were difficult to coordinate in advance with limits around the number of people permitted in either an open public space or inside constantly changing.

This resulted in Australia Day community events restricted in numbers, or cancelled at short notice, across the shire. Australia Day Awards were still presented, this year in two categories; Citizen of the year awarded to Hannah Thompson of Rochester; and Young Citizen of the year awarded to Jack Norris of Kyabram.

As part of National Volunteer Week in May, Council celebrated its volunteers and presented awards in three categories. The Individual Award was presented to Thomas Murphy, Young Person Award – Lockington Youth Action Group and Organisation Award – Kyabram Blue Light.

Both award programs showcase how lucky Campaspe is to have such inspiring and generous community members and businesses.

Across the year, Council held four citizenship ceremonies, giving residents an opportunity to celebrate with their family the last step of becoming an Australian citizen. The ceremonies supported 19 residents in their citizenship journey, down on the previous year of 54.

Financial sustainability

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. This deficit includes several non-cash items being.

- 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.

When the non cash items and capital grants are removed, the adjusted underlying result is a surplus of \$1.597 million.

A summary of our financial performance is outlined on pages 14 and 15.

Staff continued their focus to attract Federal and State Government funding to support the delivery of community projects. Council was successful in receiving more than \$9 million of funds through a number of grant applications or announced through government stimulus programs. Some include:

- \$4.2 million through the Local Roads and Community Infrastructure program (two rounds) to support upgrades to Council-owned assets across the shire.
- \$100,000 through the Rural Council's ICT Technology Support program which has seen customer service kiosks installed at service centres and improvements to online services.
- \$604,428 through the Living Libraries Infrastructure program for redevelopment of the Rushworth Library and Service Centre, to be completed by October 2023.
- \$600,000 through the Tourism Infrastructure Small Scale program for redevelopment of the Port of Echuca Discovery Centre museum and various exhibits.

This funding, matched by Council's and other local contributions, is vital to delivering projects. In a rate capping environment, it is even more important and forces councils to seek alternative funding options to maintain existing infrastructure and invest in new infrastructure.

Plans for the future

Council worked on a broad range of strategies, plans and policies throughout the year. Some of those include:

Community vision – Through the 'Campaspe: Thriving Together' project an extensive consultation program focused on asking the community what it aspires to, and the issues that Council must address with and for its communities. The feedback from this project will form the basis of developing a 20-year long term plan and four-year Council Plan, as well as providing data for many future plans.

Arts and Culture Strategy – The strategy outlines Council's strategic priorities and key actions to support artistic and cultural endeavours in the shire for the next 10 years.

Revenue and Rating Plan – This strategic document is a requirement of the new Local Government Act 2020, detailing Council's revenue-raising framework for the four-year term of the current Council.

Councillor Code of Conduct – The code sets out the prescribed standards of behaviour expected by councillors in the performance of their duties and functions.

Community Engagement Policy – Following public exhibition, a policy was adopted setting out Council's approach to community engagement, based on an internationally recognised model by the International Association for Public Participation (IAP2).

Supporting our community

Following a review of all grant and donation programs, a streamlined grants, sponsorships and donations program opened up to the community in July. Applications now capture not only financial assistance required, but the in-kind support required by community groups in hosting events. More than \$226,000 was provided through seven grant programs to support 80 community-led projects.

In addition, more than \$32,000 was provided to 11 business applicants to assist them diversify and expand, and to encourage new businesses to start up.

Changes to opening days and hours across the four customer service centres were changed in November, providing an additional two days of opening at Tongala and Rushworth, to better meet the needs of the community. Customer service and library services were integrated giving the community greater access to library services, including public computers. In addition, customer service kiosks were made available enabling the community to use Council's website, as well as accessing the increasing number of Council online services.

We would like to take the opportunity acknowledge Councillors for their dedication to their role and all staff for their hard work in a particularly challenging pandemic environment.

We commend the Annual Report to you as an insightful overview of many of Council's achievements for the year 2020/21.

Cr Chrissy Weller
Mayor

Declan Moore
Chief Executive Officer

Financial Summary

Council finished the year with an operating deficit and maintained a relatively low debt level of \$3.3 million. Detailed information about our financial performance is included within the Financial Statements sections of this Annual Report on pages 74 to 137. A summary of our performance is outlined below.

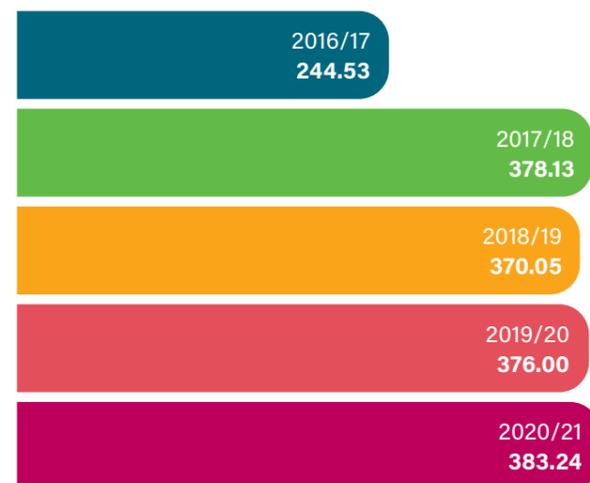
Liquidity

Cash and other financial assets are \$81.1 million which is \$5.9 million higher when compared to the 30 June 2020 figure of \$75.2 million due in part to a number of capital works projects being removed from the program, delays in other large projects and an additional \$1.7 million being held in reserves.

The increase in reserves of \$1.7 million will fund asset renewal and waste projects.

The working capital ratio, which assesses Council's ability to meet current commitments, is calculated by measuring Council's current assets as a percentage of current liabilities. Council's liquidity ratio level of 376% is an indicator of our satisfactory financial position.

Working capital ratio %



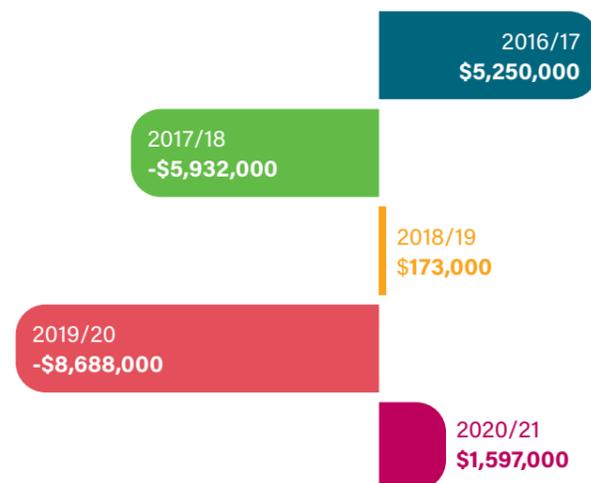
Operating position

The year-end resulted in an operating deficit of \$4.7 million, which compares unfavourably to the prior year surplus of \$279,000. The 2020/21 deficit is due to an impairment loss of \$7.3 million and a loss on disposal of property, infrastructure, plant and equipment of \$6.5 million. It was also impacted by the coronavirus pandemic which forced the closure of many Council businesses and services through the financial year, including the Port of Echuca Discovery Centre, Echuca Paddlesteamers, Echuca Holiday Park, recreation and leisure facilities. The closure of these services impacted revenue received but did not see an equal reduction of expenses.

The adjusted underlying result (deficit after removing capital grants, non-monetary capital contributions, impairment loss and net loss on disposal of property, infrastructure, plant and equipment) is a surplus of \$1.597 million or 2.07% when compared to adjusted underlying revenue

The impairment loss is the result of the Paramount Theatre Complex being reclassified as an asset held for sale. When an asset is reclassified as held for sale it must be recognised at the expected sale price, not the written down value recognised in the asset register. The difference between the two values is written off as an impairment and has an impact on the income statement. The written down value less the expected sale price equals the impairment loss. The written down value was \$8.166 million, the expected sale price is \$850,000. The impairment loss is \$7.316 million..

Adjusted underlying result

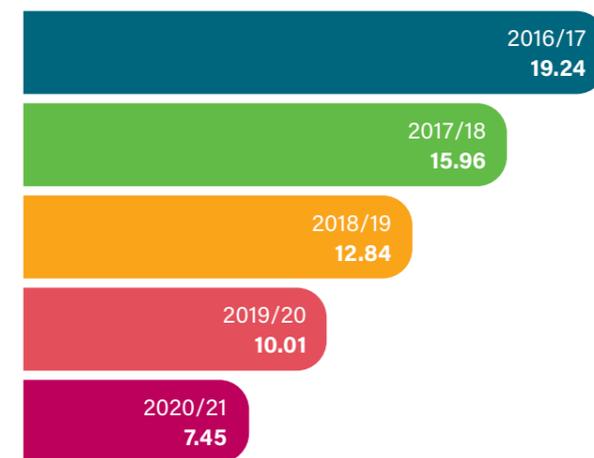


Obligations

Council aims to ensure that it can maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. To bridge the infrastructure gap, Council invested \$20.5 million in renewal works during the 2020/21 year. This was funded from operations of \$17.7 million and cash reserves of \$2.8 million.

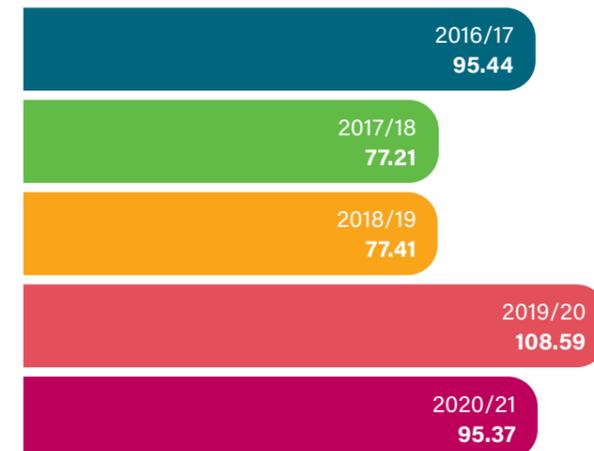
At the end of 2020/21 Council's debt ratio, which is measured by comparing interest-bearing loans and borrowings to rate revenue, was 7.45%.

Loan and borrowings compared to rates ratio %



Council's asset renewal ratio, which is measured by comparing asset renewal and upgrade expenditure to depreciation, was 95.82%. This indicator has changed in 2020/21 to include upgrade expenditure and previous years' figures have been recalculated.

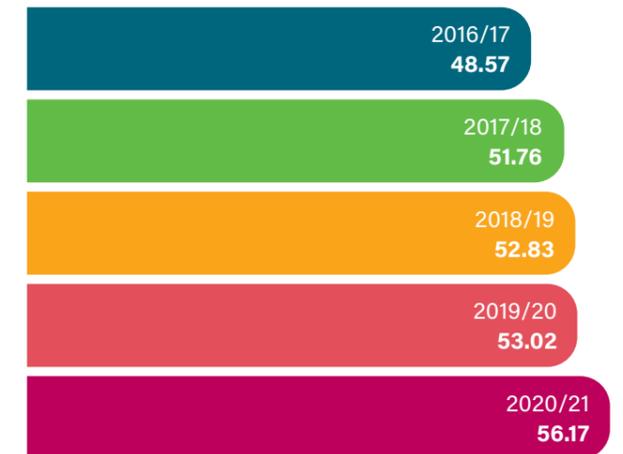
Asset renewal ratio %



Stability & efficiency

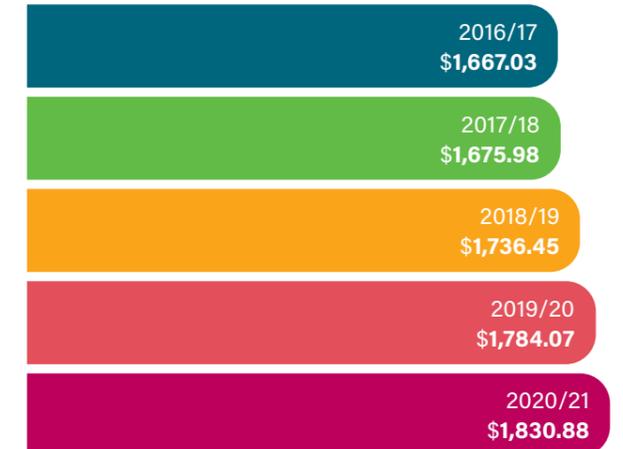
Council raises a wide range of revenues including rates, user fees, grants and contributions. Despite this, Council's rates concentration which compares rate revenue to adjusted underlying revenue was 56.17% for the 2020/21 year.

Rate concentration ratio %



This resulted in an average rate per assessment of \$1,830.88.

Revenue level ratio \$



Description of Operations

Campaspe Shire Council is responsible for more than 100 services, from family and children's services, open space, waste management, aquatic services and community buildings, to matters concerning business development, planning for appropriate land use and ensuring accountability for Council's budget.

This broad range of community services and infrastructure for residents support the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan and the associated Budget 2020/21 and reported on in this document. Refer to the section on Our Performance, pages 36 to 57, for more information about Council services.

The delivery of services, facilities, support and advocacy to achieve the strategic objectives is measured by a set of performance indicators and measures. Council also has a wide range of responsibilities under Victorian and Australian legislation.

Economic factors

There are a number of issues facing Council which present an ongoing challenge. Some of the key issues include:

- The ongoing coronavirus pandemic, with financial support measures put in place to assist individuals, ratepayers, businesses and organisations.
- Rate capping, which started 1 July 2016, is progressively impacting on Council's ability to fund service delivery and capital works.

Major capital works

Delivering capital projects is essential to achieving Council's aim to provide safe, accessible and appropriate infrastructure that meets the needs of the community. Across the 2020/21 year 69 capital projects were completed, to the value of \$20.5 million.

Highlights included:

- Starting the redevelopment of Echuca East Community precinct, with works to continue throughout 2021/22.
- Completion of the multi year Rochester Ramsay Street open drain renewal.
- Continuation of upgrades to the retention basins in McEwen Road, Kyabram.
- Road projects worth \$8 million, including Darling Street, Echuca and Corop Wanalta Road rehabilitations and \$3 million in resealing works across the shire.
- Completion of the Echuca McKenzie Road outfall drain project.
- \$1.1 million of additional works using Local Roads and Community Infrastructure funding across the shire. Projects included DDA works, new and upgrade footpaths, street lighting, street trees and road upgrades in Collins Street, Colbinabbin and Campaspe Street, Rochester. Further projects to be delivered through this funding program in 2021/22 and 2022/23.

\$ value of capital works completed

| | 2019/20 | 2020/21 |
|----------------|--------------|--------------|
| New | \$4,301,000 | \$814,000 |
| Renewal | \$15,759,000 | \$16,808,000 |
| Upgrade | \$4,774,000 | \$2,885,000 |
| Total | \$24,834,000 | \$20,507,000 |

Major changes

There were no major changes across the year.

Major achievements

Local government elections were held in October 2020 with a new nine-member council elected, comprising of five new Councillors and four returning Councillors.

