



**Horsham Rural City
Council** urban rural balance



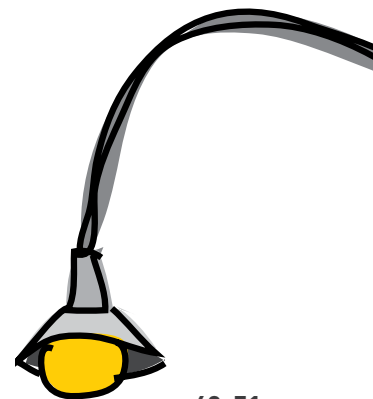
ANNUAL REPORT

2015-2016

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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About This Report

The Victorian *Local Government Act 1989* requires all Councils to present an Annual Report to the Minister for Local Government by 30 September each year.

This Annual Report details the achievements and performance of Horsham Rural City Council over the past year. It is an important document that provides a transparent record of Council's activities in meeting its strategic goals and objectives as set out in the Council Plan to ensure that we deliver key outcomes for our community. Copies of this report are available from the Municipal Offices, Civic Centre, 18 Roberts Avenue, Horsham. It can also be downloaded from the Horsham Rural City Council website – www.hrcc.vic.gov.au.

If you would like to receive this publication in another format, please contact Reception on telephone (03) 5382 9777 or email us on council@hrcc.vic.gov.au.

If you require an interpreter service, please call the Translating and Interpreting Service (TIS National) on telephone 131 450 and ask them to contact Horsham Rural City Council on telephone (03) 5382 9777.

Our business hours are 8.30am to 5.00pm Monday to Friday.

Horsham Rural City Council was established by the order of the Governor in Council on 19 January 1995 and is a body corporate.

Designed by:



Printed by:



Images Courtesy of: Council Staff, Jane Murray, Mark Radford, Parks Victoria, Thea Jane Photography and The Wimmera Mail-Times

Illustrations by: Adelle Rohrsheim

Cover: Horsham Rural City Council Civic Centre Municipal Offices in Roberts Avenue, Horsham.

INTRODUCTION

Welcome to the Annual Report 2015-2016

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2015-2016 is the primary means of advising the Horsham Rural City Council community about Council's operations and performance during the financial year.

