



Monthly Investment Report

June 2021



IMPERIUM MARKETS

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Impact of COVID-19 to Council's Portfolio

COVID-19 has adversely impacted financial markets, which in turn, has also affected Council's investment portfolio. We provide a quick summary in this section.

With regards to financial markets, shares (equities) experienced a significant correction in March 2020 but have since, recovered substantially due to the unprecedented fiscal and monetary policy support from global central banks and governments. **The RBA cut rates to record lows on 3rd November 2020 to 0.10%**. Despite the Delta variant causing renewed restrictions across several countries (including Australia), equities markets have continued their rally over the course of 2021 driven by the multiple vaccines available and ongoing fiscal and monetary policy easing measures. Longer-term bond yields have risen since the start of the calendar year on the prospects of higher inflation over coming years.

With regards to the medium-longer term outlook for financial markets, of importance is the RBA's outlook and expectations for the Australian economy. They would like to see the following three economic indicators improve before they even consider increasing interest rates:

1. The unemployment rate to drop to around 4.5% (currently it sits at 5.1% and has not been below 4.5% since 2008);
2. *"Until actual inflation is sustainably within the 2-3% target range"* (it has not been within their target band for the past 5 years); and
3. Wage growth to surpass +3% (it has not been above this level for the past 8 years).

Their current forward guidance suggests conditions for a rate rise are ***"unlikely to be until 2024 at the earliest"***.

The largest impact to Council's investment portfolio is with regards to its largest exposure being assets held in bank term deposits, which accounts for around ~66% of Council's total investment. **The biggest risk that Council faces over the medium-longer term in this environment is not the potential loss of capital (given all the banks are well capitalised and regulated by APRA), but the rapid loss of interest income as interest rates have plummeted.**

Council's term deposit portfolio was yielding 0.64% p.a. at month-end, with a weighted average duration of around 186 days or 6 months. **This short average duration will only provide some income protection against the low interest rate environment over the immediate future.** As existing deposits mature however, they will inevitably be reinvested at much lower prevailing rates.

Given official rates have fallen to record lows, Council is likely to see a rapid decline in interest income over future financial years. Its budgeted income over the medium-longer term needs to be revised to reflect the low interest rate environment. Returns between 0.40%-0.80% p.a. may potentially be the "norm" over the next few financial years, especially if rolling the majority of surplus funds for terms less than 2-3 years. Yields may in fact be lower if electing to invest for terms under 12 months.

Council’s Portfolio & Compliance

Fund Allocation

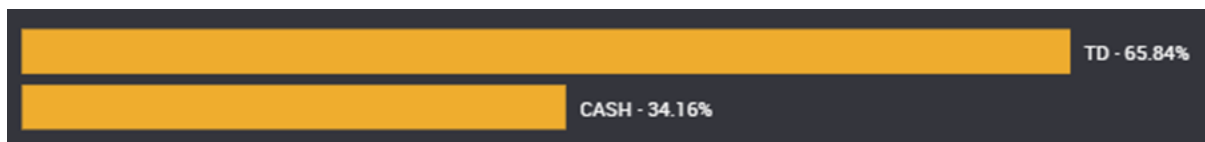
As at the end of June 2021, the portfolio was mainly directed to General Funds:

Code	Invested	Invested (%)	Number of trades
WATER	14,000,000.00	32.89	7
GENERAL	26,565,121.30	62.41	7
SEWER	2,000,000.00	4.70	1

Asset Allocation

As at the end of June 2021, the portfolio is mainly directed to fixed term deposits (65.84%). The remainder of the portfolio is held in low yielding cash accounts with NAB (AA-) and Bendigo-Adelaide (BBB+), which remains at relatively high levels and will cause a drag to performance. We recommend opening the ‘accelerator’ cash account with Macquarie Bank (A+), which is currently paying an overnight rate of 0.40% p.a. for balances up to \$10m (and 0.20% p.a. for balances greater than \$10m).

With the RBA cutting interest rates in November 2020 to 0.10%, the priority should be to lock in any remaining attractive medium-longer dated fixed deposits or fixed bonds that may still be available to address reinvestment risk as margins continue to compress.



Council’s Investment Policy does not specify any limits for Maturity, Counterparty and Credit Quality compliance measures. In the following sections, we have tentatively placed what other NSW councils have adopted as part of their compliance limits. We provided Berrigan Shire Council an Investment Policy review during the month of April 2021.

Term to Maturity

The portfolio is highly liquid with a large proportion of the investment portfolio maturing within 3 months (65%). We recommend a more diversified maturity profile to address reinvestment risk, which has been and continues to be a major detriment towards Council's interest income going forward.

Where ongoing liquidity requirements permit Council to invest in attractive 1-5 year investments, we recommend this be allocated fixed term deposits or fixed bonds (refer to respective sections below).

Compliant	Horizon	Invested (\$)	Invested (%)	Min. Limit (%)	Max. Limit (%)	Available (\$)
✓	0 - 90 days	\$27,539,166	64.70%	10%	100%	\$15,025,955
✓	91 - 365 days	\$13,025,955	30.60%	20%	100%	\$29,539,166
✓	1 - 2 years	\$2,000,000	4.70%	0%	70%	\$27,795,585
✓	2 - 5 years	\$0	0.00%	0%	50%	\$21,282,561
		\$42,565,121	100.00%			

Counterparty

As at the end of June 2021, Council had an overweight position to Bendigo-Adelaide, largely driven by the large cash balance. Overall, the portfolio is lightly diversified, with some exposure to the unrated ADIs.

Compliant	Issuer	Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	NAB	A-1+	\$6,440,064	15.13%	40.00%	\$10,585,985
✓	AMP Bank	A-2	\$7,000,000	16.45%	25.00%	\$3,641,280
✗	Bendigo-Adel.	A-2	\$19,099,103	44.87%	25.00%	-\$8,457,823
✓	Defence Bank	A-2	\$6,000,000	14.10%	25.00%	\$4,641,280
✓	Central Murray	Unrated	\$2,000,000	4.70%	10.00%	\$2,256,512
✓	Goulburn Murray	Unrated	\$2,025,955	4.76%	10.00%	\$2,230,557
			\$42,565,121	100.00%		

In September 2020, ratings agency **S&P downgraded AMP Bank by one notch to "BBB"** stating its view that *"the overall creditworthiness of the AMP group is weaker"* and that *"the group is exposed to challenges that may disrupt its overall strategic direction and its ability to effectively execute its strategy."*

We have no issues with Council's investments with AMP Bank, given they are super-senior ranked assets, extremely low risk and high up the bank capital structure.

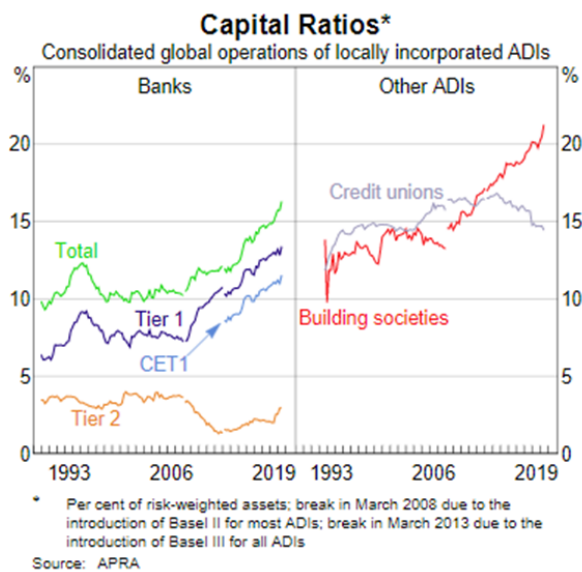
We remain supportive of the regional and unrated ADI sector (and have been even throughout the GFC period). They continue to remain solid, incorporate strong balance sheets, while exhibiting high levels of capital – typically, much higher compared to the higher rated ADIs. Some unrated ADIs have up to 25-40% more capital than the domestic major banks, and well above the Basel III requirements.

RBA Governor Lowe has commented that they have not seen any signs of stress in the financial system and that unlike during the GFC, the banks (all ADIs) now have cash, are well capitalised and are acting as “shock absorbers” in the current crisis.

Overall, the lower rated ADIs (BBB and unrated) are generally now in a better financial position than they have been historically (see the Capital Ratio figure below). We believe that deposit investments with the lower rated ADIs should be continued going forward, particularly when they offer ‘above market’ specials. Not only would it diversify the investment portfolio and reduce credit risk, it would also improve the portfolio’s overall returns.

In the current environment of high regulation and scrutiny, all domestic (and international) ADIs continue to carry high levels of capital. There is minimal (if any) probability of any ADI defaulting on their deposits going forward – this was stress tested during the GFC. **APRA’s mandate is to “protect depositors” and provide “financial stability”.**

The biggest single risk that depositors face in the current low interest rate environment is not capital or credit risk, but reinvestment risk. Interest rates are now at their effective lower bound of 0.10%.



Credit Quality

Council did not have an overweight position to any category as at the end of June. The portfolio remains well diversified from a ratings perspective, with some exposure down to the local credit unions.

From a ratings perspective, the “BBB” / “A-2” rated banks now generally dominate the number of ADIs issuing deposits within the investment grade space. However, given most banks are fully liquid during the current pandemic, most of the “BBB” / A-2” rated and Unrated ADIs are currently not seeking wholesale funding. As such, in the interim, we could see a shift towards a larger proportion of assets being directed towards the higher rated ADIs given the lack of appetite amongst the lower rated ADIs.

Compliant	Credit Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	A-1+ Category	\$6,440,064	15%	100%	\$36,125,058
✓	A-1 Category	\$0	0%	100%	\$42,565,121
✓	A-2 Category	\$32,099,103	75%	80%	\$1,952,994
✓	A-3 Category	\$0	0%	20%	\$8,513,024
✓	Unrated ADI Category	\$4,025,955	9%	15%	\$2,358,813
		\$42,565,121	100.00%		

Performance

Council's performance for the month ending 30 June 2021 is summarised as follows:

Performance (Actual)	1 month	3 months	6 months	FYTD	1 year
Official Cash Rate	0.01%	0.02%	0.05%	0.15%	0.15%
AusBond Bank Bill Index	0.00%	0.01%	0.01%	0.06%	0.06%
Council's T/D Portfolio[^]	0.06%	0.19%	0.44%	1.12%	1.12%
Outperformance	0.06%	0.18%	0.42%	1.06%	1.06%

[^]Total portfolio performance excludes Council's cash account holdings. Overall returns would be lower if cash was included.

Performance (Annualised)	1 month	3 months	6 months	FYTD	1 year
Official Cash Rate	0.10%	0.10%	0.10%	0.15%	0.15%
AusBond Bank Bill Index	0.03%	0.04%	0.02%	0.06%	0.06%
Council's T/D Portfolio[^]	0.71%	0.76%	0.88%	1.12%	1.12%
Outperformance	0.68%	0.72%	0.86%	1.06%	1.06%

[^]Total portfolio performance excludes Council's cash account holdings. Overall returns would be lower if cash was included.

For the month of June 2021, the deposit portfolio provided a solid return of +0.06% (actual) or +0.71% p.a. (annualised), outperforming the benchmark AusBond Bank Bill Index return of +0.00% (actual) or +0.03% p.a. (annualised). The outperformance continues to be driven by a combination of those deposits originally invested beyond 6 months.

Going forward, with the low interest rate environment (depleted cash rate), maturing deposits will inevitably be reinvested at lower prevailing rates. The reduction in interest income over coming years can be mitigated by undertaking a longer duration position.

Investors using the Imperium Markets platform have reduced the invisible costs associated with brokerage, and thereby lift client portfolio returns as investors are able to deal in deposits directly with the ADIs and execute at the best price possible.

Council's Term Deposit Portfolio & Recommendation

As at the end of June 2021, Council's deposit portfolio was yielding 0.64% p.a. (down 5bp from the previous month), with an average duration of around 186 days (~6 months).

We strongly recommend Council extends this average duration. In the low interest rate environment, the biggest collective risk that the local government sector has faced over the post-GFC era has been the dramatic fall in interest rates - from 7¼% to the historical low levels of 0.10%.

As the past decade has highlighted (post-GFC era), we have seen too many portfolios' roll a high proportion of their deposits between 3-6 months, resulting in their deposits being reinvested at lower prevailing rates. That is, depositors have overpaid for liquidity and generally not insured themselves against the low interest rate environment by diversify their funding across various tenors (out to 5 years) but rather placed all their 'eggs in one basket' and kept all their deposits short. **Reinvestment risk has collectively been and continues to be the biggest detriment to depositors' interest income over the post-GFC period.**

At the time of writing, we see value in:

ADI	LT Credit Rating	Term	T/D Rate
ICBC, Sydney	A	5 years	1.50% p.a.
WBC	AA-	5 years	~1.30% p.a.
NAB	AA-	5 years	1.25% p.a.
ICBC, Sydney	A	4 years	1.25% p.a.
WBC	AA-	4 years	~1.05% p.a.
NAB	AA-	4 years	1.00% p.a.
ICBC, Sydney	A	3 years	0.96% p.a.
WBC	AA-	3 years	~0.82% p.a.
NAB	AA-	3 years	0.75% p.a.
ICBC, Sydney	A	2 years	0.70% p.a.
NAB	AA-	2 years	0.60% p.a.

The above deposits are suitable for investors looking to provide some income protection and mitigate reinvestment/rollover risk in the low interest rate environment.

For terms under 12 months, we believe the strongest value is currently being offered by the following ADIs (dependent on daily funding requirements):

ADI	LT Credit Rating	Term	T/D Rate
ME Bank	BBB	12 months	0.50% p.a.
BoQ	BBB+	7-8 months	0.45% p.a.
CBA	AA-	12 months	~0.44% p.a.
BoQ	BBB+	9-12 months	0.40% p.a.
Westpac	AA-	12 months	~0.36% p.a.
NAB	AA-	12 months	0.35% p.a.
AMP Bank	BBB	9-12 months	0.35% p.a. [^]
Bendigo	BBB+	9-12 months	0.35% p.a.

[^] AMP T/Ds – contact us to receive an additional 0.20% p.a. rebated commission on top of the rate shown

Amongst the investment grade sector, short-dated term deposits (maturing less than 12 months) are yielding under 0.50% p.a. (most are under 0.40% p.a.). We believe there is not much value being offered in short-dated deposits.

In contrast, there is an upward pick-up in yield for investors that can take advantage of 2-5 year fixed T/Ds whilst official rates are stuck at depressed levels at least for the next two to three years. For those investors that do not require high levels of liquidity and can stagger their investments longer-term, they will be rewarded over coming years if they roll for a minimum term of 2 years (we note some investors tend to roll for 3-5 years), potentially yielding, on average, more than double the return compared to those investors that purely invest in short-dated deposits.

Senior FRNs Review

Over June, amongst the senior major bank FRNs, physical credit securities marginally widened at the long-end of the curve. Secondary market securities remain relatively expensive on the back of the RBA announcing its \$200bn quantitative easing (QE) package (doubled in Feb 2021).

A new 5 year senior major bank FRN would now be issued around the +52bp, which remains tight on a historical basis. We may finally see some primary issuances in Q3-Q4 this year from the major banks as the RBA's term funding facility (TFF) draws to an end as of June 2021. The lack of supply from new (primary) issuances has played a major role with the rally in credit markets over the past year.

Amongst the "A" and "BBB" rated sector, the securities were marked around 3bp tighter at the long-end of the curve, driven by some new issuances over the month, including:

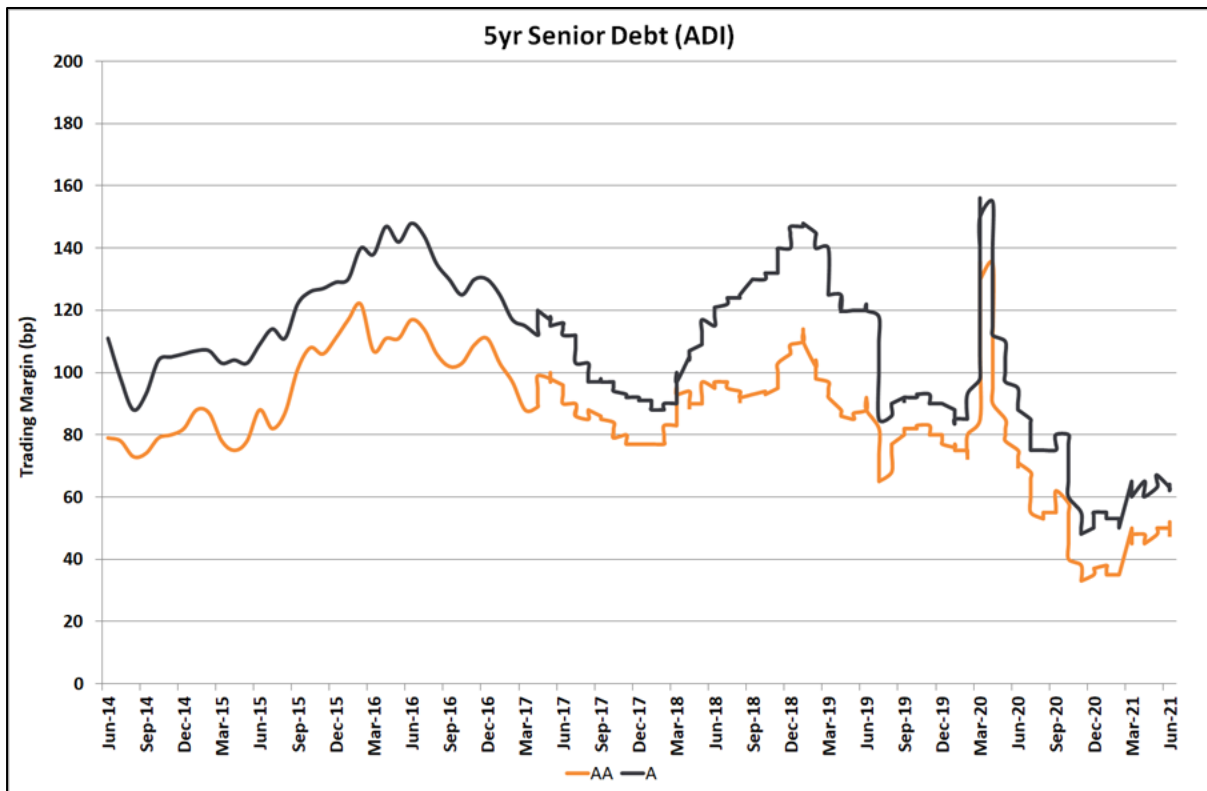
ADI	Rating	Volume	Term	Maturity Date	Priced	Initial Guidance
Teachers Mutual	BBB	\$100m	5yrs	16/06/2026	+68bp	+[70-73]bp
Bendigo	BBB+	\$225m	5yrs	18/06/2026	+65bp	+[65-67]bp
ICBC	A	\$500m	5yrs	18/06/2026	+66bp	+[72]bp

While turnover in the secondary market is still predominately dominated by commonwealth, semi-government and major bank senior paper, given the lack of supply, we have started to observe that even a handful of regional bank senior paper has sometimes been trading inside "mid" levels over recent months.

Credit securities remain tight on a historical level but are looking slightly more attractive following the widening experienced since the start of the calendar year. FRNs will continue to play a role in investor's portfolios mainly on the basis of their liquidity and the ability to roll down the curve and gross up returns over ensuing years (in a relatively stable credit environment).

Senior FRNs (ADIs)	30/06/2021	31/05/2021
"AA" rated – 5yrs	+52bp	+50bp
"AA" rated – 3yrs	+25bp	+27bp
"A" rated – 5yrs	+64bp	+67bp
"A" rated – 3yrs	+42bp	+45bp
"BBB" rated – 3yrs	+52bp	+55bp

Source: IBS Capital



Source: IBS Capital

We now generally **recommend switches** ('benchmark' issues only) into new attractive primary issues (or longer-dated alternatives), out of the following senior FRNs that are maturing:

- **On or before mid-2024 for the "AA" rated ADIs (domestic major banks);**
- On or before mid-2022 for the "A" rated ADIs; and
- Within 12 months for the "BBB" rated ADIs (consider case by case).

Investors holding onto the above senior FRNs ('benchmark' issues only) in their last 1-2 years are now generally holding sub-optimal investments and are not maximising returns by foregoing realised capital gains. In the current low interest rate environment, any boost in overall returns should be locked in when it is advantageous to do so.

Senior Bonds - Northern Territory Treasury Corporation (NTTC)

We are aware of the following senior retail bond offering from Northern Territory Treasury Corporation (NTTC) effective 1st July 2021:

Maturity Date	Rate % p.a. [^]	Interest Paid
15/12/2022	0.40%	Annually
15/12/2023	0.60%	Annually
15/12/2024	1.00%	Annually
15/12/2025	1.20%	Annually
15/12/2026	1.50%	Annually

^{^^}The rates offered in the above table can be reviewed and changed at any time from Treasury. The rate for broker sponsored applications will be dropped by 0.20% p.a. effective 1 October 2020.

Any investor interested in this product should avoid placing through the broker channel and contact Imperium Markets to receive the full commission of 0.25% (plus GST) on the face value of the investment, in the form of an additional rebate. If placed through the brokers, they are likely to keep the 0.25% commission (on the face value of the investment).

Overview	Description
Issuer	Northern Territory Government
Credit Rating	Aa3 (Moody's), which is AA- equivalent (S&P)
Type	Fixed senior (retail) bonds
Program	Territory Bonds Issue 111
Date for applications	01/07/2021 – 30/11/2021
Liquidity	Weekly redemptions available, subject to the prevailing market rate and administration costs ^{^^}

^{^^} Note given this is a retail bond offering (min. parcel size of \$5,000), for wholesale investors, we would not consider this to be a liquid investment (the largest redemptions to date have only been \$200-\$300k).

The product should be viewed as a hold-to-maturity product, noting there are significant penalty costs including admin fees, the prevailing market interest rate, and factors in any associate commissions that were previously paid. Given the longer-term outlook for official interest rates, **any investor with capacity should consider placing a small parcel (up to \$5m) in the 15/12/2024, 15/12/2025 and 15/12/2026 maturities through Imperium Markets** to receive an effectively higher rate, once factoring in the rebated commission.

