



Annual Report

2018 - 2019

Contents

Introduction	1
Our Strategic Direction	2
Welcome	2
Campaspe Snapshot	4
The Year in Review	7
Mayor & CEO's Message	8
Financial Summary	12
Description of Operations	14
Our Council	16
Our Councillors	17
Our People	22
Our People	23
Council Staff	26
Our Performance	30
Planning and Accountability Framework	31
Council Plan	32
Performance	33
Strong and Engaged Communities	33
Resilient Economy	38
Healthy Environment	40
Balanced Services and Infrastructure	46
Responsible Management	50
Governance, Management & Other Information	54
Governance	55
Management	59
Governance and Management Checklist	60
Statutory Information	62
Our Finances	66
Financial statements	68
Notes to financial statements	76
Performance statement	124
Glossary & Acronyms	140

Introduction

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



Our Strategic Direction

Our Vision

We are strong, supportive, vibrant and sustainable.

Our Mission

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

Our Goals

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

Goal 1 – Strong and engaged communities

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

Goal 2 – Resilient economy

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

Goal 3 – Healthy environment

A healthier environment for current and future generations.

Goal 4 – Balanced services and infrastructure

Services and assets meet current and future community need.

Goal 5 – Responsible management

Strong leadership, advocacy and good governance.

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

Our Values

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

Respect

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

- We embrace each individual's unique talents and value diverse life and work styles.
- We operate in a spirit of cooperation and value human dignity.

Customer focused

We are here to help...

- We listen to our customers and deliver services which meet their demonstrated needs.
- We focus on customer relationships that build trust, confidence and loyalty.
- We are responsible for both external and internal customer satisfaction.

Continuous improvement

We are a learning organisation...

- We work with enthusiasm and intellect and are driven to build upon what has already been achieved.
- We improve productivity, processes and ourselves through measurement, analysis and review.

Teamwork

We support one another and work cooperatively...

- We listen to and respect each other whilst working together to achieve mutually beneficial results.
- We help one another, value one another's views and make our work environment fun and enjoyable.
- We are not afraid to stand alone, especially when it is the right thing to do.

Accountability

We are responsible for our actions...

- We conduct our business in accordance with the highest standards of professional behaviour and ethics.
- We are open, honest and ethical in all our interactions with employees, clients, customers, vendors and the public.
- We are responsible for and take ownership of our actions.

Welcome

Welcome to the Campaspe Shire Council. Campaspe is the traditional lands of the Dja Dja Wurrung, Taungurung and Yorta Yorta Peoples. We respect and acknowledge their unique Aboriginal cultural heritage and pay our respect to their ancestors, descendants and emerging leaders as the Traditional Owners of this country. We acknowledge their living culture and their unique role in the life of this region.

Purpose

The Annual Report documents Campaspe Shire Council's performance during 2018/19 against the Council Plan, Strategic Resource Plan and 2018/19 Budget. This is the second year of reporting against the 2017/21 Council Plan.

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

Navigating the document

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

The main body of the report outlines our performance against our five strategic themes. It also includes the results against our major initiatives and legislated service performance indicators. Refer to pages 30 to 53.

The final section of this report provides a detailed account of our financial performance and Independent Auditor's Report. Refer to pages 66 to 139.

Where to get a copy

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

Web: www.campaspe.vic.gov.au

Email: shire@campaspe.vic.gov.au

Call: 5481 2200

Feedback

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

Your feedback is invited via email: shire@campaspe.vic.gov.au



Campaspe Snapshot

Location

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

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

About us

We are growing

2018: 37,600 (ERP)

2036: 43,000 (forecast)



We are becoming older and younger

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



We have lower levels of education

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



We mainly work in

Manufacturing,
Agriculture,
Health care,
and Tourism



We have a sizeable Aboriginal population

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



On average, we earn less

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



Our advantages

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

Our challenges

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

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

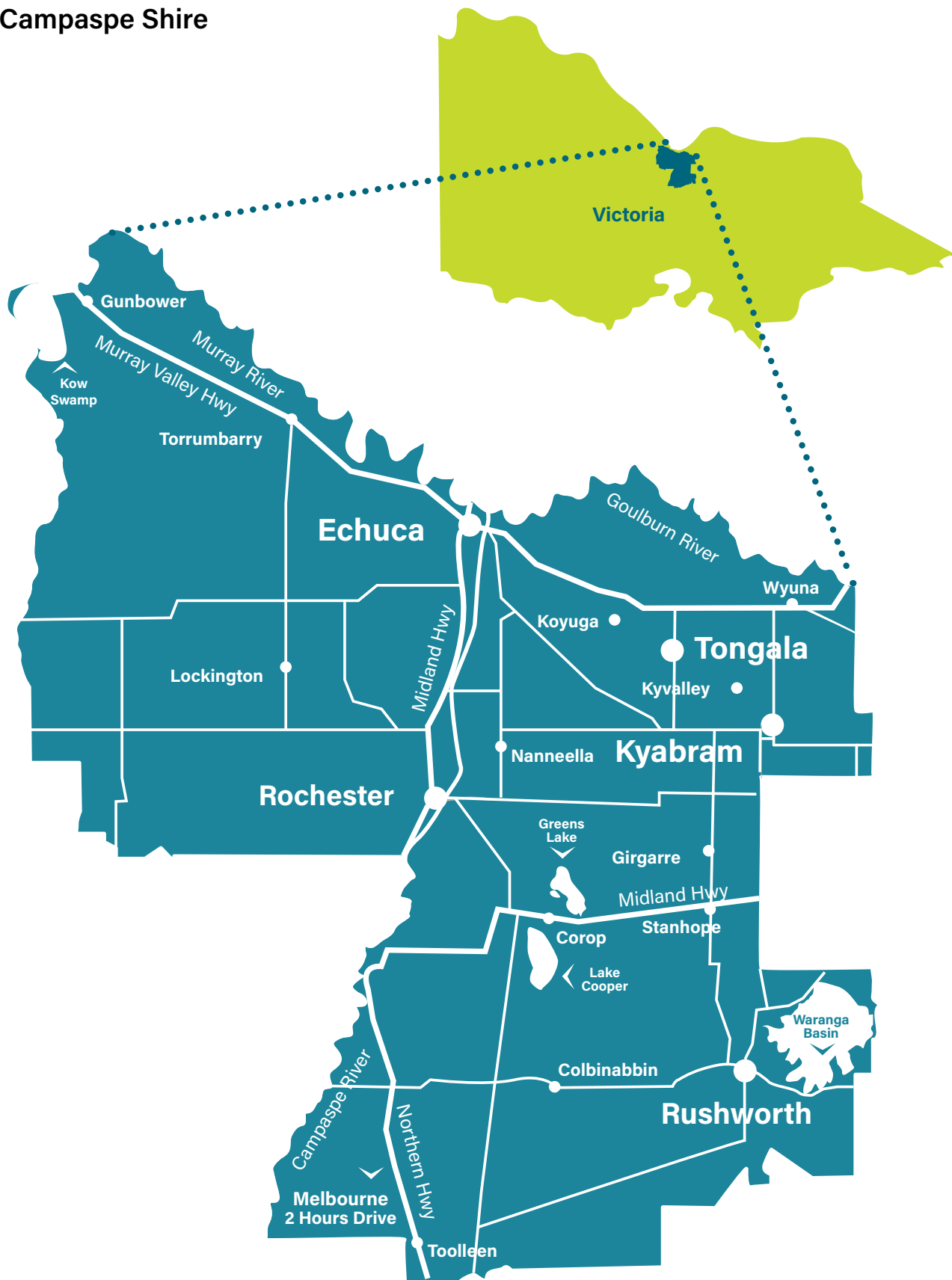
History

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

The shire is named after the Campaspe River, which was named by Major Mitchell in 1836. Legend claims that Campaspe was Alexander the Great's concubine.



Campaspe Shire



The Year in Review

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



Mayor & CEO's Message

It is a great pleasure to present Council's Annual Report to the community for the 2018/19 year. This report is the second against our 2017/21 Council Plan and highlights have been many across our five strategic goals. The past twelve months have been busy and we have worked hard to consolidate our financial position and deliver projects for the benefit of the community.

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

A new look Campaspe

In December, Council released its new corporate logo and branding, reflecting the organisation's official name and future direction. Interpretation of the logo links to our three rivers, the Murray, Campaspe and Goulburn. It also reflects connectivity, is vibrant and unifies our diverse landscape and community.

The roll-out has been progressive, to ensure it is done in the most cost-effective way. Our initial focus was the online environment, and other information, including signage, have been changed as replacements are required.

In line with increasing community expectation to access services online, at any-time, anywhere, Council expanded its online services, with requests for service now online. Council also expanded the variety of accounts payable online, paying multiple accounts in the one transaction. The online environment remains a focus for the year ahead, further expanding and improving online services and information and how it is presented.



Celebrating with the community

Council extended its involvement in White Ribbon Day, getting community leaders to come on board and participate in a baking competition. The event 'Real Men Bake Cakes' saw 21 high profile men leading the way by baking a morning tea for the community. The event focused on raising awareness and the positive role men can play in preventing violence against women. Council also received re-accreditation as a White Ribbon Workplace, a program which focuses on respectful relationships and gender equality within the workplace.

In January we celebrated our 2019 Australia Day Award winners:

- Citizen of the year – Jenny Reuther
- Young Citizen of the year – Daniel Phyland
- Sportsperson of the year – Stephen Rasmussen
- Junior Sportsperson of the year – Isabella Crossman
- Community Event of the year – Shearing for Kids with Cancer
- Arts Person of the year – Sharon Herne.

As part of National Volunteer Week in May, Council celebrated its volunteers and presented awards in three categories. The Individual Award was presented to Pauline Aitken of Echuca, Young Person Award – Lockington Youth Action Group and Organisation Award – Riding Develops Abilities Echuca.

Lobbying for the community

In advance of the Federal Government election, Council affirmed its top five priorities to focus all lobbying efforts. This ensured all advocacy efforts were coordinated, to ensure clear and consistent messaging when meeting with any current or future politicians in the lead up to the election.

Council's top five election priorities were:

- Increased kindergarten funding
- Improved telecommunications infrastructure
- A federal investment of \$14.5 million to the Mitiamo Pipeline project
- Continuation of funding programs to support improvements to the road and bridge network
- A federal co-investment to support reconfiguration and upgrade of a key regional recreational space.



Service changes

A review of aquatic services started in 2013 driven by a number of factors including the age, condition and number of facilities across the Shire, increasing operational costs, and changing population demographics and community expectations. Whilst Council adopted a position for the future in 2016, the need for an Aquatics and Leisure Strategy was identified this year to set the vision, objectives and outcomes for the future of aquatic services. Council funded the strategy through its 2019/20 budget, which will help progressing this service review.

In May, Council made an in-principle decision to withdraw from delivering aged and disability services. This decision was driven by a number of reforms in the aged and disability service sector and it is understood that Council will not be able to compete effectively or viably in the changing marketplace. An expression of interest process has started and if a preferred supplier is identified, Council will confirm its in-principle decision later in 2019. Council will then make recommendation to the Federal Government of the preferred candidate to provide the service. If the change proceeds, Council will continue its strategic planning and advocacy roles in the aged and disability sector to ensure the community has access to services.

Plans for the future

Across the year, Council staff continued to develop a broad range of strategies and plans. Some of those finalised included:

Port Precinct Plan – A plan setting the vision and four strategic objectives for Echuca's Port Precinct. Developed in consultation with the community, the vision for the precinct is 'a place to take your time, relax and enjoy yourself'.

Customer First Strategy – A four-year strategy with a clear vision of providing a customer experience that is effortless, accurate and friendly, aiming to put the customer at the centre of what we do and capture our commitment to using their feedback as a stimulus for ongoing improvement.

Environment Strategy – A strategy providing guidance and direction to Council on environmental issues, detailing what environmental activities Council must do, as well as chooses to do.

Echuca CBD and Historic Port Precinct Parking Strategy – A strategy covering three key areas in Echuca, analysing the supply and demand to be used in the assessment of planning applications in each area which impact car parking.

Active Transport Strategy – This strategy provides a framework for setting priorities to increase walking and cycling in urban areas across the Shire. This could be through identified infrastructure, services or education programs to help residents make active transport their first choice.



Financial sustainability

At the end of June 2019, Council's financial position remains strong. We adhered to delivering a budget within the State Government rate cap of 2.25% and achieved an adjusted operating surplus of \$173,000. A summary of our financial performance is outlined on pages 12 and 13.

Staff continued their focus to attract Federal or State Government funding to support the delivery of community projects. Council was successful in receiving more than \$3.3 million of funds through a number of grant applications. Some include \$100,000 to build the Rochester community's capacity to prepare, respond and recover from floods; \$612,000 to reconstruct a section of Lake Road Kyabram; \$50,000 for the development of the Kyabram Fauna Park Strategic and Master Plan; \$500,000 to refurbish the Rochester Caravan Park; \$334,000 to construct sheds for the collection of e-waste; and \$200,000 to support the expansion of the green bin service to collect food scraps.

This funding, matched to Council's budget and local contributions, is vital to delivering projects.

We thank outgoing CEO, Mr Jason Russell, for his four years leading the organisation. Mr Ray Burton PSM was appointed acting CEO to support the organisation, providing leadership and working with the Executive Management Group, to ensure continuity of operations and administration whilst recruitment of a new CEO was underway.

Together we are proud of all that staff and Council achieved across the 2018/19 financial year and the way we worked together to deliver for our community and contribute towards achieving our vision for Campaspe Shire.



Cr Adrian Weston
Mayor



Ray Burton PSM
Acting Chief
Executive Officer



Financial Summary

Council finished the year in a sound financial position and maintained a relatively low debt level of \$5.4 million. Detailed information about our financial performance is included within the Financial Statements sections of this Annual Report on pages 66 to 139. A summary of our performance is outlined below.

Operating position

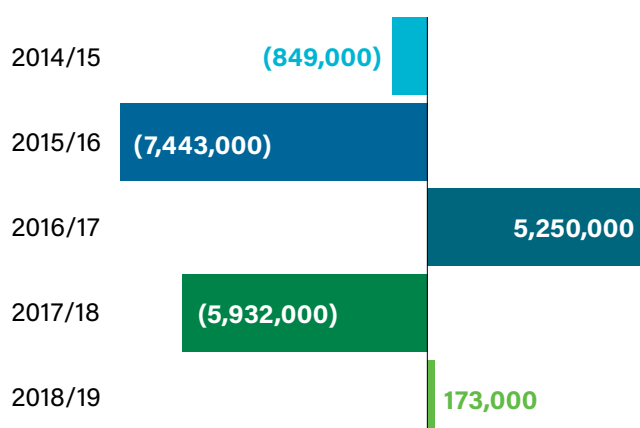
Council achieved a surplus of \$11.0 million in 2018/19. This surplus compares favourably to the prior year surplus of \$3.8 million.

The 2018/19 surplus was supported by savings in employee costs, including:

- Work cover insurance. Council achieved a savings of \$500,000 due to improved work safe processes.
- Staff vacancies and difficulty in finding suitably qualified staff to some positions. Some of the savings have been used to fund the cost of contractors, to ensure the service level is maintained whilst the recruitment process was undertaken.

The adjusted underlying result (surplus after removing non-recurrent capital grants, cash and non-monetary capital contributions) is a surplus of \$173,000 or 0.22% when compared to adjusted underlying revenue.

Adjusted underlying result \$

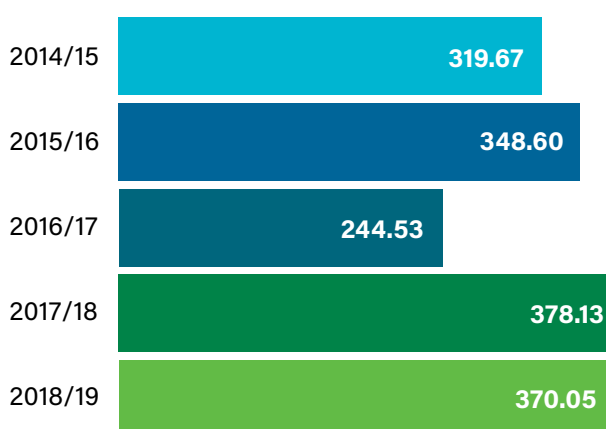


Liquidity

Cash and other financial assets are \$66.6 million which is \$10 million higher when compared to the 30 June 2018 figure of \$56.5 million due in part to not delivering the complete 2018/19 budgeted capital works program.

The working capital ratio which assesses Council's ability to meet current commitments is calculated by measuring Council's current assets as a percentage of current liabilities. Council's liquidity ratio level of 370.05% is an indicator of our satisfactory financial position.

Working capital ratio %

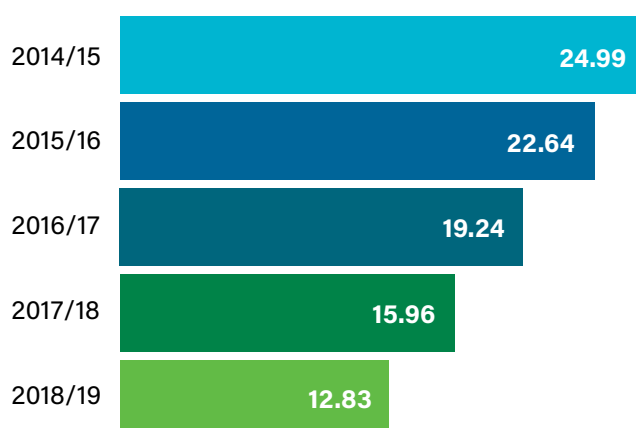


Obligations

Council aims to ensure that it can maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. To bridge the infrastructure gap, Council invested \$15.8 million in renewal works during the 2018/19 year. This was funded from operations of \$14.1 million and cash reserves of \$1.7 million.

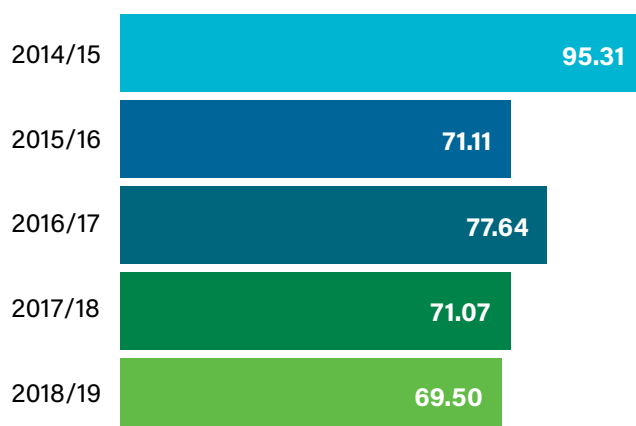
Loan to borrowings ratio %

At the end of 2018/19 Council's debt ratio, which is measured by comparing interest-bearing loans and borrowings to rate revenue, was 12.83%.



