



Council Agenda



Campaspe
Shire Council

Date: 15 August 2023

Time: 6:00 pm

Venue: Echuca Civic Centre

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

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For a meeting of the Campaspe Shire Council held on Tuesday 15 August 2023, commencing at 6:00 pm at the Council Chambers, Echuca Civic Centre.

Acknowledgement of Country

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

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

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

Opening Prayer

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

Amen

Meeting Procedures

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

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

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

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

1 Apologies and Requests for Leave of Absence

1.1 Apologies

1.2 Leave of Absence

2 Confirmation of Minutes and Attachments

RECOMMENDATION

That the Minutes of the Campaspe Shire Council Meeting held on 18 July 2023 be confirmed.

3 Disclosure of Conflicts of Interest

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

4 Changes to the Order of Business

Once an Agenda has been published on the Council website, the Order of Business for that Council Meeting may only be altered as follows: -

- by the CEO prior to the commencement of the Council Meeting following consultation with the Mayor. Where the alteration occurs after the Agenda has been distributed to the public the alteration must be communicated to the Chair to explain the alteration at the Council Meeting under “changes to Order of Business”; or
- by the Chair during the Council Meeting; or
- by Resolution of the Council during the Council Meeting.

A change to the Order of Business after distribution of the Agenda to the public will be recorded in the Minutes of that Council Meeting.

5 Public Question Time

Question time will be available at a Council Meeting, except for an Unscheduled Meeting, to enable members of the public to address questions to Council.

All questions must: -

- be received in writing on either of the prescribed forms as outlined on Council’s website; and
- be received no later than 12:00pm (noon) on the day before the Council Meeting.

Please refer to Council’s Governance Rules for further information regarding Public Question Time procedures.

6 Petitions / Joint Letters

7 Acknowledgements / Councillor Reports

At each Ordinary Meeting, Councillors will have the opportunity to: -

- acknowledge significant community members and events. These may relate to notable achievements by community members and groups, and the offering of condolences to a person who has distinguished service in the local area.
- report on any meetings, conferences or events that they have recently attended; or
- report on any matters or progress in relation to a Delegated Committee they are part of.

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

The CEO must be notified of any acknowledgment or report to be raised by a Councillor at a Council Meeting at least three (3) hours before the commencement of the Council Meeting.

8 Council Decisions

8.1 Responsible Authority Decisions

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

8.1.1 Planning Decision monthly update

Directorate: Sustainability

Responsible Officer: Manager Planning and Building

Manager: Manager Planning and Building

Attachments: 1. Monthly Councillor Reporting - July 2023 [8.1.1.1 - 4 pages]

1. PURPOSE

The purpose of this report is to provide information on the determined planning applications including other planning decisions as of 31 July 2023.

2. RECOMMENDATION

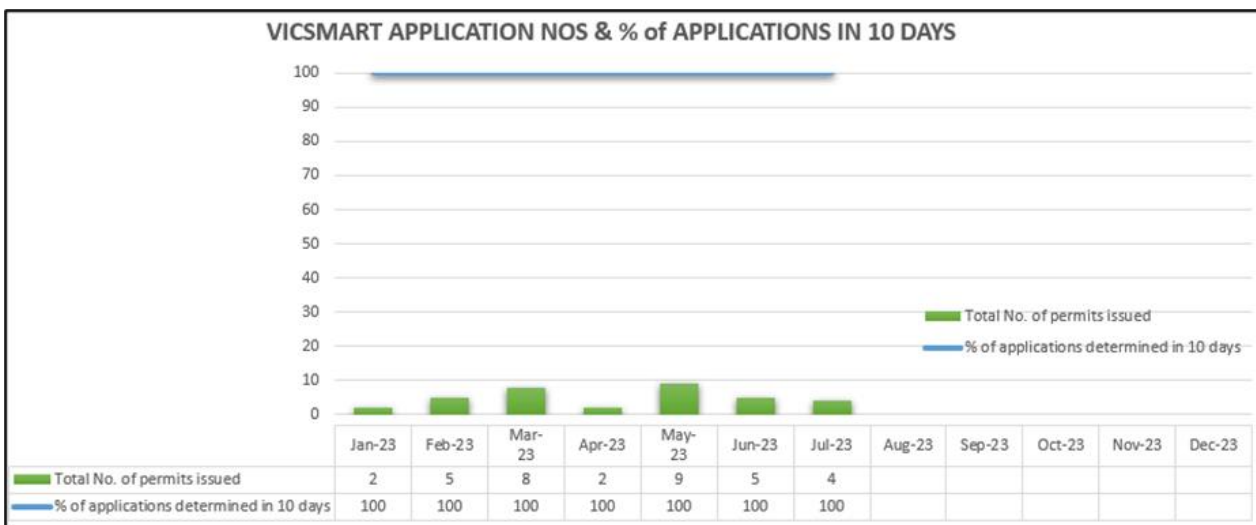
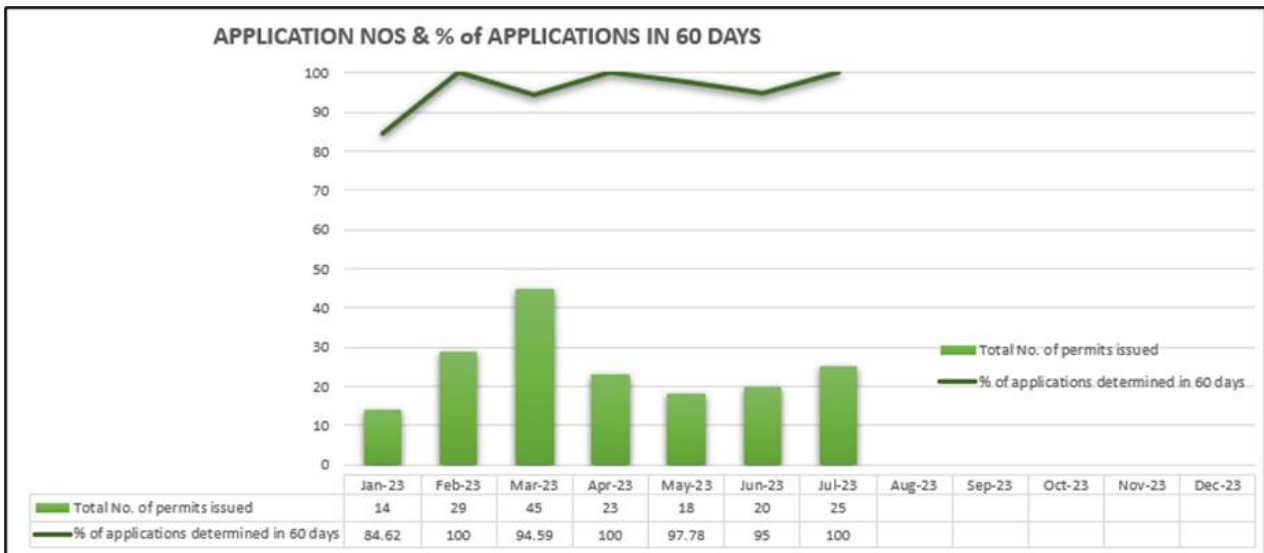
That Council acknowledge the determined planning permit applications and other planning decisions, to 31 July 2023.

3. DISCUSSION

The snapshot provided below outlines the number of applications determined and processing times of determined planning permit applications for the month of July 2023. The figures provided indicated that at the end of the reporting period:

- 22 Planning permit applications received.
- 52 Applications (including amendments, secondary consents, etc) were determined under delegations.
- 20 Planning permit applications were determined under delegation.
- The median processing of an application to determination is 41 days.

These results are extremely good, especially noting the staff shortages and the number of applications received.



It is noted that the statutory timeframe to determine and application within 60 days under the *Planning and Environment Act 1987* includes mandated referral authority time and advertising. When reviewing the timeframes, consideration must be applied where the application has requested additional time to resolve matters for an improved outcome, resolving matters with referral authorities or where the additional information sought requires specialised skills.

Planning Applications are prioritised based on their complexity, being:

P1 Applications – 10 Days (Vicsmart, no referrals, exempt from notice)

P2 Applications – 11 – 45 Days (Referred, advertised, no objections)

P3 Applications – 46 – 60 Days (Referred, advertised, received objections, consultation)

Planning register

All planning permit applications are available on the planning register to view the progress of the application, check if further information is required, check for public notification and view decisions on applications: online www.campaspe.vic.gov.au/Plan-build/Planning/Planning-register

OFFICIAL

Delegate Decisions 01-Jul-2023 to 31-Jul-2023

Monthly Determined

Application ID	Full Details	Property Address	Stage/Decision
82-97-197.A	The development and use of land for the purpose of an Undercover Saleyards Facility	Echuca Livestock Exchange 520 Mckenzie Road ECHUCA VIC 3564	Permit Amended
PLN042/2023	Use and development of the land for a utility installation (wastewater and raw water lagoon) in the Farming Zone Schedule 1	350 Winter Road GIRGARRE VIC 3624	Permit Issued
PLN063/2023	Building & works (alterations to building) in the Commercial 2 Zone and Design and Development Overlay Schedule 3 and Business Identification Signage pursuant to Clause 52.02	7-9 Murray Valley Highway ECHUCA VIC 3564	Permit Issued
PLN065/2023	Buildings and works (Dependent person unit) in the Rural Living Zone and Floodway Overlay	48 Finnigan Court WARANGA SHORES VIC 3612	Not Required
PLN066/2023	Buildings and Works (outbuilding) in the Bushfire Management Overlay	178 Wharparilla Drive ECHUCA VIC 3564	Permit Issued
PLN070/2023	Use and development of the land for vehicle store in the Industrial 1 Zone and Design and Development Overlay Schedule 9	155 Albion Street KYABRAM VIC 3620	Permit Issued
PLN089/2023	Development of the land for trade supplies in the Commercial 2 Zone and the Design and Development Overlay Schedule 3 and Business Identification Signage pursuant to Clause 52.02	Fact 2/1-5 Murray Valley Highway ECHUCA VIC 3564	Permit Issued
PLN091/2023	Buildings and works (Outstands) in the Commercial 1 Zone	456 High Street ECHUCA VIC 3564	Permit Issued
PLN109/2023	Re-subdivision of the land into five lots in the General Residential Zone and creation of an easement in accordance with Clause 52.02	Unit 2/119 Crossen Street ECHUCA VIC 3564	Permit Issued
PLN111/2023	Use of the land (Tenancy 1) for a liquor license (general license) pursuant to Clause 52.27	Level 2 456-464 High Street ECHUCA VIC 3564	Permit Issued
PLN112/2023	Use of the land (Tenancy 2) for a liquor license (general license) pursuant to Clause 52.27	Level 2 456-464 High Street ECHUCA VIC 3564	Permit Issued
PLN118/2023	Buildings and works (shade sails) in association with an existing education centre in the Heritage Overlay Schedule HO212	11 Campaspe Street ROCHESTER VIC 3561	Permit Issued
PLN125/2023	Boundary Realignment (dwelling excision) in the Farming Zone Schedule 2	970 Sinclair Road KYVALLEY VIC 3621	Permit Issued
PLN127/2023	Development of the Land For a Telecommunications Facility (equipment shelter, antennas and 35m monopole) in the Farming Zone Schedule 1 and Restructure Overlay and pursuant to Clause 52.19	2402 Northern Highway TOOLLEEN VIC 3551	Permit Issued
PLN132/2023	Removal of an easement pursuant to Clause 52.02	304 Gledhill Road BALLENDILLA VIC 3561	Permit Issued
PLN137/2023	Buildings and works (Dwelling) in the Rural Living Zone Schedule 2	45 Shoveler Street ECHUCA VIC 3564	Permit Issued
PLN138/2023	Buildings and works (carport) in the Bushfire Management Overlay Schedule	114 Strays Lane RUSHWORTH VIC 3612	Permit Issued
PLN145/2023	Buildings and Works (Outstand) in the Commercial 1 Zone and Design and Development Overlay Schedule 4	161-175 Annesley Street ECHUCA VIC 3564	Permit Issued

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PLN285/2022	(info) Use and development of the land for an outdoor recreation facility (golf course) in the Farming Zone Schedule 1, including Earthworks in the Farming Zone and Salinity Management Overlay with Native Vegetation removal (108 trees)	2629 Heathcote-Rochester Road COLBINABBIN VIC 3559	Withdrawn
PLN314/2022	Buildings and Works (warehouses) in the Industrial 1 Zone, and a reduction of car parking pursuant to Clause 52.06	11 Kuhle Road KYABRAM VIC 3620	Permit Issued
PLN352/2022	Use and development of the land for a place of assembly and a food and drink premises (cafe) in the Township Zone and Heritage Overlay Schedule 602 including amenities block and mobile food van, reduction in car parking pursuant to Clause 52.06 and use of the land for a liquor licence (restaurant and cafe) pursuant to Clause 52.27	34-36 Main Street GUNBOWER VIC 3566	Permit Issued
PLN393/2022.A	Buildings and works (Building Extension) in association with an existing use in the General Residential Zone and Land Subject to inundation Overlay and Internally Illuminated Business Identification Signage pursuant to Clause 52.05	82 Allan Street KYABRAM VIC 3620	Permit Issued

Monthly Determined - VicSmart

Application ID	Full Details	Property Address	Stage/Decision
PLN141/2023	VICSMART - Buildings and works (Awning) in the Commercial 1 Zone	240 Pakenham Street ECHUCA VIC 3564	Permit Issued
PLN153/2023	VICSMART - Buildings and works (outbuilding) in the Farming Zone Schedule 1	1049 Lowrie Road BAMAWM EXTENSION VIC 3564	Permit Issued
PLN156/2023	AMENDMENT - VICSMART - Buildings and works (Agricultural Sheds) in the Farming Zone Schedule 1	198 Geodetic Road North STANHOPE VIC 3623	Permit Issued
PLN162/2023	VICSMART Buildings and works (carport) in the Farming Zone Schedule 1	734 Wharparilla Road BAMAWM EXTENSION VIC 3564	Permit Issued

Secondary Consent Determined

Application ID	Full Details	Property Address	Stage/Decision
PLN043/2022	Buildings and Works (warehouses) in the Industrial 1 Zone and reduction in car parking pursuant to Clause 52.06	21 King George Crescent ECHUCA VIC 3564	Permit Amended
PLN175/2022	Use and Development of the land for a dwelling in the Farming Zone Schedule 1 and Land Subject to Inundation Overlay	6449 Murray Valley Highway WYUNA VIC 3620	Permit Amended
PLN200/2022	AMENDMENT - VICSMART - Buildings and works (alfresco area) in the General Residential Zone and Heritage Overlay Schedule 3	Unit 4/52 Hopwood Street ECHUCA VIC 3564	Permit Amended
PLN213/2022	Use and development of the land for a second dwelling in the Farming Zone Schedule 1	2091 Webb Road NANNEELLA VIC 3561	Permit Amended
PLN359/2022	Re-subdivision of the land into two (2) Lots in the Farming Zone Schedule 1 and Floodway Overlay	1025 Mccoll Road KYABRAM VIC 3620	Permit Amended

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PLN404/2020	AMENDMENT - Use and development of the land for Motor Vehicle Sales, Internally Illuminated pylon sign and Business Identification Signage in the Commercial 2 Zone and Design and Development Overlay Schedule 3, reduction of car parking pursuant to Clause 52.06 and creation of access to Road Zone Category 1 pursuant to Clause 52.29	82 Northern Highway ECHUCA VIC 3564	Permit Amended
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Extension of Time Determined

Application ID	Full Details	Property Address	Stage/Decision
PLN090/2019	Use and development of the land for a dwelling in the Farming Zone Schedule 2	215 Graham Road LANCASTER VIC 3620	Completed
PLN140/2018	Buildings and Works (Dwelling Extension, Swimming Pool and Outbuilding Extension) in the Farming Zone Schedule 2, Environmental Significance Overlay Schedule 1, Land Subject to inundation Overlay, Bushfire Management Overlay and Restructure Overlay	25 River Avenue ECHUCA VILLAGE VIC 3564	Completed
PLN158/2019	Buildings and Works to Construct a Dwelling in the Bushfire Management Overlay, Schedule 1	126-128 Pakenham Street ECHUCA VIC 3564	Completed
PLN404/2020	AMENDMENT - Use and development of the land for Motor Vehicle Sales, Internally Illuminated pylon sign and Business Identification Signage in the Commercial 2 Zone and Design and Development Overlay Schedule 3, reduction of car parking pursuant to Clause 52.06 and creation of access to Road Zone Category 1 pursuant to Clause 52.29	82 Northern Highway ECHUCA VIC 3564	Completed

Condition Plans Determined

Application ID	Full Details	Property Address	Stage/Decision
PLN014/2022	Subdivision of the land into two (2) lots in the Special Use Zone, Public Park and Recreation Zone and General Residential Zone, and removal of reserve status pursuant to Clause 52.02	88 Wilkinson Drive ECHUCA VIC 3564	Completed
PLN053/2023	VICSMART - Buildings and Works carport and outbuilding) in the Farming Zone Schedule 1	1273 Sinclair Road KYVALLEY VIC 3621	Completed
PLN067/2022	Re-subdivision of two lots in the Farming Zone Schedule 1 and Land Subject to Inundation Overlay and creation of a carriageway easement pursuant to Clause 52.02	94 Gunbower-Pyramid Road GUNBOWER VIC 3566	Completed
PLN069/2023	Buildings and works (swimming pool and outbuilding) in the Farming Zone Schedule 1	615 Looker Road ECHUCA VILLAGE VIC 3564	Completed
PLN095/2022	Buildings and Works (Replacement dwelling) in the Farming Zone Schedule 1 and Floodway Overlay	95 Rosaia Road BURNEWANG VIC 3558	Completed
PLN113/2020	Staged Subdivision of the Land into 210 Lots in the General Residential Zone and Development Plan Overlay Schedules 2 and 4 and Removal of Native Vegetation pursuant to Clause 52.17 and Alteration of Access to a Road Zone Category 1 pursuant to Clause 52.29	441 Allan Street KYABRAM VIC 3620	Completed

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PLN115/2023	Buildings and works (six light towers) in the Public Park and Recreation Zone	Girgarre Recreation Reserve Wallace Street GIRGARRE VIC 3624	Completed
PLN123/2022	Boundary Realignment in the Rural Activity Zone, Land Subject to Inundation Overlay and Bushfire Management Overlay	459 Headworks Road TORRUMBARRY VIC 3562	Completed
PLN143/2023	VICSMART - Buildings and works (swimming pool/spa) in the Farming Zone Schedule 1	1765 Curr Road TONGALA VIC 3621	Completed
PLN163/2022	Subdivision of the land into two lots (dwelling excision) in the Farming Zone Schedule 1 and Land Subject to Inundation and Floodway Overlay	828 Peppertree Lane KYABRAM VIC 3620	Completed
PLN170/2019	Staged Subdivision of the Land into 173 Lots and in the Low Density Residential Zone and General Residential Zone, Bushfire Management Overlay, Land Subject to Inundation Overlay and alteration of a Road Zone Category 1 pursuant to Clause 52.29 and Removal of Native Vegetation pursuant to Clause 52.17	Wharparilla Drive ECHUCA VIC 3564	Completed
PLN186/2022	Staged Use and development of the land for a camping and caravan park in association with an existing Section 2 Use in the Township Zone and Low Density Residential Zone and Land Subject to Inundation Overlay and Removal of Native Vegetation pursuant to Clause 52.17	Finlay Road TONGALA VIC 3621	Completed
PLN209/2022	Development of the land for a second dwelling and dwelling extension in the General Residential Zone, Heritage Overlay Schedule 87 and Land Subject to Inundation Overlay	20 Connelly Street ECHUCA VIC 3564	Completed
PLN216/2020	Staged multi lot subdivision of the land into 43 lots in the Farming Zone Schedule 1, Rural Living Zone Schedule 2, Development Plan Overlay Schedule 10 (A2 area) and the Land Subject to Inundation Overlay	592 Mary Ann Road ECHUCA VIC 3564	Completed
PLN273/2021	Amendment - Use and development of the land for a car park, buildings and works (external alterations), Creation of an access onto a Road Zone Category 1, in the Commercial 1 Zone, Design and Development Overlay Schedule 4	200-208 Anstruther Street ECHUCA VIC 3564	Completed
PLN379/2022	Buildings and works (3 warehouses) in the Industrial 1 Zone and a reduction of the car parking requirements pursuant to Clause 52.06	15 Kuhle Road KYABRAM VIC 3620	Completed

8.2 Planning Authority Decisions

A Planning Authority is defined under Section 12 of the *Planning & Environment Act 1987* and is responsible for implementing the objectives of planning in Victoria and reviewing and preparing amendments to a planning scheme.

8.3 Emergency Management

8.3.1 Flood Recovery Update

Directorate: Emergency Management

Responsible Officer: Manager Emergency Management

Manager: Director Emergency Management

Attachments: Nil

1. PURPOSE

To update Council on the progress of Campaspe Shire's Flood Recovery efforts.

2. RECOMMENDATION

That Council note the Flood Recovery Update.

3. DISCUSSION

Municipal Recovery Committee

In response to the October 2022 Flood in Campaspe, Council has developed a place based strategic approach to develop its recovery response to this disaster. The October 2022 Floods impacted Campaspe's various communities in devastating and multiple ways. To ensure the recovery of all communities within Campaspe are truly reflective of its actual needs, Council has adopted a geographically designed Place Based Planning model. Four catchments have been created Rochester, Echuca, East and West Campaspe.

Council created a Community Recovery Committee (CRC) for each of these catchments, and in partnership with Council Officers an action plan that addresses the localised needs of the five recovery pillars is being developed to ensure the recovery response is community led and relevant. The transition to a Municipal Recovery Committee ensures a holistic approach to broader flood recovery.

It was apparent that while Rochester's CRC was quite strong and meeting regularly, the level of support provided by other CRC's reduced in line with community need.

A Municipal Recovery Committee (MRC) best serves the entirety of Campaspe Shire, with representatives of the CRC's invited to participate. The first meeting has taken place with the following key items discussed;

The meeting was opened with a presentation from Recovery Wise.

Key points during the meeting focused on:

- People's different needs and responses.
- Need to be flexible and not ridged.
- Open communication required with all organisations.
- Recovery works well when we all work together.
- Community led recovery needs partnerships.
- Communication is vital, without it we cannot build trust and flexibility.

Issues discussed:

- Trigger points for dealing with trauma.
- Reassuring the community.
- Keeping people together.
- Leadership involves sharing.
- Speaking up about the journey.
- Making people feel comfortable – being open and honest about what is required to move forward.
- Terms of Reference.
- Round Table – Agency Updates.

Recovery Hub and Staffing

The flood recovery team has transitioned from temporary hub location at the Rochester Service Centre, across the road into a permanent home for the next few years. This will house Council's Flood Recovery team, as well as consultation offices for support agency staff.

Two flood recovery officers have commenced, as well as a recovery administration officer. They have joined Council's Flood Recovery Customer Service Officer at the hub, reporting to the Team Leader Flood Recovery and will focus on events and other strategic elements of recovery.

Council's message to the community is simply that we encourage use of the Hub as much as possible, to make it a safe and supportive environment without stigma. It will allow residents to access support from a multitude of agencies with the main aim being to connect people into the services they need.

In addition to these temporary, externally funded Flood Recovery roles, an officer has also been appointed to a Recovery and Resilience role.

Recovery Newsletters

The Flood Recovery Team continues to produce bi-monthly newsletters to residents of Echuca, Echuca Village / Kanyapella, Campaspe East, Campaspe West and Rochester.

These newsletters provide valuable information for residents, including grants, forums, programs and information about Council's advocacy, as well as support agency information.

These newsletters will continue as long as there is a demonstrated need, but circulation, format or release schedules may be reviewed in the coming months.

Funding

Recovery Hub funding has been extended and will provide Council the opportunity to provide the hub for at least the next two years. This allows for significant programming and events to be facilitated from the Hub and provide the Flood Recovery Team with equipment and vehicles to be mobile, including a bus which can be used throughout the municipality. Discussions have occurred with Emergency Recovery Victoria (ERV) to utilise these funds for specific priorities such as building inspectors.

Council was also successful in receiving \$1.088 million in funding from the Disaster Ready Funding.

The funding allows for:

- Updating and extending the draft Echuca Moama Torrumbarry Flood Study to incorporate data from the October 2022 flood event. This will also involve community and stakeholder engagement to collect additional data, verify the modelling accuracy, and generate community knowledge and understanding of flooding affects.
- Preparation of a Flood Risk Management Plan to identify, evaluate and recommend options for mitigation works and investigate recommendations to determine their overall feasibility and requirements.
- Purchase of demountable levee panels, along with design and construction of site works to enable installation, operation, and preparation as well as operating procedures for inclusion in the Flood Emergency Management Plans. The demountable barriers will protect key community facilities in Rochester rendered inoperable by the 2022 flood. They will also maintain road access in Echuca in areas that were completely cut-off in the 2022 flood, isolating essential services and the community

Flood Inquiry

The Committee will also hold public hearings into the flood event. Sessions will be held in Rochester on 23 August and Echuca on 24 August 2023.

After Action Review

We have engaged Resilience Co to undertake an organisation After Action Review (AAR). This is standard practice post an emergency, and aims to test Council's response to the event, the robustness of procedures and practices and provide a safe space for staff to debrief and assess the event as a whole.

Resilience Co will then provide a report to Council with actions aimed to strengthen our internal response.

Councillors will also be asked to provide feedback for this report.

4. CONSULTATION

Internal consultation:

- Executive Management Group
- Pillar Leaders
- Geographic Leaders

External consultation:

- Community Recovery Committees

Councillors:

- 07 02 2023 Council Briefing Session.

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

- Flourishing local economy
- Resilient protected and healthy natural environment
- Well managed resources for a sustainable future Protected natural environment
- Well planned places
- Effective and efficient services available locally.

6. POLICIES AND RELATED COUNCIL DOCUMENTS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) provides that Council decisions are to be made and actions taken in accordance with the relevant law.

7. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) provides that the ongoing financial viability of the Council is to be ensured.

Recovery Hub funding has been extended, and Campaspe has been offered an additional \$944,200 in hub funding, taking the total funding to just under \$2 million dollars in funding for the hub.

8. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

The requirements of Section 9(2)(c) of Local Government Act 2020 have been considered and social implications for the municipality have been identified with this report. Without ongoing flood recovery results can have severe social impacts especially where the community and authorities are not well informed. A key purpose of the Flood Recovery Committees is to provide advice, help with Flood Recovery decisions and ensure up to date information is accessible to the community and authorities.

9. ISSUES AND RISK MANAGEMENT

Issues: Not all residents have returned to their properties, as there are still insurance issues for several people as they progress their claims. Council has arranged several sessions with the Insurance Council of Australia, which have been well attended by residents. Council's building inspector is also based in Rochester to assist families as they rebuild.

Mental wellbeing is a priority and programs, and support services continue to be provided.

Risk:

One of the more immediate risks associated with flood recovery is the ability to attract funds for betterment for roads, etc as they are being repaired. Urgently securing this funding will assist potentially mitigate the impact of future natural disasters. Council is continuing its advocacy efforts in this area.

Conflict of Interest

Section 130 of the *Local Government Act 2020* (Vic) requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council Meeting.

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

10. CHARTER OF HUMAN RIGHTS

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

11. INSTRUMENT OF DELEGATION

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

8.4 Office of the CEO

8.4.1 CEO Performance Plan

Directorate: Office of the CEO

Responsible Officer: Chief Executive Officer

Manager: Chief Executive Officer

Attachments: 1. CONFIDENTIAL REDACTED - Performance Plan CEO
July Dec 2023 V 2 [8.4.1.1 - 4 pages]

1. PURPOSE

In accordance with the Chief Executive Officer (CEO) Employment and Remuneration Policy, the CEO Performance Plan sets out specific objectives and measures for success as established by the CEO and Council.

The purpose of this report is to provide Council with an opportunity to review and endorse the recommended CEO's Key Performance Indicators (KPIs) for the period July and December 2023.

Council's endorsement of KPIs for the CEO meets the organisations contractual obligations to the CEO.

2. RECOMMENDATION

That Council endorse the draft Key Performance Indicators within the Chief Executive Officer's Performance Plan for the period July- December 2023.

3. DISCUSSION

In accordance with Policy 175 the role of the CEO Employment and Remuneration Advisory Committee (the Committee) is to assist and advise the Council on developing the CEO's performance plan.

The Committee, consisting of Mayor Amos, Cr Weller, Cr Mackrell, Cr Gates liaised with the CEO to develop the Performance Plan. Whilst the Performance Plan has already been endorsed by Council at its Ordinary Meeting on 14 December 2022, every six months indicators are developed to measure the CEO's progress. This provides structure for the review of the CEO's performance during this period.

4. CONSULTATION

Internal consultation:

- CEO

Councillors:

- Cr Amos, Mayor
- Cr Weller
- Cr Mackrell

- Cr Gates

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

The CEO facilitates the organisation's delivery of Council Plan actions.

6. POLICIES AND RELATED COUNCIL DOCUMENTS

Policy 175 CEO Employment and Remuneration Policy sets out the framework for the management of the employment cycle of the CEO including performance and contract related processes.

7. LEGAL AND STATUTORY OBLIGATIONS

The requirements of Section 9(2)(a) of *Local Government Act 2020* have been considered in the preparation of this report.

Section 18(1)(g) of the *Local Government Act 2020* provides that the role of the Mayor is to take a leadership role in ensuring the regular review of the performance of the Chief Executive Officer, as supported by this report.

8. FINANCIAL IMPLICATIONS

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

9. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

Section 9(2)(c) of *Local Government Act 2020* and no specific negative economic, social or environmental implications have been identified within this report.

10. ISSUES AND RISK MANAGEMENT

Issues:

The provision of clear and measurable KPIs for the Chief Executive Officer sets the framework for focussed attention over the period of engagement and a structure for the review of the CEO's performance during this period. Council's endorsement of KPIs for the CEO meets the organisations contractual obligations to the CEO.

Risk:

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

11. CONFLICT OF INTEREST

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

12. CHARTER OF HUMAN RIGHTS

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

13. INSTRUMENT OF DELEGATION

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

8.4.2 MAV State Council Meeting Motion

Directorate:	Office of the CEO
Responsible Officer:	Director Infrastructure
Manager:	Director Infrastructure
Attachments:	Nil

1. PURPOSE

The Municipal Association of Victoria (MAV) is holding its State Council Meeting on Friday 13 October 2023. State Council is the MAV's governing body and comprises representatives from each member council, with one of its roles being to determine the strategic direction for the MAV.

Member councils are invited to put forward motions for consideration at the State Council Meeting in accordance with the criteria set by the MAV.

Council is asked to consider the motion included in the recommendation of this report and, if supportive of it, endorse the motion for submission.

2. RECOMMENDATION

That Council

Endorse the following motion for inclusion at Municipal Association of Victoria State Council Meeting to be held Friday 13 October 2023.

That the MAV calls on the Victorian Government and Australian Government to:

- 1. Commit to allowing the betterment of public assets damaged by natural disasters to be funded through the state and federal Disaster Recovery Funding Arrangements (DRFA).**
- 2. Allow Councils to submit claims for betterment and fund improvements to assets where the asset is critical and can be better protected against damage from natural disasters into the future.**
- 3. Notes that the motion was submitted to the Municipal Association Victoria by the due date of Monday 14 August 2023.**
- 4. Notes that amendments to the motion can be submitted 5pm on Wednesday 30 August 2023**

3. DISCUSSION

This motion follows on to the MAV's resolution of 19 May 2023 with respect to 'Disaster Recovery and Resilience Support for Local Government'. This MAV resolution called on the Victorian and Australian Governments to financially support local government with post-disaster betterment funding to improve damaged assets beyond their 'previous condition' and by providing an ongoing betterment program to upgrade existing public infrastructure.

At its meeting of 16 May 2023, Campaspe Shire Council resolved in part:

'That Council supports collaboration with Buloke Shire Council, Gannawarra Shire Council, Loddon Shire Council and Swan Hill Rural City Council to strongly advocate for:

“(4) The need for ‘betterment’ to be included within Commonwealth-State Disaster

Recovery Funding Arrangements (DRFA) to reduce potential risk liability to councils.”

Betterment funding would enable infrastructure damaged by natural disaster to be repaired to current standards which would improve its capacity to withstand flood events into the future. Betterment funding will also reduce councils' risk liability. For example, if a council rehabilitates flood-damaged roads and these do not align with its Road Management Plan.

In early August 2023, Council also lodged a submission to the Australian Government's Independent Review into Commonwealth Disaster Funding.

In the submission, Council again highlighted the need for betterment funding for damaged public assets. Following the October 2022 floods, Council identified a number of assets which were also damaged in the 2011 floods. Ideally, Council would assess an asset, determine if there are mitigation or betterment works which could improve the performance of the asset, and then do those works when replacing the asset. However, as betterment is not currently part of the DRFA arrangements, Council has only been able to assess like-for-like replacement or repair of these damaged assets.

The significant role that climate change will continue to play in changing the frequency and impacts of natural disasters also needs to be considered. Investing in the betterment of damaged assets following a natural disaster is one way of mitigating against the severity of these impacts into the future.

Council has strongly advocated for betterment funding and discussed with officers the need to submit to the October 2023 MAV State Council. Whilst the motion was submitted to the Municipal Association Victoria by the due date of Monday 14 August 2023, amendments to the motion can be submitted 5pm on Wednesday 30 August 2023.

4. CONSULTATION

Extensive consultation has occurred across the Murray River Group of Councils, the Loddon Campaspe Mayors and CEOs group and through numerous conversations across both government and community sectors. Unless funding resources are obtained to improve the performance of the asset and mitigate against the severity of the impact into the future, it is likely that Council and our community will experience the same level of impact.

Councillors:

- 16 May 2023 Council Ordinary Meeting.

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

Resilient protected and healthy natural environment

Well managed resources for a sustainable future

Well planned places

Ability to travel safely and easily by road and rail

Growing quality of life

Effective and efficient services available locally

6. POLICIES AND RELATED COUNCIL DOCUMENTS

Section 9(2)(c) of the *Local Government Act 2020* (Vic) have been considered and this report is consistent with Council policies and related documents.

7. LEGAL AND STATUTORY OBLIGATIONS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) have been considered and there are no legislative implications arising from this report.

This report seeks Council endorsement of the submission prepared and lodged by Councillors on 14 August 2023.

8. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) has been considered and Betterment funding will support the ongoing financial viability of Council.

Betterment funding will save millions of dollars in years to come by making sure that infrastructure is rebuilt to withstand more extreme bushfires, cyclones, and floods.

9. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

Rebuilding disaster-impacted infrastructure above original specifications and conditions provide communities with the level of resilience they need in the face of more frequent and increasingly severe weather events.

10. ISSUES AND RISK MANAGEMENT

Risk management has been considered in the preparation of this report and Betterment funding will reduce councils' risk liability.

11. CONFLICT OF INTEREST

Section 130 of the *Local Government Act 2020* (Vic) has been considered and the officer preparing this report declares no conflict of interest regarding this matter.

12. CHARTER OF HUMAN RIGHTS

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

13. INSTRUMENT OF DELEGATION

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

8.5 Communities

8.5.1 Municipal Early Years Plan 2023-25

Directorate: Communities

Responsible Officer: Manager Community Health

Manager: Manager Community Health

Attachments: 1. DRAFT Municipal Early Years Plan - 2023 to 2025
[8.5.1.1 - 20 pages]

1. PURPOSE

To seek Council's endorsement of the draft Campaspe Shire Municipal Early Years Plan 2023 – 2025 and authorise its release for public comment.

2. RECOMMENDATION

That Council:

1. endorse the draft Campaspe Shire Municipal Early Years Plan 2023-25; and
2. authorise its release for public comment for a period of four weeks.

3. DISCUSSION

Though not a statutory requirement, the development of Municipal Early Years Plans (MEYPs) is commonplace among the Victorian Local Government sector. It is generally recognised that investing in the early years provides significant return on investment across the life course. Research shows high-quality, birth-to-five early childhood care and education provides a higher rate of return than attending preschool alone, resulting in improved social, emotional, physical and economic wellbeing later in life. MEYPs help guide the work of relevant Council departments, as well as external Service Providers, to achieve a more joined up service system that seeks to optimise the health, wellbeing and development of Campaspe children and families. The MEYP demonstrates Council's commitment to supporting children and ensuring that families understand the importance of the early years and have the support that they need during this critical phase in every child's life.

To inform development of a new MEYP, community and stakeholder consultations took place throughout 2021 as part of the "omnibus engagement plan" facilitated by the Community Development Team. The outcome of this consultation highlighted some general themes around access to services and need for increased support for active travel and indicated that the existing plan themes continued to be relevant. These four themes were:

- 1) The best possible start - Children have the opportunity to grow and develop in a rich and nurturing environment.
- 2) High quality, sustainable services and infrastructure - Plan for, monitor and evaluate services and facilities to meet community need.
- 3) Support vulnerable children - Families in which children may be vulnerable are identified and assisted before things become critical.

- 4) Family friendly places - The physical environment of the shire supports the growth and development of children and families.

To build on this feedback, service provider partners came together at a stakeholder's workshop in May 2023 to inform the development of a new MEYP. Stakeholder feedback mirrored that of community in 2021, indicating the predecessor plan themes remained relevant.

The draft plan as presented promotes the vision that 'Children and their families are supported to grow, learn and thrive in our welcoming and inclusive community', and features three themes:

- 1) The best possible start to life - Our children have the opportunity to grow, thrive and learn in a rich, nurturing and inclusive environment.
- 2) High quality, safe and accessible services - Our collaborative early years services help to enhance the health and wellbeing of children and families living in our community.
- 3) Family inclusive places and spaces - Our public spaces and places are welcoming of children, accessible for people of all abilities and inclusive of diversity.

Each theme is supported by an objective and several relevant goals that have arisen through the consultation process. To realise the MEYP vision that 'children and families are supported to grow, learn and thrive in our welcoming and inclusive community', an annual action plan will be developed by Council's Early Years team in partnership with local service providers and organisations.

4. CONSULTATION

Internal consultation:

- Executive Leadership Team 12 July 2023.

External consultation:

- Community consultations to seek feedback on relevance of existing plan themes and understand emerging needs were undertaken throughout 2021 as part of the "omnibus engagement plan" facilitated by the Community Development Team.
- Service Providers were invited to attend a workshop to inform development of the plan on 4 May 2023.