Economic Commentary

International Market

Equity markets continued their positive momentum in June, despite ongoing concerns of rising inflationary pressures leading to upward revisions of central bank rate hikes. Concerns have grown globally around the Delta variant with many countries instituting travel restrictions or restricting travel to those who are now fully vaccinated.

In the US, the S&P 500 Index gained +2.22%, while the tech-heavy NASDAQ Index surged +5.49%. Equities finished positively across Europe’s main indices, led by France’s CAC (+0.94%), Germany’s DAX (+0.71%) and UK’s FTSE (+0.21%).

The US Fed’s meeting in June revealed their latest ‘dot plot’ which showed that the median FOMC member now forecasts two Fed rate hikes in 2023, versus none in the March iteration (13 of the 18 person FOMC see rates rising in 2023 versus only six previously). The Fed repeated its April line in that *“inflation has risen, largely reflecting transitory factors”*, while making no changes to their key policy rate or its US\$120bn/month bond buying pace.

US inflation continued its sharp rise in May with the headline reading up +0.6% m/m taking the annual reading to +5.0%. The core reading rose +0.7% m/m, lifting the annual reading to +3.8%. The past 3 month rise in core US inflation was the highest recorded since August 1982.

The US unemployment rate fell by 0.3% to 5.8% in May but remained well above the pre-pandemic level of 3.5%.

The UK’s GDP rose by a strong +2.3% m/m in April, putting the economy on track to rebound in Q2 as restrictions eased. **UK CPI came in higher than expected at +2.1% y/y, with core inflation at +2.0%** so hitting the BoE’s 2% target for the first time since 2018. Euro area annual CPI inflation hit +2% for the first time since 2018 but the core increase was much lower at +0.9%.

Canada’s GDP in Q1 was weaker than expected but was still up a strong annualised +5.6%, fuelled by a record contribution from residential investment. The Bank of Canada kept all its policy settings unchanged and said it would maintain its bond buying at \$3b/week, although the market expects a further tapering to be announced at next month’s meeting.

On the back of vaccine optimism and US fiscal stimulus, **the OECD upgraded its forecasts for global growth to 5.8% this year and 4.4% next year** from 5.6% and 4.0% respectively back in March.

The MSCI World ex-Aus Index rose +1.46% for the month of June:

Index	1m	3m	1yr	3yr	5yr	10yr
S&P 500 Index	+2.22%	+8.17%	+38.62%	+16.49%	+15.41%	+12.52%
MSCI World ex-AUS	+1.46%	+7.33%	+37.07%	+13.21%	+12.93%	+8.77%
S&P ASX 200 Accum. Index	+2.26%	+8.29%	+27.80%	+9.59%	+11.16%	+9.29%

Source: S&P, MSCI

Domestic Market

The RBA's meeting in June did not provide any new forward guidance given they had previously flagged that it will review its unconventional policy settings in July. **At the July meeting, the RBA will decide on whether to extend their 3yr yield target from the April 2024 bond to the November 2024 bond, and whether to undertake a 3rd round of QE.**

The subsequent Minutes remained overwhelmingly dovish, which suggests the RBA is in no hurry to follow the RBNZ or BOC in flagging higher rates in 2022. The RBA still notes inflation is unlikely to be sustainably within the 2-3% band *"until 2024 at the earliest"*.

Q1 GDP rose by +1.8% (and +1.1% y/y) and is now 0.8% above pre-COVID levels. Overall, the data showed that the rebound was uninterrupted by the tapering in some fiscal support in Q1 and that brief periods of virus-related shutdowns have not stalled the recovery.

The unemployment rate fell 0.4% to 5.1% in May and is now back to pre-pandemic February 2020 levels. Headline employment rose 115.2k to a record high 13.1m. Employment gains were led by full-time (+97.5k), with part-time also strong (+17.7k).

Credit growth slowed in April to 0.2% m/m from 0.4% m/m in March (consensus +0.4%). Growth was again driven by housing credit (+0.5% m/m) with business credit declining (-0.3% m/m) after the previous month's increase.

Australian dwelling price rose +2.2% m/m in May, taking the annual change in dwelling prices to +10.6% y/y. New housing loan approvals rose strongly in April, up +3.7% m/m with growth driven by both owner-occupiers (+4.3% m/m) and investors (+2.1% m/m).

Australia's AAA rating was retained by S&P, with the outlook moving from negative to stable, citing the "strong" economic rebound, giving greater confidence in the deficit narrowing towards 3% of GDP over the next 2-3 years.

June saw the re-emergence of low levels of local transmission of COVID-19 in Australia, first in Melbourne, and most recently concentrated in Sydney, with both resulting in circuit-breaker lockdowns (two weeks announced for Greater Sydney).

The Australian dollar fell -2.68%, finishing the month at US75.18 cents (from US77.25 cents the previous month).

Credit Market

The main credit indices marginally tightened over June. The indices now trade back to their levels experienced in late 2020:

Index	June 2021	May 2021
CDX North American 5yr CDS	48bp	51bp
iTraxx Europe 5yr CDS	47bp	50bp
iTraxx Australia 5yr CDS	58bp	59bp

Source: Markit

Fixed Interest Review

Benchmark Index Returns

Index	June 2021	May 2021
Bloomberg AusBond Bank Bill Index (0+YR)	+0.00%	+0.00%
Bloomberg AusBond Composite Bond Index (0+YR)	+0.69%	+0.26%
Bloomberg AusBond Credit FRN Index (0+YR)	+0.08%	+0.07%
Bloomberg AusBond Credit Index (0+YR)	+0.33%	+0.22%
Bloomberg AusBond Treasury Index (0+YR)	+0.99%	+0.30%
Bloomberg AusBond Inflation Gov't Index (0+YR)	+0.79%	+0.90%

Source: Bloomberg

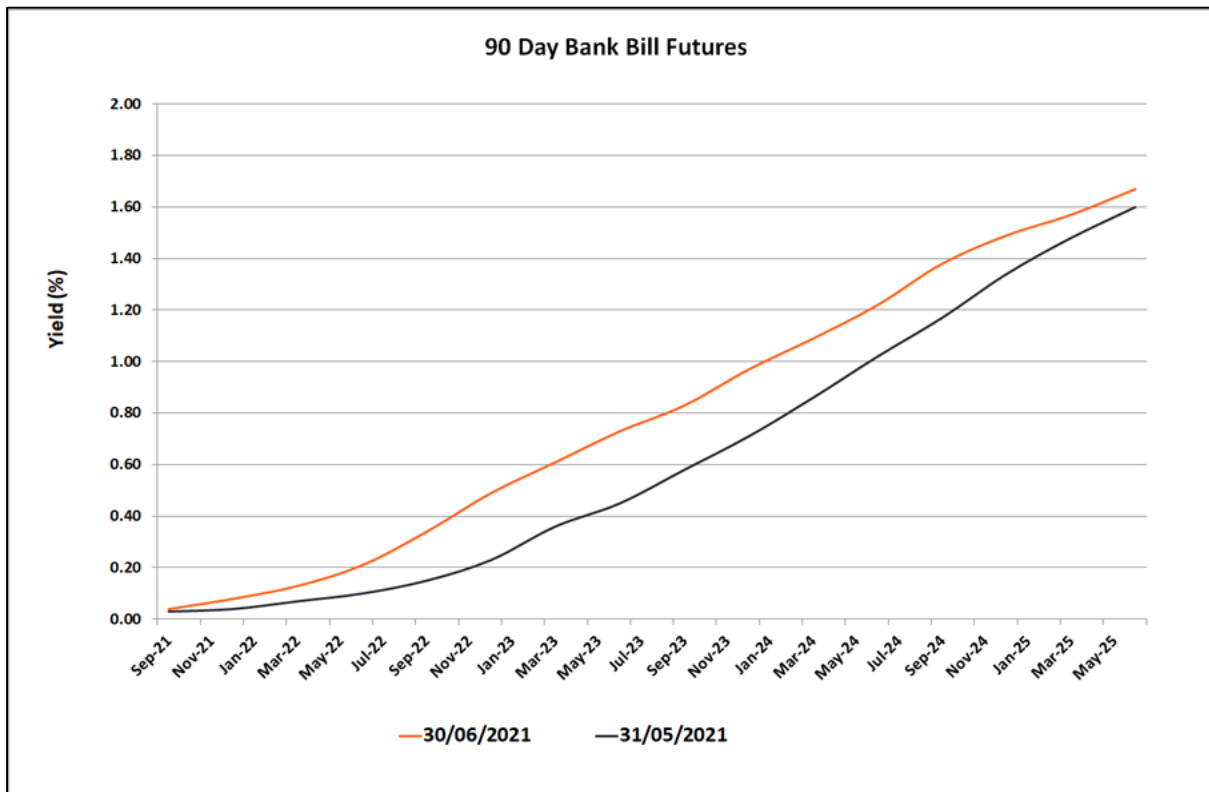
Other Key Rates

Index	June 2021	May 2021
RBA Official Cash Rate	0.10%	0.10%
90 Day (3 month) BBSW Rate	0.03%	0.04%
3yr Australian Government Bonds	0.20%	0.10%
10yr Australian Government Bonds	1.49%	1.61%
US Fed Funds Rate	0.00%-0.25%	0.00%-0.25%
10yr US Treasury Bonds	1.45%	1.58%

Source: RBA, AFMA, US Department of Treasury

90 Day Bill Futures

Over June, bill futures rose across the board as rising inflationary pressures, as well as the end of the RBA’s TFF and potential withdrawal or tapering of its QE programme later this. Overall, bill futures continue to depict a low rate environment over the long-run, despite the steeping curve in recent months:



Source: ASX

Fixed Interest Outlook

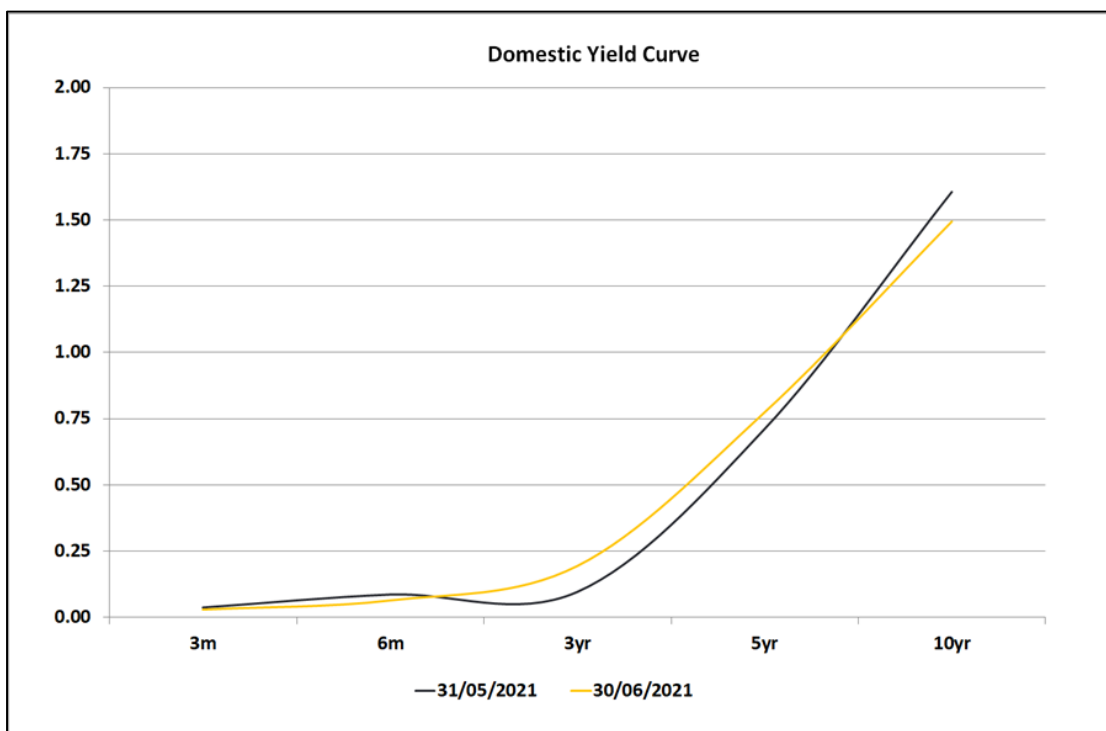
While bond yields have marched higher since the start of the calendar year, price actions have suggested that inflation may not be as big a risk as many market participants are suggesting. Central banks have continued to dismiss the current and expected rise of inflation as ‘transitory’, citing deep scars from the pandemic that are at work to add to the pre-existing structural downward pressures on inflation.

In Australia, sporadic outbreaks are likely to be controlled via short-lived restrictions until vaccination lifts to around the 80% level. The RBA has factored in these snap lockdowns as part of their economic projections. They have continued to reaffirm their view that official rates are unlikely to rise ***“until 2024 at the earliest”***. They would like to see the following three economic indicators improve before they even consider increasing interest rates:

1. The unemployment rate to drop to around 4.5% (currently it sits at 5.1% and has not been below 4.5% since 2008);
2. *“Until actual inflation is sustainably within the 2-3% target range”* (it has not been within their target band for the past 5 years); and
3. Wage growth to surpass +3% (it has not been above this level for the past 8 years).

Governor Lowe recently commented that *“inflationary pressures remain subdued and are likely to remain so”*, whilst also not mentioning any scenarios that would see a hike earlier than 2024.

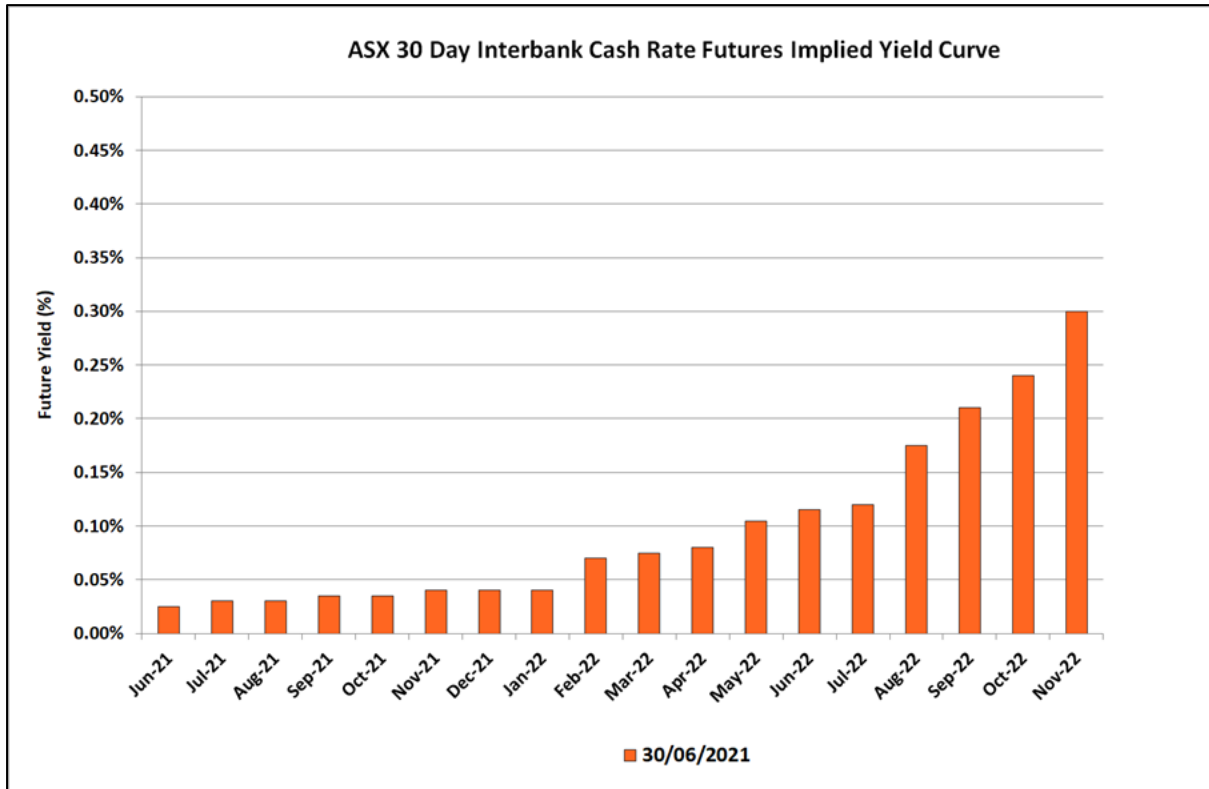
The domestic bond market continues to suggest a prolonged low period of interest rates. Over the month, yields fell around 12bp at the long-end of the curve, while the 3-year part of the curve rose around 10bp on expectations the RBA will taper QE over coming months:



Source: AFMA, ASX, RBA

RBA Deputy Governor Debelle reiterated that the RBA would be looking for actual, rather than forecast wages growth and inflation when deliberating on monetary policy. Their current forward guidance remains poised for a rate hike in 2024 at the earliest.

The market is currently fully pricing in a 15bp rate hike by the end of 2022:



Source: ASX

Disclaimer

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Cr Matthew Hannan
Mayor
Berrigan Shire Council
56 Chanter Street
BERRIGAN NSW 2712

Contact: Michael Kharzoo
Phone no: (02) 9275 7188
Our ref: D2114148/1692

27 July 2021

Dear Cr Hannan

Management Letter on the Interim Phase of the Audit for the Year Ended 30 June 2021

The interim phase of our audit for the year ended 30 June 2021 is complete. This letter outlines:

- matters of governance interest we identified during the current audit
- unresolved matters identified during previous audits
- matters we are required to communicate under Australian Auditing Standards.

We planned and carried out our audit to obtain reasonable assurance the financial statements are free from material misstatement. Because our audit is not designed to identify all matters that may be of governance interest to you, there may be other matters that did not come to our attention.

The audit is ongoing and we will inform you if we identify any new matters of governance interest as they arise.

The Management Letter may be sent to the Minister, if the Minister requests it.

For each matter in this letter, we have included our observations, risk assessment and recommendations. The risk assessment is based on our understanding of your business. Management should make its own assessment of the risks to the organisation.

We have kept management informed of the issues included in this letter as they have arisen. A formal draft of this letter was provided on 15 July 2021. This letter includes management's formal responses, the person responsible for addressing the matter and the date by which this should be actioned.

As soon as practicable, we recommend you:

- assign responsibility for implementing the recommendations
- develop an action plan, including a timetable, to implement the recommendations
- nominate an individual or establish a committee to monitor and report on progress.

The Auditor-General may include items listed in this letter in the Report to Parliament. We will send you a draft of this report and ask for your comments before it is tabled in Parliament.

If you would like to discuss any of the matters raised in this letter, please contact me on 02 9275 7188 or Bradley Bohun on 02 6022 0133.

Yours sincerely



Michael Kharzoo
Delegate of the Auditor-General for New South Wales

cc: Ms Tahlia Fry, Finance Manager
Ms Karina Ewer, General Manager
Mr Matthew Hansen, Director Corporate Services

Interim management letter

for the year ended 30 June 2021

Berrigan Shire Council







We have rated the risk of each issue as 'Extreme', 'High', 'Moderate' or 'Low' based on the likelihood of the risk occurring and the consequences if the risk does occur.

The risk assessment matrix used is broadly consistent with the risk management framework in [TPP12-03](#) 'Risk Management Toolkit for the NSW Public Sector'.

This framework may be used as better practice for councils.

		CONSEQUENCE			
		Low	Medium	High	Very high
LIKELIHOOD	Almost certain	M	M	H	E
	Likely	L	M	H	H
	Possible	L	M	M	H
	Rare	L	L	M	M

The risk level is a combination of the consequences and likelihood. The position within the matrix corresponds to the risk levels below.

RISK LEVELS	MATRIX REFERENCE
 Extreme:	E
 High:	H
 Moderate:	M
 Low:	L

For each issue identified, we have used the consequence and likelihood tables from [TPP12-03](#) to guide our assessment.





Consequence levels and descriptors

Consequence level	Consequence level description
Very high	<ul style="list-style-type: none"> Affects the ability of your entire entity to achieve its objectives and may require third party intervention; Arises from a fundamental systemic failure of governance practices and/or internal controls across the entity; or May result in an inability for the auditor to issue an audit opinion or issue an unqualified audit opinion.
High	<ul style="list-style-type: none"> Affects the ability of your entire entity to achieve its objectives and requires significant coordinated management effort at the executive level; Arises from a widespread failure of governance practices and/or internal controls affecting most parts of the entity; or May result in an inability for the auditor to issue an unqualified audit opinion.
Medium	<ul style="list-style-type: none"> Affects the ability of a single business unit in your entity to achieve its objectives but requires management effort from areas outside the business unit; or Arises from ineffective governance practices and/or internal controls affecting several parts of the entity.
Low	<ul style="list-style-type: none"> Affects the ability of a single business unit in your entity to achieve its objectives and can be managed within normal management practices; or Arises from isolated ineffective governance practices and/or internal controls affecting a small part of the entity.

Likelihood levels and descriptors

Likelihood level	Frequency	Probability
Almost certain	The event is expected to occur in most circumstances, and frequently during the year	More than 99 per cent
Likely	The event will probably occur once during the year	More than 20 per cent and up to 99 per cent
Possible	The event might occur at some time in the next five years	More than 1 per cent and up to 20 per cent
Rare	The event could occur in exceptional circumstances	Less than 1 per cent

Summary of issues


Issue	Detail	Likelihood	Consequence	Risk assessment
Prior year matters not resolved by management				
1	Excessive Annual Leave	Likely	Medium	 Moderate
Current year matters				
1	Computer Operations	Likely	Medium	 Moderate
2	Revenue Masterfile Changes	Likely	Medium	 Moderate
3	Lifeguard employee contracts	Possible	Low	 Low

Appendix

[Review of matters raised in prior year management letters that have been addressed](#)

Prior year matters not resolved by management

Issue 1: Excess Annual Leave

Likelihood	Consequence	Systemic issue	Category	Risk assessment
Likely	Medium	No	Operational	 Moderate

Observation

During our review of annual leave balances, we noted that there were 17 employees (2020: 18) with annual leave in excess of 40 days at the time of the year-end audit visit date for 30 June 2021. We have summarised the result in the table below.