Asset renewal ratio %

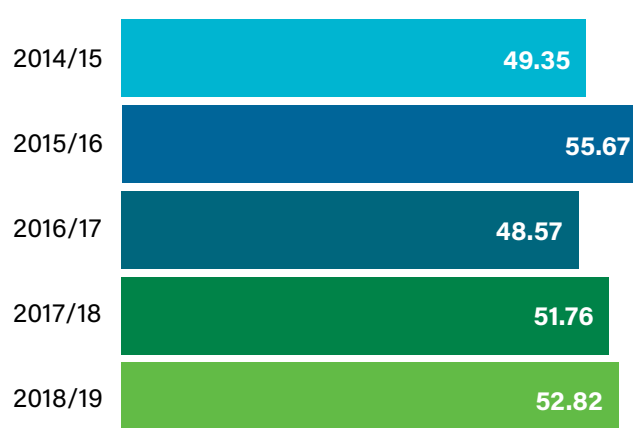
Council's asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 69.50%.



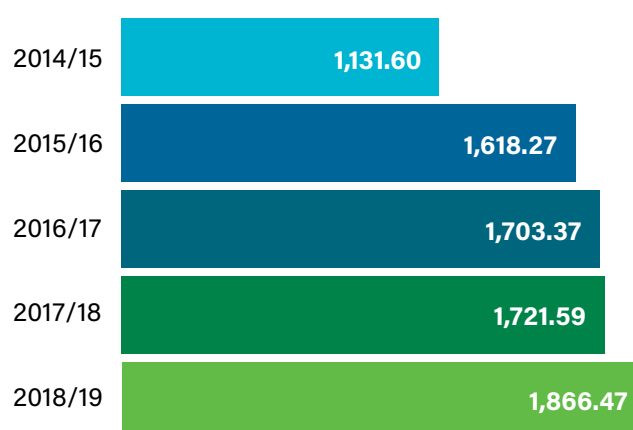
Stability & efficiency

Council raises a wide range of revenues including rates, user fees, grants and contributions. Despite this, Council's rates concentration which compares rate revenue to adjusted underlying revenue was 52.82% for the 2018/19 year. This resulted in an average residential rate per residential assessment of \$1,866.47.

Rate concentration ratio %



Revenue level ratio \$



Description of Operations

Campaspe Shire Council is responsible for more than 100 functions, from family and children's services, open space, waste management, aquatic services and community buildings, to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget. This broad range of community services and infrastructure for residents support the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan and the associated Budget 2018/19 and reported on in this document. Refer to the section on Our Performance, pages 30 to 53, for more information about Council services.

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

Economic factors

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

- Rate capping, which started 1 July 2016, is progressively impacting on Council's ability to fund service delivery and capital works.
- The continued high cost of utilities, particularly electricity.
- Ensuring that the network of roads, footpaths, bridges and drainage are maintained and renewed into the future and the particular challenge associated with the large number of kilometres of local roads, and age of bridge structures to maintain.
- Significant changes in the recycling sector across Australia where considerable high levels of uncertainty continues.
- The need for significant investment in our ageing aquatic infrastructure to meet the expectations of the community, with many outdoor pools built more than 50 years ago.
- The rapidly changing technology environment, driving community expectation to improve the ways we communicate, provide information, deliver services and report back to the community.
- The ability to attract and retain staff with the skills and qualifications required to service our communities.



Major capital works

Delivering capital projects is essential to achieving Council's aim to provide safe, accessible and appropriate infrastructure that meets the needs of the community. Throughout the 2018/19 year 61 capital projects were completed, to the value of \$16.3 million.

Highlights included:

- Changing places toilet facility, Echuca – Construction of a \$180,000 state of the art facility to support the needs of people with severe and profound disabilities, supported by a \$100,000 State Government grant.
- Lake Road rehabilitation, Kyabram - \$668,000 to reconstruct a 205 metre section of Lake Road with the State Government funding the majority of the project through the Fixing Country Roads program.
- Fox Island Road bridge, Gunbower – To be completed in two stages, this \$1.6 million project involves the bridge removal and replacement. Stage one has been completed, with stage two underway. This project is supported by Federal Government funding of \$904,200 through the Bridges Renewal program.
- Lockington Road, Lockington road safety improvements – Two intersection upgrades and centreline road markings along Lockington Road to improve road safety. A \$502,000 project fully funded by the Federal Government through the Black Spot Funding program.
- Riverfront redevelopment, Echuca – This \$5 million project is being completed in two stages, supported by both Federal and State Government funding. Stage one of the project has seen a complete overhaul of the kiosk, with the project now moving into stage two.
- Rochester Lawn Tennis Club, hard court and lighting – This \$410,600 project was supported by State Government and local community funding. Replacement of two lawn courts with hard courts now allows tennis to be offered by the club all year round, increasing tennis participation within the local community.

\$ value of capital works completed	2014/15	2015/16	2016/17	2017/18	2018/19
New	5,380,612	2,351,248	2,198,944	997,768	2,195,604
Renewal	13,929,726	14,175,911	13,970,220	13,220,861	13,196,698
Upgrade	1,555,328	2,987,555	4,913,402	983,143	983,941
Total	\$20,865,666	\$19,514,714	\$21,082,566	\$15,201,172	\$16,376,243

Major changes

Council's Chief Executive Officer, Mr Jason Russell, resigned during the financial year, leaving in April 2019. Mr Ray Burton PSM was appointed Acting CEO to support the organisation during the recruitment process, which at year end was well underway.

No major organisational changes were made during the year.

Major achievements

The Campaspe Animal Shelter won the national title for 'Outstanding Council Animal Shelter' in the Jetpets Companion Animal Rescue Awards, recognising the shelter's progressive adoption marketing and policies as well as community outreach and support as industry leading initiatives. A special mention was made regarding the shelter's foster and volunteer programs which help ensure the best outcomes for animals that come into care.

Our Council

› Our Councillors



Our Councillors

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

Cr Daniel Mackrell

Echuca Ward

First elected:
2016

Mobile:
0429 517 535

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

Council appointments:
CEO Remuneration Advisory Committee

Cr Daniel Mackrell spent his early years on a dairy farm in Wyuna, then moved to Tongala where he attended local schools.

Cr Mackrell has developed a broad knowledge and skill base honed from a diverse career, including various stints in hospitality. Combining his passion for hospitality with qualifications in Human Resource Management and Training, led to the establishment of a national training and employment organisation which traversed the east coast of Australia, of which he was CEO for 12 years. His latest venture in hospitality involves three different businesses - a café, a catering venue and coffee-roasting business, all located in Echuca.

Daniel's community involvement spans over 20 plus years from tourism boards, local learning networks and community not for profits, such as Echuca Moama Tourism, the Campaspe Cohuna Local Learning Network, Echuca Lawn Tennis Club and is currently president of the Echuca Moama Business and Trades Association.



Cr Kristen Munro

Echuca Ward

First elected:
2016

Mobile:
0429 473 056

Email:
k.munro@campaspe.vic.gov.au

Council appointments:
Campaspe Cohuna Local Learning & Employment Network

Born in Melbourne, Cr Kristen Munro moved to Tasmania with her family in 1979. She completed up to Year 7 in Hobart, before moving back to Melbourne in 1988 and finishing the remainder of her schooling at St Helena Secondary College. She settled in Lockington in 2002 with her young family.

With a passion for animals, Cr Munro completed an Associate Diploma of Applied Science (Animal Technology), and has since carved a successful career in the animal industry. She has worked in a variety of roles including at veterinary clinics, La Trobe University, Healesville Sanctuary and Melbourne Zoo.

In recent years, Cr Munro has worked on her small scale farm, in the neighbourhood house sector and on dairy farms. She continues to be actively involved in many community groups, and still milks cows in her spare time.



Cr Vicki Neele

Kyabram Deakin Ward

First elected:
2016

Deputy Mayor:
2017, 2018

Mobile:
0429 535 016

Email:
v.neele@campaspe.vic.gov.au

Council appointments:
CEO Remuneration Advisory Committee, Echuca
Moama & District Tourism Development Association

Cr Vicki Neele was born in Kyabram and attended local schools. Cr Neele has travelled extensively, living overseas and in Melbourne, however settled back in Kyabram where she married and raised her family.

She is a passionate community minded person, has been a councillor (prior to amalgamation in 1994), and involved in a number of community projects. Cr Neele was awarded a Churchill Fellowship in 1996 which saw her travel to the UK, Belgium and France to investigate models of arts tourism particularly how they relate to rural areas.



Cr Neil Pankhurst

Kyabram Deakin Ward

First elected:
2008

Re-elected:
2012, 2016

Mayor:
2010

Deputy Mayor:
2009

Mobile:
0429 858 992

Email:
n.pankhurst@campaspe.vic.gov.au

Council appointments:
none

Cr Neil Pankhurst has been a local of Campaspe all his life. Raised on a 130ha beef cattle farm in Tongala, Cr Pankhurst went to local primary and secondary schools, before completing his senior years at The Scots School in Albury.

Having completed a Diploma in Farm Management at Glenormiston Agricultural College at Noorat in south western Victoria, Cr Pankhurst purchased the family dairy farm in Tongala.

Recently retired from farming, Cr Pankhurst keeps busy with his community involvement in a number of organisations.



Cr Leanne Pentreath

Western Ward

First elected:
February 2016 (by-election)

Re-elected:
2016

Deputy Mayor:
2016

Mobile:
0428 862 201

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

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

One of seven children raised on a dairy farm at Tennyson, Cr Leanne Pentreath grew up enjoying sports, motorbike riding and reading. She attended local primary and secondary schools.

After working as a qualified nurse at Echuca District Hospital for 12 years, Cr Pentreath went on to manage the family's supermarket / hardware business for over 20 years. This led to her involvement on committees and grocery boards.

Committed to her own professional development, Cr Pentreath has completed a number of courses including a Certificate IV in Training, Certificate IV in Accounting and a Diploma in Business Governance.

Cr Pentreath has been active on many local community groups including the Lockington & District Development Committee, Lockington & District Planning Group and the Campaspe Shire Drought Recovery Committee.



Cr Annie Vickers

Echuca Ward

First elected:
2016

Mobile:
0429 539 658

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

Council appointments:
Municipal Emergency Management Planning Committee

Born in Deniliquin, Cr Annie Vickers spent the first 10 years of her life on the family property which grew wheat and sheep, and later, added dairy.

She attended primary and secondary schools in the region, then studied photography at RMIT. Cr Vickers nursed in an aged care facility until 2002, moving to the hospitality industry and today works in a local nursery.

With a keen interest in the region's hospitality and tourism sectors, Cr Vickers has been active in a number of local organisations.



Cr Adrian Weston

Waranga Ward

First elected:
2012

Re-elected:
2016

Mayor:
2016, 2017, 2018

Mobile:
0428 320 464

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

Council appointments:
CEO Remuneration Advisory Committee, Municipal Association of Victoria, Victorian Local Governance Association, Murray River Group of Councils, Loddon Campaspe Councils, Rural Councils Victoria, GV Neighbouring Councils, GV Shepparton Bypass Group

Cr Adrian Weston grew up and was educated in both Rushworth and Melbourne. He moved back to Rushworth in 1988 with his family and, since then, has been operating his own 230ha mixed use-farm, dryland and irrigation.

Cr Weston and partner, Simone, have two adult children - Daniel and Redmond.

Cr Weston's interests include the natural environment, especially ornithology (a branch of zoology that deals with birds), politics, fishing, hunting, motorcycle riding, vegetable gardening, reading and family.



Cr Leigh Wilson

Rochester Ward

First elected:
2012

Re-elected:
2016

Mayor:
2014, 2015

Mobile:
0429 842 111

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

Council appointments:
Goulburn Valley Waste and Resource Recovery Group, Goulburn Broken Greenhouse Alliance

Born and raised in Rochester, Cr Leigh Wilson has strong family ties in the area with three generations living in the Rochester township and surrounding region.

After completing his education in Rochester and Echuca, Cr Wilson moved to Melbourne for two years working as a draftsman in engineering and manufacturing. He then returned to Echuca and continued his drafting career for 10 years with local firms.

While managing a licensed cafe in Rochester for seven years, he completed a Diploma of Building Design and Technology at Bendigo TAFE and, for the past several years, has been running his own drafting business - Wilplan - in Rochester.

Cr Wilson and wife, Samantha, have two adult children, Brooke and Liam.

A long-time community volunteer, Cr Wilson has been on many community committees and currently volunteers once a month at the Rochester Town Market.



Cr John Zobec

Kyabram Deakin Ward

First elected:
January 2015
(2012 election count-back)

Re-elected:
2016

Mobile:
0418 134 413

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

Council appointments:
Audit and Risk Committee

Cr John Zobec was born in Kyabram, attended local schools and grew up on a dairy farm just south of the town. On finishing his education, he went to work on the family farm which he later bought in partnership with his brother.

While he no longer operates the dairy farm, Cr Zobec now runs an earthmoving business with his brother, providing laser grading works to farms in the region.

Cr Zobec is married to Rosina and has four children - two sons and two daughters.

With a passion for old cars and tractors, including five tractors currently under restoration, Cr Zobec keeps busy "under the hood" outside of his councillor responsibilities. He has been a member and past president of the Kyabram Vintage and Machinery Group.



Our People

- › Our people
- › Council staff



Our People

Executive Management Team

Council is the governing body that appoints the Chief Executive Officer (CEO). The CEO is responsible for the day-to-day management of Council operations in accordance with the strategic directions of the Council Plan. Four General Managers and the CEO form the Executive Management Group (EMG). The EMG leads the organisation and meets weekly to oversee and manage Council operations. The EMG also provides Council with information and advice that supports strategic and effective decision making. The EMG is supported by a team of departmental managers.

Ray Burton PSM

**Acting Chief
Executive Officer**

Master of Business
Administration

Diploma Australian Institute
of Company Directors

Diploma of Business - Local
Government

Diploma of Business - Accounting

Graduate Certificate of Local Government
Management

Commenced:
27 May 2019

Functions:
Executive Support Services, Communications,
Customer Service



Paul McKenzie

**Regulatory & Community
Services General Manager**

Graduate Diploma of
Management

Certificate of Management

Graduate Diploma of
Education - Special Needs

Diploma of Teaching

Commenced:
17 April 2000

Functions:
Environmental Health, Public Health, Local Laws,
Waste & Environment Services, Statutory Land
Use Planning, Building Control, Aged & Disability
Services, Family Services, Library Services,
Recreation, Arts & Culture, Strategic Land Use
Planning, Program Management Office (temporary),
Project Management (temporary)



Richard Conway

**Acting Infrastructure
Services General Manager**

Bachelor of Applied
Sciences (Honours)

Graduate of the Institute for
Strategic Leadership Strategic
Leadership Program, New
Zealand

Commenced:
January 2019 (secondment)

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



Fleur Cousins

Corporate Services General Manager

Bachelor of Applied Science
(Environmental Health)

Diploma of Management

Commenced:
6 November 2017

Functions:

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



Keith Oberin

Economic & Community Development General Manager

Diploma of Education

Commenced:
16 May 2016

Functions:

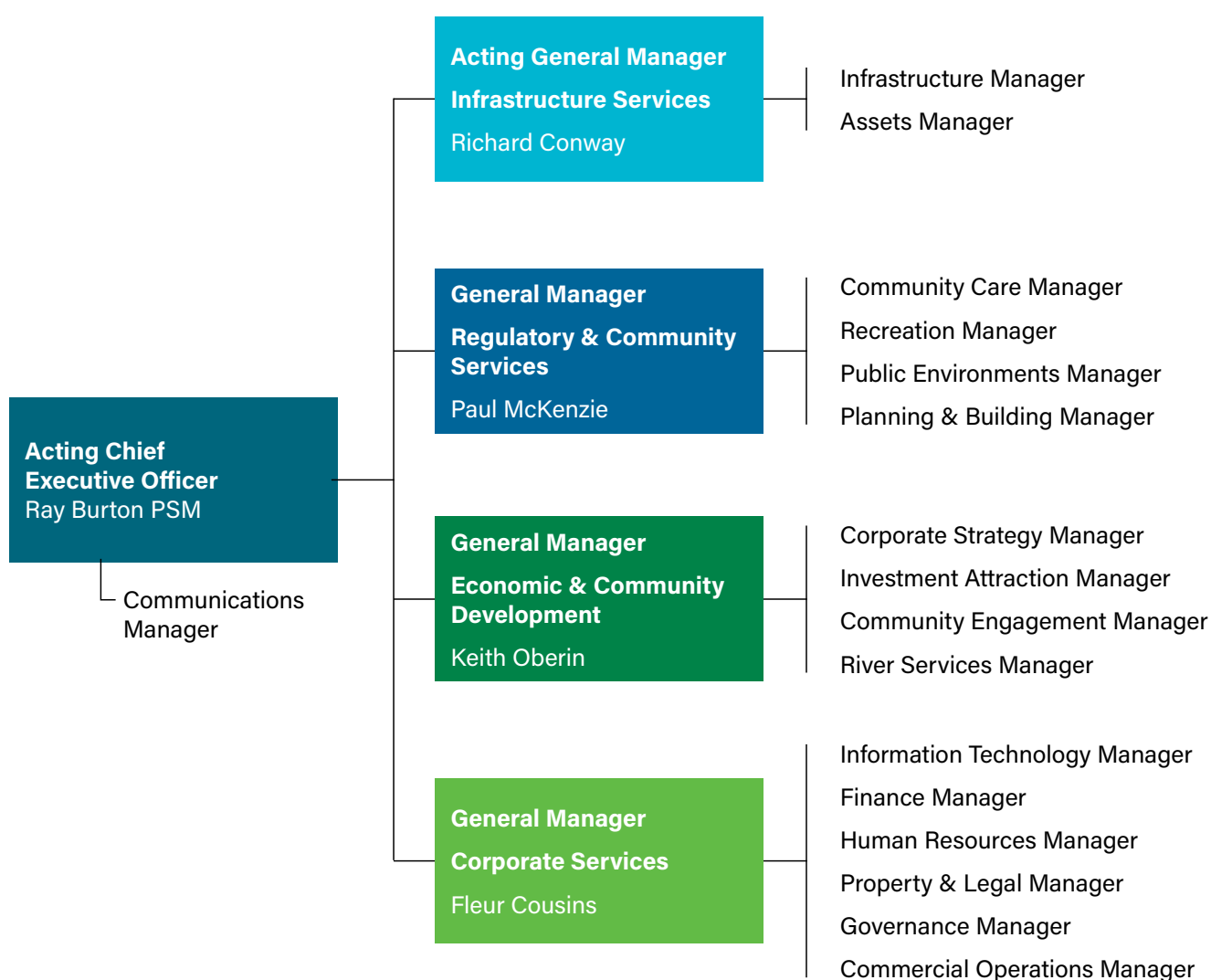
Corporate Planning, Strategic Planning, Community Planning, Economic Development, Tourism & Events Development, Business Attraction & Support, Emergency Management, Civic Events, Grants Management, River Services



Organisation Structure

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

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



Council Staff

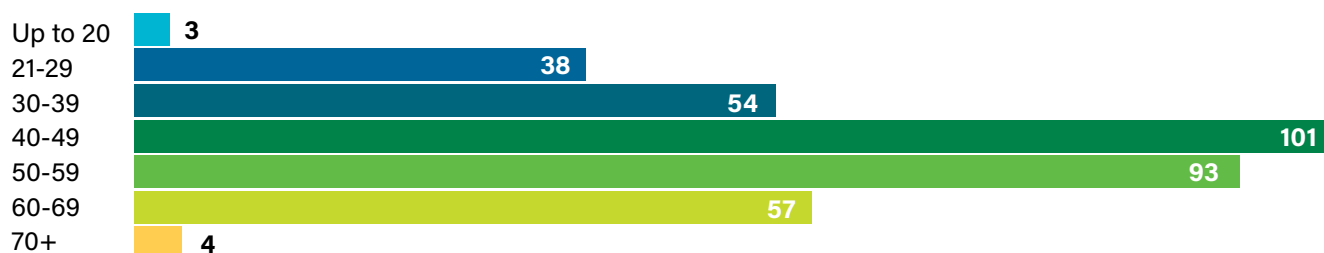
Employee profile

As at 30 June 2019, a total of 610 staff were employed, or 350 full-time equivalent (FTE), of which 90 per cent live in Campaspe communities. Staff numbers increase during summer due to the engagement of casual employees to assist with seasonal pool openings, however permanent employees complete most of the work.