A busy induction program was completed across a six-month period in line with the Local Government (Governance and Integrity) Regulations 2020, delivered internally as well as using external providers. Councillors were also involved in development of the community vision, Budget, Council Plan, and a range of other key strategic documents required under the new Local Government Act.

In developing a community vision, Council completed an extensive consultation program, where the community provided feedback about each township's future aspirations. Feedback was received from around 1,000 people, from community workshops, an online survey, targeted industry meetings and pop-up activities in townships. Feedback was collated as town specific results and whole of shire, with summary sheets released back to the community to check if anything was missing or misinterpreted.

The program also sought feedback on whether the community vision set back in 2015 of "we are strong, supportive, vibrant and sustainable" still reflected the aspirational future for Campaspe Shire.



Our Council

Shire Profile
Council Offices
Councillors



Shire Profile

Campaspe Shire Council 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.

Council Offices

Headquarters:

Echuca, 2 Heygarth Street

Service Centres:

Kyabram, 19 Lake Road
 Rochester, 43-45 Mackay Street
 Rushworth, 33 High Street
 Tongala, 37 Mangan Street

Postal address: PO Box 35, Echuca VIC 3564

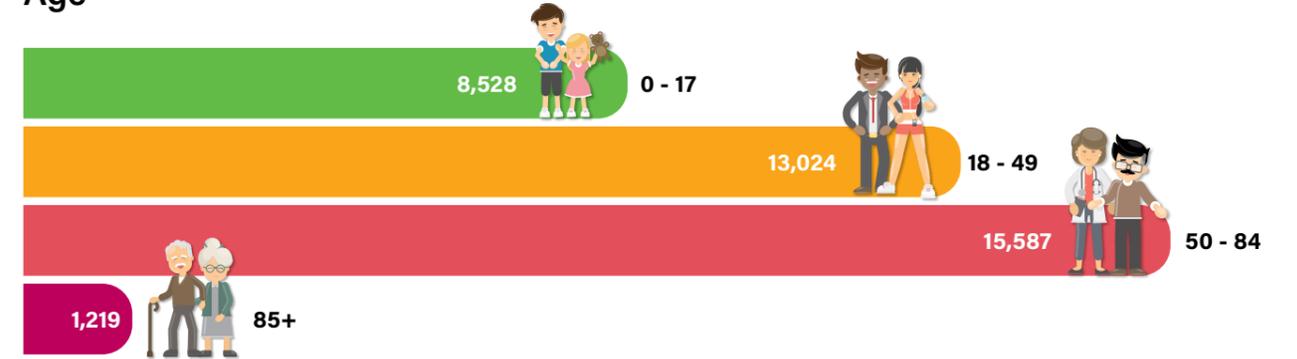
Telephone: (03) 5481 2200

Email: shire@campaspe.vic.gov.au

Website: www.campaspe.vic.gov.au



Age



About us



We are growing
 2019: 37,600 (ERP)
 2036: 43,000 (forecast)



We have lower levels of education
 53.1% of residents held a qualification of some sort in 2016 compared with 57.2% for regional Victoria.



We have a sizeable Aboriginal population
 2.4% of residents are Aboriginal, compared to 1.6% for regional Victoria



We are becoming older and younger
 Compared to regional Victoria we have a higher population of both younger people and older people



We mainly work in
 Manufacturing, Agriculture, Health Care, and Tourism



On average, we earn less
 In 2016 the median weekly income was only \$1,081, compared to \$1,124 for regional Victoria

Councillors

The Council was elected to provide leadership for the good governance of the municipal district and the local community. In 2020 the Campaspe Shire Council community elected this Council for a four year term.

The municipality is divided into five wards, two multi-councillor wards, and three single-councillor wards. The nine Councillors are the elected representatives of all residents and ratepayers across the shire.

They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance.

The Councillors are:

Cr Rob Amos

Echuca Ward

Date elected: 24 October 2020

Mobile: 0437 042 170

Email: r.amos@campaspe.vic.gov.au

Council appointments: Audit and Risk Committee, Echuca Moama and District Tourism Development Association



Cr Colleen Gates

Kyabram Deakin Ward

Date elected: 24 October 2020

Mobile: 0457 916 615

Email: c.gates@campaspe.vic.gov.au

Council appointments: Municipal Association of Victoria, Goulburn Valley Regional Waste and Resource Recovery Forum



Cr Paul Jarman

Rochester Ward

Date elected: 24 October 2020

Mobile: 0407 825 133

Email: p.jarman@campaspe.vic.gov.au



Cr Daniel Mackrell

Kyabram Deakin Ward

Date elected: 22 October 2016

(Echuca Ward)

Re-elected: 24 October 2020

Mobile: 0429 517 535

Email: d.mackrell@campaspe.vic.gov.au



Cr Tony Marwood

Echuca Ward

Date elected: 24 October 2020

Mobile: 0437 517 535

Email:

t.marwood@campaspe.vic.gov.au

Council appointments: Audit and Risk Committee, Senior Combined Partners, MAV Planning Committee



Cr Leanne Pentreath

Western Ward

Date elected: 20 February 2016

(by-election)

Re-elected: 22 October 2016,

24 October 2020

Deputy Mayor: 2020

Mobile: 0428 862 201

Email: l.pentreath@campaspe.vic.gov.au



Cr Adrian Weston

Waranga Ward

Date elected: 27 October 2012

Re-elected: 22 October 2016,

24 October 2020

Mayor: 2016, 2017, 2018, 2019

Mobile: 0428 320 464

Email: a.weston@campaspe.vic.gov.au

Council appointments: Senior Combined Partners



Cr Chrissy Weller

Echuca Ward

First elected: 24 October 2020

Mayor: 2020

Mobile: 0437 567 401

Email: c.weller@campaspe.vic.gov.au

Council appointments: Murray River Group of Councils, Loddon Campaspe Councils, Rural Councils Victoria, Goulburn Broken Greenhouse Alliance



Cr John Zobec

Kyabram Deakin Ward

First elected: 28 January 2015

(2012 election count-back)

Date re-elected: 22 October 2016,

24 October 2020

Mobile: 0418 213 413

Email: j.zobec@campaspe.vic.gov.au



The following Councillors retired as at October 2020, following the general election:

Cr Kristen Munro

Echuca Ward

First elected: 22 October 2016

Date retired: 24 October 2020

Cr Vicki Neele

Kyabram Deakin Ward

First elected: 22 October 2016

Date retired: 24 October 2020

Cr Neil Pankhurst

Kyabram Deakin Ward

First elected: November 2008

Date retired: 24 October 2020

Cr Annie Vickers

Echuca Ward

First elected: 22 October 2016

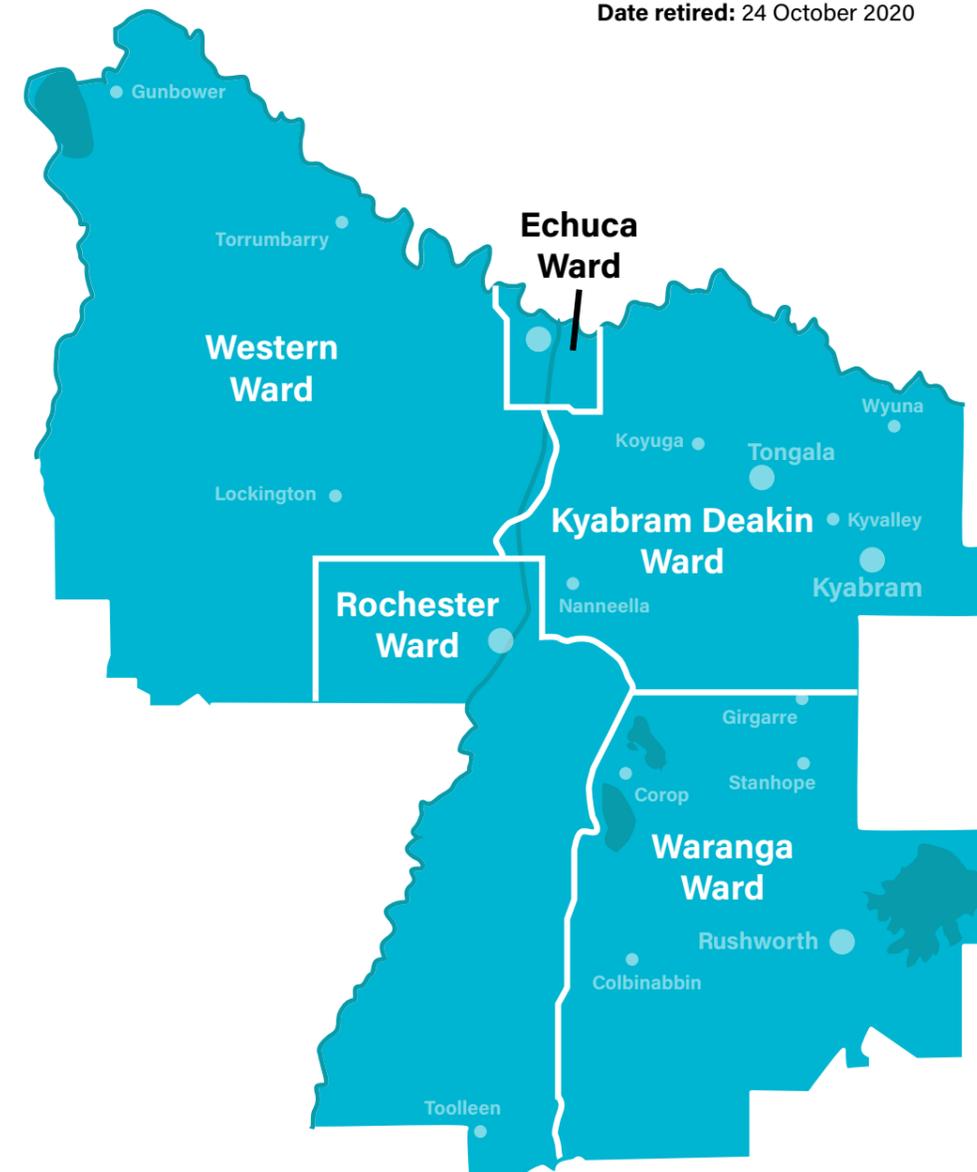
Date retired: 24 October 2020

Cr Leigh Wilson

Rochester Ward

First elected: 27 October 2012

Date retired: 24 October 2020



Our People

Organisation Structure
Council Staff
Other Staff Matters



Organisation Structure

Council is the governing body that appoints the Chief Executive Officer (CEO). The CEO has responsibility for the day-to-day management of Council operations in accordance with the strategic directions of the Council Plan.

Four General Managers and the CEO form the Executive Management Group (EMG). EMG leads the organisation and meets weekly to oversee and manage Council operations. EMG also provides Council with information and advice that supports strategic and effective decision making.

EMG is supported by a team of departmental managers. A chart setting out the organisation structure of the Council is shown below:

**Fleur Cousins,
General Manager
Corporate**

Bachelor of Applied Science (Environmental Health)
Diploma of Management
Admitted as a Graduate of the Australian Institute of Company Directors

Commenced:
6 November 2017

Areas of responsibility:
Financial Services, Information & Communications Technology, Procurement, Human Resources, Communications, Customer Service

**Jason Deller,
General Manager
Infrastructure**

Bachelor of Engineering (Civil)
PhD
Registered Professional Engineer Queensland

Commenced:
2 October 2019

Areas of responsibility:
Aerodrome, Construction, Parks & Gardens, Quarry Operations, Road Maintenance, Engineering Design, Plant & Fleet, Road Services, Strategic Asset Management, Building Maintenance, Capital Works, Project Management, Property & Leases

**Declan Moore,
Chief Executive
Officer**

Certificate MD Nursing
Bachelor of Applied Science (Speech Pathology)
Graduate Diploma of Business

Master of Health Service Management

Advanced Diploma of Business (HR)

Diploma of Sustainability

Commenced:
7 October 2019

Areas of responsibility:
Governance & Strategy, Executive Support Services

**Keith Oberin,
General Manager
Community**

Diploma of Education

Commenced:
16 May 2016

Areas of responsibility:
Community Engagement, Community Programs, Economic Development, Events, Tourism, Commercial Businesses, Local Laws, Waste & Environment, Civic Events, Community Grants, Community Development

**Paul McKenzie,
General Manager
Development**

Graduate Diploma of Management

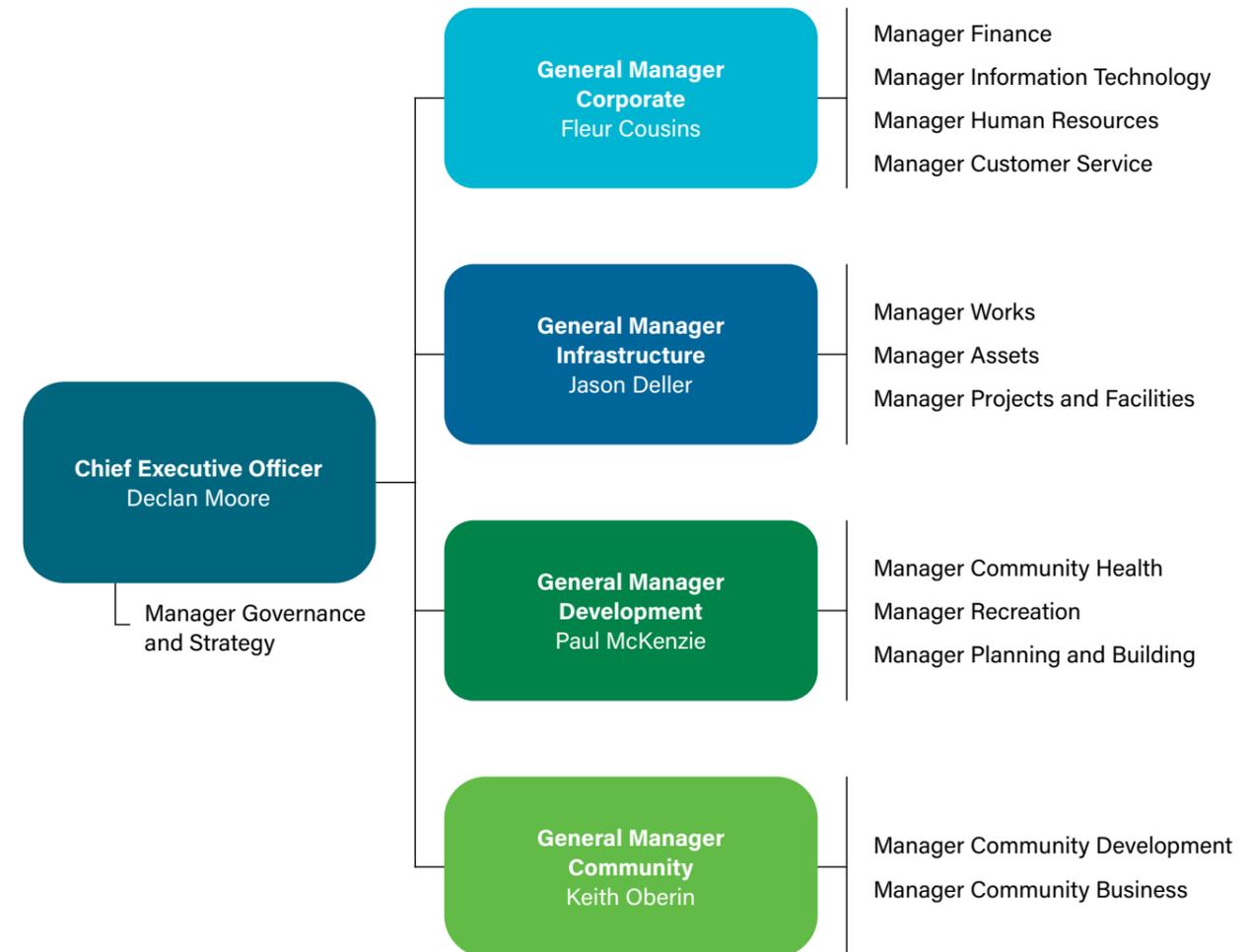
Certificate of Management

Graduate Diploma of Education - Special Needs

Diploma of Teaching

Commenced:
17 April 2000

Areas of responsibility:
Children & Family Services, Environmental Health, Library Services, Maternal & Child Health, Aquatic Services, Facilities & Open Space, Recreation Services, Building Services, Planning Investigation, Statutory Planning, Strategic Planning