Councillors:

- 1 August 2023 Council Briefing Session.

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

Growing quality of life

Effective and efficient services available locally
Children, young people and families healthy and well
Inclusive, connected, culturally diverse and safe

The plan has been developed through engagement with local service provider partners and the analysis of relevant policies, strategic plans, community engagement responses and demographic data. It aligns closely with the Campaspe Shire Council Plan 2021-2025 vision and principles.

6. POLICIES AND RELATED COUNCIL DOCUMENTS

This plan serves to renew Council's Statement of Commitment to Child Safety and Wellbeing, which underpins embedding the Child Safe Standards within the organisation.

7. LEGAL AND STATUTORY OBLIGATIONS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) provides that Council decisions are to be made and actions taken in accordance with the relevant law.

Though the development of a Municipal Early Years Plan is not a statutory obligation, endorsing such a plan to be presented to the community for engagement represents alignment with the governance principles set out in the *Local Government Act 2020*.

8. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) provides that the ongoing financial viability of the Council is to be ensured.

The themes of the plan are intended to guide the work of the Council and service system partners within their respective capacity and spheres of influence to achieve good outcomes for children and families, but do not bind any parties to financial commitments.

9. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

Research shows that the highest rate of economic return comes from the earliest investments in children. Delivering high quality programs for 0–5-year-olds provides a far greater return on investment later in life than investing in preschool alone, resulting in improved social, emotional, physical and financial outcomes leading to greater productivity and reduced social spend for society.¹

10. ISSUES AND RISK MANAGEMENT

Issues:

Service user expectation is not aligned with scope or capacity of service delivery.

It is acknowledged that there are known gaps in service delivery (or even in the existence of services themselves) and access to facilities that support the wellbeing of children and families. It is important to note that these gaps, and any further issues that might emerge through the action planning that will underpin the plan, may not be the funding or delivery responsibility of Council.

Any commitments undertaken through partnership work to influence the themes of the plan will be sympathetic to the adopted service levels, resource and financial capacity of Council (or the lead organisation) and might instead translate to advocacy actions.

Risk:

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

11. CONFLICT OF INTEREST

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

¹ Heckman – The Economics of Human Potential

12. INSTRUMENT OF DELEGATION

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



Municipal Early Years Plan

Draft: 2023 - 2025





Acknowledgement of Country

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

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

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

Statement of Commitment to Child Safety and Wellbeing

Campaspe Shire Council is committed to the safety and well-being of children and is committed to creating and maintaining a child safe organisation, including places managed or owned by Council. All Council Officers, including employees, contractors, volunteers and Councillors have a legal and moral obligation to keep children safe and promote their best interests.

Campaspe Shire Council has a zero tolerance to child abuse. Council is committed to creating and maintaining a safe and friendly organisation where all children are valued and protected from abuse. All allegations and safety concerns will be treated very seriously and consistently, in line with our robust policies and procedures. We are committed to identifying risks early and removing and reducing these risks.

Our commitment to the safety of children is based on our duty of care and responsibilities to children and always acting in the best interests of children. The wellbeing and safety of children and young people in our care will always be our priority and we are committed to providing welcoming, culturally safe and accessible environments where children feel valued, empowered, listened to and considered in decisions that affect their lives. All children have the right to feel and be safe, be protected from harm and to be treated with dignity, respect and integrity regardless of their, or their families', age, gender, race, ability, health, religious beliefs, sexual orientation or social background.

We will ensure that child safety and wellbeing and protecting children from abuse is embedded in our organisational culture, reflected in our policies and procedures, and understood and practiced at all levels of our work.



Children and their families are supported to grow, learn and thrive in our welcoming and inclusive community.

We will achieve this through:

- Creating the best possible start to life
- Providing high quality, safe and accessible services
- Providing family inclusive places and spaces



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Acknowledgement of partners

Campaspe Shire Council would like to acknowledge the partner organisations that contributed to the development of the Campaspe Shire Municipal Early Years Plan.



A Message From the Mayor

I am delighted to present the Campaspe Shire Municipal Early Years Plan 2023-2025 to the community. This plan outlines our strategic direction to promote and influence positive outcomes for children 0-8 years of age and their families.

Campaspe Shire believes that children are a vital part of our community. We also recognise the valuable role that families and carers play in the positive development of children, along with playgroups, early learning centres, kindergartens, schools, local services and a diverse array of other community organisations and individuals.

Council acknowledges the importance of continued investment in the early years. It is committed to the safety, participation and empowerment of all children.

The plan has been developed through engagement with local service provider partners and the analysis of relevant policies, strategic plans, community engagement responses and demographic data. It aligns closely with the *Campaspe Shire Council Plan 2021-2025* vision and principles.

Our priorities for the Campaspe Early Years Plan over the next three years will focus on three themes;

1. **The best possible start to life**
2. **High quality, safe and accessible services**
3. **Family inclusive places and spaces**

On behalf of Councillors and Campaspe Shire Council, I invite you to be actively involved in the implementation of the plan and join us in achieving our Early Years vision:

Children and their families are supported to grow, learn and thrive in our welcoming and inclusive community.

**Cr Rob Amos
Mayor**

Introduction

The first eight years of a child's life, or what is known as the 'early years', provides the foundation for each child's growth and development throughout their life. It is a time where children's brains are developing rapidly and where they learn to communicate, think, problem solve and understand the world in which they live. It is also a time of physical growth and the development of both fine and gross motor skills. Further, it is a time where they learn to socialise and develop friendships.

How a child develops physically, emotionally and socially in their first eight years of life is dependent upon many factors including:

- Relationships with family, friends, early childhood educators and others
- Access to early learning education opportunities, e.g. playgroups, childcare, kindergarten and school
- Genetics
- Health – physical health and access to health care
- Nutrition
- Physical activity levels
- Family situation / experiences, e.g. access to housing, job security, financial security, safety and non-discrimination
- Broader environmental conditions, e.g. pollution and impact of natural disasters.

It is often said that "it takes a village to raise a child." Families, early years educators, schools, early years services, generic health and wellbeing services, sports clubs, arts / cultural groups, places of worship and others – the 'village' – all have an important role in helping our children to reach their full potential. The Bronfenbrenner's Ecological Model supports this notion that the child is at the centre and learning and development is shaped by the environment and networks which surround them.

Campaspe Shire recognises that it has a unique role in helping to influence the health, wellbeing, education and development of children at a local level through its policy development, program / service planning and delivery, as well as its role in provision of, or advocacy for, community infrastructure. Guiding its work in this space are the core principles of prevention, equity, health and long-term social and educational outcomes for children. Council recognises that when it has a focus on the needs of children, it ultimately benefits the entire community.

All children and families should have access to affordable and appropriate early years services that meet their needs consistent with best practice frameworks such as the Victorian Early Years Learning & Development Framework (VEYLDF) and National Quality Framework and Standards. Council will advocate for access to services where gaps exist and work with suitable providers for direct service provision to its communities.

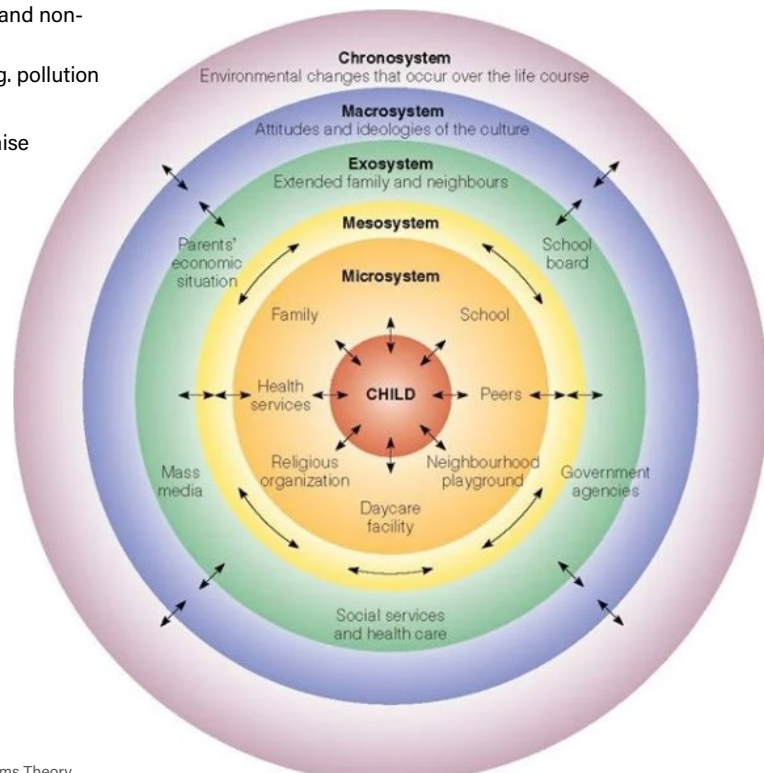


Image sourced from Bronfenbrenner's Ecological Systems Theory
- Simply Psychology

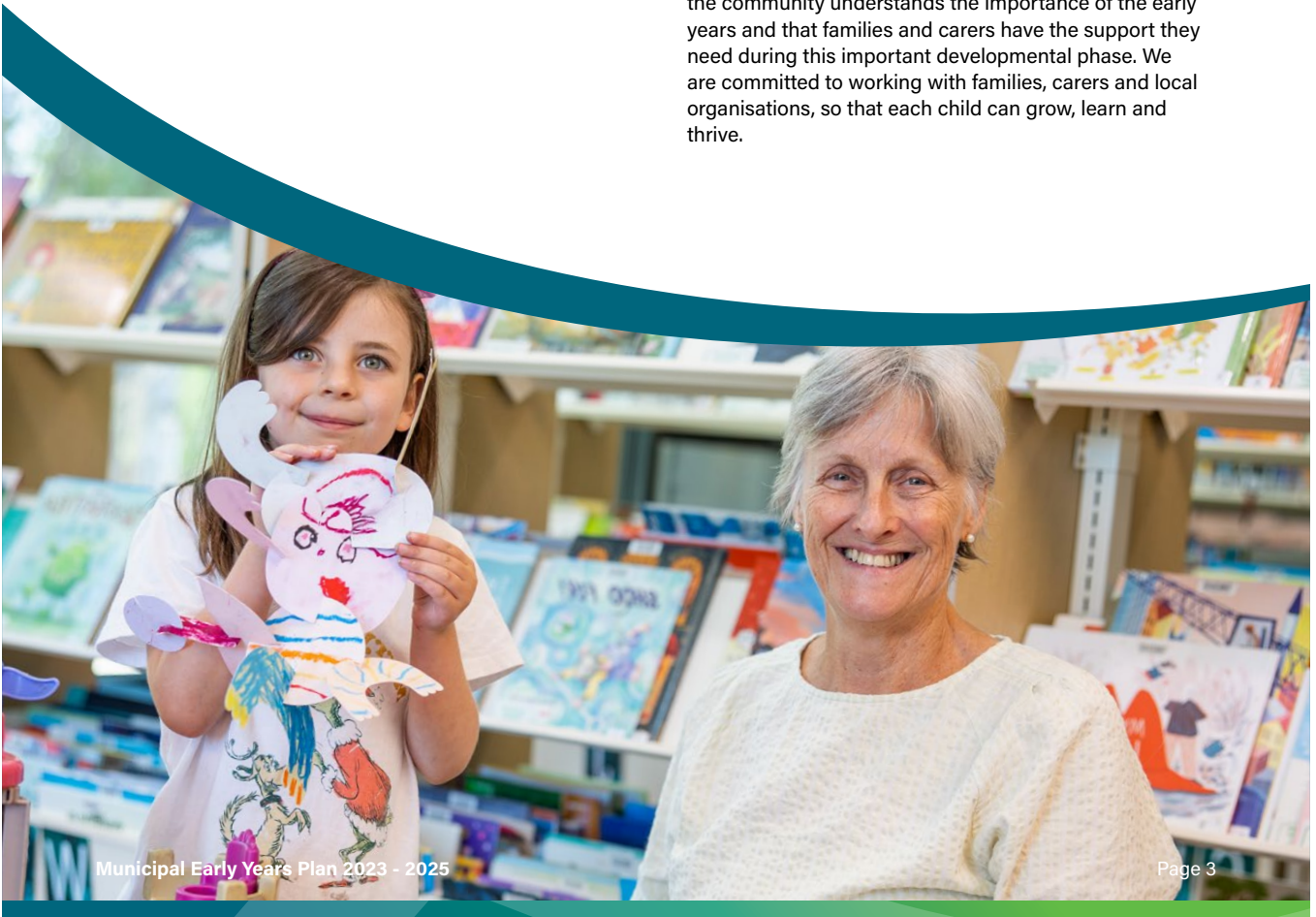
Introduction

Since the previous Municipal Early Years Plan was completed, the State Government has undertaken sector reform (titled Best Start Best Life). As part of these reforms, it has increased the hours for three-year old kinder from five to 15 hours per week from 2022, increasing this to 15 hours per week by 2029 across the state. Another initiative is the Pre-Prep program. This involves four-year old kindergarten gradually transitioning to pre-prep between 2025 and 2032. By the completion of the roll-out, four-year olds involved in pre prep will be eligible for 30 hours of pre prep per week, which is double the current number of 15 hours per week of kindergarten. As kindergarten is also now subsidised for both three-year old and four-year old kinder, it is more accessible from a financial perspective for families. The impact of these measures and the ability for increased hours of kindergarten and pre-prep programs to be delivered across the municipality is a key focus for planning by the Shire's Early Years team.

Some other priority areas of State Government in the early years sector include:

- Prioritising the development of new kindergartens on primary school grounds to enable better access for families
- Promotion of gender equity to help reduce family violence
- Reforming the early years to enable a higher quality more equitable and inclusive early childhood system
- Encouraging respectful relationships
- Strengthened Child Safe Standards which are designed to promote the safety of children; prevent child abuse; and ensure that organisations and businesses have effective processes in place to respond to and report all allegations of child abuse.

This Plan sets out the community's vision, objectives, themes and goals relating to children aged 0 to 8 and their families. The vision, objectives, themes and goals contained in the Plan were developed in consultation with local service providers. The focus is to ensure that the community understands the importance of the early years and that families and carers have the support they need during this important developmental phase. We are committed to working with families, carers and local organisations, so that each child can grow, learn and thrive.



Council's Role in the Early Years

Campaspe Shire plays an important role in facilitating the growth and development of children, and in supporting their families and carers. Working in partnership with local service provider partners, Campaspe Shire's key roles in the early years are:

Planning and Coordination

Council plans for and identifies early years needs as they relate to council service delivery or to the wider service system that supports Campaspe families. This includes the coordination of central enrolment for most kindergartens in the Shire. It also undertakes a collaborative approach with local service providers to share information and expertise and to further develop skills and knowledge to build early years sector capacity.

Service Provision

Council delivers the Maternal and Child Health Service throughout the municipality and also early years services at Campaspe Community Children's Centre in Echuca and Rochester Early Learning. Council also delivers the funded Supported Playgroup program, along with Library service programs and events that are inclusive of children and families.

Facility Planning

Council maintains a range of existing dedicated early years infrastructure such as Maternal & Child Health centres, as well as community infrastructure which is used by children and families including libraries, play spaces, parks and recreational facilities. Council's planning and advocacy role aims to encourage relevant stakeholders to plan for and deliver child and family friendly places throughout the municipality.

Advocacy

Council lobbies and advocates to state and federal government and other relevant organisations so that the needs of children and their families are heard and addressed.

Strengthening Community Capacity

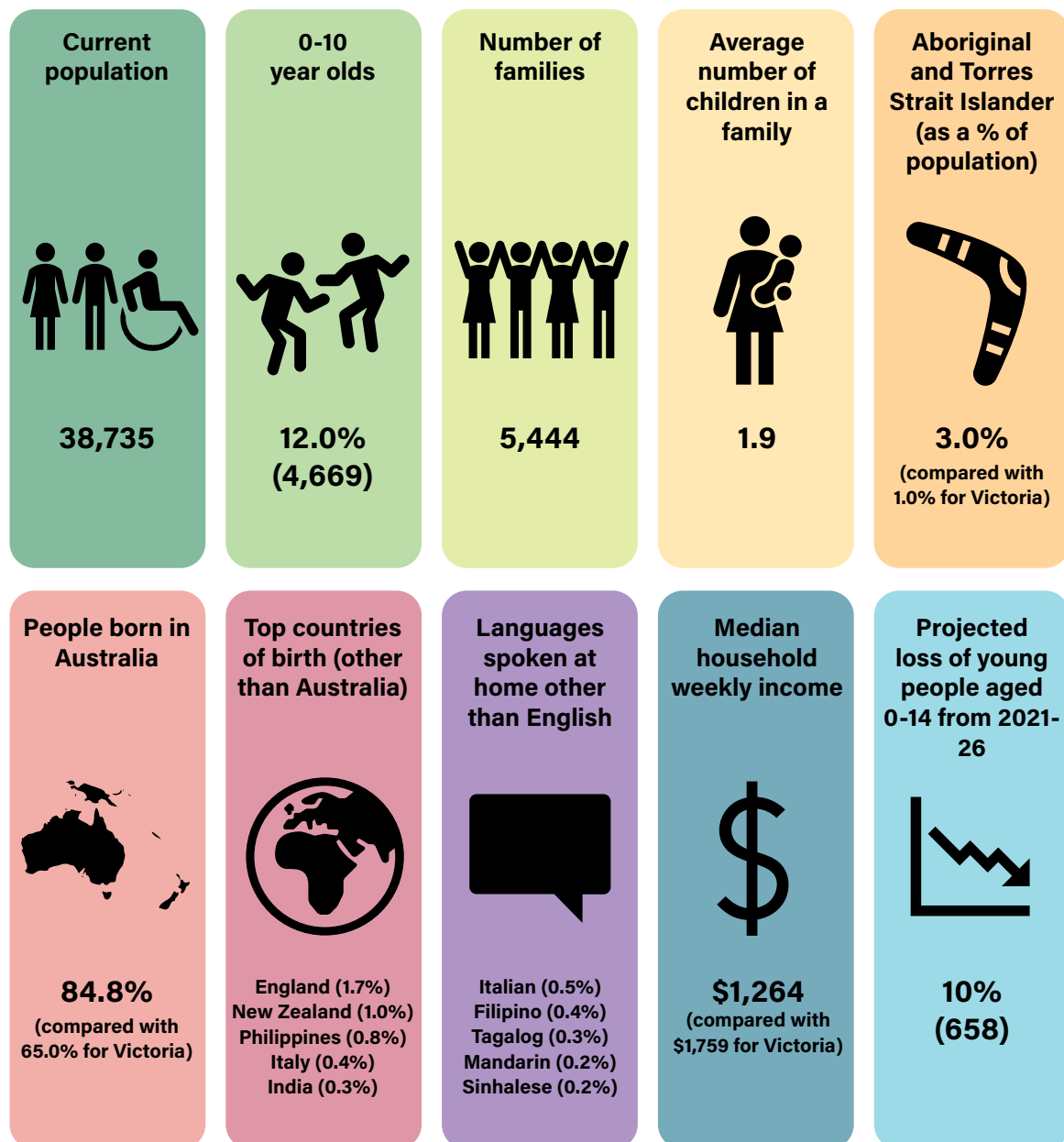
Council promotes participation by children and their families in decision making; provides information about services; and supports access to services where needed to build the capacity of families and carers and to enhance the development of children.



Children and Families in Campaspe Shire

Our Community

The Shire of Campaspe is situated in northern Victoria and covers an area of 4,519 square kilometres. Larger towns include Echuca, Kyabram, Rushworth, Rochester, Stanhope and Tongala. Our children live in a diverse range of settings, ranging from urban settlements through to rural properties.



The Health and Wellbeing of our Children

The Campaspe Primary Care Partnership (Public Health Unit)- Community Health and Wellbeing Profile (2020) and the Healthy Heart of Victoria (Healthy Loddon Campaspe) Active Living Census - Campaspe (2019) have been used to help inform the priorities of the Municipal Early Years Plan and will inform the development of annual implementation plans. These plans tell us that we are currently performing well in relation to birth weights, breast feeding rates, immunisation participation and kindergarten participation.

These plans also tell us that we need to address issues such as increasing awareness of how to prevent accidental injuries to children, preventing harm to children, reducing smoking during pregnancy, supporting families who experience financial stress, helping to prevent hospitalisations from conditions such as asthma, reducing school absenteeism, improving children's early development (physical health and wellbeing, social competence, emotional maturity, language and cognitive skills), encouraging healthy eating and improving children's sense of worth.



Early Years Snapshot

The following table provides a snapshot of how children and families are faring. Information has been sourced from Campaspe PCP Community Health & Wellbeing Profile (August 2020); Campaspe Shire kindergarten enrolment statistics; Campaspe Shire Maternal and Child Health service statistics; the Australian Institute of Health and Welfare; the Australian Early Development Census; and the Australian Bureau of Statistics.

Maternal and child health (MCH) participation	Birth rate	Aboriginal maternal and child health (MCH) participation
Enrolment in the MCH service in 2022-2023 was 101.61%, however the participation rate in key developmental visits was 69.36% (although the four-week visit ranked much higher at 95.43% participation rate).	There were 378 birth notices in 2022-23 in Campaspe Shire. The average birth rate from 2019/20-2022/23 is 391.	Aboriginal children's MCH participation rates increased from a rate of 69.54% in 2018-19 to 80.90% in 2022-23.
Breastfeeding rates	Immunisation	Family stress
Higher proportion of infants fully breastfed on discharge and at 2 weeks, 3 months and 6 months of age, compared to the Victorian average.	A higher percentage of children fully vaccinated in Campaspe Shire compared with Victoria at 1 year of age (95.5% vs 94.3%) 2 years of age (92.8% vs 91.2%) and 3 years of age (97.0% vs 95.5%).	Higher proportion of low-income and welfare dependent families with children in Campaspe Shire compared with Victoria (10.4% vs 8.4%) and a much higher proportion of children whose parents report high levels of family stress (13.4% vs 9.9%) compared to the Victorian averages.
Australian Early Development Census (AEDC)	Childhood obesity	Family violence
31.4% of children in Campaspe are developmentally vulnerable on one or more of the AEDC domains (notably social competence, physical health and wellbeing and communication skills) compared with 19.9% of Victorian children. 19.7% of Campaspe children and 10.2% of Victorian children are vulnerable on two or more domains.	Almost one quarter of Victorian children and (24.9%) of Australian children aged 5-17 years were overweight or obese in 2017-18 (17% overweight and 8.1% obese). The rates were similar for boys and girls.	There were 1,967 reported incidents of family violence per 100,000 people in Campaspe in 2019 compared with 1,282 per 100,000 people in Victoria. Of the reported family incidents in Campaspe in 2019, 10% of children and young people were considered to be affected, compared with 8% of Victorian children and young people.
Smoking during pregnancy	Kindergarten participation	Child abuse
17.1% of mothers in Campaspe smoked during the first 20 weeks of pregnancy compared with 9.4% of Victorian mothers.	443 children enrolled in funded four-year old kindergarten in 2021 with a participation rate of 99.4%. 29 children enrolled in Early Start Kindergarten for 2023 through Council's central enrolment scheme.	Campaspe children aged 0-17 (per 1,000), have notably higher rates of child abuse investigations than Victorian children (31.7 vs 19.4) and similar levels of child protection substantiation (11.5 vs 11.4). Child first assessments were much higher in Campaspe than Victoria (15.0 vs 10.1), along with children who are the subject of care and protection orders (9.2 vs 5.4), and children in out of home care (8.5 vs 5.0) compared to state averages.

Strategic Context

Strategic directions related to the early years feature in numerous Council strategies and plans and will help guide us in the development of our annual Implementation Plans. A summary of each of these documents can be found below. More details of strategic documents can be found in the background document that accompanies this plan.

Access and inclusion plan (2020-26)

The focus of the Access and inclusion plan is to “demonstrate Council’s commitment to equal participation for all people across Campaspe and develop a road map to support the Shire to become more accessible and supportive.”

The nine communities of priority identified in this plan are: Aboriginal and Torres Strait Islanders, people with disability, youth, LGBTIQ+, people with a mental illness, women, culturally diverse groups and people with social disadvantage.

Active transport strategy (2019)

The aim of this strategy is to “dramatically increase the amount of people walking and cycling in Campaspe.”

A key focus area of the strategy is to create an environment where kids feel safe and confident to walk and cycle to school and continue travelling actively for life.

Campaspe Shire Advocacy Priorities (2021-25)

The purpose of this document is to highlight the priority infrastructure and policy needs for Campaspe between 2021 and 2025.

One of the key priorities is to advocate for funding to support the co-location of kindergartens with already established primary schools across the municipality.

Campaspe Prevention / Health Promotion Work Plan (2021-2022)

This document sets out the four key priority areas that organisations working in the prevention space or health promotion in Campaspe are working towards, i.e.

- Increasing healthy eating
- Increasing active living
- Reducing tobacco related harm
- Prevention of family violence through gender equity.

Council Plan (2021-2025)

The Community Vision contained within the Council Plan is: “Our places are vibrant and sustainable; our people are strong and supportive.”

The three principles within the plan are: inclusion, respect and sustainability.

Municipal Health and Wellbeing Plan (2021-2025)

There are numerous actions contained within this plan that are of relevance to the broader community, of which children and families are a cohort. Those that specifically relate to children 0-8 years of age are as follows:

Focus area 1 - Active and Healthy Lifestyles:

- Work with schools to hear the ideas of young people and leverage in-school and extra-curricular activities to promote active living
- Early years health systems and health measurement protocols are monitored to identify communities of concern

Focus area 2 - Socially Connected and Inclusive Campaspe

- Work to ensure cultural safety by ensuring community spaces are safe for all community members
- Embed the principles of trauma informed practice in early years services

Focus area 5 - Food Secure Campaspe

- Improve school access to primary prevention programs
- Support schools to integrate food awareness within STEM programs

Department of Education and Training (2020) Kindergarten Infrastructure Services Plan (KISP)

This plan identifies a shortfall in three- and four-year old kindergarten places in the Shire of approximately 83 in 2023, increasing to 138 places by 2029.

By 2029, Echuca is anticipated to have a shortage of 138 kindergarten places; Kyabram 29 places; Lockington / Gunbower 9 places, Rochester 12 places and Rushworth 0 places.

The demand for kindergarten will increase as a direct result of the Victorian Government’s Better Start, Better Life reform. This demand will be reflected in the 2023 KISP (currently under development).

Community and Service Provider Engagement

Community Engagement

Feedback from community consultations undertaken for the development of the Council Plan of relevance to the early years has been used to help provide an evidence base for the development of this Plan. Key focus areas for consideration include:

- The need for enough childcare and kindergarten places available across the Shire – i.e. access to sufficient childcare and kindergarten places to meet demand
- The need for access to a range of early years services are accessible to all, e.g. allied health services
- The need for accessible and diverse early years services for all children and families
- The need for access to programs and services that are affordable
- The need to ensure that there are opportunities for parents to learn new skills and to build their capacity, e.g. provision of First time Parent groups and “Smalltalk” parenting program
- The need to ensure that there is a continued focus on gender equity / healthy relationships in the early years sector within the stakeholder groups e.g. Campaspe Early Years Network Group
- The need to ensure that there is safe access to programs, services and facilities via active transport options
- The need to promote physical activity opportunities and ensure that quality play opportunities are provided throughout the Shire.

Service Provider Engagement

A workshop was also held with local service providers to review the previous Municipal Early Years Plan and to identify priorities for the new plan.

Some of the broad strategic directions for the collective early years' service system in Campaspe include:

Our Practice

We acknowledge families' experiences and circumstances are diverse and understand:

- The need to adapt and target priorities where required to achieve positive health and wellbeing outcomes for children
- That early years' services and support services have a clear perception of the community's needs and challenges and that we are responsive and respectful

- The strength achieved through a greater focus on participatory service planning and genuine community engagement principles with children and families
- The options to explore different ways of delivering services, e.g. utilising telehealth
- How we provide clear referral pathways and additional supports where required to enable families to access specialist services
- The importance of and advocate that the voices of children and their families are heard and understood
- The need to build the knowledge and skills of families and people who work in the early years sector to enable children to thrive
- The importance of promoting gender equity
- The need to highlight and implement the Child Safe Standards
- The benefits of working collaboratively with other relevant services and organisations,
- The need to advocate for greater access to specialist early years services for local families.

Information / Communications

- We need to enhance our online capability to promote events, programs and services for children and families
- Campaspe Shire Council's commitment to the Child Safe Standards is promoted.

Places and Spaces

- Child Safe Standards signage is displayed as a visual message in public spaces.
- Consider specific cultural and physical features of family spaces and all access amenities that meet the needs of families
- The value of quality play experiences features predominantly in new and upgraded play spaces, providing opportunities for children to actively explore, create, imagine and participate within the infrastructure and the variety of elements which support children's development and abilities
- Provision and promotion for active play (e.g. pump parks, trails, etc) and participation in arts / culture, library programs, community events.

Council Plan

The Campaspe Shire Council's vision and planning principles have been used to guide the development of the vision and themes contained within the Municipal Early Years Plan. Council's vision and three planning principles are as follows:

Council Plan Vision:

Our places are vibrant and sustainable; our people are strong and supportive




Principle 1: Inclusion	Principle 2: Respect	Principle 3: Sustainability
Everybody is included and has something to contribute to the community. Nobody is left behind. Everybody should have an equal chance in life.	Respectful relationships are the norm between individuals and within communities. We respect the diversity in our community, and in particular, we respect the contribution of our older residents, our young people, and those with Aboriginal cultural heritage.	This is at the heart of everything we do. Sustainability is a key factor in planning for future land use, advocating for additional educational facilities, approving a development, or making decisions around how we use our infrastructure



Early Years Framework

The Municipal Early Years Plan is built around a vision and seven guiding principles. From the vision and planning principles, three key themes, objectives and related goals have emerged. Together, the vision, guiding principles, objectives, themes and goals create the framework for the development of annual Implementation Plans.

Annual plans will outline the actions that Council intends to take with its partners towards the achievement of the vision and goals. It is important to note that many of these goals are dependent upon a collaborative approach between Council and its strategic early years partners.

Early Years Vision	Children and their families are supported to grow, learn and thrive in our welcoming and inclusive community		
7 Early Years Guiding Principles:	<ol style="list-style-type: none"> 1. Inclusion – we welcome and include children and families in all aspects of community life. 2. Respect – we respect the diverse needs of children and families and their right to be heard and understood. 3. Diversity – we acknowledge and celebrate the diversity of families that live in our community. 4. Equity – we recognise that not all of our children and families have access to the same resources and will ensure that we address barriers to participation and access, using a strength-based approach. 5. Quality – we advocate for and promote the importance of quality programs, services and facilities for children and families. 6. Safety – we promote and encourage early years services to be physically and culturally safe for children and their families. 7. Connection – we provide opportunities for children and families to develop strong community connections and a sense of belonging. 		
3 Themes:	 The best possible start to life	 High quality, safe and accessible services	 Family inclusive places and spaces
3 Objectives:	Our children have the opportunity to grow, thrive and learn in a rich, nurturing and inclusive environment.	Our collaborative early years services help to enhance the health and wellbeing of children and families living in our community.	Our public spaces and places are welcoming of children, accessible for people of all abilities and inclusive of diversity.

Theme 1 - The Best Possible Start to Life



Our children have the opportunity to grow, thrive and learn in a rich, nurturing and inclusive environment.

Goals for the next three years

1. Families and carers are supported to develop the skills and knowledge to enable children to be healthy, happy and to reach their potential.
2. Children's voices are valued, heard and acted upon for all matters of relevance to them.
3. Children are actively encouraged and supported to participate in a diverse range of experiences, activities and events to build upon their interests and strengths.
4. Children's connection to place, culture and community are respected and celebrated.
5. Gender equity and respectful relationships are promoted in the early years.



Theme 2 - High Quality, Safe and Accessible Services



Our collaborative early years services help to enhance the health and wellbeing of children and families living in our community.

Goals for the next three years

1. Families and children are consulted with and involved in co-design of services so that service providers better understand their diverse needs, circumstances and challenges.
2. Families are aware of the range of existing early years services available to them within Campaspe Shire and online.
3. Families can access early years services and specialist support services that are required for their development, health and wellbeing, or are provided additional supports to access these services.
4. Gaps in service delivery are identified by service providers and the community and either these gaps are addressed or service providers advocate for these gaps to be addressed.
5. Early years services maintain partnerships and networks in order to share information, enhance skill levels and advocate for improved services.
6. Work collaboratively to identify and support families in relation to child safety.



Theme 3 - Family Inclusive Places and Spaces



Our public spaces and places are welcoming of children, accessible for people of all abilities and inclusive of diversity.

Goals for the next three years

1. Community places and spaces are inclusive of children and diversity.
2. Community places and spaces are safe (both physically and culturally) and accessible for children and families.
3. Activities that occur within community places and spaces are affordable for children and families wherever possible.
4. New or upgraded community places and spaces are co-designed by children and families where relevant.
5. Early years facilities and schools are co-located where possible to improve access to these services.





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Monday to Friday

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[@ #campaspeShire](#)

Customer Service Centres

Kyabram, 19 Lake Road

Rochester, 43-45 Mackay Street

Rushworth, 33 High Street

Tongala, 37 Mangan Street

8.6 Corporate

8.6.1 Procurement Policy

Directorate: Corporate

Responsible Officer: Contracts & Procurement Manager

Manager: Director Corporate

Attachments:

1. Procurement Policy - Proposed [8.6.1.1 - 21 pages]
2. Procurement Policy - Proposed with Tracked Changes [8.6.1.2 - 28 pages]
3. Procurement Policy - Current [8.6.1.3 - 18 pages]

1. PURPOSE

Section 108 of the *Local Government Act 2020* requires Council to adopt a Procurement Policy. Council adopted a policy in response to the updated requirements of the Act in November 2021 (Refer to attachments - Policy 126). Several operational and administrative concerns have been identified following its implementation and the proposed amendments to the attached Procurement Policy draft seek to address these.

2. RECOMMENDATION

That Council adopt the proposed amendments in the revised Procurement Policy.

3. DISCUSSION

In summary, the key amendments to the Procurement Policy proposed in this report are as follows:

- a. Definition of Local Supplier extended to incorporate businesses in Moama.
- b. Purchasing thresholds increased to a level which aims to increase efficiency across the organisation, while maintaining probity and transparency in the procurement process and driving value for money.
- c. Exemptions: Amended process for exemptions and waivers from Policy and clarity on the distinction between an 'exemption' and 'waiver'. That is:
 - Exemptions relate to purchases which are not within the scope of the policy and therefore not subject to any procurement process (due to the inability to generate value for money by undertaking a process, given their nature).
 - Waivers would be required wherever the purchaser would ordinarily need to obtain the correct number of quotes (therefore the purchase is not one which is already exempt), but for which the CEO waives the requirement to obtain quotes. The waiver from the Procurement Policy prescribed process would only be used in extraordinary circumstances and each instance decided on its merits.
- d. Emergency definition – experience has shown us that the previous definition was insufficient from a procurement perspective.
- e. Collaborative Procurement – the way in which Campaspe will work with other councils is now determined by Campaspe, rather than by reference to a provision in the previous

policy which had been developed in conjunction with a group of councils in our network (which we believe previously made Campaspe Shire Council accountable for the actions or omissions of others in relation to collaboration).

- f. Variations resulting in contract spend which exceeds CEO financial delegation to be put to Council for approval. That is, where the original contract award sum was approved by the CEO under delegation, where a variation to the contract (taken on a cumulative basis) would exceed that financial delegation amount Council must approve the variation.
- g. Changes to the way in which local benefit should be considered when purchasing.

4. CONSULTATION

Internal consultation:

- Procurement Team
- Chief Financial Officer
- Manager Projects and Facilities.

External consultation:

- Not applicable. The proposed changes are not seen to materially affect our suppliers, who were considered in the development of the previous policy.

Councillors:

- 25 July 2023 Council Briefing Session for discussion
- 1 August 2023 Council Briefing Session for brief discussion around Local Content changes.

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

Flourishing local economy

A resilient long-term economy attractive to local and external investors.
Stimulated economic activity that provides local jobs.

Growing quality of life

Effective and efficient services available locally.

6. POLICIES AND RELATED COUNCIL DOCUMENTS

This Policy sets the overarching principles to be applied for all procurement activity by Council. At an operational level, it underpins Council's Procurement Manual, Purchasing Officer Manual and Corporate Purchase Card Policy.

7. LEGAL AND STATUTORY OBLIGATIONS

Section 108 of the *Local Government Act 2020* (Vic) provides that Council must 'prepare and adopt a Procurement Policy which specifies the principles, processes and procedures applying in respect of the purchase of goods and services by the Council, including for the carrying out of works' and at a minimum, the Policy must seek to promote open and fair competition and value for money.

8. FINANCIAL IMPLICATIONS

The Procurement Policy is a key driver in ensuring value for money in all purchasing activity. The processes outlined seek to encourage competition in the supply market, identify opportunities for preventing unnecessary expenditure ensuring high-quality and timely outcomes.

9. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

The Policy refers to triple bottom line factors, providing high-level statements indicating Council's commitment to supporting our local economy and social enterprises and minimising harm to the environment.

It is expected that further revisions will be made to the policy over time to implement Council's ongoing development of policy on sustainable growth and development and the use of resources in line with Council's sustainability objectives.

10. ISSUES AND RISK MANAGEMENT

Issues: Nil

Risk:

Risk	Likelihood	Consequence	Rating	Mitigation action
Adequate value for money not being generated and/or insufficient documentation of the RFQ process undertaken at the lower spend levels as a result of the changed threshold ranges.	Possible	Moderate	Moderate	The new CiAnywhere system (scheduled to be implemented by December 2023) should enable better reporting capability by spend threshold level. All Requests for Quote will be sent via the system, providing a centralised audit trail. Reporting to Executive Leadership Team on non-compliance will be supported by disciplinary action and/or further training for relevant staff.
Difficulty in managing the process for collaborative procurement activities with our neighbouring councils.	Possible	Low	Minor	Collaborative opportunities are somewhat limited. We identify as part of every procurement plan for tender whether any opportunities exist so we can ensure we meet our obligations under s109 of the Act.
Lack of understanding of new requirements by staff members.	Likely	Moderate	Minor	There are likely to be some staff members who do not remember the new purchasing threshold requirements. The new purchasing system (CiAnywhere) will alert them where they have failed to seek enough quotes. We will also be holding purchasing training sessions as part of the new system rollout and will reinforce the threshold requirements.