Division	Full-time		Part-time		Casual		Total
	Male	Female	Male	Female	Male	Female	
Office of CEO (FTE)	2	10	0	3.5	0	0.5	16
Regulatory & Community Services (FTE)	43	51	1	49	7	31	182
Infrastructure Services (FTE)	69	9	0	1	4	0	83
Corporate Services (FTE)	14	27	1	4	3	1	50
Economic & Community Development (FTE)	5	9	2	2	0	1	19
Total (FTE)	133	106	4	59.5	14	33.5	350

Figures include actual hours worked by casual staff.

Age of the workforce (FTE)



Employment classification

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

Employment classification	Female FTE	Male FTE	Total FTE
Band 1	25	1	26
Band 2	5	28	33
Band 3	29	42	71
Band 4	40	15	55
Band 5	31	12	43
Band 6	26	12	38
Band 7	13	16	29
Band 8	8	9	17
Other	24	15	39
Total	201	150	350

Staff turnover

2016/17	2017/18	2018/19
10.25%	10.69%	7.04%

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

Equity and diversity

Campaspe Shire Council recognises the value of a diverse and skilled workforce. Council recognises and values diversity by respecting individual's unique attributes and creating an environment where everyone is able to achieve their potential. Council's core values support this commitment.

Equal opportunity is about the fair and equal treatment of those who either are, or who are seeking employment with Council, regardless of differences. As an equal opportunity employer, Council is committed to the principles of equal opportunity and anti-discrimination. The equal opportunity policy and practices provide a framework to ensure staff are not disadvantaged but receive fair and equitable treatment.

Enterprise bargaining agreement

Negotiations to develop a new Enterprise Agreement started in October 2018, with the committee including management representatives, nominated workplace union delegates and union industrial officers.

As a result a new agreement was provided to staff for voting in early June. A total of 297 votes were received, with 216 staff voting in favour of the agreement and 81 against. The agreement was submitted to the Fair Work Commission for approval on 28 June 2019.

Health and safety

Council continued its strong commitment to Occupational Health & Safety (OHS) with a focus on reviewing all current risk assessments at an operational level to ensure all risks and potential hazards are identified and being addressed. Council encouraged Health and Safety Representatives to be far more engaged and proactive in this process. The OHS Committee continued to operate strongly with a constant high attendance by management and the Health and Safety Representatives, always achieving a quorum.

Council had four notifiable events, two involved contractors and two involved employees.

Council had three Provisional Improvement Notices this financial year. One for each of the bigger quarries, and asbestos management.

Learning and development

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

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

Council uses a risk assessment approach, to determine the most effective delivery of its compliance and development training utilising in-house expertise that is compliant with legislative requirements. The outcome is more flexibility with the program and more people being trained.

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

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

Workplace learning opportunities

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

A total of 18 workplace learning opportunities were provided with students working in a number of areas across the organisation. While every endeavour is made to place workplace learning applicants, 15 applications were unable to be accommodated due to current workloads, staffing levels and lack of meaningful opportunity.

Undertaking work experience at the Campaspe Animal Shelter proved the most popular work area for students. Only students currently studying at TAFE or university who require practical placement and are able to commit to a full week are considered in this work area, due to the risks associated with stray and seized animal care.



Staff service milestones

Skilled, motivated and dedicated staff are critical to Council's success. As part of Council's ongoing "years of service" recognition program, in October 2018, the commitment and service to the Campaspe community of 49 staff was recognised at a presentation attended by staff and their families.

10 years

Greg Crockford, Kay McGrath, Hayley Sutton, Glen Read, Jennifer Dicker, Jenny Taylor, Brenda Elgar, Emma Dalton, Allison McCallum, Elissa Bowler, Colleen Pappin, Janine Caiolfa, Deidre Walker, Faye Fankhauser, Desmond Partington, Daryl Archibald, Sarah McInnes, Sharon Carey, Kerri Kingston

15 years

Lesley Bell, Margaret Langdon, Pauline Perry, Irene Shaw, Tara Sproxton, Denise Gilby, Joshua Sperling, Hamish Thornton, Amanda Roberts, Alissa Herd, Raelene George, Janet Norman, Donna Wilson, Saviour Cassar, Kevin Russell, Jaclyn Nolan

20 years

Samantha Leorke, Marg Wills, Linda Riding, Thelma O'Keefe, Jarrod Beer, Helen Crilly, Lynne Napier

30 years

Wendy O'Hara, Lynne Collins, Anthony McDonell, Kevin McLeod, Michelle Lockhart

35 years

Gaye Pellegrino, Rod Lockwood

Health and Wellbeing Program

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

- flu vaccinations
- skin checks
- health programs – yoga and body balance
- love your lunchbox – healthy eating education
- Paws for a Minute – showcasing dogs from the Animal Shelter to the workplace

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

Community organisation fundraising

Staff participated in a number of health awareness fundraisers including Australia's Biggest Morning Tea, Footy Colours Day, Jeans for Genes Day, Red Nose Day and White Ribbon Day.

Staff raised more than \$1,700 for these worthy causes.

Employee Assistance Program

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

Family Violence Program

Campaspe continues to promote a White Ribbon Workplace and was re-accredited in January 2019.

Council marked White Ribbon Day, with a whole of community event in November. The event theme 'Real Men Bake Cakes' saw 21 high profile men in the community bring their baked cakes to a morning tea for judging. Experienced bakers from the Country Women's Association formed the judging panel. The event was just another way to raise awareness and highlight the important role positive men play to stop violence against women.

Volunteers

Council continues to provide valuable and worthwhile opportunities across a variety of service areas. Council is committed to an active engaging partnership with its valued volunteers who enable Council to provide a range of services to the community that would not be possible otherwise. There are 506 volunteers working in service areas that contribute to the health, wellbeing and lifestyle of our community and its residents.

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



Our Performance

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

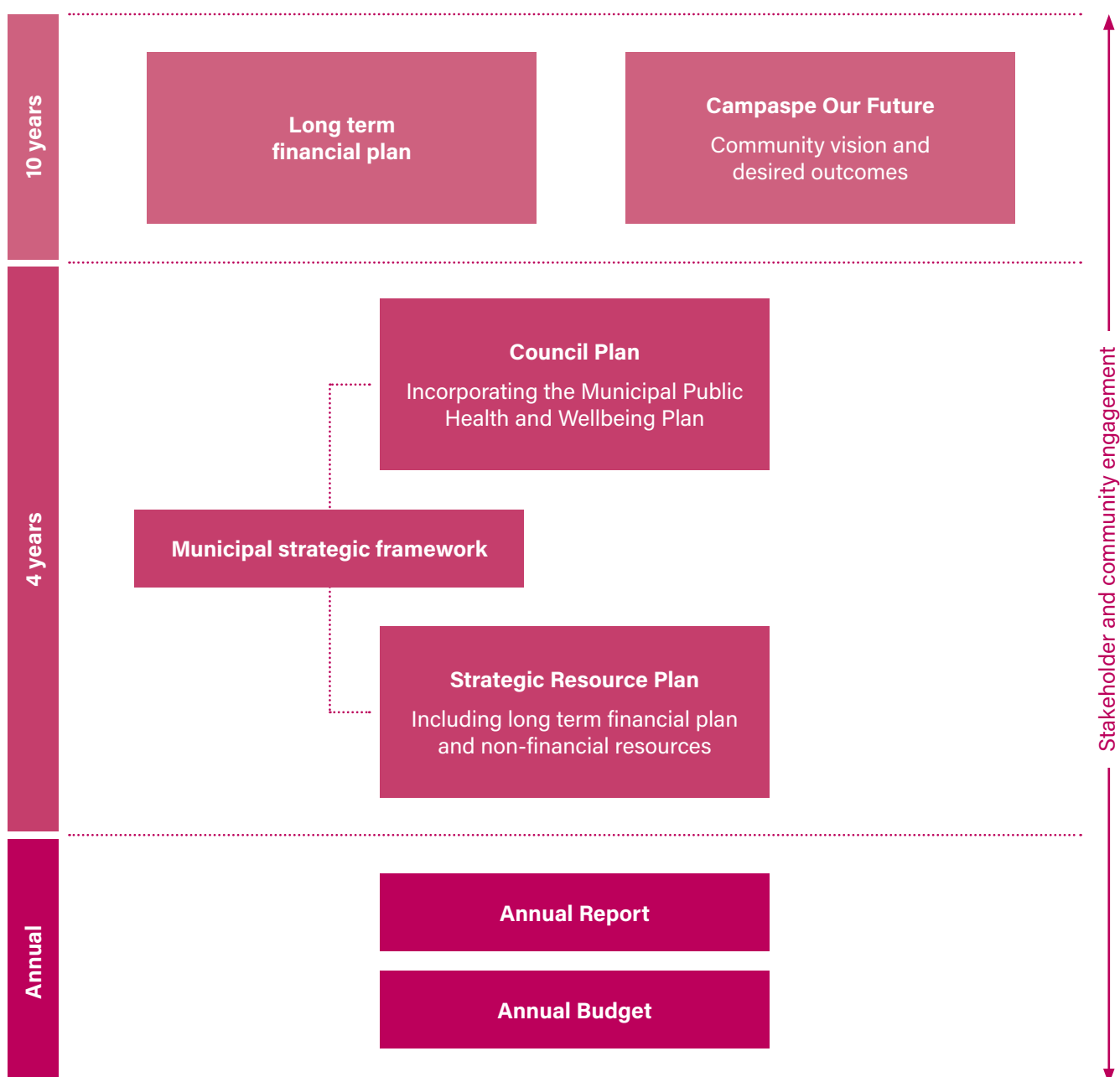


Planning and Accountability Framework

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

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

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



Council Plan

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

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

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

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

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



Performance

Strong and Engaged Communities

Strategic objective 1

Our Goal

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

Strategies

Three strategies contribute to achieving this goal:

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

Services

The following services contribute to achieving the strategies and goal for this environment:

Service area	Description of services provided	Budget \$'000	Actual \$'000
Community care	Council provides several social services which include volunteer services, Home and Community Care (HACC), brokerage (aged care, meals and veteran affairs), senior citizen centre support, child services management, library services.	(\$3,732)	(\$2,833)
Community development	Includes community programs such as arts and culture, youth leadership, universal access and community safety, as well as community development, project scoping and initiation across places of community pride and halls.	(\$882)	(\$870)
Recreation	Management and use of aquatic facilities, sporting grounds, pavilions, playgrounds or spaces utilised for recreational pursuits.	(\$4,957)	(\$5,541)



Strong and Engaged Communities - strategic objective 1

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2018/19 budget.

Initiative	Result
In partnership with local businesses, community and government departments, support the implementation of the Rochester Community Economic Development Plan by advocating for additional train services, promoting business makeovers and developing marketing and tourism opportunities.	Completed
Engage with key stakeholders using Council's Community Engagement Framework in the development of the detailed designs for Aquatic Reserve and Echuca East Reserve Precinct as well as the master plan for the Foundry Arts Precinct.	In progress
Develop a rollout schedule for self-assessment processes and competency training programs that support children and families as part of the Loddon Area Child and Youth Partnership.	Completed
Review the existing Recreation Reserve Management and Funding models in recognition of Council's obligations in the management of volunteers.	Completed
Complete the development of an Active Transport Strategy by undertaking consultation in small towns outside of Echuca, Kyabram and Rochester to identify barriers and opportunities for walking and cycling.	Completed

Strategic Indicators

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

Indicator	Source	2017/18 result	2018/19 result
Community satisfaction with consultation and engagement	Victorian Local Government Community Satisfaction Survey	50	51
Percentage of children fully vaccinated at 12-15 months, 24-27 months and 60-63 months	Department Health and Human Services	12-15 months = 94%	12-15 months = 97.21%
		24-27 months = 90.99%	24-27 months = 93.32%
		60-63 months = 96.19%	60-63 months = 97.29%
Percentage of the population that reported their health as excellent or very good	Victorian Population Survey	2014 = 34.2%	Not collected annually
Percentage of the population that reported being very satisfied or satisfied with life	Victorian Population Survey	2014 = 92.2%	Not collected annually
Percentage of safety whilst walking alone at night	VicHealth Indicator Survey	2015 = 54.7%	Not collected annually

Service Performance Indicators

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

Service / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Aquatic facilities					
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities]	1.75	2.13	2.63	5.00	<p>The number of health inspections of aquatic facilities increased significantly in 2018/19 due to the successful recruitment of a full complement of staff. Council's seven outdoor swimming pools were assessed monthly during the summer operating period, in comparison to twice during the prior summer. This change in approach ensured pools were managing risks appropriately.</p> <p>The Echuca War Memorial Aquatic Centre operates year-round and is assessed three times a year (once mid-year and twice during the summer months).</p>
Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	2.00	2.00	0.00	1.00	<p>Council had one reportable WorkSafe aquatic facility safety incident in 2018/19. Council maintains a strong safety performance record operating one indoor aquatic centre in Echuca and seven outdoor seasonal pools.</p>
Service cost Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$4.52	\$5.02	\$5.13	\$4.10	<p>The cost of indoor aquatic facilities decreased in 2018/19 (\$1.03). This decrease was driven by increasing attendances and decreases in direct costs of service. The 2018/19 year result is below the four year trend.</p>
Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$10.32	\$12.51	\$11.75	\$12.71	<p>The cost of outdoor aquatic facilities increased in 2018/19 (\$0.96). This increase was driven by decreases in attendance and increases in direct cost of service including utilities. The 2018/19 year result has increased slightly but remains steady with the previous three year trend of \$11.53.</p>

Strong and Engaged Communities - strategic objective 1

Service / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.70	5.95	6.22	6.22	The trend in the utilisation of aquatic facilities has increased over the four years of reporting. A warmer start to the summer season, increased community engagement activities and school usage supported increased utilisation. Council's focus on delivering quality facilities and programs such as accredited Learn to Swim and targeted classes for older adults, has driven this increase. Across all eight aquatic facilities a total of 233,800 visits were recorded (one year round aquatic and leisure centre and seven seasonal outdoor pools). Pool attendance is 610 higher than last year.
Libraries					
Utilisation Library collection usage [Number of library collection item loans / Number of library collection items]	2.04	2.12	2.22	2.10	The trend in library collection usage has generally remained steady across the four years of reporting. A small decrease in the 2018/19 period is attributed to a decrease in the number of items loaned.
Resource standard Standard of library collection [Number of library collection items purchased in the last five years / Number of library collection items] x 100	27.99%	39.67%	40.07%	38.72%	The trend in the standard of the library collection has generally increased over the four years of reporting. This year's result remains on trend but sees a small decline that can be attributed to a lower rate of removal of older resources in 2018/19.
Service cost Cost of library service [Direct cost of the library service / Number of visits]	\$4.68	\$6.26	\$6.36	\$5.90	The cost of library services per visitation has decreased slightly (\$0.46) on the 2017/18 year result and remains above the previous three year trend of \$5.77. The decrease reflects efficiencies gained in the utilisation of electronic self service, electronic resource tracking and increased visitation in 2018/19.
Participation Active library members [Number of active library members / Municipal population] x100	17.46%	16.81%	16.32%	15.34%	The trend in the number of active library members has generally remained steady across the four years of reporting. The result includes physical and eResource activity.

Service / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Maternal and Child Health (MCH)					
Satisfaction Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x 100	96.63%	94.55%	101.29%	101.40%	The trend in participation in first MCH home visit has remained steady over the four years of reporting, which is the outcome of the proactive approach undertaken by council in engaging with every birth notification. Note the 2016/17 result was incorrectly calculated. The correct result for 2016/17 was 101.76%.
Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100	95.73%	92.92%	100.00%	100.00%	The trend in infant enrolments in the MCH service has generally remained steady over the four years of reporting, which is the outcome of the trust and value placed in the service provided by council. Note the 2016/17 result was incorrectly calculated. The correct result for 2016/17 was 100.00%.
Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$69.35	\$76.68	\$80.62	\$76.76	The cost of the MCH service per hour has decreased slightly this year on the 2017/18 result but remains steady across the four years of reporting. This year's decrease in the cost of the MCH service is attributable to the delivery of an additional 520 hours on the previous year through the fully funded Enhanced Maternal and Child Health Service.
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	73.03%	72.96%	75.47%	73.17%	Overall participation rates in the MCH service remains stable. Within the age groups attending the service, 3.5 year old participation remains a focus area for improvement - consistent with a state-wide trend.
Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	62.85%	58.93%	70.49%	69.54%	Participation in the MCH service by Aboriginal children has remained consistent with the previous reporting period, which is driven by improved data collection and information sharing measures between council and the local Aboriginal Community Controlled Health Organisation (Njernda Aboriginal Corporation).

Resilient Economy

Strategic objective 2

Our Goal

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

Strategies

Four strategies contribute to achieving this goal:

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

Services

The following services contribute to achieving the strategies and goal for this environment:

Service area	Description of services provided	Budget \$'000	Actual \$'000
Economic development	Assists in providing an environment that supports existing businesses through the provision of information, assistance, referral and support. Council also aids improved communication links, knowledge sharing and partnerships by facilitating forums, business networks and discussion.	(\$296)	(\$669)
Tourism	Assists in facilitating and supporting the growth of a sustainable tourism and events sector, through advocacy, strategic partnerships and strategic planning for tourism growth.	(\$1,001)	(\$939)
Investment attraction	Provides advocacy and information to encourage new enterprises to the region, including industrial development projects.	\$58	(\$255)
Port of Echuca and Port of Echuca Discovery Centre	As the premier tourist attraction for the shire, Council provides both services and infrastructure at the port. This includes the Discovery Centre.	(\$1,418)	(\$2,017)
Commercial businesses	Council owns and delivers commercial services including caravan parks, the Echuca Livestock Exchange and Echuca Paddlesteamers.	\$1,093	(\$153)

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2018/19 budget.

