

Attachment 9.6

Council's Community Grants Program offers financial support to not-for-profit community organisations, groups and associations for projects, exhibitions and/or performances that contribute to the municipality and support Council's vision:

"We are strong, supportive, vibrant and sustainable".

This Grants Program aims to:

- Support not-for-profit community groups provide a range of opportunities for residents;
- Facilitate support for initiatives that strengthen the community through opportunities for participation, development, inclusion and sustainability;
- Foster support across a range of pursuits and interest areas including health and welfare, community support, arts and culture, sports and recreation, youth, ageing, environment, access and equity;
- Provide an equitable opportunity for groups to seek funding assistance from council.

Funding principles

Priority will be given to applications that respond to identified community needs and align with Council's Vision, corporate objectives, priorities and strategies.

The Community Grants Program will prioritise its support when the applicant:

- is based within the municipal boundaries;
- has limited means to access other sources of funding;
- has sought funding/in-kind support from other sources, when the applicant is deemed to be in a position to do so;
- is not already in receipt of funding/in-kind support from council;
- is proposing an activity that is innovative or unique for the Campaspe Shire Council;

And, the proposed event/activity:

- incorporates collaboration/partnerships with other groups;
- maximises community benefit;
- addresses council priorities;
- responds to emerging community needs;
- demonstrates sustainability; and
- aligns with the Victorian Charter of Human Rights and Responsibilities Act 2006.

Help and advice

It is expected that all applicants will contact council staff when planning their application.

Staff with a range of technical expertise from across council are available to discuss specific queries or ideas you may have; they can advise you about what to include in your application.

It is expected that applicants will contact Bobbi Aitken in the first instance on 5481 2206.

Eligibility Criteria?

Applicants must be an:

- incorporated not-for-profit group, or
- a Crown Committee of Management, or
- a Government Department on behalf of a community group, or

or have their application submitted by an appropriate auspicing body, which meets the above criteria.

NB Organisations that have licensed gaming / gambling facilities or derive funds from gambling are *ineligible* to apply.

Applicants must be able to demonstrate:

- direct benefits to the residents of the Campaspe Shire Council;
- financial viability and competence;
- adequate public liability insurance and appropriate health and safety policies in accordance with the funding agreement;
- a contribution in the form of funds, services and/or in kind support;
- that they are based in the shire or deliver significant services to the shire's community;
- their ability to plan effectively and be well organised;
- that they have no outstanding grant acquittals or outstanding debts owing to council;

Applications must be submitted the due date AND only one application per funding round.

What Will Not Be Considered for Funding?

- applications from a group with any outstanding grant acquittals or debts owed to council;
- applications for retrospective funding;
- applications for events that are held outside the Campaspe Shire;
- recurrent or ongoing salaries and on-costs;
- insurance, such as (but not limited to) public liability;
- applications for prizes, wages;
- social excursions, e.g. bus trips to the zoo or picnic;
- hire of commercial venues
- applications applying to another council funding stream for the same activity.

Community support - What will be funded?

Aim: To deliver programs, projects and activities that benefit the residents of the Campaspe Shire Council and align with Council's priorities and strategic directions.

Funding (up to \$4,000) for:

- Purchase of equipment or materials.
- Programs supporting the development of the group, providing opportunities to share skills and encourage participation.
- Programs that address access issues for people with disabilities, cultural and linguistically diverse backgrounds and disadvantaged groups in accordance with the Campaspe Shire Council's Access and Inclusion Plan.
- Programs that improve social connectedness and/or physical or mental health, and providing access to recreation and leisure opportunities for all ages.
- Programs and activities that contribute to strengthening communities within the Campaspe Shire Council, and create new opportunities for community participation in social, learning, and civic activities.

- Programs that encourage volunteering and achieve a range of practical outcomes that directly benefit volunteers by making their work easier, safer and more enjoyable.
- Projects which help protect and restore the natural environment and include projects that build community appreciation and knowledge.
- Projects that support our historical past and the development of arts and culture initiatives.

While there are no specific requirements on the types of projects and activities that are eligible for funding, it is essential that applicants identify how their project or activity will benefit the community.

Projects and activities that can demonstrate contributing to the Council Plan will be weighted more favourably in the assessment process.

Successful funding in this round does not imply ongoing funding.

Groups should always work towards a sustainable funding model for ongoing projects.

Lodging your application

Applications open at 9am on Monday, 3 August 2020 and close at 5pm on Friday, 17 September 2020.

To be eligible for assessment, applications must be completed in full with all questions answered and documents attached as requested.

Please Note: only one application can be made.

If you have any difficulties please contact Bobbi Aitken on 5481 2206 or email grants@campaspe.vic.gov.au.

Important dates

2020/2021 Community Grants Program Round two

3 August 2020	Applications open
17 September 2020	Applications close at 5pm
September/October	Assessment of applications
17 November 2020	Council meeting to approve funding Funding announcements made
December 2020	Celebration ceremony

Attachments required for an application

- Auspiced applicants must ensure that their auspicings organisation has completed the declaration page of the application form.
- If your project is to take place in/on a site or venue not owned by you, you must obtain the consent and support of the landowner and have them sign the declaration.
- All applicants must attach a copy of their current public liability insurance certificate.
- All applicants have the option to attach additional material in support of their application such as letters of support, photos or recent media coverage.

NB: Applications need to be completed in full.

All supporting documentation requested; including public liability insurance, quotes etc. if relevant, must be submitted at the time of the application.

Applications that do not include all of the required information will not be accepted.

Other Important Information

- If a group lodges more than one application, council will ask the group to choose one application for assessment. Multiple applications from the same group will not be assessed.
- Applications submitted will be acknowledged via a confirmation letter.
- Successful applicants will need to enter into a Funding Agreement, which outlines the conditions under which the grant will be made available. Council may make funding conditional and subject to specific conditions being met.
- Funding is provided via EFT, once the Funding Agreement is completed.
- Applications will not be accepted if a group owes council money or has an overdue outstanding report on a previous grant.
- Successful applicants will need to acknowledge council's support. For example an official Campaspe Shire Council logo must be used on any promotional material or at any official events associated with the activity and on any produced literature.
- Successful applicants will need to report on how the grant was spent (acquittal).
- Successful applicants of grants less than \$1,000 will need to provide evidence of expenditure in the form of a letter, a photo or newspaper article.
- Applicants must not spend money on the proposed activity before funding decisions are announced. This is considered retrospective funding, which is not eligible for support.
- Funding is not automatic on application. All requests are subject to consideration on their individual merits.

How will my application be assessed?

- Applications will first be reviewed to ensure that they are eligible for consideration, such as quotations provided, application signed, incorporation current, if an auspiced application has the auspice completed the authorisation?
- Applications are assessed by a panel, appointed by the Chief Executive Officer, and will use the following assessment matrix.

Weighted score for each application is determined from following:

Criteria	Description	Community support
Community/Social benefit	Involvement of community members, enrichment of Shire.	40%
Partnership	Contribution by group or others to the project either cash and/or in-kind, including project partnership participation (not just financial contribution).	25%
Council Plan Alignment	Addresses strategies within the Council Plan, Community Plans or Place Based Plans	20%
Project	One off project/event.	10%
Economic benefit	Increase spending to retail, industry and accommodation, enhancement of economic base, or funds spent locally.	5%
		100%

Grant application panels will develop recommendations for funding.

These recommendations will be presented to Council for approval, funding decisions will then be communicated to applicants.

Business Assistance



Council Policy Number	153
Date adopted	23 June 2020
Scheduled for review	June 2023

1. Preamble

Business Assistance Grants are established from funds which may be set aside in the Budget each financial year.

2. Purpose

This Policy provides a framework for Campaspe Shire Council (CSC) to allocate its funds in an effective and equitable manner for the benefit of existing local businesses and those seeking to establish themselves.

3. Policy Statement

- a) Council seeks to support local businesses diversify and expand, as well as attract new businesses to the Shire.
- b) The types of assistance Council can provide to businesses/investors includes market research, economic analysis, community profiling data, local knowledge, introductions, advocacy, business workshops, quarterly newsletters and financial assistance.
- c) Council Officers liaise with businesses on a case by case basis to determine the most appropriate support to provide each business.
- d) Business Grants provide a level of financial support.
- e) Applications for Council's small business grants program will be called twice per year, closing in September and March.
- f) Funds will be administered in a transparent and equitable manner and they will be promoted across the CSC in a way that will allow maximum opportunity for businesses to apply.
- g) Funds will be administered using the eligibility criteria and conditions in the Guidelines as approved by Council from time to time.
- h) All grants are approved on a discretionary basis.

4. Categories and Assessment Criteria

While all applications will be assessed on their individual merits, the general assessment criteria for all grant categories follows;

a) **Start-Up/New business**

Operating less than 1 year

2 – 10 full time equivalent employees

Maximum grant per applicant \$3,000

Assessment based on:

- Business Plan 35%
- Innovation 35%
- Anticipated employment growth (full-time equivalent) 30%

b) *Small business*

2 – 10 full time equivalent employees

Maximum grant per applicant \$5,000

Assessment based on:

- Business plan 25%
- Anticipated employment growth (full-time equivalent) 25%
- Capital investment 20%
- Innovation 20%
- Anticipated flow on economic activity as a result of the investment 10%

c) *Medium business*

More than 10, but less than 20 full time equivalent employees

Maximum grant per applicant \$10,000

Assessment based on:

- Business Plan 25%
- Anticipated employment growth (full-time equivalent) 25%
- Capital investment 20%
- Innovation 20%
- Anticipated flow on economic activity as a result of the investment 10%

d) *Large business*

More than 20 full time equivalent employees

Maximum grant per applicant \$15,000

Assessment based on:

- Business Plan 25%
- Anticipated employment growth (full-time equivalent) 50 %
- Capital investment 20%
- Anticipated flow on economic activity as a result of the investment 10%

5. Applications and Assessment

- a) Applications should be completed and submitted in accordance with the prescribed guidelines.
- b) Applications should meet the timelines as determined by Council from time to time and set out in the relevant guidelines.
- c) Applications will be assessed against the eligibility criteria outlined in the relevant guidelines.
- d) All applications will be subjected to an initial Acceptance Check for compliance (as above) before being considered further.
- e) Applicants will be advised if their application cannot be accepted and why. Provided the application is subsequently amended as required and resubmitted in time, it will be reassessed. Applicants are wholly responsible in this regard.
- f) All applications will be assessed by staff (individuals or groups), appointed by the Chief Executive Officer for each specific program.
- g) Applications that meet the relevant criteria will be presented to Council together with recommendations from the Administration about approvals/refusals; amounts; conditions.

6. Unexpended Funds

Any unspent part of the financial assistance grant must be returned to the CSC by the end of the financial year in which it was given, unless prior written approval to carry it forward is obtained from the Chief Executive Officer.

Exclusions

Nil

Human Rights

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

Definitions

Nil

Related Legislation

Nil

Related Policies, Procedures and Strategies

Nil

Attachments

Nil

Review Period

Three years

Responsible officer

Chief Executive Officer

Administrative Updates

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter the policy, such a change may be made administratively. Examples include a change to the name of a Council department, a change to the name of a Federal or State Government department, and a minor update to legislation which does not have a material impact. However, any change or update which materially alters this document must be by resolution of Council.

Approval History

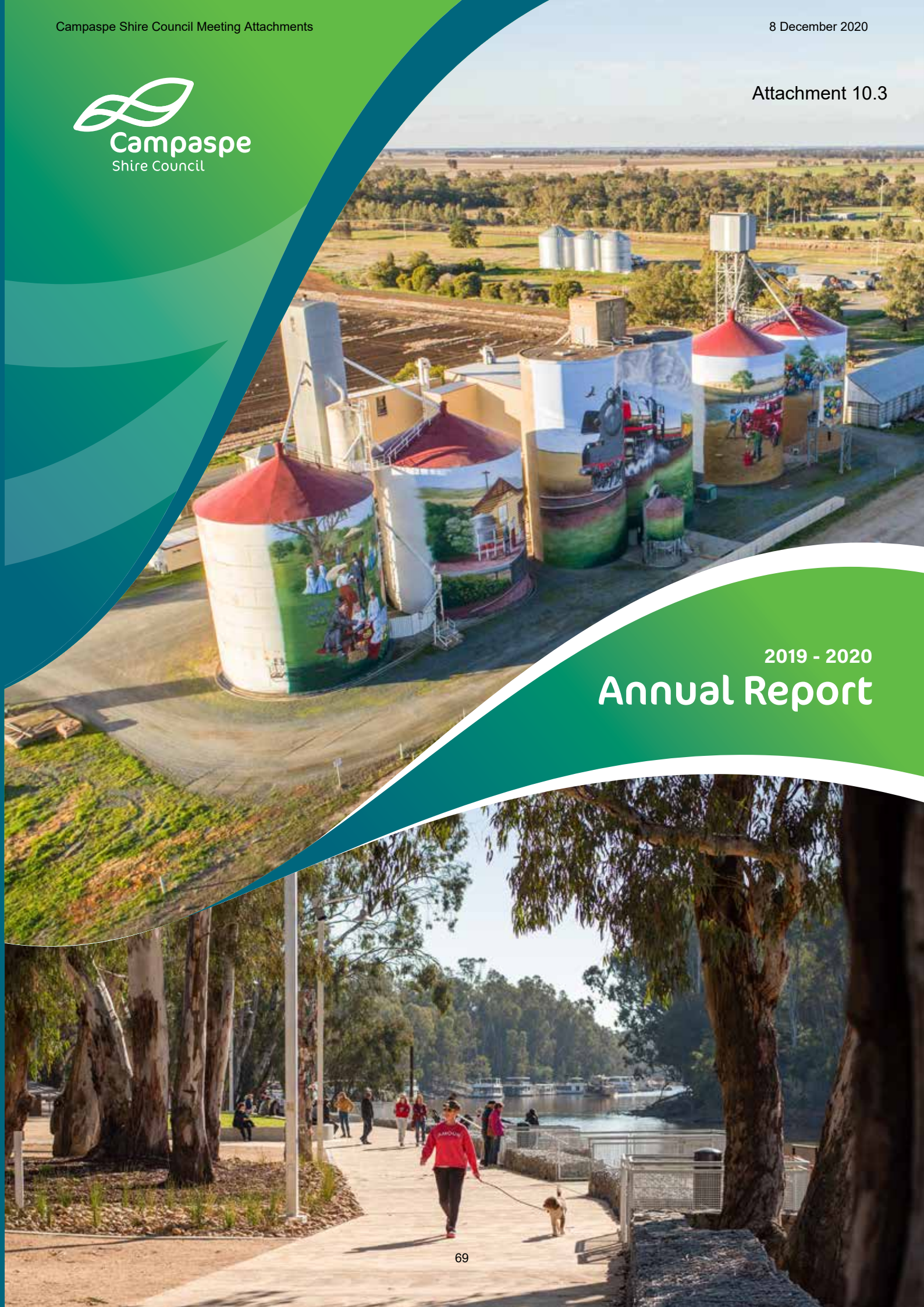
Approved	3 August 2016	Executive Management Group
Revised	6 September 2017	Executive Management Group
Revised	19 November 2019	Minute Book Reference No 5112 (item 7.6)
Revised	23 June 2020	Minute Book Reference No 2219 (item 9.5)

Chief Executive Officer: 

Date: 



Attachment 10.3



2019 - 2020
Annual Report

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Cover photos: Colbinabbin silo art and Echuca Riverboat dock

Introduction

- › Our strategic direction
- › Welcome
- › Campaspe snapshot



Our Strategic Direction

Our Vision

We are strong, supportive, vibrant and sustainable.

Our Mission

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

Our Goals

The community outcomes set for our Council Plan inform our key strategic direction for 2017/21. The Council Plan and Strategic Resource Plan set the specific objectives and strategies for each of these goals.

Goal 1 - Strong and engaged communities

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

Goal 2 - Resilient economy

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

Goal 3 - Healthy environment

A healthier environment for current and future generations.

Goal 4 - Balanced services and infrastructure

Services and assets meet current and future community need.

Goal 5 - Responsible management

Strong leadership, advocacy and good governance.

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

Our Values

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

Respect

We treat others as we expect to be treated...

- 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 are here to help...

- 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 are a learning organisation...

- 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 support one another and work cooperatively...

- 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 are responsible for our actions...

- 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.

Welcome

Welcome to the Campaspe Shire Council. 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.

Purpose

The Annual Report documents Campaspe Shire Council's performance during 2019/20 against the Council Plan, Strategic Resource Plan and 2019/20 Budget. This is the third year of reporting against the 2017/21 Council Plan.

The report is a legislative requirement and summarises Council's achievements against the objectives set out in the Council Plan 2017/21 and provides a concise statement of who we are, what we represent and how we advance Campaspe Shire. The report contains audited financial statements, an audited performance statement, and all information required under the Local Government Act 1989 and other relevant legislation.

Navigating the document

This Annual Report comprises three main sections. The first section includes the Mayor and Chief Executive Officer messages and provides an overview, including an overview of our financial performance. Refer to pages 8 to 15.

The main body of the report outlines our performance against our five strategic themes. It also includes the results against our major initiatives and legislated service performance indicators. Refer to pages 28 to 51.

The final section of this report provides a detailed account of our financial performance and Independent Auditor's Report. Refer to pages 64 to 143.

Where to get a copy

Available from our website. To request a copy, email or call our Customer Service Centre using:

Web: www.campaspe.vic.gov.au

Email: shire@campaspe.vic.gov.au

Call: 5481 2200

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

Campaspe Snapshot

Location

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.

The shire has an estimated residential population of 37,600 people.

About us



We are growing

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



We are becoming older and younger

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



We have lower levels of education

39.9% of residents hold a qualification of some sort compared to 45% for regional Victoria



We mainly work in

Manufacturing, Agriculture, Health Care, and Tourism



We have a sizeable Aboriginal population

2.4% of residents are Aboriginal, compared to the state average of 0.8%



On average, we earn less

In 2016 the median weekly income was only \$1,081, compared to \$1,124 for regional Victoria and \$1,431 for Australia as a whole

Our advantages

- Strong transport links to Bendigo and Melbourne
- Located centrally to key agricultural regions: the Goulburn Valley, Riverina and Mallee
- Strong and diversified economy
- Warm climate and access to irrigation
- Relatively high employment levels
- Access to primary health care and quality primary/secondary education
- High rates of community participation and volunteering
- Regional tourism hub

Our challenges

- Key towns growing, versus population decline in smaller communities
- Water security for the agricultural sector
- High costs of inputs for industry
- An ageing population
- Substance abuse
- Availability of higher education and training
- Cross-border administration

These challenges are not unique to Campaspe and are faced by many other rural communities. Council is also very mindful of financial constraints – including reduced funding from other levels of government and capped rates. This will require Council to maintain its focus on identifying operational efficiencies. Responsible decision making will be critical and a set of financial principles has been developed to guide Council's decision making.

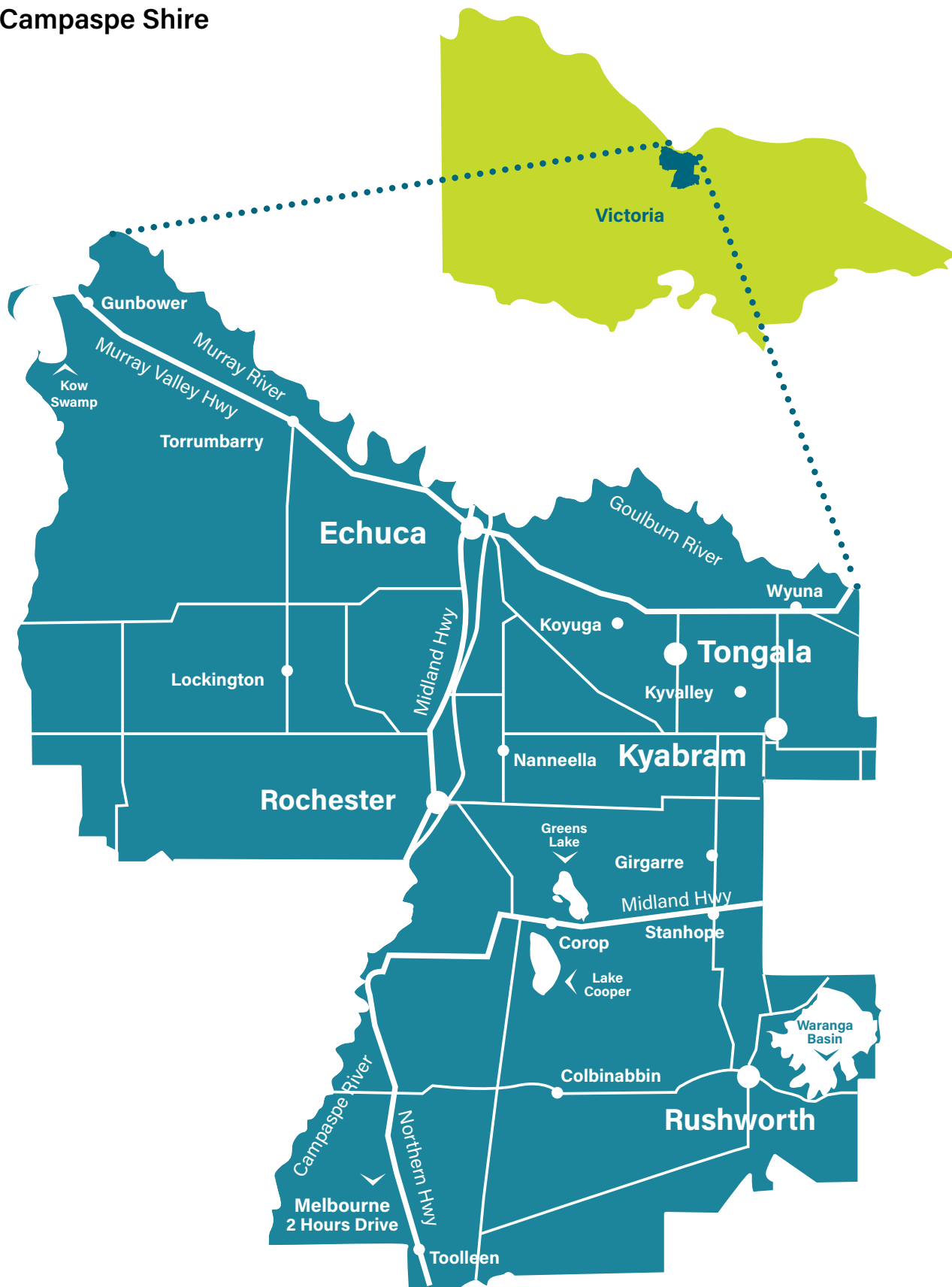
History

Campaspe Shire Council was established in 1994 through an amalgamation of the City of Echuca, Town of Kyabram, Shire of Rochester, Shire of Waranga and Shire of Deakin.

The shire is named after the Campaspe River, which was named by Major Mitchell in 1836.



Campaspe Shire



The Year in Review

- › Mayor's message
- › CEO's message
- › Financial summary
- › Description of operations



Mayor's Message

As Mayor of Campaspe Shire Council, it is my pleasure to present our Annual Report to the community for the 2019/20 year.

We continue to focus on delivering vital services and infrastructure to support the community and positively influence the lives of the 37,000 plus residents who all call Campaspe home.

The start to 2020 saw devastating fires across Victoria and other parts of the country, which impacted many. Volunteerism shone through with many giving up their time to fight the fires and support the communities at loss. While Campaspe did not experience large, uncontrolled fires, community spirit was evident with financial contributions made to assist with recovery efforts.

Australia, and the rest of the world, was then confronted with the coronavirus pandemic, with restrictions in place across Victoria from March onwards. The Campaspe community continues to rally in support of individuals and businesses and the organisation has also put in place a range of financial support measures to assist.

With fires and an ongoing pandemic, the year has been an extremely busy one, with many achievements across the year (and covered in this report) to support the development of our shire and wellbeing of our community.

Celebrating with the community

October 2019 saw Coolabah Turf take out the top award of Business of the Year in the GMCU Allianz Campaspe Murray Business Awards. The business demonstrated the smart utilisation of technology to maximise staff time and expertise as well as an ongoing commitment to build their business profile. Held every two years, the awards are a great way to highlight the fantastic local businesses we have and to celebrate their innovation. New to the awards, the addition of a People's Choice Award, saw 3,800 votes cast from the community for their favourite business. Echuca-based mobile first aid training company, TalkSmart Training, took out the award, along with the Best Home Business Award.

Outstanding local individuals and groups were formally recognised in January in the 2020 Australia Day Awards. Awards were presented in six categories; Citizen of the year – Dale Denham; Young Citizen of the year – Jasmin Malham; Sportsperson of the year – Cory Nexhip; Junior Sportsperson of the year – Olivia Cartwright; Community Event of the year – Winter Blues Festival; and Arts Group of the year – Tongala Street Art.

As part of National Volunteer Week in May, Council celebrated its volunteers and presented awards in three categories. The Individual Award was presented to Heather Darbyshire of Rochester, Young Person Award – Mia Oberin of Echuca and Organisation Award – Rochester Lions Club.

All 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 54 residents in their citizenship journey, up on the previous year of 37. With COVID-19 restrictions in place from March, the April ceremony took on a different approach, with only conferees invited, taking the oath, one at a time, and maintaining social distancing.

Supporting our community

Council continued to support the community through a number of grant programs. The Community Grants program supports community groups to deliver a broad range of projects for the benefit of the wider community. In 2019/20, more than \$213,000 was provided through this program to support 90 community-led projects.

Complementing this two round program, the Responsive Grants program continued to support requests for urgent funding from individuals and community groups requiring a quick turnaround, with more than \$7,000 approved in support of 12 projects.

A review of grant and donations programs was completed, with a streamlined grants, sponsorships and donations program along with a business assistance policy now in place. The review highlighted more than 20 programs with different levels of application and approval. It also highlighted the need to capture not only cash donations, but the cost of in-kind support provided by Council, as well as a mixture of both cash and in-kind.

Projects for the community

The \$5 million redevelopment of Echuca's kiosk and Riverboat Dock area opened in May, after more than one year of transforming the site into an accessible, visually attractive community space. The popular location is now the perfect spot to enjoy the natural setting of the precinct, with improved access to paddlesteamers and houseboats that will operate from the site.

A \$220,000 project at the Rochester Recreation Reserve netball courts was completed and officially opened in November. Supported by \$100,000 from the State Government's Country Football and Netball Program, it was an important project improving netball court lighting and bringing the courts up to compliance for competition level.

Lobbying for the community

A number of submissions were made across the year on issues of importance to Campaspe, these included:

- Land management and disposal process concerns for VicTrack land
- Continuation of funding for the Fixing Country Roads Program
- Review of regional infrastructure priorities
- Development of a position paper for the Murray Darling Basin Plan and Water Management
- Ongoing funding security for Victorian Primary Care Partnership
- Local Government Rating Review

Council also continued to work with the Murray River Group, six Victorian councils along the Murray River, to collaboratively work together on behalf of their river communities to promote regional priorities to support the long term prosperity and social wellbeing of the region.

I would like to thank our Councillors for their commitment to Campaspe Shire Council and their ongoing effort on behalf of residents. I also thank businesses, community groups and especially Council staff for their efforts across the year.