Our Vision

Horsham Rural City is a great place to live – vibrant, inclusive and welcoming

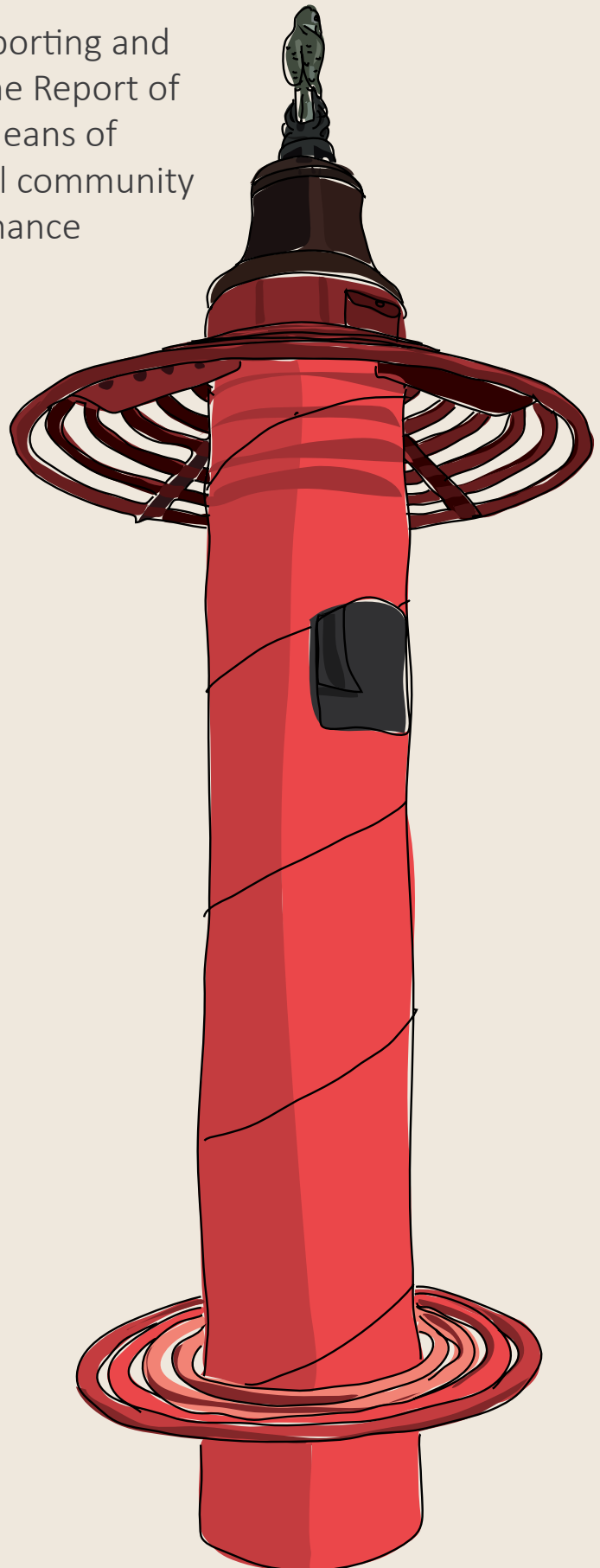
Our Mission

Horsham Rural City Council, working with the community, will develop the municipality through strong leadership, vision, good governance, responsive services and quality infrastructure, whilst enhancing our liveability and natural environment

Our Core Values

In pursuing its strategic objectives, Horsham Rural City Council believes in, and is committed to, the following values:

- We are accountable to our community for our decisions and actions
- We will seek creative, innovative solutions for continuous improvement in line with our vision for the future
- We will work with our community, government and agencies to deliver quality outcomes
- We will work together to lead our community in a professional manner
- We will be transparent in our work



SNAPSHOT OF COUNCIL

Horsham Rural City is a vibrant, diverse community situated approximately 300 kilometres north-west of Melbourne and north of the Grampians National Park, in the heart of the Wimmera region of Victoria. Horsham Rural City Council has a population of 19,774 and covers an area of 4,267 square kilometres. Almost three quarters of residents live in the urban area of Horsham.

Horsham is the major provider of retail, community and government services in the Wimmera, with dryland and broadacre agriculture being our major industry. The Grains Innovation Park, a nationally acclaimed agricultural research centre, is based in Horsham. There are a range of quality educational and health care facilities including secondary colleges, a university and an agricultural college. We also have a diverse array of natural assets including recreational lakes, wetlands, the Wimmera River, Mount Arapiles, the Wartook Valley, and the Grampians National Park is nearby.

Horsham Rural City Council includes the major centres of Horsham and Natimuk, and the localities of: Arapiles, Blackheath, Brimpaen, Bungalally, Clear Lake, Dadswells Bridge, Dooen, Douglas, Drung, Duchembagarra, Grass Flat, Green Lake, Greenland