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

11. CONFLICT OF INTEREST

Section 130 of the *Local Government Act 2020* (Vic) requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council Meeting.

No conflicts of interest were identified by staff members involved in the Procurement Policy review and amendment process.

Procurement

Council Policy Number	126
Date adopted	
Scheduled for review	June 2027



Council Policy

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1. Preamble

This Policy is made under Section 108 of the *Local Government Act 2020*. The Act requires each council to:

- Prepare and adopt a Procurement Policy which specifies the principles, processes and procedures applying in respect of the purchase of goods and services and carrying out of works by Council; and
- Review its Procurement Policy at least once during each 4-year term of Council.

2. Purpose

This Policy provides overarching guidelines in relation to the procurement of goods, services and works by Council in the delivery of services to the community and the operations of the organisation.

3. Definitions

Terms appearing in the singular may be read as plural and vice versa.

Act	Local Government Act 2020 (Vic).
Closed Tender	An approach to market which is directed to a select group of suppliers who are invited to submit a tender proposal.
Collaborative Procurement Arrangement	A contract established by the Council, government or a nominated agent, such as Procurement Australasia (PA), Municipal Association of Victoria (MAV), Loddon Mallee Procurement Network of Councils or a local government entity, for the benefit of numerous state, federal and/or local government entities that achieves best value by leveraging combined economies of scale.
Commercial in Confidence	Information that, if released, may prejudice the business dealings or commercial interests of Council or another party, e.g., prices, discounts, rebates, profits, methodologies and process information.
Conflict of Interest	A conflict of interest exists when private interests conflict with public duty. A situation where private interests may benefit from or be adversely affected by public duty.
Contract Management	The process that ensures all parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the contract objectives and provide value for money.
Council	Campaspe Shire Council.

Councillors	Council's elected representatives (the Mayor and Councillors) or Administrator(s) appointed to act in this capacity.
Expression of Interest (EOI)	A procurement process used to identify suppliers interested in, and capable of, delivering the required goods or services. Potential suppliers are asked to provide information on their capability and capacity to perform the work. It is usually the first stage of a multi-stage tender process.
Genuine Emergency	<p>A sudden, unforeseen event, which has the potential to result in injury, loss of life or critical damage to property or infrastructure. Emergency in the procurement context is viewed at three levels:</p> <ul style="list-style-type: none"> • Level 1 Immediate Response – Reactive procurement action taken immediately before, during and in the first period after an emergency to reduce the effects and consequences of the emergency on people, their livelihoods, wellbeing and property; on the environment; and to meet basic human needs. • Level 2 Disaster Relief – Emergency procurement for the provision of assistance to meet the essential needs of individuals, families and the wider community during and in the immediate aftermath of an emergency. • Level 3 Post-Disaster Recovery – Accelerated procurement to assist Council and the community to achieve a proper and effective level of functioning.
IBAC	Independent Broad-based Anti-Corruption Commission.
Indigenous Business	An Indigenous Business is one that is at least 50% owned by an Aboriginal or Torres Strait Islands person(s), consistent with the Supply Nation definition https://supplynation.org.au/benefits/indigenous-business/
Local Business	A commercial business with an operational premises that is physically located within the municipal borders, or in Moama.
Loddon Mallee Procurement Network (LMPN)	The 10 councils comprising the LMPN, being Buloke Shire Council, Campaspe Shire Council, Central Goldfields Shire Council, City of Greater Bendigo, Gannawarra Shire Council, Loddon Shire Council, Macedon Ranges Shire Council, Mildura Rural City Council, Mount Alexander Shire Council and Swan Hill Rural City Council.
Principles	Procurement principles are the fundamental propositions or forces that serve as the foundation for Council's Procurement Policy, practices and decision making.
Probity	Within government, the term "probity" is often used in a general sense to mean "good process". A procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with the Council's policies and legislation, are established, understood, and followed from the outset. These procedures need to consider the legitimate interests of suppliers and ensure that all potential suppliers are treated equitably.
Procurement	Procurement is the whole process of acquisition of external goods, services and works. This process spans the whole lifecycle from initial concept through to the end of the useful life of an asset (including disposal).

Procurement Manual	The administrative manual containing the specific operational methodologies and processes to be undertaken by staff engaged in purchasing activities.
Procurement Plan	A document prepared prior to an open or closed Tender or Expression of Interest, to detail the intended process to be followed throughout the approach to market; including but not limited to the criteria by which submissions will be evaluated.
Public Advertising	Public advertising is online/digital through Council's e-Tender Portal and any other forum which may be considered appropriate in the circumstances, including but not limited to social media platforms.
Purchasing Cards	Corporate credit cards issued to relevant Staff for use in accordance with Council's Corporate Purchase Card Policy.
Open Tender	Any approach to market which is publicly advertised and available to all potential respondents (rather than a targeted invitation to a select group of suppliers).
Responsible Officer	The member of staff responsible for the purchase or procurement activity.
Schedule of Rates Contract	A standing offer arrangement based on a Schedule of Rates Contract that sets out rates for goods and services which are available for the term of the agreement but without a commitment to purchase a specified value or quantity of goods or services.
Social Economic Benefit	The positive impacts on people, places or communities generated through procurement practices in the Loddon Mallee Region.
Staff	Includes all Council officers and employees, whether permanent, temporary, voluntary or under a contract of employment.
Supplier Panel	A panel is a group of suppliers with whom Council has a contract for services that have already been tendered and are based on categories such as trade services and plant hire.
Supplier	Any organisation which supplies goods or services to Council including but not limited to, contractors, subcontractors, manufacturers, wholesalers, retailers and consultants.
Sustainability	Activities that meet the needs of the organisation for goods, works and services in a way that achieves value for money on a whole life basis. This means that benefits are generated not only for the organisation, but for the community and local economy and that negative effects on the environment are minimised in doing so.
Tender Process	The process of inviting parties from either a select list or via public advertisement to submit an offer by tender, followed by evaluation of submissions and selection of a successful bidder or tenderer in accordance with pre-determined evaluation criteria.

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Total Contract Sum	<p>The potential total value of the contract including:</p> <ul style="list-style-type: none"> • costs for the full term of the contract, including any options for either party to extend the contract; • applicable goods and services tax (GST); • anticipated contingency allowances or variations, and • all other known, anticipated and reasonably foreseeable costs.
Value for Money	<p>Value for money in procurement is about realising benefit in the purchase of goods, services and works, taking into account both cost and non-cost factors including:</p> <ul style="list-style-type: none"> • contribution to the advancement of Council's priorities, fitness for purpose, quality, service and support, and • whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works.

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4. Policy Statement

Council will adhere to all required provisions in the Local Government Act 2020 and the Competition and Consumer Act 2010 in all procurement matters and maintain consistency with any Victorian Local Government Best Practice Procurement Guidelines.

4.1. Scope and Application

This Policy applies to all procurement activities and is applicable to Council, Staff and all persons undertaking procurement on Council's behalf.

This Policy will assist Council to achieve objectives such as obtaining value for money, supporting local economies and sustainable and socially responsible procurement, leading to a better result in the provision of goods, services and works for the benefit of the community.

This Policy provides direction on the conduct of procurement activities throughout the sourcing, management and disposal phases. It does not extend to the related accounts payable processes.

1.1. Objectives

This Policy is consistent with the requirements of Section 108 (2) of the Act and will:

- Promote open and fair competition and provide value for money;
- Provide clear guidelines to the Council to promote consistency and control over procurement activities;
- Demonstrate accountability to ratepayers and residents;
- Provide guidance on ethical behaviour in public sector procurement;
- Demonstrate the application of best practice in procurement activities;
- Demonstrate the consideration of sustainability in procurement with respect to social, economic and environmental factors;
- Increase the probability of obtaining the best outcome for the municipal community when procuring goods and services and delivering works; and
- Promote collaborative procurement.

These objectives will be achieved by requiring that Council's contracting, purchasing and contract management activities:

- Support Council's corporate strategies, aims and objectives;

- Span the whole lifecycle of an acquisition and take sustainability and environmental benefit considerations into account;
- Achieve demonstrable value for money;
- Are conducted in, and demonstrate, an impartial, fair and ethical manner;
- Seek continual improvement through innovative and technological initiatives, and
- Generate and support local business when value for money is evidenced.

4.2. Application of GST

All monetary values stated in this Policy exclude GST, unless specifically stated otherwise.

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4.3. Effective Legislative and Policy Compliance and Control

i. Ethics and Probity

Council's procurement activities will be performed in an open, transparent and ethical manner that demonstrates integrity, fairness and accountability to meet relevant legal requirements.

All tender processes will be conducted in accordance with the requirements of this Procurement Policy and any associated procedures, relevant legislation, relevant Australian Standards, Commercial Law and the Act.

ii. Conduct of Councillors and Council Staff

Councillors and Staff will always conduct themselves in ways that accord with the Councillor Code of Conduct or the Employee Code of Conduct respectively, perform their duties ethically and with integrity and must:

- Treat potential and existing suppliers with equality and fairness;
- Not use their position to seek or receive personal gain in procurement matters;
- Maintain confidentiality of Commercial in Confidence information;
- Present the highest standards of professionalism and probity;
- Provide suppliers and tenderers with the same information and an equal opportunity to tender or quote for goods, services and works contracts;
- Be able to account for all decisions and demonstrate and provide evidence of the processes followed;
- Not perform any work under any Council contracts they are supervising, i.e. Staff cannot also work for the relevant supplier;
- Query incidents, decisions or directions that appear to contradict or deviate from Council's standards of ethics, probity or established policies and procedures; and
- Ensure that this Policy and Council's Procurement guidelines are adhered to in relation to the expenditure of Council funds.

iii. Conflict of Interest

Councillors and staff must, always, avoid situations which may give rise to an actual or perceived conflict of interest or potential conflict of interest. A conflict of interest may be a 'general' or a 'material' conflict of interest.

A person has a general conflict of interest in a matter if an impartial, fair-minded person would consider that the person's private interests could result in that person acting in a manner that is contrary to their public duty.

A person has a material conflict of interest in a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter. The benefit or loss may be direct or indirect and pecuniary or non-pecuniary. Affected persons include, among others, the member of staff and their family members.

Staff involved in the procurement process; in particular, preparing tender documentation, writing tender specifications, opening tenders, participating in tender evaluation panels, preparing a recommendation report; and Councillors and council staff awarding tenders must:

- Avoid material or general conflicts of interest, whether actual, potential or perceived;
- Declare if they have a conflict of interest in respect of the procurement. Staff participating in tender evaluation panels must complete a conflict of interest declaration. Staff must declare any actual or perceived conflicts in line with Council's internal processes for reporting conflicts of interest; and
- Observe prevailing Council and Government guidelines on how to prevent or deal with conflict of interest situations; and not take advantage of any tender related information, whether or not for personal gain.

iv. Fair and Honest Dealing

All prospective contractors and suppliers must be treated impartially and afforded an equal opportunity to tender or submit a quotation.

Any suspected improper conduct, including fraud, corruption, substantial mismanagement of public resources, risk to public health and safety, risk to the environment, or detrimental action should be managed in accordance with Council's Disciplinary Action Procedure for Staff or the Councillor Code of Conduct for Councillors.

v. Probity, Accountability and Transparency

Accountability in procurement means being able to justify and provide evidence of the process followed. An independent third party must be able to see clearly that a process has been followed and that the process was fair and reasonable.

Staff must be able to account for all procurement decisions and ensure all procurement activities leave an audit trail for monitoring and reporting purposes.

vi. Gifts and Benefits

Any gift or benefit offered to a Councillor or staff member will be managed in accordance with the Councillor Gifts Policy and Employee Code of Conduct (as applicable).

Councillors and staff, particularly contract supervisors, must not knowingly engage a council supplier for private benefit, unless that engagement is on proper commercial terms.

vii. Disclosure of Information

Commercial in Confidence information received by the Council must not be disclosed and must be stored in a secure location.

Councillors and staff must take all reasonable measures to maintain confidentiality of:

- Information disclosed by organisations in tenders, quotations or during tender negotiations; and
- Commercial in Confidence information.

Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier.

At no stage should any discussion be entered into which could improperly influence the procurement process, or negotiation of a contract, prior to the contract approval process being finalised, other than pre-contract negotiations undertaken in accordance with the Procurement Plan.

viii. Complaints & reporting of suspicious activitiesComplaints Handling

Members of the public and suppliers are encouraged to report known or suspected incidences of improper conduct to the CEO. The management of complaints will be in accordance with Council's Complaint Handling Policy.

Reporting Suspicious Activities

Councillors, staff and suppliers are required, at all times, to act honestly and with integrity and to safeguard the public resources for which they are responsible. Council is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal benefits (financial or otherwise).

Council will take all reasonable steps to protect those who assist Council by providing information about suspected fraud. This may include the provision of information on Council's Public Interest Disclosure Procedure, maintaining the confidentiality of identity and protection from harassment, to the extent possible.

Suspected improper conduct, offers of bribes, commissions and any other irregular approaches from suppliers, prospective suppliers or other individuals will be investigated and reported in accordance with Council's policies and processes.

The CEO must notify IBAC of any matter they suspect on reasonable grounds to involve corrupt conduct occurring (or having occurred) in accordance with mandatory reporting requirements under the Independent Broad-based Anti-Corruption Commission Act 2011.

5. Governance

5.1. Structure

Council has delegated a range of powers, duties and functions to the CEO in relation to procurement. The delegations aim to ensure that the Council's procurement structure operates according to processes that:

- Are flexible enough to procure in a timely manner the diverse range of goods, works and services required by Council;
- Guarantee that prospective contractors and suppliers are afforded an equal opportunity to tender or submit a quotation; and
- Encourage competition and collaboration.

5.2. Methods

The Council's standard methods for procuring goods, services and works are:

- Through a purchase order that represents best Value for Money under the quotation process from suppliers for goods or services under the thresholds adopted by the Council. An approved purchase order must be created prior to committing expenditure on behalf of Council;
 - Under a contract following a quotation or Tender Process;
 - Under a Supplier Panel;
 - Engaging a supplier via a Collaborative Procurement arrangement;
 - Via a multi-stage tender commencing with a request for Expressions of Interest ("EOI") followed by a Tender Process;
 - Under an arrangement in line with the conditions contained in Appendix 3 - Exemptions from the Policy; and
 - Using Purchasing Cards;
 unless other arrangements are specifically authorised by Council.

5.3. Responsible Financial Management

The principles of responsible financial management will be applied to all procurement activities. To give effect to these principles, purchasing staff must provide detail of the availability of existing funds within an approved budget or alternative source of funds prior to the commencement of any procurement action for the purchase of goods, services or works.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without **compromising any of the procurement principles set out in this Policy.**

5.4. Procurement Thresholds and Competition

Council will invite offers from the supply market for goods, services, and works in accordance with the thresholds listed in Appendix 1.

i. Procurement Principles

Council will apply the following fundamental best practice principles to procurement, irrespective of the value and complexity of that procurement:

- Value for money;
- Sustainability (social, economic and environmental);
- Open and fair competition;
- Accountability;
- Risk management, and
- Probity and transparency.

ii. Procurement Methodology

Section 108 of the Act details that each Council will set the Open Tender threshold above which tenders or expressions of interest for contracts must be publicly invited.

An Open Tender process must be used for all procurement activities where the estimated value is \$300,000 and above (excluding GST) for goods, services or works.

For procurement activities where the estimated value is under \$300,000 (excluding GST), the procurement methodology and thresholds detailed in Appendix 1 will apply.

iii. Aggregate Spend

When considering the appropriate process for the procurement of services, regard must be had to the period of time considered optimal to drive value for money, as well as whether a contract arrangement would be appropriate in the circumstances.

The determination of the appropriate period of time in each case will take into account the type of service and number of suppliers in the market providing the service, as well as the mitigation of any risks which may be associated with a longer-term contract. Staff should consider any optimal timeframe for considering aggregate spend as may be stated in the Victorian Best Practice Procurement Guidelines.

iv. Contract Variations

All contract variations must be assessed to determine whether they are properly characterised as variations, or whether they are in effect a new contract. Whether a variation claim is to be considered a true variation depends on a number of factors relevant to the particular piece of work, including:

- The monetary value of the proposed variation, i.e. the value of the variation in the context of the thresholds fixed by the Procurement Policy; and
- The subject matter of the proposed variation, and whether it is consistent with the scope contemplated in the original contract.

Staff authority to approve financial variations is determined according to the Instrument of Financial Sub-Delegation as amended from time to time.

v. Payment for Goods, Services and Works

Request for payment of goods, services and works must be in the form of a Tax Invoice as defined by the Australian Taxation Office (ATO). Payment will be made within 7 days of confirmation of receipt by Council of a valid invoice.

5.5. Open Tender Requirements

All Open Tenders issued by the Council will be published via Council's e-Tendering portal and may be advertised in the local media and any social media as may be considered appropriate.

Information regarding current tenders and limited information regarding awarded contracts will be published on Council's web site.

i. Procurement Plan

Prior to commencing any Open Tender (or other process where it is considered prudent to do so), a detailed procurement plan must be developed by the Responsible Officer and followed strictly by the evaluation panel throughout the tender process.

The procurement plan should be completed and signed off by the relevant Director prior to any approach to market.

All procurement plans must contain the following information at a minimum:

- Summary of the scope of work;
- Budget;
- Collaborative procurement opportunities;
- Approach to market;
- Timeframe;
- Risk analysis;
- Tender evaluation panel (comprising at least 3 scoring members and a non-scoring chairperson);
- Proposed contract particulars; and
- Evaluation criteria.

All panel members must sign a confidentiality and conflict of interest declaration before gaining access to tender submissions.

ii. Tender Evaluation

A tender evaluation panel will be established to evaluate each tender submission against the tender's selection criteria. Tender evaluation panels may include external personnel in order to ensure the best outcome for a procurement activity and must comprise at least 3 persons and a chairperson.

A tender evaluation plan should be incorporated within the Procurement Plan, completed and signed off prior to the tender or quotation being issued. The tender evaluation panel is expected to comply with the evaluation plan at all times.

iii. Evaluation Criteria

In order to determine whether a proposed contract provides Value for Money, all procurement plans for Open Tenders will include the following mandatory evaluation criteria: at a minimum:

- Occupational Health and Safety and Insurance Compliance criteria and any required pre-accreditation which may be required for the particular work (e.g. ABN registration, OH&S, Fair Work Act, risk and conflict of interest);
- Tendered price
- Tenderer capability and proposed methodology; and
- Capacity and experience of the tenderer in providing similar goods and/or services and/or works.

Additional evaluation criteria are optional and may be considered and weighted appropriately to address the key objectives and determining factors for success in each particular contract scenario.

The specific methodology to be applied to the evaluation process must be detailed in the Procurement Manual.

iv. Local Benefit

Council will demonstrate a commitment to supporting its local economy and/or the Campaspe Shire community by:

- Incorporating a weighted tender evaluation criteria category for benefits to the Campaspe Shire local economy, only where it would be appropriate to do so, having regard to the following factors:
 - supplier market conditions at the time of the tender;
 - the level of expertise required by the Contractor and/or subcontractors for the particular piece of work and capacity of Local Businesses to provide same;
 - The actual, measurable benefit to the local economy or community. That is, the likelihood that the service or works will generate tangible contributions to the local economy and/or community.

Where a weighted criteria item is included, the associated percentage weighting must not exceed 10 percent.

- Inviting at least one Local Business to submit a quotation for the piece of work, only where it is practicable to do so and where a public tender is not required under this Policy.

For the sake of clarity, where the purchasing staff member determines in their discretion that value for money, fairness, innovation and/or quality of work are likely to be adversely impacted by doing so, the staff member will not be required to approach the local supply market when seeking quotations.

v. Probity Advisor

A formal probity plan must be developed, and a probity advisor appointed in the following circumstances:

- If the proposed Total Contract Sum exceeds \$10 million (excluding GST) over the life of the contract, or any lesser value set by Council from time to time; or
- If a proposed contract is considered by Council or the CEO to be particularly complex, or of a high risk or controversial nature and requiring a high level of public confidence.

Outside of the above requirements, a probity advisor may be appointed by the CEO or Director, at any stage of the procurement process.

vi. Shortlisting and Negotiations

Council may carry out a second stage shortlisting process during any EOI, tender or quotation process. Shortlisting must be based on the advertised selection criteria.

Shortlisted tenderers may be invited by the Council to submit a best and final offer in relation to all or certain aspects of their respective tenders.

Once one or more preferred tenderers are selected, negotiations can be conducted in order to obtain the optimal solution and commercially agreed terms within the original scope and intent of the tender. Probity requirements apply to all negotiations.

A Best and Final Offer process (BAFO) may be used. The terms of the BAFO process should stipulate the time period for which the BAFO offer must be held by the tenderer.

5.6. Collaborative Procurement

In accordance with section 108(c) of the Act, Council will first give consideration to collaboration with other councils and public bodies or utilise Collaborative Procurement Arrangements when procuring goods, services and works, in order to take advantage of economies of scale.

Staff must consider any opportunities for Collaborative Procurement in relation to a procurement process undertaken by Council. Any report that recommends commencing a procurement process must set out information relating to opportunities for Collaborative Procurement.

Council is committed to seeking collaborative opportunities within the LMPN by sharing annual budget priorities and upcoming tender opportunities and gaining insight into the priorities of

the other councils in the group. Council will also consider shared panel of supplier arrangements where doing so is likely to generate Value for Money outcomes. All tender processes where the resulting contract is anticipated to be shared with other councils will include in the terms of tender and the conditions of contract a statement informing potential tenderers of these conditions.

Council may also collaborate with other agencies such as MAV Procurement or Procurement Australasia to procure goods, services or works, or utilise existing Collaborative Procurement Arrangements for the procurement of goods, services or works established through an Open Tender process where it provides an advantageous, value for money outcome for the Council.

Any report to Council recommending an award of contract must specify any opportunities for collaboration that were identified and where a collaborative approach was not used, the reasons why a collaborative tender could not be undertaken.

5.7. Delegation of Authority

Delegations define the limitations within which staff are permitted to commit Council to the procurement of goods, services or works and the associated costs. The Instrument of Sub-Delegation allows specified staff to undertake certain purchases, quotation, tender and contractual processes without prior referral to the Council. This enables the Council to conduct procurement activities in an efficient and timely manner whilst maintaining transparency and integrity.

Council has delegated responsibilities relating to the expenditure of funds for the purchase of goods, services and works, the acceptance of quotations and tenders and for contract management activities to the CEO. The CEO has further delegated some of those responsibilities to other members of council staff, subject to any specified conditions and limitations as set out in the Instruments of Delegation to Staff.

6. Internal Controls

The CEO must implement and maintain a framework of internal controls over procurement processes that will ensure:

- More than one person is involved in and responsible for the authorisation and management of a transaction from end to end;
- Transparency in the procurement process;
- A clearly documented audit trail exists for procurement activities;
- Appropriate authorisations are obtained and documented;
- Systems are in place for appropriate monitoring and performance measurement; and
- A process is in place for escalation, where appropriate, of procurement matters (including procedural non-compliance) to the Executive Management Team, the Audit and Risk Committee and Council.

6.1. Organisational Model for Procurement

Council operates a centre-led procurement structure. All strategy, policy, technology, best practice and networking in procurement matters will be led by Council's Contracts and Procurement Manager who is responsible for the centralised procurement team.

For day-to-day purchasing where formal contracts are not involved, Council operates a decentralised system where requests for quotations may be initiated by any department.

6.2. Procurement Manual

The CEO will ensure that a procurement manual is maintained, to provide direction to Council staff on the operational aspects of procurement.

6.3. Risk Management

Council is committed to the practice of effective risk management to provide improved stakeholder confidence and trust, and to support improved compliance and better corporate

governance. Risk management is to be appropriately applied at all stages of procurement activities including:

- Standardisation of contracts including current and relevant clauses
- Requiring security deposits wherever appropriate
- Referring specifications to relevant industry experts where appropriate
- Ensuring contractual agreements are in place before the commencement of works
- Use of and enforcement of delegated authorities
- Use of or reference to relevant Australian Standards (or equivalent)
- Effective management of the contract through ongoing monitoring to ensure key performance indicators are met.

To protect the interests of Council, terms and conditions must be settled in advance of any commitment being made with a supplier. Any exceptions to this requirement exposes Council to risk.

Contracts must be proactively managed by council staff responsible for the project or service. Each should be assessed equivalent to size, type, complexity, duration and value to determine the level of risk. This will then determine the level of management of the particular project/contract to best utilise resources and preserve value for money.

Risk assessments are a vital part of the procurement planning process, particularly for significant contracts. Risks will be identified for each part of the sourcing, transition, delivery and finalisation stages of procurement. Appropriate risk avoidance and mitigation strategies will be employed whenever practicable and appropriate.

6.4. Contract Management

Council will evaluate and seek to improve on all aspects of procurement and contract management, in accordance with its documented procurement processes and Contract Management Framework.

Effective contract management ensures goods, services and works are delivered to the required standards of quality and quantity as intended by the contract through:

- Establishing a system to monitor and achieve the responsibilities and obligations of all parties under the contract;
- Providing a means for the early recognition of issues and performance problems and the identification of solutions;
- Adhering to Council's Risk Management Framework and relevant Occupational Health and Safety and sustainability requirements.

Council contracts must include contract management requirements commensurate with the complexity of the procurement. Furthermore, contracts must be proactively managed by the member of Council Staff responsible for the delivery of the contracted goods, services or works to ensure Council, and therefore the community, receives value for money.

6.5. Dispute Resolution

All Council contracts will incorporate dispute management and alternative dispute resolution provisions to minimise the likelihood of disputes escalating to litigation.

6.6. Endorsement

Staff must not publicly endorse products or services without the prior approval of the CEO. For the sake of clarity, endorsement for the purposes of this provision does not include circumstances where Staff provide in-confidence references to other councils or businesses who seek to use a particular supplier from whom Council has previously procured goods, services or works.

6.7. Training

All staff with duties that involve the purchasing of goods and services undertake procurement training when they commence employment. In order to ensure existing staff are up-to-date with the latest requirements of this Policy, they should participate in refresher training every two years. Training may be delivered as an online course or in person. Staff who breach the Policy will be required to undertake refresher training immediately and may be subject to disciplinary action.

6.8. Achieving Value for Money

The Council's procurement activities are carried out on the basis of obtaining value for money. This means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations. Lowest price is not the sole determinant of value for money.

Obtaining value for money will be facilitated by:

- Achieving continuous improvement in procurement activities;
- Developing, implementing and managing processes that support the coordination and streamlining of activities throughout the procurement lifecycle;
- Effective use of competition;
- Using existing Council contractual arrangement or collaborative procurement arrangements if appropriate;
- Identifying and rectifying inefficiencies in procurement processes;
- Developing cost-efficient tender processes;
- Staff responsible for providing procurement services or assistance providing competent advice in terms of available products and agreements; and
- Working with suppliers to create relationships that are professional, productive, and appropriate to the value and importance of the goods, services and works being acquired.

6.9. Sustainable Procurement

Sustainable procurement involves decision making that has the most positive environmental, social and economic impacts possible across the entire lifecycle of goods, services and works.

Staff will have a clear and shared understanding of what sustainable procurement means and how they can apply it to their daily tasks. Council commits to applying the principles of sustainability to its decision-making and activities.

Council demonstrates sustainable procurement by:

- Being accountable for its impacts on society, the economy and the environment including the impacts of the organisation's supply chain;
- Examining anticipated organisational, project and/or community needs;
- Continually improving specifications and practices as they relate to sustainable outcomes.

7. Building and Maintaining Supply Relationships

7.1. Managing Suppliers

Council recognises the importance of effective and open working relationships with its suppliers and is committed to managing existing suppliers via performance measurements to ensure the benefits negotiated through the procurement activity are obtained through the delivery stage.

7.2. Supply Market Development

A wide range of suppliers are encouraged to compete for Council work. The focus for new work need not always be with the larger more familiar businesses. Other types of organisations offering business diversity include:

- Local, small to medium sized enterprises (SMEs) and Social Enterprises;

- Green suppliers;
- Ethnic and minority businesses (e.g. Indigenous Business); and
- Volunteer and community organisations.

7.3. Panel of Suppliers

The establishment of a Supplier Panel allows staff to request quotations from suppliers on the panel on the following basis:

- Where the cost of a piece of work can be effectively calculated using the schedule of rates provided by each contractor, the staff member may select a supplier on the basis of those rates as well as any other factors stipulated to apply to selecting a supplier in the contract conditions. Value for money, probity and fairness must be demonstrated in selecting a supplier from the Panel in each case and the reasons for the staff member's selection of a supplier fully documented.
- Where the cost of a piece of work cannot be effectively calculated using the contractors' schedule of rates OR where the contract does not stipulate any other factors to be considered in selecting a contractor from the panel, the staff member must seek quotes in accordance with the purchasing thresholds in Appendix 1.
- Where the cost of a piece of work is likely to exceed the Open Tender threshold, a minimum of three quotations must be sought from suppliers on the panel. The ability to seek quotations from the panel is capped at a maximum purchase amount equal to the CEO financial delegation limit (as a public tender will have already been conducted to approve the panel).

8. Delegations and Authorisations

The CEO will ensure a documented register of procurement delegations is maintained, identifying Council staff authorised to make such procurement commitments in respect of materials, goods, services and works on behalf of Council, to include but not necessarily be limited to the following:

- Acceptance of tenders and of quotes.
- Contract term extensions (within authorised budget).
- Contract amendment (non-financial).
- Contract amendment (financial).

9. Exclusions

Nil

10. 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.

11. Related Legislation

Competition & Consumer Act 2010
Independent Broad-based Anti-Corruption Commission Act 2011
Local Government Act 2020

12. Related Policies, Procedures and Strategies

Council Policy 039 - Risk Management
 Council Policy 075 - Fraud
 Council Policy 181 – Councillor Gifts
 Council Policy 174 – Complaint Handling
 Council Procedure PR141 - Public Interest Disclosure
 Council Procedure PR130 - Disciplinary Action
 Employee Code of Conduct

Councillor Code of Conduct

13. Attachments

Nil

14. Review Period

Four years

Responsible officer

Contracts and Procurement Manager

15. 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 appendices of this Policy, 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.

16. Approval History

Adopted	17 November 2009	Minute Book Reference No 14731 (Item 9.5)
Revised	21 September 2010	Minute Book Reference No 16407 (Item 12.6)
Revised	18 October 2011	Minute Book Reference No 18261 (Item 13.3)
Revised	21 August 2012	Minute Book Reference No 1057 (Item 4.16)
Revised	20 August 2013	Minute Book Reference No 1041 (Item 6.3)
Revised	19 August 2014	Minute Book Reference No 878 (Item 6.1)
Revised	18 August 2015	Minute Book Reference No 905 (Item 6.2)
Revised	16 August 2016	Minute Book Reference No 731 (Item 6.2)
Revised	20 March 2018	Minute Book Reference No 486 (Item 7.1)
Revised	23 June 2020	Minute Book Reference No 2221 (Item 9.6)

Chief Executive Officer:

Date:

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Appendix 1 Council – Procurement Methodology Thresholds

Council will invite tenders, proposals, quotes and expressions of interest from the supply market for goods, services and works in accordance with these thresholds:

Expenditure (Excluding GST)	Quotation Method
\$0 - \$2,000	No quote required
\$2,001 - \$15,000	One written quotation must be sought.
\$15,001 - \$50,000	Two written quotations must be sought.
\$50,001 - <\$300,000	Three or more written quotations must be sought via the process set out in the Procurement Manual, as updated from time to time. Advertising is not required unless undertaking an Open Tender.
\$300,000 and above	Open Tender to be undertaken.

*An Open Tender process may be used for values less than \$300,000 if this will service Council's interests and produce a better outcome in the context of this Policy. The Procurement Risk Matrix should be utilised in this regard.

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Appendix 2 Council – Reporting and Monitoring

Council will seek to improve its procurement performance by capturing and analysing data in areas including:

- New collaborative procurement contracts;
- New panel contracts;
- The number and details of any procurement over \$300,000 (excluding GST), for which an Open Tender process was not undertaken.
- Contract Management Framework compliance, including monitoring and reporting on management of variations, timelines, contractor management and feedback and overall quality of work or service.

A report detailing actual performance against these indicators will be presented annually to the Audit & Risk Committee.

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Appendix 3 Situations deemed outside the scope of this Policy (Exemptions from Policy)

A number of purchasing scenarios are deemed to fall outside the scope of this Policy. Council is not required to undertake any tender, quotation, or expression of interest process and may proceed with a direct sourcing method if any of the following circumstances apply:

Exemption Name	Explanation, limitations, responsibilities and approvals
1. A contract made with the approval of the CEO in response to a genuine emergency	<ul style="list-style-type: none"> When the CEO has declared that the contract must be entered into because of an emergency which may be classed as either Level 1 or Level 2 in the definitions under this Policy, or Level 3 only where the procurement is essential to the continuation of business as usual.
2. A contract made with, or a purchase from a contract made by, another government entity, government-owned entity or other approved third party	<ul style="list-style-type: none"> This general exemption allows engagements: <ul style="list-style-type: none"> With another government entity or government owned entity. For example, Federal, State or Local Government or an entity owned by the Federal, State or Local Government; and/or In reliance on contracts and arrangements established by another government entity, local authority or local government group purchasing scheme, Municipal Association of Victoria (MAV) or National Procurement network members (e.g. Local Buy), Procurement Australia (PA). or LMPN.
3. Extension of contracts while Council is at market to replace that contract.	<ul style="list-style-type: none"> Allows Council to extend an existing contract if the procurement process to replace the contract has commenced, and when the tender process or negotiations will take or are taking longer than expected. This exemption may be used when the establishment of an interim short-term arrangement with an alternative supplier is considered not to be in the public interest, as it may be cost prohibitive and/or present a risk in the delivery of critical public services to the municipality.
4. Novated Contracts	<ul style="list-style-type: none"> When the initial contract was entered into in compliance with the Act and due diligence has been undertaken in respect to the new party.
5. Information technology resellers and software developers	<ul style="list-style-type: none"> Allows Council to renew software licenses, maintenance and support agreements, or upgrade existing systems, when there is only one supplier of the software who holds the intellectual property rights to the software.
6. Statutory Compulsory Monopoly Insurance Schemes	<ul style="list-style-type: none"> Motor vehicle compulsory third party WorkCover Joint/mutual insurance schemes specifically catering to Local Government
7. Plant and Equipment Servicing	<ul style="list-style-type: none"> If it is required to maintain a valid warranty, When works need to be carried out by recognised suppliers using genuine parts. To achieve this Council utilises servicing by the manufacturers from whom the plant and equipment was originally purchased. Spare parts from specific manufacturers can be purchased to complete works on plant and equipment in Council's workshop.

Exemption Name	Explanation, limitations, responsibilities and approvals
8. Artworks, Statues and Monuments	<ul style="list-style-type: none"> It is not practical to obtain quotes for artworks, statues and monuments as each piece of work is unique. Please note that if an artwork is commissioned then this exemption does not apply and quotations or tenders must be sought.
9. Shop Supplies	<ul style="list-style-type: none"> Units of Council that operate a retail outlet that are required to purchase stock for resale to the public. This is due to the nature of the goods that are offered for resale, which may be unique.
10. Performers	<ul style="list-style-type: none"> Units of Council that engage performers as part of their performance program are exempt.
11. Sole Supplier	<ul style="list-style-type: none"> There is no market to test and obtain multiple quotations. Examples: Regional water corporations, PowerCor, professional membership payments (relating to positions held at Council), when the supplier is the sole source of intellectual property (e.g. Facebook, Google, Apple or Microsoft) Advertising (newspapers, magazines and the like), payments to third party agencies to meet statutory obligations (eg. Fire Services Levy payment).
12. Legal Services	<ul style="list-style-type: none"> Engagement of legal service providers.
13. Leases and Licences	<ul style="list-style-type: none"> Save for finance leases where Council may ultimately acquire the goods under lease, lease agreements and licence agreements for goods, services and/or real property are outside the scope of this Procurement Policy. <p>Notwithstanding this exemption, wherever practicable, Council acknowledges that it will consider value for money, transparency, procedural fairness and accountability with regard to leases and licences and will act in accordance with all relevant Council policies and its statutory obligations in lease and licence arrangements.</p>

Staff raising a requisition where one of the above exemption categories applies must enter in the Purchasing System at requisition stage, the exemption type, as well as an explanation as to why the exemption type applies to their purchase for audit and reporting purposes.

A report detailing all exemption claims for each calendar month will be provided at the end of the relevant month to the Executive Leadership Team for review and any issues noted by the Contracts & Procurement Team. Where the relevant Director considers any exemption claims to have been misapplied, the Director will take any action required to prevent further misuse of the provision in future by the relevant Staff member.

Appendix 4 Waiver from Prescribed Procurement Process

It is recognised that there will be specific and limited circumstances when obtaining multiple quotations may not be possible, practical or represent the best value for money.

In this type of situation, a waiver of the requirement to follow the prescribed procurement process may be requested by completing a 'Request for Waiver from Procurement Process' Form. The form must detail:

- The details of the proposed supplier;
- An estimate of the cost; and
- the circumstances and reasons why the correct procurement process cannot be carried out.

All Request for Waiver forms must be reviewed by Procurement and approved by the relevant Director, who will first review the particular circumstances on their merit, to ensure value for money is able to be achieved and that the proposed purchase is fair, transparent and free from bias.

Where the purchase would ordinarily be subject to a public tender process (for purchases over the threshold of \$300,000 excluding GST) or where the value exceeds the relevant Director's financial delegation, the Request for Waiver form must be forwarded to Procurement and approved by the CEO.

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Council Policy Number	126
Date adopted	
Scheduled for review	####June — 2027



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1. Preamble

This policy is made under Section 108 of the Local Government Act 2020. The Act requires each council to:

- Prepare and adopt a procurement policy which specifies the principles, processes and procedures applying in respect of the purchase of goods and services and carrying out of works by the Council; and
- Review its procurement policy at least once during each 4-year term of the Council.

2. Purpose

This policy provides overarching guidelines in relation to the procurement of goods, services and works by Council in the delivery of services to the community and the operations of the organisation.

3. Definitions

[Terms appearing in the singular may be read as plural and vice versa.](#)

~~3.~~

Act Local Government Act 2020 [\(Vic\)](#).