A. Weston

Cr Adrian Weston
Mayor

CEO's Message

As CEO, I am very pleased to present our Annual Report for 2019/20 and to share some of the many achievements delivered on our community's behalf.

Financial overview

In the context of increasing financial challenges and tighter legislative requirements, Council delivered its annual budget adhering to the State Government's 2019/20 rate capping constraint of 2.5 per cent. Existing services were maintained with a commitment to continue the ongoing review of services to meet the community's needs now and into the future.

The year end resulted in a surplus of \$279,000. The 2019/20 surplus was impacted by the coronavirus pandemic which forced the closure of many Council businesses and services from mid-March 2020 onwards, including the Port of Echuca Discovery Centre, Echuca Paddlesteamers, Echuca Holiday Park, recreation and leisure facilities. 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 \$2.2 of funds through a number of grant application, including \$1.5 million for the reconstruction of a section of the Corop Wanalta Road through the State Government's Fixing Country Roads Program and \$320,000 for the Gunbower Lions Park through the State Government's Integrated Water Management Program.

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.

Responding to emergencies

Across summer, major bushfires in eastern and north-eastern Victoria and southern NSW saw millions of hectares burnt, buildings destroyed and lives lost. In November we faced our first Code Red Day, and experienced small fires at a local level, putting to test our emergency management response. The severity of the Victorian and NSW bushfires also impacted Council more directly in January, with the temporary shut-down of the Echuca Material Recycling Facility, adversely impacting Council's recycling stream and those of some adjoining councils. The mill in NSW, which receives and processes the mixed paper from the facility together with the virgin wood to manufacture paper, was unable to operate using mixed paper only. This four-week closure put a temporary halt on recycling.

In March, Victoria was faced with another emergency, with the Federal and State Governments announcing the first COVID-19 restrictions to limit the spread of coronavirus. This resulted in the closures of library branches and depots, the Echuca War Memorial Aquatic Centre, playgrounds and sport stadiums, as well as Council businesses, the Port of Echuca Discovery Centre and Echuca Paddlesteamers from 25 March. Ongoing restrictions were announced, with Council's five customer service centres closing from 30 March. Essential services continued to be maintained, including aged care, environmental health, immunisations, maternal and child health and waste. In some instances, delivered differently to limit the level of customer contact.

With the closure of many services, some staff were stood down, with redeployment options offered to support staff in continuing to work. As restrictions lifted and active cases in decline, most services and facilities reopened from 1 June. Unlike the rest of Australia, Victoria was to experience a second wave of the pandemic with further restrictions and closures early in the 2020/21 financial year.

Service changes

Following an in-principle decision to withdraw from aged and disability services in May 2019. In May 2020, the Federal Government advised of its approval of Intereach Limited to be the provider of services across the shire. Council staff worked with Intereach to ensure as much as possible, a seamless process for clients, with Council ceasing delivering of all funded and brokered aged and disability services on 30 June 2020.

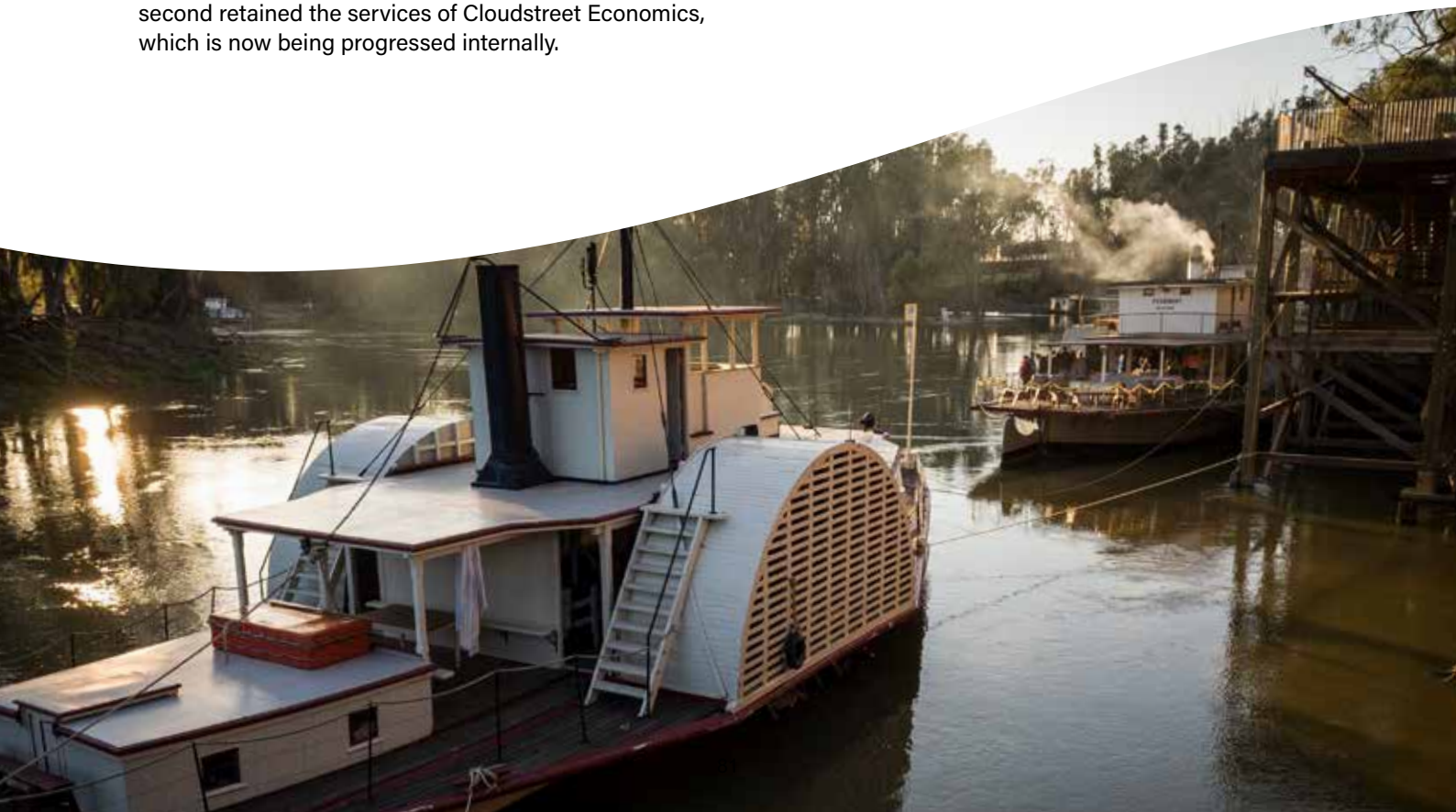
From 1 July, Council expanded the green bin service to include food scraps with normal garden waste. At year end, 70 per cent of households eligible for the service, have a green bin, playing an important role of diverting organic waste from landfill. Community education and promotion of the opt-in service continued across the year, helping to divert more than 3,000 tonnes of food and garden waste from landfill.

Work continued across the year to review the management options for Echuca's Port Precinct. In looking at options, Council has stated it will retain the ownership and management of the various assets it owns or currently has responsibility for, including freehold property, three Paddlesteamers and the heritage artefacts. The review focused on considering the costs, benefits and risk of different management options, with Council retaining an active role in the final option proposed. The first step of the review included members of an external community group, while the second retained the services of Cloudstreet Economics, which is now being progressed internally.

Legislation changes

With the new Local Government Act receiving royal assent in March 2020 and then coming into operation in a four-stage approach, Council identified actions required in each stage to ensure that our compliance obligations could be achieved. A number of documents were completed or progressed, including a Complaints Handling Policy, Audit & Risk Committee Charter, and new Governance Rules. Implementing the requirements of the new Act will be a focus for the new year.

With elections programmed for October 2020, the Victorian Electoral Commission reviewed electoral boundaries in 2019, a legislative requirement and part of a state-wide program. A review is required every 12 years and an important step in the democratic process for ensuring fair and equitable representation across the municipal district. The Preliminary Report presented two options, with the final outcome of the review being to maintain the status quo for the 2020 elections, nine councillors and five wards, with some minor boundary adjustments to maintain voter ratio within the 10 per cent variation threshold.



Plans for the future

Council worked on a broad range of strategies and plans throughout the year. Some of those finalised included:

Access and Inclusion Strategy – The strategy is a guide to a more accessible and supportive Campaspe which includes the social, economic, built and natural environments. The strategy identifies nine Communities of Priority as a focal point for future actions.

Active Transport Strategy – Replacing the 2007 Walking and Cycling Strategy, this new strategy has an inspirational goal to transition Campaspe communities into national role models for walking and cycling by pursuing a “gold standard” approach to the provision of active transport services and infrastructure, all within our financial constraints.

Municipal Emergency Management Plan – The plan successfully passed an audit, completed in accordance with guidelines issued by the Minister for Emergency Management. The audit report identified a number of minor improvement opportunities related to information already contained within the plan.

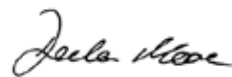
Road Management Plan – The plan is a significant strategic document for both Council and the community because it details the inspection regime, defect intervention levels and repair response times for Council’s extensive road network and related assets. A comprehensive review of the plan was completed with changes made to simplify the plan so it is clearer and easier to read, rewording some of the defect response descriptions, improving intervention levels and updating the Register of Public Roads.

In addition, Council completed a gap analysis of all strategies and policies. Seven new or updated strategies were identified when compared to other councils within Campaspe’s benchmark group. In developing the 2020/21 budget a strategy fund was created to support the development of priority strategies on an annual basis.

On behalf of our management team and staff, I thank the current Council for all their hard work towards achieving many of the goals set at the beginning of their term.

May I also acknowledge and thank the fine efforts of all staff in delivering the broad range of Council services that benefit our community.

I commend the Annual Report to you as an insightful overview of many of Council’s achievements for the year 2019/20.



Declan Moore
Chief Executive Officer



Financial Summary

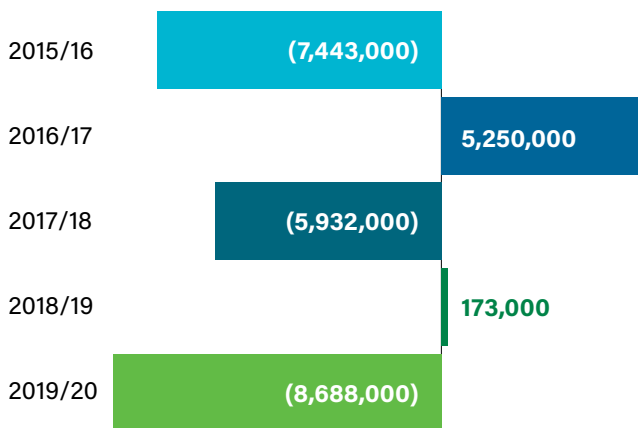
Council finished the year in a sound financial position and maintained a relatively low debt level of \$4.4 million. Detailed information about our financial performance is included within the Financial Statements sections of this Annual Report on pages 64 to 143. A summary of our performance is outlined below.

Operating position

Council achieved a surplus of \$280,000 in 2019/20, which compares unfavourably to the prior year surplus of \$11 million. The 2019/20 surplus was impacted by the coronavirus pandemic which forced the closure of many Council businesses and services from mid-March 2020, 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 (surplus after removing non-recurrent capital grants, cash and non-monetary capital contributions) is a deficit of (\$8.387) million or (10.24%) when compared to adjusted underlying revenue.

Adjusted underlying result \$

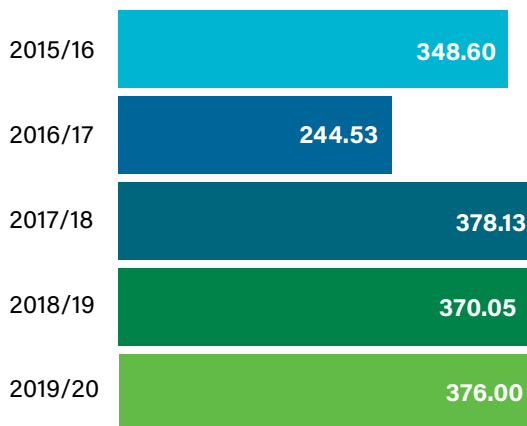


Liquidity

Cash and other financial assets are \$75.2 million which is \$8.6 million higher when compared to the 30 June 2019 figure of \$66.6 million due in part to a number of capital works projects being removed from the program and an additional \$5.2 million being held in reserves. The increase in reserves is made up of \$2.9 million to fund asset renewal and waste projects and \$1.8 million to assist the community recover from the pandemic.

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 %

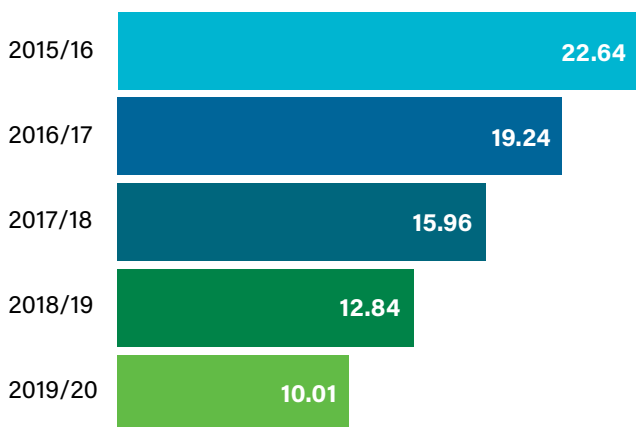


Obligations

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 \$24.8 million in renewal works during the 2019/20 year. This was funded from operations of \$21.8 million and cash reserves of \$3.0 million.

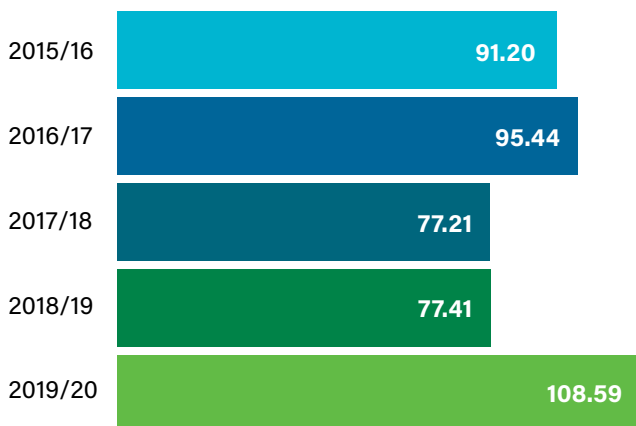
At the end of 2019/20 Council's debt ratio, which is measured by comparing interest-bearing loans and borrowings to rate revenue, was 10.01%.

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 69.50%. This indicator has changed in 2019/20 to include upgrade expenditure and previous years figures have been recalculated.

Asset renewal ratio %

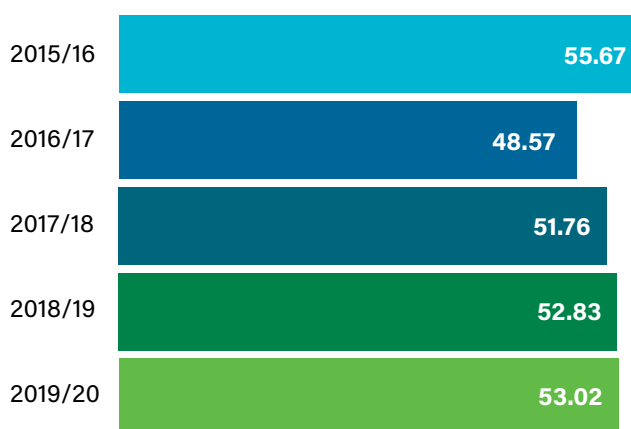


Stability & efficiency

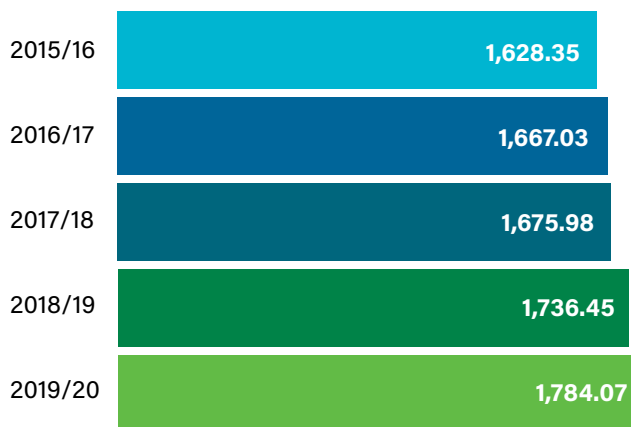
Council raises a wide range of revenues including rates, user fees, grants and contributions. Despite this, Council's rates concentration which compares rate revenue to adjusted underlying revenue was 53.02% for the 2019/20 year.

This resulted in an average rate per assessment of \$1,784.07.

Rate concentration ratio %



Revenue level ratio \$



Description of Operations

Campaspe Shire Council provides more than 100 services, from family and children's services, open space, waste management, aquatic services and community buildings, business support, planning for appropriate development 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 2019/20 and reported on in this document. Please refer to the section on Our Performance, pages 28 to 51, 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 government legislation.

Economic factors

There are a number of issues facing Council that present ongoing challenges. Some of the key issues include:

- The ongoing coronavirus pandemic, with financial support measures put in place to assist individuals, ratepayers, businesses and organisations.
- Ongoing dry conditions, followed by summer bushfires, posing significant risk to agricultural production which flows through to local manufacturing.
- Rate capping, which commenced in 1 July 2016, is progressively impacting on Council's ability to fund service delivery and capital works.
- The continued high cost of utilities, particularly electricity.
- 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.
- Significant changes in the recycling sector across Australia where considerable uncertainty continues.
- 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.



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 2019/20 year 61 capital projects were completed, to the value of \$16.3 million.

Highlights included:

- Riverfront redevelopment, Echuca – This \$5 million project was completed in two stages, supported by both Federal and State Government funding. Stage 1 included an overhaul of the kiosk, and stage 2 the redevelopment of the riverfront to provide accessibility and a visually attractive community space.
- Fox Island Bridge, Gunbower – Completed across two years, a \$1.6 million project involving the bridge removal and replacement, and connecting road entries, supported by Federal Government funding of \$904,200 through the Bridges Renewal Program.
- Falls Bridge, Milloo – Replacement of the bridge deck on Dingee Rochester Road, \$500,000.
- McEwen Road West, Kyabram drainage basin – Stage 2 works to increase the holding capacity of the drainage basin and replacement of the pump station were completed. The \$1.36 million project increases the basin from holding 20,000 cubic litres to 44,000 cubic litres of water. The last stage, stage 3, will be completed in the year ahead.
- Ash Street, Echuca drainage – Stage 1 of the \$2 million drainage upgrade to include a sluice valve at the Campaspe River outfall was completed. Stage 2 has been funded in the 2020/21 year, to include the construction of a new water detention basin.
- Crossenvale Park, Echuca – Upgrade works to the park, including pathways, landscaping and a new play space, were completed funded by \$200,000 from the State Government's Healthy Heart of Victoria program.
- Kyabram Plaza Theatre and Rushworth Hall – Roof renewal works were completed at a cost of \$330,000 and \$110,000 respectively.
- Rochester Recreation Reserve netball court improvements - A \$220,000 project, supported by \$100,000 from the State Government's Country Football and Netball Program. The project improved netball court lighting and brought the courts up to compliance for competition level. The project was officially opened in November.

\$ value of capital works completed

	New	Renewal	Upgrade	Total
2015/16	2,351,248	14,175,911	2,987,555	\$19,514,714
2016/17	2,198,944	13,970,220	4,913,402	\$21,082,566
2017/18	997,768	13,220,861	983,143	\$15,201,172
2018/19	2,195,604	13,196,698	983,941	\$16,376,243
2019/20	4,814,301	16,247,776	3,745,102	\$24,801,179

Major changes

A revised organisational structure was released in June 2020, to take effect from 1 July. The restructure was based around the concepts of equity, efficiency and effectiveness. The organisational restructure followed the appointment of a new Chief Executive Officer, Declan Moore, in October 2019. The new structure is not reflected in this Annual Report.

In March 2020, Council endorsed a range of financial support measures to assist ratepayers, residents, businesses and community groups in response to the coronavirus pandemic. Some services were also closed at this time as a result of the pandemic and government directions put in place. The financial support and closure of services impacted forecast revenue and with the pandemic continuing, the financial impacts to Council are still unknown. Once restrictions are eased, the recovery of the community and the local economy will be the paramount focus of Council.

Major achievements

Following approval from the Federal Government, Intereach Limited was announced as the new provider of aged and disability services, to start from 1 July 2020. Thanks to our dedicated aged and disability staff members for their professionalism displayed in working with Intereach to ensure as much as possible, a seamless process for clients. Thanks also to the many volunteers who supported aged and disability services across the years, in the delivery of meals on wheels and the planned activity group programs. With COVID restrictions in place, staff managed the change process well in a period of uncertain times.

Council expanded the green bin service from 1 July, to include food scraps with normal garden waste. The service was well supported by the community, with the green bin playing an important role of diverting garden and food waste from landfill. Staff rolled out an ongoing community education program to encourage residents to take up the service. At year end, 70 per cent of eligible households have a green bin.

Our Council

> Our Councillors



Our Councillors

Council sets the strategic directions of the organisation and oversees its performance. The last local government election was held on 22 October 2016 with nine Councillors elected, representing five wards.

Cr Daniel Mackrell

Echuca Ward

First elected: 2016

Mobile: 0429 517 535

Email:

d.mackrell@campaspe.vic.gov.au

Council appointments: MAV

Transport & Infrastructure Committee



Cr Kristen Munro

Echuca Ward

First elected: 2016

Mobile: 0429 473 056

Email:

k.munro@campaspe.vic.gov.au

Council appointments: Campaspe

Cohuna Local Learning & Employment Network



Cr Vicki Neele

Kyabram Deakin Ward

First elected: 2016

Deputy Mayor: 2017, 2018, 2019

Mobile: 0429 535 016

Email:

v.neele@campaspe.vic.gov.au

Council appointments: Echuca Moama & District Tourism Development Association, MAV Arts & Culture Committee



Cr Neil Pankhurst

Kyabram Deakin Ward

First elected: 2008

Re-elected: 2012, 2016

Mayor: 2010

Deputy Mayor: 2009

Mobile: 0429 858 992

Email:

n.pankhurst@campaspe.vic.gov.au

Council appointments: Rural Councils Victoria, GV Shepparton Bypass Group



Cr Leanne Pentreath

Western Ward

First elected: February 2016 (by-election)

Re-elected: 2016

Deputy Mayor: 2016

Mobile: 0428 862 201

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

Council appointments: CEO Performance and Remuneration Advisory Committee, Audit and Risk Committee



Cr Annie Vickers

Echuca Ward

First elected: 2016

Mobile: 0429 539 658

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

Council appointments: CEO Performance and Remuneration Advisory Committee, Municipal Emergency Management Planning Committee



Cr Adrian Weston

Waranga Ward

First elected: 2012

Re-elected: 2016

Mayor: 2016, 2017, 2018, 2019

Mobile: 0428 320 464

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

Council appointments: CEO Performance and Remuneration Advisory Committee, Murray River Group of Councils, Loddon Campaspe Councils, Senior Combined Partners



Cr Leigh Wilson

Rochester Ward

First elected: 2012

Re-elected: 2016

Mayor: 2014, 2015

Mobile: 0429 842 111

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

Council appointments: CEO Performance and Remuneration Advisory Committee, Goulburn Valley Waste and Resource Recovery Group, Goulburn Broken Greenhouse Alliance



Cr John Zobec

Kyabram Deakin Ward

First elected: January 2015

(2012 election count-back)

Re-elected: 2016

Mobile: 0418 213 413

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

Council appointments: Audit and Risk Committee, GV Shepparton Bypass Group, MAV Transport & Infrastructure Committee



Our People

- > Our people
- > Council staff



Our People

Executive Management Team

Council is the governing body that appoints the Chief Executive Officer (CEO). The CEO is responsible 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.

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

Functions: Executive Support Services,
Communications, Customer Service



Paul McKenzie

Regulatory & Community Services General Manager

Graduate Diploma of
Management

Certificate of Management

Graduate Diploma of Education -
Special Needs

Diploma of Teaching

Commenced: 17 April 2000

Functions: Environmental Health, Public Health, Local
Laws, Waste & Environment Services, Statutory Land
Use Planning, Building Control, Aged & Disability
Services, Family Services, Library Services, Recreation,
Arts & Culture, Strategic Land Use Planning



Jason Deller

Infrastructure Services General Manager

Bachelor of Engineering
(Civil)

PhD Candidate

Registered Professional Engineer
Queensland

Commenced: 2 October 2019

Functions: Road Works, Quarry Operation, Trades,
Design, Development Engineering, Road Maintenance,
Technical Services, Asset Management, Program
Management Office, Project Management



Fleur Cousins

Corporate Services General Manager

Bachelor of Applied Science
(Environmental Health)

Diploma of Management

Commenced: 6 November 2017

Functions: Property Management,
Financial Services, Information & Communications
Technology, Governance & Compliance, Commercial
Operations, Procurement, Human Resources



Keith Oberin

Economic & Community Development General Manager

Diploma of Education

Commenced: 16 May 2016

Functions: Corporate Planning,
Strategic Planning, Community
Planning, Economic Development, Tourism & Events
Development, Business Attraction & Support,
Emergency Management, Civic Events, Grants
Management, River Services



Organisation Structure

The Leadership Group includes the Executive Management Group and all department managers. Members of the Leadership Group bring together an extensive knowledge base, specialised expertise and professional skills to deliver Council services, programs and activities that support the strategic directions set by the Council.

The four General Managers report directly to the Chief Executive Officer.



Council Staff

Employee profile

As at 30 June 2020, a total of 601 staff were employed, or 322.80 full-time equivalent (FTE), of which 90 per cent live in Campaspe communities. Staff numbers increase during summer due to the engagement of casual employees to assist with seasonal pool openings, however permanent employees complete most of the work.

Division	Full-time		Part-time		Casual		Total
	Male	Female	Male	Female	Male	Female	
Office of CEO (FTE)	2	10	0	2.42	0	1.54	15.96
Regulatory & Community Services (FTE)	38	49	1.15	48.93	6.29	15.09	158.46
Infrastructure Services (FTE)	70	8	0.78	1.2	1.19	0.01	81.18
Corporate Services (FTE)	15	23	0	6.3	0.91	1.20	46.41
Economic & Community Development (FTE)	3	10	3.21	1.97	1.76	0.85	20.79
Total (FTE)	128	100	5.14	60.82	10.15	18.69	322.80

Figures include actual hours worked by casual staff.

Age of the workforce (FTE)



Employment classification

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

Employment classification	Female FTE	Male FTE	Total FTE
Band 1	20.6	1	21.6
Band 2	3.6	27.6	31.2
Band 3	23.8	36.9	60.7
Band 4	34.2	14	48.2
Band 5	28.8	11.4	40.2
Band 6	27	10	37
Band 7	14	18.6	32.6
Band 8	8	10.8	18.8
Other (senior executives / managers)	7	11	18
Other (Individual Flexibility Arrangements)	12.7	1.8	14.5
Total	179.7	143.1	322.8

Staff turnover

2016/17	2017/18	2018/19	2019/20
10.25%	10.69%	7.04%	6.51%

Total number of voluntary resignations divided by total number of permanent staff x 100 (excludes casuals/ temporary, dismissal/ retrenchments).