	2021	2020
Annual leave entitlement (Days)	Number of Staff	Number of Staff
40-45	5	7
46-50	0	1
51-60	4	2
61-80	1	3
81-100	3	1
100+	4	4
Total	17	18

Council should aim for employees to have, as a minimum, less than 8 weeks of accrued annual leave at any point in time in accordance with the Local Government Act.

Implications

Excessive annual leave balances can result in:

- higher future employee liabilities as a result of salary increases. This means that accrued leave will be paid at higher rates.
- increased risk that staff performing key control functions are not rotated. It may also conceal fraud or further inefficiencies.
- work, health and safety implications and reduced productivity.

Recommendation

The Council should monitor and manage excessive annual leave balances on a regular basis and establish individual leave management plans to reduce the leave balances over a reasonable period of time.

Management response

Agree

Management have implemented a new Leave Policy which sets out leave limits for Annual Leave, Long Service Leave and Rostered Day Off accruals. All staff must be within these leave limits by 30 June 2024 and the Chief Executive Officer has issued a memorandum to management directing them to prepare leave plans no later than December 2021 for all staff in breach of the limits.

Internal review has noted a 573 week liability across all staff and have identified the risk as Extreme. It should be noted the accumulation of excess leave is a legacy issue and has become a "cultural norm" at Council (i.e. the accrual of excess leave). The CEO will be meeting with all outdoor staff to address the required changes in behaviours and to seek agreement from them (as they are the primary holders of the excess leave amounts) as

to how best to address the issue and to ensure leave balances will be reduced to within the limits of the Leave Policy.

Council is on track to mitigating this issue over the next three years.

Person responsible:


Date (to be) actioned:

Karina Ewer – CEO

30 June 2024

Current year matters

Issue 1: Computer Operations

Likelihood	Consequence	Systemic issue	Category	Risk assessment
Likely	Medium	Yes	ITGC	 Moderate

Observation

Our review of IT controls identified that Council does not undertake formal testing of its Disaster Recovery Plan (“DRP”).

Implications

Lack of testing may result in the DRP not operating effectively, which increases the risk that critical systems and operations cannot be restored within appropriate timeframes in the event of a significant disruption.

Recommendation

Council should periodically test the DRP to ensure it is current and effective.

Management response

Agree

Council will put in place a schedule for formal testing of its Disaster Recovery Plan and report to the proposed Audit Risk and Improvement Committee on the results.


Person responsible:

Matthew Hansen – Director Corporate Services

Date (to be) actioned:

March 2022

Issue 2: Lack of review of changes to the Revenue master file

Likelihood	Consequence	Systemic issue	Category	Risk assessment
Likely	Medium	No	Operational	 Moderate

Observation

We noted that Council currently does not have a procedure in place to allow for the review of changes to the revenue master file.

Implications

There is a risk that changes to the in the revenue masterfile may go undetected. This can expose Council to a greater risk of unauthorised and/or fraudulent or incorrect receipting of revenue.

Recommendation

We recommend that management implement a detective monitoring control, such as the generation of a manageable revenue master file report which can be regularly reviewed and authorised by an independent Council officer. The reports bearing evidence of review should be retained on file.

Management response

Agree

From 1 July 2021 Council will print off revenue master file changes to review monthly as it currently does for its creditor function. This will be reviewed and signed off by the Finance Manager at month end.


Person responsible:

Tahlia Fry – Finance Manager

Date (to be) actioned:

July 2021

Issue 3: Inadequate records maintained for lifeguards hires

Likelihood	Consequence	Systemic issue	Category	Risk assessment
Possible	Low	No	Compliance/ Operational	 Low

Observation

In our review of the new employee process we were unable to locate employment agreements for employees hired as lifeguards that are employed over the summer period.

Implications

Without sufficient controls operating in the hire of all employees, the payroll cycle is susceptible to fraud and error.

Recommendation

Council should ensure adequate payroll records include documentation of and confirmation of employees information.

Management response

Agree

Council will ensure that all Lifeguards employed in future receive a Letter of Offer stating the conditions of their employment and Council will require all Lifeguards to formally accept their Letter of Offer in writing.

Person responsible:








Matt Hansen – Director Corporate Services

Date (to be) actioned:

July 2021

Appendix

Review of matters raised in prior year management letters

Prior issues raised	Risk assessment	Assessment of action taken	Recommendation
Final Management Letter 2020			
Related party disclosure	 Moderate	Target date for resolution has not yet passed.	Matter will be addressed as part of our 2021 year-end audit procedures.
Interim Management Letter – 2020			
IT – User access	 Moderate	Matter has been addressed by Management.	Nil as matter addressed.
Cyber security framework	 Moderate	Matter has been addressed by Management.	Nil as matter addressed.
Final Management Letter – 2019			
Financial statement close process	 High	Target date for resolution has not yet passed.	Matter will be addressed as part of our 2021 year-end audit procedures.
Asset valuation and management	 High	Target date for resolution has not yet passed.	Matter will be addressed as part of our 2021 year-end audit procedures.
Fair value assessments of infrastructure, property, plant and equipment	 Moderate	Target date for resolution has not yet passed.	Matter will be addressed as part of our 2021 year-end audit procedures.
Interim Management Letter – 2019			
Sharing of high privilege user accounts	 Moderate	Matter has been addressed by Management.	Nil as matter addressed.



Media Release

Thursday 5 August 2021

MURRAY REGION VISITOR ECONOMY CRUSHED BY CONTINUED LOCKDOWNS

The Murray region visitor economy continues to be smashed by the border closures, lockdowns and restrictions imposed by state governments in NSW, Victoria and South Australia due to the pandemic.

Businesses and communities along the Murray River continue to be impacted like no other place in Australia.

The Murray region has been impacted for 42 weeks to date by restrictions and lockdowns and this continues to decimate our industry causing billions of dollars to be stripped from our regional economy along with tens of thousands of jobs.

The Murray needs a solution that includes the vaccine rollout to be fast-tracked with collaboration by all levels of government to ensure businesses survive to welcome visitors back to the cross-border region.

The latest Tourism Research Australia data for the year ending March 2021, paints a very grim picture for the Murray region across all key economic indicators as follows:

- Total visitors down by 2.8 million
- Loss of \$1 billion in direct visitor expenditure
- Total visitor nights down by 4.5 million
- Loss of 10,000 jobs based on direct expenditure

With the continued snap lockdowns and restrictions associated with Covid we commissioned further economic research and modelling to identify the ongoing impacts to the visitor economy.

Key findings for the period March 2020-July 2021 are:

- Based on "Business as Usual" the Murray region would attract a minimum of 10.8 million visitors
- This has plummeted over 50% with a total loss of an estimated 5.3 million visitors, based on the visitation scenarios across Victoria, NSW and South Australia
- Due to border closures and movement restrictions, the subsequent impact to visitor expenditure for the Murray region is estimated at a loss of between \$2.27 billion and \$2.93 billion in visitor spend
- Based on the loss of visitor expenditure, it is estimated that between 34,100 and 44,000 tourism-related jobs in the Murray region were disrupted. This does not include potential long-term impacts.

Given that the core market of visitors to the Murray region is Victoria and the ease with which visitors usually cross the Murray River to experience and enjoy the interconnected communities, when one area is impacted all areas are impacted, with business, staff and local economies all crushed. The impact of the continued lockdown and border restrictions are being felt equally across the NSW / Victorian border.

The report also assessed both the June and July lockdowns with key findings as follows:

It is estimated that for June 2021 the Murray region experienced a loss of

- 549,000 visitors due to the lockdown measures
- Resulting in estimated loss of \$253 million in visitor spend in June 2021
- Loss of direct expenditure estimates forecast 3,800 tourism-related jobs in the Murray region were disrupted in June 2021

It is estimated that for July 2021 the Murray region experienced a loss of

- 498,000 visitors due to the lockdown measures
- Resulting in an estimated loss of \$330 million in visitor spend
- Loss of direct expenditure estimates forecast 4,900 tourism-related jobs in the Murray region were disrupted

The ongoing restrictions for travel into NSW further elevate the issue for the Murray region with the report providing the following impacts for every week this continues:

- Loss of 83,000 visitors per week
- Expenditure loss of \$52 million
- As a result of direct expenditure loss forecast 780 tourism related jobs will be disrupted.

Cross border communities play a vital role in sustaining the economy of the region. With the most recent tightening of restrictions placed on border towns the economic impact is additionally felt given local communities are now restricted from moving freely across the border to enjoy dining, retail, recreational and entertainment facilities which were all part of the border bubble.

Quotes attributable to Murray Regional Tourism Chair, Wendy Greiner

“Due to border closures and movement restrictions, the subsequent impact to visitor expenditure for the Murray region over the 16-month period of the pandemic is estimated at a loss of between \$2.27 billion and \$2.93 billion in visitor spend.”

“Based on the loss of visitor expenditure, it is estimated that between 34,100 and 44,000 tourism-related jobs in the Murray region were disrupted during this period.”

“The economic impact is additionally felt given local communities are now restricted from moving freely across the border to enjoy dining, shopping, recreational and entertainment facilities which were all part of the border bubble”

“We are urging both governments to work collaboratively to develop a sustainable long-term solution and future pathway to ensure the Murray region can welcome visitors safely and rebuild jobs for this critical sector.”

“Australia’s vaccine rollout must be fast-tracked to help the industry recover. Covid and the delta strain has changed the game with the whole nation now at risk.”

About Murray Regional Tourism

Murray Regional Tourism works in partnership with Destination New South Wales, Visit Victoria, Destination Riverina Murray, 13 local governments and several regional tourism organisations to grow the visitor economy across the Murray region. The Murray region spans 1,700 kilometres of the Murray River from Albury Wodonga to Mildura Wentworth

Media contact

Wendy Greiner, Chair, Murray Regional Tourism Ph 0419 608 239

MURRAY REGION

COVID-19 RESTRICTIONS ECONOMIC IMPACT ESTIMATE

***Disclaimer:** The following analyses the economic impact of COVID-19 related government restrictions for businesses and the Murray Region visitor economy. This analysis is based on scenario modelling and may not reflect the actual localised impacts to visitation and businesses in the region. This modelling estimates the impacts for the Murray Region from State Government lockdowns and subsequent border closures over the past 15 months, based on loss of visitation, visitor expenditure and job disruption in the tourism sector. Further detailed primary research into business performance is recommended to determine the actual economic impact of the movement restrictions and border closures.*

OVERVIEW

Urban Enterprise has been engaged by Murray Regional Tourism to assess the economic impact of COVID-19 related government restrictions on the Murray Region's visitor economy. Since the outset of the pandemic, state governments have imposed a variety of movement restrictions and border closures on the population to combat the spread of COVID-19. One of the consequences of such restrictions is a reduction in visitation to tourism locations across the country, including the Murray Region, and the associated flow-on economic impacts.

This assessment measures the economic impact for the following incidents:

1. **June Lockdown:** Lockdown/movement restrictions imposed by the Victorian Government on the Greater Melbourne population from May 27 to June 17, 2021. The Regional Victorian population was also in lockdown from May 27 to June 3. This also includes restrictions on NSW and South Australian visitors to the Victorian Murray Region LGAs, as well as restrictions on Victorian visitors to the NSW Murray Region LGAs.
2. **July Lockdown:** Lockdown/movement restrictions imposed by both the NSW and Victorian Governments as follows (note: this information is current as of 21 July):
 - NSW lockdown for Sydney and regional residents beginning June 25 until at least July 30 (although this is likely to continue beyond July due to high case numbers); and
 - Victorian lockdown for all residents beginning July 16 and scheduled until at least July 28.
 These lockdowns include restrictions on visitation to the Murray Region (including Victorian and NSW LGAs).
3. **Aggregate COVID-19 Impact:** All lockdown/movement restrictions imposed by the NSW, Victorian Governments and/or South Australian government since the pandemic began from March 2020 until present day, forcing the departure of Victorian, NSW and South Australian visitors from the Murray Region.

This assessment measures the economic impact of each lockdown incident via the estimated reduction in visitation and visitor expenditure, as well as the number of tourism-related jobs disrupted.

1. JUNE LOCKDOWN

METHODOLOGY & KEY ASSUMPTIONS

Tourism Research Australia (TRA) data has been utilised to estimate the current and predicted impacts of the border closures and lockdowns on the Murray Region visitor economy during June 2021. Given the timing of the recent Victorian lockdown, which impacted population movements and visitation both to and within Victoria from May 27 to June 17, the impact period is considered to be June 2021.

This includes estimated impacts of border closures on visitor numbers, visitor expenditure, and jobs disrupted across the region. These estimates are scenario-based only, using the following approach:

- Visitation and expenditure data has been collected for June 2019 and projected forward using the Average Annual Growth Rate (AAGR) for the Murray Region, to estimate expected visitation and visitor expenditure to the region in June 2021 under a 'business as usual' scenario;
- A range of visitation impact scenarios ('low', 'medium' and 'high') have been applied to the June baseline figures to understand the potential impacts of the border closures and movement restrictions; and
- Separate scenarios have been developed for the Victorian and NSW Local Government Areas (LGAs) to reflect the type of lockdown and distinct impacts to each side of the border.

The scenarios utilised for the Victorian and NSW LGAs are summarised below in Table T1. *Please note: the disaggregated impacts for each state are provided in Appendix A.*

T1. SCENARIO MODELLING KEY ASSUMPTIONS & RATIONALE

Lockdown	Murray Region Impact Area	Visitation Scenarios	Rationale
June Lockdown	Victorian LGAs	Low: 80% reduction Medium: 90% reduction High: 100% reduction	<ul style="list-style-type: none"> • This reflects the loss of intrastate and interstate movements both within and to Victoria.¹ • The scenarios are based on feedback from businesses in the region which have previously lost trade during earlier restrictions.
	NSW LGAs	Low: 40% reduction Medium: 50% reduction High: 60% reduction	<ul style="list-style-type: none"> • This reflects the loss of interstate visitors from Victoria to NSW. • Victorian visitors represented an average of 55% of all visitors to the NSW Murray between 2015 and 2019.

Source: Urban Enterprise, 2021; TRA National Visitor Survey data 2015-19.

¹ Although restrictions were lifted in early June for movements within Regional Victoria, the scenarios reflect the ongoing loss of visitors from Greater Melbourne throughout June (as well as NSW/SA visitors).

PROJECTED IMPACTS TO THE MURRAY REGION

Based on a business as usual estimate of 648,000 visitors to the Murray Region in June 2021, it is estimated that the Murray Region experienced an aggregate **loss of between 420,000 – 549,000** visitors due to the lockdown measures.

T2. ESTIMATED VISITATION IMPACTS – MURRAY REGION – JUNE 2021

	VISITATION June 2019	VISITATION SCENARIOS JUNE 2021			
		Business as usual	Low	Medium	High
Visitation	539,000	648,000	228,000	163,000	99,000
Visitation loss			-420,000	-485,000	-549,000

Source: TRA NVS, June 2019. Please note estimates have been rounded to the nearest 100.

The subsequent impacts on total visitor expenditure for the Murray Region is estimated at **a loss of between \$197 million and \$253 million in visitor spend in June 2021**, based on the visitation scenarios outlined above.

Due to the loss of visitor expenditure, it is estimated that **between 2,900 and 3,800 tourism-related jobs in the Murray Region were disrupted in June 2021**. This does not include potential long-term impacts. Job loss impacts are based on input-output modelling multipliers, which assumes a loss of 1.5 job per \$100,000 visitor expenditure lost.²

T3. ESTIMATED EXPENDITURE LOSS & JOB DISRUPTION – MURRAY REGION – JUNE 2021

	EXPENDITURE June 2019	EXPENDITURE & JOB DISRUPTION SCENARIOS JUNE 2021			
		Business as usual	Low	Medium	High
Expenditure	\$236 million	\$283 million	\$87 million	\$58 million	\$30 million
Expenditure loss			-\$197 million	-\$225 million	-\$253 million
Job disruption			2,900	3,400	3,800

Source: TRA NVS, June 2019. Please note expenditure estimates have been rounded to the nearest \$ million.

² TRA, Tourism's Contribution to the Australian Economy

2. JULY LOCKDOWN

METHODOLOGY & KEY ASSUMPTIONS

TRA data has been utilised to estimate the current and predicted impacts of the border closures and Victorian and NSW lockdowns on the Murray Region visitor economy during July 2021. Given the timing of the ongoing NSW lockdown, which is likely to run for the entirety of July (and beyond), as well as the Victoria lockdown (which commenced July 16), the impact period of July is examined in two phases:

- **First Phase (July 1-15)** – NSW lockdown only, whereby only the NSW Murray Region LGAs experiences visitation loss; and
- **Second Phase (July 15-30)** – Concurrent NSW and Victorian lockdowns, whereby the entire Murray Region experiences visitation loss.

The following estimates the subsequent impact of border closures and lockdowns on visitor numbers, visitor expenditure, and jobs disrupted across the region. These estimates are scenario-based only, using the following approach:

- Visitation and expenditure data has been collected for July 2019 and projected forward using the Average Annual Growth Rate (AAGR) for the Murray Region, to estimate expected visitation and visitor expenditure to the region in July 2021 under a 'business as usual' scenario;
- Estimate the average weekly visitation and visitor expenditure for the NSW and Victoria LGAs Murray Region across July (under business as usual);
- Apply a range of visitation impact scenarios ('low', 'medium' and 'high') – see Table T4 – to the impacted weeks, which vary for each phase, to understand the overall July impacts of the border closures/restrictions. This analysis uses the business as usual estimate as a baseline comparison; and
- Separate scenarios have been developed for the Victorian and NSW Local Government Areas (LGAs) to reflect the type of lockdown and distinct impacts to each side of the border.

The scenarios utilised for the Victorian and NSW LGAs are summarised below. *Please note: the disaggregated impacts for each state are provided in Appendix A.*

T4. SCENARIO MODELLING KEY ASSUMPTIONS & RATIONALE

Lockdown Period	Murray Region Impact Area	Visitation Scenarios	Rationale
July (first phase)	Victorian LGAs	Low: 10% reduction Medium: 20% reduction High: 30% reduction	<ul style="list-style-type: none"> • This reflects the loss of interstate visitors from NSW to Victoria. • NSW visitors represented an average of 15% of all visitors to the Victorian Murray region between 2015 and 2019
	NSW LGAs	Low: 80% reduction Medium: 90% reduction High: 100% reduction	<ul style="list-style-type: none"> • This reflects the loss of intrastate and interstate movements both within and to NSW. • The scenarios are based on feedback from businesses in the region which have previously lost trade during earlier restrictions.
July (second phase)	Victorian LGAs	Low: 80% reduction Medium: 90% reduction High: 100% reduction	<ul style="list-style-type: none"> • This reflects the loss of all visitation to the Murray Region, including all intrastate and interstate movements (for both NSW and Victorian LGAs).
	NSW LGAs		<ul style="list-style-type: none"> • The scenarios are based on feedback from businesses in the region which have previously lost trade during earlier restrictions.

Source: Urban Enterprise, 2021; TRA National Visitor Survey data 2015-19

JULY LOCKDOWN: PROJECTED IMPACTS TO MURRAY REGION

Visitation Loss

The following aggregates the visitation impacts for July 2021 (both phases) for the entire Murray Region, which, based on the adopted scenarios, will see **an estimated loss of between 372,000 – 498,000** visitors due to the lockdown measures.

T5. ESTIMATED VISITATION IMPACTS –MURRAY REGION – JULY 2021

	VISITATION	VISITATION SCENARIOS JULY 2021			
		Business as usual	Low	Medium	High
	July 2019				
Visitation	523,000	628,000	256,000	193,000	130,000
Visitation loss			-372,000	-435,000	-498,000

Source: TRA NVS, July 2019. Please note estimates have been rounded to the nearest 100.

Visitor Expenditure Loss & Job Disruption

Aggregating the total visitor expenditure impacts for the Murray region estimates **a loss of between \$244 million and \$330 million in visitor spend in July**, due to reduced visitation scenarios associated with border closure and movement restriction impacts.

Based on the loss of visitor expenditure, it is estimated that **between 3,660 and 4,940 tourism-related jobs in the Murray region were disrupted in July 2021³**. This does not include potential long-term impacts.

T6. ESTIMATED EXPENDITURE LOSS & JOB DISRUPTION –MURRAY REGION – JULY 2021

	EXPENDITURE	EXPENDITURE & JOB DISRUPTION SCENARIOS JULY 2021			
		Business as usual	Low	Medium	High
	July 2019				
Expenditure	\$348 million	\$430 million	\$186 million	\$143 million	\$100 million
Expenditure loss			-\$244 million	-\$287 million	-\$330 million
Job disruption			3,660	4,300	4,940

Source: TRA NVS, July 2019. Please note expenditure estimates have been rounded to the nearest \$ million.

³ This assumes a loss of 1.5 job per \$100,000 visitor expenditure lost.

Ongoing Impact

Due to the high case numbers experienced in both NSW and Victoria, the July lockdown restrictions are expected to continue into August (and beyond). The following, therefore, estimates the potential ongoing impacts to the Murray Region based on average weekly reductions in visitation, visitor expenditure and jobs.

This analysis considers the weekly impact for:

- **Continuation of NSW lockdown only (assuming the Victorian lockdown is lifted on July 28)**, which causes a significant reduction (ranging from 80-100%) in visitation to the NSW Murray Region LGAs and a lesser reduction (ranging from 10-30%) in visitation to Victorian Murray Region LGAs; and
- **Continuation of both NSW and Victorian lockdown**, causing a significant reduction (ranging from 80-100%) in visitation to the entire Murray Region.

ONGOING NSW LOCKDOWN (WEEKLY IMPACT)

Based on the visitor impact scenarios outlined above, it is estimated that, on a weekly basis, the region will experience a loss of: **between 54,700 and 83,000 visitors, \$32 million to \$52 million, in visitor spend and 490 to 780 tourism-related jobs** if the NSW lockdown continues.

T7. ONGOING MURRAY REGION VISITOR ECONOMY WEEKLY IMPACT

	LOW	MEDIUM	HIGH
Visitation Loss	-54,700	-68,800	-83,000
Expenditure Loss	-\$32 million	-\$42 million	-\$52 million
Jobs Disruption	490	630	780

Source: Urban Enterprise, 2021

ONGOING NSW & VICTORIAN LOCKDOWN (WEEKLY IMPACT)

Based on the visitor impact scenarios outlined above, it is estimated that, on a weekly basis, the region will experience a loss of: **between 113,500 and 141,800 visitors, \$78 million to \$97 million, in visitor spend and 1,170 to 1,450 tourism-related jobs** if both the NSW and Victorian lockdowns continue.