[Closed Tender](#) [An approach to market which is directed to a select group of suppliers who are invited to submit a tender proposal.](#)

Collaborative Procurement Arrangement A contract established by the Council, government or a nominated agent, such as Procurement Australasia (PA), Municipal Association of Victoria (MAV), Loddon Mallee Procurement Network of Councils or a local government entity, for the benefit of numerous state, federal and/or local government entities that achieves best value by leveraging combined economies of scale.

Commercial in Confidence Information that, if released, may prejudice the business dealings or commercial interests of Council or another party, e.g. prices, discounts, rebates, profits, methodologies and process information, etc.

Conflict of Interest A conflict of interest exists when private interests conflict with public duty. In a situation where private interests may benefit from or be adversely affected by public duty a conflict of interest probably exists and any such conflict should be declared.

Contract Management The process that ensures all parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the contract objectives and provide Value for Money.

Council Campaspe Shire Council.

Councillors	Council's elected representatives (the Mayor and Councillors) or Administrator(s) appointed to act in this capacity.
<u>Expression of Interest (EOI)</u>	<u>A procurement process used to identify suppliers interested in, and capable of, delivering the required goods or services. Potential suppliers are asked to provide information on their capability and capacity to perform the work. It is usually the first stage of a multi-stage tender process.</u>
<u>Genuine Emergency</u>	<p><u>A sudden, unforeseen event, which has the potential to result in injury, loss of life or critical damage to property or infrastructure. Emergency in the procurement context is viewed at three levels:</u></p> <ul style="list-style-type: none"> - <u>Level 1 Immediate Response – Reactive procurement action taken immediately before, during and in the first period after an emergency to reduce the effects and consequences of the emergency on people, their livelihoods, wellbeing and property; on the environment; and to meet basic human needs.</u> - <u>Level 2 Disaster Relief – Emergency procurement for the provision of assistance to meet the essential needs of individuals, families and the wider community during and in the immediate aftermath of an emergency.</u> - <u>Level 3 Post-Disaster Recovery – Accelerated procurement to assist Council and the community to achieve a proper and effective level of functioning.</u>
IBAC	Independent Broad-based Anti-Corruption Commission.
Indigenous Business	An Indigenous Business is one that is at least 50% owned by an Aboriginal or Torres Strait Islands person(s) (consistent with Supply Nation's definition). https://supplynation.org.au/benefits/indigenous-business/
Local Business (ee)	A commercial business with an operational premises that is physically located within the municipal borders, including or in Moama.
Loddon Mallee Procurement Network (LM PRN)	The 10 councils comprising the LMPN, being the Buloke Shire Council, Campaspe Shire Council, Central Goldfields Shire Council, City of Greater Bendigo, Gannawarra Shire Council, Loddon Shire Council, Macedon Ranges Shire Council, Mildura Rural City Council, Mount Alexander Shire Council and Swan Hill Rural City Council.
Principles	<u>Procurement principles are the fundamental propositions or forces that serve as the foundation for Council's Procurement Policy, practices and decision making.</u> Procurement principles are the fundamental propositions or forces that serve as the foundation for the policy and will govern procurement practices and decision making.
Probity	Within government, the term "probity" is often used in a general sense to mean "good process". A procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with the Council's policies and legislation, are established, understood, and followed from the outset. These procedures need to consider the legitimate interests of suppliers and ensure that all potential suppliers are treated equitably.

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Procurement	Procurement is the whole process of acquisition of external goods, services and works. This process spans the whole life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service contract, where practicable to do so.
Procurement Manual	The <u>administrative</u> manual containing the specific operational methodologies used during procurement processes and processes to be undertaken by Staff engaged in purchasing activities.
<u>Procurement Plan</u>	<u>A document prepared prior to an open or closed Tender or Expression of Interest, to detail the intended process to be followed throughout the approach to market; including but not limited to the criteria by which submissions will be evaluated.</u>
Public Advertising	Public Advertising is online/digital through Council's e-Tender Portal <u>and any other forum which may be considered appropriate in the circumstances, including but not limited to social media platforms.</u>
<u>Purchasing Cards</u>	<u>Corporate credit cards issued to relevant Staff for use in accordance with Council's Corporate Purchase Card Policy.</u>
<u>Open Tender</u>	<u>Any approach to market which is publicly advertised and available to all potential respondents (rather than a targeted invitation to a select group of suppliers).</u>
<u>Responsible Officer</u>	<u>The member of Staff responsible for the purchase or procurement activity.</u>
Schedule of Rates Contract	A standing offer arrangement based on a Schedule of Rates contract that sets out rates for goods and services which are available for the term of the agreement but without a commitment to purchase a specified value or quantity of goods or services.
Social Economic Benefit	The positive impacts on people, places or communities generated through procurement practices in the Loddon Mallee Region.
Staff	Includes all Council officers <u>and temporary</u> employees, <u>whether permanent, temporary, contractors, voluntary or under a Contract of Employment or consultants while engaged by Council.</u>
<u>Supplier Panels</u>	<u>Panels of suppliers or vendors who can supply goods, works or services. A panel is a group of Panels are suppliers with whom Council has a contracts for services that have that have already been tendered and are based on categories such as trade services and plant hire. Panels mean that Council staff can request a quotation (from suppliers on the panel) without publicly inviting tenders (noting that the number of quotations requested still needs to be compliant with the policy).</u>
<u>Suppliers</u>	Any organisation which supplies goods or services to Council including but not limited to, contractors, subcontractors, manufacturers, wholesalers, retailers and consultants.
Sustainability	Activities that meet the needs of the <u>present organisation for goods, works and services in a way that achieves value for money on a whole of life basis. This means that benefits are generated not only for the organisation, but for the community and local economy and that</u>

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	negative effects on the environment are minimised in doing so without compromising the ability of future generations to meet their needs.
Tender Process	The process of inviting parties from either a select list or via public advertisement to submit an offer by tender followed by evaluation of submissions and selection of a successful bidder or tenderer in accordance with pre-determined evaluation criteria.
Total Contract Sum	The potential total value of the contract including: <ul style="list-style-type: none"> • costs for the full term of the contract, including any options for either party to extend the contract; • applicable goods and services tax (GST); • anticipated contingency allowances or variations, and • all other known, anticipated and reasonably foreseeable costs.
Value for Money	Value for Money in procurement is about realising benefit in the purchase selecting the supply of goods, services and works, taking into account both cost and non-cost factors including: <ul style="list-style-type: none"> • contribution to the advancement of Council's priorities, fitness for purpose, quality, service and support, and • whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works.

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4. Policy Statement

Council will adhere to all required provisions in the Local Government Act 2020 and the Competition and Consumer Act 2010 in all procurement matters and maintain consistency with any Victorian Local Government Best Practice Procurement Guidelines.

4.1. Scope and Application

This Policy applies to all procurement activities and is applicable to the Council, council staff and all persons undertaking procurement on Council's behalf.

This Policy will assist Council to achieve objectives such as obtaining Value for Money, supporting local economies and sustainable and socially responsible procurement, leading to a better result in the provision of goods, services and works for the benefit of the community.

This Policy provides direction on the conduct of procurement activities throughout the sourcing, management and disposal phases. It does not extend to the related accounts payable processes.

The Council and council staff must comply with this Procurement Policy before purchasing or entering a contract for, the purchase of goods, services or the carrying out of works.

4.2. Objectives

This Policy is consistent with the requirements of Section 108 (2) of the Act and will:

- Promote open and fair competition and provide value for money;
- Provide clear guidelines to the Council to promote consistency and control over procurement activities;
- Demonstrate accountability to ratepayers and residents;
- Provide guidance on ethical behaviour in public sector procurement;
- Demonstrate the application of best practice in procurement activities;
- Demonstrate the consideration of sustainability in procurement with respect to social, economic and environmental factors;
- Increase the probability of obtaining the best outcome for the municipal community when procuring goods and services and delivering works; and



- Promote collaborative procurement.

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These objectives will be achieved by requiring that the Council's contracting, purchasing and contract management activities:

- Support the Council's corporate strategies, aims and objectives;
- Span the whole life cycle of an acquisition and take sustainability and environmental benefit considerations into account;
- Achieve demonstrable value for money;
- Are conducted in, and demonstrate, an impartial, fair and ethical manner;
- Seek continual improvement through innovative and technological initiatives, and
- Generate and support Local Business when value for money is evidenced.

4.3. Application of GST

All monetary values stated in this policy exclude GST, unless specifically stated otherwise.

4.4. Effective Legislative ~~and~~, Policy Compliance and Control

Ethics and Probity

i. Ethics and Probity

Council's procurement activities will be performed in an open, transparent and ethical manner that demonstrates integrity, fairness and accountability to meet relevant legal requirements.

All tender processes will be conducted in accordance with the requirements of this Procurement Policy and any associated procedures, relevant legislation, relevant Australian Standards, Commercial Law and the Act.

4.4.1.ii. Conduct of Councillors and Council Staff

Councillors and council staff will at all times conduct themselves in ways that ~~are in~~ accordance with the Councillor Code of Conduct or the Employee Code of Conduct respectively, perform their duties ethically and with integrity and must:

- Treat potential and existing suppliers with equality and fairness;
- Not use their position to seek or receive personal gain in procurement matters;
- Maintain confidentiality of Commercial in Confidence information;
- Present the highest standards of professionalism and probity;
- Provide suppliers and tenderers with the same information and an equal opportunity to tender or quote for goods, services and works contracts;
- Be able to account for all decisions and demonstrate and provide evidence of the processes followed;
- Not perform any work under any Council contracts they are supervising i.e. SCouncil staff cannot also work for the relevant supplier;
- Query incidents, decisions or directions that appear to contradict or deviate from Council's standards of ethics, probity or established policies and procedures; and
- Ensure that this policy and Council's Procurement guidelines are adhered to in relation to the expenditure of Council funds.

4.4.2.iii. Conflict of Interest

Councillors and Scouncil-staff must, at all times, avoid situations which may give rise to an actual or perceived conflict of interest or potential conflict of interest. A conflict of interest may be a 'general' or a 'material' conflict of interest.

A person has a general conflict of interest in a matter if an impartial, fair-minded person would consider that the person's private interests could result in that person acting in a manner that is contrary to their public duty.

A person has a material conflict of interest in a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter. The benefit or loss may be direct or indirect and pecuniary or non-pecuniary. Affected persons include, among others, the member of staff and their family members.

Council staff involved in the procurement process, in particular, preparing tender documentation, writing tender specifications, opening tenders, participating in tender evaluation panels, preparing a recommendation report; and Councillors and council staff awarding tenders must:

- Avoid material or general conflicts of interest, whether actual, potential or perceived;
- Declare if they have a conflict of interest in respect of the procurement. Staff participating in tender evaluation panels must complete a conflict of interest declaration. Staff must declare any actual or perceived conflicts in line with Council's internal processes for reporting conflicts of interest; and
- Observe prevailing Council and Government guidelines on how to prevent or deal with conflict of interest situations; and not take advantage of any tender related information, whether or not for personal gain.

4.4.3.iv. Fair and Honest Dealing

All prospective contractors and suppliers must be treated impartially and afforded an equal opportunity to tender or submit a quotation.

Any suspected improper conduct, including fraud, corruption, substantial mismanagement of public resources, risk to public health and safety, risk to the environment, or detrimental action should be managed in accordance with Council's Disciplinary Action Procedure for staff or the Councillor Code of Conduct for Councillors.

4.4.4.v. Probity, Accountability and Transparency

Accountability in procurement means being able to justify and provide evidence of the process followed. An independent third party must be able to see clearly that a process has been followed and that the process was fair and reasonable.

Council staff must be able to account for all procurement decisions and ensure all procurement activities leave an audit trail for monitoring and reporting purposes.

4.4.5.vi. Gifts and Benefits

Any gift or benefit offered to a Councillor or staff member will be managed in accordance with the Councillor Gifts Policy ~~and~~ Employee Code of Conduct ~~(as applicable)~~.

Councillors and ~~S~~staff, particularly contract supervisors must not knowingly engage a council supplier for private benefit, unless that engagement is on proper commercial terms.

4.4.6.vii. Disclosure of Information

Commercial in Confidence information received by the Council must not be disclosed and must be stored in a secure location.

Councillors and staff must take all reasonable measures to maintain confidentiality of:

- Information disclosed by organisations in tenders, quotations or during tender negotiations; and
- Commercial in Confidence information.

~~Councillors and staff must avoid references to current or proposed contracts in discussion with acquaintances or outside interests.~~

Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier.

At no stage should any discussion be entered into which could improperly influence the procurement process, or negotiation of a contract, prior to the contract approval process

being finalised, other than ~~authorised~~ pre-contract negotiations undertaken in accordance with as per the Pprocurement Pplan.

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4.4.7.viii. Complaints & Reporting of Suspicious Activities

Complaints Handling

Members of the public and suppliers are encouraged to report known or suspected incidences of improper conduct to the CEO. The management of complaints will ~~be in in~~ accordance with Council's Complaint Handling Policy.

Reporting Suspicious Activities

Councillors, staff and suppliers are required, at all times, to act honestly and with integrity and to safeguard the public resources for which they are responsible. Council is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal benefits (financial or otherwise).

Council will take all reasonable steps to protect those who assist Council by providing information about suspected fraud. This may include the provision of information on Council's Public Interest Disclosure Procedure, maintaining the confidentiality of identity and protection from harassment, to the extent possible.

Suspected improper conduct, offers of bribes, commissions and any other irregular approaches from suppliers, prospective suppliers or other individuals will be investigated and reported in accordance with Council's policies and processes.

The CEO must notify IBAC of any matter they suspect on reasonable grounds to involve corrupt conduct occurring (or having occurred) in accordance with mandatory reporting requirements under the *Independent Broad-based Anti-Corruption Commission Act 2011*.

4.5. Governance

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4.5.1-5.1. Structure

Council has delegated a range of powers, duties and functions to the CEO in relation to procurement. The delegations aim to ensure that the Council's procurement structure operates according to processes that:

- Are flexible enough to procure in a timely manner the diverse range of goods, works and services required by Council;
- Guarantee that prospective contractors and suppliers are afforded an equal opportunity to tender or submit a quotation; and
- Encourage competition and collaboration.

4.5.1-5.2. Methods

The Council's standard methods for procuring goods, services and works are:

- ~~Through a p~~Through a purchase order that represents best Value for Money under the quotation process from suppliers for goods or services under the thresholds adopted by the Council. An approved purchase order must be created prior to committing expenditure on behalf of Council;
- Under a contract following a quotation or tender process;
- Under a Supplier Panel;
- ~~Using Engaging a supplier via a Ce~~Using Engaging a supplier via a Ceollaborative ~~P~~Procurement arrangements;
- ~~Via a m~~Via a multi-stage tenders commencing with a request for Expressions of Interest ("EOI") followed by a ~~Closed- T~~Closed- Tender ~~P~~Process;
- Under a ~~sole-sourcing- n~~ arrangement in line with the conditions contained in Appendix 3 - Exemptions from the Policy; and
- ~~Using~~Using Purchasing Cards; ;

unless other arrangements are specifically authorised by Council.

4.5.2.5.3. Responsible Financial Management

The principles of responsible financial management will be applied to all procurement activities. To give effect to these principles, ~~the availability purchasing staff must provide detail of the availability of existing funds within an approved budget or alternative source of funds should be established~~ prior to the commencement of any procurement action for the ~~supply-purchase~~ of goods, services or works.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this policy.

4.6.5.4. Procurement Thresholds and Competition

Council will invite offers from the supply market for goods, services, and works in accordance with the thresholds listed in Appendix 1.

i. Procurement Principles**4.6.1. Procurement Principles**

Council will apply the following fundamental best practice principles to procurement, irrespective of the value and complexity of that procurement:

- Value for money;
- Sustainability (social, economic and environmental);
- Open and fair competition;
- Accountability;
- Risk management, and
- Probity and transparency.

4.6.2.ii. Procurement Methodology

Section 108 of the Act details that each Council will set the public tender threshold above which tenders or expressions of interest for contracts must be publicly invited.

A public tender process must be used for all procurement ~~activities valued at where the estimated value is \$3200,000 and above (excluding GST) for goods, services or works.~~

~~and above (excluding GST) for goods, services or works.~~

For procurement ~~activities valued where the estimated value is~~ under \$3200,000 (excluding GST), the procurement methodology and thresholds detailed in Appendix 1 will apply.

iii. Aggregate Spend

~~When considering the appropriate process for the procurement of services, regard must be had to the period of time considered optimal to drive value for money, as well as whether a contract arrangement would be appropriate in the circumstances.~~

~~The determination of the appropriate period of time in each case will take into account the type of service and number of suppliers in the market providing the service, as well as the mitigation of any risks which may be associated with a longer-term contract. Staff should consider any optimal timeframe for considering aggregate spend as may be stated in the Victorian Best Practice Procurement Guidelines.~~

4.6.3.ix. Contract Variations

All contract variations must be assessed to determine whether they are properly characterised as variations, or whether they are in effect a new contract. ~~This will depend~~

~~on factors like: Whether a variation claim is to be considered a true variation depends on a number of factors relevant to the particular piece of work, including:~~

- ~~The monetary value of the proposed variation by reference to the original contract sum; and, i.e. the value of the variation in the context of the thresholds fixed by the Procurement Policy; and~~
- ~~The subject matter actual work outlined in-of the proposed variation, and the extent to which the scope varies from- whether it is consistent what was with contemplated at the time of the scope of the original contract.~~

Staff authority to approve financial variations is determined according to the Instrument of Financial Sub-Delegation as amended from time to time.

Any financial variation (taken on a cumulative varied sum basis) which exceeds the CEO's financial delegation limit, where the original contract sum was within the CEO's financial delegation limit, must have Council approval.

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4.6.4.x. Payment for Goods, Services and Works

Request for payment of goods, services and works must be in the form of a Tax Invoice as defined by the Australian Taxation Office (ATO). Payment will be made within 7 days ~~on confirmation of receipt of goods of~~ receipt by Council of a valid invoice. ~~and services and supply of a Tax Invoice.~~

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5.5. Open Tender Requirements

4.6.5. Public Tender Requirements

All public tenders invited by the Council will be published via Council's eTendering pPortal and may be advertised in the local media and any social media as may be considered appropriate.

Information regarding current tenders and limited information regarding awarded contracttenders will be published on Council's web site.

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i. Procurement Plan**4.6.5.1. Tender Evaluation**

A detailed procurement plan should be developed by the Responsible Officer and strictly adhered to by the evaluation panel throughout the tender process.

The procurement plan should be completed and signed off by the relevant Director prior to any approach to market.

All procurement plans must contain the following information at a minimum:

- Summary of the scope of work;
- Budget;
- Collaborative procurement opportunities;
- Approach to market;
- Timeframe;
- Risk analysis;
- Tender evaluation panel (comprising at least 3 scoring members and a non-scoring chairperson);
- Proposed contract particulars; and
- Evaluation criteria.

A tender evaluation panel will be established to evaluate each tender submission against the tender's selection criteria. Tender evaluation panels may include external personnel in order to ensure the best outcome for a procurement activity and must comprise at least 3 persons and a chairperson. All panel members must sign a Detail external SME's or panel members – confidentiality and conflict of interest declaration before gaining access to tender submissions.

ii. Tender Evaluation

A tender evaluation panel will be established to evaluate each tender submission against the tender's selection criteria. Tender evaluation panels may include external personnel in order to ensure the best outcome for a procurement activity and must comprise at least 3 persons and a chairperson.

A tender evaluation plan should be incorporated within the Procurement Plan, completed and signed off prior to the tender or quotation being issued. The tender evaluation panel is expected to comply with the evaluation plan at all times.

~~—A detailed tender evaluation plan should be developed, approved and strictly adhered to by the panel.~~

~~—The tender procurement evaluation plan should be completed and signed off prior to the tender or quotation being approach to market issued.~~

4.6.5.2.iii. Evaluation Criteria

In order to determine whether a proposed contract provides Value for Money, The Council all procurement plans for Open Tenders will include the following mandatory evaluation criteria: categorat a minimum;ies, unless identified as optional, to determine whether a proposed contract provides Value for Money:

- Occupational Health and Safety and Insurance Mandatory Compliance criteria and any required pre-accreditation which may be required for the particular work (e.g. ABN registration, OH&S, Fair Work Act, risk and conflict of interest);
- Tendered price (Mandatory);
- Tenderer cCapability and /proposed mMethodology of the tenderer to provide the goods and/or services and/or works; and (Mandatory);

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- ~~Capacity and experience~~ of the tenderer ~~into~~ providing ~~similar~~ the goods and/or services and/or works ~~_(Mandatory); and~~

~~Additional evaluation criteria are optional and may be considered and weighted appropriately to address the key objectives and determining factors for success in each particular contract scenario.~~

•

- ~~Demonstration of sustainability (Optional).~~

The specific methodology ~~used during~~ to be applied to the evaluation process must be detailed in the Procurement ~~Manual~~ Plan.

iv. Local Benefit

i.

4.6.5.3. Local Procurement

~~In support of local businesses, if there are equal highest scoring tenderers at the conclusion of the evaluation process, preference will be given to the local business. If the equal highest scoring tenderers are both local, the contract will be awarded to the one that has the lower price.~~

~~Council will demonstrate a commitment to supporting its local economy and/or the Campaspe Shire community by:~~

~~Incorporating a weighted evaluation criteria category for benefits to the Campaspe Shire local economy, only where it would be appropriate to do so, having regard to the following factors:~~

~~supplier market conditions at the time of the tender;~~

~~the level of expertise required by the Contractor and/or subcontractors for the particular piece of work and capacity of Local Businesses to provide same;~~

~~The actual, measurable benefit to the local economy or community. That is, the likelihood that the service or works will generate tangible contributions to the local economy and/or community.~~

~~Where a weighted criteria item is included, the associated percentage weighting must not exceed 10 percent.~~

~~Inviting at least one Local Business to submit a quotation for the piece of work, only where it is practicable to do so and where a public tender is not required under this Policy.~~

~~For the sake of clarity, where the purchasing staff member determines in their discretion that value for money, fairness, innovation and/or quality of work are likely to be adversely impacted by doing so, the staff member will not be required to approach the local supply market when seeking quotations.~~

4.6.5.4.v. Probity Advisor

A formal probity plan must be developed, and a probity advisor appointed in the following circumstances:

- If the proposed Total Contract Sum exceeds \$10 million (~~excluding GST~~) over the life of the contract, or for any lesser value set by Council from time to time; or
- If a proposed contract is considered by Council or the CEO to be particularly complex, ~~or~~ of a high risk or controversial nature, and requiring a high level of public confidence.

Outside of the above requirements, a probity advisor may be appointed by the CEO or ~~Director~~ General Manager, at any stage of the procurement process.

4.6.5.5.vi. Shortlisting and Negotiations

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Council may ~~conduct~~ carry out a second stage shortlisting process during any EOI, tender and quotation processes. Shortlisting must be based on the advertised selection criteria.

Shortlisted tenderers may be invited by the Council to submit a best and final offer in relation to all or certain aspects of their respective tenders.

Once one or more preferred tenderers are selected, negotiations can be conducted in order to obtain the optimal solution and commercially agreed arrangements ~~terms~~ within the original scope and intent of the tender. Probity requirements apply to all negotiations.

A Best and Final Offer process (BAFO) may be used. The terms of the BAFO process should stipulate the time period for which the BAFO offer must be held by the tenderer.

5.6. Collaborative Procurement

4.6.6. Collaborative Procurement

In accordance with section 108(c) of the Act, the Council will first give consideration to collaboration with other councils and public bodies or utilise Collaborative Procurement Arrangements, when procuring goods, services and works in order to take advantage of economies of scale.

Council staff must consider any opportunities for Collaborative Procurement in relation to a procurement process undertaken by Council. Any report that recommends commencing a procurement process must set out information relating to opportunities for Collaborative Procurement, if available, including:

- Council is committed to seeking collaborative opportunities within the LMPN by sharing annual budget priorities and upcoming tender opportunities and gaining insight into the priorities of the other councils in the group. Council will also consider shared panel of supplier arrangements where doing so is likely to generate Value for Money outcomes. The nature of those opportunities, if any, and the councils or public bodies with which they are available; and

- Why Council did, or did not, pursue the identified opportunities for collaboration in relation to that procurement process.

When collaborating with the LMPN, Council will do so in accordance with the following:

- The LMPN will develop a consolidated contract register to identify joint procurement projects on an annual basis;

- Council contracts with a minimum value of \$1 million per annum (per Council), for the ongoing supply of goods or provision of services or works, other than projects that are unique to an individual council (e.g. unique construction or works projects), will be included in the consolidated contract register for collaboration consideration;

- Other contracts which, due to the subject matter, nature or scope, are likely to deliver operational efficiencies if procured in collaboration with the LMPN, must be included in the consolidated contract register for consideration as a possible joint procurement opportunity; and

In accordance with the prohibitions on anti-corruption conduct outlined in the Competition and Consumer Act 2020, All tender processes where the resulting contract is anticipated to be shared with other councils will include in the terms of tender and the conditions of contract a statement informing potential tenderers of these conditions.

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If Collaborative Procurement is to be pursued with the LMPN:

- A pre-market approval submission will be submitted to each council and the LMPN prior to commitment to collaboration, seeking delegation of contract approval to CEOs;

- The LMPN will establish a Heads of Agreement that gives authority for a lead council to act as each council's agent in the Collaborative Procurement;

~~• Each of the councils who participate will be able to enter into a contract with the preferred supplier identified through the Collaborative Procurement process, or may choose as a group to enter into a contract using "opt in" contract provisions during the contract term, or with the Council which conducted the public tender; and~~

~~• Each participating council must be involved in:~~

- ~~○ The initial decision to undertake the Collaborative Procurement;~~
- ~~○ Preparation of, and agreement to, the specifications and evaluation criteria;~~
- ~~○ Ensuring probity for the Collaborative Procurement; and~~
- ~~○ The acceptance of tender(s) and awarding of contract(s).~~

~~Furthermore, Council may collaborate with other councils or also collaborate with other agencies such as MAV Procurement or Procurement Australasia to procure goods, services or works, or utilise existing Collaborative Procurement Arrangements for the procurement of goods, services or works established through a public tender process where it provides an advantageous, value for money outcome for the Council.~~

~~The following principles will be applied when utilising procurement agents and whole of government contracts:~~

- ~~• Council will use an agent when potential cost savings exist.~~
- ~~• The use of procurement agents must not eliminate the ability of suppliers locally and within the region to submit a quotation or tender.~~

~~Any Federal or State Government grant funded projects may be excluded from collaborative procurement if required as part of the funding agreement.~~

~~Any report to Council recommending an award of contract must specify any opportunities for collaboration that were identified and where a collaborative approach was not used, the reasons why a collaborative tender could not be undertaken.~~

5.7. Delegation of Authority

4.6.7.

Delegations define the limitations within which council staff are permitted to commit Council to the procurement of goods, services or works and the associated costs. The Instrument of Sub-Delegation allows specified council staff to undertake certain purchases, quotation, tender and contractual processes without prior referral to the Council. This enables the Council to conduct procurement activities in an efficient and timely manner whilst maintaining transparency and integrity.

Council has delegated responsibilities relating to the expenditure of funds for the purchase of goods, services and works, the acceptance of quotations and tenders and for contract management activities to the CEO. The CEO has further delegated some of those responsibilities to other members of council staff, subject to any specified conditions and limitations see Appendix 4, Financial Delegations as set out in the Instruments of Delegation to Staff.

4.6.8.6. Internal Controls

The CEO must implement and maintain a framework of internal controls over procurement processes that will ensure:

- More than one person is involved in and responsible for the authorisation and management of a transaction from end to end;
- Transparency in the procurement process;
- A clearly documented audit trail exists for procurement activities;
- Appropriate authorisations are obtained and documented;
- Systems are in place for appropriate monitoring and performance measurement; and
- A process is in place for escalation, where appropriate, of procurement matters (including procedural non-compliance) to the Executive Leadership Team, the Audit and Risk Committee and Council.

6.1. Procurement Manual

The CEO will ensure that a Procurement Manual is maintained, to provide direction to Council staff on the operational aspects of procurement.

6.2. Organisational Model for Procurement

Council operates a centre-led procurement structure. All strategy, policy, technology, best practice and networking in procurement matters will be led by Council's Contracts and Procurement Manager who is responsible for the centralised procurement team.

For day-to-day purchasing where formal contracts are not involved, Council operates a decentralised system where requests for quotations may be initiated by any department.

~~— The CEO must implement and maintain a framework of internal controls over procurement processes that will ensure:~~

- ~~▪ More than one person is involved in and responsible for the authorisation and management of a transaction from end to end;~~
- ~~▪ Transparency in the procurement process;~~
- ~~▪ A clearly documented audit trail exists for procurement activities;~~
- ~~▪ Appropriate authorisations are obtained and documented;~~
- ~~▪ Systems are in place for appropriate monitoring and performance measurement; and~~
- ~~▪ A process is in place for escalation, where appropriate, of procurement matters (including procedural non-compliance) to the Executive Management Group, the Audit and Risk Committee and Council.~~

6.3. Risk Management

~~4.6.9.~~

Council is committed to the practice of effective risk management to provide improved stakeholder confidence and trust, and to support improved compliance and better corporate governance. Risk management is to be appropriately applied at all stages of procurement activities including:

- Standardisation of contracts including current and relevant clauses
- Requiring security deposits where revert appropriate
- Referring specifications to relevant industry experts
- Ensuring contractual agreements are in place before the commencement of works
- Use of and enforcement of delegated authorities
- Use of or reference to relevant Australian Standards (or equivalent)
- Effectively management of the contract through ongoing monitoring to ensure the required key performance indicators are being met, achieved

To protect the interests of Council, terms and conditions must be settled in advance of any commitment being made with a supplier. Any exceptions to this requirement exposes Council to risk.

Contracts must be proactively managed by council staff responsible for the delivery of the project/contract. Each should be assessed equivalent to size, type, complexity, duration and value to determine the level of risk. This will then determine the level of management of the particular project / contract and forms an integral part of good contract management.

Risk assessments are a vital part of the procurement planning process, particularly for significant contracts. Risks will be identified for each part of the sourcing, transition, delivery and finalisation stages of procurement. Appropriate risk avoidance and mitigation strategies will be employed whenever practicable and appropriate.

6.4. Contract Management

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Council will evaluate and seek to improve on all aspects of procurement and contract management, in accordance with its documented procurement processes and Contract Management Framework.

Effective contract management ensures goods, services and works are delivered to the required standards of quality and quantity as intended by the contract through:

- Establishing a system to monitor and achieve the responsibilities and obligations of all parties under the contract;
- Providing a means for the early recognition of issues and performance problems and the identification of solutions;
- Adhering to Council's risk management framework and relevant Occupational Health and Safety and sustainability requirements.

Council contracts must include contract management requirements commensurate with the complexity of the procurement. Furthermore, contracts must be proactively managed by the member of Council Staff responsible for the delivery of the contracted goods, services or works to ensure Council, and therefore the community, receives Value for Money.

6.5. Dispute Resolution

All Council contracts will incorporate dispute management and alternative dispute resolution provisions to minimise the likelihood of disputes escalating to litigation.

6.6. Endorsement

Staff must not publicly endorse products or services without the prior approval of the CEO. For the sake of clarity, endorsement for the purposes of this provision does not include circumstances where Staff provide in-confidence references to other councils or businesses who seek to use a particular supplier from whom Council has previously procured goods, services or works.

6.7. Training

All Staff with duties that involve the purchasing of goods and services undertake procurement training when they commence employment. In order to ensure existing staff are up-to-date with the latest requirements of this policy, they should participate in refresher training every two years. Training may be delivered as an online course or in person. Staff who breach the policy will be required to undertake refresher training immediately and may be subject to disciplinary action.

4.6.10. Endorsement

Council staff must not publicly endorse products or services without the prior approval of the CEO.

4.6.11. Dispute Resolution

All Council contracts will incorporate dispute management and alternative dispute resolution provisions to minimise the chance of disputes escalating to legal action.

4.7. Contract Management

In order to continually improve its procurement and contract management processes and outcomes, Council will evaluate and seek to improve on all aspects of procurement and contract management, in accordance with its documented procurement processes and Contract Management Framework.

- Good contract management ensures goods, services and works are delivered to the required standards of quality and quantity as intended by the contract through:
 - Establishing a system to monitor and achieve the responsibilities and obligations of all parties under the contract;

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- ~~Providing a means for the early recognition of issues and performance problems and the identification of solutions;~~
- ~~Adhering to Council's risk management framework and relevant Occupational Health and Safety and sustainability requirements.~~

~~— Council contracts must include contract management requirements commensurate with the complexity of the procurement. Furthermore, contracts must be proactively managed by the member of Council Staff responsible for the delivery of the contracted goods, services or works to ensure the Council, and therefore the community, receives Value for Money.~~

~~4.7.1. Training~~

~~— All staff with duties that involve the purchasing of good and services undertake procurement training when they commence employment. In order to ensure existing staff are up to date with the latest requirements of this policy they should participate in refresher training every two years. Staff that breach the policy will be required to undertake refresher training immediately and may be subject to disciplinary action.~~

~~4.8. Demonstrating Sustained Value~~

~~4.8.1.6.8. Achieving Value for Money~~

~~The Council's procurement activities are carried out on the basis of obtaining Value for Money. This means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations. Lowest price is not the sole determinant of Value for Money.~~

~~Obtaining value for money will be facilitated by:~~

- ~~Achieving continuous improvement in procurement activities;~~
- ~~Developing, implementing and managing processes that support the co-ordination and streamlining of activities throughout the procurement lifecycle;~~
- ~~Effective use of competition;~~
- ~~Using existing Council contractual arrangement or collaborative procurement arrangements if appropriate;~~
- ~~Identifying and rectifying inefficiencies in procurement processes;~~
- ~~Developing cost-efficient tender processes;~~
- ~~Staff responsible for providing procurement services or assistance providing competent advice in terms of available products and agreements; and~~
- ~~Working with suppliers to create relationships that are professional, productive, and appropriate to the value and importance of the goods, services and works being acquired.~~

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4.8.2.6.9. Sustainable Procurement

Sustainable procurement involves decision making that has the most positive environmental, social and economic impacts possible across the entire lifecycle of goods, services and works.

Staff will have a clear and shared understanding about what sustainable procurement means and how they can apply it to their daily tasks. Council commits to applying the principles of sustainability to its decision-making and activities.

Council demonstrates sustainable procurement by:

- Being accountable for its impacts on society, the economy and the environment including the impacts of the organisation's supply chain;
- Examining anticipated organisational, project and/or community needs;
- Continually improving [sustainability](#) specifications [and](#); practices [and outcomes as they relate to sustainable outcomes](#).

4.9.7. Building and Maintaining Supply Relationships**4.9.1-7.1. Managing Suppliers**

Council recognises the importance of effective and open working relationships with its suppliers [and the administration](#) is committed to managing existing suppliers via performance measurements to ensure the benefits negotiated [through the through](#) procurement [activity](#) are [obtained through the delivery stagedelivered](#).

4.9-2-7.2. Supply Market Development

A wide range of suppliers are encouraged to compete for Council work. The focus for new work need not always be with the larger more familiar businesses. Other types of organisations offering business diversity include:

- Local, small to medium sized enterprises (SMEs) and Social Enterprises;
- Green suppliers;
- Ethnic and minority businesses (e.g. Indigenous Business); and
- Volunteer and community organisations.

7.3. Panel of Suppliers

[The establishment of a Supplier Panel allows Staff to request quotations from suppliers on the panel on the following basis:](#)

- [Where the cost of a piece of work can be effectively calculated using the schedule of rates provided by each contractor, the staff member may select a supplier on the basis of those rates as well as any other factors stipulated to apply to selecting a supplier in the contract conditions. Value for Money, Probity and Fairness must be demonstrated in selecting a supplier from the Panel in each case and the reasons for the staff member's selection of a supplier fully documented.](#)
- [Where the cost of a piece of work cannot be effectively calculated using the contractors' schedule of rates OR where the contract does not stipulate any other factors to be considered in selecting a contractor from the panel, the staff member must seek quotes in accordance with the purchasing thresholds in Appendix 1.](#)
- [Where the cost of a piece of work is likely to exceed the Open Tender threshold, a minimum of three quotations must be sought from suppliers on the panel. The ability to seek quotations from the panel is capped at a maximum purchase amount equal to the CEO financial delegation limit \(as a public tender will have already been conducted to approve the panel\).](#)

8. Delegations and Authorisations

[The CEO will ensure a documented register of procurement delegations is maintained, identifying Council staff authorised to make such procurement commitments in respect of materials, goods, services and works on behalf of council, to include but not necessary be limited to the following:](#)

- Acceptance of tenders and of quotes.
- Contract term extensions (within authorised budget).
- Contract amendment (non-financial).
- Contract amendment (financial).



4.10. Procurement Manual

The CEO will ensure that a procurement manual is maintained, to provide direction to Council staff on the operational aspects of procurement.

4.11. Organisational Model for Procurement

The administration operates a centre-led procurement structure. All strategy, policy, technology, best practice and networking in procurement matters will be led by Council's Contracts and Procurement Manager who is responsible for the centralised procurement team.

For day to day purchasing, Council operates a decentralised system where requests for quotations may come from any department.

4.12. Delegations and Authorisations

The CEO will ensure a documented register of procurement delegations is maintained, identifying Council staff authorised to make such procurement commitments in respect of materials, goods, services and works on behalf of council, to include but not necessary be limited to the following:

- Acceptance of tenders and of quotes.
- Contract term extensions (within authorised budget).
- Contract amendment (non-financial).
- Contract amendment (financial).

5.9. Exclusions

Nil

6.10. 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*.

7.11. Related Legislation

Competition & Consumer Act 2010

Independent Broad-based Anti-Corruption Commission Act 2011

Local Government Act 2020

8.12. Related Policies, Procedures and Strategies

Council Policy 039 - Risk Management

Council Policy 075 - Fraud

Council Policy 181 – Councillor Gifts

Council Policy 174 – Complaint Handling

Council Procedure PR141 - Public Interest Disclosure

Council Procedure PR130 - Disciplinary Action

Employee Code of Conduct

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Councillor Code of Conduct

9.13. Attachments

Nil

40.14. Review Period _____ Responsible officer

Four years

Contracts and Procurement Manager

44.15. 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 appendices of this policy, 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.