Equity and diversity

Council recognises and values diversity by respecting each individual's unique attributes and creating an environment where everyone is able to achieve their potential. Council's core values support this commitment.

Equal opportunity is about the fair and equal treatment of those who either are employed by Council, or who are seeking employment with Council, regardless of differences. As an equal opportunity employer, Council is committed to the principles of equal opportunity and anti-discrimination.

Enterprise bargaining agreement

A new Enterprise Agreement was approved by the Fair Work Commission and came into effect from February 2019. The agreement was developed by a committee made up of management representatives, nominated workplace union delegates and union industrial officers.

The agreement remains in force until 16 February 2022.

Health and safety

Council continued its strong commitment to Occupational Health & Safety (OHS) with a focus on streamlining processes to permit early intervention at an operational level to ensure all suitable controls are implemented. Council encouraged Health and Safety Representatives (HSR) to be engaged and proactive in this process. Council has placed a strong focus on education of the HSRs to increase their involvement in decision making in the workplace. The OHS Committee continued to operate strongly with a constant high attendance by management and the Health and Safety Representatives, always achieving a quorum.

Council had no notifiable events in this financial year.

Council had no Provisional Improvement Notices this financial year.

Council's safety management system has been effective in reducing the number of injuries and the costs associated with workers compensation. Council currently sits at 27 per cent better than industry and has seen a reduction in premium costs.

Learning and development

Council supported training events in line with its legislative responsibilities and the Attract, Develop, Retain (ADR) initiatives. Council provides and supports a range of opportunities to ensure the organisation is:

- up-to-date with current legislative requirements
- developing and expanding the professional knowledge and skills of its staff; and
- exploring modern standards of best practice delivery.

With the aid of the Learning Management System (LMS), Council identifies employees' compliance training needs, records all training completed as well as launching online learning programs. Online learning (eLearning) provides staff with access to training at a time that suits them and allows supervisors flexibility to schedule their teams so that normal work activities are less impacted. To ensure that the needs of the organisation are met, regular reviews are completed to ensure eLearning is up-to-date and that Council has access to the most current information and development opportunities.

In addition to online learning, a number of staff were supported in gaining formal qualifications, as well as supported in attending personal and professional development training, workshops and conferences.

Workplace learning opportunities

The workplace learning program provides students with the opportunity to gain valuable experience, skills and knowledge by working in a variety of Council settings. The program promotes stronger connections between young people and Council, with Council able to promote itself as a future employer, while also giving students an insight into the services it provides to the community.

A total of 9 workplace learning opportunities were provided with students working in a number of areas across the organisation. While every endeavour is made to place workplace learning applicants, 5 applications were unable to be accommodated due to current workloads, staffing levels and lack of meaningful opportunity.

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 2019, the commitment and service to the Campaspe community of 32 staff was recognised at a presentation attended by staff and their families.

10 years

Matthew McPherson, Shane Stacey, Peter Dunlop, Steven Nihill, Brendan Kneebone, Leon Burton, Melissa Colbert, Christine Dickinson

15 years

Keith Oberin, Shannon Lockwood, Elce Berzuela, Mark Nankivell, Leah Nolan, Tim McEwan, Robert McCormick, Susan Walker, Andrew Cowin, Suzanna Tangey, John Fitzsimons, Julie Thornton, Terrence O'Keefe

20 years

Deborah Tonkin, Graham Trist, Carolyn English, Tracey Pearce

25 years

Stephen Cook, James Ryan, Sandra Ennis, Jennifer Tennace

30 years

Raquel Paynter, Steven Nalder

45 years

Geoff Cruz



Health and Wellbeing Program

Council's Health and Wellbeing Program actively contributes to a healthy, positive workplace culture, while supporting staff engagement and retention. Programs conducted throughout the year included:

- flu vaccinations
- skin checks
- Paws for a Minute (Echuca, Kyabram and Tongala)
- Love your Lunchbox (Tongala and Echuca)
- Dollars and Sense financial tips (Kyabram, Echuca and Tongala)
- Yoga and Body Balance sessions (Echuca)
- Taste of Harmony (Echuca)
- Sleepwell (Echuca, Kyabram and Tongala)

Staff were also encouraged to recognise and participate in key events:

- Active April – 30 minutes of exercise each day, for one month
- One and All Inclusion Day – Bringing the community together, to recognise all abilities
- R U OK? Day – A day advocating for people to have conversations with others
- World Mental Health Day – Raising awareness of mental health issues around the world
- Day 1, 16 Days of Activism Against Gender Based Violence – as part of the domestic and family violence program

Staff were able to access facilities and classes at the Echuca War Memorial Aquatic Centre as part of Council's corporate membership program.

Employee Assistance Program

Council continued its partnership with an employee assistance provider, giving managers, employees and their immediate families access to an extensive range of support services. Employees can discretely and confidentially access assistance in dealing with a range of issues that may impact on their work performance including stress, relationship issues, financial problems, drug and alcohol dependency, career and work issues, and more. The service offers face-to-face counselling as well as access to 24-hour phone counselling.

Domestic & Family Violence Program

Council continued its campaign to raise awareness of domestic and family violence with an open invitation to a whole of community event.

The event, a DASH (Domestic Abuse Stops Here) coincided with the International Day for the Elimination of Violence against Women and the start of the 16 Days of Activism Against Gender Based Violence, a global initiative running from 25 November through to 10 December, annually.

Council has previously aligned itself with the White Ribbon Foundation and a campaign focusing on preventing violence against women.

Volunteers

Council continues to provide valuable and worthwhile opportunities across a variety of service areas. Council is committed to an active engaging partnership with its valued volunteers, who enable Council to provide a range of services to the community that would not be possible otherwise. There are 661 volunteers working in service areas that contribute to the health, wellbeing and lifestyle of our community and its residents.

Council values and recognises volunteers by holding an event during National Volunteer Week. Volunteers were invited to a morning tea with Volunteer Awards presented in the categories of individual, young person and group.



Our Performance

- › Planning and accountability framework
- › Council plan
- › Performance

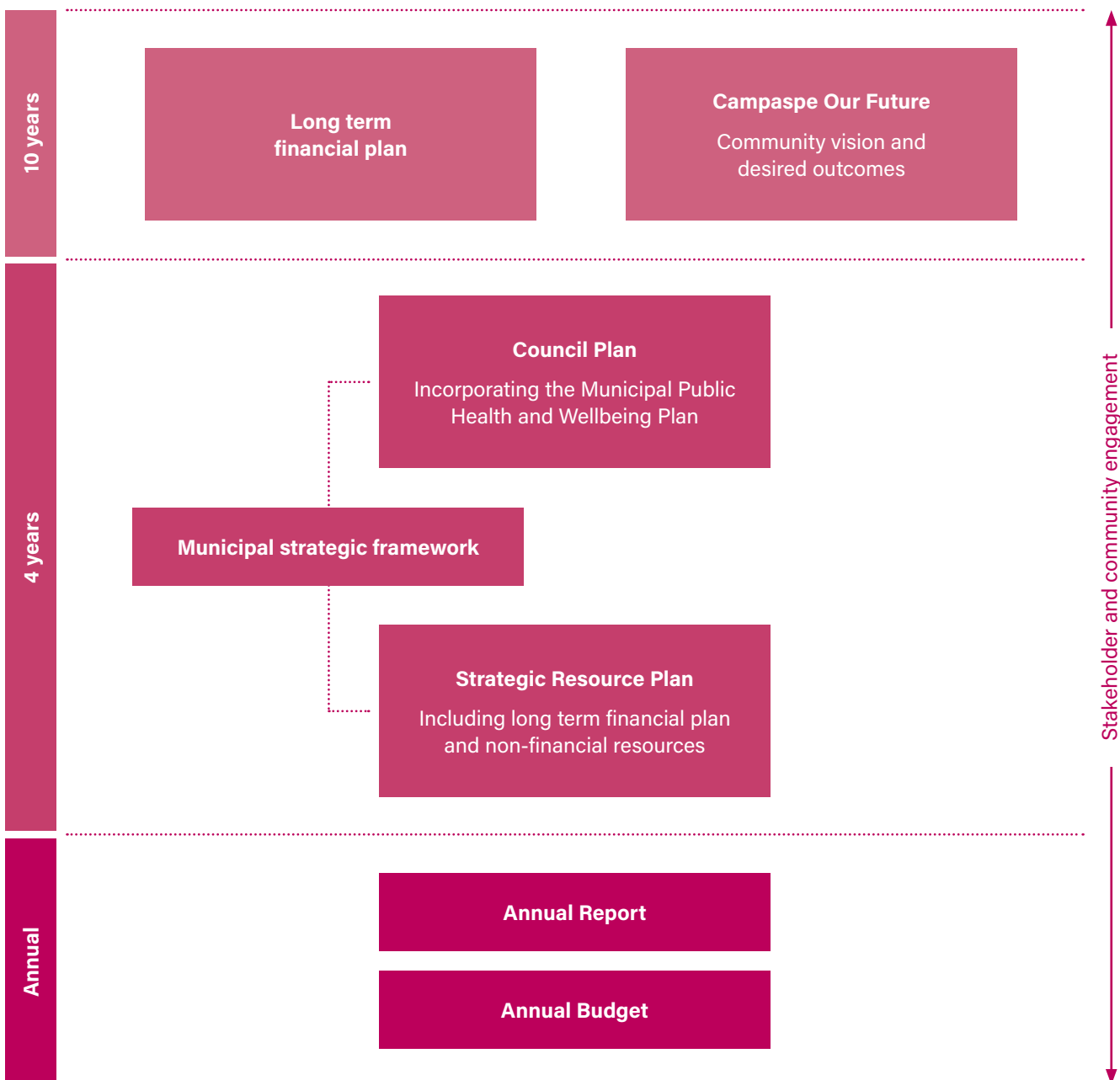


Planning and Accountability Framework

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 outlines Council's vision for the future and strategic objectives to be achieved during the four-year period. The plan identifies five themes to guide service delivery throughout the plan's four years:

- Strong and engaged communities
- Resilient economy
- Healthy environment
- Balanced services and infrastructure
- Responsible management

The Council Plan is reviewed annually and made available to the community on Council's website www.campaspe.gov.au.

The Strategic Resource Plan outlines the resources, financial and non-financial, to achieve the strategies outlined in the Council Plan. The Strategic Resource Plan is a four-year plan, reviewed annually to ensure it aligns with the annual budget.

Council's performance against the Council Plan and Strategic Resource Plan are reported through this Annual Report.

Performance

Strong and Engaged Communities

Strategic objective 1

Our Goal

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 contribute to achieving the strategies and goal for this objective:

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. This service includes the sports stadiums	Rev	237	262
		Exp	2,153	3,250
		Net	(1,916)	(2,988)
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. This service includes Senior Citizens support, Veterans Affairs program, planned activity groups and volunteer transport.	Rev	4,314	3,637
		Exp	5,196	6,407
		Net	(882)	(2,770)
Aquatics	To provide facilities that support swimming and aquatic water play. This service includes the indoor and outdoor pools across the shire.	Rev	1,530	1,024
		Exp	3,452	3,628
		Net	(1,922)	(2,604)
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. This service includes supported playgroups, long day care, maternal and child health and centralised kinder enrolment management.	Rev	3,295	3,128
		Exp	3,974	3,975
		Net	(679)	(847)
Community development	To strengthen the understanding of community views and aspirations to inform decision making. This service includes place based planning, access and equity, youth engagement, community grants, programs and civic events.	Rev	142	433
		Exp	2,784	1,637
		Net	(2,642)	(1,204)
Customer communications	To connect the community with Council. This service includes customer service centres, media relations, online communications and marketing.	Rev	0	0
		Exp	893	738
		Net	(893)	(738)
Emergency management	To strengthen local capacity and capability and build community resilience in compliance with legislative responsibilities.	Rev	60	23
		Exp	293	351
		Net	(233)	(328)
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. This service includes the immunisation program, food safety, wastewater management and health, accommodation and caravan park premise compliance monitoring.	Rev	326	308
		Exp	1,085	1,000
		Net	(759)	(692)
Library	To provide space, activities and items that support access to information and knowledge.	Rev	438	442
		Exp	2,107	2,566
		Net	(1,669)	(2,124)
Passive recreation	To provide open spaces and public environments that support and encourage passive recreation by residents and visitors to improve health and wellbeing. This service includes the management and strategic management of non-structured recreation area.	Rev	25	23
		Exp	641	305
		Net	(616)	(282)

Strong and Engaged Communities - strategic objective 1

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2019/20 budget.

Initiative	Result
Major	
We will complete the development of an Aquatic and Leisure Strategy to establish a service vision, objectives and desired outcomes.	In progress
We will partner with emergency service authorities to support the Rochester community capacity building around the need to prepare and what can be done to minimise the impact of an incident (fire or flood).	In progress
Other	
We will implement Year 1 actions of the Social Media Plan.	In progress
We will finalise detailed design of the Echuca Arts Precinct incorporating the Foundry Arts Space workshop and gardens.	Not started
We will fund the construction of the Kyabram Breen Avenue walking track.	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	2018/19 result	2019/20 result
Community satisfaction with consultation and engagement	Victorian Local Government Community Satisfaction Survey	51	52
Percentage of children fully vaccinated at 12-15 months, 24-27 months and 60-63 months	Department Health and Human Services	12-15 months = 97.21% 24-27 months = 93.32% 60-63 months = 97.29%	12-15 months = 96.49% 24-27 months = 95.22% 60-63 months = 97.7%
Percentage of the population that reported their health as excellent or very good	Victorian Population Survey	2014 = 34.2%	Not collected annually
Percentage of the population that reported being very satisfied or satisfied with life	Victorian Population Survey	2014 = 92.2%	Not collected annually
Percentage of safety whilst walking alone at night	VicHealth Indicator Survey	2014 = 54.7%	Not collected annually

Service Performance Indicators

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

Service / Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and comments
Aquatic facilities					
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities]	2.13	2.63	5.00	2.00	The number of health inspections completed by staff was significantly down on the previous year. This was primarily due to staff availability within the Environmental Health team and the need to prioritise tasks based on risk.
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.95	6.22	6.22	3.04	Attendance at the Echuca War Memorial Aquatic Centre was significantly impacted by a 15 week closure and restrictions on the number of patrons allowed in the facility due to COVID-19. This has seen a reduction of more than 50% 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. A trend has emerged of a steady decline in attendance at the seven outdoor facilities based on the last three years of data.
Service cost Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	New in 2020	New in 2020	\$8.72	This is a new indicator and covers both indoor and outdoor aquatic facilities. Preliminary data has indicated the cost of the facilities will increase due to declining attendance, increasing costs to maintain facilities and major facility failure. Note: From 2020, this indicator replaced two previous indicators: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities.'

Strong and Engaged Communities - strategic objective 1

Service / Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and comments
Libraries					
Utilisation Physical library collection usage [Number of physical library collection item loans / Number of library physical collection items]	2.12	2.22	2.10	1.54	<p>This year's result for the first time excludes e-books. Service closures due to COVID-19 during the period 25 March to 1 June, along with restrictions on numbers visiting the service at reopening in June 2020, unfavourably impacted physical collection loans.</p> <p>Analysis of data, July 2019 to February 2020, showed the collection usage decreased by 8% when compared to the average physical item loans over the same period for the past three years. This result reflects changes in borrowing behaviour and is reflective of the industry trend.</p> <p>Note: From 2019/20, this indicator measures the performance of physical library items as a subset of the wider library collection.</p>
Resource standard Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x 100	39.67%	40.07%	38.72%	34.92%	<p>The trend on age of collection (now reflected as recently purchased items) has generally increased over the past four years. In 2019/20 there was a slight decline in the proportion of recently purchased materials. Purchasing patterns have focused on e-resources, which have a relatively higher cost per item, while the budget allocation has remained relatively stable.</p>
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	16.81%	16.32%	15.34%	15.31%	<p>Active library borrowers remain stable and on trend with prior year.</p>
Service cost Cost of library service per population [Direct cost of the library service / Population]	\$26.82	\$26.30	\$24.93	\$22.20	<p>Costs are lower than would normally be expected due to the impact of library closures and staff stand downs due to COVID-19.</p> <p>Note: Indicator is replacing previous 'Cost of library service' indicator which measured based on number of visits.</p>

Service / Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and comments
Maternal and Child Health (MCH)					
Service standard	92.92%	100.00%	100.00%	100.25%	The trend in infant enrolments in the MCH service has generally remained steady over the four years of reporting, reflective of the trust and value placed in the service provided by Council.
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					
Service cost	\$76.68	\$80.62	\$76.76	\$102.32	Improved reporting of nurse hours has achieved greater accuracy in the cost of the service, reflecting an increased cost, while the actual service model has remained stable.
Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]					
Participation	72.96%	75.47%	73.17%	72.81%	Overall participation rates in the MCH service remains stable. In line with previous years, strategies will continue to be implemented to improve participation across all Key Age and Stage visits from 4 months of age.
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 in the MCH service by Aboriginal children	58.93%	70.49%	69.54%	73.91%	Participation in the MCH service by Aboriginal children has remained consistent with the previous reporting period, which is driven by improved data collection and information sharing measures between Council and the local Aboriginal Community Controlled Health Organisation (Njernda Aboriginal Corporation).
[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					
Satisfaction	New in 2020	New in 2020	New in 2020	99.25%	High participation rates in the four week Key Age and Stage visit demonstrates high levels of community satisfaction and the value placed on the MCH service provided by Council. Note: New indicator for 2019/20 financial year.
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					

Resilient Economy

Strategic objective 2

Our Goal

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

Strategies

Four strategies contribute 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 contribute to achieving the strategies and goal for this objective:

Service area	Description of services provided		Budget \$'000	Actual \$'000
Business development	To sustain the shire's economic future by being proactive, responsive and open for business through improving business and investor confidence, encouraging diversification in the economy and improving linkages. This service includes the sale of industrial land, business networks and investment attraction.	Rev	240	
		Exp	241	
		Net	(1)	
Echuca and District Livestock Exchange	To provide a facility for the sale of livestock to support economic development and the livestock industry within the region.	Rev	632	
		Exp	716	
		Net	(84)	
Quarry	To provide crushed rock products for council's use and commercial sales.	Rev	2,058	
		Exp	1,894	
		Net	164	
Tourism	To increase visitation and grow the visitor economy by providing a unique visitor experience. This service includes tourism support, event attraction and funding, museum operations, Discovery Centre operations, boat management and maintenance, Echuca Paddlesteamers and Echuca Holiday Park.	Rev	4,039	
		Exp	5,258	
		Net	(1,219)	
Economic development	Incorporating the services of Business development, Echuca and District Livestock Exchange, Quarry, Tourism and Aerodrome.	Rev		6,535
		Exp		9,555
		Net		(3,020)

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2019/20 budget.

Initiative	Result
Major	
We will engage with all commercial steamboat operators to support all passengers embarking and disembarking from the wharf structure.	Completed
Other	
We will renew the animal pen soft flooring within the Echuca and District Livestock Exchange.	Completed
We will start the implementation of the Echuca Holiday Park Masterplan with design and construction of improved landscaping and front entrance.	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	2018/19 result	2019/20 result
Value of non-residential building approvals	Campaspe id. Economic profile indicators	\$16 million (March FYTD)	\$16 million (March FYTD)
Unemployment rate	Campaspe id. Economic profile indicators	3.82% (March FYTD)	3.4% (March FYTD)
Average visit spend per trip	RemPlan Economic Profile visitor expenditure	Domestic \$123 Domestic overnight \$146 International – not available (March FYTD)	Domestic \$115 Domestic overnight \$364 International – \$764 (March FYTD)
Average visitor stay	RemPlan Economic Profile visitor expenditure	Domestic overnight 2.7 nights International – not available (March FYTD)	Domestic overnight 3 nights International – 12 nights (March FYTD)
Value of gross regional product	Campaspe id. Economic profile indicators	\$1,986 million	Not collected annually
Number of local jobs	Campaspe id. Economic profile indicators	18,400	Not collected annually
Number of employed residents	Campaspe id. Economic profile indicators	18,302	Not collected annually

Service Performance Indicators

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

Healthy Environment

Strategic objective 3

Our Goal

A healthier environment for current and future generations.

Strategies

Five strategies contribute 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 contribute to achieving the strategies and goal for this objective:

Service area	Description of services provided		Budget \$'000	Actual \$'000
Building surveyor services	To ensure that all buildings and places of public entertainment across the shire are compliant with legislative responsibilities.	Rev	243	217
		Exp	465	147
		Net	(222)	70
Environment and conservation	To protect, enhance and conserve native flora and fauna through community education and programs.	Rev	11	122
		Exp	321	451
		Net	(310)	(329)
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. This service includes local laws, animal management, school crossings and parking compliance.	Rev	2,294	2,369
		Exp	3,322	3,431
		Net	(1,028)	(1,062)
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	492	638
		Exp	1,091	873
		Net	(599)	(235)
Strategic recreation planning	To strategically plan for recreation, sporting, open space and community facilities.	Rev	0	220
		Exp	418	391
		Net	(418)	(171)
Waste collection and management	To provide services for the removal of waste and the collection of recycling.	Rev	6,777	6,784
		Exp	5,505	6,530
		Net	1,272	254

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2019/20 budget.

Initiative	Result
Major	
We will implement the 2019/20 community education program for Food Organics and Garden Organics (FOGO) in line with the Waste Strategy and FOGO implementation plan.	Completed
We will complete facility upgrades at the Echuca and Mount Scobie Environment Centres and Gunbower Waste Transfer Station.	In progress
Other	
We will work collaboratively with the Victorian Planning Authority to finalise the Echuca West Precinct Structure Plan and subsequent supporting reports and functional designs.	In progress
We will start the preparation of a planning scheme amendment to implement the recommendations of the Campaspe Planning Scheme Review.	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	2018/19 result	2019/20 result
Percentage of planning applications decided within 60 days	Local Government Performance Reporting	92.28%	93.77%
Average time taken to decide on planning applications	Local Government Performance Reporting	41 days	38 days
Percentage of kerbside collection waste diverted from landfill	Local Government Performance Reporting	38.67%	48.02%
Electricity consumption for all Council owned and operated buildings and facilities	Internal	Total electricity consumption 1,877,045 kWh Average daily electricity consumption per facility 102.89 kWh	Not available
Tonnes of CO2 emissions from electricity and gas used in all Council owned and operated buildings and facilities	Internal	2,245 tCO2	Not available

Healthy Environment - strategic objective 3

Service Performance Indicators

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

Service / Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020	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 ranger service. The result reflects that Council attends all domestic animal requests within 24 hours.
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x 100	32.68%	28.71%	21.97%	27.43%	The positive trend in this indicator has been driven by Council's Home Safe program. This service returns wandering animals to their owners, rather than impounding them.
Animals rehomed [Number of animals rehomed / Number of animals collected] x 100	New in 2020	New in 2020	New in 2020	57.12%	Of the animals collected by rangers and the public, 26% were reclaimed by their owners and 57% were rehomed, the remaining 17% were euthanised due to not being suitable for rehoming. Note: New indicator for 2019/20 financial year.
Service cost Cost of animal management service per population [Direct cost of the animal management service / Population]	\$27.28	\$27.27	\$30.98	\$32.53	The trend is an increase over the previous three years, a result of an increase in the allowance for doubtful debts as a result of the pandemic impacting the 2019/20 year. Note: Indicator is replacing previous 'Cost of animal management service' which was based on cost per number of registered animals
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	New in 2020	0.00%	No prosecutions in 2019/20. Council implements a range of alternative enforcement methods to prosecution. Council continues to implement animal management programs that seek to educate the community about responsible pet ownership. Note: New indicator for 2019/20 financial year.

Service / Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020	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]	33.00	30.00	41.00	38.00	The trend in decreasing median processing days continues due to a focus on process improvements eg assigning applications based on complexity.
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	91.01%	94.42%	92.28%	93.77%	The trend in deciding applications within the required timeframes has been maintained at more than 90%, exceeding the rural average of 77%. 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.
Service cost Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received]	\$1,275.08	\$919.33	\$1,573.76	\$1,473.04	The cost per application has reduced from last year by 6%. This reflects process improvements that have delivered efficiency including a 'paperless' office.
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	100.00%	80.00%	90.91%	83.33%	The trend in Council planning decisions upheld at VCAT remains high. Less than 2% of decisions are appealed. Across the last three years, only one Council decision per year has been set aside or amended by VCAT, the variance in results is due to the fluctuations in the number of decisions going to VCAT. In 2018 it was 5, in 2019 it was 11 and in 2020 it was 6. The Planning Unit consistently arrange 'consultation meetings' during the application process in order to improve outcomes and actively engage with all parties during the assessment process to minimise appeals.

Healthy Environment - strategic objective 3

Service / Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020	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	93.75	114.22	132.50	147.61	This indicator represents the number of requests from the community to replace stolen bins, terminate services, change services or have bins repaired. Council received a higher than average number of requests for replacement and repair of damaged bins due to ageing bin stock.
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	0.82	1.20	1.91	2.39	Council has been working with its current contractor to improve service levels. Council has also been promoting a number of new ways for residents to report these types of issues, online and via phone. It is anticipated that this has resulted in additional reporting by residents.
Service cost Cost of kerbside garbage collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$94.26	\$94.79	\$94.87	\$108.09	The 14% increase in the cost associated with this service is attributed to a new landfill contract commencing on 1 July 2018 which saw an associated 15% increase in the landfilling rate.

Service / Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and comments
<p>Cost of kerbside recyclables collection service</p> <p>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</p>	\$42.17	\$37.25	\$32.63	\$63.01	The increase in the recycle service charge can be directly attributed to additional costs as a result of the recycling crisis. The costs associated with sorting and recycling this material increased significantly due to the impact on markets and commodity prices. These impacts required Council to make a significant retrospective payment for the processing of recyclables.
<p>Waste diversion Kerbside collection waste diverted from landfill</p> <p>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	41.12%	40.35%	39.03%	48.02%	Council introduced food into the garden organics service on 1 July 2019. This has been heavily promoted by Council and with the tiered fee structure has resulted in significant uptake (approx. 1,000 additional bins year on year). This is reflected in the 9% increase in tonnage diverted from landfill through the organics bin.



Balanced Services and Infrastructure

Strategic objective 4

Our Goal

Services and assets meet current and future community need.

Strategies

Four strategies contribute 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 contribute to achieving the strategies and goal for this objective:

Service area	Description of services provided		Budget	
			\$'000	Actual \$'000
Aerodrome	To provide a facility which supports recreation and emergency aviation needs.	Rev	0	In Economic Development
		Exp	112	
		Net	(112)	
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	349	360
		Net	(227)	(269)
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	26
		Exp	4,937	5,245
		Net	(4,937)	(5,219)
Project management	To ensure the efficient, timely and cost effective delivery of Council's Capital Works Program.	Rev	0	0
		Exp	490	491
		Net	(490)	(491)
Road services	To ensure the operational and statutory functions of road and drainage infrastructure are compliant with legislative responsibilities.	Rev	111	513
		Exp	21,141	32,036
		Net	(21,030)	(31,523)

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2019/20 budget.