T8. ONGOING MURRAY REGION VISITOR ECONOMY WEEKLY IMPACT

	LOW	MEDIUM	HIGH
Visitation Loss	-113,500	-127,600	-141,800
Expenditure Loss	-\$78 million	-\$87 million	-\$97 million
Jobs Disruption	1,170	1,310	1,450

Source: Urban Enterprise, 2021

3. AGGREGATE COVID-19 IMPACT

Methodology & Key Assumptions

To estimate the total economic impact for the Murray region over the past 16 months (April 2020-July 2021), a similar method as used in the previous analysis has been employed. The key steps are outlined below:

- Monthly TRA visitation data (and expenditure) for 2019 has been collected and projected forward to July 2021. This provides a baseline estimate for expected visitation to the region in this period under a 'business as usual' scenario.
- Estimate the weekly visitation and visitor expenditure for the Murray Region (under business as usual).
- Calculate the total number of weeks in which movement restrictions or border closures were imposed by either the Victorian or NSW state governments due to COVID-19 (either separately or concurrently) as well as the corresponding month. This includes (projecting to the end of July 2021⁴):
 - Victorian imposed lockdowns only – 23 weeks;
 - NSW imposed lockdowns only – 8 weeks; and
 - Concurrent lockdowns (both NSW and Victoria) – 15 weeks.
- Apply the visitation scenarios outlined in Table T9 below to the impacted weeks in each state to estimate the reduction in visitation, visitor expenditure and number of jobs disrupted since April 2020. This exercise was undertaken to examine the impacts to each corresponding month.
- Aggregate the impacts for the Victorian and NSW Murray Region LGAs to estimate the total monthly impact of COVID-19 restrictions to-date on the Murray Region's visitor economy. *Disaggregated impacts for each state are provided in Appendix A.*

T9. SCENARIO MODELLING KEY ASSUMPTIONS & RATIONALE

Lockdown	Murray Region Impact Area	Visitation Scenarios	Rationale
Victorian Imposed Lockdown Only	Victorian LGAs	Low: 80% reduction Medium: 90% reduction High: 100% reduction	<ul style="list-style-type: none"> • This reflects the loss of intrastate and interstate movements both within and to Victoria. • The scenarios are based on feedback from businesses in the region which have previously lost trade during earlier restrictions.
	NSW LGAs	Low: 40% reduction Medium: 50% reduction High: 60% reduction	<ul style="list-style-type: none"> • This reflects the loss of interstate visitors from Victoria to NSW. • Victorian visitors represented 55% of all visitors to the NSW Murray region between 2015 and 2019.
NSW Imposed Lockdown Only	Victorian LGAs	Low: 10% reduction Medium: 20% reduction High: 30% reduction	<ul style="list-style-type: none"> • This reflects the loss of interstate visitors from NSW to Victoria. • NSW visitors represented 15% of all visitors to the Victorian Murray region between 2015 and 2019
	NSW LGAs	Low: 80% reduction Medium: 90% reduction High: 100% reduction	<ul style="list-style-type: none"> • This reflects the loss of intrastate and interstate movements both within and to NSW. • The scenarios are based on feedback from businesses in the region which have previously lost trade during earlier restrictions.
Concurrent Lockdown (both NSW and Victoria)	All Murray Region (Vic and NSW LGAs)	Low: 80% reduction Medium: 90% reduction High: 100% reduction	<ul style="list-style-type: none"> • This reflects the loss of interstate and intrastate movements both within and to NSW and Victoria • The scenarios are based on feedback from businesses in the region which have previously lost trade during earlier restrictions.

Source: Urban Enterprise, 2021; TRA National Visitor Survey data 2015-19

⁴ This incorporates the current Victorian lockdown imposed on July 16 (5 days), as well as the expected ongoing lockdown in NSW to the end of July 2021.

TOTAL COVID-19 PERIOD: PROJECTED IMPACTS IN MURRAY REGION

Based on a business as usual estimate of 10.8 million visitors to the Murray Region between March 2020 to July 2021, it is estimated that the region experienced **a total loss of between 4.1 million and 5.3 million** visitors over the 16-month period, based on the visitation scenarios across Victoria and NSW.

The subsequent impact to visitor expenditure for the Murray Region over the 16-month period is estimated at **a loss of between \$2.27 billion and \$2.93 billion in visitor spend**, due to with border closures and movement restrictions.

Based on the loss of visitor expenditure, it is estimated that **between 34,100 and 44,000 tourism-related jobs in the Murray region were disrupted during the 16-month impact period**⁵. This does not include potential long-term impacts.

T10. ESTIMATED VISITATION IMPACTS – MURRAY REGION– COVID-19 PERIOD

BUSINESS AS USUAL			VISITATION LOSS SCENARIOS		
Year	Month	Visitation	Low	Medium	High
2020	March	583,000	-466,000	-524,000	-583,000
	April	666,000	-533,000	-599,000	-666,000
	May	610,000	-488,000	-549,000	-610,000
	June	591,000	0	0	0
	July	573,000	-365,000	-422,000	-480,000
	August	521,000	-333,000	-385,000	-437,000
	September	544,000	-350,000	-405,000	-459,000
	October	568,000	-360,000	-417,000	-474,000
	November	629,000	-70,000	-84,000	-98,000
	December	876,000	-41,000	-46,000	-52,000
2021	January	836,000	-262,000	-294,000	-327,000
	February	582,000	-83,000	-98,000	-114,000
	March	639,000	0	0	0
	April	730,000	0	0	0
	May	668,000	0	0	0
	June	648,000	-419,000	-484,000	-549,000
	July	628,000	-372,000	-435,000	-498,000
Business as Usual		10,892,000			
Aggregate Visitation Loss			-4,142,000	-4,742,000	-5,347,000
Aggregate Expenditure Loss			-\$2,272 million	-\$2,602 million	-\$2,933 million
Jobs Disrupted			34,100	39,000	44,000

Source: TRA NVS, 2019. Please note estimates have been rounded to the nearest 100.

⁵ This assumes a loss of 1.5 job per \$100,000 visitor expenditure lost.

APPENDIX A DISAGGREGATED ECONOMIC IMPACTS BY VICTORIA AND NSW

1. JUNE LOCKDOWN

PROJECTED IMPACTS IN VICTORIAN MURRAY REGION

T11. ESTIMATED VISITATION IMPACTS – VICTORIAN MURRAY REGION LGAS – JUNE 2021

	VISITATION	VISITATION SCENARIOS JUNE 2021			
			Low	Medium	High
	June 2019	Business as usual	80% reduction	90% reduction	100% reduction
Visitation	334,000	401,000	80,000	40,000	0
Visitation loss			-321,000	-361,000	-401,000

Source: TRA NVS, June 2019. Please note estimates have been rounded to the nearest 100.

T12. ESTIMATED EXPENDITURE LOSS & JOB DISRUPTION – VICTORIAN MURRAY REGION LGAS – JUNE 2021

	EXPENDITURE	EXPENDITURE & JOB DISRUPTION SCENARIOS JUNE 2021			
			Low	Medium	High
	June 2019	Business as usual	80% reduction	90% reduction	100% reduction
Expenditure	\$173 million	\$208 million	\$42 million	\$21 million	\$0 million
Expenditure loss			-\$167 million	-\$187 million	-\$208 million
Job disruption			2,500	2,800	3,100

Source: TRA NVS, June 2019. Please note expenditure estimates have been rounded to the nearest \$ million.

PROJECTED IMPACTS IN NSW MURRAY REGION

T13. ESTIMATED VISITATION IMPACTS – NSW MURRAY REGION LGAS – JUNE 2021

	VISITATION	VISITATION SCENARIOS JUNE 2021			
			Low	Medium	High
	June 2019	Business as usual	40% reduction	50% reduction	60% reduction
Visitation	205,000	247,000	148,000	123,000	99,000
Visitation loss			-99,000	-124,000	-148,000

Source: TRA NVS, June 2019. Please note estimates have been rounded to the nearest 100.

T14. ESTIMATED EXPENDITURE LOSS & JOB DISRUPTION – NSW MURRAY REGION LGAS – JUNE 2021

	EXPENDITURE	EXPENDITURE & JOB DISRUPTION SCENARIOS JUNE 2021			
			Low	Medium	High
	June 2019	Business as usual	40% reduction	50% reduction	60% reduction
Expenditure	\$62 million	\$75 million	\$45 million	\$37 million	\$30 million
Expenditure loss			-\$30 million	-\$37 million	-\$45 million
Job disruption			400	600	700

Source: TRA NVS, June 2019. Please note expenditure estimates have been rounded to the nearest \$ million.

2. JULY LOCKDOWN

PROJECTED IMPACTS IN VICTORIAN MURRAY REGION

T15. ESTIMATED VISITATION IMPACTS – VICTORIAN MURRAY REGION LGAS – JULY 2021

	VISITATION	VISITATION SCENARIOS JULY 2021			
			Low	Medium	High
	July 2019	Business as usual	10% reduction	20% reduction	30% reduction
Visitation	310,000	372,000	205,000	167,000	130,000
Visitation loss			-167,000	-205,000	-242,000

Source: TRA NVS, July 2019. Please note estimates have been rounded to the nearest 100.

T16. ESTIMATED EXPENDITURE LOSS & JOB DISRUPTION – VICTORIAN MURRAY REGION LGAS – JULY 2021

	EXPENDITURE	EXPENDITURE & JOB DISRUPTION SCENARIOS JULY 2021			
			Low	Medium	High
	July 2019	Business as usual	80% reduction	90% reduction	100% reduction
Expenditure	\$238 million	\$286 million	\$157 million	\$129 million	\$100 million
Expenditure loss			-\$129 million	-\$157 million	-\$186 million
Job disruption			1,900	2,400	2,800

Source: TRA NVS, July 2019. Please note expenditure estimates have been rounded to the nearest \$ million.

PROJECTED IMPACTS IN NSW MURRAY REGION

T17. ESTIMATED VISITATION IMPACTS – NSW MURRAY REGION LGAS – JULY 2021

	VISITATION	VISITATION SCENARIOS JULY 2021			
			Low	Medium	High
	July 2019	Business as usual	80% reduction	90% reduction	100% reduction
Visitation	213,000	256,000	51,000	26,000	0
Visitation loss			-205,000	-230,000	-256,000

Source: TRA NVS, July 2019. Please note estimates have been rounded to the nearest 100.

T18. ESTIMATED EXPENDITURE LOSS & JOB DISRUPTION – NSW MURRAY REGION LGAS – JULY 2021

	EXPENDITURE	EXPENDITURE & JOB DISRUPTION SCENARIOS JULY 2021			
			Low	Medium	High
	July 2019	Business as usual	80% reduction	90% reduction	100% reduction
Expenditure	\$110 million	\$132 million	\$26 million	\$13 million	\$0 million
Expenditure loss			-\$106 million	-\$119 million	-\$132 million
Job disruption			1,600	1,800	2,000

Source: TRA NVS, July 2019. Please note expenditure estimates have been rounded to the nearest \$ million.

3. AGGREGATE COVID-19 IMPACT

PROJECTED IMPACTS IN VICTORIAN MURRAY REGION

T19. ESTIMATED VISITATION IMPACTS – VICTORIAN MURRAY REGION LGAS – COVID-19 PERIOD

	VISITATION SCENARIOS			
		Low	Medium	High
	Business as usual (Mar 2020-Jul 2021)			
Visitation	6,550,000	4,140,000	3,800,000	3,470,000
Visitation loss		-2,410,000	-2,750,000	-3,080,000

Source: TRA NVS, 2019. Please note estimates have been rounded to the nearest 100.

T20. ESTIMATED EXPENDITURE LOSS & JOB DISRUPTION – VICTORIAN MURRAY REGION LGAS – COVID-19 PERIOD

	EXPENDITURE & JOB DISRUPTION SCENARIOS			
		Low	Medium	High
	Business as usual (Mar 2020-Jul 2021)			
Expenditure	\$3,376 million	\$1,943 million	\$1,739 million	\$1,535 million
Expenditure loss		-\$1,433 million	-\$1,637 million	-\$1,841 million
Job disruption		21,500	24,600	27,600

Source: TRA NVS, 2019. Please note expenditure estimates have been rounded to the nearest \$ million.

PROJECTED IMPACTS IN NSW MURRAY REGION

T21. ESTIMATED VISITATION IMPACTS – NSW MURRAY REGION LGAS – COVID-19 PERIOD

	VISITATION SCENARIOS			
		Low	Medium	High
	Business as usual (Mar 2020-Jul 2021)			
Visitation	4,340,000	2,740,000	2,480,000	2,210,000
Visitation loss		-1,600,000	-1,860,000	-2,130,000

Source: TRA NVS, 2019. Please note estimates have been rounded to the nearest 100.

T22. ESTIMATED EXPENDITURE LOSS & JOB DISRUPTION – NSW MURRAY REGION LGAS – COVID-19 PERIOD

	EXPENDITURE & JOB DISRUPTION SCENARIOS			
		Low	Medium	High
	Business as usual (Mar 2020-Jul 2021)			
Expenditure	\$1,937 million	\$1,207 million	\$1,083 million	\$958 million
Expenditure loss		-\$730 million	-\$854 million	-\$980 million
Job disruption		10,900	12,800	14,700

Source: TRA NVS, 2019. Please note expenditure estimates have been rounded to the nearest \$ million.

Questions about the postponement of council elections

When will council elections be held?

All council elections will be held on **4 December 2021**.

Why are council elections being postponed?

Council elections are being postponed in response to the current outbreak of the Delta variant of the COVID-19 virus. Global experience has demonstrated that previously effective mitigation strategies for the COVID-19 virus are no longer effective in containing the spread of the Delta variant. Only the strictest controls will contain the current outbreak.

It would be untenable for the Government to encourage electors to leave their homes to vote at a time when people are also being advised not to leave their homes unless it is essential to do so, to limit the spread of the virus.

The Government is also concerned that the current outbreak and restrictions may see a low voter turnout at council elections that could jeopardise the legitimacy of election outcomes and public confidence in them.

Has the NSW Electoral Commissioner been consulted?

The decision to postpone council elections has been made in consultation with the NSW Electoral Commissioner and NSW Health. The NSW Electoral Commissioner has advised the Government that it is no longer tenable to hold council elections during the current COVID outbreak. The Commission now faces insurmountable challenges in conducting council elections in areas affected by outbreaks.

The current outbreak and stay at home restrictions do not only affect electors' ability to vote in person but also the ability of election workers to attend polling places and counting venues for the purposes of their work. The Commission is also finding it increasingly difficult to engage and retain election workers because of fear of COVID.

Why have council elections in regional areas been postponed?

The current outbreak has seen stay at home restrictions imposed in the Orange, Blayney and Cabonne local government areas and cases and transmission hotspots identified in other regional areas.

The Government cannot take the chance that there will be no further outbreaks in regional areas between now and 4 September 2021 that would put council elections in those areas at risk.

Conducting council elections in regional areas will also require the movement of personnel and equipment from Greater Sydney to those areas creating the risk that holding elections in regional areas may cause the virus to be seeded in those areas.

Why can't council elections be held on 4 September 2021 by postal voting?

When holding postal voting only elections for the 2021 local government elections was proposed as an option to address the risks of holding council elections during the COVID-19 pandemic, it was strongly opposed by the local government sector. It is now too late to revisit that option.

To allow council elections to be held by postal voting only outside the circumstances current permitted under the *Local Government Act 1993* (the Act) would require an amendment to that Act. The earliest this could occur is in the week starting on the 4 August when Parliament is scheduled to resume, by which time it will already be too late. There is no guarantee any legislation mandating postal voting only elections would be supported by the local government sector or would pass the Parliament.

Even if the necessary amendments could be passed, the NSW Electoral Commission has advised that it will not be logistically possible to distribute, receive and process postal votes for every elector in NSW in the time between now and 4 September.

Why can't council elections be held on 4 September 2021 using on-line voting?

Technology assisted voting is currently only available to a limited class of electors and only at council elections administered by the NSW Electoral Commissioner. The eligibility criteria for technology assisted voting for council elections is largely the same as State elections.

As with postal voting, to allow council elections to be held by online voting only would require an amendment to the Act. The earliest this could occur is in the week starting 4 August. The Parliament has previously indicated opposition to any expansion of technology assisted voting and any legislation allowing an expansion of technology assisted voting would be unlikely to pass.

Even if the necessary amendments could be passed, the NSW Electoral Commission has advised that its online voting systems could not accommodate every elector in NSW.

Questions about the 4 December 2021 elections

How can the Government be sure that it will be safe to hold council elections on 4 December 2021?

The restrictions imposed under the *Public Health (COVID-19 Temporary Movement and Gathering Restrictions) Order 2021* are designed to contain and reduce the spread of the current outbreak. It is hoped that the measures imposed under the Public Health Order will be effective in containing the current outbreak well before December.

The Government also expects that community vaccination rates will have increased to a level by December to allow available mitigation strategies to be more effective in containing the spread and impact of the Delta variant.

What legislative measures have been taken to support council elections in December being COVID-safe?

Amendments have been made to the *Local Government (General) Regulation 2005* (the Regulation) to facilitate delivery of the December 2021 local government elections in a COVID-safe manner.

Among other things, the amendments to the Regulation expand the eligibility criteria for pre-poll and postal voting in response to the COVID-19 pandemic and allow technology assisted voting at elections administered by the NSW Electoral Commission.

The criteria for pre-poll voting for the 2021 elections have been relaxed allowing any elector to vote during the pre-poll voting period. This will mean that voting will not occur on a single day but over a period of 13 days, including election day. This will assist in allowing a range of COVID-safe measures to be implemented at polling places.

Additional eligibility criteria have been introduced for postal voting in response to the COVID-19 pandemic. These allow electors to vote by post if they are self-isolating because of COVID-19 related reasons, or because they reasonably believe that attending a polling place on election day will pose a risk to their health or safety or the health or safety of another person because of COVID-19. Permanent and temporary residents in hospitals, nursing homes, retirement villages and similar facilities are also eligible to vote using postal voting because of their particular vulnerability.

Technology assisted voting, or iVote, will be able to be made available to electors at council elections administered by the NSW Electoral Commission, and will operate in the same way it does for State elections. Eligibility to vote using iVote will be limited to the same criteria that apply at State elections. Electors who are eligible to vote by post and who have applied for but have not received their postal ballot paper 8 days before election day will also be eligible to vote using iVote.

New powers have also been introduced to allow election managers and officials to maintain COVID-safe measures at and around polling places and at venues where votes are scrutinised or counted. The Regulations empower election managers to:

- restrict posters being displayed and canvassing activities within 100 metres of polling places where this is necessary to comply with a public health order or to reduce the risk of infection from COVID-19, (where posters and canvassing are restricted, links to the posters and other election material may instead be published on the election manager's website)
- prohibit or restrict the number of scrutineers present at polling places and places where ballot-papers are scrutinised or votes counted where this is necessary to comply with a public health order or to reduce the risk of infection from COVID-19, subject to there being alternative scrutiny arrangements (eg filming the counting of votes)

Postponement of the 2021 local government elections

Appendix 7.6-A



Frequently asked questions

- temporarily suspend voting at a polling place for up to 4 hours and to adjourn voting for up to 13 days after election day in response to a health hazard.

What are the key dates for the 4 December local government elections?

Key dates for the December 2021 local government elections are as follows:

Key date	Step
25 October 2021	Close of electoral rolls (6pm) Candidate nominations open Commencement of the “regulated period” for the elections (for example, published electoral material must comply with authorisation rules)
26 October 2021	Postal vote application opens
3 November 2021	Close of candidate nominations (12pm) Registration of electoral material that is for distribution on election day commences
4 November 2021	Ballot paper draw
5 November 2021	Caretaker period commences
22 November 2021	Pre-poll voting opens iVote commences
26 November 2021	Registration of electoral material for distribution on election day closes (5pm)
29 November 2021	Postal vote applications close (5pm)
3 December 2021	Pre-poll voting closes
4 December 2021	iVote applications close (1 pm) iVote voting closes (6pm) Election day (8am-6pm)
17 December 2021	Return of postal votes closes (6pm)
21 – 23 December 2021	Results declared progressively as counts are finalised by Returning Officers

When will council elections be declared?

In response to changing postal delivery services, on the advice of the NSW Electoral Commission, the time for the receipt of postal votes has been extended to 13 days after election day. This change has been made to provide a greater opportunity for valid postal votes to be received and counted. This change will mean it is unlikely council elections will be declared before **21 December 2021**.

When should councils schedule their first meetings after the election?

As noted above, council elections are not likely to be declared before **21 December 2021**. Councils should schedule the timing of their first meetings following the election on this basis.

Councils that elect their mayor are required to hold a mayoral election with 3 weeks after the declaration of the ordinary election and will be required to schedule a meeting for this purpose within 3 weeks of the declaration of the election.

When scheduling the first meeting following the election, councils will need to factor in the Christmas/New Year period.

What needs to happen at the first meeting after the elections?

At the first meeting after the election:

- all councillors and members of county councils must take an oath or make an affirmation of office - councillors are not permitted to participate in meetings until they have done so
- councils must, by resolution, declare that casual vacancies occurring in the office of a councillor within 18 months of the election are to be filled by a countback of votes cast at the election if councils want to fill vacancies by these means – councils that do not resolve to fill vacancies using a countback at their first meeting after the election will be required to fill vacancies using a by-election
- councils that elect their mayors must hold a mayoral election and an election for deputy mayor where they have one
- joint organisations must elect a new chairperson
- county councils must elect a new chairperson.

The Office of Local Government will issue more detailed guidance about these requirements closer to the elections.

Questions about the effect of the postponement of council elections?

What does the postponement of the elections mean for current councillors?

Current councillors will continue to hold their civic offices until council elections are held on 4 December 2021. The civic offices of current councillors will expire on election day on **4 December 2021**.

What does the postponement of the elections mean for popularly elected mayors?

Popularly elected mayors will continue to hold their civic offices until council elections are held on **4 December 2021**.

What does the postponement of the elections mean for mayors elected by councillors?