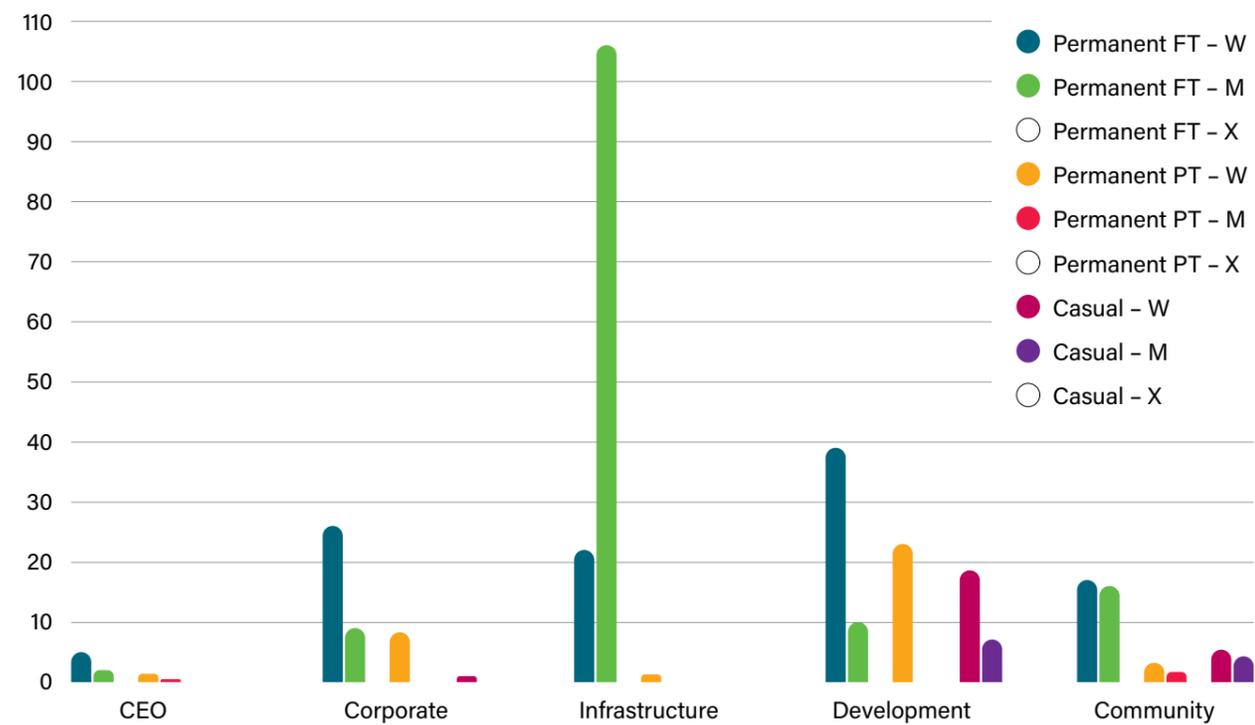
Council Staff

A summary of the number of full time equivalent (FTE) Council staff by organisation structure, employment type and gender is set out below, as at 30 June 2021.

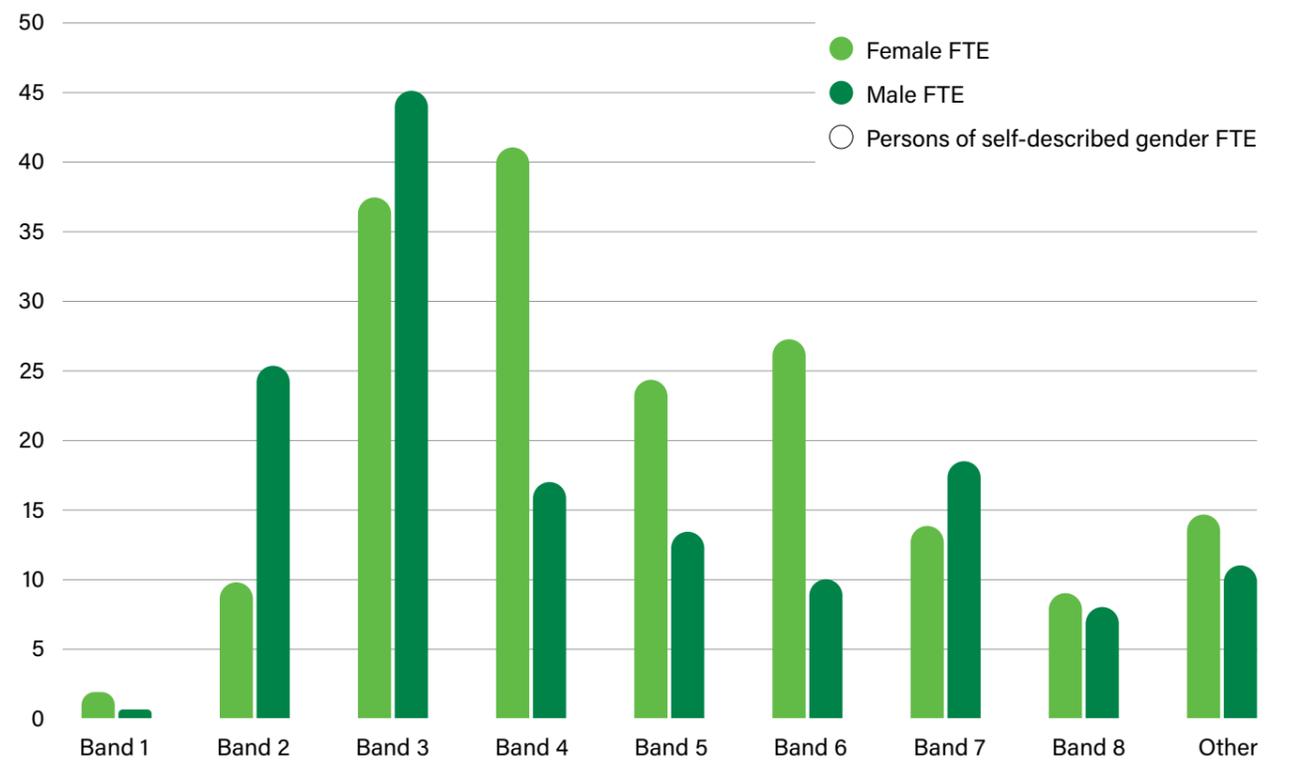
| Employee type / gender | CEO | Corporate | Infrastructure | Development | Community | Total |
|------------------------|------------|-------------|----------------|-------------|-------------|--------------|
| Permanent FT - W | 5.0 | 26.0 | 22.0 | 39.0 | 17.0 | 109.0 |
| Permanent FT - M | 2.0 | 9.0 | 106.0 | 10.0 | 16.0 | 143.0 |
| Permanent FT - X | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Permanent PT - W | 1.4 | 8.3 | 1.3 | 23.0 | 3.2 | 37.2 |
| Permanent PT - M | 0.5 | 0.0 | 0.0 | 0.0 | 1.7 | 2.2 |
| Permanent PT - X | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Casual - W | 0.0 | 1.0 | 0.0 | 18.6 | 5.4 | 25.5 |
| Casual - M | 0.0 | 0.0 | 0.0 | 7.1 | 4.3 | 11.6 |
| Casual - X | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 8.9 | 44.3 | 130 | 97.7 | 47.6 | 328.5 |

Legend: FT (full time), PT (part time), W (women), M (men), X (person of self-described gender)

As at 30 June 2021, 6.5 positions were vacant, bringing the substantive FTE to 335.03.



| Employment Classification | Women FTE | Men FTE | Persons of self-described gender FTE | Total FTE |
|---|--------------|--------------|--------------------------------------|--------------|
| Band 1 | 1.9 | 0.6 | 0.0 | 2.5 |
| Band 2 | 9.8 | 25.4 | 0.0 | 35.2 |
| Band 3 | 37.5 | 45.2 | 0.0 | 82.7 |
| Band 4 | 41.1 | 17.0 | 0.0 | 58.1 |
| Band 5 | 24.4 | 13.4 | 0.0 | 37.8 |
| Band 6 | 27.3 | 10.0 | 0.0 | 37.3 |
| Band 7 | 13.8 | 18.5 | 0.0 | 32.3 |
| Band 8 | 9.0 | 8.0 | 0.0 | 17.0 |
| Other (senior executives / managers) | 7.0 | 11.0 | 0.0 | 18.0 |
| Other (individual flexibility arrangements) | 7.7 | 0.0 | 0.0 | 7.7 |
| Total | 179.4 | 149.1 | 0.0 | 328.5 |



Other Staff Matters

Equal Employment Opportunity

Campaspe Shire Council is committed to the principles of equal opportunity and anti-discrimination.

Council staff, contractors and volunteers are entitled to a working environment that is free of all forms of discrimination and inappropriate workplace behaviours. Council's commitment to equal employment opportunity is demonstrated by:

- Our Health, Wellbeing and Safety Policy outlining Council's commitment to ensuring the health, wellbeing and safety of all employees, volunteers, contractors and councillors while at work.
- Our Code of Conduct which includes a focus on providing a work place that is free from discrimination, harassment, workplace bullying, occupational violence, victimisation, reporting improper conduct and unacceptable behaviour.
- Our recruitment process which fosters a merit-based selection.
- Promotion of and access to Employee Contact Officers and an Employee Assistance Program.
- Our training and development programs that educate and inform the workforce.

Health & Safety

Council continued its strong commitment to Occupational Health and Safety during 2020/21. Our OHS Committee is represented by employees from across the organisation with attention given to both preventative and mitigation measures such as:

- Maintaining a Covid safe workplace through policy and compliance checks.
- Monitoring and mitigation of staff mental health as parts of our work force adapt to working from home.
- Providing OH&S education to all staff.

Staff Service Milestones

Skilled, motivated and dedicated staff are critical to Council's success. As part of Council's ongoing 'years of service' recognition program, in October 2020, the commitment and service to the Campaspe community of 38 staff was recognised. Due to Public Health Directions, a celebration with colleagues and families was unable to be held.

10 years

Eugena Kidd, Amanda Andrews, Bridget Pemberton, Jacinda Rasmussen, Zara Retallick, Breanne Hannasky, Barry Tinning, Natalie Stephenson, Andrew Fletcher, Benjamin Lloyd, Belinda Owen, Linda Fisher

15 years

Stacy Gillie, Jenny Brown-Ryan, Karen Teskera, Suzanna Gorman, Elaine Boyd, Kim Coote, Ryan Williams, Linda Law, Glenn Major, Mark Swalling

20 years

Graeme Wall, Susan McMahon, Paul Fahy, Paul McKenzie, Kaye Egan, Jane Wines, Robbie Donovan, Malcolm Smythe, Leanne Buckley, Bobbi Aitken, Colleen Tinker, Damien McInnes

25 years

Margaret Napean

30 years

Danny Jones, Kate Lemon

40 years

Graeme Robinson



Our Performance

Planning and Accountability Framework

Council Plan

Performance

Strong and Engaged Communities

Resilient Economy

Healthy Environment

Balanced Services and Infrastructure

Responsible Management

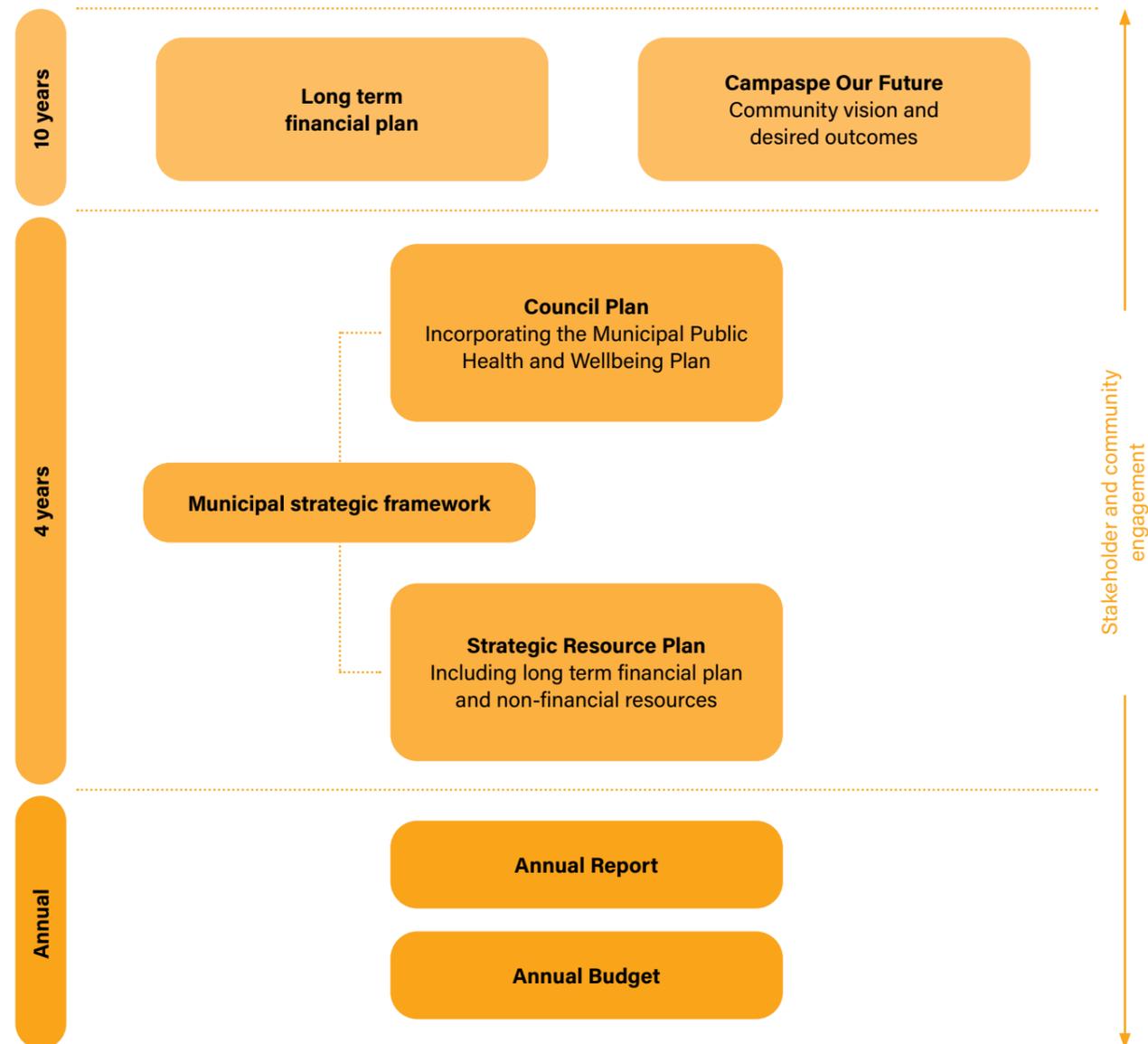


Planning and Accountability Framework

The Local Government Act 1989 requires councils to prepare the following planning and reporting documents:

- a Council Plan within the six months after each general election or by 30 June, whichever is later
- a strategic resource plan for a period of at least four years and include this in the Council Plan
- a budget for each financial year
- an annual report in respect to each financial year.