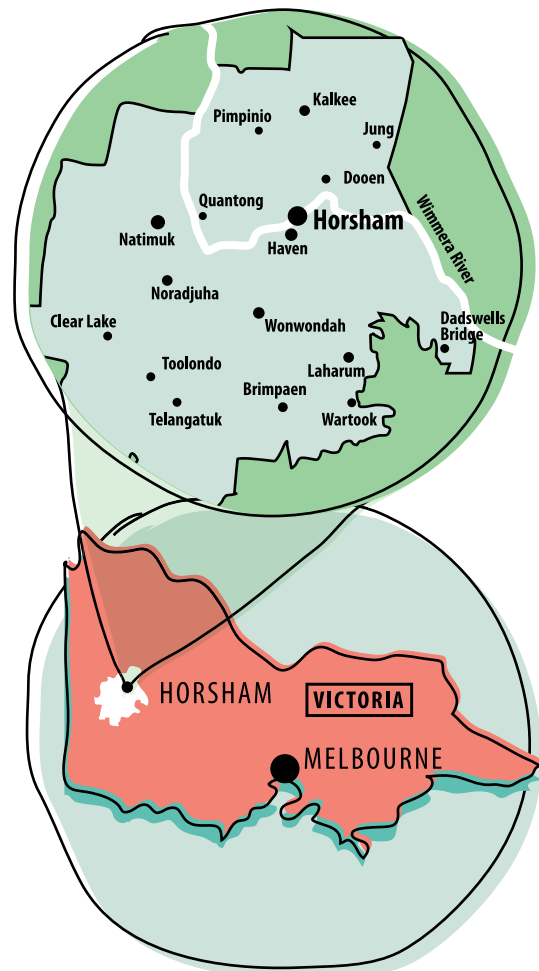
Dam, Haven, Jilpanger, Jung, Kalkee, Kanagulk, Kewell, Laharum, Longerenong, Lower Norton, McKenzie Creek, Mitre, Mockinya, Mount Talbot, Murra Warra, Noradjuha, Nurrabel, Pimpinio, Quantong, Riverside, St Helen's Plains, Telangatuk East, Tooan, Toolondo, Vectis, Wail, Wartook and Wonwondah.

Horsham Rural City Council provides more than 70 services to the community ranging from waste management, emergency and fleet management to community and human service programs. We deliver a comprehensive range of building, planning and regulatory services, along with providing and maintaining important infrastructure such as buildings, roads, drains and parks.

Horsham Rural City Council is committed to working with the community to develop the municipality through strong leadership, vision, good governance, responsive services and quality infrastructure, whilst enhancing our liveability and natural environment. The 2016-2020 Council Plan, associated Strategic Resource Plan and the 2015-2016 Budget set the strategic direction for Council over the next four years. These documents provide direction to management and include the key indicators that Council will use to deliver key outcomes.

AT A GLANCE

| | |
|--|--|
| Population | 19,774 |
| Road Length | 2,976 kilometres |
| Number of Council Employees | 190.9 (FTE) |
| Number of Councillors | 7 |
| Rateable Properties | 12,157 |
| Rates and Charges Revenue | \$23,720,000 |
| Total Revenue (including grants) | \$47,531,000 |
| Municipal Charge | \$268 |
| Garbage Charge | \$213/\$348 |
| Major Employment Sector in Municipality | Agriculture, Retail, Health Care and Social Assistance |





THE YEAR IN REVIEW

Mayor's Message

The privilege of representation comes with a responsibility to represent our community in the Council Chamber, at local celebrations and meetings, and at the advocacy level with State and Federal Governments. It's all about relationships.

The Mayor cannot be everywhere at once, and this representation is often shared with my fellow Councillors who have done a fantastic job over the past 12 months.

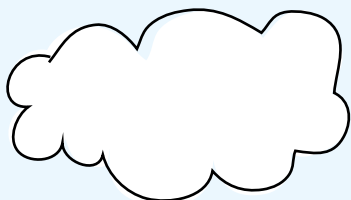
Previous Mayors, Cr Mark Radford and Cr David Grimble, have been supportive and we all continue to contribute to improving our governance processes. There is always room for improvement and we have seen some significant policy reviews in our Council term. In this final year of the current Council, we have become more comfortable with the process of Council and will leave a positive legacy for the seven incoming Councillors.

We have had some challenges over the past 12 months. With rate capping imposed by the State Government combined with a revaluation year, there are some unknowns for residents as the rates notices are delivered.

There's also been the VicRoads hearing around the bypass and decisions will need to be made around our Integrated Transport Strategy and Airport Master Plan, to better inform long term bypass choices and improve our local transport routes.

Council's decision to refuse a planning permit for disposal of radioactive mineral sands mining waste will be a precedent setting case in the Victorian Civil and Administrative Tribunal, with implications across the State.