The making of the order will not affect the requirement to hold mayoral elections. Mayoral elections must be held for mayors elected in September 2019 when their two year-terms expire in September 2021. The Office of Local Government will issue more detailed guidance on this before September.

Mayors elected in September 2020 will continue to hold office until council elections are held on 4 December 2021.

The civic offices of all mayors elected by councillors will expire on election day on **4 December 2021**.

What does the postponement of the elections mean for deputy mayors?

Deputy mayors may be elected for the mayoral term or a shorter term. Deputy mayors hold their office for the term specified by the council's resolution. If a deputy mayor's term expires before election day on 4 December 2021, an election may need to be held for deputy mayor. It should be noted however, that councils are not required under the Act to have a deputy mayor.

What does the postponement of the elections mean for chairpersons of county councils?

Chairpersons of county councils now hold office for two years. Chairpersons of county councils elected in September 2020 will continue to hold office until council elections are held on 4 December 2021.

The civic offices of chairpersons of county councils will expire on the election day for their constituent council on **4 December 2021**.

What does the postponement of elections mean for joint organisations?

The composition of joint organisation boards may need to change in September 2021 if mayors of member councils elected by councillors are not re-elected.

Joint organisations elected chairpersons for a two-year term in 2020. Chairpersons elected in 2020 will continue to hold office until council elections are held on 4 December 2021.

The civic offices of chairpersons of joint organisations will expire on the election day for their member council on **4 December 2021**.

Will councils need to hold by-elections to fill casual vacancies occurring before 4 December 2021?

No. The order postponing the ordinary elections provides that any casual vacancies occurring in a council between now and 4 December are to be filled by the ordinary election for that council to be held on 4 December 2021.

This means that councils are not required to hold a by-election to fill casual vacancies occurring between now and 4 December 2021 or to apply to the Minister for a dispensation from the requirement to hold a by-election.

General managers are still required to notify the Office of Local Government, Local Government NSW, and the NSW Electoral Commissioner of any vacancies within 7 days of their occurring.

What happens if the resignation of councillors between now and 4 December results in a loss of quorum?

It is not possible under the Act for councils to lose quorum because of councillor resignations.

A quorum is defined under section 368 of the Act as *“a majority of the councillors of the council who hold office for the time being and are not suspended from office”*. This means that the quorum is calculated based on the number of councillors who hold office at a particular point in time and does not include civic offices that are currently vacant.

How will the postponement of elections to 4 December 2021 affect the next term of councils?

The postponement of the elections will not affect the timing of future council elections, and the subsequent ordinary local government elections will still proceed in September 2024.

What does the postponement of elections mean for the requirement for councillors to lodge returns of interests?

Under the *Model Code of Conduct for Local Councils in NSW*, councillors (and designated persons) must lodge returns of their interests within three months of 30 June of each year.

All current serving councillors, members of county councils and voting representatives of the boards of joint organisations must lodge a written return of interests with the general manager (or the executive officer in the case of joint organisations) before **30 September 2021** unless they have submitted a return within the previous three months.

Returns of interests must be tabled at the first meeting of the council or board of the joint organisation after they are required to be lodged. They must also be made publicly available free of charge on councils', county councils' and joint organisations' websites, unless there is an overriding public interest against disclosure of the information contained in them or to do so would impose unreasonable additional costs on the council or joint organisation.

When will the caretaker period begin for the next local government elections?

The caretaker period no longer commences on 6 August 2021 and *Circular 21-17 Council decision-making prior to the September 2021 local government elections* may now be disregarded.

The caretaker period for the 4 December 2021 elections will now commence on **5 November 2021** and end on **4 December 2021**.

During the caretaker period, councils, general managers, and other delegates of councils (other than a joint regional planning panel, a local planning panel or the Central Sydney Planning Committee) must not exercise the following functions:

- entering into any contract or undertaking involving an expenditure or receipt by the council of an amount equal to or greater than \$150,000 or 1% of the council's revenue from rates in the preceding financial year (whichever is the larger)
- determining a "controversial development application" (as defined by clause 393B(3) of the Regulation), except where a failure to make such a determination would give rise to a deemed refusal, or such a deemed refusal arose before the commencement of the caretaker period
- appointing or reappointing the council's general manager (except for temporary appointments).

Councils should plan now to avoid the need to make these types of decisions during the caretaker period.

The Office of Local Government will issue more detailed guidance about the caretaker requirements closer to the elections.

When will the “regulated period” begin for the next local government elections?

The “regulated period” is the period commencing 40 days before elections in which rules regulating “electoral material” as defined by the Regulation come into effect.

The regulated period no longer commences on 26 July 2021 and *Circular 21-12 “Electoral matter” and use of council resources prior to local government elections* may now be disregarded.

The “regulated period” for the 4 December 2021 elections will now commence on **25 October 2021** and end on **4 December 2021**.

Councils should plan now to issue publications that may be affected by the rules governing “electoral material” during the regulated period before that period commences.

The Office of Local Government will issue more detailed guidance about “electoral matter” and use of council resources during the regulated period closer to the elections.

How will the postponement of the elections affect councils’ IP&R cycle?

The postponement of the elections will not impact on councils’ IP&R cycles.

The postponement of council elections from 4 September 2021 to 4 December 2021, will not alter the requirement under the Act for councils to review the community strategic plan before 30 June 2022 and establish a new delivery program to cover their principal activities for the 4-year period commencing on 1 July 2022.

However, the postponement of elections will impact of the timing of the end of term report.

Has Central Coast Council’s referendum been postponed?

Central Coast Council will not be proceeding with its referendum on 4 September 2021. It will be a matter for the Council to determine the future timing of the referendum based on the advice of NSW Health and the requirements of the Public Health Order.

How does the postponement of elections affect councils that are currently under administration?

Four councils are currently under administration:

- Balranald Shire Council
- Central Coast Council
- Central Darling Shire Council
- Wingecarribee Shire Council.

Postponement of the 2021 local government elections

Appendix 7.6-A



Frequently asked questions

Balranald Shire Council, Central Coast Council and Central Darling Council will continue under Administration despite the postponement of the elections.

Wingecarribee Shire Council's suspension expires on **10 September 2021** and councillors who continue to hold their civic offices in that council will resume their offices from that date to **4 December 2021** when their civic offices expire.

Where can I get more information?

Contact your Engagement Manager or the Office of Local Government's Council Governance Team on 4428 4100 or olg@olg.nsw.gov.au.

Circular Details	21-20/ 25 July 2021
Previous Circular	20-25 <i>The date of the next ordinary local government elections is 4 September 2021</i>
Who should read this	Councillors / General Managers / All council staff
Contact	Council Governance Team/ 02 4428 4100/ olg@olg.nsw.gov.au
Action required	Information

Postponement of the local government elections to 4 December 2021

What's new or changing

- The Minister for Local Government has published an order in the Gazette under section 318C of the *Local Government Act 1993* (the Act) postponing all council elections to **4 December 2021**.
- The decision to postpone all council elections has been made in response to the escalating outbreak of the Delta variant of the COVID-19 virus in Greater Sydney and the potential for further outbreaks in regional areas.
- The decision has been made in consultation with and on the advice of the NSW Electoral Commissioner and NSW Health

What this will mean for your council

- Current councillors and popularly elected mayors will continue to hold their civic offices until council elections are held on 4 December 2021.
- The order made under section 318C continues the suspension of the requirement to hold by-elections to fill vacancies for the period specified in the order.
- Councils will not be required to hold by-elections to fill vacancies or to apply to the Minister to dispense with the requirement to hold a by-election before ordinary council elections are held on 4 December 2021.
- The making of the order will not affect the requirement to hold mayoral elections.
- Mayoral elections must be held for mayors elected in September 2019 when their two year-terms expire in September 2021.
- Mayors elected in September 2020 will continue to hold office until council elections are held on 4 December 2021.
- Chairpersons of county councils now hold office for two years.
- Chairpersons of county councils elected in September 2020 will continue to hold office until council elections are held on 4 December 2021.
- The composition of joint organisation boards may need to change in September 2021 if mayors of member councils elected by councillors are not re-elected.
- The postponement of the next ordinary local government elections will not affect the timing of future council elections, and the subsequent ordinary local government elections will still proceed in September 2024.

Key points

- The local government elections were previously postponed to 4 September 2021 by orders made under section 318B of the Act.
- The order made under section 318C revokes the previous order and appoints 4 December 2021 as the day on which all council elections will be held.

Where to go for further information

- Further information is provided in the FAQ which is available on the Office of Local Government's website [here](#).
- For further information, please contact the Council Governance Team on 02 4428 4100 or by email at olg@olg.nsw.gov.au.

Kiersten Fishburn

Coordinator General, Planning Delivery and Local Government

From: [denis glanville](#)
To: [Ewer, Karina](#)
Subject: Forced resignation
Date: Monday, 9 August 2021 2:41:18 PM

..Hello Karina. It is with enormous regret that I am forced to tender my resignation from the Berrigan Shire Council effective August 31. As the country is gripped by the pandemic I am unable to cross either border without huge penalties being imposed. It was never my intention to exit prematurely but we put our intended move in place based around an election being held in 2020. Sadly that didn't happen and impacted financially on our build. Would you please share my regret with fellow councillors and pass on my thanks for the shared experience and great privilege to serve the shire. Please also pass on my thanks to the wonderful staff for their support and unwavering assistance during the nine years I have enjoyed as a councillor and I wish everyone involved all the best for the future. I believe the shire is in the best of hands.
Kindest regards

Denis Glanville.

P.s. I will discuss with Matt Hansen the required transition arrangements.

Sent from my iPad



23

EMPLOYEE LEAVE

Strategic Outcome:	Good government	
Date of Adoption:	21 April 2021	Minute Number: 75
Date for Review:	23 April 2025	
Responsible Officer:	Enterprise and Risk Manager	
Document Control:	Replaces and revokes the Employee Leave Policy adopted 17 February, 2021	
Delivery Program Link:	2.1.3.1 <i>Coordinate Council investments, financial management, financial operations and processing.</i>	

1. POLICY STATEMENT

Berrigan Shire Council ensures leave entitlements and requests for leave are managed in accordance with relevant legislation and the Local Government (State) Award 2020 (the Award).

2. PURPOSE

The purpose of this policy is to support the conditions set out in the Award, and to clarify Council requirements in relation to accessing and using leave, and to provide guidance for those staff overseeing the application and use of leave.

3. SCOPE

This policy relates to all Berrigan Shire Council staff employed under full-time, part-time or limited tenure arrangements.

It sets out requirements for using annual leave, sick leave, rostered days off, and time in lieu. Other leave types not covered by this policy and are outlined in the Award.

4. DEFINITIONS

Rostered Day Off (RDO) leave of one day per fortnight, available to full-time staff

Statutory declaration a legal document that contains a written statement about something (in this case supporting information for the purposes of taking sick leave) that is true. It must be witnessed by an approved person such as a Justice of the Peace or a person from an approved occupation. Refer Australian Government, Attorney-General's department,



<https://www.ag.gov.au/legal-system/statutory-declarations/who-can-witness-your-statutory-declaration#lis>

Time in lieu Leave granted for overtime worked instead of receiving an overtime payment. Time off is paid at normal time.

5. POLICY IMPLEMENTATION

5.1 General principles

Where possible, Council and employees will work together to ensure leave is taken when it is mutually convenient.

Nothing in the policy is to be read as contrary to the requirements of the Local Government Act 1993, the Fair Work (Cth) Act 2009 and the Award.

5.2 Applying for leave

5.2.1 Arranging leave

Any employee wishing to take leave should first discuss this with their Manager.

Where possible, the Council will work with the employee to meet their request for leave, subject to the operational requirements of the Council. This is made easier if the employee provides the Council with adequate notice of their intention to take leave.

For a period of Annual Leave or Long Service Leave less than two weeks, two weeks' notice must be provided. For a period of leave greater than two weeks, four weeks' notice must be provided.

Shorter periods of notice may be accepted at the discretion of the employee's supervisor.

5.2.2 Applications

Employees must submit applications for leave using Council's software program.

Leave will not be permitted unless an application is made and the employee's Manager explicitly grants approval.

Leave taken without the appropriate approvals will be treated as unauthorised leave, payment will not be made, and disciplinary action will be taken.

5.2.3 Notification of sick leave



Employees taking sick leave must notify their Manager, Supervisor or Overseer via phone. Notification of sick leave via text message or email is not permitted and will result in sick leave being denied.

5.3 Sick leave

Employee entitlement to sick leave (including carer's leave and bereavement leave) is in accordance with the Award. The entitlement to sick leave is subject to the employer being satisfied that the illness or injury (or situation if relating to carer's leave or bereavement leave):

- Is such that it justifies the time off; and
- Does not arise from engaging in other employment.

5.3.1 Certificates

In accordance with the Award, employees are able to take three separate periods of sick leave per 12-month period starting from their commencement date, without producing a certificate or statutory declaration. Such periods are not to be more than two working days each.

Notwithstanding the above, the Council may still require an employee to produce a certificate or statutory declaration where:

- It is reasonable for the employer to require the employee to provide proof of illness or injury having regard to the employee's pattern of sick leave, the timing of the sick leave taken, and/or amount of sick leave taken by the employee, and
- The employer has provided the employee with prior written notice of the requirement to provide proof of illness or injury.

The employee must produce a medical certificate or statutory declaration once three separate periods of sick leave have been utilised within the twelve-month timeframe.

Sick leave periods requiring medical certificates, where a certificate is not provided, will be processed as unauthorised leave, the employee shall not receive payment for this period, and disciplinary action will be taken.

5.4 Parental leave

Parental Leave is provided in accordance with the Award and the *Fair Work Act 2009 (Cth)*. Eligible staff must submit a written request to the Chief Executive Officer, at a minimum of 12 weeks prior to their intended finishing date, outlining their preference for payment (i.e. full or half pay), and their intended return date. This is necessary to allow Council time to plan and replace staff on parental leave.



5.5 Time in lieu

Where there is prior agreement between the Council and the employee, an employee directed to work in excess of ordinary hours may elect to either be paid the appropriate overtime rate or be granted time in lieu equivalent to the actual hours worked.

Employees electing time in lieu must ensure they have explicit approval from the Supervisor/Manager for this arrangement. A record of time in lieu is kept by the Supervisor/Manager.

This does not apply to employees who are on call, called back to work or employees working on their RDO.

5.6 Leave without pay

As a general rule, the Council will not allow employees to take leave without pay. Employees are expected to manage their leave entitlements to ensure they have sufficient leave to meet their ordinary circumstances.

The Chief Executive Officer is the only person with authority to approve any application for leave without pay.

The Chief Executive Officer will only approve leave without pay where:

- The employee has exhausted all other leave entitlements, and
- The Chief Executive Officer is satisfied that the employee has a bona-fide personal emergency that requires leave without pay

5.7 Double-pay and half-pay

In accordance with the Award, employees, with the consent of the Chief Executive Officer, can elect to take their annual leave, long service leave or RDO entitlements at double-pay (i.e. less time at double the ordinary rate of pay) or half-pay (i.e. more time at half the ordinary rate of pay).

The entitlement to take annual leave at double pay is only available to an employee if, after taking the period of leave, the employee will have an accrued annual leave entitlement of not less than four (4) weeks.

5.8 Cashing out

In accordance with the Award and relevant legislation, employees, with the consent of the Chief Executive Officer, can request to be paid out of their annual leave, long service leave or



RDO entitlements. Employees electing to use the annual leave cashing out option must have accrued an annual leave entitlement of not less than four weeks.

An employee who is entitled to long service leave, may with the consent of the employer, cash out a particular amount of excess long service leave. Excess long service leave means the long service leave that an employee has accrued under the Award that is in excess of the long service leave that the employee would have accrued if covered by Section 4 of the *Long Service Leave Act 1955* (LSL Act). Each application will be considered against the LSL Act to determine the amount of excess leave available to be cashed out.

5.9 Annual closedown

At its discretion, the Council may put in place an annual closedown for part or all of its operations.

Where possible, employees subject to the annual close down should take leave already accumulated. In cases where there is insufficient leave accrued, the employee may, with the agreement of the Chief Executive Officer:

- Take leave without pay, or
- Have paid leave taken deducted from future leave entitlements (i.e. “go into credit”)

5.10 Accumulated leave

5.10.1 Annual leave

Where practical, employees should not accumulate more than eight weeks’ annual leave entitlement at any one time.

Where an employee’s annual leave entitlement exceeds eight weeks, the employee and the manager must jointly prepare an annual leave plan. The annual leave plan will set out a timetable for scheduled leave to bring the accumulated balance back within the limit set by the policy. The annual leave plan will also address any resource constraints to ensure the employee can take their scheduled leave.

In cases where an annual leave plan cannot be put in place or is not followed, the Council may direct the employee to take annual leave after giving the employee four weeks’ notice.

5.10.2 Long service leave

Where practical, employees are expected to take long service leave within five years of it falling due. Long Service Leave will not be permitted to accumulate beyond 13 weeks.



In cases where an employee has accumulated excess long service leave, Council and the employee may prepare a long service leave plan. The long service leave plan will set out a timetable for scheduled leave to bring the accumulated balance back within the limit set by the policy. The long service leave plan will also address any resource constraints to ensure the employee can take their scheduled leave

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Employees who work their RDO will be permitted to accumulate RDO hours up to a maximum of five days.

The Chief Executive Officer may approve the accrual of more than five days in exceptional circumstances. Employees will be required to reduce their accumulated leave through discussion, and at a mutually agreeable time.

5.10.4 Time in lieu

Time in lieu can accumulate up to a maximum of five days, following that, employees will be required to reduce their time in lieu through discussion, and at a mutually agreeable time.

6. RELATED LEGISLATION, POLICIES AND STRATEGIES

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23

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5.10.4 Time in lieu

Time in lieu can accumulate up to a maximum of five days, following that, employees will be required to reduce their time in lieu through discussion, and at a mutually agreeable time.

6. RETIREMENT

6.1 Notification of Intention to Retire

An employee's intention to retire must be made in writing to the Chief Executive Officer. The employee's application for access to accrued Annual and Long Service Leave must be made at the same time as their notification of intention to retire.

6.2 Acknowledgement of Intention to Retire

The Chief Executive Officer must acknowledge the notification of intention to retire in writing to the employee and clearly set out the parameters within which the retirement will be approved; including (but not limited to) approval of leave prior to the agreed retirement date, the amounts of any lump sum payments owed after the agreed retirement date and the date on which that payment will be made.

6.3 Restrictions to Taking of Accrued Leave



In line with 5.10.1 and 5.10.2, an employee may not access more than the allowable accruals for Annual Leave and Long Service Leave prior to their retirement date. (i.e. a total of eight (8) weeks Annual Leave plus thirteen (13) weeks Long Service Leave – total 21 weeks). This leave must be taken prior to the official agreed retirement date.

Any outstanding leave in excess above allowable accrual amounts will be paid in a lump sum unless otherwise negotiated and approved in writing by the Chief Executive Officer.

6.4 Responsibilities of Chief Executive Officer

The Chief Executive Officer may not continue employment of an employee post their official retirement date, therefore any outstanding amounts must be paid in full as per the requirements of the Award and the Long Service Leave Act 1955.

No previous employee shall be eligible for employee entitlements (i.e. superannuation payments, Award increments, continued accrual of leave entitlements etc.) after the passing of the agreed retirement date.

The method of payment (such as fortnightly instalments) of the amount outstanding amounts may be negotiable with the Chief Executive Officer however the method of payment may not amount to the continued employment of the retired person.

7. RELATED LEGISLATION, POLICIES AND STRATEGIES

- [Local Government Act 1993](#)
- [Fair Work Act \(Cth\) 2009](#)
- [Long Service Leave Act 1955](#)
- [Industrial Relations Act 1996](#)
- [Local Government \(State\) Award 2020](#)
- Berrigan Shire Council Salary Policy
- Berrigan Shire Council Human Resource Manual

Employee fraud

A guide to reducing the risk of employee fraud and what to do after a fraud is detected

CPA Australia Ltd ('CPA Australia') is one of the world's largest accounting bodies representing more than 132,000 members of the financial, accounting and business profession in 111 countries.

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Introduction	2
What is fraud?	3
The impact of fraudulent activities	4
Examples of fraud	5
Strategies to minimise the risk of fraud	6
What to do once fraud is detected	8
Step one: Stop the fraud continuing	8
Step two: Collect the facts	8
Step three: Discuss the issue with the employee	8
Step four: Report the fraud to the police	9
Case studies	10
Case study one: Wholesale distributor with national network	10
Case study two: Telecommunications business	10



Employee fraud is more common than most businesses think. It can have differing impacts on the success of a business. In the most serious of cases, employee fraud can lead to business failure and destroyed careers.

Misplaced trust, inadequate hiring and supervision policies, and a failure to implement strong internal controls create an environment that is ripe for an employee to commit fraud. Employee fraud is therefore about opportunity. Subsequently, businesses should take steps to reduce this opportunity.

The following guide includes:

- an overview of fraud, including common examples of fraud
- examples of strategies to reduce the risk of fraud
- information on what to do when a fraud is detected.

Businesses designing strategies to reduce the risk of fraud will have to balance their desire to minimise such risks with the business needs. In other words, a business must avoid becoming so focused on reducing the risk of fraud that it impairs the ability of the business to meet its commercial objectives.

What is fraud?

“Fraud is behaviour that is deceptive, dishonest, corrupt or unethical. For fraud to exist there needs to be an offender, a victim and an absence of control or safeguards.”¹

Fraud is generally described in three categories:

1. asset misappropriation
2. fraudulent accounting and financial reporting
3. corruption.

Conversely, fraudulent activity is usually motivated by one or more of three main factors:

1. pressures
2. opportunity
3. rationalisation.

Opportunity is the element that every business should be seeking to reduce.

1. *Your guide to stopping Employee fraud*, Queensland Police (www.police.qld.gov.au/Resources/Internet/programs/crimePrevention/documents/EmployeefraudBrochure.pdf).

The impact of fraudulent activities Appendix 5.1-D

Where a business is a victim of a fraud, there is more at stake than just the direct cost of the fraud. Other impacts to consider are:

- Staff morale can be affected as they feel a sense of betrayal that a colleague could do such a thing and/or management allowed the fraud to occur.
- Good employees do not want to work for a business where fraud is widespread, not investigated or not acted upon.
- The reputation of the business in the eyes of suppliers, customers, competitors, possible employees and other business partners (for example banks) can be damaged.
- Businesses may become overly internally focused in response to a fraud.
- For individuals that supervised the fraudster, the fraud can impact their reputation and therefore their career, particularly if the manager is in a financial role, as others will expect that given their expertise, they should have prevented the fraud.