Initiative	Result
Major	
We will replace and upgrade barriers on three bridges.	In progress
We will start the planned two year renewal of the Groves Weir Bridge at Rushworth to meet current standards and increase the load limit.	In progress
Other	
We will renew and upgrade six kilometres of Wanalta Corop Road, Corop.	In progress
We will continue to advocate for improved rail services on the Echuca-Rochester-Bendigo rail line and alignment of timetabling to regional bus services.	In progress
We will work with three local communities to seek to transition council-owned local facilities into community ownership.	In progress
We will partner with the state government to upgrade infrastructure at Echuca's Crossenvale Park and develop programs that support the activation of the park.	Completed
We will, in conjunction with the funding by Court Services Victoria, make changes to the Echuca Civic Centre which will allow consolidation of all Echuca based council staff into one office facility.	Cancelled

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	2018/19 result	2019/20 result
Community satisfaction with the condition of sealed roads	Victorian Government Community Satisfaction Survey	47	49
Percentage of sealed local roads maintenance	Local Government Performance Reporting	96.38%	98.77%
Percentage of capital projects practically completed at the conclusion of the financial year (based on number of projects)	Internal	61%	72%
Maturity of Council's asset management practices and processes using the National Asset Management Assessment Framework	Internal	2016 = 841	923

Balanced Services and Infrastructure - strategic objective 4

Service Performance Indicators

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

Service / Indicator / Measure	Result 2018	Result 2018	Result 2019	Result 2020	Material variations and comments
Food safety					
Timeliness	2.09	2.92	2.19	1.22	The time taken to respond to food complaints decreased significantly. In 2019 there was also a reduction in the number of food complaints received. Council is focused on attending to complaints in a timely manner and improving turnaround times.
Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]					
Service standard	59.94%	90.31%	97.49%	83.75%	Staff availability led to a decrease in the completion of Food Safety Assessments in 2019. Staff continue to use Council's Food Safety Risk Assessment process to ensure businesses that are carrying out high risk activities are prioritised.
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					
Service cost	\$491.46	\$453.93	\$434.27	\$366.00	The cost of the Food Safety service has declined slightly on the previous year. In 2019 there was a significant increase in the number of food premises registered with Council. This has led to a decrease in the cost per premises for the year.
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]					
Health and safety	77.14%	95.00%	100.00%	100.00%	In 2019 staff identified 26 major non compliances. One critical non compliance was reported to Council by a third party auditor. 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] x 100					

Service / Indicator / Measure	Result 2018	Result 2018	Result 2019	Result 2020	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	19.76	26.77	29.77	42.23	Council received 484 requests regarding sealed local roads in 2019/20, 139 more requests than the previous year. The increase in requests has been the outcome of Council encouraging greater reporting by the community of road defects as well as making the reporting of these defects easier through the introduction of online forms.
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	96.12%	96.33%	96.38%	98.77%	The condition of sealed roads has remained steady over the last four years. In 2019/20 the length of roads not needing maintenance is 1,116 kilometres.
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$55.32	\$52.26	\$78.08	\$86.28	The cost of sealed local road reconstruction increased significantly in 2019/20. A smaller amount of works resulted in a higher cost per metre.
Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.37	\$3.54	\$4.28	\$5.30	The amount of roads resealed in 2019/20 is the largest quantity reported over the previous four years. Increased costs relate to an increased number of 'deep' seals which cost more. This then creates a higher overall unit rate referenced in this report.
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	40	45	47	49	Council's understanding of the sealed local road network, gained through customer service requests and the ongoing inspection program, is that the network is generally in good condition.

Responsible Management

Strategic objective 5

Our Goal

Strong leadership, advocacy and good governance.

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

Strategies

Six strategies contribute 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 contribute to achieving the strategies and goal for this objective:

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	216	101
		Exp	1,064	1,131
		Net	(848)	(1,030)
Governance	To provide support and advice to councillors and the organisation to ensure compliance with legislative responsibilities.	Rev	0	7
		Exp	1,295	1,224
		Net	(1,295)	(1,217)
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	263	69
		Net	(263)	(69)
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	90	78
		Net	(90)	(78)
Information communication	To facilitate the effective delivery of Council services and enhance community interaction with Council	Rev	0	0
		Exp	1,311	1,164
		Net	(1,311)	(1,164)
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. This service includes the Office of CEO and General Managers, corporate strategy and service planning.	Rev	0	283
		Exp	2,422	2,507
		Net	(2,422)	(2,224)
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	669
		Exp	25	742
		Net	(25)	1,411
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. This service includes land sales and acquisitions, lease management and building maintenance.	Rev	272	982
		Exp	1,908	5,315
		Net	(1,636)	(4,333)
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	1,004	995
		Net	(1,004)	(995)

Responsible Management - strategic objective 5

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2019/20 budget.

Initiative	Result
Major	
We will develop and implement a Data Security Plan in line with the Victorian Protective Data Security Framework.	In progress
Other	
We will support the Victorian Electoral Commission in undertaking an electoral representation review and make a submission regarding the review findings.	Completed
We will develop and commence implementation of a digitisation plan in line with Public Records Office Guidelines.	Completed
We will engage with and review current Section 86 committees to affirm future operational models under the new proposed Local Government Act.	In progress
We will implement stage two of Council's rebranding program focusing on shire entry and town entry signs.	Completed
We will implement phase two of the Staff Health and Wellbeing Plan.	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	Score	2018/19 result	2019/20 result
Community satisfaction with customer service	Victorian Government Community Satisfaction Survey	69	66
Community satisfaction with decisions made in the interest of the community	Victorian Government Community Satisfaction Survey	47	48
Community satisfaction with overall direction of Council	Victorian Government Community Satisfaction Survey	45	45
Community satisfaction with lobbying on behalf of the community (advocacy)	Victorian Government Community Satisfaction Survey	48	51
Compliance measures that are currently in operation	Local Government Performance Reporting	22/24	22/24
Council decisions made at meetings closed to the public	Local Government Performance Reporting	18.18%	24.58%
Adjusted underlying surplus (or deficit) as a percentage of underlying revenue	Local Government Performance Reporting	0.22%	(10.49%)
Responsiveness to phone calls	Internal	95%	95%
Number of occupational health & safety near miss incident reports	Internal	165	64
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 2017	Result 2018	Result 2019	Result 2020	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	6.37%	8.93%	18.18%	24.58%	The number of Special Council meetings were less than the previous year. There was an increase in decisions made in confidential sessions, which related 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]	52	50	51	52	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	96.08%	97.92%	96.30%	94.44%	Councillor attendance at Council meetings remains steady.
Service cost Cost of elected representation [Direct cost of the governance service / Number of councillors elected at the last council general election]	\$46,859.22	\$47,541.67	\$51,514.78	\$50,635.44	The cost of governance has increased due to additional legal advice sought and mediation of Councillor conduct complaints.
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]	48	46	47	48	Throughout the 2019/20 year Council made a number of significant decisions. Council recognises that there are diverse views across the community in relation to many of these decisions. Improving community satisfaction with decisions of Council remains a focus.

Governance, Management & Other Information

- › Governance
- › Management
- › Governance and management checklist
- › Statutory information



Governance

Good Governance

Good governance means accountability, fairness and transparency in all Council operations and decisions. It involves:

- making clear the legislation and regulations under which we operate
- local laws we are authorised to make
- our decision-making processes
- delegations of authority
- effective risk management systems and processes
- establishing frameworks for planning and monitoring operational effectiveness
- performance management.

Council's Role

Campaspe Shire Council is one of 79 Victorian councils that derives its role, powers and functions primarily from the Local Government Act 1989, which states:

1. A council is elected to provide leadership for the good governance of the municipal district and the local community.
2. The role of a council includes:
 - Acting as a representative government by taking into account the diverse needs of the local community in decision-making.
 - Providing leadership by establishing strategic objectives and monitoring their achievement.
 - Maintaining the viability of the council by ensuring that resources are managed in a responsible and accountable manner.
 - Advocating the interests of the local community to other communities and governments.
 - Acting as a responsible partner in government by taking into account the needs of other communities.
 - Fostering community cohesion and encouraging active participation in civic life.

Council performs this role by setting the strategic direction of the municipality, establishing and guiding policies, setting service delivery standards and monitoring the organisation's performance.

Council decisions are made in one of two ways:

1. Resolution at a Council meeting, or by
2. Council officers under delegated authority.

Most decisions of an operational nature have been delegated to officers through the Chief Executive Officer. This system recognises the CEO's responsibility under the Local Government Act 1989 in managing the day-to-day operations of the organisation.

Council Meetings

Council conducts open public meetings on the third Tuesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. 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. Council meetings also provide the opportunity for community members to submit a question to the Council or speak to an item on the agenda.

From March 2020, Council meetings were closed to the public due to the coronavirus pandemic. The meetings remained available to the community through livestreaming.

For the 2019/20 year, Council held 12 ordinary Council meetings and 4 Special Council meetings. The following table provides a summary of councillor attendance for the 2019/20 year.

	Council meetings		Special meetings	
	Eligible	Attended	Eligible	Attended
Cr Daniel Mackrell	12	12*	4	4*
Cr Kristen Munro	12	9*	4	4
Cr Vicki Neele	12	11	4	4
Cr Neil Pankhurst	12	12*	4	4
Cr Leanne Pentreath	12	12	4	4*
Cr Annie Vickers	12	10	4	4
Cr Adrian Weston	12	12	4	4
Cr Leigh Wilson	12	12	4	4
Cr John Zobec	12	11	4	3

* includes an approved leave of absence which is considered as attending a meeting

The annual meeting for the election of the Mayor was held on 12 November 2019.

Special Committees

The Local Government Act 1989 allows councils to establish one or more special committees consisting of any combination of Councillors, Council staff and other persons. The following table lists all special committees established by Council in operation and the purpose for which each committee was established.

Special Committee	Purpose
Campaspe River Reserve Special Committee	Management of a reserve
Colbinabbin Memorial Centre Special Committee	Management of Colbinabbin Memorial Hall
Colbinabbin Town Recreation Reserve Special Committee	Management of Colbinabbin Town Recreation Reserve
Echuca East Recreation Reserve Special Committee	Management of Echuca East Recreation Reserve
Girgarre Memorial Hall Special Committee	Management of Girgarre Memorial Hall
Girgarre Recreation Reserve Special Committee	Management of Girgarre Recreation Reserve
Koyuga Hall and Recreation Reserve Special Committee	Management of Koyuga Hall & Recreation Reserve
Kyabram Fauna Park Special Committee	Care, manage and maintain part of the land at the Kyabram Fauna Park
Kyabram Plaza Theatre Special Committee	Management of Kyabram Plaza Theatre
Kyvalley Community Recreation Reserve Special Committee	Management of Kyvalley Hall, tennis courts and recreation reserve
Lockington and District Community Centre Special Committee	Management of Lockington District Community Centre
Lockington Recreation Reserve Special Committee	Management of Lockington Recreation Reserve
Nanneella Hall and Recreation Reserve Special Committee	Management of Nanneella Hall and Recreation Reserve
Northern Oval Recreation Reserve Special Committee	Management of Northern Oval Recreation
Rochester Racecourse Recreation Reserve Special Committee	Management of Rochester Racecourse Recreation Reserve
Rushworth Shire Hall Special Committee	Management of Rushworth Hall
Strathallan Hall Special Committee	Management of Strathallan Hall
Tongala Recreation Reserve Special Committee	Management of Tongala Recreation Reserve
Wyuna Memorial Hall Special Committee	Management of Wyuna Memorial Hall

Code of Conduct

Council's Code of Conduct was reviewed and adopted on 3 March 2020. The code outlines the principles of good governance, and guides Councillor behaviour and accountability, as well as the dispute resolution process between Councillors. The code is available on Council's website www.campaspe.vic.gov.au.

Council is aware of three complaints made under this code to the Local Government and Investigations and Compliance Inspectorate in 2019/20.

Conflict of Interest

In dealing with matters that come before Council for decision, individual Councillors and members of staff may find that they, or their immediate family, have either a financial or some other interest that could be interpreted as having an advantage or undue influence on the outcome.

To ensure transparency in Council's decision-making processes, Councillors and staff are required to declare and document their interest in all matters. If Councillors have declared an interest, they do not participate in the decision-making process.

A register is maintained to record all disclosed conflict of interests. During 2019/20, 20 conflicts of interest were declared at Council and Special Council meetings.

Copies of the document Conflict of Interest: A Guide for Councillors, October 2012 published by the Department of Planning and Community Development, has been provided to Councillors for their reference.

Councillor Support and Remuneration

Campaspe Shire Council has nine Councillors representing five wards. The current Councillors were elected on 22 October 2016 by postal voting for a four-year term.

For the purpose of setting mayoral and Councillor allowances, the Victorian Government categorises each Council according to its size and revenue. Campaspe is within category 2. In 2019/20, the annual allowance for the Mayor was set at \$81,204 and for all other Councillors, \$26,245; plus the superannuation equivalent.

The reimbursement of Councillor expenses is outlined in the Councillor Support Policy. Councillors are provided with a mobile phone and iPad with access to email and a printer. Administrative support is provided through the Governance Department and the Mayor is provided with a vehicle for Council and private use for the duration of the mayoral term.

The following table sets out the allowances paid to Councillors for the reporting period:

Councillor	Allowance	Travel & accommodation	Telephone	Training & conferences	Total
Cr Daniel Mackrell	\$28,503	\$189	\$388	\$1,450	\$30,530
Cr Kristen Munro	\$28,503	0	\$490	0	\$28,993
Cr Vicki Neele	\$28,503	\$4,382	\$490	0	\$33,375
Cr Neil Pankhurst	\$28,503	\$990	\$145	\$70	\$29,708
Cr Leanne Pentreath	\$28,503	0	\$145	0	\$28,648
Cr Annie Vickers	\$28,503	\$557	\$343	\$561	\$29,964
Cr Adrian Weston	\$88,192	\$26,570	\$490	\$519	\$115,771
Cr Leigh Wilson	\$28,503	\$4,188	\$145	\$595	\$33,431
Cr John Zobec	\$28,503	\$3,603	\$344	0	\$32,450
Total	\$316,219	\$40,479	\$2,980	\$3,195	\$362,873

Management

Council has implemented a number of statutory and best practice models to strengthen its governance and management framework in recognition that this leads to better decision-making.

The Local Government Act 1989 requires Council to undertake an assessment against the prescribed governance and management checklist and include the results in its report of operations. Council's Governance and Management Checklist results are set out later in this section.

The following items have been highlighted as important components of the management framework.

Audit & Risk Committee

The Audit & 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 profile to ensure that material operational risks are being dealt with appropriately
- reviewing the scope, performance and reports of the internal and external auditors
- ensuring compliance with legislation.

In undertaking its role to independently monitor, review and advise Council on matters of accountability and internal control affecting Council's operations, the Audit & Risk Committee met four times in 2019/20. In line with its annual internal audit program, major reviews considered by the committee during the year included:

- Payroll
- Contract Management
- Accounts Receivable and Data Quality
- Governance, Reporting and Data Quality
- Long Term Planning and Budgeting

The committee consists of four community representatives (3 full members and 1 affiliate member) and two Councillors, with support provided by the Chief Executive Officer and Corporate Division staff.

Committee member	Eligible to attend	Attended
Wayne Jenkin (full member)	2	2
Mike Bennett (full member)	4	4
Linda MacRae (full member)	4	4
Simone Knight (full member)	2	2
Ray Warren (affiliate member)	4	3
Cr Leanne Pentreath	4	4
Cr John Zobec	4	3

Recommendations from each meeting are reported to and considered by Council.

External Audit

Council is externally audited by the Victorian Auditor General. For 2019/20, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor General's Audit Service provider, Johnsons MME.

The external auditors attended the May and October Audit and Risk Committee meetings to present the financial statements, audit strategy and the audit reviewed financial statements. 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 in risk management
- Responsibilities of and to internal and external stakeholders
- Risk management knowledge and training, and
- Business continuity.

This year Council also introduced new risk management software to capture strategic risks and operational risks, to improve the way our corporate risk register is managed. This allows risk owners to efficiently report and manage their risks.


Governance and Management Checklist

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

Governance and management items		Assessment	
1	Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy in place Date of operation of current policy: 25 June 2019	✓
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	Strategic resource plan (plan under section 126 of the Local Government Act 1989 outlining the financial and non-financial resources required for at least the next four financial years)	Plan adopted in accordance with section 126 of the Local Government Act 1989 Date of adoption: 4 June 2019	✓
4	Annual budget (plan under section 130 of the Local Government Act 1989 setting out the services to be provided and initiatives to be undertaken over the next 12 months, and the funding and other resources required)	Budget adopted in accordance with section 130 of the Local Government Act 1989 Date of adoption: 4 June 2019	✓
5	Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	No plans in place Reason for no plans: Asset Strategy adopted on 27 June 2017. Not all asset class plans have been completed due to work loads.	X
6	Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy in place Date of operation of current strategy: 26 June 2018	✓
7	Risk policy (policy outlining Council's commitment and approach to minimising risks to Council's operations)	Policy in place 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 in place 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 prevention, response and recovery)	Plan 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 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Policy prepared and approved in accordance with section 186A of the Local Government Act 1989 Date of approval: 23 June 2020	✓
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 in place Date of operation of current plan: 31 January 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 in place Date of operation of current plan: 31 January 2020	✓
13	Risk management framework (framework outlining Council's approach to managing risks to its operations)	Framework in place Date of operation of current framework: 5 February 2020	✓

14	Audit committee (advisory committee of Council under section 139 of the Local Government Act 1989 to oversee the integrity of Council's financial reporting, processes to manage risks to Council operations and compliance with applicable legal, ethical, and regulatory requirements)	Committee established in accordance with section 139 of the Local Government Act 1989 Date of establishment: 24 February 1997	✓
15	Internal audit function (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged Date of engagement of current provider: 24 February 2015	✓
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 in place Date of operation of current framework: 1 July 2014	✓
17	Council plan reporting (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 in place Date of reporting: 15 October 2019, 19 November 2019, 18 February 2020, 19 May 2020	✓
18	Financial reporting (quarterly statements to Council under section 138 of the Local Government Act 1989 comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the Local Government Act 1989 Dates statements presented: 15 October 2019, 19 November 2019, 28 January 2020, 19 May 2020	✓
19	Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented Date of reports: 23 October 2019, 11 February 2020, 14 May 2020	✓
20	Performance reporting (six-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)	No reports prepared and presented 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 to the community containing a report of operations and audited financial and performance statements)	Report considered at a meeting of Council in accordance with section 134 of the Local Government Act 1989 Date of consideration: 15 October 2019	✓
22	Councillor code of conduct (Code under section 76C of the Local Government Act 1989 setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Code reviewed in accordance with section 76C of the Local Government Act 1989 Date reviewed: 3 March 2020	✓
23	Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Local Government Act 1989 Date of review: S7 Delegation 22 April 2020, S7A Delegation 30 April 2020, S13 Delegation 22 May 2020	✓
24	Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Local Government Act 1989 Date local law made: 3 December 2019	✓

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



Declan Moore Chief Executive Officer
Date: 20 October 2020



Cr Adrian Weston Mayor
Date: 20 October 2020

Statutory Information

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

Information Available for Public Inspection

Council is required by the Local Government Act 1989, section 222, to make various documents and policies available for public inspection. In accordance with section 12 of the Local Government (General) Regulations 2015, the following documents are available for inspection:

- Details of overseas or interstate travel undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months.
- Agendas and minutes of ordinary and special Council meetings held in the previous 12 months.
- Minutes of meetings of special committees established under section 86 of the Local Government Act 1989 and held in the previous 12 months.
- Register of delegations.
- Details of all property, finance and operating leases entered into by Council as lessor or lessee.
- Register of authorised officers appointed under section 224 of the Local Government Act 1989.
- List of donations and grants made by the Council during the financial year.

The public may view or copy any of the prescribed information at the Echuca Service Centre, located at the corner of Hare and Heygarth Streets, Echuca. Council's website, www.campaspe.vic.gov.au, also provides extensive information, ranging from Council meeting agendas and minutes to media releases and job vacancies.

Best Value

Council incorporates best value principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement.

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 competitive process:

- E B Mawson & Sons, \$921,718.43 for the supply of rock and quarry materials
- Aspect Personnel, \$253,964.50 for contract engineering services.

Disability Action Plan

Under the Disability Act 2006, Councils must report on the implementation of actions in their Disability Action Plan. Council's Plan, entitled Access and Inclusion Strategy, was adopted in November 2019, following development with stakeholders as well as the wider community. The plan focuses on four objectives:

- Plan and deliver Council services that enable access and inclusion.
- Ensure Council's decision-making processes include participation by, and consideration of, Campaspe's Communities of Priority.
- Advocate for the needs of Council's identified Communities of Priority.
- Develop and maintain partnerships with groups that support the needs of Council's identified Communities of Priority.

The plan identifies nine Communities of Priority:

- Aboriginal and Torres Strait Islanders
- People with disabilities
- Older people
- Youth
- People with social disadvantage
- LGBTIQ+
- People with mental illness
- Women
- Culturally diverse groups

these are groups that Council commits to supporting to ensure its services and programs understand and respond to their needs

With the strategy adopted, the focus is now to complete the Action Plan to implement across the life of the document.

Domestic Animal Management Plan

Under the Domestic Animals Act 1994, councils must prepare domestic animal plans and report on their 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:

- Proactive door knocking program between 10 April 2019 to 31 December 2019 that saw a 5.77% increase in domestic animal registrations.
- A pet adoption event PETStock National Adoption Day.
- A discounted adoption drive ran for eight months which assisted in decreasing feline rehoming timeframes.
- Development of a barking dog procedure to assist residents in understanding why dogs bark, what can be done to reduce excessive barking and how to lodge a complaint with Council.
- 52 domestic animals microchipped through Council's private microchipping service.

Other areas of priority involved training of staff, increasing dog and cat registrations, reducing nuisance complaints, reducing dog attacks, ensuring that dangerous and restricted breed dogs are kept in accordance with legislation, increasing rehoming, reducing euthanasia, and working in partnership with domestic animal businesses and foster carers.

As at 30 June 2020, 10,213 domestic animals were registered, 7,678 dogs and 2,535 cats.

The Campaspe Animal Shelter received a total of 401 dogs and puppies across the financial year, with 329 impounded by Community Rangers, 254 were reclaimed, 161 were adopted and 71 euthanised. A total of 597 cats and kittens were received, with 205 impounded by Community Rangers, 39 were reclaimed, 448 adopted and 116 euthanised.

Food Act Ministerial Directions

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

No ministerial directions were received by Council during 2019/20.

Freedom of Information

The Freedom of Information Act 1982 grants the general public the right to request access to documents. Individuals have a right of access under the Act to a document held by government unless:

- the document is held by or originated with an agency that is exempt
- the document is exempt or is conditionally exempt and it would be contrary to the public interest to release it
- another legislative scheme gives a right of access to the document, subject to a fee or charge (such as a land title register), or an agency arrangement allows the public to purchase the document.

Written requests for documents must be addressed to the Freedom of Information Officer via Council's application form and accompanied by the prescribed fee.

Freedom of information (FOI) applications received:

2015/16	2016/17	2017/18	2018/19	2019/20
16	7	10	11	24

Further information regarding FOI and how to make a request is available on Council's website.

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 Council's annual report.

In 2019/20 Council had no infrastructure and development contributions.

Local Laws

Council has the following local laws in place:

Meeting Procedures Local Law 1

Date adopted: 3 December 2019

Expiry date: 3 December 2029

Purpose: Regulate proceedings and provide for orderly and fair conduct at all Council meetings, special committee meetings, advisory committee meetings, and other meetings conducted by or on behalf of Council where Council has resolved that provisions of this Local Law are to apply.

Maintain open, efficient and effective processes of the government of the Council and assist with keeping the preparation of the agenda consistent from meeting to meeting.

Regulate proceedings for the election of the mayor and chairperson of various committees.

Regulate the use and prohibit unauthorised use of the common seal.

Revoke Council's Meeting Procedure Local Law No 1 adopted and dated 30 January 2018.

Library Services Local Law 6

Date adopted: 21 June 2011

Expiry date: 21 June 2021

Purpose: Provide for the administration of Council's powers and functions.

Ensure the delivery of high quality library services to the community.

Assist in the management of library services to the community.

General Local Law 8

Date adopted: 29 October 2015

Expiry date: 29 October 2025

Purpose: The peace, order and good governance of the municipality.

A safe and healthy environment so that the community can enjoy a quality of life that meets its expectations.

The safe and equitable use and enjoyment of public and municipal places.

The protection and enhancement of the amenity and environment of the municipality.

The fair and reasonable use and enjoyment of private land.

The uniform and fair administration of the local law.

All local laws are available for inspection at each customer service centre and on the Council website www.campaspe.vic.gov.au.

Privacy & Data Protection

Council has adopted a policy relating to information privacy and health records that meet the requirements of the Privacy & Data Protection Act 2014 and Health Records Act 2001. Both acts include privacy principles that relate to the collection, use and disclosure of information. The policy is available on Council's website.

Council is committed to protecting the personal privacy of residents and ratepayers. Council will only collect, use or disclose personal information when necessary to perform Council functions or when disclosure is required by law. Council's Privacy & Data Protection Policy, adopted in October 2017, is available on the Council website www.campaspe.vic.gov.au. The policy is scheduled to be reviewed annually.

Public Interest Disclosure Act

The Public Interest Disclosure Act 2012 aims to encourage and facilitate disclosures of improper conduct within the Victorian public sector and provide a framework to protect persons who make those disclosures.

Council appointed the Manager Governance as the Protected Disclosure Coordinator. In the absence of the Protected Disclosure Coordinator, the Chief Executive Officer is the relief coordinator. A Welfare Manager has also been appointed.