42.16. Approval History

Adopted	17 November 2009	Minute Book Reference No 14731 (Item 9.5)
Revised	21 September 2010	Minute Book Reference No 16407 (Item 12.6)
Revised	18 October 2011	Minute Book Reference No 18261 (Item 13.3)
Revised	21 August 2012	Minute Book Reference No 1057 (Item 4.16)
Revised	20 August 2013	Minute Book Reference No 1041 (Item 6.3)
Revised	19 August 2014	Minute Book Reference No 878 (Item 6.1)
Revised	18 August 2015	Minute Book Reference No 905 (Item 6.2)
Revised	16 August 2016	Minute Book Reference No 731 (Item 6.2)
Revised	20 March 2018	Minute Book Reference No 486 (Item 7.1)
Revised	23 June 2020	Minute Book Reference No 2221 (Item 9.6)

Chief Executive Officer:

Date:

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Appendix 1 Council – Procurement Methodology Thresholds

Council will invite tenders, proposals, quotes and expressions of interest from the supply market for goods, services and works in accordance with these thresholds:

Expenditure (Excluding GST)	Quotation Method
\$0 - \$42,000	No quote required
\$42,001 - \$155,000	One written quotation must be sought.
\$155,001 - \$5015,000	Two written quotations must be sought.
\$5015,001 - <\$3200,000	Three or more written quotations must be sought via the process set out in the Procurement Manual, as updated from time to time. issue of a written request for quotation or a public tender* Advertising is not required unless undertaking a public tender.
\$200,000+\$300,000 and above	Public tender Open Tender to be undertaken.

*A ~~public~~ [Open T](#)-tender process may be used for values less than ~~\$3200,000~~ if this will service Council's interests and produce a better outcome in the context of this Policy. [The Procurement Risk Matrix should be utilised in this regard.](#)

~~It is recognised that there will be specific and limited circumstances when obtaining multiple quotations may not be possible, practical or represent the best value for money. Examples of this include but are not limited to:~~

- ~~• Purchase of unique items;~~
- ~~• Purchase of a performance or a piece of art;~~
- ~~• Adjustment to a recently completed piece of work;~~
- ~~• Purchase of intellectual property;~~
- ~~• Purchase of goods, services or works from a Statutory Authority;~~
- ~~• Purchase of works through a public utility.~~

~~In this type of situation, a waiver of the requirement for multiple quotations may be requested by completing the 'quotation waiver' section of the quotation summary form. The form must detail the circumstances and reasons why a waiver is required, and the form must be approved by a General Manager.~~

~~Requests to waive the requirement for public tender process (for purchases over the threshold of \$200,000 excluding GST) can only be approved by the CEO.~~

Appendix 2 Council – Performance KPIs

Council will seek to improve its procurement performance by capturing and analysing data on key performance indicators including:

- New collaborative procurement contracts;
- New panel contracts;
- The number of local businesses engaged and proportion of local spend; and
- The number and details of any procurement over \$200,000, when a public tender process was not undertaken.

A report detailing actual performance against these indicators will be presented annually to the Audit & Risk Committee.

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Appendix 23 Exemptions Situations deemed outside of scope (Exemptions from the Policy)

A number of purchasing scenarios are deemed to fall outside the scope of this Policy. Council is not required to undertake any tender, quotation, or expression of interest process and may proceed with a direct sourcing method if any of the following circumstances apply: The following circumstances are exempt from the general publicly advertised tender, quotations and expression of interest requirements.

Utilisation of these exemptions is via the completion of the quotation waiver section of the quotation summary form. The form must detail the exemption type and the reasons why the exemption applies to the requested procurement. The form must be approved by the Chief Executive Officer.

The CEO may approve additional ad-hoc waivers from the Procurement Policy in exceptional circumstances, if it can be demonstrated that it is in the best interests of the community to do so.

The public tender threshold and related exemptions also apply to collaborative procurements.

Exemption Name	Explanation, limitations, responsibilities and approvals
1. A contract made with the approval of the CEO because of in response to a genuine emergency	<ul style="list-style-type: none"> When the CEO has declared that the contract must be entered into because of an emergency which may be classed as either Level 1 or Level 2 in the definitions under this Policy, or Level 3 only where the procurement is essential to the continuation of business as usual, an emergency (e.g. to provide immediate response to a natural disaster, declared emergency, etc.)
2. A contract made with, or a purchase from a contract made by, another government entity, government-owned entity or other approved third party	<ul style="list-style-type: none"> This general exemption allows engagements: <ul style="list-style-type: none"> With another government entity or government owned entity. For example, Federal, State or Local Government or an entity owned by the Federal, State or Local Government; and/or In reliance on contracts and arrangements established by another government entity, local authority or local government group purchasing scheme, Municipal Association of Victoria (MAV) or National Procurement network members (e.g. Local Buy), Procurement Australia (PA) or LMPN.
3. Extension of contracts while Council is at market to replace that contract.	<ul style="list-style-type: none"> Allows Council to extend an existing contract if the procurement process to replace the contract has commenced, and when the tender process or negotiations will take or are taking longer than expected. This exemption may be used when the establishment of an interim short-term arrangement with an alternative supplier is considered not to be in the public interest, as it may be cost prohibitive and/or present a risk in the delivery of critical public services to the municipality.
4. Novated Contracts	<ul style="list-style-type: none"> When the initial contract was entered into in compliance with the Act and due diligence has been undertaken in respect to the new party.
5. Information technology resellers and software developers	<ul style="list-style-type: none"> Allows Council to renew software licenses, maintenance and support agreements, or upgrade existing systems, when there is only one supplier of the software who holds the intellectual property rights to the software.

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Exemption Name	Explanation, limitations, responsibilities and approvals
6. Regional Waste and Resource Recovery Groups	• Situations when a Regional Waste and Resource Recovery Group constituted under the <i>Environment Protection Act 1970</i> had already conducted a public tender for and on behalf of its member councils.
7.6. Statutory Compulsory Monopoly Insurance Schemes	<ul style="list-style-type: none"> Motor vehicle compulsory third party WorkCover Joint/mutual insurance schemes, specifically catering to Local Government
8.7. Plant and Equipment Servicing	<ul style="list-style-type: none"> If it is required to maintain a valid warranty, When works need to be carried out by recognised suppliers using genuine parts. To achieve this Council utilises servicing by the manufacturers from whom the plant and equipment was originally purchased. Spare parts from specific manufacturers can be purchased to complete works on plant and equipment in Council's workshop.
9.8. Artworks, Statues and Monuments	<ul style="list-style-type: none"> It is not practical to obtain quotes for artworks, statues and monuments as each piece of work is unique. Please note that if an artwork is commissioned then this exemption does not apply and quotations or tenders must be sought.
10.9. Shop Supplies	<ul style="list-style-type: none"> Units of Council that operate a retail outlet that are required to purchase stock for resale to the public. This is due to the nature of the goods that are offered for resale, which may be unique.
11.10. Performers	<ul style="list-style-type: none"> Units of Council that engage performers as part of their performance program are exempt.
12.11. Sole Supplier	<ul style="list-style-type: none"> There is no market to test and obtain multiple quotations. Examples: Regional water corporations, PowerCor, professional membership payments (relating to positions held at Council), when the supplier is the sole source of intellectual property (e.g. Facebook, Google, Apple or Microsoft) Advertising (newspapers, magazines and the like), <u>payments to third party agencies to meet statutory obligations (eg. Fire Services Levy payment).</u>
12. Legal Services	<input type="checkbox"/> <u>Engagement of legal service providers.</u>
13. Leases and Licences	<ul style="list-style-type: none"> <u>Save for finance leases where Council may ultimately acquire the goods under lease, lease agreements and licence agreements for goods, services and/or real property are outside the scope of this Procurement Policy.</u> <p><u>Notwithstanding this exemption, wherever practicable, Council acknowledges that it will consider value for money, transparency, procedural fairness and accountability with regard to leases and licences and will act in accordance with all relevant Council policies and its statutory obligations in lease and licence arrangements.</u></p>

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Staff raising a requisition where one of the above exemption categories applies must enter in the Purchasing System at requisition stage, the exemption type, as well as an explanation as to why the exemption type applies to their purchase for audit and reporting purposes.

A report detailing all exemption claims for each calendar month will be provided at the end of the relevant month to the Executive Leadership Team for review and any issues noted by the Contracts & Procurement Team. Where the relevant Director considers any exemption claims to have been misapplied, the Director will take any action required to prevent further misuse of the provision in future by the relevant Staff member.

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Appendix 3 Waiver from Prescribed Procurement Process

It is recognised that there will be specific and limited circumstances when obtaining multiple quotations may not be possible, practical or represent the best value for money.

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In this type of situation, a waiver of the requirement to follow the prescribed procurement process may be requested by completing a 'Request for Waiver from Procurement Process' Form. The form must detail:

- The details of the proposed supplier;
- An estimate of the cost; and
- the circumstances and reasons why the correct procurement process cannot be carried out.
-

All Request for Waiver forms must be reviewed by Procurement and approved by the relevant Director, who will first review the particular circumstances on their merit, to ensure value for money is able to be achieved and that the proposed purchase is fair, transparent and free from bias.

Where the purchase would ordinarily be subject to a public tender process (for purchases over the threshold of \$300,000 excluding GST) or where the value exceeds the relevant Director's financial delegation, the Request for Waiver form must be forwarded to Procurement and approved by the CEO.

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Appendix 4 Financial Delegations

The CEO will maintain a documented register of procurement delegations, identifying Council staff authorised to make such procurement commitments in respect of materials, goods, services and works on behalf of Council, to include but not necessarily limited to the following:

- a) Acceptance of tenders and of quotes.
- b) Contract term extensions (within authorised budget).
- c) Contract amendment (non-financial).
- d) Contract amendment (financial).

The values outlined in the financial delegations are 'excluding GST'.

The structure of procurement delegations will be as follows:

Nominated officers	Up to \$ 10,000 — nominated by the General Manager
Managers	Up to \$ 50,000
General Managers	Up to \$ 200,000
Chief Executive Officer	Up to \$1,000,000
Council	Greater than \$1,000,000

The Chief Executive Officer (CEO) may approve lower or higher delegations for individual officers if operational circumstances require this authority. However, any approved delegation must not exceed the CEO's authority delegated by Council.

Any officer exercising a financial delegation must do so in accordance with Council's adopted budget.

During the financial year, a small number of payments (including cumulative) require approval that may be greater than the CEO's delegation. These expenditure items are required for statutory purposes and are embedded in Council's approved budget.

Council specifically delegates approval to the CEO to authorise these payments. This additional delegation is restricted to:

- a) Workers Compensation Scheme premiums.
- b) Local Government Insurance premiums.
- c) Superannuation Contributions.
- d) Taxation and GST obligations.
- e) Utility payments.

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Procurement

Council Policy Number	126
Date adopted	November 2021
Scheduled for review	November 2025



Council Policy

1. Preamble

This policy is made under Section 108 of the Local Government Act 2020. The Act requires each council to:

- Prepare and adopt a procurement policy which specifies the principles, processes and procedures applying in respect of the purchase of goods and services and carrying out of works by the Council; and
- Review its procurement policy at least once during each 4-year term of the Council.

2. Purpose

This policy outlines the guidelines in relation to the procurement of goods, services and works by Council in the delivery of services to the community and the operations of the organisation.

3. Definitions

Act	Local Government Act 2020.
Collaborative Procurement Arrangement	A contract established by the Council, government or a nominated agent, such as Procurement Australasia (PA), Municipal Association of Victoria (MAV), Loddon Mallee Procurement Network of Councils or a local government entity, for the benefit of numerous state, federal and/or local government entities that achieves best value by leveraging combined economies of scale.
Commercial in Confidence	Information that, if released, may prejudice the business dealings or commercial interests of Council or another party, e.g. prices, discounts, rebates, profits, methodologies and process information, etc.
Conflict of Interest	A conflict of interest exists when private interests conflict with public duty. In a situation where private interests may benefit from or be adversely affected by public duty a conflict of interest probably exists and it should be declared.
Contract Management	The process that ensures all parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the contract objectives and provide Value for Money.
Council	Campaspe Shire Council.
Councillors	Council's elected representatives (the Mayor and Councillors) or Administrator(s) appointed to act in this capacity.
IBAC	Independent Broad-based Anti-Corruption Commission.
Indigenous Business	An Indigenous Business is one that is at least 50% owned by an Aboriginal or Torres Strait Islands person(s) (consistent with Supply Nation's definition). https://supplynation.org.au/benefits/indigenous-business/

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Local Business(es)	A commercial business with an operational premises that is physically located within the municipal borders.
Loddon Mallee Procurement Network (LMRN)	The 10 councils comprising the LMPN, being the Buloke Shire Council, Campaspe Shire Council, Central Goldfields Shire Council, City of Greater Bendigo, Gannawarra Shire Council, Loddon Shire Council, Macedon Ranges Shire Council, Mildura Rural City Council, Mount Alexander Shire Council and Swan Hill Rural City Council.
Principles	Procurement principles are the fundamental propositions or forces that serve as the foundation for the policy and will govern procurement practices and decision making.
Probity	Within government, the term "probity" is often used in a general sense to mean "good process". A procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with the Council's policies and legislation, are established, understood, and followed from the outset. These procedures need to consider the legitimate interests of suppliers and ensure that all potential suppliers are treated equitably.
Procurement	Procurement is the whole process of acquisition of external goods, services and works. This process spans the whole life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service contract.
Procurement Manual	The manual containing the specific operational methodologies used during procurement processes.
Public Advertising	Public Advertising is online/digital through Council's e-Tender Portal
Schedule of Rates Contract	A standing offer arrangement based on a Schedule of Rates contract that sets out rates for goods and services which are available for the term of the agreement but without a commitment to purchase a specified value or quantity of goods or services.
Social Economic Benefit	The positive impacts on people, places or communities generated through procurement practices in the Loddon Mallee Region.
Staff	Includes all Council officers, temporary employees, contractors, volunteers and consultants while engaged by Council.
Supplier Panels	Panels of suppliers or vendors who can supply goods, works or services. Panels are contracts that have already been tendered and are based on categories such as trade services and plant hire. Panels mean that Council staff can request a quotation (from suppliers on the panel) without publicly inviting tenders (noting that the number of quotations requested still needs to be compliant with the policy).
Suppliers	Any organisation which supplies goods or services to Council including but not limited to, contractors, subcontractors, manufacturers, wholesalers, retailers and consultants.
Sustainability	Activities that meet the needs of the present without compromising the ability of future generations to meet their needs.
Tender Process	The process of inviting parties from either a select list or via public advertisement to submit an offer by tender followed by evaluation of submissions and selection of a successful bidder or tenderer in accordance with pre-determined evaluation criteria.

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Total Contract Sum	<p>The potential total value of the contract including:</p> <ul style="list-style-type: none"> • costs for the full term of the contract, including any options for either party to extend the contract; • applicable goods and services tax (GST); • anticipated contingency allowances or variations, and • all other known, anticipated and reasonably foreseeable costs.
Value for Money	<p>Value for Money in procurement is about selecting the supply of goods, services and works taking into account both cost and non-cost factors including:</p> <ul style="list-style-type: none"> • contribution to the advancement of Council's priorities, fitness for purpose, quality, service and support, and • whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works.

4. Policy Statement

Council will adhere to all required provisions in the Local Government Act 2020 and the Competition and Consumer Act 2010 in all procurement matters and maintain consistency with any Victorian Local Government Best Practice Procurement Guidelines.

4.1. Scope and Application

This Policy applies to all procurement activities and is applicable to the Council, council staff and all persons undertaking procurement on Council's behalf.

This Policy will assist Council to achieve objectives such as obtaining Value for Money, supporting local economies and sustainable and socially responsible procurement, leading to a better result in the provision of goods, services and works for the benefit of the community.

This Policy provides direction on the conduct of procurement activities throughout the sourcing, management and disposal phases. It does not extend to the related accounts payable processes.

The Council and council staff must comply with this Procurement Policy before purchasing or entering a contract for, the purchase of goods, services or the carrying out of works.

4.2. Objectives

This Policy is consistent with the requirements of Section 108 (2) of the Act and will:

- Promote open and fair competition and provide value for money;
- Provide clear guidelines to the Council to promote consistency and control over procurement activities;
- Demonstrate accountability to ratepayers and residents;
- Provide guidance on ethical behaviour in public sector procurement;
- Demonstrate the application of best practice in procurement activities;
- Demonstrate the consideration of sustainability in procurement with respect to social, economic and environmental factors;
- Increase the probability of obtaining the best outcome for the municipal community when procuring goods and services and delivering works; and
- Promote collaborative procurement.

These objectives will be achieved by requiring that the Council's contracting, purchasing and contract management activities:

- Support the Council's corporate strategies, aims and objectives;
- Span the whole life cycle of an acquisition and take sustainability and environmental benefit considerations into account;
- Achieve demonstrable value for money;
- Are conducted in, and demonstrate, an impartial, fair and ethical manner;
- Seek continual improvement through innovative and technological initiatives, and
- Generate and support Local Business when value for money is evidenced.

4.3. Application of GST

All monetary values stated in this policy exclude GST, unless specifically stated otherwise.

4.4. Effective Legislative, Policy Compliance and Control

4.4.1. Ethics and Probity

Council's procurement activities will be performed in an open, transparent and ethical manner that demonstrates integrity, fairness and accountability to meet relevant legal requirements.

All tender processes will be conducted in accordance with the requirements of this Procurement Policy and any associated procedures, relevant legislation, relevant Australian Standards, Commercial Law and the Act.

4.4.2. Conduct of Councillors and Council Staff

Councillors and council staff will at all times conduct themselves in ways that are in accordance with the Councillor Code of Conduct or the Employee Code of Conduct respectively, perform their duties ethically and with integrity and must:

- Treat potential and existing suppliers with equality and fairness;
- Not use their position to seek or receive personal gain in procurement matters;
- Maintain confidentiality of Commercial in Confidence information;
- Present the highest standards of professionalism and probity;
- Provide suppliers and tenderers with the same information and an equal opportunity to tender or quote for goods, services and works contracts;
- Be able to account for all decisions and demonstrate and provide evidence of the processes followed;
- Not perform any work under any Council contracts they are supervising i.e. Council staff cannot also work for the relevant supplier;
- Query incidents, decisions or directions that appear to contradict or deviate from Council's standards of ethics, probity or established policies and procedures; and
- Ensure that this policy and Council's Procurement guidelines are adhered to in relation to the expenditure of Council funds.

4.4.3. Conflict of Interest

Councillors and council staff must, at all times, avoid situations which may give rise to an actual or perceived conflict of interest. A conflict of interest may be a 'general' or a 'material' conflict of interest.

A person has a general conflict of interest in a matter if an impartial, fair-minded person would consider that the person's private interests could result in that person acting in a manner that is contrary to their public duty.

A person has a material conflict of interest in a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter. The benefit or loss may be direct or indirect and pecuniary or non-pecuniary. Affected persons include, among others, the member of staff and their family members.

Council staff involved in the procurement process, in particular preparing tender documentation, writing tender specifications, opening tenders, participating in tender evaluation panels, preparing a recommendation report; and Councillors and council staff awarding tenders must:

- Avoid material or general conflicts of interest, whether actual, potential or perceived;
- Declare if they have a conflict of interest in respect of the procurement. Staff participating in tender evaluation panels must complete a conflict of interest declaration. Staff must declare any actual or perceived conflicts in line with Council's internal processes for reporting conflicts of interest; and
- Observe prevailing Council and Government guidelines on how to prevent or deal with conflict of interest situations; and not take advantage of any tender related information, whether or not for personal gain.

4.4.4. Fair and Honest Dealing

All prospective contractors and suppliers must be treated impartially and afforded an equal opportunity to tender or submit a quotation.

Any suspected improper conduct, including fraud, corruption, substantial mismanagement of public resources, risk to public health and safety, risk to the environment, or detrimental action should be managed in accordance with Council's Disciplinary Action Procedure for staff or the Councillor Code of Conduct for Councillors.

4.4.5. Probity, Accountability and Transparency

Accountability in procurement means being able to justify and provide evidence of the process followed. An independent third party must be able to see clearly that a process has been followed and that the process was fair and reasonable.

Council staff must be able to account for all procurement decisions and ensure all procurement activities leave an audit trail for monitoring and reporting purposes.

4.4.6. Gifts and Benefits

Any gift or benefit offered to a Councillor or staff member will be managed in accordance with the Councillor Gift Policy or Employee Code of Conduct.

Councillors and staff, particularly contract supervisors must not knowingly engage a council supplier for private benefit, unless that engagement is on proper commercial terms.

4.4.7. Disclosure of Information

Commercial in Confidence information received by the Council must not be disclosed and must be stored in a secure location.

Councillors and staff must take all reasonable measures to maintain confidentiality of:

- Information disclosed by organisations in tenders, quotations or during tender negotiations; and
- Commercial in Confidence information.

Councillors and staff must avoid references to current or proposed contracts in discussion with acquaintances or outside interests.

Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier.

At no stage should any discussion be entered into which could improperly influence the procurement process, or negotiation of a contract, prior to the contract approval process being finalised, other than authorised pre-contract negotiations.

4.4.8. Complaints & Reporting suspicious activities

Complaints Handling

Members of the public and suppliers are encouraged to report known or suspected incidences of improper conduct to the CEO. The management of complaints will in accordance with Council's Complaint Handling Policy.

Reporting Suspicious Activities

Councillors, staff and suppliers are required, at all times, to act honestly and with integrity and to safeguard the public resources for which they are responsible. Council is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal benefits (financial or otherwise).

Council will take all reasonable steps to protect those who assist Council by providing information about suspected fraud. This may include the provision of information on Council's Public Interest Disclosure Procedure, maintaining the confidentiality of identity and protection from harassment, to the extent possible.

Suspected improper conduct, offers of bribes, commissions and any other irregular approaches from suppliers, prospective suppliers or other individuals will be investigated and reported in accordance with Council's policies and processes.

The CEO must notify IBAC of any matter they suspect on reasonable grounds to involve corrupt conduct occurring (or having occurred) in accordance with mandatory reporting requirements under the *Independent Broad-based Anti-Corruption Commission Act 2011*.

4.5. Governance Structure

Council has delegated a range of powers, duties and functions to the CEO in relation to procurement. The delegations aim to ensure that the Council's procurement structure operates according to processes that:

- Are flexible enough to procure in a timely manner the diverse range of goods, works and services required by Council;
- Guarantee that prospective contractors and suppliers are afforded an equal opportunity to tender or submit a quotation; and
- Encourage competition and collaboration.

4.5.1. Methods

The Council's standard methods for procuring goods, services and works are:

- Purchase order that represents best Value for Money under the quotation process from suppliers for goods or services under the thresholds adopted by the Council. An approved purchase order must be created prior to committing expenditure on behalf of Council;
- Under a contract following a quotation or tender process;
- Under a Supplier Panel;
- Using collaborative procurement arrangements;
- Multi-stage tenders commencing with a request for Expressions of Interest ("EOI") followed by a tender process;
- Under a sole-sourcing arrangement in line with the conditions contained in Appendix 3 - Exemptions from the Policy; and
- Purchasing Cards;

unless other arrangements are authorised by Council.

4.5.2. Responsible Financial Management

The principles of responsible financial management will be applied to all procurement activities. To give effect to these principles, the availability of existing funds within an approved budget or source of funds should be established prior to the commencement of any procurement action for the supply of goods, services or works.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this policy.

4.6. Procurement Thresholds and Competition

Council will invite offers from the supply market for goods, services, and works in accordance with the thresholds listed in Appendix 1.

4.6.1. Procurement Principles

Council will apply the following fundamental best practice principles to procurement, irrespective of the value and complexity of that procurement:

- Value for money;
- Sustainability (social, economic and environmental);
- Open and fair competition;
- Accountability;
- Risk management, and
- Probity and transparency.

4.6.2. Procurement Methodology

Section 108 of the Act details that each Council will set the public tender threshold above which tenders or expressions of interest for contracts must be publicly invited.

A public tender process must be used for all procurements valued at \$200,000 and above (excluding GST) for goods, services or works.

For procurements valued under \$200,000 (excluding GST), the procurement methodology and thresholds detailed in Appendix 1 will apply.

4.6.3. Contract Variations

All contract variations must be assessed to determine whether they are properly characterised as variations, or whether they are in effect a new contract. This will depend on factors like:

- The monetary value of the proposed variation, i.e. the value of the variation in the context of the thresholds fixed by the Procurement Policy; and
- The subject matter of the proposed variation, and whether it is consistent with the scope of the original contract.

4.6.4. Payment for Goods, Services and Works

Request for payment of goods, services and works must be in the form of a Tax Invoice as defined by the Australian Taxation Office (ATO). Payment will be made within 7 days on confirmation of receipt of goods and services and supply of a Tax Invoice.

4.6.5. Public Tender Requirements

All public tenders invited by the Council will be published via Council's eTendering Portal and may be advertised in the local media.

Information regarding current tenders and awarded tenders will be published on Council's web site.

4.6.5.1. Tender Evaluation

A tender evaluation panel will be established to evaluate each tender submission against the tender's selection criteria. Tender evaluation panels may include external personnel in order to ensure the best outcome for a procurement activity and must comprise at least 3 persons and a chairperson.

A detailed tender evaluation plan should be developed, approved and strictly adhered to by the panel.

The tender evaluation plan should be completed and signed off prior to the tender or quotation being issued.

4.6.5.2. Evaluation Criteria

The Council will include the following evaluation criteria categories, unless identified as optional, to determine whether a proposed contract provides Value for Money:

- Mandatory Compliance criteria (e.g. ABN registration, OH&S, Fair Work Act, risk and conflict of interest);
- Tendered price (Mandatory);
- Capability/Methodology of the tenderer to provide the goods and/or services and/or works (Mandatory);
- Capacity of the tenderer to provide the goods and/or services and/or works (Mandatory); and
- Demonstration of sustainability (Optional).

The specific methodology used during the evaluation process must be detailed in the Procurement Manual.

4.6.5.3. Local Procurement

In support of local businesses, if there are equal highest scoring tenderers at the conclusion of the evaluation process, preference will be given to the local business. If the equal highest scoring tenderers are both local, the contract will be awarded to the one that has the lower price.

4.6.5.4. Probity Advisor

A formal probity plan must be developed, and a probity advisor appointed in the following circumstances:

- If the proposed Total Contract Sum exceeds \$10 million over the life of the contract, or for any lesser value set by Council from time to time; or
- If a proposed contract is considered by Council or the CEO to be particularly complex, of a high risk or controversial nature, and requiring a high level of public confidence.

Outside of the above requirements, a probity advisor may be appointed by the CEO or General Manager, at any stage of the procurement process.

4.6.5.5. Shortlisting and Negotiations

Council may conduct a shortlisting process during EOI, tender and quotation processes. Shortlisting must be based on the advertised selection criterion.

Shortlisted tenderers may be invited by the Council to submit a best and final offer in relation to all or certain aspects of their respective tenders.

Once one or more preferred tenderers are selected, negotiations can be conducted in order to obtain the optimal solution and commercial arrangements within the original scope and intent of the tender. Probity requirements apply to all negotiations.

4.6.6. Collaborative Procurement

In accordance with section 108(c) of the Act, the Council will first give consideration to collaboration with other councils and public bodies or utilise Collaborative Procurement

Arrangements, when procuring goods, services and works in order to take advantage of economies of scale.

Council staff must consider any opportunities for Collaborative Procurement in relation to a procurement process undertaken by Council. Any report that recommends commencing a procurement process must set out information relating to opportunities for Collaborative Procurement, if available, including:

- The nature of those opportunities, if any, and the councils or public bodies with which they are available; and
- Why Council did, or did not, pursue the identified opportunities for collaboration in relation to that procurement process.

When collaborating with the LMPN, Council will do so in accordance with the following:

- The LMPN will develop a consolidated contract register to identify joint procurement projects on an annual basis;
- Council contracts with a minimum value of \$1 million per annum (per Council), for the ongoing supply of goods or provision of services or works, other than projects that are unique to an individual council (e.g. unique construction or works projects), will be included in the consolidated contract register for collaboration consideration;
- Other contracts which, due to the subject matter, nature or scope, are likely to deliver operational efficiencies if procured in collaboration with the LMPN, must be included in the consolidated contract register for consideration as a possible joint procurement opportunity; and
- In accordance with the prohibitions on anti-corruption conduct outlined in the Competition and Consumer Act 2020.

If Collaborative Procurement is to be pursued with the LMPN:

- A pre-market approval submission will be submitted to each council and the LMPN prior to commitment to collaboration, seeking delegation of contract approval to CEOs;
- The LMPN will establish a Heads of Agreement that gives authority for a lead council to act as each council's agent in the Collaborative Procurement;
- Each of the councils who participate will be able to enter into a contract with the preferred supplier identified through the Collaborative Procurement process, or may choose as a group to enter into a contract using "opt-in" contract provisions during the contract term, or with the Council which conducted the public tender; and
- Each participating council must be involved in:
 - The initial decision to undertake the Collaborative Procurement;
 - Preparation of, and agreement to, the specifications and evaluation criteria;
 - Ensuring probity for the Collaborative Procurement; and
 - The acceptance of tender(s) and awarding of contract(s).

Furthermore, Council may collaborate with other councils or other agents such as MAV Procurement or Procurement Australasia to procure goods, services or works, or utilise existing Collaborative Procurement Arrangements for the procurement of goods, services or works established through a public tender process where it provides an advantageous, value for money outcome for the Council.

The following principles will be applied when utilising procurement agents and whole of government contracts:

- Council will use an agent when potential cost savings exist.
- The use of procurement agents must not eliminate the ability of suppliers locally and within the region to submit a quotation or tender.

Any Federal or State Government grant funded projects may be excluded from collaborative procurement if required as part of the funding agreement.

4.6.7. Delegation of Authority

Delegations define the limitations within which council staff are permitted to commit Council to the procurement of goods, services or works and the associated costs. The Instrument of

Delegation allows specified council staff to undertake certain purchases, quotation, tender and contractual processes without prior referral to the Council. This enables the Council to conduct procurement activities in an efficient and timely manner whilst maintaining transparency and integrity.

Council has delegated responsibilities relating to the expenditure of funds for the purchase of goods, services and works, the acceptance of quotations and tenders and for contract management activities to the CEO. The CEO has further delegated some of those responsibilities to other members of council staff, subject to specified conditions and limitations see Appendix 4, Financial Delegations.

4.6.8. Internal Controls

The CEO must implement and maintain a framework of internal controls over procurement processes that will ensure:

- More than one person is involved in and responsible for the authorisation and management of a transaction from end to end;
- Transparency in the procurement process;
- A clearly documented audit trail exists for procurement activities;
- Appropriate authorisations are obtained and documented;
- Systems are in place for appropriate monitoring and performance measurement; and
- A process is in place for escalation, where appropriate, of procurement matters (including procedural non-compliance) to the Executive Management Group, the Audit and Risk Committee and Council.

4.6.9. Risk Management

Council is committed to the practice of effective risk management to provide improved stakeholder confidence and trust, and to support improved compliance and better corporate governance. Risk management is to be appropriately applied at all stages of procurement activities including:

- Standardisation of contracts including current and relevant clauses
- Requiring security deposits when appropriate
- Referring specifications to relevant industry experts
- Ensuring contractual agreements are in place before the commencement of works
- Use of and enforcement of delegated authorities
- Use of or reference to relevant Australian Standards (or equivalent)
- Effectively manage the contract through ongoing monitoring to ensure the required performance is being achieved

To protect the interests of Council, terms and conditions must be settled in advance of any commitment being made with a supplier. Any exceptions to this requirement exposes Council to risk.

Contracts must be proactively managed by council staff responsible for the delivery of the project/contract. Each should be assessed equivalent to size, type, complexity, duration and value to determine the level of risk. This will then determine the level of management of the particular project / contract and forms an integral part of good contract management.

Risk assessments are a vital part of the procurement planning process, particularly for significant contracts. Risks will be identified for each part of the sourcing, transition, delivery and finalisation stages of procurement. Appropriate risk avoidance and mitigation strategies will be employed whenever practicable and appropriate.

4.6.10. Endorsement

Council staff must not publicly endorse products or services without the prior approval of the CEO.

4.6.11. Dispute Resolution

All Council contracts will incorporate dispute management and alternative dispute resolution provisions to minimise the chance of disputes escalating to legal action.

4.7. Contract Management

In order to continually improve its procurement and contract management processes and outcomes, Council will evaluate and seek to improve on all aspects of procurement and contract management, in accordance with its documented procurement processes and Contract Management Framework.

Good contract management ensures goods, services and works are delivered to the required standards of quality and quantity as intended by the contract through:

- Establishing a system to monitor and achieve the responsibilities and obligations of all parties under the contract;
- Providing a means for the early recognition of issues and performance problems and the identification of solutions;
- Adhering to Council's risk management framework and relevant Occupational Health and Safety and sustainability requirements.

Council contracts must include contract management requirements commensurate with the complexity of the procurement. Furthermore, contracts must be proactively managed by the member of Council Staff responsible for the delivery of the contracted goods, services or works to ensure the Council, and therefore the community, receives Value for Money.

4.7.1. Training

All staff with duties that involve the purchasing of good and services undertake procurement training when they commence employment. In order to ensure existing staff are up-to-date with the latest requirements of this policy they should participate in refresher training every two years. Staff that breach the policy will be required to undertake refresher training immediately and may be subject to disciplinary action.

4.8. Demonstrating Sustained Value**4.8.1. Achieving Value for Money**

The Council's procurement activities are carried out on the basis of obtaining Value for Money. This means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations. Lowest price is not the sole determinant of Value for Money.

Obtaining value for money will be facilitated by:

- Achieving continuous improvement in procurement activities;
- Developing, implementing and managing processes that support the co-ordination and streamlining of activities throughout the procurement lifecycle;
- Effective use of competition;
- Using existing Council contractual arrangement or collaborative procurement arrangements if appropriate;
- Identifying and rectifying inefficiencies in procurement processes;
- Developing cost efficient tender processes;
- Staff responsible for providing procurement services or assistance providing competent advice in terms of available products and agreements; and
- Working with suppliers to create relationships that are professional, productive, and appropriate to the value and importance of the goods, services and works being acquired.

4.8.2. Sustainable Procurement

Sustainable procurement involves decision making that has the most positive environmental, social and economic impacts possible across the entire lifecycle of goods, services and works.

Staff will have a clear and shared understanding about what sustainable procurement means and how they can apply it to their daily tasks. Council commits to applying the principles of sustainability to its decision-making and activities.

Council demonstrates sustainable procurement by:

- Being accountable for its impacts on society, the economy and the environment including the impacts of the organisation's supply chain;
- Examining anticipated organisational, project and/or community needs;
- Continually improving sustainability specifications, practices and outcomes.

4.9. Building and Maintaining Supply Relationships**4.9.1. Managing Suppliers**

Council recognises the importance of effective and open working relationships with its suppliers and the administration is committed to managing existing suppliers via performance measurements to ensure the benefits negotiated through procurement are delivered.

4.9.2. Supply Market Development

A wide range of suppliers are encouraged to compete for Council work. The focus for new work need not always be with the larger more familiar businesses. Other types of organisations offering business diversity include:

- Local, small to medium sized enterprises (SMEs) and Social Enterprises;
- Green suppliers;
- Ethnic and minority businesses (e.g. Indigenous Business); and
- Volunteer and community organisations.

4.10. Procurement Manual

The CEO will ensure that a procurement manual is maintained, to provide direction to Council staff on the operational aspects of procurement.

4.11. Organisational Model for Procurement

The administration operates a centre-led procurement structure. All strategy, policy, technology, best practice and networking in procurement matters will be led by Council's Contracts and Procurement Manager who is responsible for the centralised procurement team.

For day-to-day purchasing, Council operates a decentralised system where requests for quotations may come from any department.

4.12. Delegations and Authorisations

The CEO will ensure a documented register of procurement delegations is maintained, identifying Council staff authorised to make such procurement commitments in respect of materials, goods, services and works on behalf of council, to include but not necessary be limited to the following:

- Acceptance of tenders and of quotes.
- Contract term extensions (within authorised budget).
- Contract amendment (non-financial).
- Contract amendment (financial).

5. Exclusions

Nil

6. 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*.

7. Related Legislation

Competition & Consumer Act 2010

Independent Broad-based Anti-Corruption Commission Act 2011

Local Government Act 2020

8. Related Policies, Procedures and Strategies

Council Policy 039 - Risk Management

Council Policy 075 - Fraud

Council Policy 181 – Councillor Gifts

Council Policy 174 – Complaint Handling

Council Procedure PR141 - Public Interest Disclosure

Council Procedure PR130 - Disciplinary Action

Employee Code of Conduct

Councillor Code of Conduct

9. Attachments

Nil

10. Review Period Responsible officer

Four years

Contracts and Procurement Manager

11. 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 appendices of this policy, 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.

12. Approval History

Adopted	17 November 2009	Minute Book Reference No 14731 (Item 9.5)
Revised	21 September 2010	Minute Book Reference No 16407 (Item 12.6)
Revised	18 October 2011	Minute Book Reference No 18261 (Item 13.3)
Revised	21 August 2012	Minute Book Reference No 1057 (Item 4.16)
Revised	20 August 2013	Minute Book Reference No 1041 (Item 6.3)
Revised	19 August 2014	Minute Book Reference No 878 (Item 6.1)
Revised	18 August 2015	Minute Book Reference No 905 (Item 6.2)
Revised	16 August 2016	Minute Book Reference No 731 (Item 6.2)
Revised	20 March 2018	Minute Book Reference No 486 (Item 7.1)
Revised	23 June 2020	Minute Book Reference No 2221 (Item 9.6)
Updated	21 July 2022	Administrative updates approved by CEO

DocuSigned by:


Chief Executive Officer:

24 July 2022

Date:

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Appendix 1 Council – Procurement Methodology Thresholds

Council will invite tenders, proposals, quotes and expressions of interest from the supply market for goods, services and works in accordance with these thresholds:

Expenditure (Excluding GST)	Quotation Method
\$0 - \$1,000	No quote required
\$1,001 - \$5,000	One written quotation must be sought.
\$5,001 - \$15,000	Two written quotations must be sought.
15,001 - <\$200,000	Three or more written quotations must be sought via issue of a written request for quotation or a public tender* Advertising is not required unless undertaking a public tender.
\$200,000+	Public tender to be undertaken.

*A public tender process may be used for values less than \$200,000 if this will service Council's interests and produce a better outcome in the context of this Policy.