Initiative	Result
Work with the Mount Camel Wine Growers to establish a Growers Network	Completed
Complete the Rushworth Streetscape renewal project	In progress
Identify key initiatives and funding sources to enable implementation of the Port Precinct Plan	Completed
Undertake a review of the Campaspe Shire Events Strategy	Completed
Finalise detailed design and commence the construction of the Echuca Industrial Park Stage 3	In progress

Strategic Indicators

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

Indicator	Source	2017/18 result	2018/19 result
Value of non-residential building approvals	Campaspe id. Economic profile indicators	\$59 million	\$16 million (March FYTD)
Unemployment rate	Campaspe id. Economic profile indicators	5.06%	3.82% (March FYTD)
Average visit spend per trip	RemPlan Economic Profile visitor expenditure	Domestic \$118 Domestic overnight \$343 International \$704	Domestic \$123 Domestic overnight \$146 International - statistically unreliable (March FYTD)
Average visitor stay	RemPlan Economic Profile visitor expenditure	Domestic overnight 3 nights International nights 12	Domestic overnight 2.7 nights International nights - statistically unreliable (March FYTD)
Value of gross regional product	Campaspe id. Economic profile indicators	\$1.988 million	Not collected annually
Number of local jobs	Campaspe id. Economic profile indicators	17,856	Not collected annually
Number of employed residents	Campaspe id. Economic profile indicators	18,139	Not collected annually

Service Performance Indicators

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

Healthy Environment

Strategic objective 3

Our Goal

A healthier environment for current and future generations.

Strategies

Five strategies contribute to achieving this goal:

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

Services

The following services contribute to achieving the strategies and goal for this environment:

Service area	Description of services provided	Budget \$'000	Actual \$'000
Building control	Provides statutory building services to the community including processing building permits, essential services inspections, audits of building works and investigations of complaints and illegal works.	(\$342)	(\$84)
Strategic planning	Responsible for Council's corporate planning activities as required by legislation and developing Council's planning activities to ensure they are consistent and integrated, as well as considerate of community planning activities.	(\$314)	(\$237)
Statutory land use planning	Processes all planning applications, provides advice and makes decisions about development proposals that require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary.	(\$811)	(\$646)
Public environments	Covers a range of services including local laws (animal control, ranger services, pound management), parking, school crossing supervisors, litter, waste services (landfill site management, transfer station and resource recovery, waste and recycling collections, waste education) and parks and gardens.	(\$5,535)	(\$3,969)

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2018/19 budget.

Initiative	Result
Develop and commence implementation of a community education program to support the introduction of a Food Organics Waste Service	Completed
Complete the detailed design of Kyabram Fauna Park Drainage Wetlands	In progress
Implement the annual Door Knock Program, media, school education and community promotion targeting responsible pet ownership, registration and identification, as part of Council's Domestic Animal Management Plan 2017/21	Completed
Develop and adopt an Urban Forest Strategy and Tree Management Plan	In progress
Commence preparation of a planning scheme amendment to incorporate the Precinct Structure Plan – Echuca West into the Campaspe Planning Scheme	In progress
Work with the State Emergency Service (SES) to develop an evacuation plan for Rochester which identifies access routes for flood free havens and locations for supplies of sandbags	In progress
Commence the development of a Flood Study for Echuca, Moama and Torrumbarry	Completed

Strategic Indicators

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

Indicator	Source	2017/18 result	2018/19 result
Percentage of planning applications decided within 60 days	Local Government Performance Reporting	94.42%	92.28%
Average time taken to decide on planning applications	Local Government Performance Reporting	30 days	41 days
Percentage of kerbside collection waste diverted from landfill	Local Government Performance Reporting	40.35%	38.67%
Electricity consumption for all Council owned and operated buildings and facilities	Internal	Total electricity consumption 2,526,061 kWh	Total electricity consumption 1,877,045 kWh
		Average daily electricity consumption per facility 122.45 kWh	Average daily electricity consumption per facility 102.89 kWh
Tonnes of CO2 emissions from electricity and gas used in all Council owned and operated buildings and facilities	Internal	3,032 tCO2	2,245 tCO2

Healthy Environment - strategic objective 3

Service Performance Indicators

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

Service / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Animal management					
Timeliness Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.00	1.00	1.00	Council offers an on-call ranger service. The service allows council to attend all domestic animal requests within 24 hours of receipt.
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x 100	37.66%	32.68%	28.71%	21.97%	The declining trend in this indicator has been driven by council's Home Safe program. This free service returns wandering animals to their owners, rather than being taken directly to the shelter for impoundment therefore reducing the number of animals available to be reclaimed. The total number of dogs returned to their owners avoiding impoundment was 174. If these returned animals were impounded and then reclaimed this would have seen a result of 41.49%.
Service cost Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$111.83	\$106.48	\$108.26	\$120.62	The cost of animal management service has increased in 2018/19 by \$12.36 on the previous year and remains above the three year trend of \$107.09. The increased cost is attributable to the employment of additional staff to support animal registration and renewal campaign.
Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	1.00	0.00	3.00	0.00	Council implements a range of alternative enforcement methods to prosecution. No prosecutions were pursued in 2018/19. Council continues to implement animal management programs which seek to educate the community about responsible pet ownership.

Service / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Statutory Planning					
Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	42.00	33.00	30.00	41.00	The trend in the time taken to decide planning applications has been relatively consistent over the four years of reporting and well below the state average. The trend reflects process improvements and enhanced service delivery.
Service standard Planning applications decided within required timeframes [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	85.81%	91.06%	94.42%	92.88%	The trend in planning applications decided within the required timeframes has remained steady over the four years of reporting. The Planning Unit has been actively working on reducing processing times of all applications and is reflected in the trend. Applications are rated for complexity and split into three different categories, including VicSmart. The unit received a greater number of applications (including VicSmart), but the trend illustrates an improvement in decision times. The emphasis on having appropriate delegation, monitoring our service, training of staff, and categorising applications all ensures that applications are processed in a timely manner.
Service cost Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received]	\$1,321.20	\$1,275.08	\$919.33	\$1,573.76	The trend in the cost of statutory planning service has varied over the four years of reporting. The increase in 2018/19 is a result of the purchase of new software which will further improve efficiencies in application processing as well as the first full staffing complement in three years.
Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	100.00%	80.00%	90.91%	The trend in council planning decisions upheld at VCAT remains high. The 2018/19 result is on par with the average across the four years of reporting. The Planning Unit consistently arrange 'consultation meetings' during the application process in order to improve outcomes. Officers also review other VCAT cases and seek appropriate advice as required.

Healthy Environment - strategic objective 3

Service / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Waste collection					
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1,000	15.19	93.75	114.22	132.50	This indicator represents the number of requests from the community to replace stolen bins, terminate services, change services or have bins repaired. Council received a higher than average number of requests for replacement and repair of damaged bins.
Service standard Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	0.67	0.82	1.20	1.91	The increase in kerbside collection bins missed is a result of council's waste contractor experiencing difficulty sourcing skilled and experienced operators. Council has also introduced new data recording systems for the collection and reporting of information relating to this indicator. This reporting is providing more accurate data than previous years. Council is actively working with the contractor to improve collection efficiency.
Service cost Cost of kerbside garbage collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$89.02	\$94.26	\$94.79	\$94.87	<p>The cost of the kerbside garbage bin collection service has generally remained steady across the four years of reporting with a slight increase (\$0.08) in the 2018/19 period.</p> <p>Council collects 17,558 garbage bins per week. Council provides three waste bin sizes to residents allowing them to match the service to their individual household needs. Choosing the smallest waste bin (80 litre) provides residents the cheapest option and encourages residents to reduce waste to landfill. Additional services available to residents include organics and recycling.</p>
Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$39.84	\$42.17	\$37.25	\$32.63	Council collects 17,892 recycling bins per fortnight. Council provides three bin sizes allowing residents to match the service to their individual household needs. There is no cost differential between sizes encouraging residents to adopt the largest size recycle bin. This encourages residents to recycle as much material as possible.

Service / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	40.57%	41.12%	40.35%	39.03%	Council has a strong focus on reducing waste to landfill, through a waste education and behaviour change program. The decrease in the indicator result for kerbside waste diverted from landfill is attributable to a fall in the total volume of recycling as a result of the introduction of a container deposit scheme in NSW which Campaspe residents are accessing. Combined with dry weather conditions that has reduced the amount of green organics waste collected. The overall amount of waste going to landfill has also reduced.



Balanced Services and Infrastructure

Strategic objective 4

Our Goal

Services and assets meet current and future community need.

Strategies

Four strategies contribute to achieving this goal:

- Manage and maintain assets to optimise their lifecycle considering social, economic and environmental sustainability
- Plan and advocate for services and infrastructure to meet community need
- Maximise access and usage of assets through innovative design and partnership initiatives
- Relinquish services and assets that no longer meet community need

Services

The following services contribute to achieving the strategies and goal for this environment:

Service area	Description of services provided	Budget \$'000	Actual \$'000
Building maintenance	This service prepares long term maintenance management programs for Council's property assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include municipal buildings, pavilions and other community buildings.	(\$1,431)	(\$1,311)
Strategic asset management	This service conducts capital works planning for Council's main civil infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include roads, laneways, car parks, foot/bike paths, drains and bridges.	(\$723)	(\$887)
Assets	This service includes engineering design and investigation, development engineering, our aerodrome, plant, technical and road services.	(\$13,756)	(18,473)
Works	This includes road maintenance as well as path and lighting, bridges, street furniture, urban and rural drainage maintenance, and asset maintenance inspections. It also includes road construction, quarry operations and plan maintenance.	(\$5,883)	(\$5,987)
Project management office	This team provides project management services for Council's major capital projects, including budget management and reporting to Council on project status.	(\$388)	(\$498)

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2018/19 budget.

Initiative	Result
Develop an Integrated Water Management Strategic Framework through an extensive engagement process in partnership with Coliban Water, Goulburn Valley Water, North Central Catchment Management Authority and Goulburn Broken Catchment Management Authority	In progress
Develop a costing methodology to allocate costs of assets to services for inclusion in service plans, in accordance with Council's Asset Management Strategy	Completed
Work with two communities to identify service and facility needs using Council's Place Based Planning approach and identify key projects to respond to the identified needs	In progress
Advocate for the implementation of Stage 1 of the Echuca Station Precinct Master Plan	Completed
Review Council's Sporting Recreation Reserve Infrastructure Service Levels in accordance with national and state sporting codes	Completed
Complete the detailed design of Echuca East Recreation Reserve multi use facility	In progress

Strategic Indicators

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

Indicator	Source	2017/18 result	2018/19 result
Community satisfaction with the condition of sealed roads	Victorian Government Community Satisfaction Survey	45	47
Percentage of sealed local roads maintenance	Local Government Performance Reporting	96.33%	96.38%
Percentage of capital projects practically completed at the conclusion of the financial year (based on number of projects)	Internal	72%	61%
Maturity of Council's asset management practices and processes using the National Asset Management Assessment Framework	Internal	1018	Not available

Balanced Services and Infrastructure - strategic objective 4

Service Performance Indicators

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

Service / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Food safety					
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	2.30	2.09	2.92	2.19	The time taken to respond to food complaints decreased slightly on last year's result (noting that 2016/17 was the first year the time taken to assess food complaints was reported by calendar year 2016). This decrease is attributable to a full complement of staff to action investigation of food complaints for the full 2018 year.
Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x 100	85.50%	59.94%	90.31%	97.49%	Council's involvement in the Food Safety Risk Assessment Project has led to changes in the approach taken by officers and has allowed for those premises that have higher risk activities to be targeted more effectively. This, along with a full complement of staff, has led to an improved assessment result in both completing assessments and in the number of non compliances found.
Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$531.85	\$491.46	\$453.93	\$434.27	The cost of the Food Safety service has declined slightly on the previous year. An increase in the number of premises registered or notified with Campaspe Shire for the 2018 calendar year has driven this downward trend.
Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance] x 100	85.42%	77.14%	95.00%	100.00%	Council received 26 critical and major non-compliance notifications about food premises within the 2018 calendar year, compared to 40 in 2017. 100% of non-compliance notifications were followed up. Council has implemented an approach that focuses on risk identification when inspecting a food premises. This has resulted in the improved result and better consistency of approach by officers over the past two years. A full complement of staff has contributed to the 2018 year's result bringing it back in line with previous year's results.

Service / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Roads					
Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x 100	17.18	19.76	26.77	29.77	Council received 345 requests regarding sealed local roads in 2018/19, 39 more requests than the previous year. The increase in requests has been the outcome of council encouraging greater reporting by the community of road defects as well as making the reporting of these defects easier through the introduction of online reporting.
Condition Sealed local roads maintained to condition standard [Number of kilometres of sealed local roads below the renewal intervention level set by council / Kilometres of sealed local roads] x 100	99.48%	96.12%	96.33%	96.38%	Council has been performing well in maintaining the condition standard of sealed local roads. In 2018/19 the amount of roads not needing maintenance increased to a three year high of 1,117km.
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$32.03	\$55.32	\$52.26	\$78.08	The cost of sealed local road reconstruction increased significantly in 2018/19. This increase is driven by a near 50% decrease in the amount reconstructed compared to the previous year, meaning a smaller scope of works resulting in higher per metre costs. Added to that, a major local road reconstruction utilised an alternative treatment method which had higher cost but longer life.
Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$5.82	\$4.37	\$3.54	\$4.28	The cost of sealed local road resealing remained steady across the four years of reporting. This year's result reflects council having developed a strong multi-year contract with its sealing contractor.
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	53	40	45	47	This year's result shows a small but continuing improvement in this indicator. As with last year's result, council's understanding of the sealed local road network, gained through customer service requests and the ongoing inspection program, both indicate the network is generally in good condition.

Responsible Management

Strategic objective 5

Our Goal

Strong leadership, advocacy and good governance.

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

Strategies

Six strategies contribute to achieving this goal:

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



Services

The following services contribute to achieving the strategies and goal for this environment:

Service area	Description of services provided	Budget \$'000	Actual \$'000
Customer service & communications	This service provides the customer service and communications management for the shire, as well as providing the main customer interface with the community through internet, social media and customer service centres.	(\$1,091)	(\$973)
Finance	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, procurement and contracting of services, raising and collection of rates and charges.	(\$1,213)	(\$1,600)
Information management	This service provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way. Records management is also part of this service area.	(\$1,356)	(\$1,323)
Human resources	This service provides Council with strategic and operational organisation development support. The service develops and implements strategies, policies and procedures through the provision of human resources and industrial relations services. The service also assists managers to determine and progress toward future structures, capability and cultures in their service units, payroll and occupational health and safety.	(\$239)	(\$172)
Governance	The governance team manages councillor support, compliance to our governing Acts, legal and risk management.	(\$1,240)	(\$1,320)
Property management	Council's property assets are managed in an integrated and prioritised manner in order to optimise their strategic value and service potential. This service includes development of broader policies and procedures, advising service managers and direct management of Council's leased properties.	\$333	(\$883)
Executive management	The executive management team is made up of the CEO and four General Managers who are responsible for overseeing operations, timely implementation of Council resolutions, major problem resolution, organisational structure and organisational culture.	(\$1,985)	(\$2,604)

Responsible Management - strategic objective 5

Annual Plan Major Initiatives

The following statement reviews the year's progress on major and other initiatives identified in the 2018/19 budget.

Initiative	Result
Finalise the development of the service planning approach and commence the implementation of the approach focusing on five key services	Completed
Review and update the Council's Advocacy Priorities 2016/18 to advance the current needs and priorities of Council and the community	Completed
Undertake a comprehensive audit of all utilities (gas, power & water) attached to Council buildings and facilities to identify opportunities for energy efficiencies and savings	Completed
Implement online functionality to enable the lodgement of applications and customer service requests	Completed
Commence the development of a Customer First Strategy that includes customer responsiveness	Completed

Strategic Indicators

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

Indicator	Source	2017/18 result	2018/19 result
Community satisfaction with customer service	Victorian Government Community Satisfaction Survey	65	69
Community satisfaction with decisions made in the interest of the community	Victorian Government Community Satisfaction Survey	46	47
Community satisfaction with overall direction of Council	Victorian Government Community Satisfaction Survey	48	45
Community satisfaction with lobbying on behalf of the community (advocacy)	Victorian Government Community Satisfaction Survey	50	48
Compliance measures that are currently in operation	Local Government Performance Reporting	22/24	22/24
Council decisions made at meetings closed to the public	Local Government Performance Reporting	12.44%	8.93%
Adjusted underlying surplus (or deficit) as a percentage of underlying revenue	Local Government Performance Reporting	-7.52%	0.22%
Responsiveness to phone calls	Internal	91.55%	95.00%
Number of occupational health & safety near miss incident reports	Internal	144	165
Risk maturity level	Internal	Not collected annually	Not collected annually

Service Performance Indicators

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

Service / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Governance					
Transparency Council resolutions at meetings closed to the public [Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x 100	12.44%	6.37%	8.93%	18.18%	There were an additional three closed meetings to consider a personnel matter relating to a senior position as well as a higher number of land sales than previous years which require confidential resolutions.
Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 about how council has performed on community consultation and engagement]	50	52	50	51	The trend in this indicator across the last four years has generally remained steady. Council is committed to listening and engaging with the community to improve satisfaction and this indicator result.
Attendance Councillor attendance at council meetings [The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x 100	90.74%	96.08%	97.92%	96.30%	Councillor attendance was again high considering that the number of council meetings for the year increased from 16 to 21.
Service cost Cost of governance [Direct cost of the governance service / Number of councillors elected at the last council general election]	\$47,567.11	\$46,859.22	\$47,541.67	\$51,514.78	The cost of governance has increased marginally mainly due to the appointment of consultants to undertake a governance review.
Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	48	48	46	47	Throughout the 2018/19 year council made a number of significant decisions. Council recognises that there are diverse views across the community in relation to many of these decisions. Improving community satisfaction with decisions of council remains a focus.

Governance, Management & Other Information

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



Governance

Good Governance

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

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

Council's Role

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

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

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

Council decisions are made in one of two ways:

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

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

Council Meetings

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

The following table provides a summary of councillor attendance at Council meetings and special Council meetings for the 2018/19 year.

	Council meetings		Special meetings	
	Eligible	Attended	Eligible	Attended
Cr Daniel Mackrell	12	11	9	9
Cr Kristen Munro	12	11	9	9
Cr Vicki Neele	12	11	9	8
Cr Neil Pankhurst	12	12	9	9
Cr Leanne Pentreath	12	12	9	9
Cr Annie Vickers	12	12	9	9
Cr Adrian Weston	12	11	9	8
Cr Leigh Wilson	12	10	9	9
Cr John Zobec	12	12	9	9

* open section only

The annual meeting for the election of the Mayor was held on 13 November 2018.