Examples of fraud

Examples of employee fraud include:

- creating “ghost” employees or not deleting ex-employee records and having the salary of these “ghost” employees paid into the fraudster’s bank account
- creating bogus suppliers, with payment being made to the fraudster’s bank account
- creating bogus purchase orders of a bona fide supplier and substituting the supplier’s bank account details with fraudster’s bank account details
- obtaining kickbacks or bribes from suppliers or contractors
- associates of the staff providing services to the business at inflated prices
- personal use of business resources
- inflated/bogus reimbursement claims
- manipulation of financial data to receive performance based bonuses
- faking time sheets
- private purchases through business accounts/business credit cards
- providing discounted (or free) goods or services to friends and associates.

Strategies to minimise the risk of fraud Appendix 5.1-D

As the old saying goes “prevention is better than a cure” and this is certainly true when considering how to manage the risk of employee fraud. The most important aspect to managing this risk is ensuring that the business has solid internal controls in place as, for every fraudulent activity, there is always a breakdown of internal controls.

Minimising the potential for fraud will require designing and implementing internal controls that prevent, detect and deter most fraudulent behaviour. The successful implementation of such internal controls begins with the “tone at the top”. Managing the risk of fraud requires the business owners and senior managers to support and adhere to all policies and procedures implemented to manage this risk. The success of internal controls also requires that they be visible, built into the day-to-day work of the business and that employees are held accountable for their actions. In addition, internal controls should be continually reviewed and, where appropriate, amended.

It is important to realise that employee fraud cannot be eliminated but the risks of it occurring can be substantially reduced. The strategies to reduce the risk of employee fraud must strike a balance between the need for such controls and not “micro-managing” employees, therefore businesses will have to accept some degree of risk of employee fraud.

Through the implementation of some or all of the following strategies, your business can minimise the risk of becoming a victim of employee fraud.

Strategy	Description
Lead by example	Every person within the business, regardless of seniority, should adhere to the policies and procedures and be held accountable for their actions.
Create a positive working environment	A positive work environment encourages employees to follow policies and procedures, and act in the best interests of the business. Most employees will respond positively to clear organisational structure, clarity of job responsibilities, fair employment practices, open lines of communication between management and employees and positive employee recognition, hence reducing the likelihood employee fraud.
Have a policy manual	Ensure that your control procedures are documented and that every employee has access to the procedures and is trained in them. Reports on the implementation of the procedures should be made to senior management regularly. There should be a “zero tolerance” of breaches and adherence to the procedures should form part of the conditions of employment.
Create a code of conduct	The code of conduct should make it clear that there will be zero tolerance of any fraudulent activity on any level of the business and that any such fraud will be reported to the police. This code should also clarify what constitutes employee fraud, as this is often an area of confusion for employees.
Separation of duties	No one person should be responsible for a complete transaction from start to finish. For small businesses, where this is not practical, employees handling finance should be subject to close supervision.
Authorisation controls	Implement policies that clearly articulate who is authorised to conduct transactions on behalf of the business and who is responsible for each step of a transaction (including who has authority to authorise a payment over a certain amount or entering into a contract).
Implement a whistleblowing policy	Have a whistleblowing policy in place that outlines the steps to be taken if an employee suspects another individual of fraud. To supplement such a policy, a mechanism that allows employees to anonymously communicate their concerns about potential fraud is recommended. It is important that employees are aware that there will be no negative consequences when “blowing the whistle”. Management must also demonstrate that they actively follow up on all issues raised via the whistleblowing mechanism.
Create an organisational chart	Define the roles and responsibilities of all employees. This could include: job descriptions, reporting lines/segregation of duties, mandatory job rotations, authorisation policy and leave.

Strategy	Description
Implement a comprehensive recruitment policy	<p>Make sure your recruitment policy involves:</p> <ul style="list-style-type: none"> • past employment verification and seeking explanations of any employment gaps • police checks – there are specialist businesses that can provide this information within 48 hours • verification of qualifications – sight original documents or contact institutions that issued the qualifications • reference checks • credit checks, particularly for employees in finance roles and those handling cash • using technology to research potential employees, including viewing social networking sites.
Monitor employee behaviour	<p>There are a number of employee behaviours that may indicate a heightened probability that an employee is committing fraud, including:</p> <ul style="list-style-type: none"> • the employee regularly works outside of business hours or rarely takes leave. Although they may appear diligent, they may have other motives for being in the workplace unsupervised • the employee appears to be spending or living beyond their means • reports and reconciliations are not done (for whatever reason) • tax returns and other compliance forms are lodged late.
Implement supervisory processes	<p>Strong supervision is vital, especially in smaller businesses that may have difficulty segregating duties. This can include approval, review, authorisations and occasional spot checks which might involve re-doing work.</p>
Perform regular accounting reconciliations	<p>Regular accounting reconciliations (such as bank reconciliations, payroll reconciliations and analysis between budget and actual figures) often make fraud concealment very difficult. The person doing a bank reconciliation should be different from the person doing the banking.</p>
Implement physical access controls	<p>Control physical access to premises, cash registers, computer systems, safes and other secure systems. For example:</p> <ul style="list-style-type: none"> • ensure doors, desks and filing cabinets are locked • implement systems that report on employee activity, such as who has viewed and altered data in your database • consider installing electronic surveillance systems.
Investigate every incident	<p>Gain the facts you need to make informed decisions and reduce losses through a thorough and prompt investigation of policy and procedure violations, allegations of fraud or warning signs of fraud.</p>
Others	<p>In addition to the aforementioned, employers should:</p> <ul style="list-style-type: none"> • regularly review financial statements • deposit cash and cheques daily and make sure the person doing the banking is not the person collecting the money • secure blank cheques, signature stamps and access to EFT payments • never sign or authorise payments that are not fully completed • periodically check suppliers' details, including bank account details, with the actual supplier • only pay on original invoices • review billing error complaints from customers • engage an external accountant to audit their books • periodically compare payroll payees with employee records • ensure that all employees take annual leave during the year • have a cross training program in place to ensure that one employee is never the only person capable of a particular role • in instances where they use a personnel agency, check their contract with the agency to see whether the staff hired through the agency have been subject to a police check • question unusual accounting methods or unnecessary complexity in an accounting transaction or excessively long charts of accounts • bring in a contract accountant to fill in when their accountant is on leave.

What to do once fraud is detected?

Even with these checks in place, employee fraud can still occur (however the risk of it occurring is reduced).

If a fraud is detected, the immediate reaction from the business owner/management can often be emotional. An emotive response can compound your problems and give the fraudster the opportunity to take action against the employer in other ways (such as unfair dismissal). Taking a measured approach is the best way to deal with such a situation.

Step one: Stop the fraud continuing

The first thing to do when a fraud is committed is to stop it continuing. This involves:

- blocking or reducing access to electronic and other information or resources being used to commit the fraud, including blocking remote access
- if the employee has been using a computer, ensuring that the computer is isolated and no one else touches it. Forensic IT should be brought in to recover anything that has been deleted from the hard disk. In addition, email lists are often helpful in preparing evidence. The courts may not accept this evidence if there have been other users of the equipment. Backups can be useful during this process
- identifying other computers/equipment the employee may have used, and isolate these computers as well (even if it is another employee's computer).

Step two: Collect the facts

The second step to take after a fraud is detected is to make sure you collect as many facts as possible before you approach the employee. The employee may actually admit to committing the fraud once they learn you know what has been going on. Ensure that you speak to the fraudster's work colleagues. Often where a senior executive is involved in a fraud, their personal assistant has known about it but was unwilling to get involved. Employees need to know that they can safely discuss what they know.

Step three: Discuss the issue with the employee

The third step to take after a fraud is detected is to discuss the issue with the employee. However, you should be very careful and approach such conversations with a clear head. You may wish to seek legal advice before having the conversation or have your lawyer present to make sure it is done the right way. If you are in Australia, please read "Terminating an employee suspected of fraud in Australia" below.

The business may choose to let the employee resign rather than be terminated. However, it should be made clear to the employee that, whether the employee resigns or is terminated, the business will still report the fraud to the police and the business may still seek to recover the business's property from the employee through civil action.

Terminating an employee suspected of fraud in Australia

The following is provided by Katie Sweatman of the law firm Mason Sier Turnbull – www.mst.com.au. This information is correct as at February 2011.

Once a fraud is detected, care must be taken to ensure that no termination of employment of the suspected fraudster takes place unless there is reasonable evidence supporting the allegations of fraud. Therefore, take a deep breath before approaching an employee you suspect of committing a fraud.

If you intend to terminate the employee's employment with you, it is important that you take a measured approach to dismissing such an employee and that the dismissal is in accordance with the law. A surprise interview of the employee where dismissal may be discussed may lead to problems with unfair dismissal if procedural fairness is not followed.

Australia's unfair dismissal laws require that at any meeting where termination of employment may be discussed, the employee:

- know the reason for the dismissal and that they have an opportunity to respond to the allegations
- not be refused the opportunity to have a support person in the meeting where dismissal may be discussed.

If you do hold a surprise meeting with the employee where accusations of fraud are levelled at the employee (but where dismissal is not discussed), the business should give the employee the opportunity to:

- consider the information presented before them
- seek advice
- bring in a support person to the next meeting.

You should also let the employee know that, at a subsequent meeting, you will discuss with them how you are going to handle the allegations.

If the employee admits to committing the fraud at the initial meeting and accepts the consequences without the need for a subsequent meeting or a support person then you, as the employer, can act on the dismissal. However, you must inform the employee of their rights to seek advice and have a support person present. If the employee chooses to waive such rights, you should keep a detailed diary note of that.

An alternative to dismissal is to suspend the employee with pay at any time while the fraud is being investigated.

Fraudulent or illegal conduct may override employment contract provisions, including notice of termination requirements. However, the employee's superannuation, leave and long service entitlements, subject to the state where the employment takes place, may not be withheld as compensation, as those entitlements have a statutory basis.

If the termination is done effectively and fairly, it may also increase the chances of you getting information from the employee that will help your investigation, which, in turn, can assist police.

If you have any concerns with terminating or suspending an employee please contact Mason Sier Turnbull www.mst.com.au or your lawyer.

Step four: Report the fraud to the police

The fourth step to take after a fraud is detected is for the business to report the fraud to their local police station. If the matter is left unreported, the fraudster may commit a fraud on another business and your inaction may further damage your reputation with employees, potential employees, suppliers, customers and your bank.

To assist police with the investigation, it is advisable that the business spend some time collating evidence into a brief for the police.

The following is a guide to what information to give to police when reporting the fraud:

Details of employee who has committed the fraud	Supply name, address, date of birth, contact phone numbers, email and employment details, including start date, leave dates, vehicle registration, passport details, licence details.
Summary of allegations	Prepare a summary of events in chronological order that forms the basis of your allegation. Include times, dates, places and any conversations or interaction with suspect regarding the allegation.
Evidence	Include a brief description of the evidence that supports the events described.
Witnesses	Provide details of any witnesses, including their name, address, phone number and a brief summary of why this person is a witness.
Document/exhibits	Provide copies of documents or exhibits which support the complaint. This may include, but is not limited to, banking records, business records, receipts, contracts, invoices, internet content, phone records and audit reports. Treat original document with care as this may be used as evidence.
Action taken against suspect	Provide information of any discipline or civil action taken against the suspect/s.

Case study one: Wholesale distributor with national network

Within one month of beginning employment, the employee began creating fictitious invoices randomly from three large suppliers, and paid them within the month the invoice was raised. Thus, the invoices did not show up as creditors on potential audit reconciliations. The electronic payments on these fictitious invoices were made direct to the employee's own bank account. The employee that committed the fraud was selected through a personnel agency from a short-list of candidates, with no police check.

The finances of the business were managed by one person. Management personnel were focused on statistical sales reports and inventory control and therefore the employee that committed the fraud focused on providing such reports. This satisfied the information needs of management. Financial reports against budget were required but not produced regularly by the employee. In essence, the employee was not supervised in regard to general office administration.

The fraud was detected within 12 months of employment commencing.

The internal checks that discovered the fraud were instigated by the directors/owners because:

- there was a significant over-run in the cost of goods sold (actual versus budget)
- the monthly profit performance reports were not being produced as requested by the directors/owners.

When confronted with a preliminary reconciliation of the "missing funds", the employee confessed and pleaded for the employer not to report them to the police. However, the person was immediately dismissed and a report was lodged with the police. There was frustration from the employer because of the perceived lack of speed by the police in dealing with the matter. This was compounded by the lack of response from the employer's bank in identifying transactions beyond the last three months.

Case study two: Telecommunications business

The business recruited a sales manager to reorganise and expand their business into new geographic areas. The successful applicant had two degrees and a masters (MBA). The employer was very impressed that they could recruit such a well qualified applicant at a relatively low salary.

The employee:

- set up a channel program to expand the business into a new geographic area
- expanded the range of products the business sold
- expanded the business into retail.

A number of alarms bells alerted the business that something was not right, including:

- The business had to send the employee on an Excel course as the employee's spreadsheet skills were very poor. This did not equate with someone who was so well qualified.
- The employee explained to management that to expand into retail in their particular industry required the business go through a particular distributor and to secure a relationship with that distributor, they had to give them \$10,000 in cash.

Things started to not add up. The business started to do further background checks on the employee, including asking their lawyers to contact the education institutions the employee claimed to have graduated from. These checks uncovered that the employee did not have the qualifications they claimed to have. Upon discovering that the employee had falsified their qualifications, the business dismissed the employee immediately.

Further investigation by the business discovered the employee:

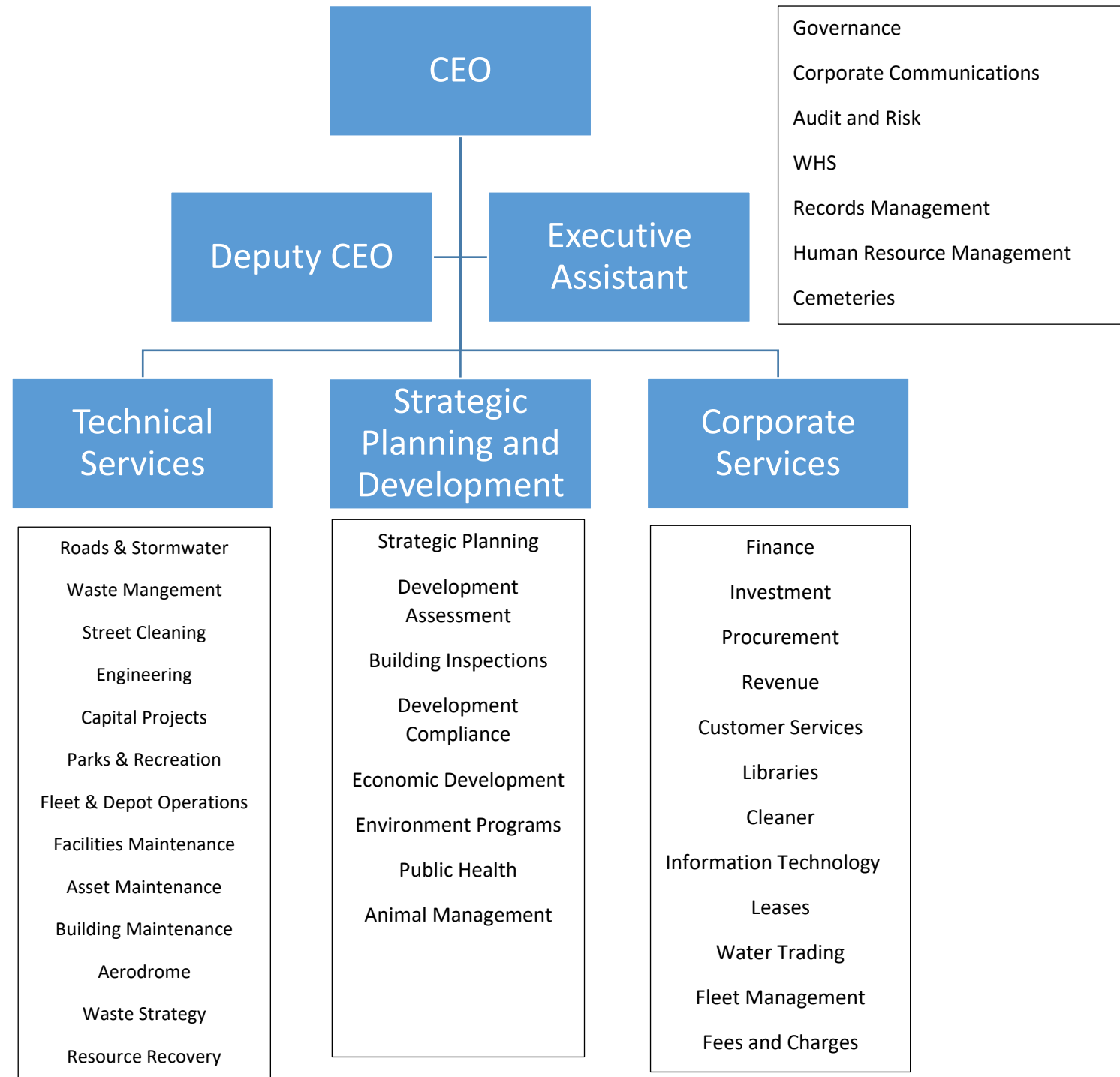
- had organised "kickbacks" with suppliers of the new of products
- was receiving payments from a channel partner that the partner thought was being made to the business
- was stealing partner incentive stock, including expensive electronic equipment
- did not have a prior criminal record.

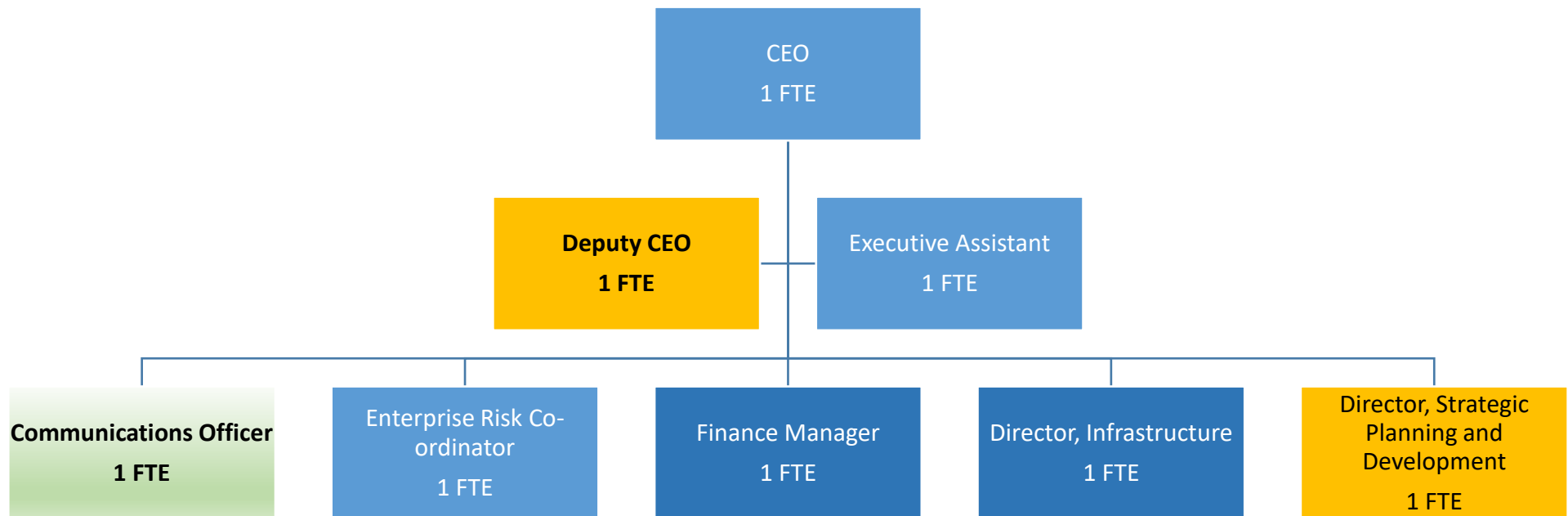
Two days after the employee's dismissal, the employee had found new employment and was seeking to establish the same arrangement with one of the suppliers the employee had established for the business. The business knew the new employer and recommended that they check the veracity of the employee's qualifications.