The diagram shows the relationship between the key planning and reporting documents that make up the planning and accountability framework for local government. Central to the framework is the opportunity for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



Council Plan

The Council Plan 2017/21 includes strategic objectives, strategies for achieving these for the four year period, and strategic indicators for monitoring achievement of the strategic objectives. The following were the five strategic objectives in the Council Plan.

Strong and engaged communities

Services, programs and advocacy enable improved health, wellbeing and safety of our community.

Resilient economy

Diverse and growing economy with increased employment and investment opportunities, economic prosperity and community development.

Healthy environment

A healthier environment for current and future generations.

Balanced services and infrastructure

Services and assets meet current and future community need.

Responsible management

Strong leadership, advocacy and good governance.

An organisation that is responsive, flexible, honest, accountable and consistent.



Performance

Council's performance for the 2020/21 year has been reported in a number of ways:

- Results achieved in relation to the strategic indicators in the Council Plan
- Progress in relation to the major initiatives identified in the Budget
- Services funded in the budget and the people or sections of the community who are provided those services
- Results against the prescribed service performance indicators and measures.



Strong and Engaged Communities

Services, programs and advocacy enable improved health, wellbeing and safety of our community.

Strategies

Three strategies contribute to achieving this goal:

- Foster community partnerships and support other agencies in the delivery of services.
- Build strong, healthy and vibrant communities through innovation and implementing best practice in service delivery for our diverse community.
- Enable residents to be active and engaged in their community and support participation in artistic, cultural, sporting, and leisure opportunities.

Services

The following services contributed to achieving the strategies and goals for this environment:

| Service area | Description of services provided | | Budget \$'000 | Actual \$'000 |
|------------------------------|---|-----|------------------|------------------|
| Active recreation | To provide spaces and facilities to support formalised active recreation and community events that support community, social and health benefits. | Rev | 298 | 108 |
| | | Exp | 2,454 | 3,285 |
| | | Net | (2,156) | (3,177) |
| Aged and disability services | To facilitate access to and provision of in home and outreach services that care for members of our community who have a need. Aged and disability services were exited from 1 July 2020. | Rev | 3,814 | 395 |
| | | Exp | 4,745 | 552 |
| | | Net | (931) | (157) |
| Aquatics | To provide facilities that support swimming and aquatic water play. | Rev | 1,533 | 612 |
| | | Exp | 3,683 | 3,294 |
| | | Net | (2,150) | (2,682) |
| Children's services | To provide families with access to a range of services that support the foundations for optimal growth and development of children in partnership with families. | Rev | 3,559 | 3,717 |
| | | Exp | 4,187 | 4,247 |
| | | Net | (628) | (530) |
| Community development | To strengthen the understanding of community views and aspirations to inform decision making. | Rev | 78 | 910 |
| | | Exp | 1,948 | 2,525 |
| | | Net | (1,870) | (1,615) |
| Customer communications | To connect the community with Council. | Rev | 0 | 30 |
| | | Exp | 808 | 729 |
| | | Net | (808) | (699) |
| Emergency management | To strengthen local capacity and capability and build community resilience in compliance with legislative responsibilities. | Rev | 60 | (69) |
| | | Exp | 349 | 281 |
| | | Net | (289) | (350) |
| Environmental health | To protect and enhance the health and wellbeing of residents and visitors through the delivery of public health programs and services in compliance with legislative responsibilities. | Rev | 356 | 325 |
| | | Exp | 1,105 | 1,012 |
| | | Net | (749) | (687) |
| Library | To provide space, activities and items that support access to information and knowledge. | Rev | 455 | 452 |
| | | Exp | 2,249 | 2,055 |
| | | Net | (1,794) | (1,603) |
| Passive recreation | To provide open spaces and public environments that support and encourage passive recreation by residents and visitors to improve health and wellbeing. | Rev | 30 | 3 |
| | | Exp | 280 | 7,735 |
| | | Net | (250) | (7,732) |

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2020/21 budget.

| Initiative | Result |
|---|-------------|
| Major | |
| We will work with two local communities to support the development of community place based plans. | In progress |
| Other | |
| We will engage with our community to obtain feedback as part of a one year nation-wide initiative to evaluate the impact of library services through the "Culture Counts" project of the Public Libraries Australia Evaluation Network. | Completed |
| We will adopt an Arts and Culture Strategy to define Council's role and level of service provided. | Completed |
| We will provide a minimum of 70 immunisation sessions across the municipality. | Completed |
| We will undertake a minimum of 200 (high risk) food safety assessments. | Completed |

Strategic Indicators

The following reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the plan.

| Indicator | Source | 2019/20 results | 2020/21 results |
|--|--|-----------------------|-----------------------|
| Community satisfaction with consultation and engagement | Victorian Local Government Community Satisfaction Survey | 52 | 51 |
| Percentage of children fully vaccinated at 12-15 months, 24-27 months and 60-63 months | Department Health and Human Services | 12-15 months = 96.49% | 12-15 months = 97.16% |
| | | 24-27 months = 95.22% | 24-27 months = 95.92% |
| | | 60-63 months = 97.7% | 60-63 months = 97.58% |
| Percentage of the population that reported their health as excellent or very good | Victorian Population Survey | 2014 = 34.2% | 2014 = 34.2% |
| Percentage of the population that reported being very satisfied or satisfied with life | Victorian Population Survey | 2014 = 92.2% | 2014 = 92.2% |
| Percentage of safety whilst walking alone at night | VicHealth Indicator Survey | 2015 = 54.7% | 2015 = 54.7% |

Service Performance Indicators

Results of the prescribed indicators and measures including explanation of material variations.

| Service / Indicator / Measure | Result 2018 | Result 2019 | Result 2020 | Result 2021 | Material variations and comments |
|--|-------------|-------------|-------------|-------------|--|
| Aquatic facilities | | | | | |
| Service standard | 2.63 | 5.00 | 2.00 | 2.88 | The number of inspections of pools increased slightly on the previous years. Staff aim to inspect all pools once per month across the peak season and the indoor pool, a minimum of three times per year, however the indoor pool was closed for a significant time during the year due to State Government restrictions. |
| Health inspections of aquatic facilities [Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities] | | | | | |
| Utilisation | 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. |
| Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population] | | | | | |
| Service cost | New in 2020 | New in 2020 | \$8.72 | \$27.85 | There was an error in the calculation in 2019/20, the result should be \$13.72. While costs have increased in line with CPI but due to facilities being closed as a result of the pandemic there has been a decrease in visitation and revenue which have impacted the result. Note: From 2020, this measure replaced two previous measures: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities'; see retired measures. |
| Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities] | | | | | |

| Service / Indicator / Measure | Result 2018 | Result 2019 | Result 2020 | Result 2021 | Material variations and comments |
|---|-------------|-------------|-------------|-------------|--|
| Libraries | | | | | |
| Utilisation Physical library collection usage [Number of physical library collection item loans / Number of library physical collection items] | 2.22 | 2.10 | 1.54 | 1.35 | Use of the physical collection was unfavourably impacted as a result of State Government restrictions relating to service closures or patron limits. Pandemic related behaviour change among patrons was evident, with patrons accessing facilities to collect specific items rather than linger and browse. Note: From 2019/20, this indicator measures the performance of physical library items as a subset of the wider library collection. |
| Resource standard Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x 100 | 40.07% | 38.72% | 34.92% | 29.78% | In 2020/21 there was a decline in the proportion of recently purchased materials. Budget allocation has remained stable and without growth and purchasing patterns have focused on e-resources, which have a relatively higher cost per item. |
| Participation Active library borrowers in municipality [Number of active library borrowers in the last 3 years / The sum of the population for the last 3 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. |
| Service cost Cost of library service per population [Direct cost of the library service / Population] | New in 2020 | New in 2020 | \$22.20 | \$25.61 | The cost of service delivery has increased slightly by \$3. Note: This measure is replacing the previous 'Cost of library service' indicator which measured based on number of visits, see retired measures on page 57. |

| Service / Indicator / Measure | Result 2018 | Result 2019 | Result 2020 | Result 2021 | Material variations and comments |
|---|-------------|-------------|-------------|-------------|--|
| Maternal and Child Health (MCH) | | | | | |
| Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100 | 100.00% | 100.00% | 100.25% | 101.52% | The trend in infant enrolments in the MCH service has generally remained steady across the last four years of reporting, demonstrating the trust and value placed in the service provided by Council. |
| Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses] | \$80.62 | \$76.76 | \$102.32 | \$108.96 | The cost of service delivery has increased slightly on prior years due to additional costs of complying with the COVID 19 requirements. |
| Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 | 75.47% | 73.17% | 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 in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100 | 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. |
| Satisfaction Participation in 4 week key age and stage visit [Number of 4 week key age and stage visits / Number of birth notifications received] x 100 | New in 2020 | New in 2020 | 99.25% | 96.97% | The result is slightly lower than the previous reporting period, though participation rates remain high for the four week Key Age and Stage visit. Services were offered via a variety of participation methods, dependant on State Government restriction requirements. |

Resilient Economy

Diverse and growing economy with increased employment and investment opportunities, economic prosperity and community development.

Strategies

Four strategies contributed to achieving this goal:

- Facilitate and enable local enterprise, support existing businesses and develop stronger business networks.
- Promote Campaspe's competitive advantages to attract new investment and maximise economic growth.
- Support and develop Campaspe's tourism opportunities.
- Work in partnership with industry, education providers and community to address skills for the future, lifelong learning opportunities and skills shortage gaps.

Services

The following services contributed to achieving the strategies and goals for this environment:

| Service area | Description of services provided | | Budget \$'000 | Actual \$'000 |
|----------------------|--|-----|------------------|------------------|
| Economic development | To contribute to a strong, diverse and innovative local economy. | Rev | 6,831 | 7,296 |
| | | Exp | 7,521 | 8,046 |
| | | Net | (690) | (750) |

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2020/21 budget.

| Initiative | Result |
|--|-------------|
| Major | |
| We will commence construction of the recreation area of the Echuca Holiday Park and begin procurement for cabin replacement. | Not started |
| Other | |
| We will update the children's play space within the existing Cargo Shed on the Echuca Wharf. | Completed |
| We will continue to advocate to the Victorian Skills Commissioner to undertake a skills demand profile for the shire in partnership with the Loddon Mallee councils, as well as City of Greater Shepparton and Moira Shire councils. | In progress |

Strategic Indicators

The following reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the plan.

| Indicator | Source | 2019/20 results | 2020/21 results |
|---|--|-----------------------------|-----------------------------|
| Value of non-residential building approvals | Campaspe id. Economic profile indicators | \$16.9 million | \$30 million |
| Unemployment rate | Campaspe id. Economic profile indicators | 4.9% | 5.1% (March 2021) |
| Average visit spend per trip | RemPlan Economic Profile visitor expenditure | Domestic \$115 | Domestic \$119 |
| | | Domestic overnight \$364 | Domestic overnight \$385 |
| | | International \$764 | International \$960 |
| Average visitor stay | RemPlan Economic Profile visitor expenditure | Domestic overnight 3 nights | Domestic overnight 3 nights |
| | | International 12 nights | International 16 nights |
| Value of gross regional product | Campaspe id. Economic profile indicators | \$2,006,000 million | Not available |
| Number of local jobs | Campaspe id. Economic profile indicators | 2020 = 18,559 | 2020 = 18,559 |
| Number of employed residents | Campaspe id. Economic profile indicators | 2016 = 15,292 | 2016 = 15,292 |

Service Performance Indicators

There were no prescribed service performance indicators for this strategic objective.



Healthy Environment

A healthier environment for current and future generations.

Strategies

Five strategies contributed to achieving this goal:

- Strategically plan for future growth areas and existing communities while respecting our natural, built, social and economic environments.
- Promote resource minimisation and recovery through innovative environmental practices.
- Adopt, support and promote sustainable and affordable energy options.
- Support the community, business and industry to respond to the impacts of a changing climate.
- Develop partnerships to ensure a healthy natural environment.