Special Committees

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

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

Code of Conduct

Council's Code of Conduct was reviewed and adopted on 7 February 2017. The code outlines the principles of good governance, and guides Councillors' behaviour and accountability as well as the dispute resolution process between Councillors. The code is available on Council's website www.campaspe.vic.gov.au.

Council is aware of three complaints made under this code to the Local Government and Investigations and Compliance Inspectorate in 2018/19.

Conflict of Interest

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

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

Copies of the document Conflict of Interest: A Guide for Councillors, June 2011 published by the Department of Planning and Community Development, has been provided to Councillors for their reference.

Councillor Support and Remuneration

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

For the purpose of setting Mayoral and Councillor allowances, the Victorian Government categorises each Council according to its size and revenue. Campaspe is within category 2. In 2018/19, the annual allowance for the Mayor was set at \$79,612 and for all other Councillors, \$25,730; plus the superannuation equivalent.

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

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

Councillor	Allowance	Travel & accommodation	Telephone	Training & conferences	Reimbursement of expenses	Total
Cr Daniel Mackrell	\$27,944	\$491	\$435	\$568		\$29,438
Cr Kristen Munro	\$27,944	\$5,788	\$587	0		\$34,318
Cr Vicki Neele	\$27,944	\$5,958	\$816	\$235	\$191	\$35,143
Cr Neil Pankhurst	\$27,944	\$3,573	\$125	\$355	\$57	\$32,053
Cr Leanne Pentreath	\$27,944	0	\$182	0		\$28,207
Cr Annie Vickers	\$27,944	\$3,084	\$343	0		\$31,371
Cr Adrian Weston	\$86,463	\$23,855	\$673	\$1,610		\$112,601
Cr Leigh Wilson	\$27,944	\$3,886	\$168	0	\$29	\$32,027
Cr John Zobec	\$27,944	\$4,800	\$428	0		\$33,171
Total	\$310,014	\$51,433	\$3,757	\$2,848	\$276	\$368,328

Management

Council has implemented a number of statutory and best practice models to strengthen its governance and management framework in recognition that this leads to better decision-making. The Local Government Act 1989 requires Council to undertake an assessment against the prescribed governance and management checklist and include the results in its report of operations. Council's Governance and Management Checklist results are set out later in this section.

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

Audit & Risk Committee

The Audit & Risk Committee's objectives include:

- monitoring and reviewing Council's financial reporting and performance, and making recommendations for improvements
- helping Council make informed decisions about accounting policies, practices and disclosures
- considering the effectiveness of Council's internal control systems and making recommendations regarding identified deficiencies
- reviewing Council's risk profile to ensure that material operational risks are being dealt with appropriately
- reviewing the scope, performance and reports of the internal and external auditors
- ensuring compliance with legislation.

In undertaking its role to independently monitor, review and advise Council on matters of accountability and internal control affecting Council's operations, the Audit & Risk Committee met four times in 2018/19. In line with its annual internal audit program, major reviews considered by the committee during the year included:

- Business Continuity
- Fraud Preparedness
- Human Resources

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

Committee member	Eligible to attend	Attended
Suzanna Barry (Full Member)	1	0
Wayne Jenkin (Full Member)	5	3
Michael Bennett (Full Member)	5	5
Linda MacRae (Full Member)	5	4
Ray Warren (Affiliate Member)	1	1
Cr Neil Pankhurst	4	3
Cr Leanne Pentreath	5	3
Cr John Zobec	1	1

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

Governance and Management Checklist

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

Governance and management items		Assessment
1	Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)	Policy in place Date of operation of current policy: 25 June 2019 ✓
2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines in place Date of operation: 15 May 2018 ✓
3	Strategic resource plan (plan under section 126 of the Local Government Act 1989 outlining the financial and non-financial resources required for at least the next four financial years)	Plan adopted in accordance with section 126 of the Local Government Act 1989 Date of adoption: 15 May 2018 ✓
	Annual budget (plan under section 130 of the Local Government Act 1989 setting out the services to be provided and initiatives to be undertaken over the next 12 months, and the funding and other resources required)	Budget adopted in accordance with section 130 of the Local Government Act 1989 Date of adoption: 26 June 2018 ✓
5	Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	No plans in place Reason for no plans: All classes not completed due to lack of resources. X
6	Rating strategy (strategy setting out the rating structure of council to levy rates and charges)	Strategy in place Date of operation of current strategy: 26 June 2018 ✓
7	Risk policy (policy outlining council's commitment and approach to minimising risks to council's operations)	Policy in place Date of operation of current policy: 30 January 2018 ✓
8	Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy in place Date of operation of current policy: 25 June 2019 ✓
9	Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Plan prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 Date of adoption: 20 November 2018 ✓
10	Procurement policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Policy prepared and approved in accordance with section 186A of the Local Government Act 1989 Date of approval: 20 March 2018 ✓
11	Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan in place Date of operation of current plan: 5 May 2017 ✓
12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan in place Date of operation of current plan: 6 December 2016 ✓
13	Risk management framework (framework outlining council's approach to managing risks to its operations)	Framework in place Date of operation of current framework: 1 November 2017 ✓

14	Audit committee (advisory committee of council under section 139 of the Local Government Act 1989 to oversee the integrity of council's financial reporting, processes to manage risks to council operations and compliance with applicable legal, ethical, and regulatory requirements)	Committee established in accordance with section 139 of the Local Government Act 1989 Date of establishment: 24 February 1997	✓
15	Internal audit function (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Internal auditor engaged Date of engagement of current provider: 24 February 2015	✓
16	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)	Framework in place Date of operation of current framework: 1 July 2014	✓
17	Council plan reporting (report reviewing the performance of council against the council plan, including results in relation to the strategic indicators, for the first six months of the financial year)	Report in place Date of reporting: 20 November 2018, 20 January 2019, 19 February 2019, 21 May 2019	✓
18	Financial reporting (quarterly statements to council under section 138 of the Local Government Act 1989 comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the Local Government Act 1989 Dates statements presented: 16 October 2018, 20 November 2018, 19 February 2019, 21 May 2019	✓
19	Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented Date of reports: 5 September 2018, 25 June 2019	✓
20	Performance reporting (six-monthly reports of indicators measuring results against financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)	No reports prepared and presented Decision made not to do six monthly reporting due to the onerous nature of gathering data and some data only available annually.	X
21	Annual report (annual report under sections 131, 132 and 133 of the Local Government Act 1989 to the community containing a report of operations and audited financial and performance statements)	Report considered at a meeting of the Council in accordance with section 134 of the Local Government Act 1989 Date of consideration: 16 October 2018	✓
22	Councillor code of conduct (Code under section 76C of the Local Government Act 1989 setting out the conduct principles and the dispute resolution processes to be followed by councillors)	Code reviewed in accordance with section 76C of the Local Government Act 1989 Date reviewed: 7 February 2017	✓
23	Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Local Government Act 1989 Date of review: 18 September 2018	✓
24	Meeting procedures (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Local Government Act 1989 Date local law made: 30 January 2018	✓

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



Ray Burton PSM Chief Executive Officer
Date: 17 September 2019



Cr Adrian Weston Mayor
Date: 17 September 2019

Statutory Information

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

Information available for public inspection

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

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

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

Best Value

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

Contracts

During the year council did not enter into any contracts valued at \$150,000 or more for services, or \$200,000 or more for works of a kind specified in section 186(5)(a) and (c) of the Local Government Act. Council also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

Disability Action Plan

Under the Disability Act 2006, Councils must report on the implementation of actions in their Disability Action Plan. Council's Plan, entitled Access and Inclusion Plan, was adopted in November 2015, following development with stakeholders as well as the wider community. The plan outlines five priorities:

- Accessible and inclusive communities
- Economic and employment development
- Physical and natural environments
- Service delivery
- Communication and information

A focus for the year has been completing a series of social story books for people with a disability, particularly those on the autism spectrum, on what to do in an emergency. The five completed booklets are what to do in a:

- Bushfire
- Grass Fire
- Flood
- Storm
- Heatwave

All books have been developed in partnership with the Country Fire Authority, Department of Education and Training, Northern Victoria Emergency Management Cluster, and Council staff from emergency management and rural access areas.

Domestic Animal Management Plan

Under the Domestic Animals Act 1994, Councils must prepare domestic animal plans and report on their implementation in the annual report. Council adopted the 2017/21 Domestic Animal Management Plan in November 2017. The primary objective of the plan is to guide Council and the community towards the goal of responsible animal ownership and management. Actions completed during the year included:

- Three 'Paws for a Minute' visits to Council work places, a new initiative in conjunction with the Health and Wellbeing Program.
- Four pet adoption and microchipping days held at local pet stores, Bunnings and The Port of Echuca Discovery Centre. This partnership approach resulted in easier access for community members to get their pet's microchipped and registered. It also improves exposure for adoption of animals and provides valuable enrichment for the animals.
- One free community presentation coordinated with a focus on animal behaviour and training, in conjunction with external provider ACE Dogs, with 36 community members attending.
- Six discounted adoption events held which assisted in decreasing canine and feline rehoming timeframes.

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

As at 30 June 2019, 9,655 domestic were animals registered, 7,291 dogs and 2,364 cats.

The Campaspe Animal Shelter received a total of 453 dogs and puppies across the year, with 335 impounded by Community Rangers, 226 were reclaimed, 118 adopted and 76 euthanised. A total of 664 cats and kittens were received, with 316 impounded by Community Rangers, 51 were reclaimed, 382 adopted and 196 euthanised.

Food Act Ministerial Directions

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

No ministerial directions were received by Council during 2018/19.

Freedom of Information

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

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

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

Freedom of information (FOI) applications received:

2014/15	2015/16	2016/17	2017/18	2018/19
15	16	7	10	11

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

Infrastructure and Development Contributions

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

In 2018/19 Council had no infrastructure and development contributions.

Local Laws

Council has the following local laws in place:

Meeting Procedures Local Law 1

Date adopted: 30 January 2018

Expiry date: 29 January 2028

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

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

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

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

Revoke Council's Meeting Procedure Local Law No 1 adopted and dated 18 June 2015.

Library Services Local Law 6

Date adopted: 21 June 2011

Expiry date: 21 June 2021

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

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

Assist in the management of library services to the community.

General Local Law 8

Date adopted: 29 October 2015

Expiry date: 29 October 2025

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

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

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

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

The fair and reasonable use and enjoyment of private land.

The uniform and fair administration of the local law.

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

Privacy & Data Protection

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

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

Protected Disclosure Procedures

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

Council has appointed the Governance Manager as the Protected Disclosure Coordinator. In the absence of the Protected Disclosure Coordinator, the Chief Executive Officer is the relief coordinator. Eight protected disclosure officers have been appointed and a Welfare Manager.

There was one disclosure made under this Act in 2018/19.

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

Road Management Act Ministerial Directions

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

No directions were received from the Minister in 2018/19.



Our Finances

- › Financial statements
- › Notes to financial statements
- › Performance statement



Financial Report

Certification of the Financial Statements	68
Victorian Auditor-General's Office Audit Report	69

Financial Statements

Comprehensive Income Statement	71
Balance Sheet	72
Statement of Changes in Equity	73
Statement of Cash Flows	74
Statement of Capital Works	75

Overview	76
-----------------	-----------

Notes to Financial Report

Note 1 - Performance against budget	77	Note 6 - Assets we manage	97
1.1. Income and expenditure	77	6.1. Non current assets classified as held for sale	97
1.2. Capital works	79	6.2. Property infrastructure plant and equipment	98
Note 2 - Analysis of Council results by program	82	6.3. Investments in associates, joint arrangements and subsidiaries	106
Note 3 - Funding for the delivery of our services	84	6.4. Investment property	106
3.1. Rates and charges	84	Note 7 - People and relationships	107
3.2. Statutory fees and fines	84	7.1. Council and key management remuneration	107
3.3. User fees	84	7.2. Related party disclosure	109
3.4. Funding from other levels of government	85	Note 8 - Managing uncertainties	110
3.5. Contributions	86	8.1. Contingent assets and liabilities	110
3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment	86	8.2. Change in accounting standards	111
3.7. Other income	87	8.3. Financial instruments	112
Note 4 - The cost of delivering services	87	8.4. Fair value measurement	115
4.1. Employee costs	87	8.5. Events occurring after balance date	116
4.2. Materials and services	88	Note 9 - Other matters	117
4.3. Depreciation	88	9.1 Reserves	117
4.4. Borrowing costs	88	9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	121
4.5. Other expenses	88	9.3 Superannuation	121
Note 5 - Our financial position	89		
5.1. Financial assets	89		
5.2. Non-financial assets	91		
5.3. Payables	91		
5.4. Interest bearing liabilities	92		
5.5. Provisions	93		
5.6. Financing arrangements	95		
5.7. Commitments	96		

Campaspe Shire Council

2018/2019 Financial Report

Certification of the Financial Statements

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



Ailsa Box CPA

Principal Accounting Officer

Date : 17 September 2019

Echuca

In our opinion the accompanying financial statements present fairly the financial transactions of Campaspe Shire Council for the year ended 30 June 2019 and the financial position of the Council as at that date.

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

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



Cr Adrian Weston

Councillor

Date : 17 September 2019

Echuca



Cr Leanne Pentreath

Councillor

Date : 17 September 2019

Echuca



Raymond Burton

Chief Executive Officer

Date : 17 September 2019

Echuca



Independent Auditor's Report

To the Councillors of Campaspe Shire Council

Opinion	<p>I have audited the financial report of Campaspe Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2019 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit
of the financial
report**

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

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

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

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

MELBOURNE
20 September 2019



Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Campaspe Shire Council

2018/2019 Financial Report

Comprehensive Income Statement For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income			
Rates and charges	3.1	42,148	40,821
Statutory fees and fines	3.2	1,589	1,649
User fees	3.3	15,406	16,310
Grants - operating	3.4 (a)	16,648	15,380
Grants - capital	3.4 (b)	5,794	4,628
Contributions - monetary	3.5	476	179
Contributions - non monetary	3.5	6,568	6,969
Fair value adjustments for investment property	6.4	-	695
Other income	3.7	1,968	1,959
Total income		90,597	88,590
Expenses			
Employee costs	4.1	(29,528)	(29,956)
Materials and services	4.2	(22,477)	(20,064)
Depreciation	4.3	(18,572)	(18,111)
Bad and doubtful debts		(146)	(25)
Borrowing costs	4.4	(249)	(287)
Other expenses	4.5	(2,646)	(3,022)
Impairment loss	6.2	-	(865)
Net loss on disposal of property, infrastructure, plant and equipment	3.6	(5,996)	(12,462)
Total expenses		(79,614)	(84,792)
Surplus for the year		10,983	3,798
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	9.1	590	41,043
Total comprehensive result		11,573	44,841

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

Campaspe Shire Council

2018/2019 Financial Report

Balance Sheet As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	11,575	11,941
Other financial assets	5.1 (b)	36,000	36,092
Trade and other receivables	5.1 (c)	7,269	3,843
Inventories		861	733
Other assets	5.2 (a)	922	1,136
Right of use asset - lease assets	5.4	63	-
Non-current assets classified as held for sale	6.1	1,033	1,022
Total current assets		57,723	54,767
Non-current assets			
Trade and other receivables	5.1 (c)	50	-
Other financial assets	5.1 (b)	19,000	8,500
Property, infrastructure, plant and equipment	6.2	592,671	592,054
Investment property	6.4	8,619	11,798
Intangible assets - water rights	5.2 (b)	2,952	2,362
Total non-current assets		623,292	614,714
Total assets		681,015	669,481
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	5,753	4,036
Trust funds and deposits	5.3 (b)	2,126	2,103
Provisions	5.5	6,642	7,234
Interest-bearing liabilities	5.4	1,041	1,108
Total current liabilities		15,562	14,481
Non-current liabilities			
Provisions	5.5	2,550	2,691
Interest-bearing liabilities	5.4	4,432	5,409
Trust funds and deposits	5.3 (b)	18	21
Total non-current liabilities		7,000	8,121
Total liabilities		22,562	22,602
Net assets		658,453	646,880
Equity			
Accumulated surplus		330,848	320,935
Reserves	9.1	327,605	325,945
Total Equity		658,453	646,880

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

Statement of Changes in Equity For the Year Ended 30 June 2019

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2019					
Balance at beginning of the financial year		646,880	320,935	308,773	17,172
Surplus for the year		10,983	10,983	-	-
Net asset revaluation increment	9.1 (a)	590	-	590	-
Transfers to other reserves	9.1 (b)	-	(5,136)	-	5,136
Transfers from other reserves	9.1 (b)	-	4,066	-	(4,066)
Balance at end of the financial year		658,453	330,848	309,363	18,242

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2018					
Balance at beginning of the financial year		602,039	317,318	267,730	16,991
Surplus for the year		3,798	3,798	-	-
Net asset revaluation increment	9.1 (a)	41,043	-	41,043	-
Transfers to other reserves	9.1 (b)	-	(181)	-	181
Balance at end of the financial year		646,880	320,935	308,773	17,172

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

Campaspe Shire Council

2018/2019 Financial Report

Statement of Cash Flows For the Year Ended 30 June 2019

		2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates and charges		42,442	40,203
Statutory fees and fines		1,589	1,649
User fees		12,847	18,279
Grants - operating		16,648	15,380
Grants - capital		5,794	4,628
Contributions - monetary		476	179
Interest received		1,960	1,629
Trust funds and deposits taken		3,922	195
Other receipts		8	330
Net GST refund		1,127	875
Employee costs		(30,217)	(29,730)
Materials and services		(22,904)	(26,127)
Other expenses		(2,911)	(1,963)
Trust funds and deposits repaid		(3,901)	(66)
Payments for landfill rehabilitation		(44)	(127)
Net cash provided by/(used in) operating activities	9.2	26,836	25,335
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(15,916)	(14,916)
Proceeds from sale of property, infrastructure, plant and equipment	3.6	414	217
Payments for investments		(37,000)	(20,592)
Proceeds from sale of investments		26,592	11,613
Net cash provided by/(used in) investing activities		(25,910)	(23,678)
Cash flows from financing activities			
Finance costs		(249)	(287)
Repayment of borrowings		(1,043)	(1,055)
Net cash provided by/(used in) financing activities		(1,292)	(1,342)
Net (decrease)/increase in cash and cash equivalents		(366)	314
Cash and cash equivalents at the beginning of the financial year		11,941	11,627
Cash and cash equivalents at the end of the financial year		11,575	11,941
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
Property		
Land improvements	100	117
Total land	100	117
Buildings	393	849
Heritage buildings	36	691
Total buildings	429	1,540
Total property	529	1,657
 Plant and equipment		
Heritage plant and equipment	125	2
Plant, machinery and equipment	899	802
Fixtures, fittings and furniture	37	-
Computers and telecommunications	-	161
Library books	154	148
Total plant and equipment	1,215	1,113
 Infrastructure		
Roads	8,376	8,913
Bridges	1,313	483
Footpaths and cycleways	280	313
Drainage	866	1,457
Recreational, leisure and community facilities	1,326	666
Waste management	543	-
Parks, open space and streetscapes	-	300
Off street car parks	-	15
Other infrastructure	1,408	125
Total infrastructure	14,112	12,272
 Total capital works expenditure	15,856	15,042
 Represented by:		
New asset expenditure	1,479	1,055
Asset renewal expenditure	12,907	12,871
Asset expansion expenditure	-	4
Asset upgrade expenditure	1,470	1,112
Total capital works expenditure	15,856	15,042