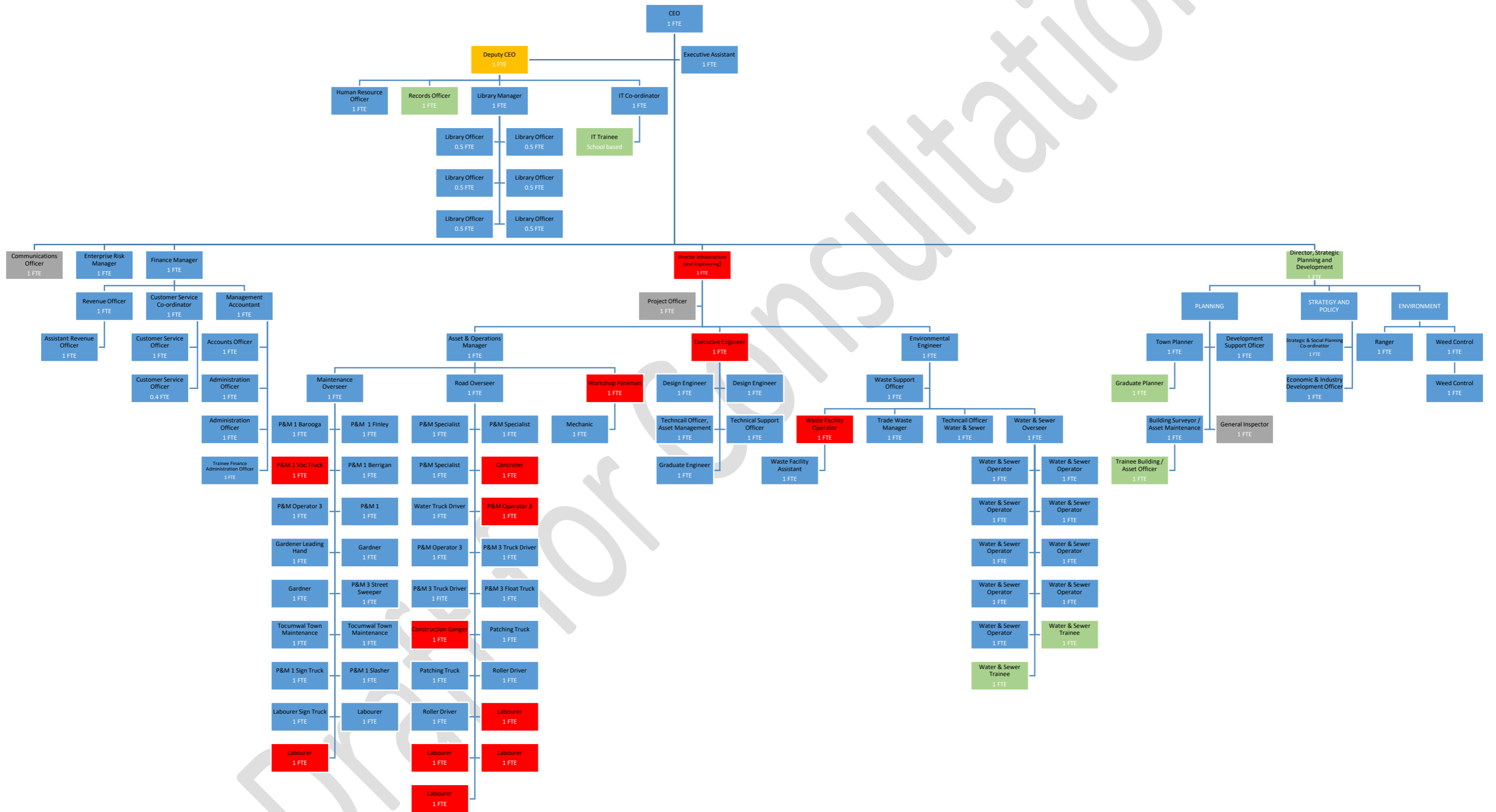
The business pulled together all the facts and gave those facts together with an executive summary to the police. Once interviewed by the police, the employee admitted to the fraud. Even though the employee admitted to the fraud, it took almost a year to prosecute the employee.

The business now requires applicants to bring in original certificates of qualifications and the business also checks with prior employers as well as stated references, to confirm periods of employment and the applicant's title.











Position Description

Deputy CEO and Director Corporate Services

Directorate	Governance
Location	BERRIGAN
Classification/Grade/Band	Deputy Chief Executive Officer and Director Corporate Services
Position Code	DCEO
Date position description approved	Xx xxx 2021

Council overview

The Berrigan Shire Council is a rural community with a population exceeding 8,500 and comprising the four towns of Finley, Berrigan, Tocumwal and Barooga; bordered by the Murray River and bushlands in the south and surrounded by dry and irrigated farming lands.

This position provides an opportunity for the incumbent to provide corporate services to and good governance for the Berrigan Shire organisation.

Council values

Committed to making an even better Berrigan Shire, instilling the values of Integrity, Leadership, Selflessness, Objectivity, Accountability, Openness, Honesty, Respect, Trust and Teamwork, Advocacy, and Partnership

Primary purpose of the position

The purpose of this position is to provide leadership and direction for the Corporate Services function of Council, to provide leadership to operational functions of the Council to enable the CEO to take on a more strategic and external focus, and to act as the Chief Executive Officer (CEO) when the CEO is on leave.

To achieve the best value for residents in the Berrigan Shire the Deputy Chief Executive Officer will provide professional advice and expertise to Council on all matters relating to Council's operational direction including functional responsibility in the areas of:

- Financial Services
- Governance
- Information and Communications Technology

- Human Resource Management

The position will provide leadership and direction to staff to achieve the successful delivery of Council's strategic outcomes, projects and programmes.

The position is specifically responsible for fulfilling the statutory and regulatory requirement of Public Officer, Right to Information Officer, Complaints Co-ordinator and Disclosures Co-ordinator.

The position will be focussed on the continuous improvement of Council's operations overall.

Key accountabilities

Finance	<ul style="list-style-type: none"> • Ensure Council's accounts and finances are maintained in accordance with relevant legislation and Council's Auditor • Oversee the preparation of budgetary information required for Council's Integrated Planning and Reporting obligations • Oversee the preparation of Council's annual budget • Monitor Council's investments • Provide regular reports to the Chief Executive Officer and Council on relevant matters, particularly recommending strategies for Council's long term financial management • Ensure effective management reporting and support to assist program managers to make effective financial decisions and maintain financial control over their area of responsibility.
Governance	<ul style="list-style-type: none"> • Act as Council's Public Officer and respond to applications under the Government Information (Public Access) Act • Oversee the operations of Council's Section 355 Committees • Report to the Chief Executive Officer and Council on legislative changes or best practice recommendations which may affect Council's governance arrangements • Oversee the review of Council's policy and procedure framework and ensure review occurs at least once every four years. • Manage the internal audit program
Information and Communication Technology	<ul style="list-style-type: none"> • Oversee Council's Information and Communication Technology framework • Ensure Council's ICT framework contributes to and facilitates an effective and positive online presence and provides convenient and efficient communication channels for information transactions • Ensure Council's ICT framework provides a cost effective package which maximises productivity for staff and Council's operations, whilst meeting customer expectations. The system will reflect a cloud based environment and consider mobile computing solutions. • Ensure the security and integrity of Council's ICT systems including cybersecurity management • Oversee the preparation of the budget for Council's ICT function
Human Resource Management	<ul style="list-style-type: none"> • Collaborate with the leadership team to understand how Council's Workforce Strategy affects Council's staffing, recruitment and retention practices

- Assists the CEO plan, lead, develop, co-ordinate and implement policies, procedures, training, initiatives and surveys to support Council's human resource compliance and strategy needs,
 - Oversee the administration of human resource programs (including but not limited to employee health and wellbeing, disputes and investigations, reward and recognition, and training and development)
 - Monitors and Council's compliance with Federal, State and local employment laws and regulations
 - Assists with the development of human resource management budget, including mandatory and prescribed training
- Leadership
- Provide advice to the CEO and Council on matters within their sphere of control
 - Lead projects on behalf of the CEO in areas across different functions of the organisation
 - Engage and consult with stakeholder to identify their requirements and use this information to enable organisational direction, strategy and action;
 - Liaise with staff, Councillors, the community and outside organisations / authorities on the delivery of key operational responsibilities
 - Develop plans and policies to meet the requirements of legislation and the needs of the community
 - Participate as a member of the senior management team in the planning and implementation of Council's corporate objectives
 - Exercise functions delegated by the CEO
 - Ensure compliance with the Local Government Act and other relevant legislation
 - Provide regular reports to Council as required
 - Attend meetings of Council and other meetings as may be required
 - Take all reasonable actions to limit Council's exposure to public liability and professional indemnity and other insurance claims where practicable
 - Act in the position of CEO when required
- Staff Management
- Motivate staff to achieve quality outcomes
 - Foster a co-operative, collegiate and innovative culture
 - Monitor and evaluate performance of staff against goals and objectives and ensure appropriate levels of staff training and development are maintained;
 - Provide regular feedback in a way which promotes future co-operation and improved performance including acknowledging achievements and taking remedial action where necessary

Key challenges

- Balancing the community's vision for the Shire against limited budgets, resources and timeframes.
- Managing change whilst maintaining a focussed and high functioning work environment
- Effective integration of strategic planning to align with long term financial sustainability

Key internal relationships

Who	Why
Chief Executive Officer	<ul style="list-style-type: none"> Consult and concur on matters relating to strategy, governance and policy; Advise regularly on issues / concerns with Council's administrative function; Discuss community services and budget requirements
Finance Manager	<ul style="list-style-type: none"> Seek information regarding financial positions and budgets
Library Manager	<ul style="list-style-type: none"> Discuss staff issues and assist with resolutions Seek information regarding library functions and budgets Actively engage with the Library Strategic Plan to deliver quality community outcomes
IT Officer	<ul style="list-style-type: none"> Oversee development and implementation of IT Strategy Discuss IT security and functionality issues and solutions Co-ordinate IT functionality across organisation
Human Resource Officer	<ul style="list-style-type: none"> Mentor HR functionality to ensure good cultural outcomes for employees Oversee HR Function of Council to ensure accessibility of staff to HR Officer including positive relationships with HR function
Records Officer	<ul style="list-style-type: none"> Oversee the maintenance and management of Council's records in line with statutory requirements, including disposal schedules
Corporate Services Staff	<ul style="list-style-type: none"> Discuss Staff issues and assist with resolutions Seek information regarding customer service functions and their impacts on community
Management Team	<ul style="list-style-type: none"> Seek feedback regarding status of projects; Liaise regularly to discuss issues in the workplace; Advise on changes to work processes/projects. Provide support as necessary
Water & Safety Officer	<ul style="list-style-type: none"> Liaise during pool season to discuss issues with pool and lifeguard management.
Volunteers and Council s355 Committees	<ul style="list-style-type: none"> Liaise regularly, discuss and resolve issues surrounding volunteer management of Council assets.
Council	<ul style="list-style-type: none"> Advise and provide guidance on matters of policy, legal, technical, financial and political acceptability Actively engage with risk profile of Council to ensure good community outcomes

Key external relationships

Who	Why
Statutory Authorities and Industry Associations	<ul style="list-style-type: none"> To keep abreast of new technologies and changes to work processes;

Key dimensions

Decision making

Delegated authority to (subject to compliance with legislation):

- Obtain quotations and authorise purchase orders;
- Approve or refuse payment to contractors or creditors;

- Sign or countersign cheques on Council's Bank Account;
- Check and certify statutory accounts against Council records;
- Authorise expenditure for urgent works;
- Lodge cash bond or bank guarantee;
- Negotiate Council's overdraft limit;
- Authorise the writing off of uncollectible debts up to a maximum amount of \$2,000';
- Sell old material, spoilt or obsolete equipment;
- Authorise the issue of accounts for services provided by Council;
- Authorise applications for borrowings from financial institutions at the direction of Council and subject to a resolution of Council
- Arrange the investment of money;
- Write off accrued interest on rates and charges if payment would result in hardship; make arrangements for accounts receivable payments by instalments; refund over-payments; grant rebates of rates
- Engage consultants to assist with Council projects;
- Make decisions regarding staffing matters;
- Reply to correspondence, and refer correspondence without prior consideration of Council;
- Sign contracts, deeds and agreements that do not require the Council seal;
- Appoint employee representatives to Council Committees;
- Receive and investigate complaints;
- Initiate or carry on proceedings; to authorise the issue or withdrawal of any penalty infringement notices
- Instruct or engage Council's Solicitors and Counsel;
- Implement any work, service or action provided for in the adopted Integrated Plan without further reference to Council (with exceptions as outlined in Delegations of Authority)
- Sign funding applications once approved by Council;
- Determine the fee to be charged for the provision of Council's employees as witnesses and / or the supplying of information for Court cases;
- Act as Council's "principal officer" or appoint Council officer(s) to determine application and provide information to access information;
- Enforce payment of rates;
- Resolve claims on Council's behalf up to the level of the excess applicable to each insurance policy;
- Authorise and sign notices to quit to tenants in relation to rent arrears;
- Approve or refuse to grant Council's consent to a third party development application that may traverse or impact upon Council land

Reports to

Chief Executive Officer

Direct reports

Five:

- Human Resource Officer

- Library Manager
- Information Technology Co-ordinator
- Records Officer
- Water & Safety Officer (for the lifeguard management of Council's swimming pools)

Estimated number of indirect reports

> 60 staff including:

- Communications Officer
- Enterprise Risk Manager
- Finance Manager
- Director, Infrastructure
- Director, Strategic Planning and Development
- Casual lifeguards
- Volunteers of s355 Committees

Budget (operating and capital expenditure)

Overall responsibility for preparing annual estimates and forward financial plans for the total operation of the Council in conjunction with the Chief Executive Officer and other Directors.

Authority level A in accordance with Council's procurement procedures, subject to legislation, Council budget and delegation:

- Unlimited Capital expenditure
- Unlimited Operating expenditure

Essential requirements

Degree qualification in Local Government, Business/Management or related discipline;

Extensive senior management experience leading a multi-disciplined team;

Demonstrated experience in local government including an understanding of the statutory environment, community expectation and government directions;

Demonstrated effectiveness at delivery services and meeting performance targets;

Demonstrated ability to align and implement strategic plans to achieve long term sustainability; with a particular emphasis on the integration of asset management systems

High level interpersonal skills including the ability to communicate effectively (both verbal and written) with all levels of a multi-disciplined team and a diverse community

Commitment to customer service, teamwork, safety and workplace equity and diversity






Current Australian Drivers Licence

Capabilities for the role

The Local Government Capability Framework describes the core knowledge, skills and abilities expressed as behaviours, which set out clear expectations about performance in local

government: “how we do things around here”. It builds on organisational values and creates a common sense of purpose for elected members and all levels of the workforce. The Local Government Capability Framework is available at <https://www.lgnsw.org.au/capability>

Below is the full list of capabilities and the level required for this position. The capabilities in bold are the focus capabilities for this position. Refer to the next section for further information about the focus capabilities

Local Government Capability Framework		
Capability Group	Capability Name	Level
 Personal attributes	Manage Self	Highly Advanced
	Display Resilience and Adaptability	Highly Advanced
	Act with Integrity	Highly Advanced
	Demonstrate Accountability	Highly Advanced
 Relationships	Communicate and Engage	Highly Advanced
	Community and Customer Focus	Highly Advanced
	Work Collaboratively	Advanced
	Influence and Negotiate	Advanced
 Results	Plan and Prioritise	Highly Advanced
	Think and Solve Problems	Highly Advanced
	Create and Innovate	Advanced
	Deliver Results	Highly Advanced
 Resources	Finance	Highly Advanced
	Assets and Tools	Advanced
	Technology and Information	Highly Advanced
 Workforce Leadership	Procurement and Contracts	Highly Advanced
	Manage and Develop People	Highly Advanced
	Inspire Direction and Purpose	Highly Advanced
	Optimise Workforce Contribution	Highly Advanced
	Lead and Manage Change	Highly Advanced

Focus capabilities

The focus capabilities for the position are those judged to be most important at the time of recruiting to the position. That is, the ones that must be met at least at satisfactory level for a candidate to be suitable for appointment.

Local Government Capability Framework		
Group and Capability	Level	Behavioural Indicators
Personal Attributes Display Resilience and Adaptability	Highly Advanced	<ul style="list-style-type: none"> • Is comfortable with constant change, and able to adjust accordingly • Provides sound rationale for agreed positions while remaining open to valid suggestions for change • Creates a climate which encourages openness and debate around critical issues • Raises critical issues and makes tough decisions • Persists in the face of complex and novel challenges • Manages own emotions and acts as a stabilising influence in emotionally charged situations
Personal Attributes Act with Integrity	Highly Advanced	<ul style="list-style-type: none"> • Champions and acts as an advocate for the highest standards of ethical and professional behaviour • Set a tone of integrity and professionalism in the organisation and in dealings external to the organisation • Defines, communicates and evaluates ethical practices, standards and systems and reinforces their use • Creates a climate in which staff feel empowered to challenge and report inappropriate behaviour • Acts promptly and visibly in response to complex ethical and people issues
Relationships Communicate and Engage	Highly Advanced	<ul style="list-style-type: none"> • Puts forward compelling arguments • Explains complex concepts appropriately for diverse audiences • Anticipates and addresses key areas of interest for diverse audiences and adapts style under pressure • Invites, actively listens and responds respectfully to questions, comments and suggestions

Local Government Capability Framework

Group and Capability	Level	Behavioural Indicators
Relationships Community and Customer Focus	Highly Advanced	<ul style="list-style-type: none"> • Creates an organisational culture which embraces high quality customer service • Ensures that management systems, processes and practices drive service delivery outcomes • Ensures that community and customer needs are central to strategic planning processes • Establishes systems to set and monitor service delivery standards in line with customer and community expectations • Ensures council services contribute to social, environmental and economic sustainability in the community/region
Results Plan and Prioritise	Highly Advanced	<ul style="list-style-type: none"> • Sets and communicates organisational objectives, ensuring these are the focus for planning activity • Considers the organisation's long term role in the community and region when planning • Ensures that a governance framework enables high quality strategic, corporate and operational planning • Ensures effective governance of program and project management, including acceptance of new initiatives
Results Think and Solve Problems	Highly Advanced	<ul style="list-style-type: none"> • Quickly grasps unfamiliar concepts and deals comfortably with complexity • Demonstrates deep knowledge and expertise across numerous subject areas • Critically analyses information and seeks diverse perspectives to formulate effective responses to police issues • Identifies and evaluates broader impacts of proposed policies and solutions • Makes good decisions based on available evidence, observed patterns and evaluation of risks and benefits
Resources Finance	Highly Advanced	<ul style="list-style-type: none"> • Sets organisational strategies and plans with reference to key financial indicators • Ensures that strategic decisions are made with appropriate advice from finance professionals • Identifies the most appropriate financing and funding strategies to meet operational and capital needs • Inspires a culture which respects the obligation to manage public monies and other resources responsibly • Establishes effective governance to ensure the ethical and honest use of financial resources • Actively pursues financial risk minimisation strategies, plans and outcomes.

Local Government Capability Framework

Group and Capability	Level	Behavioural Indicators
Business Enablers Technology and Information	Highly Advanced	<ul style="list-style-type: none"> • Ensures effective governance enables efficient and effective applications of technology in the organisation • Ensures effective governance or information and communications security and use policies • Encourages research and expert advice on the application of emerging technologies • Critically assesses business cases to introduce new technologies
Workforce Leadership Manage and Develop People	Highly Advanced	<ul style="list-style-type: none"> • Creates a climate in which people across the organisation want to do their best • Ensures the organisation engages in effective performance management, development planning and talent identification • Drives executive capability development and ensures effective succession management practices • Creates a climate in which senior staff value regular feedback, continuous learning and new experiences • Ensures workforce management systems, policies and practices are inclusive of all individuals • Instils a sense of urgency around addressing performance problems among leaders in the organisation.
Workforce Leadership Lead and Manage Change	Highly Advanced	<ul style="list-style-type: none"> • Communicates a compelling case for change and articulates vision, objectives and benefits for different audiences • Analyses the change context to develop the right change approach for the organisation, community and region • Ensure regular communication throughout the change effort to build awareness, understanding, support and commitment • Ensures organisation structures, systems, process and leadership are aligned to support and embed changes • Anticipates, plans for and addresses cultural barrier to change



Making an even better Berrigan Shire

Position Description

Director Infrastructure Services

Directorate	Infrastructure Services
Location	BERRIGAN
Classification/Grade/Band	Director Infrastructure Services
Position Code	DIS
Date position description approved	Xx xxx 2021

Council overview

The Berrigan Shire Council is a rural community with a population exceeding 8,500 and comprising the four towns of Finley, Berrigan, Tocumwal and Barooga; bordered by the Murray River and bushlands in the south and surrounded by dry and irrigated farming lands.

This position provides an opportunity for the incumbent to design, develop, coordinate and maintain critical services and infrastructure for the Shire.

Council values

Committed to making an even better Berrigan Shire, instilling the values of Integrity, Leadership, Selflessness, Objectivity, Accountability, Openness, Honesty, Respect, Trust and Teamwork, Advocacy, and Partnership

Primary purpose of the position

Provide high level strategic direction and leadership to the Infrastructure Services department.

The Infrastructure Services department is responsible for engineering and technical support, road construction and maintenance, town and park maintenance, general construction, aerodrome management, environmental management including water and sewer services, and landfill management; and development including town planning, building surveying, and compliance.

The position will be focussed on the continuous improvement of Council's infrastructure and operational services.

Key accountabilities

Within the area of responsibility, this role is required to:

- Develop, implement and deliver Council's annual and rolling works programs and strategic plans for works, services and facilities provided by the Infrastructure Services department;
- Comply and ensure compliance with the implementation of the Local Emergency Management Plan and undertake the functions of the Local Emergency Management Officer and Chairman of the Local Emergency Management Committee;
- Promote continuous improvement within the Infrastructure Services department, emphasizing high levels of efficiency and productivity and encouraging appropriate delegation and responsibility to all staff;
- Monitor and evaluate the performance of all staff within the Infrastructure Services department, and ensure appropriate levels of staff training and development are maintained;
- Monitor and review Council's Asset Management Plans, ensuring opportunities and threats to the Council's assets are identified, and staged construction and/or replacement is recognised and included in Council's plans;
- Actively lead and manage the Tocumwal Aerodrome.

Key challenges

- Accountable for the department's achievement of objectives;
- Encouraging staff at all levels to be participative, enthusiastic and contribute to the concept of making an even better Berrigan Shire;
- Balancing the community's vision for the Shire against constrictive budgets, resources and timeframes.