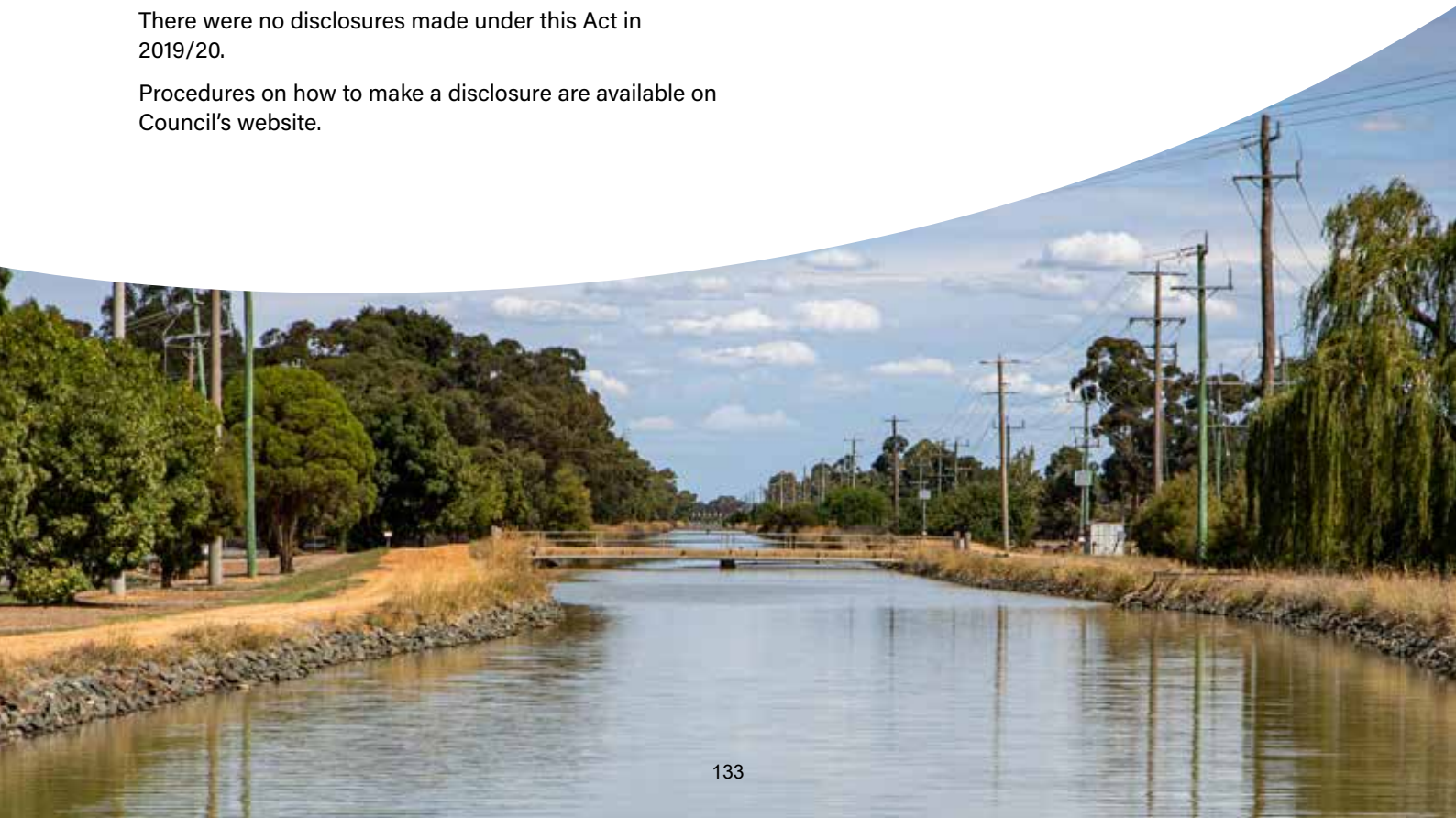
There were no disclosures made under this Act in 2019/20.

Procedures on how to make a disclosure are available on Council's website.

Road Management Act Ministerial Directions

Council, as a road authority, is required under Section 22 of the Road Management Act 2004 to publish a copy or summary of any direction received from the Minister in its annual report.

No directions were received from the Minister in 2019/20.



Our Finances

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- › Performance statement



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Campaspe Shire Council 2019/2020 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*, Australian Accounting Standards and other mandatory professional reporting requirements.



Ailsa Box CPA

Principal Accounting Officer

Date : 21 October 2020

Echuca

In our opinion the accompanying financial statements present fairly the financial transactions of Campaspe Shire Council for the year ended 30 June 2020 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances which 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 Adrian Weston

Councillor

Date : 21 October 2020

Echuca



Cr Leanne Pentreath

Councillor

Date : 21 October 2020

Echuca



Declan Moore

Chief Executive Officer

Date : 21 October 2020

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 2020 • 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 2020 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>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
29 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Campaspe Shire Council 2019/2020 Financial Report

Comprehensive Income Statement For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	43,922	42,148
Statutory fees and fines	3.2	2,000	2,043
User fees	3.3	14,648	14,952
Grants - operating	3.4 (a)	17,037	16,648
Grants - capital	3.4 (b)	6,669	5,794
Contributions - monetary	3.5	232	476
Contributions - non monetary	3.5	4,793	6,568
Recognition of assets under Council control	6.5	372	-
Fair value adjustments for investment property	6.4	(1,307)	-
Other income	3.7	2,133	1,968
Total income		90,499	90,597
Expenses			
Employee costs	4.1	(32,367)	(29,528)
Materials and services	4.2	(19,837)	(19,233)
Depreciation	4.3	(18,908)	(18,572)
Depreciation - right of use assets	4.4	(644)	-
Bad and doubtful debts	4.5	(167)	(146)
Borrowing costs	4.6	(167)	(249)
Finance costs - leases	4.7	(52)	-
Other expenses	4.8	(4,717)	(5,890)
Net loss on disposal of property, infrastructure, plant and equipment	3.6	(13,361)	(5,996)
Total expenses		(90,220)	(79,614)
Surplus for the year		279	10,983
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	9.1	111,377	590
Total comprehensive result		111,656	11,573

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

Campaspe Shire Council 2019/2020 Financial Report

Balance Sheet As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	16,219	11,575
Other financial assets	5.1 (b)	49,000	36,000
Trade and other receivables	5.1 (c)	4,844	7,269
Inventories		720	861
Other assets	5.2 (a)	759	922
Non-current assets classified as held for sale	6.1	-	1,033
Total current assets		71,542	57,660
Non-current assets			
Trade and other receivables	5.1 (c)	32	50
Other financial assets	5.1 (b)	10,000	19,000
Property, infrastructure, plant and equipment	6.2	701,604	592,671
Right of use asset - lease assets	5.8	1,125	63
Investment property	6.4	7,312	8,619
Intangible assets - water rights	5.2 (b)	3,811	2,952
Total non-current assets		723,883	623,355
Total assets		795,426	681,015
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	8,032	5,753
Trust funds and deposits	5.3 (b)	2,173	2,126
Unearned Income	5.3 (c)	569	-
Provisions	5.5	6,517	6,642
Interest-bearing liabilities	5.4	1,064	1,015
Lease liabilities	5.8	673	26
Total current liabilities		19,028	15,562
Non-current liabilities			
Trust funds and deposits	5.3 (b)	18	18
Provisions	5.5	2,378	2,550
Interest-bearing liabilities	5.4	3,331	4,395
Lease liabilities	5.8	566	37
Total non-current liabilities		6,293	7,000
Total liabilities		25,320	22,562
Net assets		770,106	658,453
Equity			
Accumulated surplus		325,863	330,848
Reserves	9.1	444,244	327,605
Total Equity		770,106	658,453

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

Statement of Changes in Equity For the Year Ended 30 June 2020

		Accumulated Revaluation			Other Reserves
		Total	Surplus	Reserve	
2020		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		658,453	330,846	309,363	18,242
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		770,106	325,863	420,740	23,504

		Accumulated Revaluation			Other Reserves
		Total	Surplus	Reserve	
2019		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		646,880	320,935	308,773	17,172
Surplus for the year		10,983	10,983	-	-
Net asset revaluation increment	9.1 (a)	590	-	590	-
Transfers to other reserves	9.1 (b)	-	(5,136)	-	5,136
Transfers from other reserves	9.1 (b)	-	4,066	-	(4,066)
Balance at end of the financial year		658,453	330,846	309,363	18,242

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

Campaspe Shire Council 2019/2020 Financial Report

Statement of Cash Flows For the Year Ended 30 June 2020

	Note	2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		43,561	42,442
Statutory fees and fines		2,131	1,589
User fees		18,540	12,847
Grants - operating		17,037	16,648
Grants - capital		7,538	5,794
Contributions - monetary		232	476
Interest received		1,651	1,960
Trust funds and deposits taken		3,909	3,922
Other receipts		669	8
Net GST refund/payment		694	1,127
Employee costs		(30,674)	(30,217)
Materials and services		(20,634)	(22,904)
Other expenses		(5,185)	(2,911)
Short-term, low value and variable lease payments		(443)	-
Trust funds and deposits repaid		(3,862)	(3,901)
Payments for landfill rehabilitation		(270)	(44)
Net cash provided by/(used in) operating activities	9.2	34,894	26,836
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(25,409)	(15,916)
Proceeds from sale of property, infrastructure, plant and equipment	3.6	924	414
Payments for investments		(32,000)	(37,000)
Proceeds from sale of investments		28,000	26,592
Net cash provided by/(used in) investing activities		(28,485)	(25,910)
Cash flows from financing activities			
Finance costs		(167)	(249)
Repayment of borrowings		(1,015)	(1,043)
Interest paid - lease liability		(51)	-
Repayment of lease liabilities		(532)	-
Net cash provided by/(used in) financing activities		(1,766)	(1,292)
Net (decrease)/increase in cash and cash equivalents		4,644	(366)
Cash and cash equivalents at the beginning of the financial year		11,575	11,941
Cash and cash equivalents at the end of the financial year		16,219	11,575
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 2020

	2020 \$'000	2019 \$'000
Property		
Land improvements	59	100
Total land	59	100
Buildings	1,704	393
Heritage buildings	5	36
Total buildings	1,709	429
Total property	1,768	529
Plant and equipment		
Heritage plant and equipment	53	125
Plant, machinery and equipment	1,621	899
Fixtures, fittings and furniture	-	37
Computers and telecommunications	35	-
Library books	146	154
Total plant and equipment	1,855	1,215
Infrastructure		
Roads	10,224	8,376
Bridges	1,533	1,313
Footpaths and cycleways	849	280
Drainage	2,794	866
Recreational, leisure and community facilities	4,761	1,326
Waste management	582	543
Parks, open space and streetscapes	104	-
Other infrastructure	364	1,408
Total infrastructure	21,211	14,112
Total capital works expenditure	24,834	15,856
Represented by:		
New asset expenditure	4,301	1,479
Asset renewal expenditure	15,759	12,907
Asset upgrade expenditure	4,774	1,470
Total capital works expenditure	24,834	15,856

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

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

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)
- 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 (except where transitional requirements of *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

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 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance %	Ref
Income					
Rates and charges	37,158	37,662	504	1.4%	1
Garbage charges	6,432	6,260	(172)	(2.7%)	
Statutory fees and fines	1,798	2,000	202	11.2%	2
User fees	15,784	14,648	(1,136)	(7.2%)	3
Grants - operating	15,731	17,037	1,306	8.3%	4
Grants - capital	3,598	6,669	3,071	85.4%	5
Contributions - monetary	-	232	232	100.0%	6
Contributions - non monetary	-	4,793	4,793	100.0%	7
Recognition of assets under Council control	-	372	372	100.0%	8
Fair value adjustments for investment property	-	(1,307)	(1,307)	100.0%	9
Other income	1,328	2,133	805	60.6%	10
Total income	81,829	90,499	8,670	10.6%	
Expenses					
Employee costs	32,438	32,367	71	0.2%	
Materials and services	21,112	19,837	1,275	6.0%	11
Depreciation	19,008	18,908	100	0.5%	
Depreciation - Right of use assets	-	644	(644)	100.0%	12
Bad and doubtful debts	-	167	(167)	100.0%	13
Borrowing costs	252	167	85	33.9%	14
Finance costs - Leases	-	52	(52)	100.0%	15
Other expenses	4,981	4,717	264	5.3%	
Loss on disposal of property, infrastructure, plant and equipment	756	13,361	(12,605)	(1667.3%)	16
Total expenses	78,547	90,220	(11,672)	(14.9%)	
Surplus/(deficit) for the year	3,282	279	(3,003)	(91.5%)	

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

1.1 Income and expenditure (cont.)

(i) Explanation of material variations

Ref	Explanation
1	<p>Rates and Charges</p> <p>The variance between the budget and the actual result is due to the supplementary rates raised being greater than expected when setting the budget. A conservative approach is taken when budgeting for supplementary rates.</p>
2	<p>Statutory fees and fines</p> <p>The variance between the budget and the actual result is due to greater than expected certificates and permits being requested than budgeted by \$46k, animal registrations being greater than budget due to an increase in public awareness of the requirements to register domestic animals, \$125k and a greater than anticipated number of infringements being issued, \$126k.</p>
3	<p>User fees</p> <p>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 \$356k.</p>
4	<p>Grants - operating</p> <p>The variance between the budget and the actual result is due to the Financial Assistance Grants being greater than what was estimated when the budget was set by \$450k. \$200k of unbudgeted funding was received for the Echuca Moama flood study, \$75k was received from the State Government FAST program. PCP received \$100k for drought assistance programs and \$270k has been received for the Rochester community from Murray Darling Basin Funds.</p>
5	<p>Grants - capital</p> <p>The variance between the budget and the actual result is due to \$2.58 million of income for the Riverfront Development project budgeted in prior years was received in 2019/20. An additional \$500k received for Roads to Recovery than budgeted. \$140k received to implement the community flood resilience project in Rochester.</p>
6	<p>Contributions - monetary</p> <p>Monetary contributions from developers for public open space and carparking, as per planning conditions, are unbudgeted.</p>
7	<p>Contributions - non monetary</p> <p>On completion of a subdivision by developer's, the infrastructure assets are transferred to Council's control, these assets comprise roads, footpaths, kerbs and channel, parks and reserves and drainage and are unbudgeted.</p>
8	<p>Recognition of assets under Council control</p> <p>A number were found to not be in Council's assets register, these were a bridge \$161k and two land parcels \$211k.</p>
9	<p>Fair value adjustments for investments property</p> <p>Council's investment properties were subject to a revaluation in 2019/20, the revaluation of these assets has realised a reduction in the values.</p>

1.1 Income and expenditure (cont.)

(i) Explanation of material variations

Ref	Explanation
10	<p>Other income</p> <p>The variance between the budget and the actual result is partially due to a difference between how items are classified in the budget and the financial statements. The budget recognises rental income under user fees.</p> <p>The main variance is due to interest income being greater than budget by \$366k. Interest is budgeted conservatively and prudent investing has seen a greater return realised. The balance of the variance is due to the anomaly in classification between budget and actuals.</p>
11	<p>Materials and services</p> <p>The variance between the budget and the actual result is in part due to services being closed due to COVID-19, the impact to tourist and event related services is a \$596k saving with a corresponding impact on revenue. See Ref 3.</p> <p>There have been savings in fuel and maintenance costs related to plant and fleet of \$380k, the rate used to budget fuel is higher than the actual costs due to the continued lower fuel prices.</p>
12	<p>Depreciation - right of use assets</p> <p>Changes to accounting standards have required that leased assets are recognised as Council assets and depreciated. 2019/20 is the first year of operation of this standard and the impact was not considered when the budget was set.</p>
13	<p>Bad and doubtful debts</p> <p>The expense for bad and doubtful debts has not been budgeted in the past as it was considered immaterial, due to the increase in outstanding monies the amount has increased and will be included in future budgets.</p>
14	<p>Borrowing costs</p> <p>Variable loan interest rates have not increased as was expected when the budget was set.</p>
15	<p>Finance costs - leases</p> <p>Changes to accounting standards have required that leased assets are recognised as Council assets and depreciated. 2019/20 is the first year of operation of this standard and the impact was not considered when the budget was set.</p>
16	<p>Loss on disposal of property, infrastructure, plant and equipment</p> <p>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 asset classes that have impacted the result are Roads \$ 8.9 million and Buildings \$1.6 million. Industrial land was written off to the value of \$1.0 million, the cost of development of the land is greater than what has been realised on the sale of blocks, requiring the difference to be written off. Library books have been included in the asset register in the past, a decision was made in 2019/20 to expense these items when purchased due to the low value of each item, the value written off is \$600k. The Loco Shed has been sold to the community for a nominal amount, the balance of the carrying value has been written off, \$274k.</p>

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

Note 1 Performance against budget (cont.)

1.2 Capital works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Property					
Land improvements	250	59	191	76.4%	1
Total Land	250	59	191	76.4%	
Buildings	2,916	1,704	1,212	41.6%	2
Heritage buildings	-	5	(5)	100.0%	3
Total Buildings	2,916	1,709	1,207	41.4%	
Total Property	3,166	1,768	1,398	44.2%	
Plant and Equipment					
Heritage plant and equipment	325	53	272	83.8%	4
Plant, machinery and equipment	1,937	1,621	316	16.3%	5
Computers and telecommunications	-	35	(35)	100.0%	6
Library books	145	146	(1)	(1.0%)	
Total Plant and Equipment	2,407	1,855	552	22.9%	
Infrastructure					
Roads	13,098	10,224	2,874	21.9%	7
Bridges	2,967	1,533	1,434	48.3%	8
Footpaths and cycleways	1,045	849	196	18.8%	9
Drainage	3,403	2,794	609	17.9%	10
Recreational, leisure and community facilities	813	4,761	(3,948)	(485.6%)	11
Waste management	282	582	(300)	(106.3%)	12
Parks, open space and streetscapes	262	104	158	60.2%	13
Aerodromes	241	-	241	100.0%	14
Off street car parks	488	-	488	100.0%	15
Other infrastructure	1,195	364	831	69.5%	16
Total Infrastructure	23,794	21,211	2,583	10.9%	
Total Capital Works Expenditure	29,366	24,834	4,532	15.4%	
Represented by:					
New asset expenditure	1,913	4,301	(2,388)	(124.9%)	
Asset renewal expenditure	21,669	15,759	5,910	27.3%	
Asset upgrade expenditure	5,783	4,774	1,009	17.5%	
Total Capital Works Expenditure	29,366	24,834	4,532	15.4%	

1.2 Capital works (cont.)

(i) Explanation of material variations

Ref	Explanation
1 Land improvements	The actual spend has been for works carried forward from prior years on the Echuca Industrial Estate Stage 3 and Kyabram Business Park. All works budgeted in 2019/20 will be carried forward to 2020/21.
2 Buildings	The actual spend is for works carried forward from 2018/19, the works budgeted to be carried out on the Echuca Council Offices have been put on hold pending further discussions with Court Services Victoria. Internal works carried out to reinstate the office for use, were from operational savings in 2019/20.
3 Heritage buildings	The actual spend is for works carried forward from 2018/19 financial year, there were no works budgeted in 2019/20.
4 Heritage plant and equipment	The current year spend is below budget as planned works on the vessels were not able to be carried out as scheduled due to issues with the safety of the slipway. Certification of the slipway indicated significant risks and occupational health and safety concerns. The spend has been for emergency work on one of the vessels until the slipway becomes safe and available for use with boats of the weight and size of Council's heritage vessels.
5 Plant, machinery and equipment	A number of plant items were not delivered in 2019/20 financial year due to supplier constraints, a number of these have been delivered mid July, others are still awaiting delivery. The spend includes items that were carried forward from the 2018/19 plant replacement program. A number of items listed for replacement were deemed to have a longer life than originally planned and will be replaced in future years. Savings will be returned to the plant replacement reserve fund for future replacement programs.
6 Computers and telecommunications	This is a project carried forward from 2018/19 financial year for Citrix licensing upgrade (remote access to information technology systems). This project had been delayed to allow exploration of alternative options, this has now been finalised.
7 Roads	Delays in a number of projects have contributed to the variance of these projects. The larger of these projects include - Wanalta Corop Road Rehab \$717k, Shire Major Patching Road Rehab \$140k, Toolleen Axedale Road Stage 2, which has been cancelled, \$765k and Rushworth Streetscape \$848k.

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

1.2 Capital works (cont.)

(i) Explanation of material variations

Ref	Explanation
8	<p>Bridges</p> <p>The actual spend includes projects carried forward from 2018/19, the bridge projects are multi year projects running through to 2021. The delays are due to design changes and some of the bridge projects have been deferred following a peer review of bridge assessment which showed that some works were not required at this time which will result in works being deferred until required.</p>
9	<p>Footpaths and cycleways</p> <p>Kyabram Breen Avenue walking cycle trail will be carried forward to 2020/21 for design, \$100k, savings from other projects will be returned to reserves for use in future programs.</p>
10	<p>Drainage</p> <p>The actual spend includes work carried over from the 2018/19 program. Works budgeted in 2019/20 will carried forward to 2020/21, these include Rochester Ramsay Street Open Drain \$685k and Echuca Ash/High Street Drainage \$443k.</p>
11	<p>Recreational, leisure and community facilities</p> <p>The major contributor to the actual spend being greater than budget is the Echuca Riverfront development project completion, \$3.5 million, this project was a multi year project which was budgeted in a prior year.</p>
12	<p>Waste management</p> <p>Included in the current spend is projects carried forward from 2018/19 of \$452k, these were for E-Waste Compliance and environmental centres hard stand areas. There is a carry forward of \$155k to 2020/21 pending revised grant funding and \$237k for the Gunbower Landfill remediation works.</p>
13	<p>Parks, open space and streetscapes</p> <p>Gunbower Kow Swamp project, \$45k, will carry forward to 2020/21 due to pending approvals from Department of Environment, Land, Water and Planning. Any other savings will be returned to applicable reserves.</p>
14	<p>Aerodromes</p> <p>The Aerodrome project has been carried forward to 2020/21 pending the outcomes from runway and infrastructure investigations.</p>
15	<p>Off street car parks</p> <p>This project was reliant on grant funding, Council was not successful in obtaining funding. The project continues to be proposed for the future subject to funding availability.</p>
16	<p>Other infrastructure</p> <p>Budget allocations for emergency works were not required during the year, funds will be returned to applicable reserves. Echuca Holiday Park front entrance and landscape upgrade project, \$390k to carry forward to 2020/21.</p>

Note 2 Analysis of Council results by program

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

Note 2 (a) Strong and engaged communities

Strong and engaged communities will be fostered by the delivery of services, programs and advocacy that enable improved health, wellbeing and safety of our community.

The strategies will deliver outcomes through fostering community partnerships in the delivery of service, implementing best practice in service delivery and enabling engaged and active residents.

Resilient economy

A resilient economy is a diverse and growing economy with increased employment and investment opportunities, economic prosperity and community development.

The strategies will deliver outcomes through facilitating and enabling local enterprise, developing business networks, promoting our competitive advantages, supporting tourism opportunities and partnering to improve education and training.

Healthy environment

A healthy environment for current and future generations.

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

Balanced Services and infrastructure

Providing balanced services and infrastructure will ensure services and assets meet current and future community needs.

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

Responsible management

Responsible management is strong leadership, advocacy and good governance and an organisation that is responsive, flexible, honest, accountable and consistent.

The strategies will deliver outcomes through clear and opened communication, advocacy, relationships and partnerships. Sound governance and fiscal responsibility, promote positive organisation culture with a customer centered approach.

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

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
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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
2019	\$'000	\$'000	\$'000	\$'000	\$'000
Balanced Services and infrastructure	30,886	29,677	1,209	5,795	410,369
Healthy environment	15,839	9,632	6,207	431	13,771
Resilient economy	11,858	8,956	2,902	-	45,452
Responsible management	7,943	9,439	(1,496)	11,860	52,515
Strong and engaged communities	24,071	21,910	2,161	4,356	108,734
*Unattributed	-	-	-	-	50,174
	90,597	79,614	10,983	22,442	681,015

*2019 Unattributed assets

The balance in unattributed assets is the balance of work in progress account, until these assets have numbers allocated and are capitalised it is not possible to ascertain which council plan pillar they belong to.

Note 3 Funding for the delivery of our services	2020	2019
3.1 Rates and charges	\$'000	\$'000

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

The valuation base used to calculate general rates for 2019/20 was \$7.731 million (2018/19 was \$7.362 million).

Residential	19,832	18,943
Commercial	3,565	3,481
Industrial	1,765	1,705
Farm	7,840	7,680
Municipal charge	4,037	4,002
Waste management charge	4,769	4,616
Recycling and garden organics charges	1,491	1,391
Supplementary rates and rate adjustments	544	218
Interest on rates and charges	79	112
Total rates and charges	43,922	42,148

The date of the general revaluation of land for rating purposes, relevant to the reporting period, within the municipal district was 1 January 2019 by the Victorian Valuer General, and the valuation was first applied in the rating year commencing 1 July 2019.

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	597	636
Town planning fees	739	861
Land information certificates	92	92
Animal registrations	572	454
Total statutory fees and fines	2,000	2,043

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 occurs first.

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

3.3 User fees	2020	2019
	\$'000	\$'000
Aged and disability	1,516	1,727
Caravan park fees	2,010	2,482
Child care/children's programs	2,336	2,386
Leisure centre and recreation	953	1,283
Livestock selling centre	593	627
Tourism	665	1,047
Other fees and charges	2,967	2,173
Parking	785	821
Quarry sales	2,308	1,674
Sale of materials	515	732
Total user fees	14,648	14,952
User fees by timing of revenue recognition		
User fees recognised at a point in time	14,648	14,952
Total user fees	14,648	14,952

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	16,958	15,804
State funded grants	6,748	6,638
Total grants received	23,706	22,442

(a) Operating Grants

Recurrent - Commonwealth Government

Family and Children	-	9
Aged and Disability Services	1,448	1,652
Environmental Health	1	-
Financial Assistance Grants - General purpose	8,035	7,828
Financial Assistance Grants - Local roads	4,263	4,033

Recurrent - State Government

School Crossing Supervisors	93	91
Family and Children	1,016	751
Community Programs	-	57
Aged and Disability Services	472	769
Environmental Health	48	166
Libraries	276	269
Total recurrent operating grants	15,652	15,625

3.4 Funding from other levels of government (cont.)	2020	2019
Non-recurrent - Commonwealth Government	\$'000	\$'000
Aged & Disability Services	61	-
Family and Children	137	136
Community Programs	270	12
Non-recurrent - State Government		
Family and Children	174	155
Aged and Disability Services	2	302
Emergency services	326	110
Environmental Health	76	220
Libraries	15	14
Natural Resources	62	-
Recreation	15	14
Community Programs	76	59
Infrastructure Services	171	1
Total non-recurrent operating grants	1,385	1,024
Total operating grants	17,037	16,648
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,598	2,028
Total recurrent capital grants	2,598	2,028
Non-recurrent - Commonwealth Government		
Economic Development	140	106
Infrastructure Services	5	-
Non-recurrent - State Government		
Libraries	9	9
Natural Resources	40	-
Roads	600	1,830
Bridges	404	555
Recreation	110	40
Economic Development	2,578	1,044
Waste Management	55	182
Environmental Health	130	-
Total non-recurrent capital grants	4,071	3,766
Total capital grants	6,669	5,794
(c) Unspent grants received on conditions that they be spent in a specific manner		
Operating		
Balance at start of year	1,051	760
Received during the financial year and remained unspent at balance date	1,066	810
Received in prior years and spent during the financial year	(405)	(520)
Balance at year end	1,712	1,051

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

3.4 Funding from other levels of government (cont.)	2020	2019
Capital	\$'000	\$'000
Balance at start of year	1,375	514
Received during the financial year and remained unspent at balance date	512	1,247
Received in prior years and spent during the financial year	(1,250)	(386)
Balance at year end	637	1,375

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	232	476
Non-monetary	4,793	6,568
Total contributions	5,025	7,044

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

Land	2,499	-
Infrastructure	2,294	6,568
Total non-monetary contributions	4,793	6,568

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

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

Proceeds of sale	924	414
Write down value of assets disposed	(12,418)	(5,269)
Written down value of investment buildings disposed	(834)	(1,141)
Written down value of assets held for sale	(1,033)	-
Total net loss on disposal of property, infrastructure, plant and equipment	(13,361)	(5,996)

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	1,463	1,543
Investment property rental	664	417
Reimbursements	6	8
Total other income	2,133	1,968

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	2020	2019
4.1 (a) Employee costs	\$'000	\$'000
Wages and salaries	20,176	20,024
Annual leave and long service leave	2,836	2,341
Casual staff	2,926	2,968
Superannuation	2,613	2,592
Work cover	161	244
Fringe benefits tax	188	124
Sick leave	1,085	1,114
Redundancy	2,382	121
Total employee costs	32,367	29,528
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	141	162
	141	162
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund	1,908	1,849
Employer contributions - other funds	565	580
	2,473	2,429
Employer contributions payable at reporting date.	94	103
Refer to note 9.3 for further information relating to Council's superannuation obligations.		
4.2 Materials and services		
Administration expenses	2,240	2,587
Consultants	1,436	1,451
Contract payments - others	6,508	5,663
Contract payments - waste management	1,854	1,439
Information technology	1,580	1,298
Insurance	693	730
Legal costs	352	272
Materials	1,258	1,870
Repair and maintenance	1,616	1,520
Utility costs	2,300	2,402
Total materials and services	19,837	19,233

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

	2020	2019
	\$'000	\$'000
4.3 Depreciation		
Property	2,500	2,487
Plant and equipment	2,249	2,099
Infrastructure	14,158	13,986
Total depreciation	18,907	18,572

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	495	-
Office equipment	71	-
Other assets	78	-
Total depreciation - right of use assets	644	-

4.5 Bad and doubtful debts

Parking fine debtors	90	50
Animal debtors	64	31
Other debtors	13	65
Total bad and doubtful debts	167	146

Movement in provisions for doubtful debts

Balance at the beginning of the year	(391)	(245)
New Provisions recognised during the year	(167)	(146)
Amounts already provided for and written off as uncollectible	16	-
Amounts provided for but recovered during the year	(16)	-
Balance at end of year	(558)	(391)

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

4.6 Borrowing costs

Interest - borrowings	167	249
Total borrowing costs	167	249

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	52	-
Total finance costs	52	-

	2020	2019
	\$'000	\$'000
4.8 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements,	61	60
Auditors' remuneration - internal	47	51
Councillors' allowances	316	310
Other Councillor expenses	16	37
Operating lease rentals	488	1,230
Sponsorship and donation to community	493	818
Others	3,296	3,384
Total other expenses	4,717	5,890

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	9	10
Cash at bank	16,210	11,565
Total cash and cash equivalents	16,219	11,575

(b) Other financial assets

Term deposits - current	49,000	36,000
Term deposits - non-current	10,000	19,000
Total Other financial assets	59,000	55,000

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)	2,191	2,144
- Grants received but not acquitted (Note 3.4(c))	2,349	2,427
Total restricted funds	4,540	4,571
Total unrestricted cash and cash equivalents	11,679	7,004

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	23,504	18,242
- Cash held to fund carried forward capital works	7,702	10,503
- Cash held to fund carried forward operational works	1,712	1,051
Total funds subject to intended allocations	32,918	29,796

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

5.1 Financial assets (cont.)	2020	2019
(c) Trade and other receivables	\$'000	\$'000
Current		
<i>Statutory receivables</i>		
Rates debtors	2,008	1,643
Parking infringement debtors	1,109	880
Provision for doubtful debts - parking infringements	(559)	(392)
Special rate scheme	15	15
Net GST receivable	712	313
<i>Non statutory receivables</i>		
Other debtors	1,559	4,810
Total current trade and other receivables	4,844	7,269
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	32	50
Total non-current trade and other receivables	32	50
Total trade and other receivables	4,876	7,319

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.