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

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

OVERVIEW

Introduction

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

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

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)

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

Note 1 Performance against budget

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

The budget figures detailed below are those adopted by Council on 26 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance %	Ref
Income					
Rates and charges	35,810	36,141	331	0.9%	
Garbage charges	5,928	6,007	79	1.3%	
Statutory fees and fines	1,641	1,589	(52)	(3.1%)	
User fees	16,113	15,406	(707)	(4.4%)	1
Grants - operating	15,143	16,648	1,505	9.9%	2
Grants - capital	8,847	5,794	(3,053)	(34.5%)	3
Contributions - monetary	-	476	476	100.0%	4
Contributions - non monetary	-	6,568	6,568	100.0%	5
Other income	928	1,968	1,040	112.1%	6
Total income	84,410	90,597	6,187	7.3%	
Expenses					
Employee costs	31,405	29,528	1,877	6.0%	7
Materials and services	19,965	22,477	(2,512)	(12.6%)	8
Other expenses	5,430	2,646	2,784	51.3%	8
Depreciation and amortisation	18,132	18,572	(440)	(2.4%)	
Bad and doubtful debts	-	146	(146)	100.0%	9
Borrowing costs	277	249	28	10.0%	10
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(729)	5,996	(6,725)	922.5%	11
Total expenses	74,480	79,614	(5,134)	(6.9%)	
Surplus for the year	9,930	10,983	(1,053)	(10.6%)	

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

1.1 Income and expenditure (cont.)

(i) Explanation of material variations

Variance Explanation Ref

- 1 The variance between budget and actuals is due to various items being classified differently between the budget document and the financial statements. In the budget only interest is classified under other income, in the financial statements a number of items budgeted under User Fees are accounted for in other income. These are rental income and reimbursements.
- 2 Grants commission funding adjustment \$406k, waste implementation \$120k, Maternal and Child Health \$99k, Healthy Hearts \$300k and funding for Kyabram flood study were either not budgeted or greater than expected when setting the budget.
- 3 Projects that were included in the budget subject to grant approval were not successful in receiving grant funding, these were the Waragna Rail Trail and Echuca Industrial Estate Stage 3 (\$1.13m), various other capital projects were budget to receive the full grant funding in 2018/19 but will not be received until 2019/20.
- 4 Monetary contributions from developers for public open space and car parking, as per planning conditions, are unbudgeted.
- 5 On completion of a subdivision by developers, the infrastructure assets are transferred to council's control, these assets comprise roads, footpaths, kerb and channel, parks and reserves and drainage and are unbudgeted.
- 6 The variance between budget and actuals is due to various items being classified differently between the budget document and the financial statements. In the budget only interest is classified under other income, in the financial statements a number of items budgeted under User Fees are accounted for in other income. These are rental income and reimbursements. Interest is budgeted conservatively, better results were achieved than budgeted (\$615k) due to a prudent investing strategy.
- 7 \$572k savings in work cover premiums have been realised due to increased awareness of safety practices which has had influenced the actual cost of work cover. The amount required for leave provisions is \$300k less than budget due to improved leave management across the organisation. Savings have been realised due to time taken to recruit to positions after resignations.
- 8 The variance between budget and actuals for materials and service and other expenses is due to the these costs being classified differently between the budget and the financial statements. The actual variance in these two lines is a saving of \$265k which is made of many small savings across the organisation.
- 9 The allowance for bad and doubtful debts has been increased to reflect the increase in time taken to collect outstanding monies owned to council. The expense for this allowance is not budgeted.
- 10 Variable loan interest rates have not increased as was expected when the budget was set.
- 11 The result is influenced by the 'writing off' of the written down value of assets sold or divested by other means. The main assets effecting this result are the Rochester Caravan Park \$1.0m, Old Oscar W's (\$900k) and the rail track in the Port area that has been removed (\$700k). There is also a component of the result that relates to the writing off of the remaining value of renewed assets (\$2.71m) that are then written back on at their new value. This cost has been partially off-set by the sale of industrial land valued at \$400k.

Note 1 Performance against budget (cont.)

1.2 Capital works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
Property					
Land improvements	1,260	100	1,160	92.1%	1
Total Land	1,260	100	1,160	92.1%	
Buildings	25	393	(368)	(1470.5%)	2
Heritage buildings	-	36	(36)	100.0%	3
Total Buildings	25	429	(404)	(1616.6%)	
Total Property	1,285	529	756	58.8%	
Plant and Equipment					
Heritage plant and equipment	120	125	(5)	(4.3%)	
Plant, machinery and equipment	1,782	899	883	49.5%	4
Fixtures, fittings and furniture	49	37	12	24.5%	
Computers and telecommunications	81	-	81	100.0%	5
Library books	141	154	(13)	(9.3%)	
Total Plant and Equipment	2,173	1,215	958	44.1%	
Infrastructure					
Roads	11,239	8,376	2,863	25.5%	6
Bridges	3,591	1,313	2,278	63.4%	7
Footpaths and cycleways	1,758	280	1,478	84.1%	8
Drainage	2,288	866	1,422	62.1%	9
Recreational, leisure and community facilities	592	1,326	(734)	(124.0%)	10
Waste management	820	543	277	33.8%	11
Aerodromes	100	-	100	100.0%	12
Other infrastructure	1,604	1,408	196	12.2%	13
Total Infrastructure	21,992	14,112	7,880	35.8%	
Total Capital Works Expenditure	25,450	15,856	9,594	37.7%	
Represented by:					
New asset expenditure	5,009	1,479	3,530	70.5%	
Asset renewal expenditure	16,980	12,907	4,073	24.0%	
Asset upgrade expenditure	3,461	1,470	1,991	57.5%	
Total Capital Works Expenditure	25,450	15,856	9,594	37.7%	

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2019

1.2 Capital works (cont.)

(i) Explanation of material variations

Variance	Explanation
Ref	
1	Echuca Industrial Estate was only designed and applicable permits and approvals obtained in 2018/19, the unspent funds will be returned to the Industrial Land reserve to progress development of the estate if grant funding is obtained in the future.
2	The spend is works carried forward from 2017/18, comprising the Changing Places Toilet Facility and completion of works on a number of other buildings which were also carried over from 2017/18.
3	Repairs to the Blacksmiths shop to improve its usability and allow leasing to artisans.
4	A number of plant items were unable to be delivered in 2018/19 due to supplier constraints, these items form part of the carried forward capital works program and will be delivered in 2019/20. A number of items listed for replacement were deemed to have a longer life than originally planned and will be replaced in future years. Any savings will be returned to the plant replacement reserve to fund future years replacement programs.
5	The project to upgrade software to allow remote access to information technology systems has been delayed to allow alternative options to be explored that may allow improved service delivery. The review of alternatives will be carried out in conjunction with councils cloud transition strategy that is in development.
6	Delays in a number of projects have contributed to the variance to budget. The larger of these projects are:- Rushworth Streetscape \$550k, Toolleen Axedale road widening \$500k, Annesley street rehabilitation \$379k and Francis street/Service street roundabout rehabilitation \$150k.
7	Milloo-Dingee bridge project was designed only in 2018/19 with the works to be carried out in 2019/20, \$300K. Fox Island bridge replacement was delayed due to issues with the original design, \$1.03m. The annual bridge renewal project was underspent by \$200k due to a complete review of all bridges being undertaken to allow a better understanding of the works required on the shires bridges. This review will feed into future years capital works programs.
8	The Waranga Rail Trail project did not receive grant funding and will not proceed until funding is able to be obtained, \$1.05m. \$200k is works that will be completed in 2019/20.
9	A number of projects will carryover to 2019/20, these are McKenzie Road outfall \$500k, McEwen Road East and West retardation basins \$450k, not all funds budgeted for annual renewal projects were required and will be returned to reserves.
10	\$200k for Echuca War Memorial Aquatic Centre air circulation system renewal was budgeted in a prior year but works completed in 2018/19. A number of small projects carried over from prior years account for the balance of the variance.

1.2 Capital works (cont.)**(i) Explanation of material variations****Variance Explanation****Ref**

-
- | | |
|----|---|
| 11 | Upgrades to the waste facilities to accommodate changes to legislation for e-waste and installation of hardstands at the environment centres was not fully completed in 2018/19, a small component of these projects carried over to 2019/20. |
| 12 | Aerodrome projects have been carried over to 2019/20. |
| 13 | Budget allocations for emergency works not required during the year, funds will be returned to applicable reserves. |

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 2 Analysis of Council results by program

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

Note 2 (a) Strong and engaged communities

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

Resilient economy

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

Healthy environment

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

Balanced Services and infrastructure

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

Responsible management

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

Note 2 Analysis of Council results by program**2 (b) Summary of revenues, expenses, assets and capital expenses by program**

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

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2018					
Balanced Services and infrastructure	29,221	31,395	(2,174)	4,696	400,596
Healthy environment	17,980	15,188	2,792	226	15,813
Resilient economy	11,759	9,432	2,327	-	46,280
Responsible management	5,380	2,848	2,532	11,311	58,111
Strong and engaged communities	24,250	25,929	(1,679)	3,775	109,049
Unattributed	-	-	-	-	39,632
	88,590	84,792	3,798	20,008	669,481

Unattributed assets

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

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

Note 3 Funding for the delivery of our services	2019	2018
3.1 Rates and charges	\$'000	\$'000

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

The valuation base used to calculate general rates for 2018/19 was \$7,362 million (2017/18 was \$6,728 million).

Residential	18,943	18,510
Commercial	3,481	3,324
Industrial	1,705	1,554
Farm	7,680	7,228
Municipal charge	4,002	3,978
Waste management charge	4,616	4,493
Recycling and garden organics charges	1,391	1,345
Supplementary rates and rate adjustments	218	286
Interest on rates and charges	112	103
Total rates and charges	42,148	40,821

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018 by LG Valuation Services Pty Ltd, API Registration N 73629, and the valuation will be first applied in the rating year commencing 1 July 2018.

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

3.2 Statutory fees and fines

Infringements and costs	636	509
Town planning fees	861	1,059
Land information certificates	92	81
Total statutory fees and fines	1,589	1,649

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

3.3 User fees

Aged and disability	1,727	1,728
Animal registrations	454	413
Caravan park fees	2,482	2,516
Child care/children's programs	2,386	2,231
Leisure centre and recreation	1,283	1,300
Livestock selling centre	627	511
Other fees and charges	3,220	4,208
Parking	821	771
Quarry sales	1,674	1,991
Sale of materials	732	641
Total user fees	15,406	16,310

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

3.4 Funding from other levels of government

2019	2018
\$'000	\$'000

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	15,804	15,528
State funded grants	6,638	4,480
Total grants received	22,442	20,008

(a) Operating Grants***Recurrent - Commonwealth Government***

Family and Children	9	38
Aged and Disability Services	1,652	1,625
Financial Assistance Grants - General purpose	7,828	7,465
Financial Assistance Grants - Local roads	4,033	3,846

Recurrent - State Government

School Crossing Supervisors	91	85
Family and Children	751	612
Community Programs	57	94
Aged and Disability Services	769	870
Environmental Health	166	77
Libraries	269	268

Total recurrent operating grants

15,625	14,980
---------------	---------------

Non-recurrent - Commonwealth Government

Family and Children	136	60
Community Programs	12	-

Non-recurrent - State Government

Family and Children	155	10
Aged and Disability Services	302	2
Emergency services	110	60
Environmental Health	220	-
Libraries	14	14
Recreation	14	124
Community Programs	59	45
Infrastructure Services	1	85

Total non-recurrent operating grants

1,023	400
--------------	------------

Total operating grants

16,648	15,380
---------------	---------------

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

3.4 Funding from other levels of government (cont.)	2019 \$'000	2018 \$'000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	2,028	2,047
Total recurrent capital grants	2,028	2,047
<i>Non-recurrent - Commonwealth Government</i>		
Economic Development	106	-
Roads to recovery	-	2,047
<i>Non-recurrent - State Government</i>		
Libraries	9	9
Roads	1,830	125
Bridges	555	-
Recreation	40	320
Emergency services	-	80
Economic Development	1,044	-
Waste Management	182	-
Total non-recurrent capital grants	3,766	2,581
Total capital grants	5,794	4,628
(c) Unspent grants received on conditions that they be spent in a specific manner		
Balance at start of year	1,274	1,170
received during the financial year and remained unspent at balance date	2,058	449
received in prior years and spent during the financial year	(905)	(345)
Balance at year end	2,427	1,274

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal).

3.5 Contributions

Monetary	476	179
Non-monetary	6,568	6,969
Total contributions	7,044	7,148
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Infrastructure	6,568	6,969
Total non-monetary contributions	6,568	6,969

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

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

Proceeds of sale	414	217
Write down value of assets disposed	(5,269)	(12,679)
Written down value of investment buildings disposed	(1,141)	-
Total net loss on disposal of property, infrastructure, plant and equipment	(5,996)	(12,462)

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

	2019	2018
	\$'000	\$'000
3.7 Other income		
Interest	1,543	1,193
Lease / rentals	417	435
Reimbursements	8	330
Total other income	1,968	1,959

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services

4.1 (a) Employee costs

Wages and salaries	20,024	19,767
Annual leave and long service leave	2,341	2,920
Casual staff	2,968	2,926
Superannuation	2,592	2,622
Work cover	244	327
Fringe benefits tax	124	184
Sick leave	1,114	1,055
Redundancy	121	156
Total employee costs	29,528	29,956

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	162	234
	162	234

Employer contributions payable at reporting date.

- -

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,849	2,102
Employer contributions - other funds	580	286
	2,429	2,388

Employer contributions payable at reporting date.

- -

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

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
4.2 Materials and services		
Administration expenses	4,197	3,539
Consultants	1,451	1,109
Contract payments - others	6,918	5,964
Contract payments - waste management	1,439	1,535
Information technology	1,298	1,413
Insurance	730	550
Legal costs	272	228
Materials	2,250	1,668
Repair and maintenance	1,520	1,749
Utility costs	2,402	2,311
Total materials and services	22,477	20,064
4.3 Depreciation		
Property	2,487	2,624
Plant and equipment	2,099	2,238
Infrastructure	13,986	13,249
Total depreciation	18,572	18,111
<i>Refer to note 6.2 for a more detailed breakdown of depreciation charges and accounting policy.</i>		
4.4 Borrowing costs		
Interest - borrowings	249	287
Total borrowing costs	249	287
Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.		
4.5 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	60	51
Auditors' remuneration - internal	51	101
Councillors' allowances	310	304
Other Councillor expenses	177	126
Operating lease rentals	1,230	1,202
Sponsorship and donation to community	818	1,237
Total other expenses	2,646	3,022

	2019 \$'000	2018 \$'000
Note 5 Our financial position		
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	10	11
Cash at bank	11,565	11,930
Total cash and cash equivalents	11,575	11,941
(b) Other financial assets		
Term deposits - current	36,000	36,092
Term deposits - non-current	19,000	8,500
Total Other financial assets	55,000	44,592
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 5.3)	2,144	2,123
- Grants received but not acquitted (Note 3.4(c))	2,427	1,274
Total restricted funds	4,571	3,397
Total unrestricted cash and cash equivalents	7,004	8,544
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Reserve funds allocated for specific future purposes	18,242	17,172
- Cash held to fund carried forward capital works	10,503	5,692
- Cash held to fund carried forward operational works	1,051	815
Total funds subject to intended allocations	29,796	23,679

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

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

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

5.1 Financial assets (cont.)	2019	2018
(c) Trade and other receivables	\$'000	\$'000
Current		
<i>Statutory receivables</i>		
Rates debtors	1,643	2,002
Parking infringement debtors	880	606
Provision for doubtful debts - parking infringements	(392)	(246)
Special rate scheme	15	-
Net GST receivable	313	-
<i>Non statutory receivables</i>		
Other debtors	4,810	1,481
Total current trade and other receivables	7,269	3,843
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	50	-
Total non-current trade and other receivables	50	-
Total trade and other receivables	7,319	3,843

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

(d) Ageing of Receivables

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

Current (not yet due)	3,855	1,187
Past due by up to 30 days	532	164
Past due between 31 and 180 days	134	41
Past due between 181 and 365 days	289	89
Past due by more than 1 year	-	-
Total trade and other receivables	4,810	1,481

At balance date, other debtors representing financial assets with a nominal value of \$754,908 (2018: \$561,440) were impaired. The amount of the provision raised against these debtors was \$391,870 (2018: \$245,857). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	65	14
Past due by up to 30 days	40	48
Past due between 31 and 180 days	94	112
Past due between 181 and 365 days	108	52
Past due by more than 1 year	447	335
Total trade and other receivables	754	561

5.2 Non-financial assets	2019	2018
	\$'000	\$'000
(a) Other assets		
Prepayments	190	280
Accrued Income	732	856
Total other assets	922	1,136
(b) Intangible assets		
Water Rights	2,952	2,362
Total intangible assets	2,952	2,362

Gross carrying amount

Fair Value at beginning of the financial year	2,362	2,200
Revaluation	590	162
Fair Value at end of the financial year	2,952	2,362

Valuation of water rights is based upon market value by reference to the water rate charged by the relevant authority and trading prices as at 30 June 2019.

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

5.3 Payables

(a) Trade and other payables		
Trade payables	544	1,466
Prepaid revenue	1,278	-
Accrued expenses	3,931	2,570
Total trade and other payables	5,753	4,036

(b) Trust funds and deposits

Current

Refundable deposits	732	635
Refundable contract retention deposits	281	252
Fire services levy	925	1,038
Caravan Park deposits	188	178
Total trust funds and deposits	2,126	2,103

Non-current

Other refundable deposits	18	21
Total trust funds and deposits	18	21

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

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

5.3 (b) Trust funds and deposits (cont.)

Purpose and nature of items

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

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

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

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

	2019	2018
	\$'000	\$'000
5.4 Interest-bearing liabilities		
Current		
Borrowings - secured	1,015	1,108
Finance leases	26	-
	1,041	1,108
Non-current		
Borrowings - secured	4,395	5,409
Finance leases	37	-
	4,432	5,409
Total	5,473	6,517

Borrowings are secured by rates

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

Not later than one year	1,015	1,108
Later than one year and not later than five years	4,081	4,398
Later than five years	314	1,011
	5,410	6,517

5.4 Interest-bearing liabilities (cont.)

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

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

	2019 \$'000	2018 \$'000
(b) The maturity profile for Council's finance lease liabilities is:		
Not later than one year	26	-
Later than one year and not later than five years	37	-
Later than five years	-	-
	<u>63</u>	<u>-</u>
Minimum future lease payments		
Less future finance charges	14	-
Present value of minimum lease payments	<u>49</u>	<u>-</u>

Council holds two leasing arrangements as lessee of finance leases, including, but not limited to, the following:

- (i) contingent rent payable is determined by the lease contract and is a flat rate for the term of the lease;
- (ii) there are no renewal options or escalation clauses, a purchase option of \$14,276 exists for one lease.
- (iii) there are no restrictions imposed by lease arrangements.