Key internal relationships

Who	Why
Chief Executive Officer	<ul style="list-style-type: none"> • Consult and concur on matters relating to strategy, governance and policy; • Advise regularly on the status of capital works projects, operational matter; • Discuss asset replacement and budget requirements • Advise on matters relating to Emergency Management
Management Team	<ul style="list-style-type: none"> • Seek feedback regarding status of projects; • Liaise regularly to discuss issues in the workplace; • Advise on changes to work processes/projects. • Provide support as necessary
Works Teams	<ul style="list-style-type: none"> • Seek feedback regarding work processes; • Liaise regularly to discuss issues in workplace

Who	Why
Council	<ul style="list-style-type: none"> • Advise on status of projects • Provide guidance on matters of strategy, including technical requirements, financial, legal and other strategic issues related to infrastructure management and maintenance

Key external relationships

Who	Why
Statutory Authorities and Industry Associations	<ul style="list-style-type: none"> • To keep abreast of new technologies and changes to work processes;

Key dimensions

Decision making

Delegated authority to (subject to compliance with legislation):

- Obtain quotations and authorise purchase orders;
- Approve or refuse payment to contractors or creditors;
- Sign or countersign cheques on Council's Bank Account;
- Authorise expenditure for urgent works;
- Lodge cash bond or bank guarantee;
- Sell old materials, spoilt or obsolete equipment;
- Authorise the issue of accounts for services provided by Council;
- Engage consultants to assist with Council projects;
- Make decisions regarding staffing matters;
- Reply to correspondence, and refer correspondence without prior consideration of Council;
- Sign contracts, deeds and agreements that do not require the Council seal;
- Appoint employee representatives to Council Committees;
- Receive and investigate complaints;
- Act as Chairperson of the Local Emergency Management Committee;
- Recommend appointment of staff to the Infrastructure Services department in accordance with the organisational structure and resources approved by Council and the concurrence of the Chief Executive Officer;
- To manage staff of the Infrastructure Services department with the concurrence of the Chief Executive Officer and in accordance with Council's policies and any relevant Award, Industrial Agreement or statutory requirement.
- Initiate or carry on proceedings; to authorise the issue or withdrawal of any penalty infringement notices; instruct or engage Council's Solicitors and Counsel;
- Approve storm water drainage works;
- Implement any work, service or action provided for in the adopted Integrated Plan without further reference to Council (with exceptions as outlined in Delegations of Authority)

- Sign funding applications once approved by Council;
- Remove derelict vehicles;
- Authorise maintenance and repairs of Council properties;
- Authorise the repair, maintenance and replacement of Council's plant, equipment and vehicles;
- Determine the reserve price and disposal of plant, equipment and vehicles by public auction, tender or trade-in;
- Operate and maintain the Council aerodrome;

Reports to

Chief Executive Officer

Direct reports

Four:

- Project Officer
- Asset & Operations Manager
- Executive Engineer
- Environmental Engineer

Estimated number of indirect reports

> 60 staff including:

- Design Engineers
- Workshop
- Roads and Maintenance Overseers
- Roads and Maintenance Staff
- Water & Sewer Overseers and staff
- Technical Officers

Budget (operating and capital expenditure)

Overall responsibility for assisting with the production of operating and capital expenditure budgets.

Authority level A in accordance with Council's procurement procedures, subject to legislation, Council budget and delegation:

- Unlimited Capital expenditure
- Unlimited Operating expenditure

Essential requirements

Formal qualification in Civil Engineering acceptable for 'Professional Engineer' membership of Engineers Australia;

Proven senior management experience leading a multi-disciplined team;






Demonstrated understanding of the relevant economic, political, social and environmental issues for local government and of the role of local government in supporting communities;

Current Australian Drivers Licence

Capabilities for the role

The Local Government Capability Framework describes the core knowledge, skills and abilities expressed as behaviours, which set out clear expectations about performance in local government: “how we do things around here”. It builds on organisational values and creates a common sense of purpose for elected members and all levels of the workforce. The Local Government Capability Framework is available at <https://www.lgnsw.org.au/capability>

Below is the full list of capabilities and the level required for this position. The capabilities in bold are the focus capabilities for this position. Refer to the next section for further information about the focus capabilities

Local Government Capability Framework		
Capability Group	Capability Name	Level
 Personal attributes	Manage Self	Advanced
	Display Resilience and Adaptability	Highly Advanced
	Act with Integrity	Highly Advanced
	Demonstrates Accountability	Highly Advanced
 Relationships	Communicate and Engage	Advanced
	Community and Customer Focus	Highly Advanced
	Work Collaboratively	Advanced
	Influence and Negotiate	Highly Advanced
 Results	Plan and Prioritise	Highly Advanced
	Think and Solve Problems	Highly Advanced
	Create and Innovate	Highly Advanced
	Deliver Results	Highly Advanced
 Resources	Finance	Adept
	Assets and Tools	Highly Advanced
	Technology and Information	Advanced
	Procurement and Contracts	Highly Advanced
 Workforce Leadership	Manage and Develop People	Highly Advanced
	Inspire Direction and Purpose	Highly Advanced
	Optimise Workforce Contribution	Highly Advanced
	Lead and Manage Change	Highly Advanced

Focus capabilities

The focus capabilities for the position are those judged to be most important at the time of recruiting to the position. That is, the ones that must be met at least at satisfactory level for a candidate to be suitable for appointment.

Local Government Capability Framework		
Group and Capability	Level	Behavioural Indicators
Personal Attributes Display Resilience and Adapatability	Highly Advanced	<ul style="list-style-type: none"> • Is comfortable with constant change, and able to adjust accordingly • Provides sound rationale for agreed positions while remaining open to valid suggestions for change • Creates a climate which encourages openness and debate around critical issues • Raises critical issues and makes tough decisions • Persists in the face of complex and novel challenges • Manages own emotions and acts as a stabilising influence in emotionally charged situations
Personal Attributes Act with Integrity	Highly Advanced	<ul style="list-style-type: none"> • Champions and acts as an advocate for the highest standards of ethical and professional behaviour • Set a tone of integrity and professionalism in the organisation and in dealings external to the organisation • Defines, communicates and evaluates ethical practices, standards and systems and reinforces their use • Creates a climate in which staff feel empowered to challenge and report inappropriate behaviour • Acts promptly and visibly in response to complex ethical and people issues
Relationships Communicate and Engage	Advanced	<ul style="list-style-type: none"> • Present with credibility and engages varied audiences • Translates complex information concisely for diverse audiences • Creates opportunities for others to contribute to discussion and debate • Demonstrates active listening skills, using techniques that contribute to a deeper understanding • Is attuned to the needs of diverse audiences, adjusting style and approach flexibly • Prepares (or co-ordinates preparation of) high impact written documents and presentations

Local Government Capability Framework

Group and Capability	Level	Behavioural Indicators
Relationships Influence and Negotiate	Highly Advanced	<ul style="list-style-type: none"> • Credibly promotes the organisation's position in the community, region and sector • Builds and maintains a wide network of professional relationships outside the organisation • Obtains the commitment of key stakeholders to major projects and ensures ongoing communication • Uses understanding of decision-making processes and networks to determine the organisation's bargaining strategy • Uses sound evidence-based arguments supported by expert opinion to influence outcomes • Pre-empts and avoids conflict by identifying contentious issues and directing discussion towards an acceptable resolution.
Results Plan and Prioritise	Highly Advanced	<ul style="list-style-type: none"> • Sets and communicates organisational objectives, ensuring these are the focus for planning activity • Considers the organisation's long term role in the community and region when planning • Ensures that a governance framework enables high quality strategic, corporate and operational planning • Ensures effective governance of program and project management, including acceptance of new initiatives
Results Deliver Results	Highly Advanced	<ul style="list-style-type: none"> • Creates a culture of achievement by setting stretch goals and high expectations for self and others • Shares leadership responsibility and decision making authority, where possible • Drives organisational activity in an environment of ongoing change and uncertainty • Identifies and removes potential hurdles to achievement of sustainable outcomes
Resources Assets and Tools	Highly Advanced	<ul style="list-style-type: none"> • Engages in strategic planning to ensure the organisation's assets support delivery of the strategic plan • Ensures effective governance of the allocation, maintenance and investment in assets and tools • Promotes the role of councils as custodians of community assets • Actively pursues asset risk minimisation strategies, plans and outcomes.
Resources Procurement and Contracts	Highly Advanced	<ul style="list-style-type: none"> • Ensures procurement and contract management policy and practices are in line with guidelines • Ensures effective governance of procurement processes and management of supplier and contractor performance • Monitors and evaluates compliance with and effectiveness of procurement and contract management policies and procedures

Local Government Capability Framework

Group and Capability	Level	Behavioural Indicators
Workforce Leadership Manage and Develop People	Highly Advanced	<ul style="list-style-type: none"> • Creates a climate in which people across the organisation want to do their best • Ensures the organisation engages in effective performance management, development planning and talent identification • Drives executive capability development and ensures effective succession management practices • Creates a climate in which senior staff value regular feedback, continuous learning and new experiences • Ensures workforce management systems, policies and practices are inclusive of all individuals • Instils a sense of urgency around addressing performance problems among leaders in the organisation.
People Management Inspire Direction and Purpose	Highly Advanced	<ul style="list-style-type: none"> • Articulates a shared vision of the organisation's future described in measurable terms • Champions the organisational vision and strategy and communicates the way forward • Generates enthusiasm and commitment to goals and cascades understanding throughout the organisation • Communicates the context and parameters surrounding organisational strategies • Celebrates success and high performance and supports regular workplace activities to build a positive culture.



Audit, Risk and Improvement Committee

Charter

Making an even better Berrigan Shire



1.0 Table of Contents	
2.0 Objective	3
3.0 Authority	3
4.0 Composition and Tenure	3
4.1 Members Voting	3
(a) Independent External Members	3
(b) Councillor Members	3
(c) Chairperson	4
(d) Vacancy	4
4.2 Attendees Non-voting	4
5.0 Roles and Responsibilities	5
5.1 Responsibilities	6
5.2 Roles and Responsibilities under the Risk Management and Internal Audit Framework	6
5.2.1 Internal Audit – Advise	6
5.2.2 Internal Audit – Review	7
5.2.3 Internal Audit - Endorse	7
5.2.4 Risk Management - Advise	7
5.2.5 Risk Management - Review	8
5.2.6 Risk Management - Endorse	8
5.2.7 Compliance Framework	8
5.2.8 Fraud and Corruption Framework	8
5.2.9 Financial Management and External Accountability Framework	8
5.2.10 Governance Framework	9
5.2.11 Strategic Planning	9
5.2.12 Service Delivery	9
5.2.13 Performance Data and Measurement	9
6.0 Reporting	10
7.0 Administrative Arrangements	10
7.1 Meetings	10
7.2 Attendance at Meetings and Quorums	10
7.3 Secretariat	11
7.4 Conflicts of Interest	11



7.5 Induction 11

7.6 Assessment Arrangements 11

7.7 Review of Charter..... 12

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2.0 Objective

The Objective of the Audit, Risk and Improvement Committee (Committee) is to provide independent assurance and assistance to Berrigan Shire Council (Council), and indirectly the community members on matters relating to risk management, the control framework, legislative compliance, internal audit and external accountability responsibilities.

3.0 Authority

Council authorises the Committee within the scope of its role and responsibilities through the Chairperson (Chair) to:

- (a) obtain any information it needs from any employee or external party (subject to their legal obligations to protect information);
- (b) discuss any matters with the external auditor or other external parties (subject to confidentiality considerations);
- (c) request of the Chief Executive Officer (CEO) the attendance of any employee relevant to the agenda documents at Committee meetings; and
- (d) obtain external legal or other professional advice considered necessary to meet its responsibilities. Prior discussion must be undertaken with the CEO who will determine appropriateness of any reimbursement if any by Council.

Whilst the ARIC is described as an advisory committee of the Council, members are expected to abide by Section 439 of the *Local Government Act 1993* and Council's Code of Conduct as though it were a committee of Council.

4.0 Composition and Tenure

4.1 Members (voting)

Members of the Committee, taken collectively, will have a broad range of personal qualities, skills and experience relevant to the operations of the Berrigan Shire Council.

At least one member of the Committee will have a strong financial management and/or audit background, with an understanding of accounting and auditing standards in a public sector environment. Legal, governance, risk management, administrative and business management skills and experience are desirable.

As Berrigan Shire Council is categorised as a Tier 1 Council, in accordance with OLG guidelines, voting membership will consist of three (3) independent members, and one (1) councillor who will be non-voting.

Membership of the Committee is by virtue of the appointed positions; no delegates of the independent members are permitted, however a non-voting councillor member replacement from Council will be permitted. Only the independent members may vote on matters raised in the Committee meetings. The Chair will have the casting vote if required.



(a) *Independent external members*

The independent external members will be appointed, by resolution of the Council, for a term of up to four years, after which they will be eligible for extension or re-appointment for one additional term following a formal review of their performance by Council. Due consideration will be given to ensuring the continuity of independent membership as part of this process. The independent external members can also be removed by resolution of Council.

Independent members must satisfy eligibility criteria and undergo a criminal and financial status (bankruptcy) check.

(b) *Councillor members (non-voting)*

The councillor member of the Committee will be appointed by resolution of the Council, once every two years. The Council may also resolve to appoint an alternative Councillor member to the Committee to attend meetings in the absence of the appointed Councillor member. Councillor members will need to satisfy the eligibility criteria.

(c) *Chair*

The chair will be appointed by the Council for a term up to four years. The chair will be appointed from the list of prequalified persons under the NSW Government's prequalification scheme. In the case of resignation by the Chair, Council will appoint a suitable replacement.

In the absence of the appointed Chair, Council will identify a suitable temporary replacement from the remaining independent members.

The role of the Chair is an administrative one only with no authority to act or direct action on behalf of the Committee or Council.

(d) *Vacancy*

In the case of resignation from the Committee by any of the independent members, the Council is to appoint another member as soon as is practicably possible.

4.2 Attendees (non-voting)

Council staff, internal audit service providers and external audit representatives may be invited to attend meetings, or part thereof, by the Committee Chair or CEO, to address any Agenda item. The CEO will regularly attend meetings.

5.0 Roles and Responsibilities

The responsibilities of the Committee may be revised or expanded by Council from time to time. The Committee may, at any time, consider any other matter it deems of sufficient



importance to do so. The following responsibilities are outlined below, in broad and specific terms.

5.1 Responsibilities

The following broad responsibilities are in accordance the requirements of Part 4A (428A) of the *Local Government Amendment (Governance and Planning) Act 2016**:

- a) compliance
- b) risk management
- c) fraud control
- d) financial management
- e) governance
- f) implementation of the strategic plan, delivery program and strategies
- g) service reviews
- h) collection of performance measurement data by the council
- i) any other matters prescribed by the Regulations

** This Section of the Act has been enacted and is expected to be Proclaimed effective March 2022. Berrigan Shire Council has pre-empted the Proclamation in accordance with good governance and best practice.*

5.2 Roles and Responsibilities under the Risk Management and Internal Audit Framework

In accordance with the proposed Risk Management and Internal Audit Framework (September, 2019), the following roles and responsibilities apply to the Committee:

5.2.1 Internal Audit – Advise by:

- (a) providing overall strategic and executive direction for internal audit activities;
- (b) advising the CEO and Council of the resources necessary to successfully deliver the internal audit function;
- (c) assessing the adequacy and effectiveness of Council’s internal audit activities;
- (d) acting as a forum for communication between the Council, CEO, senior management, the internal audit function and external audit;
- (e) overseeing the coordination of audit programs conducted by internal and external audit and other review functions, and
- (f) ensuring the Council achieves maximum value from its internal audit activities.

5.2.2 Internal Audit – Review of:

- (a) the appropriateness of Council’s Internal Audit Charter, internal audit policies and procedures;
- (b) audit/risk methodologies used;

- (c) the findings/recommendations of internal audit activities, particularly recommendations that have been assessed as the most significant according to the risk to the Council if they are not implemented;
- (d) the effectiveness of corrective actions implemented;
- (e) compliance with statutory requirements;
- (f) the performance of the Chief Audit Executive and the internal audit function as part of the Council's internal audit quality improvement program;
- (g) the findings of any external reviews of the internal audit function.

5.2.3 Internal Audit – Endorse:

- (a) the Council's Internal Audit Charter, internal audit strategic four-year plan and annual work plan, and
- (b) the appointment and remuneration of the Chief Audit Executive

5.2.4 External Audit – Advise by:

- (a) acting as a forum for communication on external audit issues, and
- (b) advising on the findings of external audits and monitoring the implementation by the Council of any recommendations for corrective action.

5.2.5 Risk management – Advise whether:

- (a) the Council has provided sufficient resources for risk management and staff are able to carry out their risk management responsibilities;
- (b) the Council's risk management framework complies with current Australian Risk Management Standards;
- (c) the Council's risk management framework operates effectively and supports the achievement of Council's strategic goals and objectives;
- (d) managements has embedded a positive risk management culture;
- (e) risk management is fully integrated into all aspects of the Council, including decision making processes and operations;
- (f) risks are formally considered when developing and implementing all Council policies, programs, projects and other activities, including procurement;
- (g) major risks have been identified and assessed by the Council and appropriate risk treatments have been implemented that reflect Council's risk criteria;
- (h) risk information is captured and communicated in a timely manner across the Council, enabling management and staff to carry out their responsibilities;
- (i) there are Council-specific, fit-for –purpose tools, systems and processes to help all those responsible for managing risk to fulfil their responsibilities, and

- (j) the Council's risk management policies, procedures and plans are being complied with.

5.2.6 Risk management – Review the appropriateness and effectiveness of the Council's:

- (a) risk criteria
- (b) internal control framework
- (c) risk register and risk profile
- (d) risk reports
- (e) risk management framework in relation to its insurance arrangements, and
- (f) business continuity plans and natural disaster plans (including periodic testing)

5.2.7 Risk management – Endorsement of:

- (a) The Council's risk management policy, risk management plan and risk criteria prior to their approval by Council;
- (b) The Council's risk profile and risk register/s prior to their approval by the CEO.

5.2.8 Compliance framework - Advise whether:

- (a) management has embedded a culture which is committed to lawful and ethical behaviour;
- (b) the Council has in place necessary policies and procedures and that these are periodically reviewed and updated;
- (c) the Council is complying with all necessary legislation, regulations, policies and procedures;
- (d) management has appropriately considered all legal and compliance risks as part of the Council's risk assessment and management arrangements;
- (e) delegations are properly managed and exercised, and
- (f) the Council's system for monitoring compliance is effective.

5.2.9 Fraud and corruption framework – Advise whether:

- (a) Council's fraud and corruption prevention plan and activities are adequate and effective, and
- (b) Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.

5.2.10 Financial management and external accountability framework:

- (a) advise whether the Council's financial management processes are adequate;
- (b) assess the policies and procedures for management's review and consideration of the Council's current and future financial position and



- performance, and the nature of that review (including the approach taken to addressing variances and budget risks);
- (c) advise on the adequacy of early close and year-end review procedures, and
 - (d) review Council's financial statements, including:
 - a. providing input and feedback on Council's financial statements
 - b. advising whether Council is meeting its external accountability requirements
 - c. advising whether appropriate action has been taken in response to audit recommendations and adjustments
 - d. satisfying itself that the financial statements are supported by appropriate management signoff
 - e. reviewing the "Statement by Councillors and Management" (made pursuant to S 413(2)(c) of the *Local Government Act 1993*)
 - f. reviewing the processes in place designed to ensure that financial information included in the Council's annual report is consistent with the signed financial statements;
 - g. reviewing cash management policies and procedures;
 - h. reviewing policies and procedures for the collection, management and disbursement of grants and tied funding, and
 - i. satisfying itself that the Council has a performance management framework that is linked to organisation objectives and outcomes.

5.2.11 Governance framework:

- (a) advising on the adequacy and robustness of the processes and systems that the Council has put in place to govern day-to-day activities and decision-making, and
- (b) reviewing whether controls over external parties such as contractors and advisors are sound and effective.

5.2.12 Strategic Planning:

- (a) advising whether the Council is achieving the objectives and goals it set out in its community strategic plan and has successfully implemented its deliver program, operational plan and other strategies.

5.2.13 Service delivery

- (a) Advising how the Council is delivering local services and how it could improve its service delivery performance.

5.2.14 Performance data and measurement

- (a) Assessing the adequacy of the performance indicators and data the Council used to measure its performance.



6.0 Reporting

The Committee will regularly, but at least once a year, report to Council on its operation and activities during the year. The report should at minimum include:

- (a) an overall assessment of Council's risk control and compliance framework, including details of any significant emerging risks or legislative changes impacting Council;
- (b) a summary of the work the Committee performed to fully discharge its responsibilities during the preceding year;
- (c) details of meetings including the number of meetings held during the relevant period and the number of meetings each member attended;
- (d) a summary of Council's progress in addressing the findings and recommendations made in internal and external reports.; and
- (e) a summary of the Committee's assessment of the performance of internal audit.

The Committee's minutes will be presented to Council for information only, through a report to Council.

The Committee must at all times ensure it maintains a direct reporting line to and from Internal Audit and act as a mechanism for Internal Audit to report to the CEO on functional matters.

7.0 Administrative Arrangements

For the purposes of conducting meetings, the ARIC must abide by Council's Code of Meeting Practice, adopted 15 May, 2019, where it applies.

7.1 Meetings

- (a) The Committee will meet at least four times per financial year. An extraordinary meeting may be held to review Council's financial statements.
- (b) The need for any additional meetings will be decided by the Chair. Other Committee members may make requests through the Chief Executive Officer, to the Chair for additional meetings.
- (c) A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all Committee responsibilities as detailed in this Charter.

7.2 Attendance at Meetings and Quorums

- (a) A quorum will consist of a majority of voting members in attendance.



- (b) Meetings can be held in person, by telephone or video conference.
- (c) The Chief Audit Executive will be invited to attend each meeting unless requested not to do so by the Chair.
- (d) The Committee may also request through the CEO, for other employees to participate for certain agenda items, as well as the external auditor.

7.3 Secretariat

- (a) The Council will provide secretariat support to the Committee.
- (b) The Secretariat will ensure the agenda for each meeting and supporting papers are circulated, at least one week before the meeting, and ensure minutes of the meetings are prepared and maintained.
- (c) Minutes shall be approved by the Chair and circulated to each member and committee observers as appropriate within three weeks of the meeting being held.

7.4 Conflicts of Interest

- (a) Councillors, Council staff and members of the Council committees must comply with the applicable provisions of Council's code of conduct in carrying out the functions as Council officials.
- (b) Committee members must declare any conflicts of interest at the start of each meeting or before discussion of a relevant agenda item or topic.
- (c) Details of any conflicts of interest should be appropriately recorded in the minutes.
- (d) Where members of invitees at Committee meetings are deemed to have a real or perceived conflict of interest, it may be appropriate they be excused from Committee deliberations on the issue where the conflict of interest may exist.

7.5 Induction

- (a) New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

7.6 Assessment Arrangements

- (a) The Chair will initiate a review of the performance of the Committee in full at least once every two years.



- (b) The review will be conducted on a self-assessment basis (unless otherwise determined by the Chair), with appropriate input from management and any other relevant stakeholders, as determined by the Chair.

7.7 Review of the Charter

- (a) At least annually, the Committee will review this Charter. The review will include consultation with the Council.

- (b) Any substantive changes to this Charter will be recommended by the Committee and formally approved by Council.

Adopted by Council.....

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