It is recognised that there will be specific and limited circumstances when obtaining multiple quotations may not be possible, practical or represent the best value for money. Examples of this include but are not limited to:

- Purchase of unique items;
- Purchase of a performance or a piece of art;
- Adjustment to a recently completed piece of work;
- Purchase of intellectual property;
- Purchase of goods, services or works from a Statutory Authority;
- Purchase of works through a public utility.

In this type of situation, a waiver of the requirement for multiple quotations may be requested by completing the 'quotation waiver' section of the quotation summary form. The form must detail the circumstances and reasons why a waiver is required, and the form must be approved by a General Manager.

Requests to waive the requirement for public tender process (for purchases over the threshold of \$200,000 excluding GST) can only be approved by the CEO.

Appendix 2 Council – Performance KPIs

Council will seek to improve its procurement performance by capturing and analysing data on key performance indicators including:

- New collaborative procurement contracts;
- New panel contracts;
- The number of local businesses engaged and proportion of local spend; and
- The number and details of any procurement over \$200,000, when a public tender process was not undertaken.

A report detailing actual performance against these indicators will be presented annually to the Audit & Risk Committee.

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Appendix 3 Exemptions from the Policy

The following circumstances are exempt from the general publicly advertised tender, quotations and expression of interest requirements.

Utilisation of these exemptions is via the completion of the quotation waiver section of the quotation summary form. The form must detail the exemption type and the reasons why the exemption applies to the requested procurement. The form must be approved by the Chief Executive Officer.

The CEO may approve additional ad-hoc waivers from the Procurement Policy in exceptional circumstances, if it can be demonstrated that it is in the best interests of the community to do so.

The public tender threshold and related exemptions also apply to collaborative procurements.

Exemption Name	Explanation, limitations, responsibilities and approvals
1. A contract made with the approval of the CEO because of genuine emergency	<ul style="list-style-type: none"> When the CEO has declared that the contract must be entered into because of an emergency (e.g. to provide immediate response to a natural disaster, declared emergency, etc.)
2. A contract made with, or a purchase from a contract made by, another government entity, government-owned entity or other approved third party	<ul style="list-style-type: none"> This general exemption allows engagements: <ul style="list-style-type: none"> With another government entity or government owned entity. For example, Federal, State or Local Government or an entity owned by the Federal, State or Local Government; and/or In reliance on contracts and arrangements established by another government entity, local authority or local government group purchasing scheme, Municipal Association of Victoria (MAV) or National Procurement network members (e.g. Local Buy), Procurement Australia (PA). or LMPN
3. Extension of contracts while Council is at market to replace that contract.	<ul style="list-style-type: none"> Allows Council to extend an existing contract if the procurement process to replace the contract has commenced, and when the tender process or negotiations will take or are taking longer than expected. This exemption may be used when the establishment of an interim short-term arrangement with an alternative supplier is considered not to be in the public interest, as it may be cost prohibitive and/or present a risk in the delivery of critical public services to the municipality.
4. Novated Contracts	<ul style="list-style-type: none"> When the initial contract was entered into in compliance with the Act and due diligence has been undertaken in respect to the new party.
5. Information technology resellers and software developers	<ul style="list-style-type: none"> Allows Council to renew software licenses, maintenance and support agreements, or upgrade existing systems, when there is only one supplier of the software who holds the intellectual property rights to the software.
6. Regional Waste and Resource Recovery Groups	<ul style="list-style-type: none"> Situations when a Regional Waste and Resource Recovery Group constituted under the <i>Environment Protection Act 1970</i> had already conducted a public tender for and on behalf of its member councils.
7. Statutory Compulsory Monopoly Insurance Schemes	<ul style="list-style-type: none"> Motor vehicle compulsory third party WorkCover Joint/mutual insurance schemes, specifically catering to Local Government

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Exemption Name	Explanation, limitations, responsibilities and approvals
8. Plant and Equipment Servicing	<ul style="list-style-type: none"> If it is required to maintain a valid warranty, When works need to be carried out by recognised suppliers using genuine parts. To achieve this Council utilises servicing by the manufacturers from whom the plant and equipment was originally purchased. Spare parts from specific manufacturers can be purchased to complete works on plant and equipment in Council's workshop.
9. Artworks, Statues and Monuments	<ul style="list-style-type: none"> It is not practical to obtain quotes for artworks, statues and monuments as each piece of work is unique. Please note that if an artwork is commissioned then this exemption does not apply and quotations or tenders must be sought.
10. Shop Supplies	<ul style="list-style-type: none"> Units of Council that operate a retail outlet that are required to purchase stock for resale to the public. This is due to the nature of the goods that are offered for resale, which may be unique.
11. Performers	<ul style="list-style-type: none"> Units of Council that engage performers as part of their performance program are exempt.
12. Sole Supplier	<ul style="list-style-type: none"> There is no market to test and obtain multiple quotations. Examples: Regional water corporations, PowerCor, professional membership payments (relating to positions held at Council), when the supplier is the sole source of intellectual property (e.g. Facebook, Google, Apple or Microsoft) Advertising (newspapers, magazines and the like)

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Appendix 4 Financial Delegations

The CEO will maintain a documented register of procurement delegations, identifying Council staff authorised to make such procurement commitments in respect of materials, goods, services and works on behalf of Council, to include but not necessarily limited to the following:

- a) Acceptance of tenders and of quotes.
- b) Contract term extensions (within authorised budget).
- c) Contract amendment (non-financial).
- d) Contract amendment (financial).

The values outlined in the financial delegations are '**excluding GST**'.

The structure of procurement delegations will be as follows:

Nominated officers	Up to \$ 10,000 – nominated by the General Manager
Managers	Up to \$ 50,000
General Managers	Up to \$ 200,000
Chief Executive Officer	Up to \$1,000,000
Council	Greater than \$1,000,000

The Chief Executive Officer (CEO) may approve lower or higher delegations for individual officers if operational circumstances require this authority. However, any approved delegation must not exceed the CEO's authority delegated by Council.

Any officer exercising a financial delegation must do so in accordance with Council's adopted budget.

During the financial year, a small number of payments (including cumulative) require approval that may be greater than the CEO's delegation. These expenditure items are required for statutory purposes and are embedded in Council's approved budget.

Council specifically delegates approval to the CEO to authorise these payments. This additional delegation is restricted to:

- a) Workers Compensation Scheme premiums.
- b) Local Government Insurance premiums.
- c) Superannuation Contributions.
- d) Taxation and GST obligations.
- e) Utility payments.

8.6.2 Quarterly Council Action Plan update

Directorate: Corporate

Responsible Officer: Manager Corporate & Strategic Planning

Manager: Director Corporate

Attachments: 1. Council Plan Quarter 4 Update Report [8.6.2.1 - 6 pages]

1. PURPOSE

To provide Council with the fourth and final quarter update on the progress and achievement of implementation of the 2022/23 Council Plan Initiatives.

2. RECOMMENDATION

That Council endorse the progress and achievement of quarter four, 2022/23 Initiatives, supporting implementation of the Council Plan 2021-2025.

3. DISCUSSION

The 2021-2025 Council Plan (Plan) is Council's key strategic document for the term of the Council, which reflects the outcomes of stakeholder and community engagement. The Plan describes Council's strategic objectives, strategies for achieving the objectives and how the outcomes will be measured.

This Plan sets a vision of 'Our places are vibrant and sustainable; our people are strong and supportive'.

The Plan is supported by 84 initiatives funded in the 2022/23 Budget. Progress in relation to the implementation of the initiatives are reported to Council and the community quarterly. This report is the fourth and final quarterly report of initiatives funded under the 2022/23 budget.

As part of the first, second and third reports, the following 22 initiatives were completed. As they were completed in Q1, Q2 and Q3 they will not be displayed as part of the Q4 report.

Quarter 1 – Completed Initiatives

Flourishing local economy

- Implementation of the Echuca West Precinct Structure Plan to encourage development of additional residential housing in Echuca.

Resilient protected and healthy natural environment

- Three actions completed from the WickED Program.
- We are continuing to consider rainwater collection, reuse and grey water harvesting, consistent with State policy in planning applications.

Quarter 2 – Completed Initiatives

Flourishing local economy

- Implementation of the Commercial Strategy to encourage commercial development.
- Established a program to fund lifeguard training and promote this pathway.

Resilient protected and healthy natural environment

- Implemented the Victorian Auditor General's Office recommendations on offsetting native vegetation loss on private land.
- Opened the Rural Tree Scheme to support rural landholders to increase biodiversity and spend the allocated budget on purchasing plants.

Well planned places

- Construction of Stage 2 and commit to funding for Stage 3 of the Echuca East Recreation Reserve project.
- We are pursuing advocacy and funding opportunities for the redevelopment of Victoria Park in Echuca.
- Implemented changes to the Campaspe Planning Scheme from Amendment C117 and C118 which include identified 'infill' development areas, and additional zoned land to allow residential development.

Growing quality of life

- Implementation of the Stephanie Alexander Kitchen Garden Program at the Rochester & District Child Care Centre.
- Development of an online reporting platform for dog attacks.
- Community education material has been updated relating to dog attacks, permanent identification and the importance of desexing.

Quarter 3 – Completed Initiatives

Flourishing local economy

- Engagement in the development of local career pathways, including vocational training pathways, in partnership with peak bodies.
- Support for traineeships, cadetships, apprenticeships and student placements as a pathway to join Council.

Resilient protected and healthy natural environment

- Identification and advocacy for funding opportunities for on farm efficiencies in irrigation practice and modernisation.
- Participation in the Goulburn Murray Valley Regional Fruit Fly Program.

Well planned places

- Advocated and received funding opportunities for the redevelopment of the Echuca Aerodrome.
- We showcased a minimum of 5 capital works projects through different communications.

- Developed a program of designs to complete missing links and shared paths and cycleways.

Growing quality of life

- Participated in the development of a Regional Circular Economy Plan and review options for implementation of new services.
- Reviewed the results of community feedback on Council's communications and identified areas for improvement, including the development of an action plan.

The status of implementation at the end of quarter 4 (June 2023) across these remaining initiatives was:

- 3 have not started,
- 0 need attention,
- 38 are in progress,
- 21 completed

4. CONSULTATION

Internal consultation:

- Directors and Department Managers from across the organisation have been consulted in relation to the progress of initiatives funded under the 2022/23 budget.

Councillors:

- 1 August 2023 Council Briefing Session.

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

The Council Plan is Council's key strategic document for the term of the Council, which reflects the outcomes of stakeholder and community engagement. The Plan describes Council's strategic objectives, strategies for achieving the objectives and how the outcomes will be measured. This report relates directly to the Council Plan as it provides an update on progress towards the delivery of the objectives identified in support of Council's vision.

6. POLICIES AND RELATED COUNCIL DOCUMENTS

The requirements of Section 9(2)(c) of Local Government Act 2020 have been considered.

There are ten of the 84 Year 2 Council Plan actions that relate to changes, reviews or developments of Council policy or Strategy or respond to legislative requirements. This includes development of a Playground Policy, Rural Living Strategy, Campaspe Planning Scheme Amendments, Municipal Early Years Plan, Domestic Wastewater Management Plan and Fleet Policy review.

7. LEGAL AND STATUTORY OBLIGATIONS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) provides that Council decisions are to be made and actions taken in accordance with the relevant law.

8. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) provides that the ongoing financial viability of the Council is to be ensured.

Actions support the ongoing financial viability of Council and our community. Examples include Economic Development Strategy and Action Plan, Industrial Land Strategy, Commercial Strategy, Transport Freight Route Action Plan, Employer Forums, Port of Echuca Transition to Campaspe Port Enterprise, Delivery of Roads to Recovery Projects and development of a Regional Circular Economy Plan.

9. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

Twenty-five Year 2 Council Plan actions relate to environmental sustainability, and planning for climate change including kerbside bin and other waste programs, contaminated land management, use of recycled materials in council projects, development of an environmentally sustainable design guideline, review of green fleet options, advocacy for on-farm efficiencies and irrigation practice and modernisation, domestic waste water management plan review, waste water recycling and feasibility report, integrated water management project for Aquatic Reserve, offsets for native vegetation loss on private land, weed and pest control and other environment strategy actions.

Social implications are a key consideration of 55 of the Year 2 Council Plan actions and cover a range of areas including development of a Tourism and Events Place Based Plan, Echuca West Precinct Structure Plan for additional residential housing, vocational training and employment, completion and implementation of various recreation reserve designs and master plans, Rushworth Murchison Rail Trail Project commencement, public wi-fi and digital connectivity and engaging with local indigenous groups.

10. ISSUES AND RISK MANAGEMENT

Issues:

The Action Plan responds to some of the key challenges that are facing not only Campaspe but also many other rural and regional communities. Over each of the four years of the 2021-2025 Council Plan a set of annual objectives is developed to address these risks and deliver Council's vision for our community.

The key challenges include:

- Water security for the agricultural industry
- High costs of inputs for industry
- Transport connectivity and access
- After-hours health care
- An ageing population
- Substance abuse
- Availability of tertiary education and training
- Cross-border regulation
- Climate change
- Waste minimisation and sustainable disposal

- Energy self-sufficiency
- Water sustainability
- Digital connectivity.

Risk:

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

11. CONFLICT OF INTEREST

Section 130 of the *Local Government Act 2020* (Vic) requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council Meeting.

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

12. CHARTER OF HUMAN RIGHTS

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

13. INSTRUMENT OF DELEGATION

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

Strategic Priority Area: Flourishing local economy			
Desired Outcome: Flourishing local economy			
Strategy	Major Initiative	Status	Comment for Council
A resilient long-term economy attractive to local and external investors	We will complete the Economic Development Consultancy and implement an action plan.	In Progress	Business and Community Engagement on the Issues and Opportunities Paper has commenced. The engagement will assist in defining the role of Council in Economic Development and Tourism over the next 5 years.
	We will develop a Tourism and Events Place Based Plan in partnership with Murray River Council. This includes a review of service level agreements associated with tourism destination marketing and visitor information services.	In Progress	Discussions between Campaspe and Murray River Council's have commenced and joint workshop held. Recommendations and actions currently being prepared.
Stimulated economic activity that provides local jobs	We will engage with local and state stakeholders to identify and respond to the need for freight routes.	In Progress	We have engaged with Regional transport network around the need for freight routes.
	We will hold four major employer forums in various locations across the shire to improve communication between Council and employers.	Completed	<p>2 x Farmers Forums held in response to the floods in November in partnership with Ag Vic, AgBiz Assist and Services Australia. One held in Tongala and the other in Gunbower.</p> <p>Kyabram Chamber of Commerce received \$20,000 in funding from the Victorian State Government to hold three events for local businesses to help them to understand the opportunities that Zoos Victoria presents for Kyabram. Council officers assisted the Chamber with the funding application. The guest speaker at the first two events was Paul Lavars from Zoos Victoria, who was joined at the third event held 24 March 2023 by Jordana Borenszjan and Dean Oberin, Chair of Echuca Moama Tourism. The third event was well attended and received good feedback.</p> <p>Council organised a business event in Rochester 14 June in partnership with RBN and Rochester Rotary. The night was a great success and was all about networking with one another and having fun. Around 85 people attended the event. It also provided a platform for Evie Scobie, a Rochester local who at the age of 15 is already an accomplished speaker. Officers worked with the local schools to produce gratitude statements from the local school kids who were grateful that the businesses had got back on their feet so quickly following the floods.</p> <p>Consultation for the Economic Development and Tourism Strategy is rolling out and a number of pop ups in various locations have been held.</p>

Strategic Priority Area: Resilient protected and healthy natural environment			
Desired Outcome: Resilient protected and healthy natural environment			
Strategy	Major Initiative	Status	Comment for Council
Well managed resources for a sustainable future	We will develop and implement a compliance program to address kerbside bin contamination.	In Progress	Program will continue through to 23/24 year. Guidelines being presented to Executive Leadership Team July, Kerbside audit Request for Quotation awarded, contractor delay has postponed audit to July.
	We will continue to increase the number of food and garden organics kerbside bin services.	Completed	Total new FOGO bins = 504 Total additional FOGO bins = 34 Total new and additional FOGO bins = 538 Q4 (April-June 2023) Total new FOGO bins = 119 Total additional FOGO bins = 8 Total new and additional FOGO bins = 127
	We will complete investigations and develop an action plan to manage the contaminated land at the Toolleen, Colbinabbin, Tennyson and Girgarre former landfill sites.	In Progress	Preferred supplier selected and should commence in Q1 23/24 post referee checks
	We will conduct a review of our fleet to align with business requirements.	Not Started	This review is to be rescoped in line with organisational restructure
	We will investigate using recycled materials in Council projects.	Completed	Officers continue to explore opportunities for utilising recycled materials throughout Councils operations.
	We will develop an Environmentally Sustainable Design Guideline to be applied to Council projects.	In Progress	Draft ESD Guidelines are being prepared. After seeking the necessary feedback, a report will be submitted to Council for adoption.
Sustainable water and energy use	We will investigate the inclusion of 'green' fleet options into Council's fleet.	Not Started	This review is to be rescoped in line with organisational restructure
	We will deliver a solar program for Council owned community buildings across multiple locations funded through the Local Roads and Community Infrastructure Program.	In Progress	Tenders closed and contract awarded for 9 sites. Detailed design and site planning completed. Logistics being organised. Construction / installation due to commence July 2023. Est completion Oct '23.
	We will review the Domestic Wastewater Management Plan in line with EPA Act changes.	In Progress	Review of the existing plan has commenced. New guidelines for Onsite Wastewater Management are currently open for comment, closing 8 August 2023. Once completed, the revised guidelines will be considered in the review of the Domestic Wastewater Management Plan.
	We will work with our partners in Coliban Water, DELWP, and Yorta Yorta to complete a waste water recycling feasibility report for Echuca West.	In Progress	A consultant has been engaged to prepare the feasibility study. The consultants have been engaging with the key stakeholders and the feasibility study is in the final stages.
	We will complete the Integrated Water Management project at the Aquatic Reserve.	In Progress	The tender closed on the 30 June with assessment to be undertaken by weekending 7 July. It is anticipated the project will be completed by October 2023.
	We will conduct assessments for the supply of raw water or stormwater to Echuca East and Echuca South Recreation Reserves and, if appropriate, complete designs.	In Progress	Raw Water Supply Assessment for Echuca East Open Space and Echuca South Reserve is completed. A report to Executive Leadership Team and Council is required.
Protected natural environment	We will deliver actions in the Roadside Weeds and Pest Control Plan in line with funding received.	In Progress	Spraying and pest control is underway. A reduced program spend can be expected due to flood impacted roads and lack of spraying contractor availability. Unspent grant funds at EOFY will be carried forward into future year program.
	We will implement all actions in the Environment Strategy.	In Progress	Implementation has commenced but was delayed due to staff re-purposing during the 2022 Flood Event.
	We will engage Yorta Yorta to develop a fire and weed management program at Victoria Park and Scenic Trail in Echuca.	In Progress	Preliminary discussions were held with Yorta Yorta regarding the development of a fire and weed management program. Further work is required with both Yorta Yorta and Parks Victoria regarding the progression of this project.

Strategic Priority Area:		Well planned places	
Desired Outcome:		Well planned places	
Strategy	Major Initiative	Status	Comment for Council
Attractive and useable sites of importance	We will finalise the Echuca Aquatic Reserve designs and pursue funding opportunities.	In Progress	Designs endorsed by Council and funding opportunities have been identified and applied for. Funding secured for the storm water project, a tender was issued and closed 30 June and construction works on this phase are anticipated to be completed by October 30 2023.
	We will finalise a review of the Victoria Park Master Plan in Echuca, design a multi-purpose facility and pursue funding opportunities.	In Progress	The Masterplan was endorsed by Council on 21 March 2023. The multipurpose building design is in the final stages of detailed design with key stakeholder input. Officers are preparing an EOI for the Growing Regions fund expression of interest currently open.
	We will prepare a design for the shared user path between Victoria Park and River Boat Dock in Echuca.	In Progress	The project is currently open for Request for Quotation for the survey and design. This will close on the 10 July 2023.
	We will support the outcomes of the Place Based Plans and Township Facility Plans to ensure local aspirations are progressed in partnership with Council.	In Progress	Place Based Planning for Colbinabbin and Tongala have been completed and have been endorsed at the June 2023 Council meeting. Implementation plans to be developed in collaboration with community and Council staff. Engagement with the Rushworth and Rochester communities to develop their respective Place Based Plans continues. It is envisaged that these two documents will be completed by October 2023. Lockington's Place Based Plan is scheduled to start in October 2023.
	We will transition the management of the Port of Echuca to the Campaspe Port Enterprise (CPE).	Completed	Transfer was completed on 30 June 2023.
	We will complete upgrades at the Echuca Holiday Park.	In Progress	Tenders for two accessible cabins, playground and water play park have been awarded. Playground works are 90% complete with only the plexipave to be installed once weather is more conducive. Construction of the water park is scheduled to commence in August. The cabins will be built offsite and located onsite for final fit out and landscaping early 2024.
	We will refurbish the log slip and upgrade exhibits at the Port of Echuca Discovery Centre.	In Progress	Works are progressing, however some minor delays due to Heritage Vic and Building approvals for Log Slip and Strathmerton Station components. Heritage and archaeology assessments have now been received for submission to Heritage Vic & NSW for approvals. Timeline for approval is unknown but no further works expected until August at the earliest. All other works associated with upgrade are complete.
Land and underlying infrastructure suitable for growing populations	We will engage a consultant to prepare a strategy on rural living opportunities and low density residential in identified townships.	Completed	The Residential Land Review has been prepared and submitted to Council.
	We will ensure kindergarten infrastructure is planned and provided for in Echuca West.	In Progress	Sandhurst Catholic Early Childhood Education & Care Limited is progressing its development of a childcare and kindergarten, with recent completion of tender. A further private provider has also submitted a planning application to construct a 120 place child care facility in Echuca West, which will also cater for funded kindergarten services.
	We will develop and implement actions identified in the Asset Plan.	In Progress	Each action has been scheduled for completion across the next few years.
	We will refurbish the Rushworth Service Centre to provide an open and accessible community space and library.	In Progress	Contractor has completed demolition works and construction commenced in March 2023. The roof structure, new steels beams and internal framing commenced in April with plaster due to be installed in July 2023. Departmental opening event is now anticipated for mid-late October 2023.
Quality, attractive recreational spaces	We will develop a playground policy in line with the Open Space Strategy.	In Progress	Officers have commenced the drafting the Playground Policy to align with the endorsed Open Space Strategy. It is anticipated this will be presented at the September Council meeting.
	We will complete Stage 1 of the Victoria Park Boat Ramp project.	In Progress	Survey and design work started (contract let) however have been impeded by 2022 floods. Survey, planning and design work have commenced first quarter 2023 and continue. Timeline and staging (4 stages) reassessed and revised in consultation with funding body.
Improved walkability and cyclability within townships	We will assist the Murray River Tourism Board with advocacy and auspice the funding for the Murray River Adventure Trail.	Completed	Funding application submitted. Awaiting application outcome.
	We will prioritise the development of a program of designs to complete missing links and shared paths and cycleways.	Completed	A list of Missing Links has been developed and pooled from multiple sources including the Active Transport Strategy, Customer requests and staff nominations. These sites will be prioritised and designed in accordance with available budget.
	We will pursue advocacy and funding opportunities to improve walking and cycling linkages.	In Progress	Advocacy plan to be developed in collaboration with Department of Transport.
	We will start the Rushworth Murchison Rail Trail project.	In Progress	Community engagement and design completed. Project is currently undergoing planning consultation. Tender to be called for stage 1 works once planning approval achieved from all parties. Stage 1 works (native vegetation removal) estimated to commence August 2023. Stage 1 works (native vegetation removal) estimated to commence August 2023.

Ability to travel safely and easily by road and rail	We will work with the Department of Transport to prepare a Network Movement Plan to increase shared paths and connectivity to capture all walking, cycling and traffic movements for Echuca.	In Progress	The project has been initiated and Officers are seeking an external consultant to deliver the project. The scope includes developing a Movement Network Plan for the townships of Echuca, Kyabram, Rochester and Tongala.
	We will pursue advocacy and funding opportunities to improve public transport.	Completed	Advocacy information sheets distributed. Letter sent to The Hon. Jacinta Allan MP, Minister for Transport and Infrastructure seeking Support for Stage 1 of the Echuca Station Precinct Master Plan. Meeting held with ViCTrack re opportunities.
	We will deliver all Roads to Recovery projects under the Road Management Plan.	In Progress	Roads To Recovery projects are ongoing. Candidates for the 22/23 Program are expected to be delivered by June 2023.
Digital connectedness maximising mobility, economic productivity, health care access and education participation	We will install public Wi-Fi at the Echuca East Community Facility and the Tongala Sound Shell.	Completed	Public WiFi has been implemented and is operational at the Echuca East Community Facility and at the Tongala Sound Shell.
	We will pursue advocacy and funding opportunities to improve digital connectivity.	Completed	Advocacy Plan incorporates Digital Connectivity as an Enduring Local and Regional Challenge. Advocacy support has been provided to Telstra seeking funding for improved infrastructure at Toolleen and Colbinabbin as part of the Regional Connectivity Program.
	We will support community members to learn about technology through library programs.	Completed	Library staff have assisted 418 community members with one-to-one technology assistance for the reporting year.
	We will offer telehealth Maternal & Child Health consultations when physical access is not possible.	Completed	Telephone consultations utilising Council's available technologies continue to be offered to families where accessing a MCH centre is difficult. A Health Direct subscription has commenced and staff will undergo training in use of this system.

Strategic Priority Area: Growing quality of life			
Desired Outcome: Growing quality of life			
Strategy	Major Initiative	Status	Comment for Council
Communities have a say on local infrastructure and attractions that stimulate engagement and activity	We will conduct an engagement program to review aquatic services and work with communities to develop Place Based Plans and Township Facility Plans.	Completed	Place Based Plans have been completed for Colbinabbin and Tongala, the documents have been endorsed at the June 2023 Council meeting. The Rushworth and Rochester Place Based Plans are currently underway. Lockington's Place Based Plan will commence in October 2023, followed by Echuca in early 2024. It is anticipated Kyabram and Stanhope will progress to Township plans as they already have Place Based Plans in place.
	We will engage a consultant to conduct a review of the quarries.	Not Started	Not commenced
Effective and efficient services available locally	We will improve our organisational performance in regards to acknowledging correspondence and telephone messages.	In Progress	Performance against Customer Service Charter is reported to EMG regularly. Average performance for the 2022-2023 period for acknowledging correspondence within Customer Service Charter timeframes is 79.5% and return phone calls is 66.8%.
	We will complete the Capital Works Program by 30 June and complete the carry forward projects by 1 September.	In Progress	88% of carry over projects were completed by end March '23 against target spend. Knock on effects and program delivery delays are still being experienced due to the 2022 floods, contractor availability, supply chain issues, internal resource shortages and delays in gaining approvals from external authorities / agencies. Delivery of Capital Works Program based on actual spend is 60% (84% Acts & Commitments). These are unadjusted and unfinalised figures with the reconciled results not available until mid/ late July 2023.
	We will replace Council's ICT disaster recovery solution to ensure ongoing business continuity.	Completed	Procurement and implementation of a solution that meets our backup and disaster recovery objectives has been completed within the project budget and is currently operational.
	We will develop and implement procedures that improve transparency and the use of Council's CCTV systems.	In Progress	Internal research commenced included as action of the Protected Data Security Plan that is submitted and audited by OVIC.
	We will implement recommendations from the Bushfire Mitigation Plan.	In Progress	Discussions held with CFA regarding use of the plan. Work underway to link Plan with practical delivery model.
	We will review the Municipal Early Years Plan following feedback from the community.	Completed	Review completed with the draft anticipated for presentation to Council by September 2023.
Children, young people and families healthy and well	We will develop a multi-year action plan to deliver the objectives in the Municipal Public Health and Wellbeing Plan.	In Progress	2022-23 action plan items under review, with 2023-24 items to be workshopped among Leadership Team. Communication report to be prepared for ELT with recommendations.
	We will update the Arbovirus Management Plan to support surveillance and treatment of mosquito borne diseases.	In Progress	Desk top review completed. It is anticipated the Draft plan will be presented to Council in October.
	We will offer the Sleep and Settling Model of Care within the Maternal and Child Health service.	Completed	Outreach and group sessions are now part of the regular service offering and will continue in line with funding.
	We will host Story Walk sessions and Walking Book Clubs at libraries to promote physical movement.	Completed	Walk and Talk Book Club has met monthly at Echuca Library. Five Storywalk sessions were conducted at Echuca, Kyabram and Rochester Libraries to celebrate National Simultaneous Storytime.
	We will implement the Adolescent Vaccination Catch Up program.	Completed	The catch-up program commenced in 2022. Changes to the Immunisation Schedule during the life of the project altered the number of adolescents requiring follow up. The project is completed, with reporting submitted by 14 July 2023.

Inclusive, connected, culturally diverse and safe	We will review the outcomes in the Access and Inclusion Strategy and Action Plan.	In Progress	An Action Plan for the Access and Inclusion Strategy will be drafted and tabled to Council by the end of the September 2023.
	We will engage with Dja Dja Wurrung to establish a Statement of Intent.	Completed	Discussions between Dja Dja Wurrung Aboriginal Corporation and Council regarding a draft Statement of Intent are underway. A draft Statement has been prepared.
	We will engage with Taungurung Land and Waters Council to establish a Statement of Intent.	In Progress	Officers have made initial contact with management from Taungurung Land and Waters Council to establish a Statement of Intent. The development of a Statement has not yet commenced.
	We will continue to meet and report on obligations under the Dja Dja Wurrung Recognition and Settlement Agreement and Land Use Activity Agreement.	Completed	Council continues to report progress on the implementation and compliance with the Dja Dja Wurrung Recognition and Settlement Agreement and Land Use Activity Agreement. In addition engagement between two organisations has furthered the development of a Statement of Intent.
	We will engage with Yorta Yorta Nations Aboriginal Corporation.	Completed	The organisations continue to engage on important matters including the Memorandum of Understanding.
	We will conduct an audit on cultural safety in Maternal & Child Health services and Centre Based Care services.	In Progress	Council's services remain on a waiting list for site inspections for Cultural safety audits to be conducted. (There has been significant demand for Cultural safety audits in line with the revised Child Safe Standards which came into effect on 1 July 2022.) In Q4 Childrens Services Coordinators completed cultural awareness training through the Best Start program.

8.6.3 Economic Development & Tourism Strategy

Directorate:	Corporate
Responsible Officer:	Manager Corporate & Strategic Planning
Manager:	Director Corporate
Attachments:	Nil

1. PURPOSE

To inform Council of the delays in relation to the delivery of the draft Economic Development and Tourism Strategy.

2. RECOMMENDATION

That Council:

- 1) endorse an extended engagement period with the Campaspe business and industry sector to enable input into the draft Campaspe Economic and Tourism Development Strategy 2023-2028 until end September 2023.**
- 2) note the delivery of the draft Campaspe Economic and Tourism Development Strategy 2023-2028 will not be presented to Council for endorsement at the September 2023 Council Meeting as previously resolved at its 21 March Ordinary Meeting 2023.**
- 3) note that Officers will continue to brief Council on progress of the engagement and the development of the draft strategy ahead of its presentation to Council for endorsement.**

3. DISCUSSION

Council at its meeting on 21 March 2023 considered an item providing an update and outlining delays in relation to the delivery of the Economic Development and Tourism Strategy.

Council resolved:

Moved by Cr Weston

Seconded by Cr Jarman

That Council note:

- a) that the development of the Campaspe Economic Development Strategy is to incorporate tourism.*
- b) the proposed timeline for delivery of the Campaspe Economic and Tourism Development Strategy 2023-28 to be presented for endorsement by Council by 30 September 2023.*
- c) that as the Business Assistance Grants were suspended while the Campaspe Economic Development Strategy was undertaken, endorse that the Business Assistance Grants be reinstated, with Round 2 being open in April 2023 and considered by Council in June 2023.*

CARRIED

Since this time Dr David Cochrane of Cloudstreet Economics has prepared an updated Issues and Opportunities Discussion Paper (the Paper) incorporating tourism and the impacts of COVID and flooding on the economy. The Paper was the first step in the development of a Campaspe Economic Development and Tourism Strategy. The Paper was developed to inform and support industry engagement, raising issues and questions for consideration.

An extensive program of industry, business and community engagement has been undertaken to inform responses to the issues raised in the Paper. Consequently, the development of the Strategy.

To date, the program of engagement has included:

An online survey.

Local on street drop-in sessions.

Thursday, 15 June

- Kyabram – 8.30am - 10.30am, Allan Street (outside Terry White Pharmacy)
- Stanhope – 12.00noon - 2.00pm, Birdswood Avenue (open Street)
- Colbinabbin - 3.30pm - 5.30pm, Mitchell Street (outside Colbinabbin General Store)

Friday, 16 June

- Lockington – 8.15am - 10.15am, Lockington Road (outside Giddings Co/Foodworks)
- Rochester – 11.45am - 1.45pm, Gillies Street (outside IGA)
- Echuca – 3.15pm - 5.15pm, Hare Street (outside Cotton On)

These sessions provided the opportunity for business and community members to discuss matters that are important to them and how Council may be able to assist in supporting their local business/es.

Summit.

Held on 21 July from 7.30am - 12.00pm at the Moama Bowling Club.

The Summit brought together over 150 local industry and business people to discuss a range of topics, including how we better leverage our shire's competitive advantages, strengthen local economies and drive greater long-term prosperity for all.

One on One conversations

Direct one on one 30-minute conversations with local industry and business people via Zoom. Approximately 28 discussions have been completed at the time of drafting the report with a further 10 to be scheduled.

Proposed Industry Sector Forums.

The industry forums will further test and refine the information collected through earlier engagements. The sessions are:

Industry sector	Location	Date	Time
Tourism & Hospitality	Echuca	16 August	1-3pm
	Rushworth	18 August	12.30-2.30pm
	Online	23 August	5-6pm
Professional Services	Kyabram	17 August	1-3pm
	Online	23 August	7-8pm
Industry & Manufacturing	Tongala	17 August	9-11am
	Online	23 August	10-11am
Agriculture	Lockington	18 August	9-11am
	Rushworth	18 August	3-5pm
Retail	Echuca	16 August	4-6pm
	Online	24 August	7-8pm
Health & Community Services	Kyabram	17 August	4-6pm
	Online	24 August	5-6pm
General	Online	24 August	10-11am

Whilst this extensive engagement has provided significant opportunity for local businesses and industry to share insights and ideas on priorities, it has further delayed the delivery of the draft Strategy to Council with engagement concluding at the end of August.

At the end of the engagement the consultant is to provide an Engagement Outcomes Report that documents responses to the matters raised in the Issues Paper. Further, a facilitated discussion and presentation will be provided by the consultant to Council presenting the outcomes of the engagement.

The Engagement Outcomes Report will then guide and support the development of a draft Economic Development and Tourism Strategy.

Further engagement with the local industry and business sector on the draft strategy is also planned. The engagement will seek to confirm that the proposed direction and Council's role as articulated in draft economic development and tourism strategy is correct. If considered appropriate, a final draft strategy will then be presented to Council for adoption.

Noting that the engagement on the issues and opportunities paper is yet to be finalised, a draft strategy will not be ready to present to Council for endorsement at the September 2023 meeting.

Council will continue to be briefed on the progress of the engagement and the development of the draft strategy ahead of its presentation to Council in draft form.

4. CONSULTATION

Internal consultation:

- Executive Leadership Team

Councillors:

- 01 08 2023 Council Briefing Session.

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

Flourishing local economy

- A resilient long-term economy attractive to local and external investors.
- Stimulated economic activity that provides local jobs.

6. POLICIES AND RELATED COUNCIL DOCUMENTS

The requirements of Section 9(2)(c) of Local Government Act 2020 have been considered and there are no Council policy or legislative implications arising from this report.

7. LEGAL AND STATUTORY OBLIGATIONS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) provides that Council decisions are to be made and actions taken in accordance with the relevant law.

Nil.

8. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) provides that the ongoing financial viability of the Council is to be ensured.

Nil.

9. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

The delay in the delivery of the Strategy is the outcome of the extensive engagement program with business, industry and the community. The outcomes of the engagement will be used to guide the development of the Strategy and Council's priorities.

10. ISSUES AND RISK MANAGEMENT

Issues:

Issue 1: Informing Council's Investment in Tourism

The Campaspe Economic Development and Tourism Strategy 2023-28 will not be finalised to inform Council of its future investment in economic development and tourism as part of the 2023/24 budget development, however the extra engagement will result in a more fully informed strategy.

Risk:

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

11. CONFLICT OF INTEREST

Section 130 of the *Local Government Act 2020* (Vic) requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council Meeting.

12. CHARTER OF HUMAN RIGHTS

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

13. INSTRUMENT OF DELEGATION

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

8.7 Sustainability

8.7.1 Submission to the Australia Government Productivity Commission Inquiry - Murray Darling Basin Plan: Implementation Review 2023

Directorate: Sustainability

Responsible Officer: Economic Development Manager

Manager: Director Sustainability

Attachments:

1. Campaspe Shire Council Submission to Productivity Commission on MDBP July 2023 - signed copy [8.7.1.1 - 4 pages]
2. Campaspe Shire Council REMPLAN Report Implementation of the Murray Basin Plan PC Review July 2023 [8.7.1.2 - 20 pages]
3. Murray River Group of Councils Submission to the Productivity Commission - Murray Darling Basin Plan [8.7.1.3 - 13 pages]

1. PURPOSE

To inform Council of the Campaspe Shire Submission to the Productivity Commission on the *Murray Darling Basin Plan: Implementation Review 2023* which includes a REMPLAN Research report commissioned by Campaspe Shire. The submission was prepared and lodged by officers to comply with the 31 July closing date for submissions. The report has been prepared to complement the submission made by Murray River Group of Councils and should be read in conjunction with that submission. This report recommends that Council endorses the officer submission.

2. RECOMMENDATION

That Council endorse the Officer submission to the Productivity Commission on the Murray Darling Basin Plan: Implementation Review 2023.

3. DISCUSSION

3.1 Background

Provisions of the Commonwealth *Water Act 2007* require the Productivity Commission to undertake an inquiry in the implementation of the Murray Darling Basin Plan and water resource plans every five years. The current inquiry is the second inquiry following a previous review in 2018.

The Terms of Reference of the Productivity Commission review are focused on reviewing whether the plan is on track to be implemented on time, and where it is not on track, what needs to change.