Services

The following services contributed to achieving the strategies and goals for this environment:

| Service area | Description of services provided | | Budget \$'000 | Actual \$'000 |
|----------------------------------|---|-----|------------------|------------------|
| Building surveyor services | To ensure that the built environment and places across the municipality are safe and in compliance with legislative responsibilities. | Rev | 474 | 239 |
| | | Exp | 446 | 122 |
| | | Net | 28 | 117 |
| Environment and conservation | To protect, enhance and conserve native flora and fauna through community education and programs. | Rev | 90 | 132 |
| | | Exp | 408 | 470 |
| | | Net | 318 | (338) |
| Regulatory compliance | To protect the safety and amenity of the built and natural environment and public infrastructure for the use and enjoyment of community members and visitors in compliance with legislative responsibilities. | Rev | 2,408 | 1,990 |
| | | Exp | 3,235 | 3,054 |
| | | Net | (827) | (1,064) |
| Statutory and strategic planning | To provide for the fair, orderly, economic and sustainable use and development of land across the Shire of Campaspe in compliance with legislative responsibilities. | Rev | 551 | 573 |
| | | Exp | 1,318 | 917 |
| | | Net | (767) | (343) |
| Strategic recreation planning | To strategically plan for recreation, sporting, open space and community facilities. | Rev | 0 | 72 |
| | | Exp | 299 | 263 |
| | | Net | (299) | (191) |
| Waste collection and management | To provide services for the removal of waste and the collection of recycling. | Rev | 6,333 | 6,699 |
| | | Exp | 5,643 | 5,718 |
| | | Net | 691 | 981 |

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2020/21 budget.

| Initiative | Result |
|--|-------------|
| Major | |
| We will exhibit a Planning Scheme Amendment that implements the Echuca West Precinct Structure Plan. | In progress |
| Other | |
| We will exhibit a Planning Scheme Amendment that implements the recommendations of the Planning Scheme Review. | Not started |
| We will audit a minimum of 200 kerbside waste, recycling and organics bins to establish contamination. | Completed |
| We will plant a minimum of 250 trees in streets and open spaces. | In progress |
| We will inspect a minimum of 480 properties to ensure fire prevention works have been completed. | Completed |

Strategic Indicators

The following reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the plan.

| Indicator | Source | 2019/20 results | 2020/21 results |
|--|---|---|---|
| Percentage of planning applications decided within 60 days | Local Government Performance Reporting | 93.77% | 97.15% |
| Average time taken to decide on planning applications | Local Government Performance Reporting | 38 days | 35 days |
| Percentage of kerbside collection waste diverted from landfill | Local Government Performance Reporting | 48.02% | 48.37% |
| Electricity consumption for all Council owned and operated buildings and facilities | Internal | 2,252,412 kWh | 2,108,422 kWh |
| Tonnes of CO2 emissions from electricity and gas used in all Council owned and operated buildings and facilities | Internal | Electricity = 2,297 tCO2 Gas = 762.97 tCO2 | Electricity = 2,024 tCO2 Gas = 686.98 tCO2 |

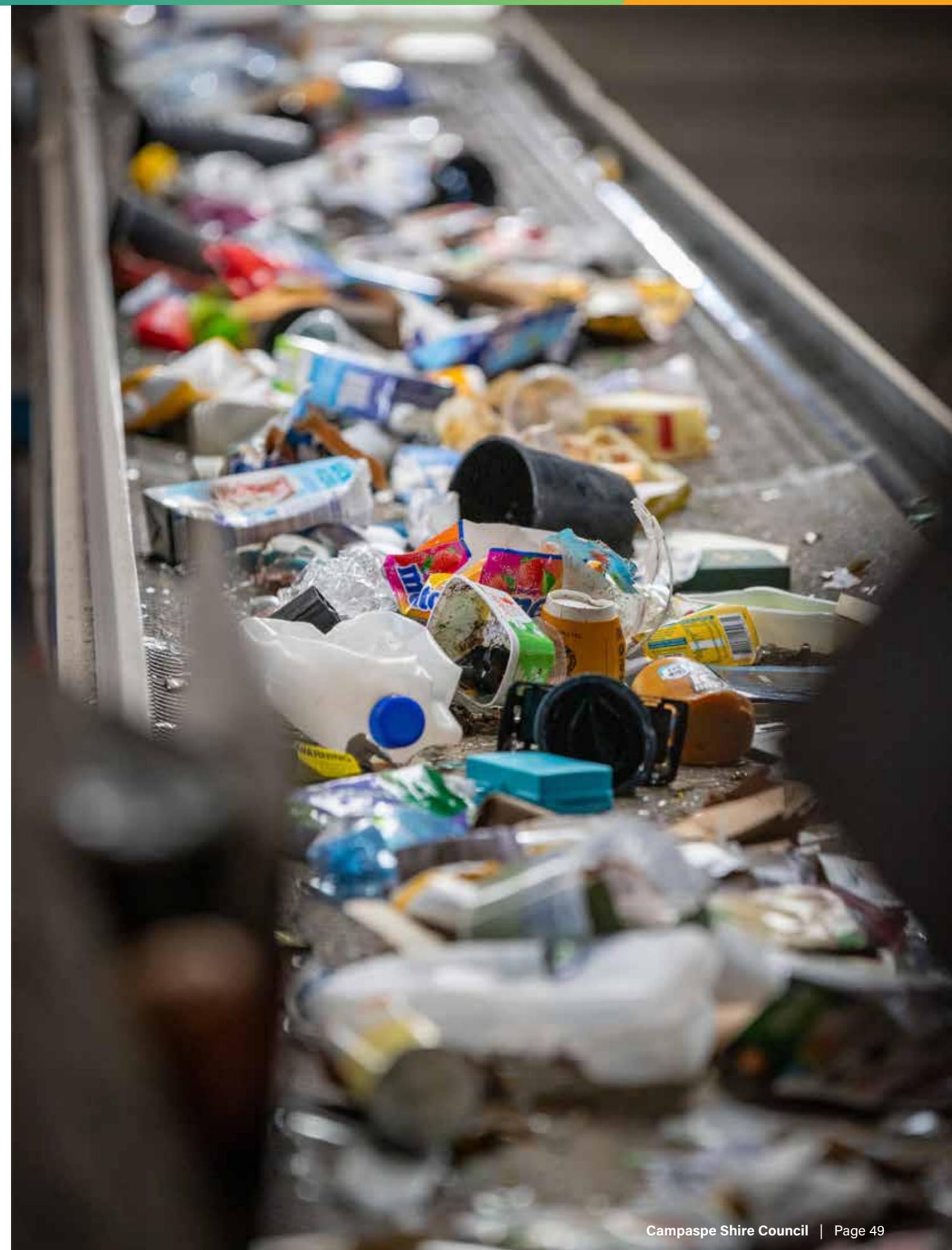
Service Performance Indicators

Results of the prescribed indicators and measures including explanation of material variations.

| Service / Indicator / Measure | Result 2018 | Result 2019 | Result 2020 | Result 2021 | Material variations and comments |
|---|-------------|-------------|-------------|-------------|--|
| Animal management | | | | | |
| Timeliness Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests] | 1.00 | 1.00 | 1.00 | 1.00 | Council provides an on call after hours Ranger service. The service allows Council to attend all domestic animal requests within 24 hour of receipt. |
| Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x 100 | 28.71% | 21.97% | 27.43% | 32.48% | Council has a Home Safe program. This free service returns wandering animals to their owners, rather than being taken directly to the shelter for impoundment therefore reducing the number of animals available to be reclaimed. The total number of dogs returned to their owners avoiding impoundment was 116. |
| Animals rehomed [Number of animals rehomed / Number of animals collected] x 100 | New in 2020 | New in 2020 | 57.12% | 52.92% | Does not include feral animals. Note: New measure for 2019/20 financial year. |
| Service cost Cost of animal management service per population [Direct cost of the animal management service / Population] | New in 2020 | New in 2020 | \$32.53 | \$29.19 | The cost of the service is consistent with prior years. Note: This measure is replacing previous 'Cost of animal management service' which was based on cost per number of registered animals, see retired measures. |
| Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100 | 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. Note: This measure is replacing previous 'Animal management prosecutions' which was a measure of number, not proportion, see retired measures. |

| Service / Indicator / Measure | Result 2018 | Result 2019 | Result 2020 | Result 2021 | Material variations and comments |
|---|-------------|-------------|-------------|-------------|--|
| Statutory Planning | | | | | |
| Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application] | 30.00 | 41.00 | 38.00 | 35.00 | The decrease in median processing days continues due to a focus on process improvements and assigning applications based on complexity. The information was prepared based on the monthly PPAR report from July 2021 as there is no collated annual report at present. |
| Service standard Planning applications decided within required timeframes [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100 | 94.42% | 92.28% | 93.77% | 97.23% | The trend in deciding applications within the required time frames has been maintained at over 90%, exceeding the rural average of 78%. This in part is achieved by having appropriate delegations, monitoring individual targets, training staff, implementing process improvements and streamlining applications. The Unit also defines each application based on complexity (including VicSmart) and splits applications into three categories (P1, P2 & P3), each with an agreed internal processing timeframe. The information was prepared based on the monthly PPAR report from July 2021 as there is no collated annual report at present. |
| Service cost Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received] | \$919.33 | \$1,573.76 | \$1,473.04 | \$1,054.69 | The cost per application has reduced from last year. This reflects process improvements and that planners now undertake multiple tasks including strategic, audits and enforcement. This multi skilling of staff has created efficiencies and an improved level of service. The information was prepared based on the monthly PPAR report from July 2021 as there is no collated annual report at present. |
| Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100 | 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. |

| Service / Indicator / Measure | Result 2018 | Result 2019 | Result 2020 | Result 2021 | Material variations and comments |
|--|-------------|-------------|-------------|-------------|---|
| Waste collection | | | | | |
| Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1,000 | 114.22 | 132.50 | 147.61 | 145.23 | This indicator represents the number of requests from the community to replace stolen bins, terminate services, change services or have bins repaired. This indicator is similar when compared to the previous reporting period. |
| Service standard Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000 | 1.20 | 1.91 | 2.39 | 2.10 | Council has been working hard with its contractor to improve the level of service and this is reflected in an improvement in this indicator when compared to the prior year. |
| Service cost Cost of kerbside garbage collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins] | \$94.79 | \$94.87 | \$108.09 | \$102.25 | Service improvements and efficiencies have contributed to a reduction in costs. Staff levels were also reduced during this period having a favourable impact on costs. |
| Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins] | \$37.25 | \$32.63 | \$63.01 | \$48.00 | The service delivery cost increase in 2019/20 was a one off negotiated payment to cover increases in their recycling processing charge due to China Sword. The 2020/21 result is a true reflection of the service delivery costs. |
| Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100 | 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. |



Balanced Services and Infrastructure

Services and assets meet current and future community need.

Strategies

Four strategies contributed to achieving this goal:

- 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.

Services

The following services contributed to achieving the strategies and goals for this environment:

| Service area | Description of services provided | | Budget \$'000 | Actual \$'000 |
|-------------------------------|---|-----|------------------|------------------|
| Engineering | To ensure that Council's infrastructure is designed, constructed and maintained to provide a fit for purpose network for people across the shire. | Rev | 122 | 91 |
| | | Exp | 384 | 307 |
| | | Net | (252) | (216) |
| Parks and gardens maintenance | To provide safe and attractive public open spaces that support a range of recreation opportunities for community, social and environmental benefit. | Rev | 0 | 12 |
| | | Exp | 4,906 | 5,370 |
| | | Net | (4,906) | (5,358) |
| Project management | To ensure the efficient, timely and cost effective delivery of Council's Capital Works Program. | Rev | 0 | 0 |
| | | Exp | 277 | 759 |
| | | Net | (277) | (759) |
| Road services | To ensure the operational and statutory functions of road and drainage infrastructure are in compliance with legislative responsibilities. | Rev | 58 | 135 |
| | | Exp | 21,234 | 29,250 |
| | | Net | (21,176) | (29,115) |

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2020/21 budget.

| Initiative | Result |
|--|---------------|
| Major | |
| We will continue to deliver the footpath 'missing links' across the shire while ensuring the footpath renewal program is delivered. | In progress |
| Other | |
| We will develop an Early Years Strategy to define Council's role and level of service provided in response to sector reforms. | In progress |
| We will engage with the Gunbower community to inform the development of detailed design plans for the redevelopment of Gunbower Lions Park. | Completed |
| We will commence construction of the redevelopment of the Echuca East Community Precinct. | Not completed |
| We will develop a community policy on the sale of surplus Council land. | Completed |
| We will review the capital and operational works prioritisation in line with the Asset Management Strategy and Plans. | In progress |
| We will undertake a select number of unsealed pavement stabilisation trials across the shire to improve pavement strength over time under load, improve dust management, provide a better operating surface for all vehicles and significantly reduce pot-holing and corrugations. | In progress |
| We will increase the delivery of Disability and Discrimination Action implementation of physical and natural environment projects from previous years. | Completed |

Strategic Indicators

The following reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the plan.

| Indicator | Source | 2019/20 results | 2020/21 results |
|--|--|-----------------|-----------------|
| Community satisfaction with the condition of sealed roads | Victorian Government Community Satisfaction Survey | 49 | 47 |
| Percentage of sealed local roads maintenance | Local Government Performance Reporting | 98.77% | 98.96% |
| Percentage of capital projects practically completed at the conclusion of the financial year (based on number of projects) | Internal | 72% | 78% |
| Maturity of Council's asset management practices and processes using the National Asset Management Assessment Framework | Internal | 923 | 923 |

Service Performance Indicators

Results of the prescribed indicators and measures including explanation of material variations.

| Service / Indicator / Measure | Result 2018 | Result 2019 | Result 2020 | Result 2021 | Material variations and comments |
|--|-------------|-------------|-------------|-------------|--|
| Food safety | | | | | |
| Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints] | 2.92 | 2.19 | 1.22 | 1.64 | In 2020 there was a slight increase in the number of food complaints received by Council. As a result of the increased numbers and State Government restrictions, the response time for complaints has increased slightly from 2019. Council prioritises complaints based on public health risk and is focused on a timely response to complaints of high public health risk. |
| Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x 100 | 90.31% | 97.49% | 83.75% | 72.38% | 2020 presented a range of challenges for both staff and businesses when carrying out assessments. Many businesses changed practices to adapt to State Government restrictions, such as a change to takeaway and a limit on the amount of activities carried out by businesses. The restrictions impacted on the number of assessments able to be completed by staff, predominantly in temporary and mobile premises assessments. Staff continue to use Council's Food Safety Risk Assessment process to ensure businesses that are carrying out high risk activities are prioritised. |
| Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984] | \$453.93 | \$434.27 | \$366.00 | \$393.33 | The costs of the service has increased in 2020/21 due to additional work resulting from the pandemic. |
| Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance] x 100 | 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. |

| Service / Indicator / Measure | Result 2018 | Result 2019 | Result 2020 | Result 2021 | Material variations and comments |
|---|-------------|-------------|-------------|-------------|--|
| Roads | | | | | |
| Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x 100 | 26.77 | 29.77 | 42.23 | 15.69 | Council has enhanced its performance by improving the condition of sealed roads. This was achieved by increasing the reseal program via grant funding. |
| Condition Sealed local roads maintained to condition standard [Number of kilometres of sealed local roads below the renewal intervention level set by council / Kilometres of sealed local roads] x 100 | 96.33% | 96.38% | 98.77% | 98.96% | Council has been performing well in maintaining performance standard of sealed roads. |
| Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed] | \$52.26 | \$78.08 | \$86.28 | \$54.72 | Unit rate has decreased due to less number of larger projects making cost saving per square metre. |
| Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed] | \$3.54 | \$4.28 | \$5.30 | \$6.20 | Contract expired, new reseal contract awarded with long-term benefit and according to current market condition. |
| Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads] | 45 | 47 | 49 | 47 | 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. |

Responsible Management

Strong leadership, advocacy and good governance.

An organisation that is responsive, flexible, honest, accountable and consistent.

Strategies

Six strategies contributed to achieving this goal:

- Consult and engage with all sectors of the community to determine their priorities and support Council decision making.
- Advocate for infrastructure and services where another level of government has responsibility, such as road and transport issues.
- Strengthen relationships and partnerships to maximise service and infrastructure opportunities, deliver joint initiatives, and leverage external funding.
- Enable the delivery of services, facilities and programs to the community through sound corporate governance and fiscal responsibility.
- Foster an organisational culture that promotes staff development, recognises achievements and celebrates success
- Foster a customer centred approach.