We have been fortunate to welcome rain and see a way out of the dry seasonal conditions and we have managed to dodge the other natural disasters that too regularly beset us.



Numerous local gatherings have been held across the region to support our communities affected by drought and the Seasonal Conditions Committee includes joint Councils, Government and agencies. Telangatuk had an 80s theme disco and there was an amazing fireworks display in Natimuk finishing with 'R U OK'. Meetings at CFA sheds have also been a feature in supporting our communities and awareness around mental health.

We live in a great part of the State with abundant natural attractions and weather that provides an enviable lifestyle. Being Victoria's Tidiest Town again cements Horsham as an attractive place to live and work (see page 30). The Horsham Town Hall, Regional Art Gallery and Performing Arts Centre is settling into the Horsham landscape providing a variety of arts opportunities for those interested (see pages 20-23). Planning for improved sporting facilities has also commenced after years of agitation and procrastination.

Our volunteers that serve on a range of advisory committees deserve recognition. Some even volunteer on several committees, suggesting there's a good feeling of achievement about being involved and having good discussions about Council issues.

It hasn't all been hard work! A bit of fun was had at the annual staff Christmas party with my introduction of the "Don't Mess With The Mayor" award to one staff member who gave me the fun title of "Old Grey Mayor". I hope a sense of humour and a relaxed approach to community engagement allows people to say what they think and work towards good outcomes.

The financial management of Horsham Rural City Council is solid, recognising that Councils never spend enough on what you want and always spend too much on what you don't need. It's a balancing act trying to meet the needs of a diverse community.

Enjoy reading this Annual Report and remember to give us some feedback on the good and sometimes not so good things that affect you in your municipality.

Cr Heather Phillips
Mayor



Chief Executive's Message

On behalf of Horsham Rural City Council, I am proud to present the 2015-2016 Annual Report. I encourage residents and people outside the municipality to read the report. It outlines the work of Council and provides a good overview of our municipality.

As Chief Executive, I am responsible for:

- establishing and maintaining an appropriate organisational structure for Council;
- overseeing the management of all Council staff;
- providing timely advice to Council;
- ensuring that the decisions of Council are implemented without undue delay;
- management of Council's day-to-day operations in accordance with the Council Plan; and
- overseeing the major projects and initiatives of Council.

Horsham Rural City Council finances remain in a very sound position and we continue to work to hold rates to moderate levels. Council has positioned itself to meet the obligations of the rate capping regime introduced by the Victorian State Government. This is despite the pressures of the removal of indexation to financial assistance grants provided by the Commonwealth Government.

In 2015-2016, we were successful in our application to the Essential Services Commission for a rate rise of 1% above the State Government mandated level of 2.5%. Renewing Council's infrastructure such as roads and buildings is vitally important and the additional 1% contributes to almost \$2 million that is now annually utilised for this purpose.

A major highlight has been the successful completion of the Horsham Town Hall and Regional Art Gallery redevelopment. This has been a long-term project over seven years and it has been a challenge to manage the expectations and concerns of many parties. It is pleasing that the Horsham Town Hall is now operating successfully and is well patronised by Horsham residents, the wider Wimmera community and beyond. The aim of Council is to build on this success and attract mid-sized conferences and other events to our city (see pages 20-23).

Other highlights include:

- State Government funding of the **Kalkee Road Children's and Community Hub**, with construction expected to commence in late 2016 (see page 29).
- Establishment of an **Aboriginal Advisory Committee**, which will hopefully lead to the establishment of a Reconciliation Action Plan (see page 26).
- Horsham being announced as **Victoria's Tidiest Town**, continuing our proud history and the legacy of Don Johns (see page 30).
- Obtaining \$10 million Federal funding component of the \$30.2 million, 144 kilometres **Grampians Peaks Trail** development (see page 31).
- Extensive review of Council's **Section 86 Committees**, which should lessen the administrative burden on volunteers (see page 37).
- Increased utilisation of **social media and web pages** as primary sources of Council information.
- Successful operation of **free WiFi** in Horsham's central business district, which we hope to expand in 2017.
- Successful **delegation to Canberra**, with discussions and ultimately outcomes on roads funding, drought support, Wimmera weather radar, freight on rail, Stronger Region's projects, and mobile black spots.
- Opening of **Coughlin Park Community Centre**, significantly improved sporting and community infrastructure in our municipality.