In considering how effective implementation of the Plan has been to date the commission has outlined some key questions that it has sought submission to address. Council's submission seeks to respond to particular questions concerning posed by the commission namely,

What lessons should be learned from programs aimed at helping communities adjust to the Plan?

Are there any other issues with the Plan implementation that you wish to raise?

The Productivity Commission held a community consultation session in Echuca 7 June 2023 which Council staff attended. The Mayor, Councillor Marwood, and the Executive Officer of the Murray River Group of Council's met with the Productivity Commission to table their feedback.

3.2 Council's submission

The Murray River Group of Council's Submission details the impact to date of Basin Plan Water Recovery, the impact of further water recovery, sustainable diversion limit adjustment mechanism (SDLAM), system constraints, cost of buy backs, environmental outcomes and monitoring and compliance of water resource plans.

Council's submission seeks to complement the work of the Murray Group of Council's by highlighting the specific impacts to Campaspe Shire that are different to those exercised by other Council with the grouping.

The submission highlights the significant economic contribution the agriculture industry makes to the economy of Campaspe Shire, including the strong food manufacturing sector that complements the agriculture sector, the ancillary businesses that support both sectors and most importantly the viability of our local towns. It emphasises that at the heart of its survival and growth into the future, is the continued access to water.

To inform Council's submission economic research firm REMPLAN was commissioned by Campaspe Shire to analyse our economic base including water reliant industries, integration with other local industry sectors and communities. The report highlighting the significance of agricultural production particularly irrigation to the Campaspe economy.

Some of the key findings of the economic analysis include:

- Of the 852 agricultural businesses counted within the Campaspe Local Government Area (LGA), 614 are estimated to rely on irrigation water.
- 87% of irrigated water is used for pastures and crops for grazing or hay.
- 72% of local agricultural businesses are reliant on irrigation for production.
- Three quarters of irrigated water use is sourced from irrigation channels or pipelines.
- Campaspe accounts for three quarters (74%) of the total tomato crop value in Murray River Region.
- Campaspe directly supports almost half (45%) of all Murray River dairy sector jobs.
- Half (50%) of all Murray River fruit and vegetable processing jobs are in Campaspe.
- More than a half (52%) of all Murray River Region dairy farm workers are in Campaspe.
- Every one dairy manufacturing job supports another two workers within Campaspe LGA.

The REMPLAN analysis highlights the impacts and flow-on effects of job losses within some of Campaspe's water-reliant agricultural sectors. Economic modelling for dairy product manufacturing as a case in point, shows that the loss of 100 jobs from dairy product manufacturing is associated with a direct reduction in annual gross revenue of \$80.5 million and direct fall in value added of \$14.8 million. From this direct contraction in economic activity, flow-on supply chain effects, in terms of reduced local purchase of goods and services, would be anticipated to include a fall of

\$64.9 million in gross revenue, the loss of 172 supply chain jobs and a further fall in value added of \$24.1 million.

The submission outlines that Campaspe Shire Council has, for many years, strongly advocated for the careful, effective, and balanced implementation of the Basin Plan, including a holistic approach to water management that achieves positive environmental, cultural, economic, and social outcomes. It reiterates that the environmental outcomes the government aims to achieve are supported by Campaspe Shire Council, but these should not be at the cost of the long-term viability of our towns, prosperity of our shire's economy or wellbeing of our communities.

As such the submission requests that the Commission to also consider the economic perspective and apply a human lens in understanding the broader ramifications of the Basin Plan implementation on individuals, on families and on whole communities.

4. CONSULTATION

Internal consultation:

- CEO
- Director of Sustainability, Director of Communities, Director of Emergency Management
- Manager Corporate and Strategic Planning

Councillors:

- The previous review of the Murray Darling Basin Plan was considered by Council in October 2019

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

Flourishing local economy

A resilient long-term economy attractive to local and external investors
Stimulated economic activity that provides local jobs

Resilient protected and healthy natural environment

Sustainable water and energy use
Protected natural environment

A flourishing local economy should provide diversity of industry sectors and strong employment opportunities amongst other things which helps to attract skilled professionals and new investment. A growing population supports community infrastructure provision and provides confidence and stability.

Our agriculture sector requires secure and affordable water supply to remain viable. Council supports the environmental outcomes the Australian Government are aiming for with the Murray Darling Basin Plan implementation but not at the cost of the long-term viability of our towns, prosperity of our economy or wellbeing of our communities.

Council value a resilient protected and healthy natural environment. The environment and sustainable water use and management practices must be considered in partnership with on the ground monitoring and in partnership with the economic and social considerations of the Plan.

6. POLICIES AND RELATED COUNCIL DOCUMENTS

Advocacy Priorities 2021-2025 – *Secure and Affordable Water Supply for the Agricultural Sector*

7. LEGAL AND STATUTORY OBLIGATIONS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) provides that Council decisions are to be made and actions taken in accordance with the relevant law.

This report seeks Council endorsement of the submission prepared and lodged by officers.

8. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) provides that the ongoing financial viability of the Council is to be ensured.

There are no financial implications that arise from the endorsement of the submission.

9. ECONOMIC, SOCIAL, AND ENVIRONMENTAL IMPLICATIONS

The negative economic and social implications for Campaspe Shire that could arise from the implementation of the Murray Darling Basin Plan are significant. Campaspe Shire is one of the richest and most diverse agricultural areas in Victoria. The raw product supports a wealth of food manufacturers in our region such as Kagome, Simplot, Fonterra, Kraft Heinz, Lactalis, Australian Consolidated Milk, Ky Valley Dairy and Casalare. The foundations of our economy are built on irrigated agriculture and food manufacturing, and if decisions by government cause these sectors continue to retract Council must advocate to find new economic pathways for our communities to remain viable.

Further employment loss and economic retraction will result in people and families leaving the region which will have a negative impact on our towns.

The negative environmental implications of the Murray Darling Basin Plan were of concern to many residents who were present at the Productivity Commission forum in Echuca in June 2023. Residents expressed concern that the Gunbower Forest was being flooded again in 2023 following the October 2022 floods. This highlighted a lack of on the ground monitoring by the Basin Plan authority. Residents reported black water and carp breeding in Gunbower Forest as examples of negative impacts of too much water. The issue of having a lack of 'air space' for seasonal water was of great concern for many of the attendees.

10. ISSUES AND RISK MANAGEMENT

The brief time for Submissions meant that Officers needed to create the Submission and lodge it ahead of its consideration by Council. This report seeks Council endorsement of the submission.

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

11. CONFLICT OF INTEREST

Section 130 of the *Local Government Act 2020* (Vic) requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council Meeting.

There are no matters of conflict of interest from officers that arise from the preparation of the submission or its consideration by Council.



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Submission

To the Australian Government Productivity Commission's Inquiry - Murray-Darling Basin Plan: Implementation Review 2023

“What lessons should be learned from programs aimed at helping communities adjust to the Plan?”

“Are there any other issues with the Plan implementation that you wish to raise?”

31 July 2023

Campaspe Shire Council is pleased to lodge this submission to the Productivity Commission's Inquiry into the Murray-Darling Basin Plan: Implementation Review 2023.

As a member of the Murray River Group of Councils (MRGC), we are fully supportive of its submission to this Inquiry. While our submission is complementary to the MRGC submission, we wish to highlight the significant economic contribution Campaspe Shire's agricultural industry makes to our economy, the strong food manufacturing sector that exists complimenting the agriculture sector, the ancillary businesses that support both sectors and most importantly the viability of our local towns. We also want to highlight that at the heart of its survival and growth into the future, is its continued access to irrigated water.

Campaspe Shire is one of the richest and most diverse agricultural areas in Victoria. The agricultural sector alone has the greatest number of business entities in Campaspe Shire, many of which are sole traders or small businesses. (Source: app.remplan.com.au/campaspe/economy/summary)

It is, therefore, not only vitally important that the effective and balanced implementation of the Basin Plan achieves environmental sustainability targets, but that it does so without undue negative impact on the long-term viability of our towns, prosperity of our shire's economy or wellbeing of our communities.

Campaspe Shire Council engaged economic consultants REMPLAN to conduct an economic analysis of Campaspe's agricultural sector. Prepared in July 2023, this report forms the basis of our submission to the Commission's inquiry, highlighting the significance of agricultural production, and importance of irrigated water, to the Campaspe economy and community.

Some of the key findings of the economic analysis include:

- Of the 852 agricultural businesses counted within the Campaspe Local Government Area (LGA), 614 are estimated to rely on irrigation water.
- 87% of irrigated water is used for pastures and crops for grazing or hay.
- 72% of local agricultural businesses are reliant on irrigation for production.
- Three quarters of irrigated water use is sourced from irrigation channels or pipelines.
- Campaspe accounts for three quarters (74%) of the total tomato crop value in Murray River Region.
- Campaspe directly supports almost half (45%) of all Murray River dairy sector jobs.
- Half (50%) of all Murray River fruit and vegetable processing jobs are in Campaspe.
- More than a half (52%) of all Murray River Region dairy farm workers are in Campaspe.
- Every one dairy manufacturing job supports another two workers within Campaspe LGA.

The REMPLAN analysis also highlights the likely impacts and flow-on effects of job losses within some of Campaspe's water-reliant agricultural sectors. Economic modelling for dairy product manufacturing as a case in point, shows that the loss of 100

jobs from dairy product manufacturing is associated with a direct reduction in annual gross revenue of \$80.5 million and direct fall in value added of \$14.8 million. From this direct contraction in economic activity, flow-on supply chain effects, in terms of reduced local purchase of goods and services, would be anticipated to include a fall of \$64.9 million in gross revenue, the loss of 172 supply chain jobs and a further fall in value added of \$24.1 million.

The report highlights the closure in recent years of Nestle in Tongala and Murray Goulburn in Rochester as case studies that illustrate the devastating impacts of job losses and the flow-on effects to the economy and other businesses in the supply chain. It must be understood that these impacts also create a ripple effect on the social fabric of communities, impacting attendance and participation in community programs and activities, such as childcare and sports clubs, for example. These “hidden impacts” go to the heart of the social cohesion and connectedness of our communities.

The Victorian Government Department of Environment, Land, Water and Planning’s “2022 Update of the Socio-Economic Impacts of the Basin Plan in the Goulburn Murray Irrigation District” (GMID) highlights a range of economic impacts, including:

- previous water recovery has resulted in less irrigation (50% less water use in the GMID), putting the viability of major irrigation districts and the industries and communities they support under pressure
- water prices have risen significantly (by an average of \$72 per ML) due to water recovery from the consumptive pool, particularly in dry years
- irrigation businesses are more reliant on the allocation market and have greater exposure to high water market prices – up to 50% of GMID irrigators rely on the allocation market to meet their water needs
- further water recovery from irrigators (buybacks and on-farm projects) will add to the impacts already being felt and undermine the ability of irrigation communities’ to plan for the future.

Agricultural production, particularly the dairy industry, is significantly lower in the GMID because of water recovery. The 2022 Update states that “if water recovery had not occurred, water use in the GMID could be expected to be about 50% higher in recent years (2018-19 to 2021-22). Subsequently, GMID milk production could be expected to have been about 50% higher than observed in recent years. This foregone production would have had significant flow-on benefits in towns and communities where farm inputs are sourced and dairy manufacturing occurs”. (Source: Socio-economic impacts of Basin Plan water recovery in Victoria – 2022 Update – available at www.delwp.vic.gov.au)

From a regional perspective, there are many economic studies that demonstrate the effects of future water recovery on water price and availability and the flow-on impact of these on the various industries. Essentially, they all predict that allocation prices would be consistently higher and there would be less water available.

It is also widely considered among stakeholders that water Buy-Backs divide and damage our communities. They increase the cost of water for irrigators, pushing up input costs that inevitably put upwards pressure on food price. Last time, they cost our

region 1600 jobs, helped close a milk factory (105 jobs) and increased farming risk across our region.

How can the Australian Government assist to re-purpose these abandoned factories, create jobs, and find new economies?

As the exponential negative impacts of The Basin Plan implementation continue to take hold on agricultural and manufacturing sectors, and supplementary industries, such as engineering, transport and hospitality to name a few, businesses, families and whole communities are starting to ask the highly logical and reasonable question of, 'How are we going to be compensated for our losses?'. Government compensation payouts are not new. In 2016 for example, the Victorian Government compensated workers and businesses impacted by the closures of the Hazelwood and Yallourn Power Station as part of the \$266 million Latrobe Valley Support Package.

If not compensation, as a minimum, we believe the government should help the communities impacted by their decisions to find new economic pathways to ensure the viability of small towns. A good example of how an economic negative and job losses for a town was turned into a positive is the story of Heinz's departure from Girgarre and how the company gifted local assets to the Girgarre Development Group.

When Heinz announced the Girgarre factory closure in 2012 resulting in the loss of 146 FTE jobs, the company decided to leave a legacy for the community. Heinz gifted the Girgarre Development Group four blocks of land (3 x residential and a larger parcel of farm-zoned land) and 67 megalitres of water. The result has been the creation of a benchmark regional botanical gardens, complete with an amphitheatre, café and nursery. "Gargarro" has created a new events and tourism focus for Girgarre which has resulted in new job creation and increased visitation. (Find out more at www.gargarrobotanicgarden.com.au)

Campaspe Shire Council has, for many years, strongly advocated for the careful, effective and balanced implementation of the Basin Plan, including a holistic approach to water management that achieves positive environmental, cultural, economic and social outcomes.

The environmental outcomes the government aims to achieve are supported by Campaspe Shire Council, but these should not be at the cost of the long-term viability of our towns, prosperity of our shire's economy or wellbeing of our communities.

With this in mind, we urge the Commission to carefully consider our submission from an economic perspective but to also apply a human lens in understanding the broader ramifications of the Basin Plan implementation on individuals, on families and on whole communities.

We would welcome the opportunity to discuss our submission in further detail.



CR ROB AMOS
MAYOR



PAULINE GORDON
CHIEF EXECUTIVE OFFICER



Murray-Darling Basin Plan: Implementation review 2023

Research Report

Project undertaken for

Campaspe Shire Council
July 2023 V1.1

Murray-Darling Basin Plan: Implementation review 2023 – Research Report

This report has been prepared by the team at REMPLAN

July 2023 V1.1

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Disclaimer

All figures and data presented in this document are based on data sourced from the Australian Bureau of Statistics (ABS), other government agencies and information provided by Campaspe Shier Council. Using ABS datasets, the regional economic modelling software REMPLAN, developed by REMPLAN has also been applied to generate industrial economic data estimates. This document is provided in good faith with every effort made to provide accurate data and apply comprehensive knowledge. However, REMPLAN does not guarantee the accuracy of data nor the conclusions drawn from this information. A decision to pursue any suggestions mentioned in the report is wholly the responsibility of the party concerned. REMPLAN advises any party to conduct detailed feasibility studies and seek professional advice before proceeding with any action and accept no responsibility for the consequences of pursuing any of the findings or actions discussed in the document.

RESOURCES

Economic Impact Modelling has been undertaken using REMPLAN™ software that has been authored by Principal Research Fellow (ret.), Ian Pinge, at La Trobe University Bendigo.

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Acronyms

ABS	Australian Bureau of Statistics
GRP	Gross Regional Product
GSP	Gross State Product
GVC	Goulburn Valley Creamery
LGA	Local Government Area
MDB	Murray Darling Basin
MRGC	Murray River Group of Councils
GL	Giga litre
ML	Mega litre
ha	Hectares
\$M	Millions of dollars
(t)	tonne
(a)	animals

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1. Introduction

Campaspe Local Government Area (Campaspe Shire) is one of the larger municipalities along the Murray River with strong local agricultural and food production industries highly dependent on a reliable supply of irrigated water.

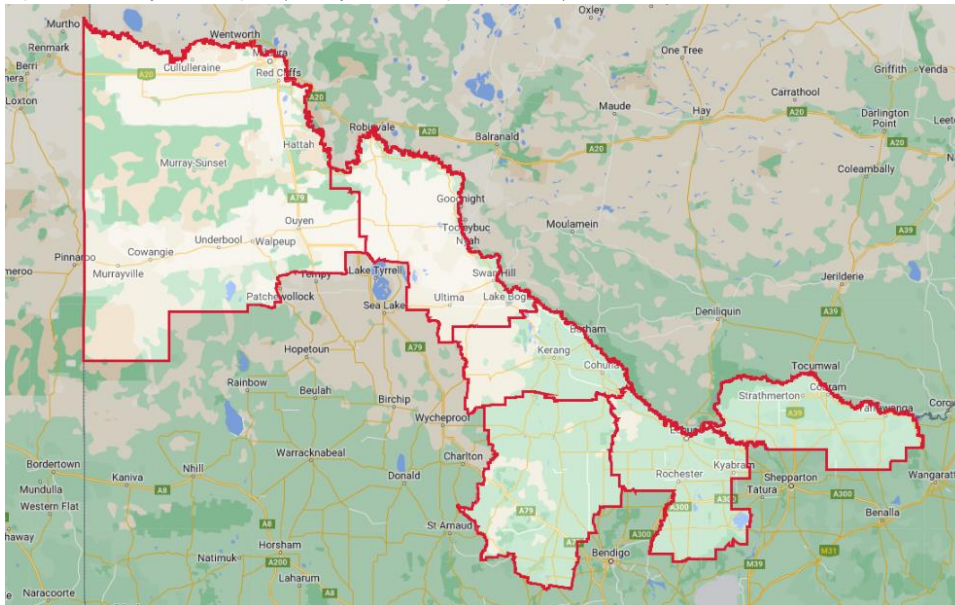
This report has been prepared to support Campaspe Shire Council's (Council) submission to the Murray-Darling Basin Plan: Implementation review 2023 (the Review), which is currently underway pursuant to Parts 2 & 3 of the Productivity Commission Act 1998.

The review is being completed by the Productivity Commission (PC). The Review is required to assess the effectiveness of the implementation of the Basin Plan and water resource plans. As part of the process of inquiry, the Productivity Commission must complete "an appropriate public consultation process" that includes a stakeholder working group and invites public submissions in accordance with section 89 of the Water Act.

Council is a member of the Murray River Group of Councils (MRGC) a local government advocacy group in northern Victoria that comprises the local government areas (LGA) Mildura Rural City, Swan Hill Rural City, Gannawarra Shire, Loddon Shire, Campaspe Shire and Moira Shire Councils¹. The MRGC has prepared a submission which covering diverse land use within Northern Victoria from Echuca to Mildura recognises the impact on key agricultural commodities who are reliant on irrigation water within the basin.

This report complements the MRGC submission by providing further localised analysis to support Council's independent submission to the Review.

Figure 1-1 Murray River Region (Murray River Group of Councils)



Source: REMPLAN MapBuilder: <https://remplan.co/45235Vf>

¹ <http://www.mrgc.com.au/>

2. Campaspe and the Murray Darling River Catchment

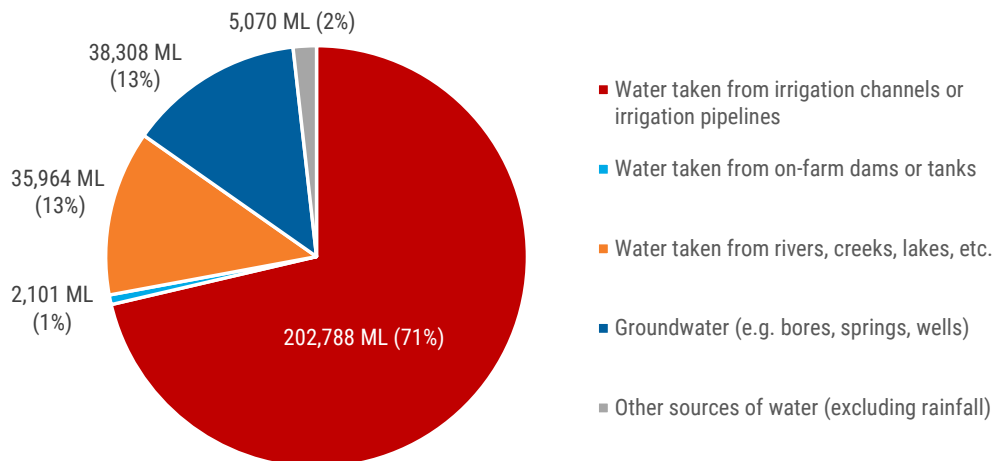
The Murray Darling Basin (MDB) comprises the Northern Basin (flowing through the Darling River) and the Southern Basin (flowing to the River Murray). The Southern Basin captures southern New South Wales, ACT, Northern Victoria, and South Australia². Campaspe Shire sits within the Southern Basin with major townships lying within both the Campaspe and Goulburn-Broken MDB Catchments.

The Campaspe River catchment flows for a length of 220km and includes the townships of Kyneton, Rochester, and Echuca before flowing into the Murray River. The Campaspe catchment accounts for 0.4% of the total MDB area and contributes 0.9% of total Basin water with an annual stream flow of 352 GL. While most of the catchment (75%) supports dryland³ livestock production and some cropping, these agricultural uses are in neighbouring Local Government Areas to the south. Irrigated agriculture supported by the Campaspe catchment is almost exclusively located throughout Campaspe Shire with dairy being the main industry, followed by broadacre cropping, fodder production, livestock grazing and horticulture.

The Goulburn-Broken Catchment follows the Goulburn and Broken rivers, which includes the township of Kyabram in Campaspe Shire. This catchment accounts for 2% of the total MDB land area and contributes 11% of the total water to the Basin from an annual stream flow of 3,000 GL. Nearly 60% of the catchment's land area supports dryland agriculture production, whilst 13% of land area is irrigated for fruit production (peaches, pears, and tomatoes among others) and some dairying.

As of 2021, of the 852 agricultural businesses within Campaspe Shire almost three quarters (614) relied on irrigation water. Water use by these irrigating businesses is estimated at a total of 266,000ML. A breakdown of water source used to acquire irrigation water is presented in Figure 2-1. As illustrated the majority of water use is sourced from irrigation channels or pipelines (71%), followed by underground sources and rivers, creeks and lakes.

Figure 2-1 Agricultural irrigation water source estimates, Campaspe Shire, 2020-21



Source: Australian Bureau of Statistics, *Water Use on Australian Farms, 2020-21*.

² <https://www.mdba.gov.au/basin/catchments/southern-basin-catchments>

³ Dryland agriculture activity refers to non-irrigated farming production and relies on precipitation for water.

Almost two thirds (64%) of the total volume of water applied onto watered cropping land in Campaspe is utilised for grazing pastures and cereal crops. A further 23% is used for pastures, cereal and other crops cut for hay and silage. In total 87% of all watered area throughout the Campaspe Shire is used for some form of pasture production, which is likely used to feed livestock, including dairy cattle.

Table 2-1 Agricultural water use estimates, Campaspe Shire, 2020-21

	Total area grown (ha)	Area watered (ha)	Volume applied (ML)	Proportion of water volume applied (%)
Pastures (including lucerne) and cereal crops used for grazing or fed off	132,592	49,022	164,201	64.1%
Pastures (including lucerne), cereal and other crops cut for hay and silage	54,107	22,064	59,235	23.1%
Vegetables	1,207	1,110	4,973	1.9%
Other ^a	81,321	13,196	27,558	10.8%
Total	272,227	85,392	255,967	100.0%

Note: a) Includes fruit trees, nut trees, plantation and berry fruit, grapevines, nurseries, cut flowers and cultivated turf, rice, cereals for grain or seed, and other crops.

Source: Australian Bureau of Statistics, Water Use on Australian Farms, 2020-21.

Key messages

- Campaspe Shire sits within the Southern Murray Darling Basin and straddles both the Campaspe and Goulburn-Broken Murray Darling Basin Catchments.
- Less than 25% of the Campaspe Catchment area supports irrigated agriculture. This is concentrated within Campaspe Shire where dairy is dominant.
- 72% of Campaspe's agricultural businesses are reliant on irrigation for production.
- Three quarters of irrigated water use is sourced from irrigation channels or pipelines.
- The largest users of water are pastures, cereal and vegetable crops.
- 87% of irrigated water is used for pastures and crops for grazing or hay.

3. Water reliant industries in Campaspe

Commodities

Estimates of commodity value and volume produced in the Murray River Region and Campaspe Shire is presented in Table 3-1 below. Primary production in the Murray River Region is dominated by livestock and horticulture such as fruit, nuts and cereals. However, Campaspe primary production is largely supported by the water intensive commodities of cattle, vegetables, and cereals (see Table 2-1 above).

Table 3-1 Agricultural commodity value and production, Campaspe Shire and Murray River Region

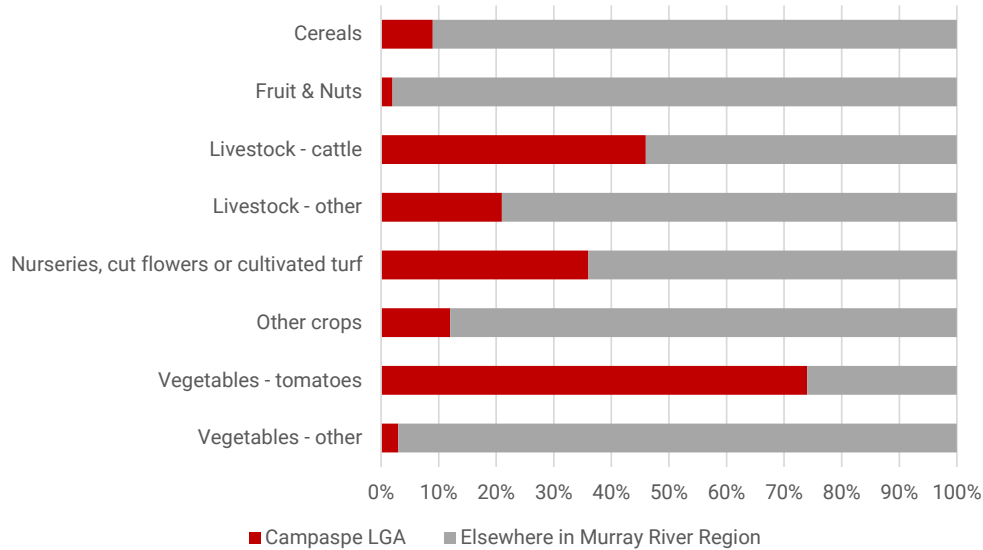
	Campaspe Shire		Murray River Region	
	Gross value (\$M)	Production (tonne (t) / animals (a))	Gross value (\$M)	Production (tonne (t) / animals (a))
Cereals	\$68	226,487t	\$736	2,583,333
Fruit & Nuts	\$29	7,990t	\$1,432	329,861
Hay and silage	na	303,284t	na	927,103
Livestock - cattle	\$371	155,112a	\$801	376,565a
Livestock - other	\$114	333,288a	\$543	5,597,688a
Nurseries, cut flowers or cultivated turf	\$29	-	\$82	-
Other crops	\$32	54,547t	\$261	405,265
Vegetables - tomatoes	\$71	106,449t	\$96	143,865
Vegetables - other	\$4	109,828t	\$121	8,096,471

Source: Australian Bureau of Statistics, Value of Agricultural Commodities Produced by Local Government Area, 2020-21.

Figure 3-1 presents the proportion of value generated by agricultural commodity production in Murray River Region, broken into the proportion generated within Campaspe Shire (in red) and the remainder of Murray River Region. The figure highlights localised strength in particular commodities with Campaspe generating:

- 74% of gross value of tomatoes (\$71 million of the total \$96 million),
- 46% of gross value of cattle (\$371 million of a total \$801 million), and
- 36% of gross value of nurseries, flowers etc (\$29 million of a total \$82 million).

Figure 3-1 Proportion of gross value generated by commodity production, Murray River Region

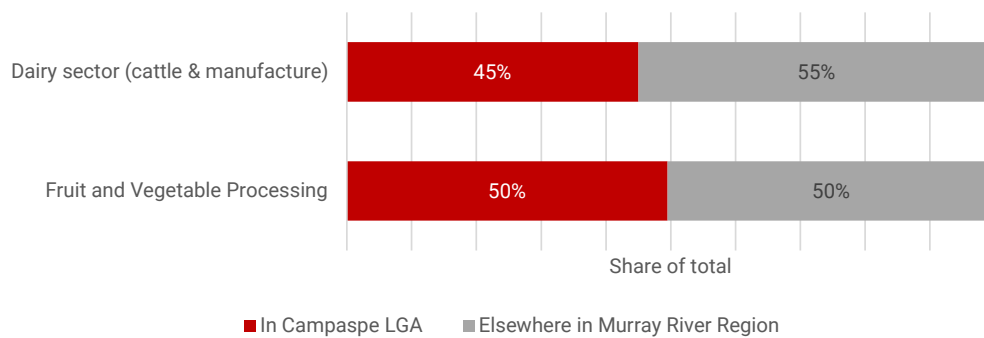


Source: Australian Bureau of Statistics, Value of Agricultural Commodities Produced by Local Government Area, 2020-21.

On average 24% of the Murray River Region workforce is in Campaspe. The proportion of workers in Campaspe for dairy and vegetable processing is significantly higher indicating regional specialisation:

- 45% of dairy (cattle farming and dairy manufacture) workers are located in Campaspe.
- 50% of all fruit and vegetable process workers are in Campaspe.

Figure 3-2 Campaspe contribution to agricultural sub-sector employment, 2021



Source: REMPLAN Community.

Kagome, Echuca

Kagome Australia plants, picks and processes fruit and is the nation's largest grower of processing tomatoes and Australia's largest tomato processing company. The company annually processes about 200,000 tonnes of locally grown tomatoes at its Echuca headquarters, and also processes 30,000 tonnes of carrots, 10,000 tonnes of apples and 8,000 tonnes of beetroot. Kagome supplies around 45 per cent of the processed tomatoes consumed in Australia. It also exports to Asia, primarily Japan, Thailand and Indonesia.

Kagome sources 60 per cent of its tomatoes from farms it leases and runs. The remaining 40% of tomatoes come from independent growers under contract to supply Kagome.

Unpacking dairy cattle farming further (Table 3-2) reinforces localised workforce specialisation with more than half (52%) of Murray River Region's dairy cattle farm workers located in Campaspe Shire.

Table 3-2 Persons by occupation in dairy sectors, 2021

	Campaspe Shire		Murray River Region		Campaspe workers as % of Murray River Region
	Persons	% of total workers	Persons	% of total workers	
Dairy Cattle Farm Manager	468	3%	1,067	2%	44%
Dairy Cattle Farm Worker	254	2%	484	1%	52%
Sub-total	722	4%	1,551	2%	47%

Note: based on place of work Census data.

Source: REMPLAN Community.

Key messages

- Campaspe primary producers and manufacturers are highly specialised in dairy and vegetable growing and processing.
- Campaspe accounts for three quarters (74%) of the total tomato crop value in Murray River Region.
- Almost a half (46%) of all value generated from cattle in the Murray River Region is generated in Campaspe.
- Campaspe directly supports almost half (45%) of all Murray River dairy sector jobs.
- Half (50%) of all Murray River fruit and vegetable processing jobs are in Campaspe.
- More than a half (52%) of all Murray River Region dairy farm workers are in Campaspe.

4. Water reliant industries integration with local sectors

Sales to local industries

Sheep, Grains Beef, Dairy Cattle sector is the largest generator of gross revenue in Campaspe (\$625 million) and is highly reliant on the local market to generate gross revenue and support its workforce.

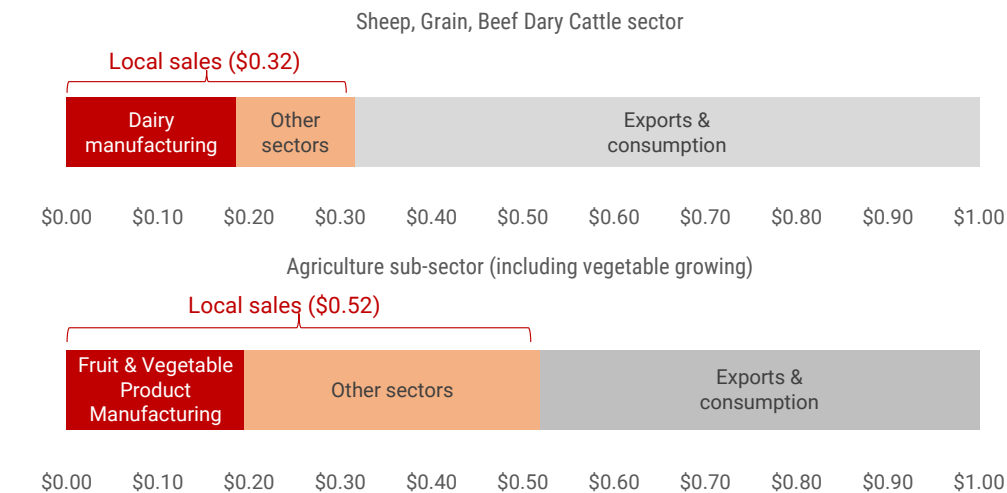
Sheep, Grains Beef, Dairy Cattle sector is one of the largest suppliers of local goods selling a total of \$198 million in goods and services value to local industries as inputs into production. Of this, an estimated \$116 million in value is sold to local dairy product manufacturing alone.

In other words, for every \$1.00 of revenue generated in the livestock sector, \$0.32 is generated through local sales made within Campaspe Shire. Of these local sales the majority (\$0.19) is generated by local sales to Dairy Product manufacturing (Figure 4-1).

The sub-sector ‘Other Agriculture’ includes vegetable growing and has been included here to reflect the strength of tomato growing and to understand its linkage to local food manufacture. This sector sells \$38 million in product to local industry within Campaspe, half of which is sold to fruit and vegetable manufacturing (\$14 million).

For every \$1.00 of revenue generated in the agriculture sector which capture tomato growing, more than half is due to sale of product to local business and industry (\$0.52) (Figure 4-1). This high ratio of local sales reflects the strong integration of this agricultural sector with other local industries and the reliance on purchase of local product by secondary producers.

Figure 4-1 Local sales per \$1 of gross revenue, dairy cattle and tomato growing sectors

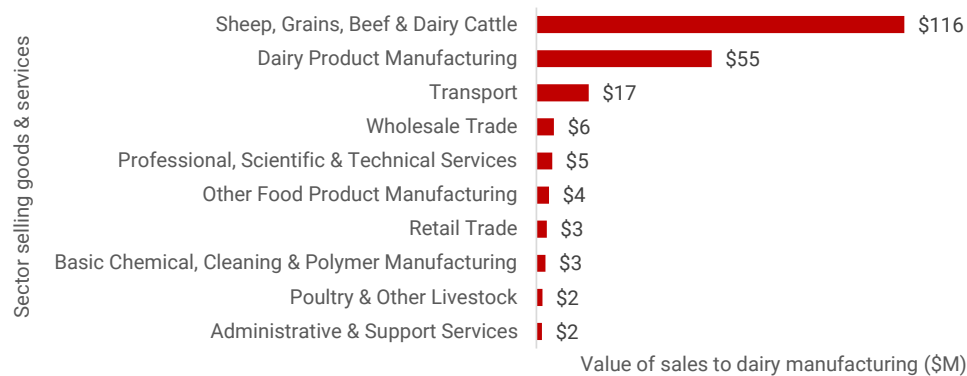


Source: REMPLAN Economy.

Dairy manufacturing purchase of local goods and services

As demonstrated above, dairy manufacturing is highly integrated with local industry. The dairy product manufacturing sector is the largest purchaser of local goods and services, spending \$230 million locally, just over half of which is spent in the local dairy cattle sector (\$116 million).

Figure 4-2 Dairy manufacturing local purchases, ten largest sectors



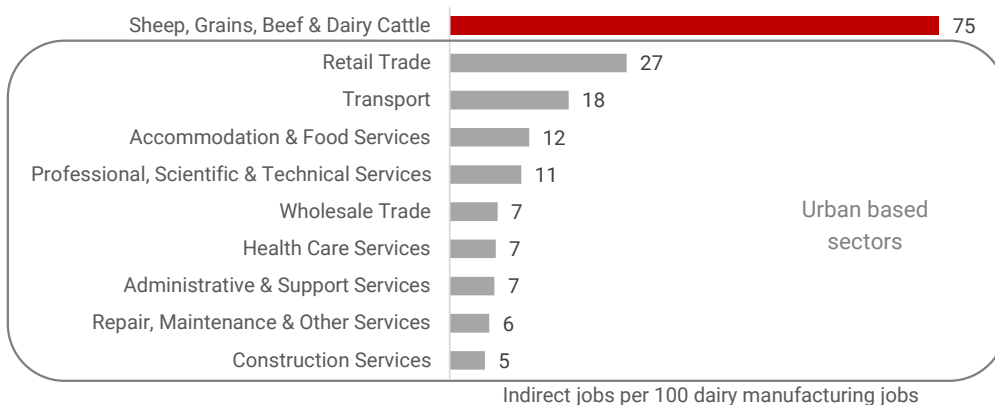
Source: REMPLAN Economy.

The employment benefit generated by dairy manufacturing operations can be illustrated by estimating at the indirect employment support by 100 dairy manufacturing jobs, demonstrated in Figure 4-3.

The figure illustrates employment required in other industries (via supply chain and consumption effects) to support output generated by 100 dairy product manufacturing workers. For example, economic activity generated by 100 workers in dairy manufacturing supports 75 livestock workers, 27 retail jobs and 18 jobs in transport, all within Campaspe Shire.

Of note is the diverse range of indirect employment supported across traditionally urban based sectors such as retail, transport, professional services and administrative support. These sectors support 3,000 in Echuca alone (almost a third of all employment in Campaspe).

Figure 4-3 Indirect jobs supported by 100 Dairy Product Manufacturing jobs, top ten industries



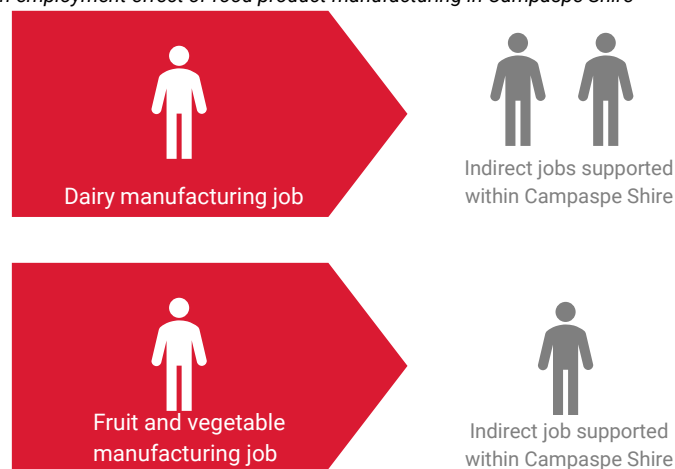
Source: REMPLAN Economy.