Services

The following services contributed to achieving the strategies and goals for this environment:

| Service area | Description of services provided | | Budget \$'000 | Actual \$'000 |
|---|---|-----|------------------|------------------|
| Financial services | To ensure Council's revenue and expenditure is managed and controlled in a responsible manner to support the delivery of Council services and enable Council to plan for its long term financial sustainability. | Rev | 104 | 1,055 |
| | | Exp | 1,227 | 1,518 |
| | | Net | (1,122) | 463 |
| Governance | To provide support and advice to councillors and the organisation to ensure compliance with legislative responsibilities. | Rev | 40 | 28 |
| | | Exp | 1,507 | 1,084 |
| | | Net | (1,467) | (1,056) |
| Human resources | To partner with all parts of the organisation to provide support, tools and advice to create and facilitate a healthy and sustainable workforce. | Rev | 0 | 0 |
| | | Exp | 400 | 281 |
| | | Net | (400) | (281) |
| Information management (records) | To ensure creation, capture and maintenance, retrieval and protection of records and information in compliance with legislative responsibilities. | Rev | 0 | 0 |
| | | Exp | 76 | 55 |
| | | Net | (76) | (55) |
| Information communication | To facilitate the effective delivery of Council services and enhance community interaction with Council. | Rev | 0 | 100 |
| | | Exp | 1,197 | 1,256 |
| | | Net | (1,197) | (1,156) |
| Organisational strategy and performance | To ensure Council's energy is focused and that Council and staff are working towards the same goals through overseeing development of key organisation-wide strategic directions, plans and monitoring performance. | Rev | 0 | 520 |
| | | Exp | 2,657 | 2,979 |
| | | Net | (2,657) | (2,459) |
| Plant and fleet management | To plan for and effectively manage Council's plant and fleet to support the ongoing delivery of Council's services. | Rev | 0 | 402 |
| | | Exp | 61 | 654 |
| | | Net | (61) | 1,057 |
| Property management | To plan for and effectively manage and maximise the use of land managed by Council to support the ongoing delivery of council's services. | Rev | 325 | 1,931 |
| | | Exp | 2,220 | 2,566 |
| | | Net | (1,895) | (635) |
| Strategic asset management | To provide strategic direction on the management of Council's assets to support the ongoing delivery of Council's services. | Rev | 0 | 0 |
| | | Exp | 1,328 | 824 |
| | | Net | (1,328) | 824 |

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2020/21 budget.

| Initiative | Result |
|--|-------------|
| Major | |
| We will engage with the community to develop a 10 year community plan which sets the long term vision for Campaspe. | Completed |
| Other | |
| We will replace our outdated customer call centre system with a modern, cloud-based, fit for purpose, customer-centric call centre software system. | In progress |
| We will adopt a Complaints Handling Policy and develop a framework to support staff in dealing with complaints consistently and efficiently. | In progress |
| We will develop an Annual Compliance Training Plan to ensure Council's legislative accreditations are maintained. | Completed |
| We will partner with Campaspe Cohuna Local Learning and Employment Network, schools and training providers to identify opportunities with Council for work experience for young people to support ongoing employment in their local community. | Not started |
| We will develop Fire Management Plans around the storage and handling of combustible recyclables for each of the eight transfer stations. | Completed |

Strategic Indicators

The following reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the plan.

| Indicator | Source | 2019/20 results | 2020/21 results |
|--|--|------------------------|------------------------|
| Community satisfaction with customer service | Victorian Government Community Satisfaction Survey | 66 | 67 |
| Community satisfaction with decisions made in the interest of the community | Victorian Government Community Satisfaction Survey | 48 | 52 |
| Community satisfaction with overall direction of Council | Victorian Government Community Satisfaction Survey | 45 | 47 |
| Community satisfaction with lobbying on behalf of the community (advocacy) | Victorian Government Community Satisfaction Survey | 51 | Not collected |
| Compliance measures that are currently in operation | Local Government Performance Reporting | 22/24 | 21/24 |
| Council decisions made at meetings closed to the public | Local Government Performance Reporting | 24.58% | 22.12% |
| Adjusted underlying surplus (or deficit) as a percentage of underlying revenue | Local Government Performance Reporting | (10.49%) | (11.58%) |
| Responsiveness to phone calls | Internal | 95% | 95% |
| Number of occupational health & safety near miss incident reports | Internal | 64 | 48 |
| Risk maturity level | Internal | Not collected annually | Not collected annually |

Service Performance Indicators

The following reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the plan.

| Service / Indicator / Measure | Result 2018 | Result 2019 | Result 2020 | Result 2021 | Material variations and comments |
|---|-------------|-------------|-------------|-------------|--|
| Governance | | | | | |
| Transparency Council decisions made at meetings closed to the public [Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x 100 | 8.93% | 18.18% | 24.58% | 22.12% | The increase in confidential decisions relates to additional land sales, leasing and tender contracts. |
| Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement] | 50 | 51 | 52 | 51 | Council is committed to listening and engaging with the community to improve satisfaction and this indicator result. |
| Attendance Councillor attendance at council meetings [The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x 100 | 97.92% | 96.30% | 94.44% | 94.87% | Councillor attendance remains high including with the introduction of virtual Council meetings due to State Government restrictions. |
| Service cost Cost of elected representation [Direct cost of the governance service / Number of councillors elected at the last council general election] | \$47,541.67 | \$51,514.78 | \$50,635.44 | \$47,294.33 | The costs are consistent with prior years. |
| Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community] | 46 | 47 | 48 | 52 | 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. |

Retired Service Performance Indicators

| Service / Indicator / Measure | Result 2018 | Result 2019 | Result 2020 | Result 2021 | Material variations and comments |
|--|-------------|-------------|-----------------|-----------------|---|
| Aquatic facilities | | | | | |
| Service cost Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facility] | \$5.13 | \$4.10 | Retired in 2020 | Retired in 2020 | This measure was replaced from 1 July 2019. |
| Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facility] | \$11.75 | \$12.71 | Retired in 2020 | Retired in 2020 | This measure was replaced from 1 July 2019. |
| Animal management | | | | | |
| Service cost Cost of animal management service [Direct cost of the animal management service / Number of registered animals] | \$108.26 | \$120.62 | Retired in 2020 | Retired in 2020 | This measure was replaced from 1 July 2019. |
| Health and safety Animal management prosecutions [Number of successful animal management prosecutions] | 3 | 0 | Retired in 2020 | Retired in 2020 | This measure was replaced from 1 July 2019. |
| Libraries | | | | | |
| Service cost Cost of library service [Direct cost of the library service / Number of visits] | \$6.36 | \$5.90 | Retired in 2020 | Retired in 2020 | This measure was replaced from 1 July 2019. |
| Maternal and Child Health (MCH) | | | | | |
| Satisfaction Participation in first MCH home visit [Number of first MCH visits / Number of birth notifications received] x 100 | 101.3% | 101.4% | Retired in 2020 | Retired in 2020 | This measure was replaced from 1 July 2019. |

Governance, Management And Other Information

Governance

Management

Governance and Management Checklist

Statutory Information

Governance

Campaspe Shire Council is constituted under the Local Government Act to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

- Taking into account the diverse needs of the local community in decision making
- Providing leadership by establishing strategic objectives and monitoring achievements
- Ensuring that resources are managed in a responsible and accountable manner
- Advocating the interests of the local community to other communities and governments
- Fostering community cohesion and encouraging active participation in civic life.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community consultation, public forums such as community forums, and online, as well as the ability to make submissions on various issues.

Council's formal decision-making processes are conducted through Council meetings and Special Committees of Council. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies.

Meetings of council

Council conducts open public meetings monthly. From July to December 2020, Council meetings were held on the third Tuesday of each month, and from January to June 2021 moved to the third Wednesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to the Council or speak to an item on the agenda. In addition, meetings are streamed live via Council's website and a recording of each meeting is available to view via the website 48 hours after each meeting.

At times, meetings were closed to the public, or attendance limited, due to restrictions associated with the coronavirus pandemic. The meetings and the ability to speak to an item or ask a question remained available to the community through livestreaming.

For the 2020/21 year, Council held 13 ordinary Council meetings and 1 Special Council meetings. The following table provides a summary of councillor attendance for the 2020/21 year.

| | Council meetings | | Special meetings | |
|---|------------------|----------|------------------|----------|
| | Eligible | Attended | Eligible | Attended |
| New councillors (8 months) | | | | |
| Cr Rob Amos | 9 | 8 | 1 | 0 |
| Cr Colleen Gates | 9 | 8 | 1 | 1 |
| Cr Paul Jarman | 9 | 7 | 1 | 1 |
| Cr Tony Marwood | 9 | 8 | 1 | 1 |
| Cr Chrissy Weller | 9 | 8 | 1 | 1 |
| Returned councillors (12 months) | | | | |
| Cr Daniel Mackrell | 13 | 12 | 1 | 1 |
| Cr Leanne Pentreath | 13 | 12 | 1 | 1 |
| Cr Adrian Weston | 13 | 10 | 1 | 1 |
| Cr John Zobec | 13 | 9 | 1 | 1 |
| Retired councillors (4 months) | | | | |
| Cr Kristen Munro | 4 | 4 | 0 | 0 |
| Cr Vicki Neele | 4 | 4 | 0 | 0 |
| Cr Neil Pankhurst | 4 | 4 | 0 | 0 |
| Cr Annie Vickers | 4 | 4 | 0 | 0 |
| Cr Leigh Wilson | 4 | 4 | 0 | 0 |

The statutory meeting, including election of the Mayor was held on 17 November 2020.



Special committees

The Local Government Act 1989 allows councils to establish one or more special committees consisting of:

- Councillors
- Council staff
- Other persons
- Any combination of the above.

The following Section 86 Committees were dissolved in September 2020 following the introduction of the Local Government Act 2020:

- Campaspe River Reserve Special Committee
- Colbinabbin Memorial Centre Special Committee
- Colbinabbin Town Recreation Reserve Special Committee
- Echuca East Recreation Reserve Special Committee
- Girgarre Memorial Hall Special Committee
- Girgarre Recreation Reserve Special Committee
- Koyuga Hall and Recreation Reserve Special Committee
- Kyabram Fauna Park Special Committee
- Kyabram Plaza Theatre Special Committee
- Kyvalley Community Recreation Reserve Special Committee
- Lockington and District Community Centre Special Committee
- Lockington Recreation Reserve Special Committee
- Nanneella Hall and Recreation Reserve Special Committee
- Northern Oval Recreation Reserve Special Committee
- Rochester Racecourse Recreation Reserve Special Committee
- Rushworth Shire Hall Special Committee
- Strathallan Hall Special Committee
- Tongala Recreation Reserve Special Committee
- Wyuna Memorial Hall Special Committee

Code of Conduct

The Act requires councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. On 17 February 2021, Council adopted a revised Code of Conduct which is designed to:

- Assist councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter
- Attract the highest level of confidence from Council's stakeholders
- Assist the mayor and councillors to discharge the responsibilities of their public office appropriately.

In addition to setting out the Councillor Conduct Principles, the Code also outlines:

- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest
- Roles and relationships
- Dispute resolution procedures.

Conflict of interest

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires councillors to act in the public interest. When a council delegates its powers to a council officer or a committee, the committee or officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it.

Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2020/21, 19 conflicts of interest were declared at Council and special committee meetings.

Councillor allowances

In accordance with Section 39 of the Act, councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also entitled to receive a higher allowance.

The State Government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each council. In this instance, Campaspe Shire Council is recognised as a category two council.

The following table contains details of current allowances fixed for the Mayor and Councillors during the year:

| | Allowance |
|---|---------------------|
| New councillors (8 months) | |
| Cr Rob Amos | \$17,866.31 |
| Cr Colleen Gates | \$17,866.31 |
| Cr Paul Jarman | \$17,866.31 |
| Cr Tony Marwood | \$17,866.31 |
| Cr Chrissy Weller* | \$55,279.59 |
| Returned councillors (12 months) | |
| Cr Daniel Mackrell | \$26,861.80 |
| Cr Leanne Pentreath | \$26,861.80 |
| Cr Adrian Weston* | \$45,698.96 |
| Cr John Zobec | \$26,861.80 |
| Retired councillors (4 months) | |
| Cr Kristen Munro | \$8,995.49 |
| Cr Vicki Neele | \$8,995.49 |
| Cr Neil Pankhurst | \$8,995.49 |
| Cr Annie Vickers | \$8,995.49 |
| Cr Leigh Wilson | \$8,995.49 |
| Total | \$298,006.64 |

* Includes Mayoral allowance



Councillor expenses

In accordance with Section 40 of the Act, Council is required to reimburse a Councillor for expenses incurred whilst performing their duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the detail of the expenses, including reimbursement of expenses for each Councillor.

The details of the expenses including reimbursement of expenses for each Councillor and member of a Council Committee paid by Council for the 2020/21 year are set out in the following table.

| Councillor | Travel | Car Mileage | Child Care | Information & Communication | Conferences & Training | Total |
|---|-------------------|-------------|------------|-----------------------------|------------------------|--------------------|
| New councillors (8 months) | | | | | | |
| Cr Rob Amos | - | - | - | \$354.98 | \$2,827.42 | \$3,182.40 |
| Cr Colleen Gates | - | - | - | \$347.93 | \$2,908.35 | \$3,256.28 |
| Cr Paul Jarman | - | - | - | \$336.10 | \$2,161.99 | \$2,498.09 |
| Cr Tony Marwood | - | - | - | \$399.32 | \$2,151.54 | \$2,550.86 |
| Cr Chrissy Weller | - | - | - | \$404.55 | \$3,690.14 | \$4,094.69 |
| Returned councillors (12 months) | | | | | | |
| Cr Daniel Mackrell | \$1,010.64 | - | - | \$538.95 | \$2,151.54 | \$3,701.13 |
| Cr Leanne Pentreath | - | - | - | \$492.09 | \$2,247.89 | \$2,739.98 |
| Cr Adrian Weston | \$3,496.88 | - | - | \$596.20 | \$2,151.54 | \$6,244.62 |
| Cr John Zobec | \$860.40 | - | - | \$459.60 | \$2,151.54 | \$3,471.54 |
| Retired councillors (4 months) | | | | | | |
| Cr Kristen Munro | - | - | - | \$225.89 | - | \$225.89 |
| Cr Vicki Neele | - | - | - | \$226.57 | - | \$226.57 |
| Cr Neil Pankhurst | - | - | - | \$105.58 | - | \$105.58 |
| Cr Annie Vickers | - | - | - | \$197.41 | - | \$197.41 |
| Cr Leigh Wilson | - | - | - | \$105.58 | - | \$105.58 |
| Total | \$5,367.92 | \$0 | \$0 | \$4,790.75 | \$22,441.95 | \$32,600.62 |

Note: No expenses were paid by Council, including reimbursements, to members of Council Special Committees during the year.