Rate debtors have increased from the prior year due to a temporary payment arrangement program implemented on 21/04/2020, aimed at supporting ratepayers financially impacted by the COVID-19 pandemic. The program allows for payment arrangements or payment deferral, and hold on debt recovery proceedings and interest charges until 30/06/2021. Rates remain recoverable as they are first charge secured over the related property, in accordance with the Local Government Act.

(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)	1,050	3,855
Past due by up to 30 days	274	532
Past due between 31 and 180 days	161	134
Past due between 181 and 365 days	41	289
Past due by more than 1 year	1	-
Total trade and other receivables	1,527	4,810

(e) Ageing of individually impaired Receivables

At balance date, debtors representing financial assets with a nominal value of \$1,049,794 (2019: \$754,908) were impaired. The amount of the provision raised against these debtors was \$558,871 (2019: \$391,870). 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)	5	65
Past due by up to 30 days	11	40
Past due between 31 and 180 days	161	94
Past due between 181 and 365 days	196	108
Past due by more than 1 year	677	447
Total trade and other receivables	1,050	754

5.2 Non-financial assets	2020	2019
(a) Other assets	\$'000	\$'000
Prepayments	225	190
Accrued Income	536	732
Total other assets	760	922
(b) Intangible assets		
Water Rights	3,811	2,952
Total intangible assets	3,811	2,952
Gross carrying amount		
Water Rights		
Balance at 1 July 2019	2,952	2,362
Revaluation	859	590
Balance at 1 July 2020	3,811	2,952

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 2020.

5.3 Payables

(a) Trade and other payables		
Trade payables	5,204	1,822
Accrued expenses	2,828	3,931
Total trade and other payables	8,032	5,753
(b) Trust funds and deposits		
Current		
Refundable deposits	621	732
Refundable contract retention deposits	378	281
Fire services levy	897	925
Caravan Park deposits	277	188
Total current trust funds and deposits	2,173	2,126
Non-current		
Other refundable deposits	18	18
Total non-current trust funds and deposits	18	18
Total trust funds and deposits	2,191	2,144

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.

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

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.

	2020	2019
	\$'000	\$'000
(c) Unearned income		
Grants received in advance - operating	269	-
Grants received in advance - capital	300	-
Total unearned income	569	-

5.4 Interest-bearing liabilities

Current

Borrowings - secured	1,064	1,015
	1,064	1,015

Non-current

Borrowings - secured	3,331	4,395
	3,331	4,395

Total	4,395	5,410
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Borrowings are secured by rates

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

Not later than one year	1,064	1,015
Later than one year and not later than five years	3,017	4,081
Later than five years	314	314
	4,395	5,410

5.4 Interest-bearing liabilities (cont.)

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

5.5 Provisions

	Employee provision \$ '000	Landfill restoration \$ '000	Total \$ '000
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
2019			
Balance at beginning of the financial year	7,888	2,037	9,925
Additional provisions	1,618	(262)	1,356
Amounts used	(2,637)	(42)	(2,679)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	329	261	590
Balance at the end of the financial year	7,198	1,994	9,192

(a) Employee provisions	2020 \$'000	2019 \$'000
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,447	1,494
Long service leave	466	472
	1,913	1,966
Current provisions expected to be wholly settled after 12 months		
Annual leave	346	329
Long service leave	4,191	4,247
	4,537	4,576
Total current employee provisions	6,450	6,542

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

5.5 Provisions (cont.)	2020	2019
(a) Employee provisions (cont.)	\$'000	\$'000
Non-current		
Long service leave	721	656
Total non-current employee provisions	721	656
Aggregate carrying amount of employee provisions:		
Current	6,450	6,542
Non-current	721	656
Total aggregate carrying amount of employee provisions	7,171	7,198

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

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual 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:	2020	2019
- discount rate	0.89%	1.46%
- inflation rate	4.25%	4.31%
	2020	2019
(b) Landfill restoration	\$'000	\$'000
Current	67	100
Non-current	1,657	1,894
	1,724	1,994

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.

5.5 Provisions (cont.)

(b) Landfill restoration (cont.)	2020	2019
Key assumptions:		
- discount rate	0.40%	1.07%
- inflation rate	2.20%	1.30%

	2020	2019
5.6 Financing arrangements	\$'000	\$'000

Council has the following funding arrangements in place as at 30 June 2020.

Bank overdraft	1,250	1,250
Credit card facilities	250	250
Asset finance leasing	685	600
Loans	4,420	5,410
Total facilities	6,605	7,510
Used facilities	4,562	5,533
Unused facilities	2,043	1,977

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.

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	6,985	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

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Notes to the Financial Report For the Year Ended 30 June 2020

5.7 Commitments (cont.)

2019	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	2,042	2,081	-	-	4,123
Landfill	1,041	1,072	3,414	6,409	11,936
Recycling and transfer stations	783	797	-	-	1,580
Environment centre management	316	322	-	-	638
Consultancies	29	31	5	-	65
Quarry equipment	150	80	-	-	230
Cleaning/maintenance contracts	213	142	-	-	355
Corporate software	448	293	544	-	1,285
Council facilities management	1,174	843	421	-	2,438
Caravan parks	1,250	1,275	1,631	-	4,156
Total	7,446	6,936	6,015	6,409	26,806
Capital					
Economic Development	208	-	-	-	208
Bridges	933	-	-	-	933
Infrastructures	68	-	-	-	68
Recreation	2	-	-	-	2
Total	1,211	-	-	-	1,211

5.8 Leases

Policy applicable before 1 July 2019

As a lessee, council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 July 2019

Council has applied *AASB 16 Leases* using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to *AASB 16 Leases*, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied *AASB 16 Leases* only to contracts that were previously identified as 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.

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Notes to the Financial Report For the Year Ended 30 June 2020

5.8 Leases (cont.)

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.

Right-of-Use Assets	Office Equipment	Fleet, Plant & Equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	100	943	196	1,239
Additions	170	360	-	530
Amortisation charge	(71)	(495)	(78)	(644)
Balance at 30 June 2020	199	808	118	1,125

5.8 Leases (cont.)

Lease Liabilities	2020	2019
Maturity analysis - contractual undiscounted cash flows	\$'000	\$'000
Less than one year	673	26
One to five years	588	37
Total undiscounted lease liabilities as at 30 June:	1,261	63

Lease liabilities included in the Balance Sheet at 30 June:

Current	673	26
Non-current	566	37
Total lease liabilities	1,239	63

Short-term and low value leases

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

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

Variable lease payments (not included in measurement of lease liabilities) -

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	160
Later than one year but not later than five years	71
Total lease commitments	231

i. Leases classified as operating leases under AASB 117 Leases

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

5.8 Leases (cont.)

Council used the following practical expedients when applying *AASB 16 Leases* to leases previously classified as operating leases under *AASB 117 Leases*.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term or low value assets that are individually below capitalisation thresholds.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

ii. Leases previously classified as finance leases

For leases that were classified as finance leases under *AASB 117 Leases*, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under *AASB 117 Leases* immediately before that date.

Council is not required to make any adjustments on transition to *AASB 16 Leases* for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with *AASB 16 Leases* from the date of initial application.

Impact on financial statements

On transition to *AASB 16 Leases*, Council recognised an additional \$1,176,000 of right-of-use assets and \$1,176,000 of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 3.66%.

	2019
	\$'000
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements (1)	1,408
Discounted using the incremental borrowing rate at 1 July 2019	(61)
Finance lease liability recognised as at 30 June 2019	63
	1,410
- Recognition exemption for:	
short-term leases	(28)
leases of low-value assets	(195)
- Extension and termination options reasonably certain to be exercised	52
- Lease liabilities recognised as at 1 July 2019	1,238

(1) The operating lease commitments balance as at 30 June 2019 of \$1,408,000 does not agree to the corresponding balance of \$1,241,000 per the 2018/19 financial statements due to \$167,000 of lease commitments excluded from the 2018/19 financial statements balance in error.

Note 6 Assets we manage

	2,020	2,019
	\$'000	\$'000
Land held for resale	-	289
Land held for resale	-	289
Buildings held for resale	-	744
Buildings held for resale	-	744
Total non current assets classified as held for sale	-	1,033

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.

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

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

	At Fair Value 30 June 2019	Acquisitions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Recognition of Assets \$'000	Adjustments & Transfers \$'000	At Fair Value 30 June 2020
Land	90,346	-	2,499	2,110	(11)	(880)	211	1,205	95,480
Buildings	91,263	-	-	32,891	(2,489)	(1,603)	-	3,645	123,706
Plant and Equipment	11,633	-	-	-	(2,249)	(432)	-	2,714	11,666
Infrastructure	354,390	-	2,294	75,518	(14,159)	(5,615)	161	32,357	444,944
Artworks	1,138	-	-	-	-	-	-	-	1,138
Work in progress	43,902	25,411	-	-	-	(3,888)	-	(40,755)	24,670
	592,671	25,411	4,794	110,518	(18,908)	(12,418)	372	(834)	701,604

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Write Offs \$'000	Closing WIP \$'000
Land and Buildings	5,281	1,938	(4,850)	(368)	2,001
Plant and Equipment	1,016	2,804	(2,714)	-	1,106
Infrastructure	37,604	19,836	(32,357)	(3,520)	21,563
Investment Properties	-	834	(834)	-	-
Total	43,902	25,412	(40,755)	(3,887)	24,670

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

	Land - Crown Land	Land under roads	Land - Council Owned improvements	Land	Total Land	Buildings Specialised	Buildings - Non Specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	20,432	7,646	61,888	407	90,372	57,270	126,242	183,512	5,281	279,166
Accumulated depreciation at 1 July 2019	-	-	-	(26)	(26)	(27,739)	(64,510)	(92,249)	-	(92,275)
	20,432	7,646	61,888	381	90,346	29,531	61,732	91,263	5,281	186,891
Movements in fair value										
Acquisition of assets at fair value	-	-	-	-	-	-	-	-	1,938	1,938
Contributed assets	-	-	2,499	-	2,499	-	-	-	-	2,499
Recognition of Assets	204	-	8	-	211	-	-	-	-	211
Revaluation increments/decrements	1,386	(4,014)	4,738	-	2,110	5,759	10,526	16,285	-	18,395
Fair value of assets disposed	(85)	-	(782)	(13)	(879)	(1,302)	(1,822)	(3,124)	(368)	(4,371)
Transfers	289	88	704	124	1,205	2,809	836	3,645	(4,850)	-
	1,794	(3,926)	7,167	111	5,146	7,266	9,540	16,806	(3,280)	18,672
Movements in accumulated depreciation										
Depreciation	-	-	-	(11)	(11)	(754)	(1,735)	(2,489)	-	(2,500)
Revaluation increments/decrements	-	-	-	-	-	6,427	10,179	16,606	-	16,606
Accumulated depreciation of disposals	-	-	-	-	-	731	790	1,521	-	1,521
	-	-	-	(11)	(11)	6,404	9,234	15,638	-	15,627
At fair value 30 June 2020	22,225	3,720	69,055	518	95,518	64,536	135,782	200,318	2,001	297,837
Accumulated depreciation at 30 June 2020	-	-	-	(37)	(37)	(21,335)	(55,276)	(76,611)	-	(76,648)
	22,225	3,720	69,055	481	95,481	43,201	80,506	123,707	2,001	221,190

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Notes to the Financial Report For the Year Ended 30 June 2020

6.2 Property, infrastructure, plant and equipment (cont.) (b) Plant and Equipment

	Plant machinery and equipment \$'000	Fittings, furniture and equipment \$'000	Heritage plant and equipment \$'000	Computers and telecomms \$'000	Library books \$'000	Total plant and equipment before WIP \$'000	Artworks \$'000	Total artworks \$'000	Work in Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2019	13,060	304	2,518	9,448	2,958	28,289	1,138	1,138	1,016	30,443
Accumulated depreciation at 1 July 2019	(9,548)	(205)	(388)	(3,915)	(2,601)	(16,656)	-	-	-	(16,656)
	3,513	99	2,130	5,533	358	11,633	1,138	1,138	1,016	13,787
Movements in fair value										
Acquisition of assets at fair value	-	-	-	-	-	-	-	-	2,804	2,804
Fair value of assets disposed	(1,040)	-	-	-	(3,105)	(4,145)	-	-	-	(4,145)
Transfers	1,657	45	511	354	147	2,714	-	-	(2,714)	-
	617	45	511	354	2,958	(1,431)	-	-	90	(1,341)
Movements in accumulated depreciation										
Depreciation	(1,104)	(15)	(34)	(1,026)	(69)	(2,249)	-	-	-	(2,249)
Accumulated depreciation of disposals	1,043	-	-	-	2,670	3,713	-	-	-	3,713
	(61)	(15)	(34)	(1,026)	2,601	1,464	-	-	-	1,464
At fair value 30 June 2020	13,677	349	3,029	9,802	-	26,858	1,138	1,138	1,106	29,102
Accumulated depreciation at 30 June 2020	(9,609)	(220)	(422)	(4,941)	-	(15,192)	-	-	-	(15,192)
	4,069	129	2,608	4,861	-	11,666	1,138	1,138	1,106	13,910

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

	Roads \$'000	Bridges \$'000	Footpaths and Cycleways \$'000	Drainage \$'000	Recreational, Leisure and Community \$'000	Parks, Open Spaces and Streetscapes \$'000	Off Street Car Parks \$'000	Other infrastructure \$'000	Total Work In Progress infrastructure before WIP \$'000	Total Infrastructure \$'000
At fair value 1 July 2019	464,194	23,099	27,540	75,495	5,361	4,203	2,945	5,731	608,568	646,172
Accumulated depreciation at 1 July 2019	(204,312)	(8,533)	(6,699)	(27,899)	(1,678)	(2,655)	(895)	(1,507)	(254,178)	(254,178)
	259,882	14,567	20,841	47,596	3,683	1,548	2,050	4,224	37,604	391,994
Movements in fair value										
Acquisition of assets at fair value	-	-	-	-	-	-	-	-	19,836	19,836
Contributed Assets	1,197	-	318	675	104	-	-	-	2,295	2,295
Recognition of Assets	-	322	-	-	-	-	-	-	322	322
Revaluation increments/decrements	4,598	9,249	(2,129)	(5,200)	1,125	1,100	-	647	9,390	9,390
Fair value of assets disposed	(10,875)	(757)	(588)	(894)	(364)	(329)	-	(264)	(14,070)	(17,590)
Transfers	21,964	1,544	2,524	4,986	2,459	905	(2,945)	920	32,357	(32,357)
	16,885	10,358	125	(432)	3,324	1,676	(2,945)	1,303	30,293	(16,041)
										14,252
Movements in accumulated depreciation										
Depreciation	(11,204)	(294)	(593)	(1,059)	(488)	(205)	-	(314)	(14,158)	-
Revaluation increments/decrements	79,594	(7,947)	(5,889)	1,047	(295)	(213)	-	(171)	66,127	66,127
Accumulated depreciation on Recognition of Assets	-	(161)	-	-	-	-	-	-	(161)	(161)
Accumulated depreciation of disposals	6,878	346	135	488	177	242	-	190	8,456	8,456
Transfers	(895)	-	-	-	-	-	895	-	-	-
	74,374	(8,056)	(6,348)	476	(607)	(176)	895	(295)	60,263	60,263
At fair value 30 June 2020	481,079	33,458	27,665	75,062	8,686	5,878	-	7,034	638,862	660,425
Accumulated depreciation at 30 June 2020	(129,938)	(16,589)	(13,047)	(27,422)	(2,285)	(2,831)	-	(1,803)	(193,914)	(193,914)
	351,140	16,869	14,618	47,640	6,401	3,048	-	5,232	444,947	466,510

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Notes to the Financial Report For the Year Ended 30 June 2020

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.

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 2019-20 year and amended to reflect current data and understanding of the life of assets.

	Depreciation Period 2019/20	Depreciation Period 2018/19	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	30 Years	0
water rights	Not applicable	Not applicable	At cost
Buildings			
heritage buildings	75 years	100 -150 years	10
buildings	75 years	75 -100 years	10
building improvements	20 -50 years	20 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
library books	-	5 -10 years	-
artworks	-	-	-
Infrastructure			
road seals	15 - 20 years	7-15 years	10
road pavement	80 years	74 - 112 years	10
road formation and earthworks	999 years	999 years	10
road kerb, channel and minor culverts	50 - 80 years	50 years	10
gravel roads and gravel shoulders	15 years	15 years	10
bridges deck	100 years	80 years	10
bridges substructure	100 years	80 years	10
footpaths and cycleways	40 - 50 years	50 years	10
drainage	20 - 80 years	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

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

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.

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.

Council have assessed the impacts of COVID-19 and have not identified any indicators of a material movement as a result. However, given the lack of recent transactions the full impact of COVID-19 on land and buildings values cannot be reliably estimated at balance date.

The date of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year, this valuation was based on the Valuer General, Victoria indices for land and buildings. The indexation rate used for land was 6.65%, for buildings the indexation rate used was 9.80%. A full revaluation of these assets will be conducted in 2020/21. A condition assessment has been carried out on all buildings in 2019/20, this was carried out by CT Management, the data on the condition of buildings has been used in conjunction with an indexation rate to arrive at the new value of these assets.

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Notes to the Financial Report For the Year Ended 30 June 2020

Details of council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows:

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

Valuation of land and buildings (cont.)	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	DoV
Specialised land	-	-	22,225	Jun-17
Non specialised land	-	69,055	-	Jun-17
Specialised Buildings	-	-	43,201	Jun-17
Non specialised buildings	-	80,506	-	Jun-17
Land under roads	-	-	3,720	Jun-20
Land improvements	-	-	481	Jun-20
Total	-	149,560	69,628	

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 assets that were subject to a unit rate valuation are roads, bridges and footpaths and cycleway.

An index based revaluation was conducted in the current year, the index used is based on the Australian Bureau of Statistics, Road and Bridge construction for Victoria. An index was used to revalue drainage assets, recreational, leisure and community assets and parks, open spaces and streetscapes assets and other infrastructure, a full revaluation of these assets will be conducted in 2020/21.

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 2020 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	DoV
Roads	-	-	351,140	Jun-20
Bridges	-	-	16,869	Jun-20
Footpaths and cycleways	-	-	14,618	Jun-20
Drainage	-	-	47,640	Jun-20
Recreational, leisure and community facilities	-	-	6,401	Jun-14
Parks, open space and streetscapes	-	-	3,048	Dec-14
Other infrastructure	-	-	5,232	Jun-14
Total	-	-	444,947	

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

Valuation of infrastructure (cont.)

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 \$0.03 and \$1,650 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 \$75 to \$9,000 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.

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.

	2020	2019
	\$'000	\$'000
Reconciliation of specialised land		
Specialised land	22,225	20,432
Land under roads	3,720	7,646
Land improvements	481	381
Total specialised land	26,427	28,459

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 2020 are as follows:

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

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Notes to the Financial Report For the Year Ended 30 June 2020

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

	2020	2019
	\$'000	\$'000
Balance at beginning of financial year	8,619	11,798
Disposals	(835)	(3,179)
Transfers	835	-
Fair value adjustments	(1,307)	-
Balance at end of financial year	7,312	8,619

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.

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Simon Eishold, a qualified independent valuer from Eishold Property. The date of this valuation was 1 April 2020. The valuation is at fair value, based on the current market value for the property.

Council have assessed the impacts of COVID-19 and have not identified any indicators of a material movement as a result. However, given the lack of recent transactions the full impact of COVID-19 on land and buildings values cannot be reliably estimated at balance date.

6.5 Transfer of assets and recognition of new assets

	2020	2019
	\$'000	\$'000
Land	211	-
Bridges	161	-
Balance at end of financial year	372	-

A comprehensive revaluation and condition assessment of Councils infrastructure and land assets identified these assets.

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 Adrian Weston (Mayor)
	Councillor Leigh Wilson
	Councillor Leanne Pentreath
	Councillor Neil Pankhurst
	Councillor John Zobec
	Councillor Daniel Mackrell
	Councillor Kristen Munro
	Councillor Vicki Neele
	Councillor Annie Vickers
	KMP
	General Manager - Corporate Service
	General Manager - Regulatory & Community Services
	General Manager - Economic & Community Development
	General Manager - Infrastructure Services
	Planning and Building Manager
	Finance Manager
	Asset Manager
	Public Environments Manager
	Property Manager
	Governance Manager

	2020	2019
	No.	No.
Total Number of Councillors	9	9
Total of Chief Executive Officer and other Key Management Personnel	11	15
Total Number of Key Management Personnel	<u>20</u>	<u>24</u>

The variance in the number of key management personnel between years is due to having multiple officers filling the positions of CEO and General Managers during the prior year while vacancies were recruited to.

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

7.1 Council and key management remuneration (cont.)

(c) Remuneration of Key Management Personnel

	2020	2019
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	2,395	2,201
Post-employment benefits	157	162
Long-term benefits	46	40
Termination benefits	-	73
Total	2,598	2,476

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

	2020	2019
	No.	No.
\$10,000 - \$19,999	-	2
\$20,000 - \$29,999	8	8
\$30,000 - \$39,999	-	1
\$50,000 - \$59,999	-	1
\$80,000 - \$89,999	-	1
\$110,000 - \$119,999	1	-
\$130,000 - \$139,999	2	-
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	-	4
\$170,000 - \$179,999	2	2
\$180,000 - \$189,999	1	-
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999	1	-
\$230,000 - \$239,999	-	1
\$250,000 - \$259,999	1	-
\$270,000 - \$279,999	-	1
\$400,000 - \$409,999	1	-
	20	24

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

7.1 Council and key management remuneration (cont.)

(d) Senior Officer Remuneration

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

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

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

	2020	2019
	No.	No.
Income Range:		
<\$151,000	1	1
\$151,000 - \$159,999	1	1
\$160,000 - \$169,999	3	-
\$170,000 - \$179,999	-	1
	5	3

	2020	2019
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	791	453

7.2 Related party disclosure

(a) Transactions with related parties

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

Council has eight employees who are close family members of key management personnel, the total remuneration paid to these employees	629	638
Total rental income received from related parties	10	19

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 (2018/2019 Nil).

(c) Loans to/from related parties

No loans have been made, guaranteed or secured by council to a responsible person. (2018/2019 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.	-	21
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Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

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:

	2020	2019
	\$'000	\$'000
Not later than one year	391	188
Later than one year and not later than five years	556	440
Later than five years	28	-
	<u>975</u>	<u>628</u>

Operating lease receivables will be impacted by COVID-19 as Council is waiving rent until restrictions preventing business from operating are lifted. The impact cannot be identified at balance date as the timing of changes to restrictions is not known.

(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 2019/20 year (2018/19 \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 are \$143,866.

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.

	2020	2019
	\$'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 had one Bank Guarantee in favour of Coliban Water for industrial land expansion. The guarantee has been cancelled as the works have been completed satisfactorily.	-	100
(e) Council currently has one Bank Guarantees in favour of the Environmental Protection Agency for the rehabilitation bond for Council landfills.	800	800
(f) Council currently had one Bank Guarantee in favour of VicRoads for Industrial estates. The guarantee has been cancelled as the works have been completed satisfactorily.	-	10
Total	<u>1,330</u>	<u>1,440</u>

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Notes to the Financial Report For the Year Ended 30 June 2020

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in *AASB 13 Fair Value Measurement*. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with *AASB 116 Property, Plant and Equipment* or *AASB 138 Intangible Assets*, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as the Council is not a grantor in a service concession arrangement.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

The Standard principally amends *AASB 101 Presentation of Financial Statements* and *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. 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 impacts on the local government sector are expected to be minimal.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

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.

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 has 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.

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

8.3 Financial instruments (cont.)

(c) Credit risk

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with 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.

Given rate debtors are secured by charge over the rateable property, any increased credit risk as the result of the COVID-19 pandemic is not considered to be significant in relation to financial assets. There are no indicators of increased impairment of debtor balances at 30 June 2020 as the result of COVID-19.

(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;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets 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 +1% and -1% in market interest rates (AUD) from year-end rates of 2.10%.

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

Note 8 Managing

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.

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Notes to the Financial Report For the Year Ended 30 June 2020

8.4 Fair value measurement (cont.)

Impairment of assets

At each reporting date, 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

On 8th July 2020 NSW closed the border to Victorians as a result of community transmission of the COVID-19 virus within Victoria, with permits being required to allow people to cross the border for set reasons. Further, on 6th of August 2020 the Premier of Victoria introduced Stage 3 restrictions for regional Victoria in relation to the COVID-19 pandemic. The Financial impact to Council of the restriction has not been deemed to be significant, however a number of Council services have been impacted as further detailed within note 11.