5.5 Provisions

	Employee provision \$ '000	Landfill restoration \$ '000	Total \$ '000
2019			
Balance at beginning of the financial year	7,888	2,037	9,925
Additional provisions	1,618	(262)	1,356
Amounts used	(2,637)	(42)	(2,679)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	329	261	590
Balance at the end of the financial year	7,198	1,994	9,192
2018			
Balance at beginning of the financial year	7,663	2,164	9,827
Additional provisions	2,137	(636)	1,502
Amounts used	(2,416)	-	(2,416)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	504	508	1,012
Balance at the end of the financial year	7,888	2,037	9,925

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

	2019	2018
	\$'000	\$'000
5.5 Provisions (cont.)		
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,494	1,905
Long service leave	472	472
	1,966	2,377
Current provisions expected to be wholly settled after 12 months		
Annual leave	329	504
Long service leave	4,247	4,249
	4,576	4,753
Total current employee provisions	6,542	7,130
Non-current		
Long service leave	656	758
Total non-current employee provisions	656	758
Aggregate carrying amount of employee provisions:		
Current	6,542	7,130
Non-current	656	758
Total aggregate carrying amount of employee provisions	7,198	7,888

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

Wages and salaries and annual leave

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

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

Long service leave

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

5.5 Provisions (cont.)

(a) Employee provisions (cont.)

Key assumptions:	2019	2018
- discount rate	1.46%	2.69%
- inflation rate	4.31%	3.88%

	2019	2018
(b) Landfill restoration	\$'000	\$'000
Current	100	104
Non-current	1,894	1,933
	1,994	2,037

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

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

Key assumptions:	2019	2018
- discount rate	1.07%	2.42%
- inflation rate	1.30%	1.90%

5.6 Financing arrangements

Council has the following funding arrangements in place as at 30 June 2019.

	2019	2018
	\$'000	\$'000
Bank overdraft	1,250	1,250
Credit card facilities	250	250
Asset finance leasing	600	600
Loans	5,410	6,517
Total facilities	7,510	8,617

Used facilities	5,533	7,077
Unused facilities	1,977	1,540

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

5.7 Commitments

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

2019	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection	2,042	2,081	-	-	4,123
Landfill	1,041	1,072	3,414	6,409	11,936
Recycling and transfer stations	783	797	-	-	1,580
Environment centre management	316	322	-	-	638
Consultancies	29	31	5	-	65
Quarry equipment	150	80	-	-	230
Cleaning/maintenance contracts	213	142	-	-	355
Corporate software	448	293	544	-	1,285
Council facilities management	1,174	843	421	-	2,438
Caravan parks	1,250	1,275	1,631	-	4,156
Total	7,446	6,936	6,015	6,409	26,806

Capital					
Economic Development	208	-	-	-	208
Bridges	933	-	-	-	933
Infrastructures	68	-	-	-	68
Recreation	2	-	-	-	2
Total	1,211	-	-	-	1,211

2018	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection	1,822	-	-	-	1,822
Landfill	967	1,022	3,253	7,439	12,681
Recycling and transfer stations	1,051	-	-	-	1,051
Environment centre management	169	-	-	-	169
Quarry equipment	188	150	80	-	418
Meals on wheels	275	247	-	-	522
Cleaning/maintenance contracts	92	16	-	-	108
Corporate software	279	204	63	-	546
Caravan parks	1,114	1,136	2,642	-	4,892
Total	5,957	2,776	6,038	7,439	22,210

Capital					
Buildings	2	-	-	-	2
Roads	70	-	-	-	70
Drainage	1	-	-	-	1
Footpaths, Kerb and Channel	50	-	-	-	50
Plant and Equipment	180	-	-	-	180
Infrastructures	627	-	-	-	627
Total	930	-	-	-	930

5.7 Commitments (cont.)

	2019	2018
	\$'000	\$'000
<i>Operating lease commitments</i>		

At the reporting date, council had the following obligations under non-cancellable operating leases for the lease of equipment for use within council's activities (these obligations are not recognised as liabilities):

Not later than one year	510	414
Later than one year and not later than five years	731	833
	1,241	1,247

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

Note 6 Assets we manage**6.1 Non current assets classified as held for sale**

Land held for resale	289	308
Buildings held for resale	744	714
Total non current assets classified as held for	1,033	1,022

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

Campaspe Shire Council 2018/2019 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2019

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

	At Fair Value 30 June 2018	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Adjustments & Transfers	At Fair Value 30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	88,804	-	-	-	(10)	(609)	2,161	90,346
Buildings	92,902	1,896	-	-	(2,477)	(1,397)	338	91,262
Plant and Equipment	13,181	662	-	-	(2,099)	(111)	-	11,633
Infrastructure	353,117	11,843	6,568	-	(13,986)	(3,152)	-	354,390
Artworks	1,138	-	-	-	-	-	-	1,138
Work in progress	42,912	2,822	-	-	-	-	(1,832)	43,902
	592,054	17,223	6,568	-	(18,572)	(5,269)	667	592,671

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Land and Buildings	7,114	-	(1,832)	-	5,281
Plant and Equipment	462	554	-	-	1,016
Infrastructure	35,336	2,268	-	-	37,604
Total	42,912	2,822	(1,832)	-	43,902

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

(a) Property

	Land - Crown Land	Land under roads	Land - Council Owned improvements	Land	Total Land	Buildings Specialised	Buildings - Non Specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	20,238	7,646	60,261	696	88,841	58,018	125,579	183,597	7,114	279,552
Accumulated depreciation at 1 July 2018	-	-	-	(37)	(37)	(27,759)	(62,937)	(90,695)	-	(90,732)
	20,238	7,646	60,261	659	88,804	30,259	62,643	92,902	7,114	188,820
Movements in fair value										
Acquisition of assets at fair value	-	-	-	-	-	1,149	747	1,896	-	1,896
Fair value of assets disposed	(280)	-	(60)	(290)	(630)	(2,058)	(309)	(2,367)	-	(2,996)
Transfers	473	-	1,688	-	2,161	161	225	387	(1,832)	716
	193	-	1,628	(290)	1,531	(748)	664	(84)	(1,832)	(385)
Movements in accumulated depreciation										
Depreciation	-	-	-	(10)	(10)	(753)	(1,724)	(2,477)	-	(2,487)
Accumulated depreciation of disposals	-	-	-	21	21	853	117	970	-	991
Transfers	-	-	-	-	-	(81)	33	(47)	-	(47)
	-	-	-	11	11	19	(1,574)	(1,554)	-	(1,543)
At fair value 30 June 2019	20,432	7,646	61,888	407	90,372	57,270	126,243	183,513	5,281	279,167
Accumulated depreciation at 30 June 2019	-	-	-	(26)	(26)	(27,739)	(64,510)	(92,250)	-	(92,275)
	20,432	7,646	61,888	381	90,346	29,531	61,732	91,263	5,281	186,891

Campaspe Shire Council 2018/2019 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2019

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

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fittings, furniture and equipment \$'000	Heritage plant and equipment \$'000	Computers and telecomms \$'000	Library books \$'000	Total plant and equipment before WIP \$'000	Artworks \$'000	Total artworks \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2018	12,896	304	2,481	9,434	2,958	28,074	1,138	1,138	462	29,674
Accumulated depreciation at 1 July 2018	(8,877)	(193)	(379)	(2,937)	(2,506)	(14,893)	-	-	-	(14,893)
	4,019	111	2,102	6,498	452	13,181	1,138	1,138	462	14,781
Movements in fair value										
Acquisition of assets at fair value	492	-	157	14	-	662	-	-	554	1,216
Fair value of assets disposed	(328)	-	(119)	-	-	(447)	-	-	-	(447)
	164	-	37	14	-	215	-	-	554	769

Movements in accumulated depreciation

Depreciation	(983)	(12)	(31)	(978)	(94)	(2,099)	-	-	-	(2,099)
Accumulated depreciation of disposals	313	-	23	-	-	336	-	-	-	336
	(670)	(12)	(9)	(978)	(94)	(1,763)	-	-	-	(1,763)

At fair value 30 June 2019

At fair value 30 June 2019	13,060	304	2,518	9,448	2,958	28,289	1,138	1,138	1,016	30,443
Accumulated depreciation at 30 June 2019	(9,548)	(205)	(388)	(3,915)	(2,601)	(16,656)	-	-	-	(16,656)
	3,513	99	2,130	5,533	358	11,633	1,138	1,138	1,016	13,787

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

(c) Infrastructure

	Roads	Bridges	Footpaths and Cycleways	Drainage	Recreational, Leisure and Community	Parks, Open Spaces and Streetscapes	Off Street Car Parks	Other infrastructure	Total infrastructure before WIP	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	456,569	23,829	26,202	72,947	5,163	4,206	2,945	6,365	598,224	35,336	633,560
Accumulated depreciation at 1 July 2018	(197,231)	(8,591)	(6,165)	(26,974)	(1,416)	(2,501)	(866)	(1,363)	(245,108)	-	(245,108)
	259,338	15,237	20,036	45,974	3,746	1,706	2,079	5,002	353,117	35,336	388,453
Movements in fair value											
Acquisition of assets at fair value	9,911	315	87	1,050	369	20	-	91	11,843	2,268	14,111
Contributed Assets	3,649	-	1,309	1,609	-	-	-	-	6,568	-	6,568
Fair value of assets disposed	(5,935)	(1,044)	(58)	(112)	(170)	(24)	-	(724)	(8,067)	-	(8,067)
	7,626	(729)	1,339	2,547	198	4	-	(634)	10,344	2,268	12,612
Movements in accumulated depreciation											
Depreciation	(11,372)	(298)	(545)	(962)	(338)	(168)	(29)	(274)	(13,986)	-	(13,986)
Accumulated depreciation of disposals	4,290	357	11	37	76	13	-	130	4,915	-	4,915
	(7,080)	59	(534)	(925)	(262)	(154)	(29)	(144)	(9,070)	-	(9,070)
At fair value 30 June 2019	464,194	23,099	27,540	75,495	5,361	4,203	2,945	5,731	608,568	37,604	646,172
Accumulated depreciation at 30 June 2019	(204,311)	(8,533)	(6,699)	(27,899)	(1,678)	(2,655)	(895)	(1,507)	(254,177)	-	(254,177)
	259,883	14,567	20,841	47,596	3,683	1,548	2,050	4,224	354,390	37,604	391,994

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

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

Acquisition

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

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

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Land and land improvements		
land improvements	30 years	10
Buildings		
heritage buildings	100-150 years	10
buildings	75-100 years	10
building improvements	20 years	10
leasehold improvements	10 years	10
Plant and Equipment		
heritage plant and equipment (paddlesteamers)	100 years	5
plant, machinery and equipment	3-20 years	0.5
fixtures, fittings and furniture	3-15 years	0.5
computers and telecommunications	4 years	0.5
library books	5-10 years	1
artworks	-	-
Infrastructure		
road pavements and seals	7-15 years	10
road substructure	74-112 years	10
road formation and earthworks	50 years	10
road kerb, channel and minor culverts	15 years	10
bridges deck	80 years	10
bridges substructure	80 years	10
footpaths and cycleways	50 years	10
drainage	80 years	10

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation

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

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

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

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

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

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

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to council where it is likely that council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 3 to 5 year period.

Repairs and maintenance

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

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 10 year period.

Valuation of land and buildings

Valuation of land and buildings were undertaken by Marcus Hann, a qualified independent valuer from LG Valuation Services Pty Ltd. The date of the valuation was 30 June 2017. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

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

Valuation of land and buildings (cont.)

Details of council's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level 3 DoV \$ '000	
Specialised land	-	-	20,432	Jun-17
Non specialised land	-	61,888	-	Jun-17
Specialised Buildings	-	-	29,531	Jun-17
Non specialised buildings	-	61,732	-	Jun-17
Land under roads	-	-	7,646	Jun-15
Land improvements	-	-	381	Jun-14
Total	-	123,620	57,990	

Valuation of infrastructure

The date of the current valuation is detailed in the following table. An index based revaluation was conducted in 2017/18. This valuation was based on Australian Bureau of Statistics, Producer Price Indexes - Road and Bridge construction from Victoria. A full unit rate revaluation of assets will be conducted in 2019/20.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	DoV
Roads	-	-	259,883	Jun-18
Bridges	-	-	14,567	Jun-18
Footpaths and cycleways	-	-	20,841	Jun-18
Drainage	-	-	47,596	Jun-18
Recreational, leisure and community facilities	-	-	3,683	Jun-14
Parks, open space and streetscapes	-	-	1,548	Dec 14
Off street car parks	-	-	2,050	Jun-15
Other infrastructure	-	-	4,224	Jun-15
Total	-	-	354,392	

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

Valuation of infrastructure (cont.)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads are valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.03 and \$1,650 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$75 to \$9,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 15 years to 75 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 0 to 111 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2019 \$'000	2018 \$'000
Reconciliation of specialised land		
Specialised land	20,432	20,238
Land under roads	7,646	7,646
Land improvements	381	659
Total specialised land	28,459	28,543

Valuation of Artworks

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

Details of council's artworks and information about the fair value hierarchy as at 30 June 2019 are as follows:

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

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

	2019	2018
	\$'000	\$'000

6.3 Investments in associates, joint arrangements and

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

Committees of management

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

6.4 Investment property

Balance at beginning of financial year	11,798	11,103
Disposals / adjustments	(3,179)	-
Fair value adjustments	-	695
Balance at end of financial year	8,619	11,798

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

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Marcus Hann, a qualified independent valuer from LG Valuation Services Pty Ltd. The date of this valuation was 1 June 2017. The valuation is at fair value, based on the current market value for the property.

Note 7 People and relationships		2019 No.	2018 No.
7.1 Council and key management remuneration			
(a) Related Parties			
<i>Parent entity</i>			
Shire of Campaspe is not the parent entity of any other entities.			
<i>Subsidiaries and Associates</i>			
Council does not have any investments in associates, joint arrangements or subsidiaries.			
(b) Key Management Personnel			
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:			
Councillors	Councillor Adrian Weston (Mayor)		
	Councillor Leigh Wilson		
	Councillor Leanne Pentreath		
	Councillor Neil Pankhurst		
	Councillor John Zobec		
	Councillor Daniel Mackrell		
	Councillor Kristen Munro		
	Councillor Vicki Neele		
	Councillor Annie Vickers		
KMP	Chief Executive Officer		
	Acting Chief Executive Officer x3		
	General Manager - Corporate Service		
	General Manager - Regulatory & Community Services		
	General Manager - Economic & Community Development		
	General Manager - Infrastructure Services		
	Acting General Manager - Infrastructure Services		
	Planning and Building Manager		
	Finance Manager		
	Asset Manager (Vacant)		
	Public Environments Manager		
	Property Manager		
	Governance Manager		
Total Number of Councillors		9	9
Total of Chief Executive Officer and other Key Management Personnel		15	14
Total Number of Key Management Personnel *		24	23
(c) Remuneration of Key Management Personnel *			
	2019	2018	
	\$'000	\$'000	
Total remuneration of key management personnel was as follows:			
Short-term benefits	2,201	2,244	
Post-employment benefits	162	157	
Long-term benefits	40	49	
Termination benefits	73	-	
Total	2,476	2,450	

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

7.1 Council and key management remuneration

(c) Remuneration of Key Management Personnel (cont.) *

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

	2019 No.	2018 No.
\$10,000 - \$19,999	2	-
\$20,000 - \$29,999	8	9
\$30,000 - \$39,999	1	1
\$50,000 - \$59,999	1	1
\$60,000 - \$69,999	-	1
\$80,000 - \$89,999	1	-
\$100,000 - \$109,999	-	1
\$130,000 - \$139,999	-	1
\$140,000 - \$149,999	1	2
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	4	2
\$170,000 - \$179,999	2	1
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	-	1
\$230,000 - \$239,999	1	1
\$270,000 - \$279,999	1	-
\$340,000 - \$349,999	-	1
	24	23

* A review of what roles within council are considered key management personnel (KMP) for Note 7.1 (b) and (c) has identified six additional roles that are considered to be KMP. The comparative values for 2017/18 have been update to reflect this change.

(d) Senior Officer Remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$148,000.

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

	2019 No.	2018 No.
Income Range:		
<\$148,000	-	1
\$148,000 - \$149,999	1	2
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	1	-
	3	4
	\$'000	\$'000

Total Remuneration for the reporting year for Senior Officers included above, amounted to:

\$	453	\$	592
----	-----	----	-----

7.2 Related party disclosure

(a) Transactions with related parties

Council has eight employees who are close family members of key management personnel, the total remuneration paid to these employees was \$637,922 (2018: \$554,054).

Total rental income received from related parties was \$18,878 (2018: \$43,251).

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

(b) Outstanding balances with related parties

There are no balances outstanding at the end of the reporting period in relation to transactions with related parties.

(c) Loans to/from related parties

No loans have been made, guaranteed or secured by council to a responsible person. (2017/18 Nil).

(d) Commitments to/from related parties

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

Council has long term commercial rental agreements with related parties for properties owned by council. The value of the rental income is \$21,311 (2018: \$28,507).

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

Operating lease receivables

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

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

	2019 \$'000	2018 \$'000
Not later than one year	188	200
Later than one year and not later than five years	440	370
	628	570

(b) Contingent liabilities

Bank Guarantees held in favour of other Entities

(a) Council currently has three Bank Guarantees in favour of the Department or Environment, Land, Water and Planning for the rehabilitation bond at the Nanneella Quarry.	365	365
(b) Council currently has three Bank Guarantees in favour of the Department or Environment, Land, Water and Planning for the rehabilitation bond at the Mt Scobie Quarry.	151	151
(c) Council currently has two Bank Guarantees in favour of the Department or Environment, Land, Water and Planning for the rehabilitation bond at Weeks and Browns Pits.	14	14
(d) Council currently has one Bank Guarantee in favour of Coliban Water for industrial land expansion.	100	100
(e) Council currently has one Bank Guarantees in favour of the Environmental Protection Agency for the rehabilitation bond for Council landfills.	800	800
(f) Council currently has one Bank Guarantee in favour of VicRoads for Industrial estates.	10	10
Total	1,440	1,440

Superannuation

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

Future superannuation contributions

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 are \$165,550.

8.1 Contingent assets and liabilities (cont.)

(b) Contingent liabilities (cont.)

Compulsory acquisition of land compensation

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

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

Insurance claims

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

Legal matters

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

Building cladding

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

Liability Mutual Insurance (where applicable)

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

Recycling - additional charges

Council will have additional costs for recycling services provided by contractors. The amount has yet to be quantified, negotiations between council and contractors are ongoing and are yet to reach agreement on an amount that is acceptable to both parties but it will not have a material impact on future operations.