Management

Council has implemented a number of statutory and best practice models to strengthen its management framework. Having strong governance and management frameworks leads to better decision-making by Council. The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations. Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework.

Audit and Risk Committee

The Audit and Risk Committee's objectives include:

- monitoring and reviewing Council's financial reporting and performance, and making recommendations for improvements
- helping Council make informed decisions about accounting policies, practices and disclosures
- considering the effectiveness of Council's internal control systems and making recommendations regarding identified deficiencies
- reviewing Council's risk management framework effectiveness, risk profile and treatment plans are in place to manage significant risks
- reviewing the scope, performance and reports of the internal and external auditors
- reviewing systems and processes in place to monitor compliance with legislation.

The Audit and Risk Committee's responsibilities are fully detailed in the Audit and Risk Committee Charter adopted by Council on 21 July 2020 and available on Council's website.

The Audit and Risk Committee consists of three independent members, one independent affiliate member and two councillors. Independent members are appointed for a four-year term, with a maximum of two terms and the independent affiliate member is appointed for a maximum of a two-year term. The chair is elected from amongst the independent members. The three independent members are paid an allowance, totalling \$3,511.36 per person.

The Audit Committee meets a minimum of five times a year. The Chief Executive Officer, General Manager Corporate, General Manager Infrastructure, Manager Finance, Executive Assistant Corporate and Internal Auditor attend all Audit Committee meetings. Other management representatives attend as required to present reports. The external auditors attend in May and September each year to present the audit plan and independent audit report.

A report on the activities undertaken by the Audit and Risk Committee is presented to Council in September and February each year.

Internal audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. A risk based three-year Internal Audit Plan (IAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input. The IAP is reviewed and approved by the Audit Committee annually.

The Internal Auditor attends each Audit and Risk Committee meeting to report on the status of the IAP to present findings of completed reviews. All audit issues identified are risk rated. Recommendations are assigned to the responsible Manager and tracked. Management provides an update on the implementation of all internal audit recommendations at each meeting and completed actions are reviewed by the Internal Auditor and reported to the Audit and Risk Committee.

The IAP for 2020/21 was completed with the following reviews conducted:

- Staff Performance Management
- Long Term Planning and Budgeting
- Information Management
- Asset Management Framework

External audit

Council is externally audited by the Victorian Auditor General's Office. For 2020/21, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor General's Office representative.

The external auditors attended the 20 May 2021 and 6 August 2021 Audit and Risk Committee meetings to present the audit reviewed financial and performance statements and audit strategy. The external audit management letter and management responses were also provided to the Audit and Risk Committee.

Risk management

In February, Council updated its Risk Management Policy, Framework and Strategy in line with current best practice in the management of business enterprise risks and current AS ISO 31000 standard and guidelines.

The Risk Management Policy, Framework and Strategy address items such as:

- Risk appetite
- Best practice
- Responsibilities of and to internal and external stakeholders
- Risk management knowledge and training, and
- Business continuity.

Governance & Management Checklist

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

| Governance and Management Items | | Assessment |
|---------------------------------|--|---|
| 1 | Community Engagement Policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest) | Adopted in accordance with section 55 of the Act Date of adoption: 17 February 2021 ✓ |
| 2 | Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community) | Guidelines in place Date of operation: 15 May 2018 ✓ |
| 3 | Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years) | Adopted in accordance with section 91 of the Act Plan not required until October 2021 X |
| 4 | Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years) | Adopted in accordance with section 92 of the Act Asset Plan not required until 2022 X |
| 5 | Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges) | Adopted in accordance with section 93 of the Act Date of adoption: 16 June 2021 ✓ |
| 6 | Annual Budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required) | Adopted in accordance with section 94 of the Act Date of adoption: 16 June 2021 ✓ |
| 7 | Risk Policy (policy outlining Council's commitment and approach to minimising risks to Council's operations) | Policy Date of operation of current policy: 18 February 2020 ✓ |
| 8 | Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud) | Policy Date of operation of current policy: 25 June 2019 ✓ |
| 9 | Municipal Emergency Management Plan (plan under section 20 of the Emergency Management Act 1986 for emergency mitigation, response and recovery) | Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 Date of adoption: 20 November 2018 ✓ |
| 10 | Procurement Policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to all purchases of goods, services and works by the Council) | New policy not required until December 2021 Council's current Procurement Policy was adopted 23 June 2020 in accordance with the Local Government Act 1989 ✓ |
| 11 | Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster) | Plan Date of operation of current plan: 9 November 2020 ✓ |
| 12 | Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster) | Plan Date of operation of current plan: 12 February 2019 ✓ |
| 13 | Risk Management Framework (framework outlining Council's approach to managing risks to Council's operations) | Framework Date of operation of current framework: 2 February 2021 ✓ |

| | | |
|----|--|---|
| 14 | Audit and Risk Committee (see sections 53 and 54 of the Act) | Committee established in accordance with section 53 of the Act Date of establishment: 21 July 2020 Committee Charter adopted in accordance with section 54 of the Act Date of adoption: 21 July 2020 ✓ |
| 15 | Internal Audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls) | Engaged Date of engagement of current provider: 1 September 2018 ✓ |
| 16 | Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989) | Framework Date of operation of current framework: 1 July 2014 ✓ |
| 17 | Council Plan Report (report reviewing the performance of Council against the Council plan, including results in relation to the strategic indicators, for the first six months of the financial year) | Report Date of reporting: 8 December 2020, 17 February 2021, 19 May 2021 ✓ |
| 18 | Financial Reporting (quarterly statements to Council under section 138(1) of the Local Government Act 1989 comparing actual and budgeted results and an explanation of any material variations) | Reports presented to Council in accordance with section 138(1) of the Local Government Act 1989 Dates statements presented: 8 December 2020, 17 February 2021, 16 June 2021 ✓ |
| 19 | Risk Reporting (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies) | Reports Date of reports: 2 February 2021, 6 April 2021 ✓ |
| 20 | Performance Reporting (6-monthly reports of indicators measuring results against financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989) | Reports Decision made not to do six monthly reporting due to the onerous nature of gathering data and some data only available annually. X |
| 21 | Annual Report (annual report under sections 131, 132 and 133 of the Local Government Act 1989 containing a report of operations and audited financial and performance statements) | Presented at a meeting of Council in accordance with section 134 of the Act Date of consideration: 8 December 2020 ✓ |
| 22 | Councillor Code of Conduct (code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters) | Reviewed and adopted in accordance with section 139 of the Act Date reviewed: 17 February 2021 ✓ |
| 23 | Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with section 11 and 47 of the Act) | Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of review: 18 August 2020 ✓ |
| 24 | Meeting Procedures (Governance Rules under section 60 of the Act governing the conduct of meetings or Council and delegated committees) | Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules adopted: 18 August 2020 ✓ |

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



Declan Moore Chief Executive Officer
Date: 15 September 2021



Cr Chrissy Weller Mayor
Date: 15 September 2021

Statutory Information

The following is provided in accordance with legislative and other requirements applying to Council.

Documents available for public inspection

In accordance with section 12 of the Local Government (General) Regulations 2015, the following are prescribed documents that are available for public inspection or copies of the documents can be obtained for the purposes of section 222 of the Act at 2 Heygarth Street, Echuca.

- a document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by councillor or any member of Council staff in the previous 12 months
- minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act
- a document containing details of all leases involving land which were entered into by the council as lessor, including the lessee and the terms and the value of the lease
- a register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- a list of donations and grants made by the council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Best Value

In accordance with section 208B(f) of the Act, at least once every year a council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles. Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement and innovation which is supported by our Service Review Program.

Contracts

During the year Council entered into contracts valued at \$150,000 or more for works or services of a specific kind specified in section 186(5)(a) and (c) of the Local Government Act. It also entered into the following contracts valued at \$150,000 or more for goods, services or works without engaging in a public competitive process:

- Northern Constructions Group (Aust) Pty Ltd, \$215,304 for the renewal of culverts shire-wide.

Disability Action Plan

In accordance with section 38 of the Disability Act 2006, Council has prepared a Disability Action Plan it must report on the implementation of the Disability Action Plan in its annual report.

Council has prepared a Disability Action Plan and implemented the following actions:

- Redesigning the disability car parks and access points at Echuca Regional Health to support people using the hospital.
- Continuing the Community Transport program, in line with State Government restrictions relating to the coronavirus pandemic.
- Supporting local businesses to become disability friendly through the Access at a Glance project, in partnership with Intereach and the Echuca Specialist School.

Domestic Animal Management Plan

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

Council adopted the 2017/21 Domestic Animal Management Plan in November 2017. The primary objective of the plan is to guide Council and the community towards the goal of responsible animal ownership and management. Actions completed during the year included:

- Community Rangers telephoned animal owners with outstanding animal registration fees requesting payment.
- Random patrols of townships have been completed to check on animals at large.
- Ongoing training of staff, including Safe Animal Training, Certificate 4 Statutory Compliance (Government) and Certificate 4 Animal Control and Regulation.
- Ongoing social media posts focusing on responsible pet ownership.
- Barking Dogs booklet completed and actively used for managing barking dog complaints. Once information received from complainant, data is used to investigate and resolve complaints.

A new Domestic Animal Management Plan is underway, to be released for community consultation in coming months.

Food Act Ministerial Directions

In accordance with section 7E of the Food Act 1984, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report.

No Ministerial Directions were received by Council during the financial year.

Freedom of Information

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the Freedom of Information Act 1982, Council is required to publish certain statements in their annual report or separately such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately however provides the following summary of the application and operation of the Freedom of Information Act 1982.

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the Freedom of Information Act 1982 and in summary as follows:

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged via Council's website or by email.

Access charges may also apply once documents have been processed and a decision on access is made (eg. photocopying and search and retrieval charges).

Freedom of information (FOI) applications received:

| 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|---------|---------|---------|---------|---------|
| 7 | 10 | 11 | 24 | 19 |

Further information regarding FOI can be found at www.foi.vic.gov.au and on Council's website.

Protected Disclosure Procedures

In accordance with section 69 of the Protected Disclosure Act 2012 a council must include in their annual report information about how to access the procedures established by the council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

The Protected Disclosure Act 2012 aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on Council's website.

During 2020/21 no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

Infrastructure and Development Contributions

In accordance with section 46GM and 46QD of the Planning and Environment Act 1987, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a council's annual report.

In 2020/21 Council had no infrastructure and development contributions.

Road Management Act Ministerial Directions

In accordance with section 22 of the Road Management Act 2004, a council must publish a copy or summary of any Ministerial direction in its annual report.

No such Ministerial Directions were received by Council during the financial year.



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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 : 16 September 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 : 16 September 2021

Echuca



Cr Robert Amos
Councillor

Date : 16 September 2021

Echuca



Declan Moore
Chief Executive Officer

Date : 16 September 2021

Echuca



Independent Auditor's Report

To the Councillors of Campaspe Shire Council

| | |
|----------------|--|
| Opinion | <p>I have audited the financial report of Campaspe Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p> |
|----------------|--|

| | |
|--------------------------|---|
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
|--------------------------|---|

| | |
|---|---|
| Councillors' responsibilities for the financial report | <p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p> |
|---|---|

Campaspe Shire Council 2020/2021 Financial Report

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

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

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

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



Sanchu Chummar

as delegate for the Auditor-General of Victoria

MELBOURNE
17 September 2021

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) |
| Surplus/(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.

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

| | 2021 | Accumulated | | Revaluation | Other |
|---|---------------------|----------------|----------------|----------------|---------------|
| | | Total | Surplus | Reserve | Reserves |
| | | \$'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 | 5.2 (b)/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 |
| 2020 | | | | | |
| 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 | | (25,729) | (30,674) |
| Materials and services | | (30,305) | (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.

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

| | 2021 \$'000 | 2020 \$'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.

Campaspe Shire Council 2020/2021 Financial Report

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

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.

Campaspe Shire Council 2020/2021 Financial Report

Notes to the Financial Report
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 2021 \$'000 | Actual 2021 \$'000 | Variance 2021 \$'000 | Variance % | 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%) | |
| Surplus\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 | 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. |
| 2 | 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. |
| 3 | 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 too late to adjust the budget and this has impacted the variance by \$1,766 million. |
| 4 | 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. |
| 5 | 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. |
| 6 | Contributions - monetary - Monetary contributions from developers for public open space and carparking, as per planning conditions, are unbudgeted. |
| 7 | 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. |
| 8 | 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. |

Campaspe Shire Council 2020/2021 Financial Report

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

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> |

Campaspe Shire Council 2020/2021 Financial Report

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

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 2020/2021 Financial Report

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 | 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. |
| 9 | Recreational, leisure and community facilities Projects budgeted in prior years have been completed in the 2020/21 year. |
| 10 | Waste management E waste facilities that were budgeted in the prior year were completed in the 2020/21. |
| 11 | 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. |
| 12 | Aerodromes Unbudgeted design works have been done to enable a grant application as per Council resolution made on 17 February 2021. |
| 13 | 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. |

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.

Campaspe Shire Council 2020/2021 Financial Report

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

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 |
|--------------------------------------|---------------|---------------|-----------------------|---------------------------------|-----------------|
| 2021 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 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 |
|--------------------------------------|---------------|---------------|-----------------------|---------------------------------|-----------------|
| 2020 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 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 |

Note 3 Funding for the delivery of our services

3.1 Rates and charges

| | | |
|--|--------|--------|
| | 2021 | 2020 |
| | \$'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.

Campaspe Shire Council 2020/2021 Financial Report

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

| 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 |

| 3.4 Funding from other levels of government (cont.) | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Non-recurrent - Commonwealth Government | | |
| 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 |

Campaspe Shire Council 2020/2021 Financial Report

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

| | 2021 | 2020 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| 3.4 Funding from other levels of government (cont.) | | |
| (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 |
| Capital | | |
| 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 | 4,793 |
| 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.

| | 2021 | 2020 |
|--|----------------|-----------------|
| | \$'000 | \$'000 |
| 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.

Note 4 The cost of delivering services

4.1 (a) Employee costs

| | | |
|-------------------------------------|---------------|---------------|
| 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.

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

Campaspe Shire Council 2020/2021 Financial Report

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

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| 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 |
| 4.3 Depreciation | | |
| 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.

| | 2021 | 2020 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| 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 |
| 4.8 Other expenses | | |
| Advertising | 158 | 185 |
| Audit expenses - external | 83 | 61 |
| Audit expenses - internal | 46 | 47 |
| 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 |

Campaspe Shire Council 2020/2021 Financial Report

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

Note 5 Our financial position

| 5.1 Financial assets | 2021 | 2020 |
|---|---------------|---------------|
| (a) Cash and cash equivalents | \$'000 | \$'000 |
| 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.

| 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 |

Campaspe Shire Council 2020/2021 Financial Report

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

| 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 |
|--|--------------|------------|
| (c) Unearned income | \$'000 | \$'000 |
| 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 |
|--|--------------|--------------|

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.