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

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			
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	(8,017)	4,790
Drainage	26,386	(4,153)	22,233
Other infrastructure	5,303	2,193	7,496
	<u>229,057</u>	<u>75,518</u>	<u>304,575</u>
Total asset revaluation reserves	<u>309,363</u>	<u>111,377</u>	<u>420,740</u>

9.1 (a) Asset revaluation reserves (cont.)

2019

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Property			
Land and land improvements	25,348	-	25,348
Water rights	2,075	590	2,665
Artworks	124	-	124
Plant and equipment	1,659	-	1,659
Buildings	50,510	-	50,510
	<u>79,716</u>	<u>590</u>	<u>80,306</u>
Infrastructure			
Roads	174,558	-	174,558
Bridges	10,003	-	10,003
Footpaths and cycleways	12,807	-	12,807
Drainage	26,386	-	26,386
Other infrastructure	5,303	-	5,303
	<u>229,057</u>	<u>-</u>	<u>229,057</u>
Total asset revaluation reserves	308,773	590	309,363

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
(b) Other reserves				
2020				
Restricted reserves				
Recreational land	1,317	-	9	1,326
Car parking	164	-	20	184
	<u>1,481</u>	<u>-</u>	<u>29</u>	<u>1,510</u>
Unrestricted reserves				
Accumulated unallocated cash	692	-	1,825	2,517
Active Transport Strategy	247	-	-	247
Asset renewal - non-roads	1,970	-	284	2,254
Asset renewal - plant replacement	3,406	(1,937)	1,560	3,029
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
	<u>16,762</u>	<u>(3,083)</u>	<u>8,316</u>	<u>21,995</u>
Total Other reserves	18,243	(3,083)	8,345	23,504

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

	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				
2019				
Restricted reserves				
Recreational land	1,144	(166)	339	1,317
Car parking	156	-	8	164
	1,300	(166)	347	1,481
Unrestricted reserves				
Accumulated unallocated cash	692	-	-	692
Active Transport Strategy Reserve	247	-	-	247
Asset renewal - non-roads	1,970	-	-	1,970
Asset renewal - plant replacement	3,752	(1,782)	1,436	3,406
Asset renewal - roads	3,504	-	-	3,504
Commercial investment - Holiday Park	1,067	-	250	1,317
Community plan implementation	94	-	-	94
Disability Discrimination Act reserve	674	(100)	100	674
Drainage reserve	758	(689)	300	370
Industrial land	1,783	(600)	404	1,587
Policy 130 - reserve	325	-	200	525
Rochester water rights reserve	69	-	-	69
Waste reserve	937	(729)	2,099	2,307
	15,872	(3,900)	4,789	16,761
Total Other reserves	17,172	(4,066)	5,136	18,242

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.

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.

9.1 (b) Other reserves (cont.)

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 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

	2020	2019
	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus		
Surplus for the year	279	10,983
Depreciation	18,908	18,572
Depreciation - right of use assets	644	-
(Profit)/loss on disposal of property, infrastructure, plant and equipment	13,361	5,996
Recognition of assets under Council control	(372)	-
Fair value adjustments for investment property	1,307	-
Contributions - Non-monetary assets	(4,793)	(6,568)
Borrowing costs	167	249
Finance costs - leases	52	-
Bad debts	167	146
Other	(169)	-
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	2,444	(3,622)
(Increase)/decrease in prepayments	(35)	90
Increase/(decrease) in trust funds and deposits	47	21
(Increase)/decrease in accrued income	196	124
Increase/(decrease) in unearned income	569	-
Increase/(decrease) in trade and other payables	2,279	1,716
(Increase)/decrease in inventories	141	(138)
Increase/(decrease) in provisions	(297)	(733)
Net cash provided by/(used in) operating activities	<u>34,895</u>	<u>26,836</u>

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, 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 2020, 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.

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 is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Campaspe Shire Council is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs were:

Net investment returns	6.0% pa
Salary information	3.5% pa
Price inflation (CPI)	2.0% pa.

Vision Super has advised that the estimated VBI at the quarter ending 30 June 2020 was 104.6%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 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 2017 full actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/19). 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 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

9.3 Superannuation (cont.)

The 2019 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Campaspe Shire Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and a last full actuarial investigation was conducted as at 30 June 2017.

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

	2019	2017
	\$m	\$m
A VBI surplus	151.3	69.8
A total service liability surplus	233.4	193.5
A discounted accrued benefits surplus	256.7	228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2019.

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 2019.

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 2019.

Council was notified of the 30 June 2019 VBI during August 2020 (2019: August 2019).

The 2020 interim actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020. The financial assumptions for the purposes of this investigation are:

	2020	2017
	Triennial investigation	Triennial investigation
Net investment	5.6% pa	6.5% pa
Salary inflation	2.5% pa for the first two years and 2.75% pa thereafter	3.5% pa
Price inflation	2.0% pa	2.5% pa

Note 10 Change in accounting policy

Council has adopted *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities*, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

AASB 15 Revenue from Contracts with Customers applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted *AASB 15 Revenue from Contracts with Customers* using the modified (cumulative catch up) method. Revenue for 2019 as reported under *AASB 118 Revenue* is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 Revenue from Contracts with Customers requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

b) AASB 16 Leases

AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. The transition impact of these are detailed below.

c) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted *AASB 1058 Income of Not-for-Profit Entities* using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

AASB 1058 Income of Not-for-Profit Entities requires income to be recognised as Council satisfies the performance obligations under the contract.

AASB 1058 Income of Not-for-Profit Entities requires income to be recognised on the earlier of receipt or when an unconditional right to receipt has been established, with the exception of capital grants revenue received to fund the acquisition or construction of a non-financial asset to be controlled by Council. Capital grant revenue received to fund the acquisition or construction of a non-financial asset to be controlled by Council is recognised when 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.

d) Transition impacts

Council's assessment has identified a nil impact on retained earnings as at 1 July 2019 transition to these new accounting standards.

Campaspe Shire Council 2019/2020 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2020

Note 10 Change in accounting policy (cont.)

d) Transition impacts (cont.)

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of AASB 16 Leases.

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2020.

	As reported 30 June 2019	Adjustments	Post adoption
	\$'000	\$'000	\$'000
Assets			
Right of use assets	63	1,176	1,239
	63	1,176	1,239
Liabilities			
Lease liability - current	26	647	673
Lease liability - non-current	37	529	566
	63	1,176	1,239

Note 11 Impact of COVID 19 pandemic on Councils operations and 2019-20 financial report:

On 30 January 2020, COVID 19 was declared a global pandemic by the World Health Organisation (WHO). 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 2020:

- In response to government directive amidst the COVID-19 outbreak, recreation facilities, aquatic facilities, libraries and the caravan park, Port of Echuca, Echuca Paddlesteamers and other community facilities were closed. These closures resulted in a decrease in Council's revenue and expenses for these services.
- As a result of government directives attendance at childcare was impacted and Council was not eligible for government support payments.
- Council paused all commercial rent agreements from 23 March 2020. This resulted in a decrease in rent revenue.
- Council waived interest on unpaid rates and suspended debt collection in response to this crisis on 23 March 2020. This resulted in a decrease in the amount of rates and interest collected.

Performance Statement

For the year ending 30 June 2020

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.

Effects of COVID-19

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

- A number of services were closed due to government directives, these services were recreation facilities including aquatic facilities, libraries, caravan parks and tourism related services.
- Council made a decision to pause all commercial rental agreements from 23 March 2020.
- Council waived interest on unpaid rates and ceased debt collection, these measures has had a less than one percent impact on the collection of rate revenue.
- Childcare services were impacted as Council run services were not eligible for Government assistance.

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 2020.

Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and comments
Population Expenses per head of municipal population [Total expenses / Municipal population]	\$1,970.00	\$2,263.38	\$2,117.87	\$2,434.72	Expenses per head of population has increased in 2019-20 due to a net \$13.3 million loss on the disposal of property plant and equipment and proceeds of the sale of assets. The disposal of assets is due to the written down value of renewed assets being written off as these assets are capitalised. Council capitalised a backlog of completed works in 2019-20 that related to prior years, this contributed to the result.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$12,496.99	\$13,433.25	\$13,362.55	\$16,123.72	The increase in 2019-20 is the result of all the major asset classes being revalued this year, increasing the value of the asset base and resulting in an increase per head of population.
Population density per length of road [Municipal population / Kilometres of local roads]	9.00	9.28	9.26	9.39	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]	\$1,532.66	\$1,639.86	\$1,625.64	\$1,677.88	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.
Recurrent grants Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$626.12	\$454.50	\$469.59	\$485.50	The variation in the result is due to the prepayment of Financial Assistance Grants not being consistent across prior years.
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	15.6%	11.4%	11.9%	19.01%	The increase in staff turnover from the prior year can be attributed to Councils exit from the provision of Aged and Disability services. 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 2020.

Service / Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and comments
Aquatic Facilities					
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.95	6.22	6.22	3.04	Attendance at the Echuca War Memorial Aquatic Centre has been significantly impacted by a 15 week closure and restrictions on the number of patrons allowed in the facility due to COVID-19. This has seen a reduction of more than 50% 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. A trend has emerged of a steady decline in attendance at the seven outdoor facilities based on the last three years of data.
Animal Management					
Health and safety Animal management prosecutions [Number of successful animal management prosecutions/Total number of animal management prosecutions] x100	New in 2020	New in 2020	New in 2020	0.00	No prosecutions in 19/20. Council implements a range of alternative enforcement methods to prosecution. Council continues to implement animal management programs which seek to educate the community about responsible pet ownership.
Food Safety					
Health and safety 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	77.14%	95.00%	100.00%	100.00%	In 2019 Council officers identified 26 major non compliances. One critical non-compliance was reported to Council by a third party auditor. Officers 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 officers and major non compliances can be targeted and addressed in a timely manner.
Governance					
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]	48.00	46.00	47.00	48.00	Throughout the 2019/20 year Council made a number of significant decisions. Council recognises that there are diverse views across the community in relation to many of these decisions. Improving community satisfaction with decisions of Council remains a focus.

Service / Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and comments
Libraries					
Participation Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	16.81%	16.32%	15.34%	15.31%	Active library borrowers remain stable and on trend with prior year.
Maternal and Child Health (MCH)					
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	72.96%	75.47%	73.71%	72.81%	Overall participation rates in the MCH service remains stable. In line with previous years, strategies will continue to be implemented to improve participation across all Key Age and Stage visits from 4 months of age.
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	58.93%	70.49%	69.54%	73.91%	Participation in the MCH service by Aboriginal children has remained consistent with the previous reporting period, which is driven by improved data collection and information sharing measures between council and the local Aboriginal Community Controlled Health Organisation (Njernda Aboriginal Corporation).
Roads					
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	40.00	45.00	47.00	49.00	Council's understanding of the sealed local road network, gained through customer service requests and the ongoing inspection program, both indicate the network is generally in good condition.

Service / Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and comments
Statutory Planning					
Decision making	100.00%	80.00%	90.91%	83.33%	<p>The trend in Council planning decisions upheld at VCAT remains high. Less than 2% of decisions are appealed. Over the last three years only one Council decision per year has been set aside or amended by VCAT, the variance in results is due to the fluctuations in the number of decisions going to VCAT. In 2018 it was 5, in 2019 it was 11 and in 2020 it was 6.</p> <p>The Planning Unit consistently arrange 'consultation meetings' during the application process in order to improve outcomes and actively engage with all parties during the assessment process to minimise appeals.</p>
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					
Waste Collection					
Waste diversion	41.12%	40.35%	39.03%	48.02%	<p>Council introduced food into the garden organics service on 1 July 2019. This has been heavily promoted by Council and with the tiered fee structure has resulted in significant uptake (approx. 1,000 additional bins year on year). This is reflected in the 9% increase in tonnages diverted from landfill through the organics bin.</p>
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					

Definitions

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

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

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

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

"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

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

Financial Performance Indicators

For the year ended 30 June 2020.

Dimension / Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020
Efficiency				
Expenditure level	\$3,643.21	\$4,107.99	\$3,860.50	\$4,408.60
Expenses per property assessment [Total expenses / Number of property assessments]				
Revenue level	New in 2020	New in 2020	New in 2020	\$1,784.07
Average rate per property assessment [General rates and municipal charges / Number of property assessments]				
Liquidity				
Working capital	244.53%	378.13%	370.05%	376.00%
Current assets compared to current liabilities [Current assets / Current liabilities] x100				
Unrestricted cash	184.45%	259.95%	190.66%	270.55%
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100				
Obligations				
Loans and borrowings	19.24%	15.96%	12.83%	10.01%
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100				
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.38%	3.29%	3.22%	2.69%
Indebtedness	16.17%	13.22%	11.39%	9.98%
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100				

* The forecast results differ to those published in the 2020-2021 budget due to the table not being updated after there were last minute changes made to the budgeted financial statements. Accordingly, the forecast indicator measures within the performance statement have been recalculated based on the budget Comprehensive Income Statement, Balance Sheet and Statement of Capital Works Balances.

Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Material variations and comments
\$3,795.94	\$3,891.83	\$3,971.98	\$4,021.13	Expenses per property assessment has increased in 2019-20 due to \$13.3 million net of loss on the disposal of property plant and equipment and the sale of assets. Council capitalised a backlog of completed works in 2019-20 that related back to prior years, this contributed to the result. The trend in the forecast years is expected to remain steady.
\$1,834.58	\$1,873.31	\$1,897.73	\$1,922.47	This is a new indicator for 2019-20 and there is no comparison for prior years.
435.41%	389.27%	358.59%	309.64%	The trend in percentage of working capital has remained strong across the preceding years and will continue this trend in the forecast years. The variation in the 2020-21 year is due to receiving funds from borrowings that will fund two community projects. The current year result reflects Council holding cash to fund the 2020-21 capital works program and to pay liabilities on time.
298.48%	255.11%	226.44%	179.49%	The trend in percentage of unrestricted cash has seen an increase in 2019-20 from the previous year due to more cash being required for carried forward capital works in 2018-19. 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.
27.30%	22.55%	18.93%	15.36%	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 2020-21 as Council will borrow funds to complete two significant pieces of community infrastructure, these are Echuca East Community Centre and redevelopment of the Gunbower Lions Park.
2.76%	4.45%	3.52%	3.46%	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.
23.42%	20.79%	18.08%	15.42%	The trend in indebtedness has declined significantly over the preceding years, this has been driven by Council paying down loans by \$1.08 million. The trend will be an increase in 2020-21 when the effects of new borrowings will impact the result.

Dimension / Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020
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	New in 2020	108.59%
Operating Position				
Adjusted underlying result	9.00%	(7.52%)	0.22%	(10.49%)
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100				
Stability				
Rates concentration	48.57%	51.76%	52.82%	53.02%
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100				
Rates effort	0.59%	0.61%	0.57%	0.57%
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 2020-2021 budget due to the table not being updated after there were last minute changes made to the budgeted financial statements. Accordingly, the forecast indicator measures within the performance statement have been recalculated based on the budget Comprehensive Income Statement, Balance Sheet and Statement of Capital Works Balances.

Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Material variations and comments
125.58%	123.21%	95.92%	95.86%	A change to this indicator to now include any spend on capital upgrade works better reflects Councils renewal of assets. The trend in the forecast shows that Council is meeting its asset renewal obligations.
3.32%	1.84%	1.09%	1.13%	The fluctuations in the result in 2016-17 was the result of inconsistency prepayment of Financial Assistance Grants. The fluctuations in the following three years is the result of the loss on the disposal of property, plant and equipment impacting the surplus for the year. In 2020 there was \$13.4 million loss on the disposal of property, plant and equipment, in 2019 there was \$5.9 million and in 2018 there was \$12.5 million loss on the disposal of property plant and equipment. The impact is to convert the reported surplus to an adjusted deficit.
54.15%	54.77%	54.77%	54.78%	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 2023-24.
0.55%	0.53%	0.51%	0.50%	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 2023-24.

Retired Measures

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

Service / Indicator / Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and comments
Animal Management					
Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	0.00	3.00	0.00	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	0.00	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%	0.00	Retired in 2020 and replaced by a similar indicator that includes asset renewal and upgrade, instead of just renewal.

Definitions

"adjusted underlying revenue" means total income other than-

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

Other Information

For the year ended 30 June 2020

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.

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 23 June 2020 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained 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*.



Ailsa Box, CPA

Principal Accounting Officer

Dated: 21 October 2020

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*.

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

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

We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statement in its final form.



Cr Adrian Weston

Councillor

Dated: 21 October 2020



Cr Leanne Pentreath

Councillor

Dated: 21 October 2020



Declan Moore

Chief Executive Officer

Dated: 21 October 2020

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 municipality for the year ended 30 June 2020 • sustainable capacity indicators for the year ended 30 June 2020 • service performance indicators for the year ended 30 June 2020 • financial performance indicators for the year ended 30 June 2020 • 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 2020 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
29 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Glossary & Acronyms

Act – Local Government Act

Auditor General - Independent parliamentary officer appointed by legislation to examine and report to the Victorian Parliament and the community on the management of public sector resources and provide assurance of the financial integrity of Victoria's system of government.

Best Value - Victorian Government legislation that requires councils to review their services and adopt a model that is best for the community.

Budget – 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 of the Council Plan.

Capital works - Any work undertaken to establish, renew, expand, upgrade and dispose of Council's assets.

CEO - Chief Executive Officer.

Community Satisfaction Survey - A Victorian Government auspiced annual survey conducted by an independent research company to obtain community feedback on satisfaction levels with the performance of local Councils. The survey is optional not mandatory.

Council Plan - Four-year plan outlining Council's strategic direction.

Councillors - The elected representatives of Council.

Council asset - An asset is a facility or part of a facility that has a value and enables a service to be provided.

Cr – Councillor

Financial performance indicators – 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 – 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 – The period of 12 months ending on 30 June each year.

Governance and management checklist – 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.

FTE - Full Time Effective

EMG - Executive Management Group

FOI - Freedom of Information

Indicator – What will be measured to assess performance.

Initiatives – Actions that are one off in nature and / or lead to improvements in service.

Local Laws - The laws adopted by Council that prohibit, regulate and control activities, events, practices and behaviours within Campaspe.

LGPRF - Local Government Performance Reporting Framework

LMS – Learning management system

Major initiative – 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 – How an indicator will be measured and takes the form of a computation, typically including a numerator and a denominator.

Minister – Minister for Local Government.

OHS - Occupational Health and Safety

Performance statement – 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 – 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.

Planning Scheme - A legal instrument that sets out the provisions for land use, development and protection.

Services – Assistance, support, advice and other actions undertaken by a council for the benefit of the local community.

Service performance indicators – A prescribed set of indicators measuring the effectiveness and efficiency of council services covering appropriateness, quality, cost and service outcomes.

Strategic objective – The outcome Council is seeking to achieve over the four years of the Council Plan.

Strategic Resource Plan - Outlines the resources required, financial and non-financial, to achieve the strategic objectives outlined in the Council Plan.

Strategies – High level actions directed at achieving the strategic objectives in the Council Plan.

VCAT - Victorian Civil Administrative Tribunal





Corner Hare and Heygarth Streets, Echuca

Hours: 8.30am to 5.00pm
Monday to Friday

Postal: PO Box 35, Echuca VIC 3564

Telephone: 03 5481 2200
1300 666 535

Email: shire@campaspe.vic.gov.au

Website: www.campaspe.vic.gov.au

Social:  @CampaspeShireCouncil

 @campaspeshire

 #campaspeshire

Customer Service Centres

Kyabram, 19 Lake Road

Rochester, 43-45 Mackay Street

Rushworth, 33 High Street

Tongala, 37 Mangan Street

2020/21 End of Month (Quarter 1) Council Plan Initiatives Update

Attachment 10.4

Strategic Priority Area:		Strong and Engaged Communities		
Desired Outcome:		Services, Programs and advocacy enable improved health, wellbeing and safety of our community		
Strategy	Major Initiative	Responsible Department	Quarter 1 Status	Comment for Council
Build strong, healthy and vibrant communities through innovation and implementing best practice in service delivery for our diverse community	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.	Manager Community Health	In Progress	The Nation-wide Culture Counts project collected 13,000 survey responses regarding participating library services. 990 survey results were received for Campaspe. A data dashboard was received at the end of Q1. A summary of results will be provided in Q2.
	We will provide a minimum of 70 immunisation sessions across the municipality.	Manager Community Health	In Progress	22 immunisation sessions were delivered across the municipality for the period 1 July – 30 September.
	We will undertake a minimum of 200 (high risk) food safety assessments.	Manager Community Health	In Progress	40 assessments of class 1 and 2 high risk premises were completed during period 1 July - 30 September.
Enable residents to be active and engaged in their community and support participation in artistic, cultural, sporting, and leisure opportunities	We will work with two local communities to support the development of community place based plans.	Manager Community Development	In Progress	Kyabram Place Based Plan will be presented to Council for endorsement in Dec 2020. Tongala Place Based Plan has been identified for commencement early 2021.
	We will adopt an Arts and Culture Strategy to define Council's role and level of service provided.	Manager Community Development	In Progress	Arts and Culture Strategy for the Campaspe Shire is on schedule for Council review and potential endorsement December 2020

Strategic Priority Area:	Resilient Economy			
Desired Outcome:	Diverse and growing economy with increased employment and investment opportunities, economic prosperity and community development			
Strategy	Major Initiative	Responsible Department	Quarter 1 Status	Comment for Council
Support and develop Campaspe's tourism opportunities	We will commence construction of the recreation area of the Echuca Holiday Park and begin procurement for cabin replacement.	Manager Community Business	In Progress	Detailed design for recreation spaces completed. Cabin replacement not yet progressed
	We will update the children's play space within the existing Cargo Shed on the Echuca Wharf.	Manager Community Business	In Progress	Works commenced however, delays experienced with contractor access and volunteer artists due to Covid restrictions,
Work in partnership with industry, education providers and community to address skills for the future, lifelong learning opportunities and skills shortage gaps	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.	Manager Community Development	In Progress	Campaspe Shire have commenced a business case for the feasibility of a Designated Area Migration Agreement in partnership with City of Greater Shepparton and Moira Councils. The study will consider future workforce needs.

Strategic Priority Area:	Healthy Environment			
Desired Outcome:	A healthier environment for current and future generations			
Strategy	Major Initiative	Responsible Department	Quarter 1 Status	Comment for Council
Strategically plan for future growth areas and existing communities while respecting our natural, built, social and economic environments	We will exhibit a Planning Scheme Amendment that implements the recommendations of the Planning Scheme Review.	Manager Planning & Building	In Progress	The scheme amendment (C118) has been submitted to the Minister for Planning. Authorisation to prepare the amendment has been provided subject to conditions which officers are seeking to meet.
	We will exhibit a Planning Scheme Amendment that implements the Echuca West Precinct Structure Plan.	Manager Planning & Building	In Progress	The amendment has been submitted to the Minister for Planning for authorisation to exhibit.
Promote resource minimisation and recovery through innovative environmental practice	We will audit a minimum of 200 kerbside waste, recycling and organics bins to establish contamination.	Manager Community Business	In Progress	Audits have not commenced due to Covid restrictions. Auditor has been engaged audits will commence as soon as Covid restrictions allow.
Support the community, business and industry to respond to the impacts of a changing climate	We will inspect a minimum of 480 properties to ensure fire prevention works have been completed.	Manager Community Business	In Progress	Fire prevention information, requesting property clean up sent to all property owners who were issued Fire Prevention Notices in 2019. Inspections across all towns will commence mid October
Develop partnerships for a healthy environment	We will plant a minimum of 250 trees in streets and open spaces.	Manager Works	In Progress	As part of the street planting program we have 100 applications. Submissions close at the end of February 2021 with plantings carried out between May and August of 2021.

Strategic Priority Area:	Balanced Services and Infrastructure			
Desired Outcome:	Services and assets meet current and future community need			
Strategy	Major Initiative	Responsible Department	Quarter 1 Status	Comment for Council
Manage and maintain assets to optimise their lifecycle considering social, economic and environmental sustainability	We will continue to deliver the footpath 'missing links' across the Shire while ensuring the Shire footpath renewal program is delivered.	General Manager Infrastructure	In Progress	Project has commenced with tender package being prepared.
	We will review the capital and operational works prioritisation in line with the Asset Management Strategy and Plans.	Manager Projects & Facilities	In Progress	The 10 year Capital Works Plan has been developed and adopted as an overarching summary of capital works prioritisation based on asset condition data and known service need. Work has commenced on the 10 year Operational and Maintenance Plan.
	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.	Manager Works	In Progress	Road locations have been identified based on locations that receive high maintenance interventions. Start date is anticipated to be in December 2020 with completion by early April 2021.
Plan and advocate for services and infrastructure to meet community need	We will engage with the Gunbower community to inform the development of detailed design plans for the redevelopment of Gunbower Lions Park.	Manager Recreation	In Progress	The PRG has been formed including representative of the Gunbower Community. This has ensured community input into the preliminary design; to meet the identified community goals and endorsed Council elements of the project.
	We will commence construction of the redevelopment of the Echuca East Community Precinct.	Manager Recreation	In Progress	The detailed design is in the final stage, with an anticipated selective tender process to be completed in early 2021. Construction will commence upon awarding of a successful contractor.
Maximise access and usage of assets through innovative design and partnership initiatives	We will develop an Early Years Strategy to define Council's role and level of service provided in response to sector reforms.	Manager Community Health	In Progress	Officers continue to provide Council with information updates on sector reforms, and discussions underway with key stakeholders (Department of Education, Early Years and Health Service Providers), which will inform a future report to enable Council to determine its position in the Early Years.
	We will increase the delivery of Disability and Discrimination Action implementation of physical and natural environment projects from previous years.	Manager Projects & Facilities	In Progress	Shire DDA Works for 2019/20 was \$100k. This amount has been increased to \$250k for 2020/21. A tender package will be finalised in October 2020 with works to commence upon award of contract.
Relinquish services and assets that no longer meet community need	We will develop a community policy on the sale of surplus Council Land	Manager Projects & Facilities	In Progress	Policy has been drafted ready consideration by the new Council.

Strategic Priority Area:		Responsible Management		
Desired Outcome:		Strong leadership, advocacy and good governance		
Strategy	Major Initiative	Responsible Department	Quarter 1 Status	Comment for Council
Consult and engage with all sectors of the community to determine their priorities and support council decision making	We will engage with the community to develop a 10 year community plan which sets the long term vision for Campaspe.	Manager Community Development	In Progress	Council has engaged a Consultant to develop engagement strategy for the development of a Community Vision.
Strengthen relationships and partnerships to maximise service and infrastructure opportunities, deliver joint initiatives, and leverage external funding	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.	Manager Human Resources	Not Started	This action has not commenced. Due to the various restrictions in place as a result of COVID-19 the availability of work experience options has been restricted.
Enable the delivery of services, facilities and programs to the community through sound corporate governance and fiscal responsibility	We will develop Fire Management Plans around the storage and handling of combustible recyclables for each of the eight transfer stations.	Manager Community Business	In Progress	Fire Management plans for all Resource Recovery Centres are completed. Implementation of Combustibles separation requirements are underway, Gunbower is the first site to be addressed.
Foster an organisational culture that promotes staff development, recognises achievements and celebrates successes	We will develop an Annual Compliance Training Plan to ensure Council's legislative accreditations are maintained.	Manager Human Resources	In Progress	The Annual Compliance Training Plan has been developed and is currently being rolled out through a combination of eLearning and when necessary face to face training (i.e. CPR training).
Foster a customer centred approach	We will replace our outdated customer call centre system with a modern, cloud-based, fit for purpose, customer-centric call centre software system.	Manager Information Technology	In Progress	Specification has been developed and put out to tender. Tenders have been received and are in the process of being evaluated.
	We will adopt a Complaints Handling Policy and develop a framework to support staff in dealing with complaints consistently and efficiently.	Manager Customer Service	In Progress	Complaint Handling Policy adopted. Framework development has commenced.