In closing, I reiterate my appreciation to all Council staff and Councillors for the co-operation that has seen 2015-2016 be particularly productive for this municipality and set the groundwork for the important delivery of future projects, programs and services to our community.

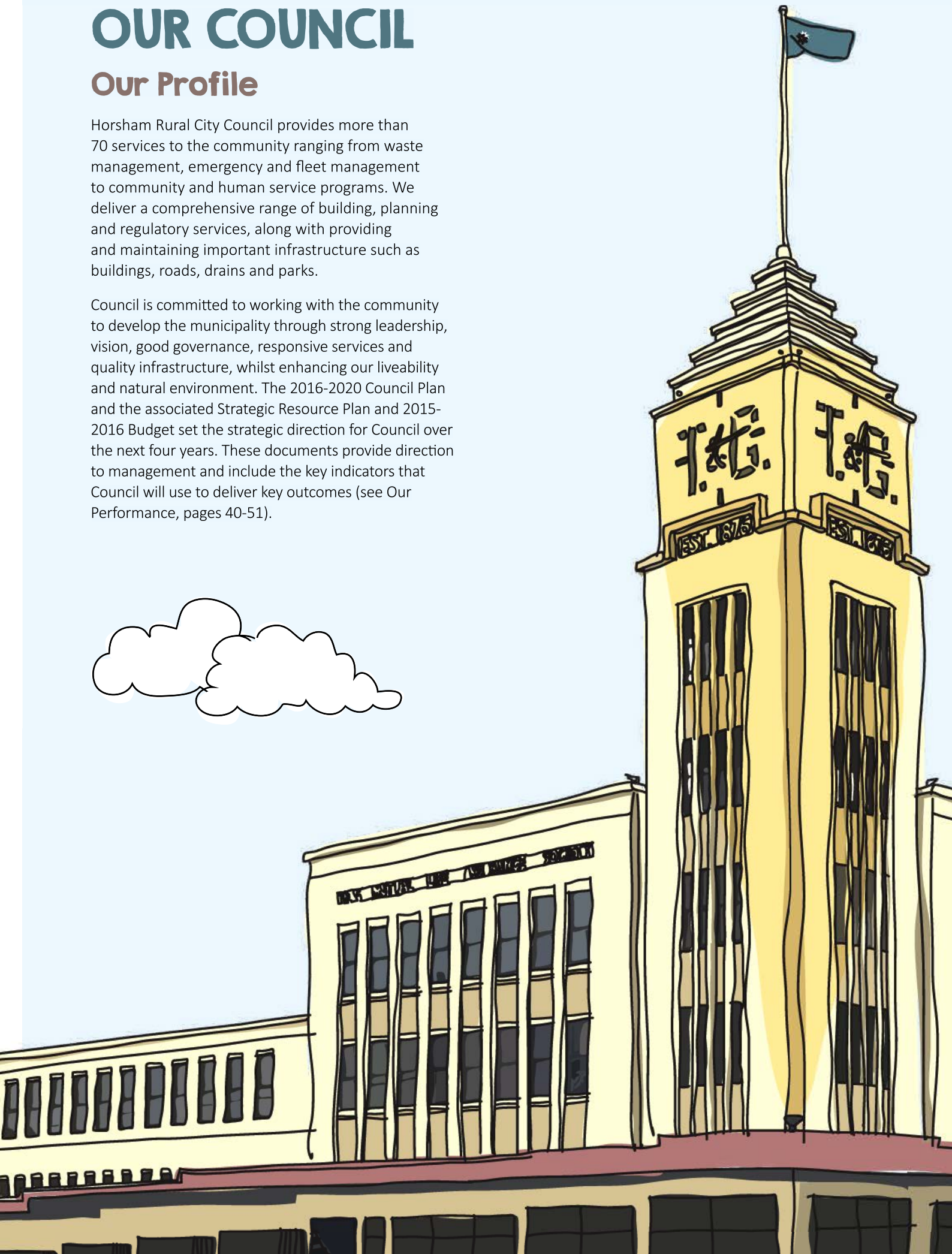
Peter F Brown
Chief Executive

OUR COUNCIL

Our Profile

Horsham Rural City Council provides more than 70 services to the community ranging from waste management, emergency and fleet management to community and human service programs. We deliver a comprehensive range of building, planning and regulatory services, along with providing and maintaining important infrastructure such as buildings, roads, drains and parks.

Council is committed to working with the community to develop the municipality through strong leadership, vision, good governance, responsive services and quality infrastructure, whilst enhancing our liveability and natural environment. The 2016-2020 Council Plan and the associated Strategic Resource Plan and 2015-2016 Budget set the strategic direction for Council over the next four years. These documents provide direction to management and include the key indicators that Council will use to deliver key outcomes (see Our Performance, pages 40-51).



OUR COUNCIL

Our History

Horsham is the centre of the Wimmera wheat and wool growing district in north-west Victoria, Australia. The first inhabitants of the area were the Djura Balug indigenous Australian tribe who spoke the Jardwadjali language. The Wimmera district was previously known by the aboriginal word "Bogambilor", meaning place of flowers, because the area was covered with a dense scrub of wattles and wildflowers.

Major Thomas Mitchell was the first European to pass through the area, naming the Wimmera River in 1836. The town itself was named by James Monckton Darlot, the first squatter to take up land in 1842. It was named after his native town in Horsham, England.

The Horsham Post Office opened in 1848 with an elaborate building and the clock tower was erected in 1880.

In the 1870s, when squatting runs were divided up for smaller selection, a large German population settled in the area and many descendants still remain today.

The main railway from Melbourne reached Horsham in 1879 and was later extended to Adelaide, South Australia, whilst a branch line west to Carpolac began in 1887 and closed in 1888.

The Horsham Borough Council and the Wimmera Shire operated the McKenzie Creek Tramway from the town to a stone quarry, some eight kilometres to the south. The horse tramway opened in 1885 and ceased operating in 1927.