Campaspe Shire Council 2020/2021 Financial Report

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

| 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% |

| (b) Landfill restoration | 2021 \$'000 | 2020 \$'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

Council has the following funding arrangements in place as at 30 June 2021.

| | 2021 \$'000 | 2020 \$'000 |
|-------------------------|----------------|----------------|
| 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 |

Campaspe Shire Council 2020/2021 Financial Report

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

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 | 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.

Campaspe Shire Council 2020/2021 Financial Report

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

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 |

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.

Campaspe Shire Council 2020/2021 Financial Report

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

6.2 Property, infrastructure, plant and equipment Summary of property, infrastructure, plant and equipment

| | At Fair Value 30 June 2020 \$'000 | Acquisitions \$'000 | Contributions \$'000 | Revaluation \$'000 | Depreciation \$'000 | Disposal \$'000 | Impairment of Assets \$'000 | Adjustments & Transfers \$'000 | At Fair Value 30 June 2021 \$'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 |

* Restatement of opening balances, refer to note 8.6

Summary of Work in Progress

| | Opening WIP \$'000 | Additions \$'000 | Transfers \$'000 | Write Offs \$'000 | Closing WIP \$'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 |

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 |
|--|--------------------------|---------------------|-----------------------|----------------------|------------|-----------------------------------|--------------------------|--------------------|---------------------|----------------|
| At fair value 1 July 2020 * | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| 19,652 | 3,795 | 72,537 | 518 | 96,501 | - | 200,318 | 200,318 | 2,001 | 298,821 | 298,821 |
| Accumulated depreciation at 1 July 2020 * | - | - | - | (36) | (36) | - | (76,612) | (76,612) | - | (76,648) |
| 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) | - | (8,862) | (8,862) | - | (9,468) |
| Transfers | 4,159 | - | (53) | 12 | 4,118 | - | (5,800) | (5,800) | (2,623) | (4,304) |
| | 9,651 | 601 | 15,181 | 7 | 25,441 | - | (14,429) | (14,429) | (988) | 10,024 |

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 | - | - | - | - | - | - | 2,151 | 2,151 | - | 2,151 |
| Transfers | - | - | - | - | - | - | (4,269) | (4,269) | - | (4,269) |
| | - | - | - | (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 |

* Restatement of opening balances, refer to note 8.6

Campaspe Shire Council 2020/2021 Financial Report

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

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 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 | - | 1,138 | 1,138 | 1,106 | 29,084 |
| Accumulated depreciation at 1 July 2020 | (9,595) | (220) | (422) | (4,941) | - | - | - | - | (15,178) |
| Movements in fair value | 4,064 | 129 | 2,608 | 4,861 | - | 1,138 | 1,138 | 1,106 | 13,906 |
| Acquisition of assets at fair value | - | - | - | - | - | - | - | 3,251 | 3,251 |
| Fair value of assets disposed | (3,171) | - | - | (124) | - | - | - | - | (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) |
| Accumulated depreciation of disposals | 3,105 | - | - | 86 | - | - | - | - | 3,192 |
| | 1,729 | (8) | (37) | (920) | 764 | - | - | - | 764 |

At fair value 30 June 2021

| | | | | | | | | | |
|--|---------|-------|-------|---------|---|-------|-------|-----|----------|
| At fair value 30 June 2021 | 14,531 | 349 | 3,029 | 9,686 | - | 1,138 | 1,138 | 305 | 29,039 |
| Accumulated depreciation at 30 June 2021 | (7,866) | (229) | (458) | (5,861) | - | - | - | - | (14,414) |
| | 6,665 | 121 | 2,571 | 3,825 | - | 1,138 | 1,138 | 305 | 14,626 |

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

| | Roads \$'000 | Bridges \$'000 | Footpaths and Cycleways \$'000 | Drainage \$'000 | Recreational, Leisure and Community Streetscapes \$'000 | Parks, Open Spaces and Streetscapes \$'000 | Off Street Car Parks \$'000 | Other infrastructure \$'000 | Total infrastructure before WIP \$'000 | Total Work In Progress Infrastructure \$'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 | - | - | - | - | - | - | - | - | - | 15,621 | 15,621 |
| Acquisition of assets at fair value | 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) | 23,311 |
| | (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 |

* Restatement of opening balances, refer to note 8.6

Campaspe Shire Council 2020/2021 Financial Report

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

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:

Campaspe Shire Council 2020/2021 Financial Report

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

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 \$'000 | 2020 \$'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 \$ '000 | Level 2 \$ '000 | Level 3 \$ '000 |
|----------|--------------------|--------------------|--------------------|
| Artworks | - | - | 1,138 |

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Notes to the Financial Report
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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 were assessed in the current year and it was determined that these properties no longer met the criteria of investments 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 | 23 | 20 |

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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:

- has management responsibilities and reports directly to the Chief Executive; or
- 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 | - |
|--|-----|---|

Campaspe Shire Council 2020/2021 Financial Report

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

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 | 2020 |
|---|------------|------------|
| | \$'000 | \$'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 | <u>1,330</u> | <u>1,330</u> |

Campaspe Shire Council 2020/2021 Financial Report

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

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.

Campaspe Shire Council 2020/2021 Financial Report

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

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 \$'000 | 2020 \$'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 of the asset. The effect of this is an adjustment between the revaluation reserve and accumulated surplus opening balances of \$167k.

Campaspe Shire Council 2020/2021 Financial Report

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

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.

| | 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 | | | | |
| 2021 | | | | |
| Restricted reserves | | | | |
| Recreational land | 1,326 | - | 71 | 1,397 |
| Car parking | 184 | - | 4 | 188 |
| | <u>1,510</u> | <u>-</u> | <u>75</u> | <u>1,585</u> |
| 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 |
| | <u>21,993</u> | <u>(5,114)</u> | <u>6,777</u> | <u>23,656</u> |
| 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 | Transfer to accumulated surplus | Transfer from accumulated surplus | Balance at end of reporting period |
|---------------------------------------|---|---------------------------------------|---|---|
| | \$'000 | \$'000 | \$'000 | \$'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 \$'000 | 2020 \$'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 | 26,416 | 34,895 |

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.

Campaspe Shire Council 2020/2021 Financial Report

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

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 (Triennial) | 2019 (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



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 the 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 Safe 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 Expenses per head of municipal population [Total expenses / Municipal population] | \$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. |
| Infrastructure per head of municipal population [Value of infrastructure / Municipal population] | \$13,433.25 | \$13,362.55 | \$16,123.72 | \$15,806.42 | The result is consistent with the previous reporting period. |
| Population density per length of road [Municipal population / Kilometres of local roads] | 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 Own-source revenue per head of municipal population [Own-source revenue / Municipal population] | \$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 Recurrent grants per head of municipal population [Recurrent grants / Municipal population] | \$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 Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile] | 3.00 | 3.00 | 3.00 | 3.00 | |
| Workforce turnover Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100 | 11.4% | 11.9% | 19.01% | 15.2% | The decrease in staff turnover from the prior year can be attributed to Council's 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. |

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 | 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. |
| Utilisation of aquatic facilities | | | | | 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. |
| [Number of visits to aquatic facilities / Municipal population] | | | | | |
| Animal Management | | | | | |
| Health and safety | 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. |
| Animal management prosecutions | | | | | |
| [Number of successful animal management prosecutions/Total number of animal management prosecutions] x100 | | | | | |
| Food Safety | | | | | |
| Health and safety | 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. |
| 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 | | | | | |

| Service / indicator / measure | Results 2018 | Results 2019 | Results 2020 | Results 2021 | Material variations and comments |
|---|--------------|--------------|--------------|--------------|---|
| Governance | | | | | |
| Satisfaction | 46 | 47 | 48 | 52 | 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. |
| Satisfaction with Council decisions | | | | | |
| [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community] | | | | | |
| Libraries | | | | | |
| Participation | 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. |
| Active library borrowers in municipality | | | | | |
| [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100 | | | | | |
| Maternal and Child Health (MCH) | | | | | |
| Participation | 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 in the MCH service | | | | | |
| [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 | | | | | |
| Participation | 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. |
| Participation in the MCH service by Aboriginal children | | | | | |
| [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100 | | | | | |
| Roads | | | | | |
| Satisfaction | 45 | 47 | 49 | 47 | 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. |
| Satisfaction with sealed local roads | | | | | |
| [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads] | | | | | |

| Service / indicator / measure | Results 2018 | Results 2019 | Results 2020 | Results 2021 | Material variations and comments |
|---|--------------|--------------|--------------|--------------|---|
| Statutory Planning | | | | | |
| Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100 | 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 Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100 | 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. |

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 | Result 2018 | Result 2019 | Result 2020 | Result 2021 | Forecast 2022 | Forecast 2023 | Forecast 2024 | Forecast 2025 | Material variations and comments |
|--|-------------|-------------|-------------|-------------|---------------|---------------|---------------|---------------|---|
| Efficiency | | | | | | | | | |
| Expenditure level Expenses per property assessment [Total expenses / Number of property assessments] | \$4,107.99 | \$3,860.50 | \$4,408.60 | \$4,193.21 | \$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. |
| Revenue level Average rate per property assessment [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 | | | | | | | | | |
| Working capital Current assets compared to current liabilities [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. |
| Unrestricted cash Unrestricted cash compared to current liabilities [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. |
| Obligations | | | | | | | | | |
| Loans and borrowings Loans and borrowings compared to rates [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. |
| Loans and borrowings repayments compared to rates [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 Non-current liabilities compared to own source revenue [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. |
| Asset Renewal and Upgrade | | | | | | | | | |
| Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x 100 | New in 2020 | New in 2020 | 108.59% | 95.82% | 122.56% | 134.67% | 115.01% | 105.26% | The trend in the forecast shows that Council is meeting its asset renewal obligations |

| Dimension / Indicator / Measure | Result 2018 | Result 2019 | Result 2020 | Result 2021 | Forecast 2022 | Forecast 2023 | Forecast 2024 | Forecast 2025 | Material variations and comments |
|---|-------------|-------------|-------------|-------------|---------------|---------------|---------------|---------------|--|
| Operating Position | | | | | | | | | |
| Adjusted underlying result | (7.52%) | 0.22% | (10.49%) | (11.58%) | (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. |
| Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100 | | | | | | | | | |
| Stability | | | | | | | | | |
| Rates concentration | 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. |
| Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100 | | | | | | | | | |
| Rates effort | 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. |
| Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100 | | | | | | | | | |

*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 | Result 2017 | Result 2018 | Result 2019 | Material variations and comments |
|--|-------------|-------------|-------------|---|
| Animal Management | | | | |
| Health and safety Animal management prosecutions [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 | | | | |
| Revenue level Expenses per property assessment [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 | | | | |
| Asset renewal Asset renewal compared to depreciation [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-

- non-recurrent grants used to fund capital expenditure; and
- non-monetary asset contributions; and
- 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

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 (eg. 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: 16 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: 16 September 2021



Cr Robert Amos

Councillor

Dated: 16 September 2021



Declan Moore

Chief Executive Officer

Dated: 16 September 2021

Independent Auditor's Report

To the Councillors of Campaspe Shire Council

| | |
|--|---|
| Opinion | <p>I have audited the accompanying performance statement of Campaspe Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> description of the municipality for the year ended 30 June 2021 sustainable capacity indicators for the year ended 30 June 2021 service performance indicators for the year ended 30 June 2021 financial performance indicators for the year ended 30 June 2021 other information and the certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p> |
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Councillors' responsibilities for the performance statement | <p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p> |
| Auditor's responsibilities for the audit of the performance statement | <p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p> |

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

MELBOURNE
17 September 2021



Sanchu Chummar
as delegate for the Auditor-General of Victoria

Glossary & Acronyms

| | |
|--|--|
| Act | means the Local Government Act 1989 and the Local Government Act 2020 |
| Annual Report | means a report of the council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement |
| Appropriateness | means indicators or measures that provide users with sufficient information to assess the extent to which an entity has achieved a pre-determined target, goal or outcome |
| Budget | means a plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the strategic objectives specified in the Council Plan |
| Council Plan | means a plan setting out the medium-term strategic objectives, strategies, strategic indicators and resources reflecting vision and aspirations of the community for the next four year |
| Financial performance indicators | means a prescribed set of indicators and measures that assess the effectiveness of financial management in a council covering operating position, liquidity, obligations, stability and efficiency |
| Financial statements | means the financial statements and notes prepared in accordance with the Local Government Model Financial Report, Australian Accounting Standards and other applicable standards as they apply to the general purpose financial reports and a statement of capital works and included in the annual report |
| Financial year | means the period of 12 months ending on 30 June each year |
| Governance and Management Checklist | means a prescribed checklist of policies, plans and documents that councils must report the status of in the report of operations, covering engagement, planning, monitoring, reporting and decision making |
| Indicator | means what will be measured to assess performance |
| Initiatives | means actions that are one-off in nature and/or lead to improvements in service |
| Major initiative | means significant initiatives that will directly contribute to the achievement of the council plan during the current year and have a major focus in the budget |
| Measure | means how an indicator will be measured and takes the form of a computation, typically including a numerator and denominator |
| Minister | means the Minister for Local Government |
| Performance statement | means a statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the annual report |
| Planning and Accountability Framework | means the key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the Act |
| Regulations | means the Local Government (Planning and Reporting) Regulations 2020 |
| Relevance | means indicators or measures that have a logical and consistent relationship to an entity's objectives and are linked to the outcomes to be achieved |

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| Report of operations | means a report containing a description of the operations of the council during the financial year and included in the annual report |
| Services | means assistance, support, advice and other actions undertaken by a council for the benefit of the local community |
| Service outcome indicators | means the prescribed service performance indicators to be included in the performance statement which measure whether the stated service objective has been achieved |
| Service performance indicators | means a prescribed set of indicators measuring the effectiveness and efficiency of Council services covering appropriateness, quality, cost and service outcomes |
| Strategic objectives | means the outcomes a council is seeking to achieve over the next four years and included in the Council Plan |
| Strategic resource plan | means a plan of the financial and non-financial resources for at least the next four years required to achieve the strategic objectives in the Council Plan. It is also referred to as a long term financial plan |
| Strategies | means high level actions directed at achieving the strategic objectives in the Council Plan |
| Sustainable capacity indicators | means a prescribed set of indicators measuring whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management |



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[t @campaspeshire](https://twitter.com/campaspeshire)

[i #campaspeshire](https://www.instagram.com/campaspeshire)

Customer Service Centres

Kyabram, 19 Lake Road

Rochester, 43-45 Mackay Street

Rushworth, 33 High Street

Tongala, 37 Mangan Street

Where to get a copy

Hard copies of this report are available from our Echuca office, contact details are displayed on the back inside cover of this report. Electronic copies of this report are also available from our website. To request a copy, email or call our Customer Service Centre using:

Email: shire@campaspe.vic.gov.au

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Feedback

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

Your feedback is invited via email:

shire@campaspe.vic.gov.au