Economic effect of local food product manufacturing

Economic modelling suggests through direct and indirect (i.e. supply chain and consumption) effects the economic activity generated by 100 dairy manufacturing workers will support 232 workers elsewhere in the local economy. Therefore, every one dairy product manufacturing job supports another two workers within Campaspe.

When the same scenario is applied to fruit and vegetable manufacturing, in addition to the 100 direct jobs in the sector, the indirect effects support an additional 118 workers across a range of industries, i.e. every one fruit and vegetable product manufacturing job supports at least one other position in Campaspe.

Figure 4-4 Flow-on employment effect of food product manufacturing in Campaspe Shire



Key messages

- Water reliant industries such as dairy and vegetable growing are highly integrated with local industry through transactions between primary producers and food product manufacturing.
- For every \$1.00 of revenue generated in the livestock sector, \$0.32 is generated through local sales made within Campaspe Shire (primarily to dairy manufacturing).
- Dairy manufacturing is highly integrated with local industries and is largest purchaser of local goods and services in Campaspe Shire.
- Every one dairy manufacturing job supports another two workers within Campaspe Shire.
- Every one fruit and vegetable manufacturing job supports at least one other job within Campaspe.

Goulburn Valley Creamery, Kyabram

Goulburn Valley Creamery (GVC) is an Australian dairy manufacturer that sources pasture-based milk from dairy farms across Australia¹. A dedicated processing facility was constructed at Kyabram, colloquially known as the heart of Victoria's dairy region. Milk supply for the factory is sourced from four company-owned farms near Kyabram, along with other local dairy farmers.

GVC invested \$40 million into creating the state-of-the-art processing facility in 2020. The operation exports fresh and frozen milk concentrates, extended shelf-life milks, and cream products. Growing demand has led to investment in the expansion of its processing capacity by an additional 50 million litres, which is expected to cost an additional \$40 million in 2023.

Currently, the facility processes an estimated 250,000 litres per day, or close to 100 million litres annually. To operate in 2022, the facility required 80 staff and contractors.

These 80 staff and contractors support an estimated \$64 million in direct economic output for the Campaspe economy, supporting an additional 138 jobs through the supply chain effect and a further 48 jobs due to consumption effects. Many indirect jobs are supported from the supply of milk from dairy farms (59) whilst other jobs are further supported indirectly within the dairy product manufacturing sector (12).

As 80 staff and contractors were required to process an estimated 100 million litres of milk annually, an additional 50 million litres is expected to require 50% (40 jobs) more staff. If so, the proportional impacts to the local economy suggest an additional 93 indirect jobs (supply chain and further consumption) will be supported.

5. Water reliant industries integration with local communities

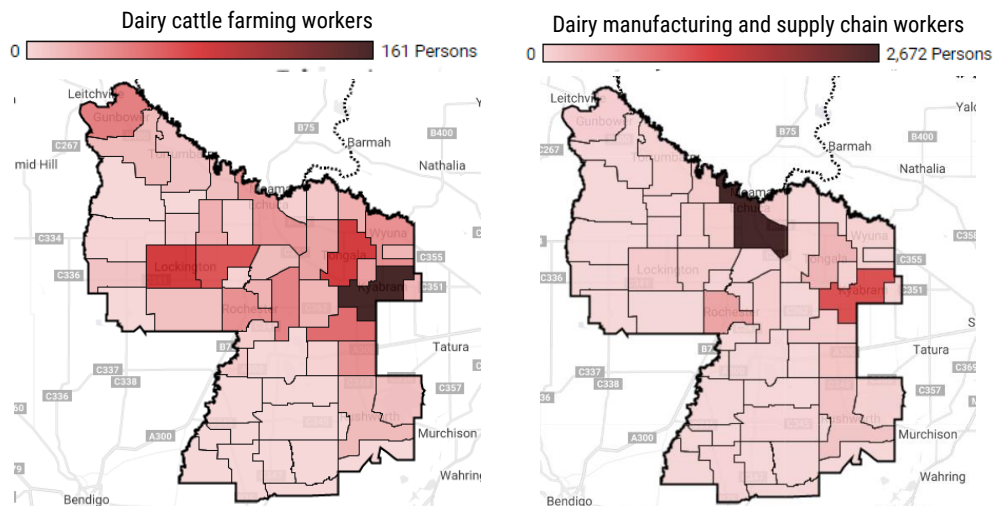
Campaspe Shire

The geographical reach of industries and their supply chains is keenly felt in regional areas particularly those with a strong agricultural base. While industry transactions reflect expenditure between businesses, that expenditure supports a local jobs, local skills, families and communities.

As illustrated in Figure 5-1, the benefits of an agricultural industry such as dairy cattle farming is not isolated to rural areas. Within Campaspe Shire, dairy cattle farming is concentrated around Kyabram, Tongala, Lockington, and Bamawn. Dairy manufacturing and related supply chain industries are located in the larger townships of Echuca, Kyabram, Rochester and Tongala.

The flow-on effects of the primary industry involve the downstream generation of employment generally in more urban localities, in turn supporting population growth for those centres.

Figure 5-1 Concentrations of dairy and supply chain industry workers, Campaspe Shire (Employment)



Source: REMPLAN Community.

All of those local areas have undergone an increase in number of residents between 2016 and 2021:

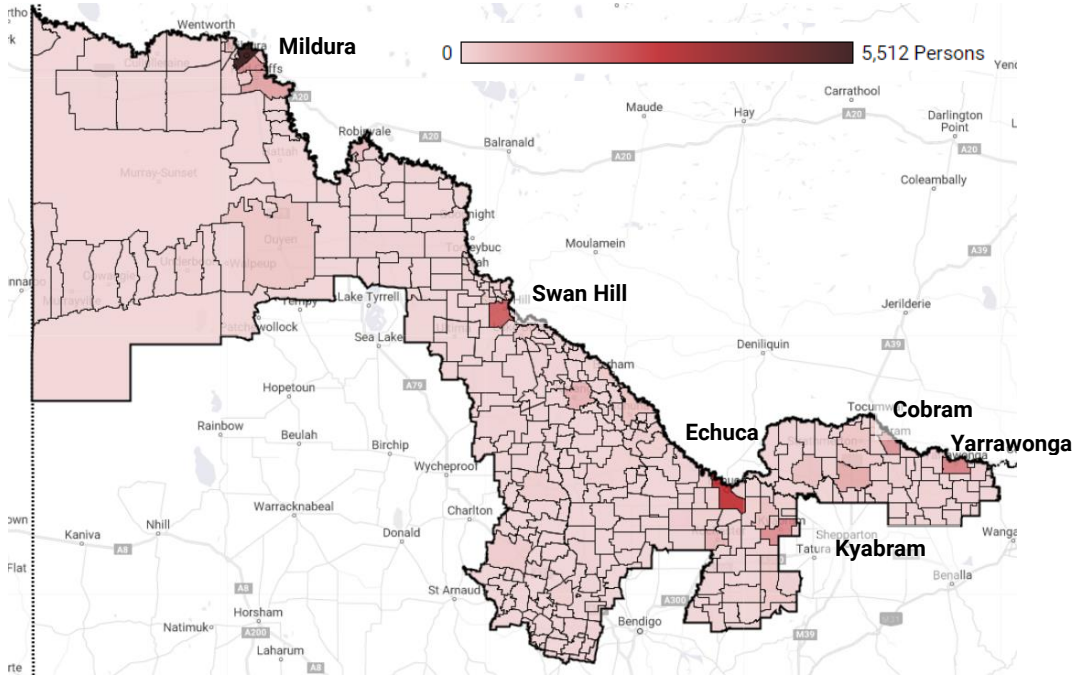
- Echuca: increase of 1,018 residents (7% growth).
- Kyabram: increase of 85 residents (1% growth).
- Bamawn: increase of 46 residents (19% growth).
- Tongala: increase of 45 residents (2% growth).
- Lockington: increase of 42 residents (5% growth).
- Rochester: increase of 39 residents (1% growth).

Of note is the low rate of population growth in Tongala and Rochester the localities which experienced closure of major dairy producers between Census periods. These small communities are most vulnerable to contraction in local agricultural production with a high reliance on irrigation water.

Murray River Region

Workforce requirement of dairy manufacturing and supply chain industries requirements are well serviced across the wider Murray River region and supports work, lifestyle, and regional populations along the Murray River. As illustrated by the darker shading in Figure 5-2 workers in these industries are particularly concentrated in Mildura, Echuca, Swan Hill, Yarrowonga, Kyabram, and Cobram.

Figure 5-2 Concentrations of dairy and supply chain industry workers, Murray River Region



Source: REMPLAN Community.

Key messages

- The flow-on effects of primary production include the support of downstream workforce in major townships across Campaspe Shire.
- Tongala and Rochester have experienced little to no population growth in recent years, potentially reflective of the closure of major dairy production facilities.
- Dairy manufacturing and related sectors directly support regional townships and populations along the Murray River.

6. Local economic impacts

Focus: Dairy manufacturing

To be a dairy producer, dairy farms require the input from producers of pasture and hay, along with various services such as veterinarians, consultants, and nutritionists. Much of these inputs are provided by locals due to the physical nature and time critical requirements of dairy farming.

Raw milk produced is then processed locally and sold as liquid milk, or solid products such as butters, cream, cheese and powders. Dairy product manufacturers are commonly localised due to the perishable nature of raw milk, leading to deeply established local supply chains. If the production of milk were to decrease due to a reduction of available water, the volume of dairy milk processing will fall, impacting the local economy.

To illustrate economic modelling has been undertaken on a scenario of a loss of 100 jobs from dairy product manufacturing in Campaspe Shire. This loss is associated with a direct reduction in annual gross revenue of \$80.5 million and direct fall in value added of \$14.8 million.

From this direct contraction in economic activity, flow-on supply chain effects, in terms of reduced local purchase of goods and services, would be anticipated to include a fall of \$64.9 million in gross revenue, the loss of 172 supply chain jobs and a further fall in value added of \$24.1 million.

The decrease in direct and indirect output and the corresponding contraction in employment will reduce the annual wages and salaries paid to employees, of which a portion is typically spent on local consumption. The consumption effects under this scenario are estimated to include a reduction of \$16.7 million in gross revenue, the loss of 60 jobs and \$9.4 million in value added not generated.

These indirect effects (supply chain and consumption related) are illustrated below.

Figure 6-1 Indirect effects of a loss of 100 jobs from dairy manufacturing, Campaspe Shire



Source: REMPLAN Economy.

Therefore, for every 100 jobs lost from dairy product manufacturing within Campaspe Shire, the total economic impacts, including all direct and indirect effects, are anticipated to include:

- Output / Gross revenue: decrease of \$162.1 million.
- Employment: loss of 332 jobs (100 direct and 232 indirect)
- Value Added: decrease of \$48.3 million (-2% contraction in GRP)

Under this scenario the Type 2 Employment Multiplier 3.32. That is, for every 10 direct jobs that are lost from dairy product manufacturing, another 23 are likely lost elsewhere throughout Campaspe Shire.

The following case studies reflect the scenario outlined above through the closure in recent years of the Nestle, Tongala and Goulburn Murray, Rochester dairy product manufacturing facilities.

Nestle, Tongala

Nestle have owned and operated the Tongala factory since the 1970s, primarily producing tinned milk products. In 2012, the company expanded their operation by constructing a liquid manufacturing site for \$17 million at the time to produce a variety of ready to drink liquid supplements. The facility produced an estimated 7,000 tonnes of product annually and served as a manufacturing hub for Oceania, Asian, Middle East and African markets. This expansion created an estimated 30 new jobs alongside the existing milk processing operations.

In 2019, Nestle announced plans to close its Tongala factory over an 18-month period. Following the onset of the COVID-19 Pandemic, demand for products rose, resulting in Nestle delaying the closure and sale of the site to 2021. It is unclear how many people worked at the factory during peak production. However, once the facility was closed in 2021, 106 staff are documented to have been made redundant.

The closure of operations would have had flow-on effects felt by businesses throughout the supply chain and the community from loss of local jobs. Economic modelling suggests the loss of 106 dairy product manufacturing jobs would result in:

- a fall in annual gross revenue of -\$174.8 million, inclusive of a loss of \$88.1 million due to the reduction in local supply chain activity and consumption expenditure,
- an additional fall in employment of 245 jobs throughout the community (supply chain and consumption related), and
- a fall in annual value-added of \$51.0 million which directly effects gross regional product.

Not only would there have been job losses for local logistics operators, retail trade and food services to name a few, but local dairy farms would have suddenly experienced no buyer for their milk despite production continuing. 88 agricultural jobs (i.e., dairy farmers) would have been impacted at the time, leading to flow on impacts felt by local businesses and workers in supportive services, professional services and pasture producers.

A proportion of those workers that lost their jobs directly from the factory or elsewhere throughout the economy as a result of the supply chain impacts would have found new employment elsewhere. However, once a workforce has left a regional area it can be difficult for regional communities to attract new workers to a region once lost.

Murray Goulburn, Rochester

Murray Goulburn was a dairy processing co-operative corporation formed in 1950 that grew to becoming one of the largest milk processors in Australia. By 1978, the Murray Goulburn Rochester Dairy Factory was producing cheese from milk supplied by surrounding dairy farms for domestic consumption and export. As of 2016, the factory employed 176 people.

Murray Goulburn closed the Goulburn processor in 2018, along with sites at Kiewa in Victoria and Edith Creek in Tasmania. At the time, 105 people worked in the Rochester factory, which was seen as the town's largest employer. A loss of jobs at this magnitude would have had a compounding impact on the local economy which has suffered the Nestle plant closure a few years later, which may have impacted some of the same workers that moved to the Nestle facility from the Murray Goulburn plant.

The closure of the Murray Goulburn facility would have led to the loss of an additional 251 jobs throughout the Campaspe community on top of the 105 jobs lost directly as the facility closed. This closure and job losses would lead to a decline in gross revenue and value added produced by the local economy:

Total reduction in gross revenue due to the closure of the Murray Goulburn factory is estimated at -\$174.0 million, of which \$84.2 million is considered to result from a reduction in supply chain activity and a fall in local consumption expenditure.

The regional economy in terms of gross regional product would have contracted by an estimated \$53.1 million in value added.

Anecdotally though, the closure of the plant had a significant impacted the fabric of the community. Many locals had at some point in their life worked at the factory, with some people stating that they had been employed at the factory for their whole working life, even at the age of 14. Locals considered that the town was built around the factory and the loss is seen to impact younger workers looking to start their working career.

As of 2021, the former Murray Goulburn factory that is occupying the heart of Rochester had remained vacant for three years. Similar instances of abandoned factories within industrial areas have occurred in the past. As an example, the former Leitchville dairy factory, owned by Murray Goulburn, was locked up and not offered for sale for 10 years. This large vacant industrial site is located within a commercial area, leaving a large unused space in the middle of the town.

7. Conclusion

Campaspe Shire along with neighbouring LGAs in the Murray River Region is home to well established primary production and food manufacturing.

Within Campaspe three quarters of all agricultural businesses rely on irrigation water, primarily from irrigation channels pipelines. The majority of irrigated water use in Campaspe is utilised for feedstock. Vegetables growing is also an identified sector in Campaspe highly reliant on irrigation water (additional reporting has shown Campaspe is responsible for 74% all tomato production in Murray River Region).

Analysis indicates Campaspe primary and secondary production is highly specialised in dairy cattle farming, dairy product manufacture, and vegetable (i.e. tomato) growing and manufacture. These industries are highly reliant on irrigation water. These industries are also highly integrated via supply chains (upstream and downstream) and support a wide range of industries including professional services and transport based in townships along the Murray River.

Due to the embedded nature of industries and supply chain transactions in Campaspe:

- One dairy manufacturing job supports two additional jobs in Campaspe Shire.
- One vegetable product manufacturing job supports at least one additional job in Campaspe Shire.

Any reduction in the growing and production capacity of dairy and vegetable processing will have immediate short-term impacts in Campaspe leading to longer term consequences, such as:

- Reduced production capacity for both primary and secondary producers.
- Impact on business confidence and investment outlook.
- Loss of local specialisation (skills and industry).
- Downstream impacts as demand for supply chain goods and services contracts.
- Loss of employment.
- Impacts in other agriculturally based industries and related manufacturing.
- Loss of social and community cohesion.



Submission

Productivity Commission

Murray-Darling Basin Plan: Implementation review 2023

31 July 2023

Thank you for the opportunity of making this submission to the Productivity Commission's

The Murray River Group of Councils (MRGC) supports the balanced implementation of the Murray Darling Basin Plan, to sustain the long-term viability of our regional economy and the wellbeing of our communities and to deliver the environmental outcomes that will protect and preserve our region's ecosystems.

Water is the lifeblood of our communities.

Agriculture and food manufacturing drive our northern Victorian economy. Agricultural commodities in the MRGC region have combined a value in excess of \$4 billion. Together, the agriculture and food manufacturing sectors account for, a third of all economic output, 43% of all local expenditure and one in four jobs in our region. Around half of all farm businesses in our region rely on irrigation.

The rivers, floodplains, lakes and wetlands of northern Victoria have enormous environmental value and are fundamental to our regional identity. Our region is home to four Ramsar wetlands: Hattah-Kulkyne, Kerang Wetlands, Gunbower and Barmah.

Our communities depend on a healthy Murray River system for drinking water and for recreation. Our tourism industry relies in large part on a healthy Murray River system as the single main attraction for the region.

All these depend on the careful management of the Murray Darling Basin water resources in partnership with Basin communities.

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MRGC believes that communities must be at the centre of the delivery of the remaining Basin Plan commitments and must be properly engaged and heard to rebuild trust across the Basin.

We urge you to carefully review the information provided in this submission and would welcome the opportunity to discuss any aspects of it with the Commission.

Cr ROB AMOS
CHAIR
MURRAY RIVER GROUP OF COUNCILS



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About the Murray River Group of Councils

The Murray River Group of Councils comprises six Local Councils in northern Victoria; Mildura Rural City, Swan Hill Rural City, Gannawarra Shire, Loddon Shire, Campaspe Shire and Moira Shire Councils. Covering an area of 47,194 km² the Group accounts for some 21% of the land area of the State of Victoria.

The Group has been working together on shared issues on behalf of our communities since 2007. Our region is home to 165,000 Victorians, living in regional cities like Mildura, small rural settlements like Quambatook and Newbridge and thriving towns like Echuca and Yarrawonga.

The Murray River Group of Councils region is a great place to live, work and raise a family in the 21st century. We have skilled job opportunities, strong communities, a beautiful natural environment and more affordable housing available than in cities. We want to see our region grow.



Submission

Background

The MRGC welcomes the Productivity Commission's second 5 year review into the implementation of the Basin Plan.

MRGC thanks the Commission for the opportunity to make a submission and for taking the time to consult directly with representatives from the MRGC recently.

We note that while the 2019 report of the Commission contained many excellent insights and recommendations, a number of these have not been taken up by Basin Governments. This is disappointing and we

Our communities will not accept more water being recovered from the consumptive pool. They tell us they are alarmed at the prospect of Commonwealth Government buy backs particularly as they seem to be aimed at recovering to recover significant further volumes from the irrigation districts that support our region.

We living are in a time where cost of living is rising – especially for fresh food.

Our region produces vast quantities of fresh food. Agriculture and food manufacturing drive our regional economy; together they are responsible for 15,800 jobs and 6.5 billion in output. Around half of all agricultural businesses in our region use irrigation. Northern Victoria produces:

- 80% of Australia's peaches
- 80% of Australia's pears
- 75% of Australia's nectarines
- 70% of Australia's grapes
- 60% of Australia almonds
- 40% of Australia's cherries
- 35% of Australia's apples
- 25% of Australia's tomatoes
- 20% of Australia's milk
- 10% of Australia's eggs

It is home to Australia's biggest tomato processor, Australia's biggest olive oil producer, major cheese and dairy processors as well as Australia's largest almond processor. Unlike other parts of the Basin much of the industry in northern Victoria is highly integrated with manufacturers adding value to locally grown products.

At a time when cost of living pressures are beginning to really bite for many families in cities and towns across Australia, adding input costs to food manufacturing is not



in the best interests of the nation, particularly when the environmental outcomes that are sought from the Basin Plan cannot be met simply by recovering more water.

Significant progress has been made in the delivery of the Basin Plan. Victoria in particular has delivered the majority of its obligations and is working towards delivering on the remaining few – subject to sensible timelines.

The bulk of the impact of these significant changes has been borne by our communities across northern Victoria.

Impact to date of Basin Plan Water Recovery

Northern Victorian communities have put in huge effort when it comes to reducing its use of water for irrigation.

This effort has come from our whole communities, individuals, families, businesses and not just from farmers. It flows right through our towns.

Our irrigation communities have innovated and adapted. They have become some of the most efficient irrigators in the world.

Northern Victoria's irrigation districts have contributed 803.3GL, of predominantly high reliability water share (among the highest reliability water in the Basin), to meet the Basin Plan's environmental water recovery targets. This exceeds the Basin Plan water recovery target for these catchments which is 786.1GL.

In the MRGC region, over one fifth of total pre-Basin Plan water entitlements have been transferred to environmental water holders. 91 per cent of these were recovered through buy backs.

Basin Plan water recovery has driven huge change for our irrigation communities and Councils have seen how it has negatively affected their resilience and the health and wellbeing of the individuals and families in our communities.

Extensive government and independent socio-economic analyses clearly demonstrate that buy backs and on farm "efficiency" projects to recover water have had negative cumulative impacts across our communities.

Water recovery from the consumptive pool has increased water market prices. Entitlement (permanent water) prices have risen from around \$2200 / ML at the time of the previous buyback programs to between \$4000 and \$7000 / ML for Victorian High Reliability Water Share.

For allocation (temporary) water prices have increased too. Estimates range between \$58 and \$72 per ML on average. It is currently at levels over \$200/ML for 3 out of every 10 years.

Basin Plan water recovery has also increased farming risk for many in the cropping and dairy industries by increasing their exposure to the volatile temporary water market. In 2019/20 irrigation season, close to 95% of dairy farmers were net purchasers of allocation water.

Basin Plan water recovery resulted in over 1 600 jobs being lost in northern Victoria. Of these, around 750 in the MRGC area were direct farm jobs.

Water recovery caused milk production in northern Victorian to decline by 28%.

Overall GMID milk production dropped from an average of around 2350 million litres in 2003-04 to 2005-06, to about 1270 million litres in 2019-20 and 2020-21 — a reduction of 46%.

This has caused the closure of milk processing plants like in Rochester and the underutilization of others.

Water recovery has led to an estimated \$550million in lost production in the GMID. This loss of production flows through the regional economy and represents significant lost opportunity for growth and investment in our communities.

In our communities buy backs have left irrigation districts with drastically reduced deliveries over a largely unchanged geographic area. This has increased distribution prices for remaining customers.

In the GMID deliveries have reduced from an average over 2000GL per year to around 900GL per year with a substantially unchanged footprint. This means the cost per customer for running and maintaining the system has increased significantly.

In recognition of the cumulative harm done to communities, in 2019, Water Ministers listened and unanimously agreed to put in place clear socio-economic criteria that would ensure the Basin Plan's requirement that water recovery be socially and economically neutral.

Fairly obviously, the reason there hasn't been significant progress towards recovery of the 450GL of additional environmental water while the socio-economic test has been in place is because it assesses the actual impacts of water recovery from the consumptive pool. It shows that that socio-economic impact is negative.

MRGC believes that the socio economic neutrality test is an integral part of the Basin Plan and that any future water recovery must be subject to it.

Impact of further water recovery

While the impact to date has been significant, the impact of further water recovery from the consumptive pool would be devastating. Our communities understand this and as state at the outset, will not accept further damage to their way of life.

Further water recovery would put the future viability of the Goulburn Murray Irrigation District into question. It is not an endlessly scalable system; rather we are approaching tipping point that could see the collapse of the entire irrigation system stranding \$2 billion of recent Government investment.

It would also put at risk the operations of GMW which operates the rivers and storages in Victoria that the Basin Plan and environmental waterers are as dependent on as irrigators.

Another consideration is the 12 communities which rely on the channel system for distribution of water for critical human needs. A collapse of the system would necessitate the construction of alternative pipelines an associated infrastructure to service these towns.

Recovery of the 450GL would result in a net loss in the gross value of agricultural production (GVAP) of around \$270m/yr. in northern Victoria according to Frontier Economics (2022, Frontier Economics "Social and economic impacts of Basin Plan water recovery in Victoria" p79)

This would lead to an estimated further 900 farm jobs lost and associated job losses in related sectors.

The impact on water prices of recovering the 450GL and the higher estimates of the SDLAM shortfall through buybacks or on-farm efficiencies are estimated to be significant.

Modelling done for the Victorian Government by Aither estimated that with 500GL of future water recovery and current climate trends, allocation prices would reach \$400/ML. At this level, dairy is no longer viable in the GMID. The withdrawal of dairy from northern Victoria would inevitably lead to the relocation of milk processing plants – which is what the industry has indicated to us.

Well over 1000 people are currently employed just in dairy processing in our region currently.

It is likely that tomato processors would reconsider investment in their northern Victorian businesses with allocation prices at these levels also.

These are just two examples.

Water recovery of this scale will inevitably lead to tipping points which will result in the loss of food growing and manufacturing in our region. For our region, this will lead to job losses and loss of economic activity. For the country this will lead to the loss of local food production, the loss of export income and the rise in reliance on food imports.

For our region it will lead to significant upheaval. While it may not be instant, over time our towns will lose population.

Right now, we many of our communities are thriving. We are looking to grow and to attract people from overcrowded and unaffordable cities. Our region is actively position itself to be part of the long term solution to the cost of living and housing affordability crisis affecting Australian cities.

Removing a key pillar of our economy – water – make meeting this goal far more difficult and would require massive economic transition funding for the region.

What further water recovery will NOT do, is restore our environment. As is detailed below, the Victorian floodplain wetlands and ecosystems will not benefit from hundreds of additional GL of water flowing down the Murray. In the altered, managed system that we now have, those ecosystems require active management that will only come from completing the VMFRP and other SDLAM projects.

Sustainable Diversion Limit Adjustment Mechanism (SDLAM)

One of the key aspects for successful delivery of the Basin Plan in full is to allow a sensible extension of time and funding certainty for the completion of the viable SDLAM supply projects such as the Victorian Murray Floodplain Restoration Projects (VMFRP) and the Constraints Management projects.

MRGC further recommends a flexible approach that would allow adjustment of those projects which could deliver environmental outcomes with some changes and the substitution of alternative projects for those which are no longer able to be delivered.

Projects such as the Improved Regulation of the River Murray that would enable the avoidance of an estimated 110GL/yr of operation losses could be revisited and considered for assessment and potential inclusion in the delivery of the Plan as should a range of other river operations projects that would improve the efficient management of water in the system.



These recommendations are not new. The 2019 Productivity Commission report and the Sefton Review both made similar findings and recommendations around timeframe extensions and flexibility of projects have been made to Governments for a number of years now.

As the Sefton Review found: *“Delivering SDLAM measures with equivalent value of 605 GL is critical. Basin communities cannot afford additional water recovery from the consumptive pool if the SDLAM projects are not delivered.”* (2020, Sefton et al, Independent Assessment of Social and Economic Conditions in the Basin,p19)

MRGC believes it is more important for the long term health of the Basin to achieve environmental outcomes rather than to pursue arbitrary deadlines and targets set over a decade ago.

While the Basin Plan may not include a force majeure clause, it is abundantly clear to local government that Covid and flooding have significantly added to delays to these projects and that holding States to the June 2024 deadline is absurd.

For our region, the VMFRP projects are vital because without the pumps and regulators they will install, it is not possible to get the right amount of water to the floodplain ecosystems for the right duration of time and then back into the River system.

It is simply not possible to water the thousands of hectares of hugely important wetlands – some of which are Ramsar listed, without the works of the SDLAM projects.

Failure to extend these deadlines could result in the Commonwealth deciding to recover the shortfall by purchasing the equivalent entitlement. As has been articulated elsewhere in this submission, Buy Backs damage our regional communities.

What is worse is that in the highly modified river system that now exists, even with the full 2750 GL of the SDL recovered and even with the additional 450GL of additional environmental water, the Victorian wetland ecosystems would not be protected.

Without the SDLAM projects, this would simply create a situation where water would flow past dying red gums and black box floodplains while causing damage to the channel of the Victorian Murray and its tributaries on its way down the river.

Significant funds have been expended already on these essential projects. Failing to grant an extension of time would see this money wasted and then further public funds expended on the equivalent in water entitlement. It is difficult to see how this can be justified when the alternative of simply extending the timelines is available.

It would also leave future Governments in the position that they would need to invest in these projects anyway in order to restore and protect the precious ecosystems of the Victorian Murray floodplains.

Constraints

It is recognised that completion of the constraints relaxation projects is essential to the overall success of the Basin Plan.

These projects are facing significant delays. While there seems to be some dispute between State and Federal Governments about the reasons for these delays regardless of the reasons, these projects are unable to be completed by June 2024, a fact that has been obvious for some time, and was pointed out by the Productivity Commission in 2018.

By reconnecting rivers to their floodplains more often and especially when operating in conjunction with the VMFRP and other SDLAM projects, relaxing constraints would create real and significant benefits for the environment and will enable Basin Plan objectives to be met.

These projects are complex as they involve the transfer of many parcels of real property rights from private ownership to Governments. In whatever way this is done it is always contentious and contested. MRGC is of the view that the current approach by the Victorian Government is the one most likely to succeed in delivering the projects, even if it does take a considerable extension of time.

It will also inevitably increase flood risk for some private property holders in some river or tributary reaches. Many of these landowners were affected by the 2022 floods and are still deeply traumatised by those events.

The consultation and engagement for these projects must be done carefully and this will take time.

MRGC supports a significant extension of time for the constraints projects. We are also of the strong view that all these projects should be undertaken in a consistent fashion with comparable engagement, consultation, mapping, modelling, and acquisition and compensation arrangements irrespective of the State responsible.

Cost of buy backs

It is often stated that buybacks are the most efficient and cost effective method of recovering water. In a purely transactional sense this may be true, however, this is fundamentally flawed when the true cost is understood.

Buybacks damage communities. The evidence of this is not contestable. The socio-economic test, together with the accumulated evidence of numerous socio-economic assessments from the Commonwealth (ABARES and the MDBA), as well as many independent assessments and our own lived experience in our communities all clearly demonstrate that it is not possible to recover water from the consumptive pool, either through buy backs or through on farm efficiency projects, without long term negative cumulative effects on people living in the Basin.

The current estimated shortfall from the SDLAM projects is 315GL. As stated elsewhere in this submission, the MRGC recommends that this gap be closed by providing a sensible extension of time to those projects that are able to be completed such as the VMFRP, modifying those projects which could still be delivered with changes and allowing new projects to be introduced where the environmental outcomes they would deliver can be substantiated and justified.

If the Government does embark on another open market buy back scheme, the costs will run to the billions of dollars. Water entitlement currently trades on the open market for between \$4000 and \$9000 in the southern Basin.

Buy back schemes, particularly those that include a multiplier will inevitably push these prices further up. MRGC has concerns that investors and holders of significant levels of entitlement would likely take advantage of any above market price offering to generate additional profit.

For the Commonwealth to enter into any buyback program for the 450GL of additional environmental water would require legislative change and would require the abandonment of the socio-economic criteria.

Environmental Outcomes

The overall environmental objectives of the Basin Plan are to protect and restore water-dependent ecosystems of the Murray Darling basin.

MRGC is of the view that the current trajectory of Basin Plan implementation is at odds with this objective.

Pursuit of a number – 3200GL of water entitlements held by environmental water holders – is not on its own ever going to enable Governments to achieve those objectives.

The critical bulk (2100GL) of water needed by the SDLs has been recovered. Many of the environmental objectives are on track to be achieved. However, many require additional works and measures. As pointed out above, many of the ecosystems in

Victoria require the completion of the VMFRP and the Constraints Easing projects to enable their restoration and protection.

It is a source of frustration to our communities that Governments have, seemingly for political reasons – certainly not for environmental reasons, chosen to focus on a single part of the system – the Coorong – in preference to other ecosystems in the Basin.

“Delivering the Plan in Full” seems to the Commonwealth to mean recovering 3200GL of water in dams and sending it down the Murray River to the lower lakes, Coorong and Murray mouth.

Doing this will increase flood risk in the upper catchments. It will scour channels and banks in the Murray and its tributaries. Without significant extra time and funding certainty for SDLAM projects it will also result in the long term decline of Victorian floodplain wetlands.

These are not outcomes that our communities can sign up to and therefore are not outcomes that MRGC member councils, which represent those communities, can support.

The issue is even more stark for the lower Darling/Baarka. It is there that the environmental objectives of the plan seem to be furthest from being achieved. The fish deaths, black water and no-flow events that have plagued the lower Darling / Baarka will not be remedied by purchasing water in the Victorian or Southern NSW irrigation districts and storing water in Dartmouth or Hume Dam.

This can only be addressed by ensuring that the issues of floodplain harvesting regulation and overland flows are resolved and effective monitoring and compliance regimes are put in place.

Water Resource Plans – Monitoring and Compliance

NSW has still not finalised the Water Resource Plans (WRPs) that are a fundamental part of the Basin Plan. These were meant to be submitted and assessed in 2019. These plans form the detailed arrangements for how water is used and managed in each individual catchment in the Basin.

They set out how the Sustainable Diversion Limits will be achieved at a local level for each part of the Basin. They detail the limits for extraction and the compliance and monitoring arrangements that actually manage this process at the local scale.

NSW has recently withdrawn seven plans and it is not clear when these will be operational.

This means that the compliance and monitoring regimes across the Basin are not consistent or even adequately implemented. The Independent Inspector General is unable to assess compliance or take any enforcement action in NSW until these are completed.

The way forward

MRGC is of the view that The Ministerial Council should effectively draw a line under the Basin Plan as it stands at 30 June 2024.

The statutory reconciliation and reviews should then be carried out and reported at the same time the science which underpins the assessment of the health of the rivers and wetlands of the Basin must be brought up to date.

Alongside this, the social science assessing the economic and social conditions of the communities of the Basin and the wellbeing of residents must also be brought up to date and included as a core part of any future Basin wide management plans.

2100GL of water has been recovered and many environmental objectives of the Plan are now starting to show positive signs.

While we do not dispute that more water may be required for the long term health and restoration of Basin ecosystems, the focus must be on achieving environmental outcomes and not solely on GL of water.

With climate predictions showing a drier and more volatile future, with reduced inflows and higher temperatures, substantial change across the Basin is inevitable.

Basin communities such as the water dependent ones that our member councils represent need to be engaged and empowered to input into future plans for their region, their economies and their environment.

Conclusion

We would like to take this opportunity to thank the Commissioners for taking the time to meet with MRGC in June, and to say that MRGC would be happy to expand on, discuss or clarify any of the issues contained within this submission. To do so, please contact Executive Officer Stephen Gardner

8.8 Council Information

8.8.1 Notes of Appreciation

Directorate:	Communities
Responsible Officer:	Executive Assistant Communities
Manager:	Director Communities
Attachments	Nil

1. PURPOSE

The purpose of this report is to present the notes of appreciation that Council has received since its last meeting.

2. RECOMMENDATION

That Council acknowledge the notes of appreciation as listed.

3. DISCUSSION

Council has received the following Notes of Appreciation:

1. St Joseph's College Year 10 Applied Learning class.

Thank you to Ben Hearn for his time and advice during their visit on 9 June 2023, explaining ways that Council help the community and get input into projects.

"These opportunities are invaluable to our experience as students looking to enter the workforce in the near future. Thank you again for giving up your time to educate us."

2. Gwen Campbell, Tongala

"I would like to compliment Lucas who attended my property when I reported a broken storm water pipe under the nature strip. Lucas attended within 24 hours of my report, he was polite and arranged for another shire employee to look at the pipe. He then rang me when he returned to the office."

3. Rochester Historical and Pioneer Society Inc.

"Thank you for the Responsive Grant that has greatly helped the Rochester Historical & Pioneer Society Inc. This grant is gratefully received and will help the Society to replace stationary we lost after the devastation of the October 2022 flood."

"This donation will greatly assist us to maintain and run this very important part of the history of Rochester and district at the Common School complex in High Street Rochester. The Society members and volunteers greatly appreciate the support they receive from the Shire of Campaspe."

4. Stanhope & District Development Committee Inc.

"We would like to thank the Campaspe Shire and the Shire Councillors for the support and initiative shown in regard to the 2022 – 2023 Stanhope pool season."

"The free entry into the swimming pool was very well received and appreciated very much and there were very good numbers for the season who used the facility at Stanhope."

"We are hoping that the 2023 – 2024 season will also see free entry for everyone so that the great work put in by the Stanhope Pool Committee can be continued for everyone to enjoy as well as being able to keep local and visitor swimmers safe in the shire."

5. Wayne & Julie McInnes

"Once again a very big thank you to the wonderful team for mowing our reserve in Wisteria St Echuca, your efforts are very much appreciated."

6. Moora Racecourse & Recreation Reserve Committee of Management

The Moora Racecourse & Recreation Reserve Committee of Management expresses their great appreciation to Council for their annual maintenance contribution.

"The Committee works hard managing the Reserve and spends its funds on many needed improvements, maintenance items and services to ensure that the public facilities remain available, in good condition, fit for purpose and safe for our growing list of user groups and visitors. Most of the actual physical work done is by our own volunteer members and so we greatly appreciate the ongoing support of Council."

7. Rural Councils Victoria

Thank you to Pauline Gordon and Cr Rob Amos for assisting with the Rural Councils Victoria Forum held in Echuca on 14 July.

"The Forum provided a great opportunity for councillors, CEOs and staff to get together and discuss issues that are so important to them and their communities. It also provided a much-needed economic boost to Echuca Moama with many of the 150 delegates staying one (69%) or more (19%) nights in the area."

"The walk and talk event on the Thursday was a highlight for many."

"Once again, on behalf of the Committee, I thank you for Campaspe Shire's significant contribution to the RCV Forum 2023."

9 Notices of Motion

10 Urgent Business

11 Confidential Business

Nil.

12 Close Meeting

Pauline Gordon

Chief Executive Officer