Attachment 10.5

Campaspe Shire Council

INCOME STATEMENT

For the period ended 30 September 2020

	Notes	Actuals	Budget	Actuals	Variances		Budget
		3 mths ended 30 Sept 2020 \$'000	3 mths ended 30 Sept 2020 \$'000	3 mths ended 30 Sept 2019 \$'000	Actual v Bgt \$'000	%	Full Year 2019/20 \$'000
Revenue							
Rates income	Note 1	38,512	38,528	43,712	(15)	(0.0%)	38,636
Garbage charges	Note 2	5,905	5,875		30	0.5%	5,875
Statutory fees and fines	Note 3	369	349		20	5.7%	2,179
Grants commission	Note 4	1,463	1,534	1,485	(72)	(4.7%)	12,276
Other recurrent grants	Note 5	320	1,090	1,167	(770)	(70.6%)	3,595
Non-recurrent grants	Note 6	471	96	1,806	375	392.5%	2,623
User fees	Note 7	2,791	3,736	4,534	(944)	(25.3%)	15,587
Interest	Note 8	297	182	422	115	63.1%	1,188
Total revenue		50,128	51,389	53,125	(1,261)	(2.5%)	81,958
Expenses							
Employee benefits	Note 9	6,078	7,321	7,103	1,243	17.0%	32,858
Materials and services	Note 10	4,883	5,439	5,106	555	10.2%	21,936
Depreciation and amortisation	Note 11	5,139	4,769	4,580	(370)	(7.8%)	19,075
Finance costs	Note 12	31	41	48	10	24.1%	165
Other expenses	Note 13	861	1,291		430	33.3%	5,434
Total expenses		16,132	17,570	16,838	1,438	8.2%	79,468
Net gain (loss) on disposal of plant and equipment		-	-	35	-	0.0%	240
Surplus (deficit) for the year		33,996	33,819	36,323	177	0.5%	2,730

Campaspe Shire Council
INCOME STATEMENT
For the period ended 30 September 2020

Note 1 - Interest has not been calculated on overdue rates in accordance with the resolution of Council's Financial Support Measures made on the 21 April 2020 and 18 August 2020 due to COVID 19. This measure will remain in place for the remainder of the 2020/21 financial year. The impact of this measure to Council's revenue will be approximately \$100k.

Note 2 - Additional services requested between when the budget was set and the charges were raised.

Note 3 - Land information certificate requests and Planning and building permits revenue is greater than budgeted by \$78k, this is being offset by parking infringement revenue being under budget by \$48k. Parking infringements have only been being issued for 'parking in excess of the allowable time' since parking meters were turned off in accordance with the resolution of Council's Financial Support Measures made on the 18 August 2020 due to COVID 19. There has been greater than expected activity in land sales and development, this anecdotally has been attributed to COVID 19 and movement out to regional areas.

Note 4 - Greater than 50% of the Grants Commission funds were paid in advance (in May 2020), the budget was set on the assumption that only 50% would be paid in advance with the balance evenly split across the 2020/21 financial year. The total variance between what was budgeted and what will be received in 2020/21 is \$72k.

Note 5 - The budget was set assuming that Aged Care services would continue as Council was unsure if approval for exiting the service would be received in time to enable the completion of exit of the service in 2019/20. Approval was received and the exit of the service completed in 2019/20 but it was too late to amend the budget, this will be addressed in the revised budget.

Note 6 - \$300k of the variance is due to the requirements to recognise income as works are completed instead of when the invoice is raised, these funds were invoiced and budgeted in the 2019/20 however were received and will be expended in the current year.

Note 7 - The budget was set assuming Aged Care services would continue as Council was unsure if approval to exit the service would be received in time to exit the service in the 2019/20 year. Other services have been impacted by the closure of services as a result of COVID 19. Of the variance \$476k relates to Aged Care, \$366k to Recreation, \$173k to Parking, and \$343k to tourism related services. These have been partially offset by variances greater than budgeted in Planning and Building services of \$87k and Quarry product sales of \$382k.

Note 8 - The budget was set based on the assumption that interest rates would continue to fall, fortunately Council was able to secure reasonable rates for some investments prior to the fall in interest rates. This is not anticipated to continue and the budget will be adjusted to reflect what is actually occurring in the revised budget.

Note 9 - The exiting of Aged Care services is the significant contributor to this variance, \$727k and services closed due to COVID 19, \$377, has decreased the use of casuals in the related services. There have been a number of vacancies across the organisation during this quarter that have also contributed to the variance.

Note 10 - The exiting of Aged Care services, \$103k, the balance of the variance relates to savings in plant operating costs of \$190k and the timing of maintenance projects.

Note 11 - The variance to budget is the result of the revaluation of assets for the 2019/20 Annual Financial Statements, the full effect of this was unknown when the budget was set, this will be addressed in the revised budget.

Note 12 - The variable interest rate on a number of Council loans has continued to fall from the rate used for budget purposes.

Note 13 - Closure of services due to COVID 19 accounts for \$250k, exiting Aged Care services \$100k, timing of payment of Quarry royalties and FBT \$80k.

Campaspe Shire Council
BALANCE SHEET
As at 30 September 2020

	Note	Actuals	Budget	Actuals	Variances		Full Year Budget
		As at 30 Sept 2020 \$'000	As at 30 Sept 2020 \$'000	As at 30 Sept 2019 \$'000	Actual v Bgt		As at 30 Jun 2021 \$'000
					\$'000	%	
Current assets							
Cash and cash equivalents	Note 1	14,869	13,209	10,471	1,660	12.6%	10,209
Trade and other receivables	Note 2	39,790	39,278	39,851	512	1.3%	3,278
Inventories		716	830	866	(114)	(13.7%)	830
Financial assets		43,000	43,382	38,000	(382)	(0.9%)	43,382
Other assets	Note 3	355	1,463	150	(1,107)	(75.7%)	1,463
Total current assets		98,732	98,162	89,338	570	0.6%	59,162
Non-current assets							
Non-current assets classified as held for sale	Note 4	-	1,033	1,033	(1,033)	(100.0%)	1,033
Trade and other receivables		-	13	-	(13)	(100.0%)	13
Investment property	Note 5	7,312	8,619	8,619	(1,307)	(15.2%)	8,619
Financial assets - non current		10,000	10,000	19,000	(0)	(0.0%)	11,618
Property, infrastructure, plant and equipment	Note 6	700,686	697,629	590,980	3,057	0.4%	612,629
Intangible assets	Note 7	3,811	2,952	2,952	859	29.1%	2,952
Total non-current assets		721,808	720,246	622,584	1,562	0.2%	636,864
Total assets		820,540	818,408	711,922	2,132	0.3%	696,026
Current liabilities							
Trade and other payables	Note 8	2,898	5,257	1,472	2,360	44.9%	5,257
Interest-bearing loans and borrowings	Note 9	782	1,904	766	1,123	59.0%	1,904
Provisions		8,275	8,263	8,771	(11)	(0.1%)	6,663
Trust funds and deposits	Note 10	1,271	2,000	1,183	729	0	0
Total current liabilities		13,226	17,425	12,191	4,199	24.1%	13,825
Non-current liabilities							
Interest bearing loans and borrowings non current	Note 9	3,331	10,248	4,395	6,916	67.5%	10,248
Provisions non current		721	929	540	207	22.3%	2,529
Trust funds and deposits non current	Note 10	21	144	21	123	85.4%	2,144
Total non-current liabilities		4,074	11,320	4,955	7,246	64.0%	14,920
Total liabilities		17,300	28,745	17,147	11,445	39.8%	28,745
Net assets		803,240	789,663	694,774	13,576	1.7%	667,281
Equity							
Accumulated surplus		358,995	462,000	367,169	(103,005)	(22.3%)	339,618
Reserves		444,244	327,663	327,605	116,580	35.6%	327,663
Total equity		803,240	789,663	694,774	13,576	1.7%	667,281

Campaspe Shire Council
BALANCE SHEET
As at 30 September 2020

Note 1 - It is difficult to budget the exact cash position when setting the budget, as this is dependent on when invoices are received, especially for capital works.

Note 2 - Due to COVID 19 the balance outstanding on rates debtors is greater than expected at the time the budget was set.

Note 3 - Actuals only include prepayments, budget takes into account an allowance for accrued revenue, this has not been required as all income relevant to the quarter was entered into the ledger prior to the month being closed.

Note 4 - There have been no asset sales completed in the first quarter of the financial year.

Note 5 - Investment property values decreased as a result of the revaluation of buildings for the 2019/20 Annual Financial Statements. This has been driven by the condition of buildings, which were independently assessed in 2019/20.

Note 6 - Carryover of 2019/20 capital works program impact this result, if the full 2019/20 program had been delivered then the value of property, infrastructure, plant and equipment would be greater.

Note 7 - Revaluation of the water rights for the 2019/20 financial year have resulted in an increase in the value of these assets.

Note 8 - The budget is calculated on the a percentage of the total of the budget for other expenses and materials and services, if the phasing of budgets do not match actuals the balance in trade payables will be impacted. This is also impacted by the underspend in these two areas.

Note 9 - Loans for the Community Infrastructure loans scheme were budgeted to have been taken up at the commencement of the projects, this will not be the case as per the terms of the loans, claims will be made at specific stages of completion through out the year, this will be reflected in the revised budget.

Note 10 - The receipt of bonds is difficult to predict and as a result the budget is set using the balance in the ledger at the time.

Campaspe Shire Council

CASH FLOW STATEMENT

For the period ended 30 September 2020

	Notes	Actuals	Budget	Actual	Variances		Full Year Budget
		3 mths ended 30 Sept 2020 \$'000	3 mths ended 30 Sept 2020 \$'000	3 mths ended 30 Sept 2019 \$'000	Actual v Bgt \$'000 %		As at 30 Jun 2021 \$'000
Cash flows from operating activities							
Rates and charges	Note 1	10,194	9,267	9,261	927	10.0%	44,483
User fees and fines (inclusive of GST)	Note 2	2,645	4,773	7,052	(2,128)	(44.6%)	19,089
Grants	Note 3	2,254	4,624	4,458	(2,370)	(51.3%)	18,494
Interest received	Note 4	297	182	422	115	62.9%	727
Net GST (payment)/refund	Note 5	951	0	264	951	0.0%	-
Proceeds/(repayment) of trusts and deposits	Note 6	(898)	0	(940)	(898)	0.0%	-
Payments to suppliers (inclusive of GST)	Note 7	(13,404)	(6,878)	(9,483)	(6,526)	(94.9%)	(27,515)
Payments to employees	Note 8	(5,978)	(7,908)	(6,984)	1,930	(24.4%)	(32,858)
Net cash inflow (outflow) from operating activities		(3,942)	4,060	4,049	(8,002)	197.1%	22,420
Cash flows from investing activities							
Payments for property, infrastructure, plant and equipment	Note 9	(3,096)	(3,946)	(2,827)	850	21.5%	(24,384)
Purchase of financial assets	Note 10	0	0	(5,000)	0	0.0%	-
Proceeds from sale of financial assets	Note 10	6,000	0	3,000	6,000	0.0%	-
Proceeds from sale of property, infrastructure, plant and equipment		0	0	35	0	0.0%	0
Net cash inflow (outflow) from investing activities		2,905	(3,946)	(4,792)	6,851	173.6%	(24,384)
Cash flows from financing activities							
Repayment of borrowings		(281)	(266)	(312)	(15)	(5.8%)	(1,064)
Proceeds from borrowings	Note 11	0	8,758	0	(8,758)	0.0%	8,758
Finance costs		(31)	(41)	(48)	10	23.7%	(165)
Net cash inflow (outflow) from financing activities		(313)	8,451	(361)	(8,764)	103.7%	7,529
equivalents		(1,350)	8,565	(1,103)	(9,915)	115.8%	5,565
Cash and cash equivalents at the beginning of the year		16,219	4,644	11,575	11,575	249.2%	4,644
Cash and cash equivalents at the end of the period		14,869	13,209	10,471	1,660	12.6%	10,209

Campaspe Shire Council**CASH FLOW STATEMENT****For the period ended 30 September 2020**

Note 1 - The greater than budgeted rates and charges received to date is driven by supplementary rates being processed after the budget was set which increased the value of rates raised and subsequently paid to date.

Note 2 - User fees and fines cash received is down as a result of service closures due to COVID 19.

Note 3 - Grant receipts are less than budgeted due to exiting Aged Care services at the end of the 2019/20 year, this was uncertain when the budget was set, therefore the budget includes these grants. This will be rectified in the revised budget.

Note 4 - The budget was set based on the assumption that interest rates would continue to fall, fortunately Council was able to secure reasonable rates for some investments. This is not anticipated to continue and the budget will be adjusted to reflect what is actually occurring in the revised budget.

Note 5 - GST is not considered when setting the budget.

Note 6 - The cash flow from the receipt of bonds is not considered when setting the budget.

Note 7 - The payment of expenses that relate to the 2019/20 year post 1 July 2020 impacts the quarterly cash result, the actual expense is recognised in the prior year but impacts the current year cash flow.

Note 8 - Exiting Aged Care services and services closed due to COVID 19 has decreased the use of casuals across the organisation and there have been a number of vacancies across the organisation during this quarter.

Note 9 - Capital works spend is tracking close to the expected budget position.

Note 10 - The movement in the investment portfolio is difficult to predict when setting the budget as this is driven by cash flow requirements at any given time and therefore is not budgeted.

Note 11 - Loans will not be drawn down until later in the year and as the Community Infrastructure Loan Scheme projects progress.

Campaspe Shire Council
STATEMENT OF CAPITAL WORKS
For the period ended 30 September 2020

Capital Works Areas	Notes	Actuals	Budget	Variances		Full Year Budget
		3 mths ended 30 Sept 2020 \$'000	3 mths ended 30 Sept 2020 \$'000	Actual v Bgt \$'000 %		As at 30 Jun 2021 \$'000
Infrastructure						
Bridges	Note 1	105	40	65	162.5	1,112
Drainage		1,804	1,886	(82)	(4.3)	3,698
Footpaths and Cycleways	Note 2	44	19	25	131.6	1,172
Parks, Open Space and Streetscapes		160	148	12	8.1	266
Recreational, Leisure and Community Facilities		33	19	14	73.7	123
Roads		1,608	1,471	137	9.3	11,005
Total Infrastructure		3,754	3,583	171		17,376
Equipment and other						
Heritage Plant and Equipment	Note 3	2	280	(278)	(99.3)	147
Computers and Telecommunications		-	-	-	-	229
Plant, Machinery and Equipment	Note 4	620	897	(277)	(30.9)	1,899
Total Equipment and other		622	1,177	(555)		2,274
Property						
Buildings		178	159	19	11.9	4,734
Total Roads, Drains and Bridges		178	159	19		4,734
Total Capital Works		4,554	4,919	(365)		24,385

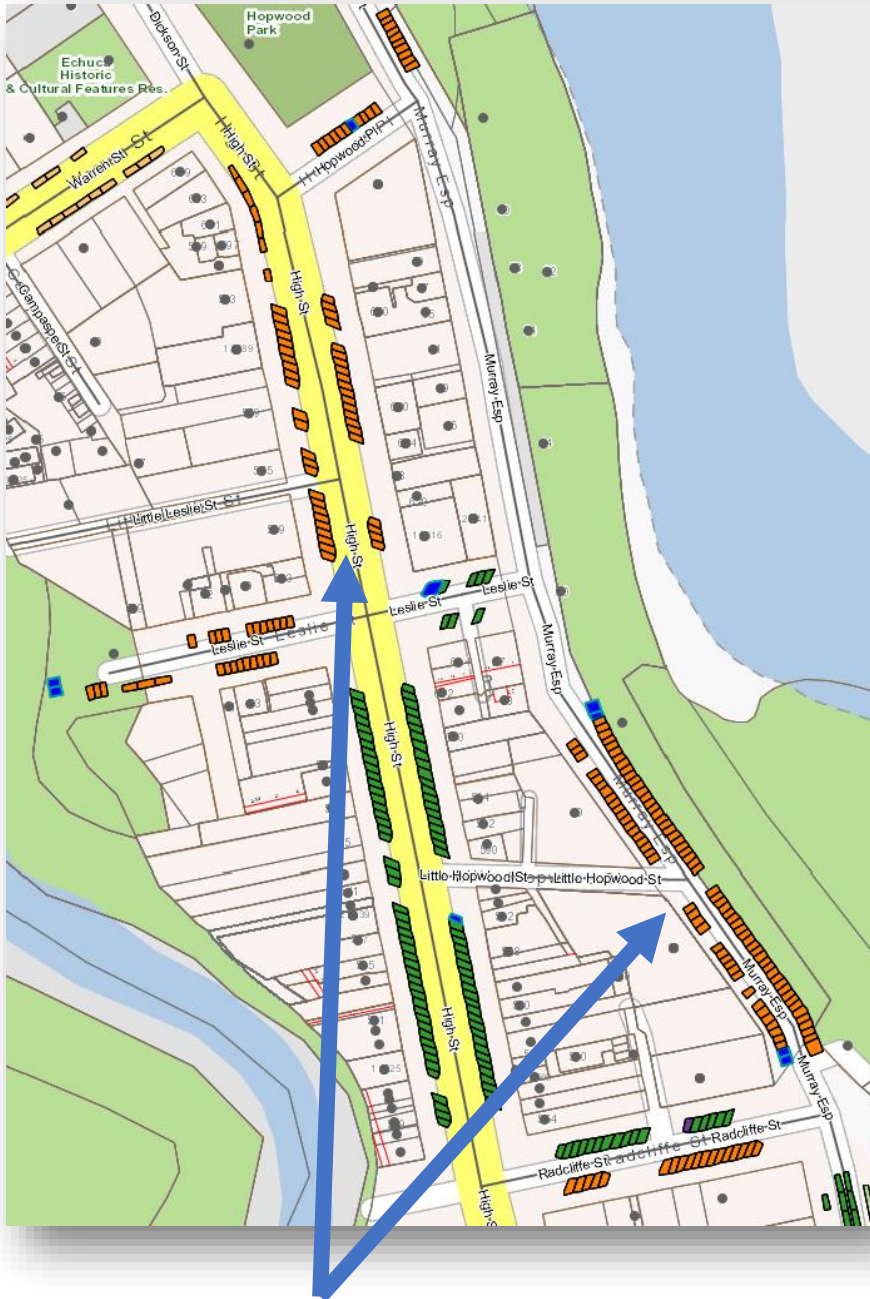
Note 1 - Works are progressing ahead of schedule due to planning commencing in the prior year.

Note 2 - Commencing works on footpath renewals as early as possible has been a priority of Council for this year and is reflected in the earlier than budgeted spend.

Note 3 - Work on the paddlesteamers to enable the vessels to be recertified has been delayed due to compliance issues with the slipway.

Note 4 - Delays sourcing plant have been experienced as a result of COVID 19 and the awarding of contracts for one large piece of plant.

Locations and time changes.



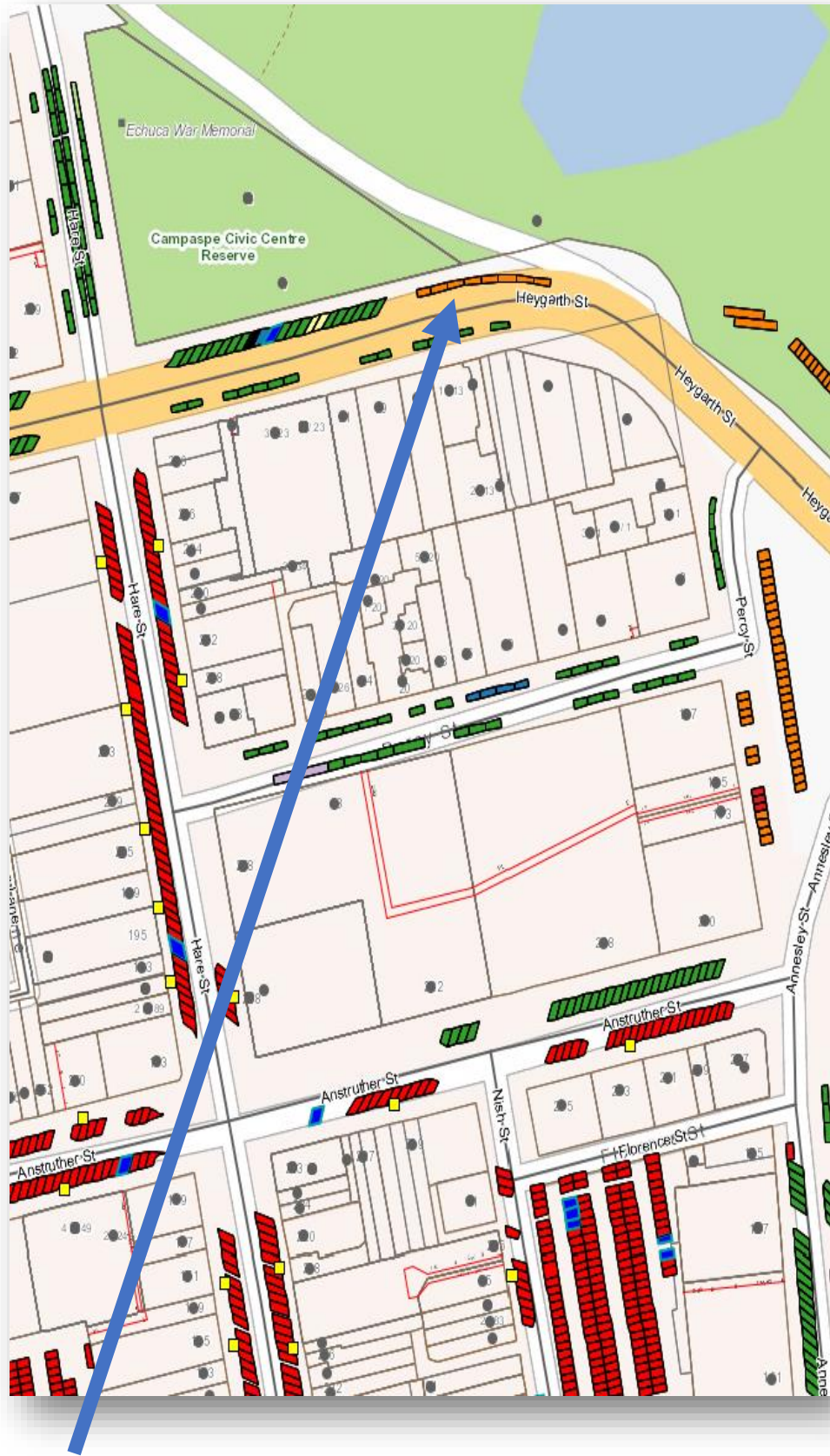
Murray Esplanade and High Street will move from all day to 2 hours.



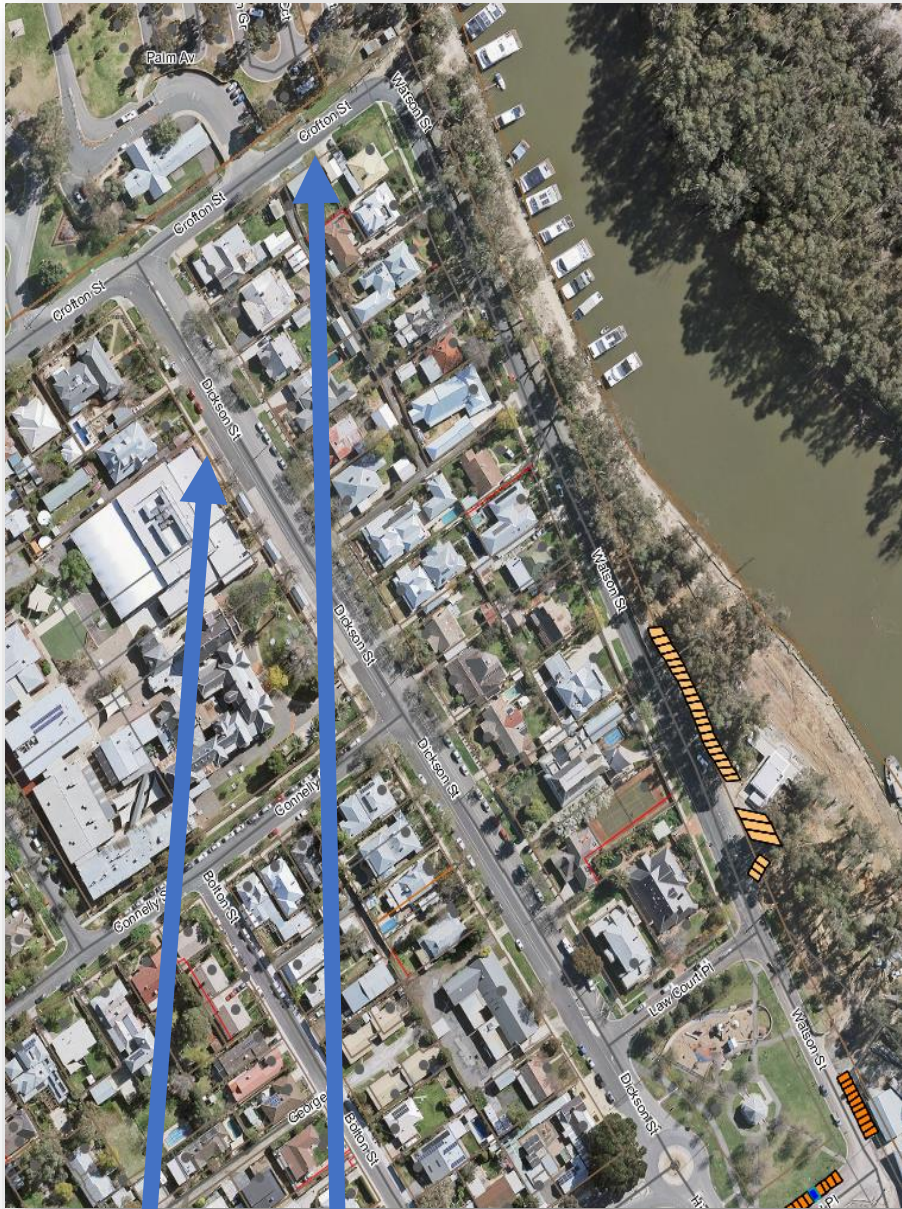
Leslie Street and Hopwood Place and Watson Street move from all day to 4 hours.



Heygarth Street and Anstruther Street from 2 to 4 hours



Heygarth Street All day to 2 hours



Dickson Street and Crofton Street all day