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. This standard is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Council has elected to adopt the modified retrospective approach for transition where AASB 15 will only apply to contracts that were not completed on transition date (i.e. where revenue has not been previously all recognised in respect to a contract by 1 July 2019). Council assessment identified no material impact on transition date.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

8.2 Change in accounting standards (cont.)

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$1.184 million in lease related assets and an equivalent liability.

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard is expected to apply to certain transactions currently accounted for under AASB 1004 *Contributions* and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

Council has adopted the modified retrospective approach for transition where AASB 1058 will only be applied to contracts that are not complete as of the date of transition (i.e. contracts where all income has not previously been fully recognised by 1 July 2019).

Council assessment identified that on transition date capital grants with a value of \$569k, which were previously recognised as income will be deferred on the balance sheet as a transition date adjustment.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

8.3 Financial instruments (cont.)

(b) Market risk (cont.)

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

(c) Credit risk

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

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

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

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

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

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

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

8.3 Financial instruments (cont.)

(d) Liquidity risk

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

To help reduce these risks Council:

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

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 2.90%.

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

8.4 Fair value measurement

Fair value hierarchy

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

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

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

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

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

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

Revaluation

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

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

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

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

8.4 Fair value measurement (cont.)

Impairment of assets

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

8.5 Events occurring after balance date

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

Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

2019

Property

Land and land improvements	25,348	-	25,348
Water rights	2,075	590	2,665
Artworks	124	-	124
Plant and Equipment	1,659	-	1,659
Buildings	50,510	-	50,510
	79,716	590	80,306

Infrastructure

Roads	174,558	-	174,558
Bridges	10,003	-	10,003
Footpaths and cycleways	12,807	-	12,807
Drainage	26,386	-	26,386
Other infrastructure	5,303	-	5,303
	229,057	-	229,057

Total asset revaluation reserves

	308,773	590	309,363
--	----------------	------------	----------------

2018

Property

Land and land improvements	19,584	5,764	25,348
Water rights	1,913	162	2,075
Artworks	124	-	124
Plant and equipment	1,659	-	1,659
Buildings	44,316	6,194	50,510
	67,596	12,120	79,716

Infrastructure

Roads	153,505	21,053	174,558
Bridges	9,100	903	10,003
Footpaths and cycleways	10,692	2,115	12,807
Drainage	21,534	4,852	26,386
Other infrastructure	5,303	-	5,303
	200,134	28,923	229,057

Total asset revaluation reserves

	267,730	41,043	308,773
--	----------------	---------------	----------------

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

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

9.1 Reserves (cont.)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2019				
Restricted reserves				
Recreational land	1,144	(166)	339	1,317
Car parking	156	-	8	164
	1,300	(166)	347	1,481
Unrestricted reserves				
Accumulated unallocated cash	692	-	-	692
Active Transport Strategy	247	-	-	247
Asset renewal - non-roads	1,970	-	-	1,970
Asset renewal - plant replacement	3,752	(1,782)	1,436	3,406
Asset renewal - roads	3,504	-	-	3,504
Commercial investment - Holiday Park	1,067	-	250	1,317
Community plan implementation	94	-	-	94
Disability Discrimination Act reserve	674	(100)	100	674
Drainage reserve	758	(689)	300	369
Industrial land	1,783	(600)	404	1,587
Policy 130 - reserve	325	-	200	525
Rochester water rights reserve	69	-	-	69
Waste reserve	937	(729)	2,099	2,307
	15,872	(3,900)	4,789	16,761
Total Other reserves	17,172	(4,066)	5,136	18,242
2018				
Restricted reserves				
Recreational land	1,087	-	57	1,144
Car parking	32	-	124	156
	1,119	-	181	1,300
Unrestricted reserves				
Accumulated unallocated cash	692	-	-	692
Active Transport Strategy Reserve	247	-	-	247
Asset renewal - non-roads	1,970	-	-	1,970
Asset renewal - plant replacement	3,752	-	-	3,752
Asset renewal - roads	3,504	-	-	3,504
Commercial investment - Holiday Park	1,067	-	-	1,067
Community plan implementation	94	-	-	94
Disability Discrimination Act reserve	674	-	-	674
Drainage reserve	758	-	-	758
Industrial land	1,783	-	-	1,783
Policy 130 - reserve	325	-	-	325
Rochester water rights reserve	69	-	-	69
Waste reserve	937	-	-	937
	15,872	-	-	15,872
Total Other reserves	16,991	-	181	17,172

9.1 Other reserves (b) (cont.)

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

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

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

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

Accumulated Unallocated Cash

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

Active Transport strategy reserve

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

Asset Renewal - non-roads

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

Asset Renewal - plant replacement

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

Asset Renewal - roads

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

Commercial Investment - Holiday Park

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

Community Plan Implementation

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

Disability Discrimination Act reserve

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

Drainage reserve

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

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

9.1 Other reserves (b) (cont.)

Industrial land

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

Policy 130 reserve

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

Rochester water rights reserve

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

Waste reserve

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

	2019 \$'000	2018 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus for the year	10,983	3,798
Depreciation	18,572	18,111
(Profit)/loss on disposal of property, infrastructure, plant and equipment	5,996	12,462
Impairment losses	-	865
Fair value adjustments for investment property	-	(695)
Contributions - Non-monetary assets	(6,568)	(6,969)
Borrowing costs	249	287
Bad debts	146	25
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(3,622)	(352)
(Increase)/decrease in prepayments	90	692
Increase/(decrease) in trust funds and deposits	21	126
(Increase)/decrease in accrued income	124	145
Increase/(decrease) in trade and other payables	1,716	(3,166)
Increase/(decrease) in other liabilities	-	-
(Increase)/decrease in inventories	(138)	(93)
Increase/(decrease) in provisions	(733)	99
Net cash provided by/(used in) operating activities	26,836	25,335

9.3 Superannuation

Campaspe Shire Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently.

Accumulation

The Fund's accumulation categories receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee legislation).

Campaspe Shire Council

2018/2019 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2019

9.3 Superannuation (cont.)

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018).

As at 30 June 2018, an interim actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns 6.0% pa

Salary information 3.5% pa

Price inflation (CPI) 2.0% pa.

Vision Super has advised that the VBI at the quarter ending 30 June 2019 was 107.1%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 interim investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Defined benefit 2018 interim actuarial investigation surplus amounts.

The Fund's interim investigation as at 30 June 2018 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$131.9 million

A total service liability surplus of \$218.3 million.

A discounted accrued benefits surplus of \$249.1 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018. Council was notified of the 30 June 2018 VBI during August 2018.

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2019. It is anticipated that this actuarial investigation will be completed in October 2019.

Funding calls

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

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

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

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

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

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

Performance Statement

For the year ending 30 June 2019

Description of municipality

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

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



Sustainable Capacity Indicators

For the year ended 30 June 2019

Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Population Expenses per head of municipal population [Total expenses / Municipal population]	\$2,001.31	\$1,970.00	\$2,263.38	\$2,117.87	The trend in expenses per head of municipal population has generally remained steady across the four years of reporting. The increase in the 2017/18 period reflects an increase in the loss on the disposal of assets of \$13.3 million. There has not been the same level of asset adjustments required in 2018/19 which has had a favourable impact on the result.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$12,693.23	\$12,496.99	\$13,433.23	\$13,362.55	The value of infrastructure per head of municipal population has remained consistent with 2017/18 as no revaluation of assets classes has been undertaken in 2018/19.
Population density per length of road [Municipal population / Kilometres of local roads]	8.90	9.00	9.28	9.26	The long term trend of the population density per length of road remains generally steady.
Own-source revenue Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,523.12	\$1,532.66	\$1,639.86	\$1,625.63	The overall trend in own-source revenue per head of municipal population has increased over the 4 years of reporting. While own source revenue has increased by \$372k the population increase had been greater proportionally resulting in a reduction in the result for 2018/19.
Recurrent grants Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$328.43	\$626.12	\$454.50	\$469.59	The variation in results is due to the prepayment of Financial Assistance Grants not being consistent across prior years.
Disadvantage Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	3.00	3.00	3.00	3.00	

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

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

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

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



Sustainable Capacity Indicators

For the year ended 30 June 2019

Service / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Aquatic Facilities					
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.70	5.95	6.22	6.22	The trend in the utilisation of aquatic facilities has increased over the four years of reporting. A warmer start to the summer season, increased community engagement activities and school usage supported increased utilisation. Council's focus on delivering quality facilities and programs such as accredited Learn to Swim and targeted classes for older adults, has driven this increase. Across all eight aquatic facilities a total of 233,800 visits were recorded (one year round aquatic and leisure centre and seven seasonal outdoor pools). Pool attendance is 610 higher than last year.
Animal Management					
Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	1.00	0.00	3.00	0.00	Council implements a range of alternative enforcement methods to prosecution. No prosecutions were pursued in 2018/19. Council continues to implement animal management programs which seek to educate the community about responsible pet ownership.
Food Safety					
Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	85.42%	77.14%	95.00%	100.00%	Council received 26 critical and major non-compliance notifications about food premises within the 2018 calendar year, compared to 40 in 2017. 100% of non-compliance notifications were followed up. Council has implemented an approach that focuses on risk identification when inspecting a food premises. This has resulted in the improved result and better consistency of approach by officers over the past two years. A full complement of staff has contributed to the 2018 year's result bringing it back in line with previous year's results.
Governance					
Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	48.00	48.00	46.00	47.00	Throughout the 2018/19 year council made a number of significant decisions. Council recognises that there are diverse views across the community in relation to many of these decisions. Improving community satisfaction with decisions of council remains a focus.

Service / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Home and Community Care (HACC)					
Participation Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100	13.04%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	
Participation Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	5.69%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	
Libraries					
Participation Active library members [Number of active library members / Municipal population] x100	17.46%	16.81%	16.32%	15.34%	The trend in the number of active library members has generally remained steady across the last four years of reporting. The result includes physical and eResource activity.
Maternal and Child Health (MCH)					
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	73.03%	72.96%	75.47%	73.71%	Overall participation rates in the MCH service remains stable. Within the age groups attending the service, 3.5 year old participation remains a focus area for improvement - consistent with a state-wide trend.
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	62.85%	58.93%	70.49%	69.54%	Participation in the MCH service by Aboriginal children has remained consistent with the previous reporting period, which is driven by improved data collection and information sharing measures between council and the local Aboriginal Community Controlled Health Organisation (Njernda Aboriginal Corporation).

Service / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019	Material variations and comments
Roads					
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	53.00	40.00	45.00	47.00	<p>This year's result shows a small but continuing improvement in this indicator. As with last year's result, council's understanding of the sealed local road network, gained through customer service requests and the ongoing inspection program, both indicate the network is generally in good condition.</p> <p>Council continues to suspect the deterioration of the VicRoads sealed road network has impacted the overall trend which is supported by supplementary questioning.</p>
Statutory Planning					
Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	100.00%	80.00%	90.91%	<p>The trend in council planning decisions upheld at VCAT remains high. The 2018/19 result is on par with the average across the four years of reporting. The Planning Unit consistently arrange 'consultation meetings' during the application process in order to improve outcomes. Officers also review other VCAT cases and seek appropriate advice as required.</p>
Waste Collection					
Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	40.57%	41.12%	40.35%	39.03%	<p>Council has a strong focus on reducing waste to landfill, through a waste education and behaviour change program. The decrease in the indicator result for kerbside waste diverted from landfill is attributable to a fall in the total volume of recycling as a result of the introduction of a container deposit scheme in NSW which Campaspe residents are accessing. Combined with dry weather conditions that has reduced the amount of green organics waste collected. The overall amount of waste going to landfill has also reduced.</p>

Definitions

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

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

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

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

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

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

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

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

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

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

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

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

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

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

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

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



Dimension / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019
Efficiency				
Revenue level	\$1,618.27	\$1,703.37	\$1,721.59	\$1,866.47
Average residential rate per residential property assessment				
[Residential rate revenue / Number of residential property assessments]				
Expenditure level	\$3,673.05	\$3,643.21	\$4,107.99	\$3,860.50
Expenses per property assessment				
[Total expenses / Number of property assessments]				
Workforce turnover	12.63%	15.59%	11.36%	11.93%
Resignations and terminations compared to average staff				
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100				
Liquidity				
Working capital	348.60%	244.53%	378.13%	370.05%
Current assets compared to current liabilities				
[Current assets / Current liabilities] x100				
Unrestricted cash	266.97%	184.45%	259.95%	190.66%
Unrestricted cash compared to current liabilities				
[Unrestricted cash / Current liabilities] x100				
Obligations				
Asset renewal	71.11%	77.64%	71.07%	69.50%
Asset renewal compared to depreciation				
[Asset renewal expense / Asset depreciation] x100				
Loans and borrowings	22.64%	19.24%	15.96%	12.83%
Loans and borrowings compared to rates				
[Interest bearing loans and borrowings / Rate revenue] x100				
Loans and borrowings	3.38%	3.38%	3.29%	3.22%
Loans and borrowings repayments compared to rates				
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100				

Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Material variations and comments
\$1,457.16	\$1,493.58	\$1,530.92	\$1,569.20	The trend in revenue level has increased slightly across the last four years of reporting. The larger increase in the 2018/19 result on the previous year reflects an increase in property valuations. Overall the number of residential property assessments has remained steady. The forecast year results were calculated using prior year property valuations which were less than actual valuations for 2019.
\$3,805.39	\$3913.22	\$4,011.13	\$4,113.01	The expenditure level decreased in 2018/19 on the prior year. This variation reflects an increase in the loss on the disposal of assets in 2017/18. That was driven by a number of assets being handed back to community management, de-recognition of assets found not to be Councils and duplicated assets, as a result the value of these assets were written off.
10.53%	9.97%	9.42%	9.42%	The trend in resignation and terminations remained steady across the four years of reporting. In 2018/19 Council had a number of senior leadership positions vacated.
390.75%	368.53%	359.15%	337.09%	The trend in percentage of working capital has remained strong across the four years of reporting and is forecast to decrease to 2023. The current year result reflects Council holding cash to fund carried over capital works and to fund the 2019/20 capital works program. Council also has sufficient cash to pay liabilities on time.
310.76%	289.43%	278.95%	258.08%	The trend in percentage of unrestricted cash has remained reasonably steady across the four years of reporting. It is forecast to trend down through to 2023. Cash reserves are anticipated to decrease as carried forward capital works are completed.
114.00%	93.36%	95.57%	92.96%	The trend in percentage of asset renewal has decreased across the four years of reporting. The 2018/19 year result of 69.50% indicates that Council is not meeting all asset renewal requirements. Council is working to address this issue with improved systems and data management. As a consequence an increasing trend has been forecast to 2023.
18.80%	15.36%	12.14%	9.80%	The trend in percentage of loans and borrowings compared to rates has decreased across the four years of reporting. It is forecast to increase in 2019/20, were Council has budgeted to borrow to fund the Echuca Council offices extension works being carried out in conjunction with Court Services Victoria to improve access to both services.
2.90%	3.92%	3.65%	2.72%	The trend in the percentage of loans and borrowing repayments compared to rates has remained steady across the four years of reporting. This trend has been driven by no new borrowings being undertaken in the last two years. The trend is forecast to increase in 2020/21 when the effects of new borrowings will impact the result.

Dimension / Indicator / measure	Result 2016	Result 2017	Result 2018	Result 2019
Indebtedness	18.57%	16.17%	13.22%	11.39%
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100				
Operating position				
Adjusted underlying result	(7.93%)	9.00%	(7.52%)	0.22%
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100				
Stability				
Rates concentration	55.67%	48.57%	51.76%	52.82%
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100				
Rates effort	0.61%	0.59%	0.61%	0.57%
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100				

Definitions

"adjusted underlying revenue" means total income other than-

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

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

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

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

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

"non-current assets" means all assets other than

current assets

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

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

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

"population" means the resident population estimated by council

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

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

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

Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Material variations and comments
18.52%	16.19%	14.37%	12.55%	The trend in indebtedness has declined significantly over the four years of reporting. The decline has been driven by Council paying down loans by \$1.1 million. The trend is forecast to increase in 2019/20 when the effects of new borrowings will impact the result.
(0.40%)	(1.68%)	(2.11%)	(2.58%)	The fluctuation in the adjusted underlying result in 2015/16 and 2016/17 was driven by inconsistent pre-payment of the Financial Assistance Grants. The variance in 2017/18 is the result of assets being written off. A portion of this is assets having been incorrectly recognised in the past, assets being handed back to the community and the writing off the remaining value of renewed assets prior to being written back at their new value. In the forecast year costs will be greater than income leading to a negative result.
55.72%	55.97%	55.93%	55.89%	The trend in the percentage of rates concentration has generally remained steady over the four years of reporting and is forecast to continue to remain steady to 2022/23.
0.59%	0.57%	0.55%	0.54%	The trend in the percentage of rates effort has remained steady across the four years of reporting and is forecast to continue to remain steady to 2022/23.

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

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



Other Information

For the year ended 30 June 2019

Basis of preparation

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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 4 June 2019 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained from Council's website.



Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.



Ailsa Box, CPA

Principal Accounting Officer

Dated: 17 September 2019

In our opinion, the accompanying performance statement of the *Campaspe Shire Council* for the year ended 30 June 2019 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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



Cr Adrian Weston

Councillor

Dated: 17 September 2019



Cr Leanne Pentreath

Councillor

Dated: 17 September 2019



Raymond Burton

Acting Chief Executive Officer

Dated: 17 September 2019

Independent Auditor's Report

To the Councillors of Campaspe Shire Council

Opinion	<p>I have audited the accompanying performance statement of Campaspe Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • other information for the year ended 30 June 2019 (basis of preparation) • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</p>


Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
20 September 2019


 Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Glossary & Acronyms

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

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

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

CEO - Chief Executive Officer.

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

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

Councillors - The elected representatives of Council.

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

Cr - Councillor

ERP - Estimated residential population

FTE - Full-time effective

FYTD - Financial year to date

EMG - Executive Management Group

FOI - Freedom of Information

HACC - Home and Community Care

ICT - Information and Communications Technology

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

LGPRF - Local Government Performance Reporting Framework

LMS - Learning management system

OHS - Occupational health and safety

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

Strategic objective - The outcome Council is seeking to achieve over the four years of the Council plan.

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

Strategies - High level actions directed at achieving the strategic objectives in the Council plan.

VCAT - Victorian Civil Administrative Tribunal



Corner Hare and Heygarth Streets, Echuca

Hours: 8.30am to 5.00pm
Monday to Friday

Postal: PO Box 35, Echuca VIC 3564

Telephone: 03 5481 2200
1300 666 535

Email: shire@campaspe.vic.gov.au

Website: www.campaspe.vic.gov.au

Social:  @CampaspeShireCouncil

 @campaspeshire

 #campaspeshire

Customer Service Centres

Kyabram, 19 Lake Road

Rochester, 43-45 Mackay Street

Rushworth, 33 High Street

Tongala, 37 Mangan Street