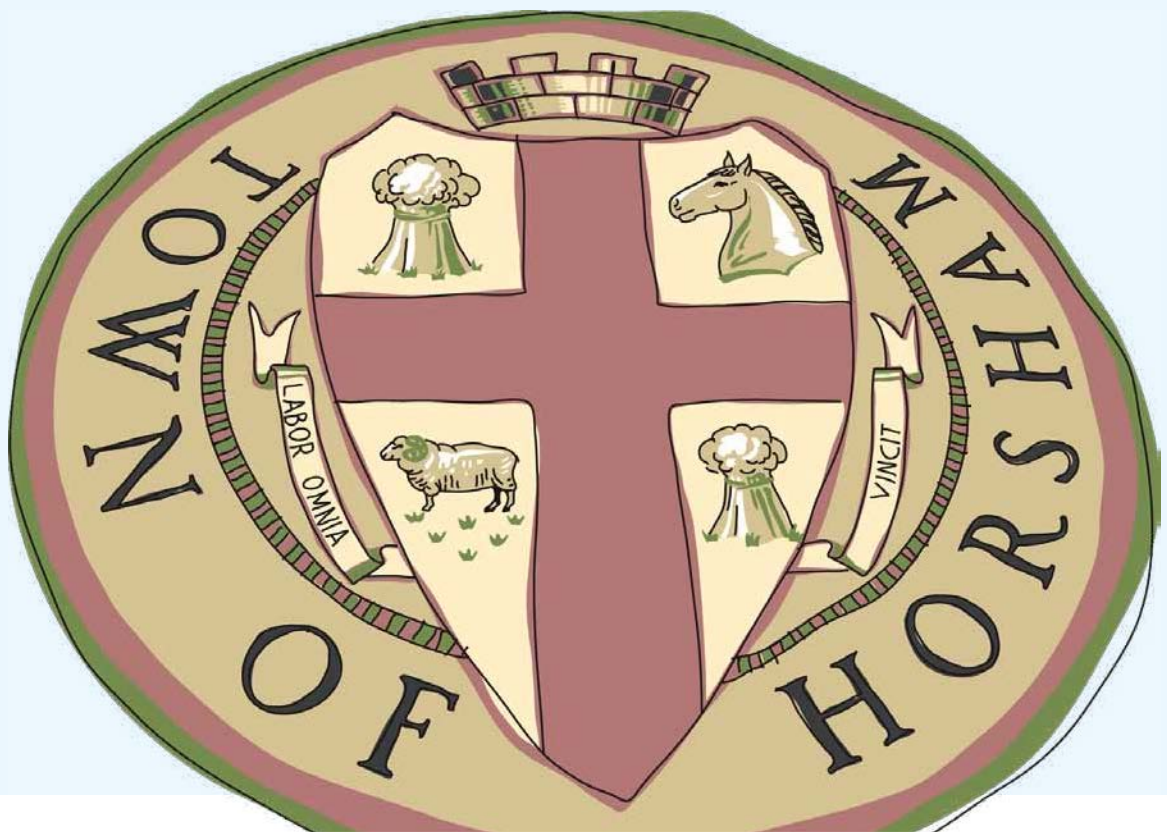
Major flooding affected the area in 1894 and again in 1909, with the Wimmera River reaching 3.87 metres.

Green Lake was constructed in 1933, with a capacity of 5,350 ML. It was originally planned as an agricultural irrigation reservoir.

Horsham was officially declared a town in 1932 and a city in 1949.

The Black Saturday bushfires of 2009 were devastating, with 5,700 hectares burnt around the city's fringe including the golf club and eight homes. Horsham experienced significant flooding in successive years in 2010 and 2011. During these events, the Wimmera River reached 3.32 metres and 4.71 metres, respectively. The 2011 event was particularly severe, with the Wimmera River reaching a record peak level. Over 1,000 residents were evacuated as flood waters divided the city and damaged 600 houses, pushing up to a metre of water into parts of the central business district.

The municipality currently boasts a population of 19,774 and is aptly named The Capital of the Wimmera.



COUNCILLORS

Horsham Rural City Council has seven Councillors elected every four years by the residents of the municipality. Voting is conducted via postal vote with the most recent election held on 27 October 2012.

The Mayor is elected for a one year period each November and is voted in by the Councillors.

The seven Councillors are the elected representatives of all residents and ratepayers across the municipality. They have responsibility for setting the strategic direction for the Horsham Rural City Council, policy development, identifying service standards and monitoring performance across the organisation. Each Councillor has a portfolio of local committees that they attend, providing a valuable link between the community and Council.

Council meetings are held on the first and third Monday of every month (excluding January) at the Civic Centre Municipal Offices in Horsham, commencing at 5.30pm. Meetings are open to the general public and new employees are encouraged to attend to familiarise themselves with Council operations.

Directors and Managers consult with Councillors and develop reports that are presented to Council meetings for deliberation and determination by Councillors.

Details about meeting dates are advertised in the press, on Facebook, and can be found on the Horsham Rural City Council website. Copies of the agenda for each meeting of Council can be obtained by contacting the Executive Assistant to the Chief Executive. Agendas and minutes are also published on the Horsham Rural City Council website.



CR HEATHER PHILLIPS
Dip Local Government
MAYOR

Date elected:

27 October 2012

heather.phillips@hrcc.vic.gov.au

(03) 5382 9726

(0428) 303 681

(0448) 715 036

Cr Heather Phillips joined Council in October 2012 and is currently in her first term as Mayor. She would like to see a greater involvement of citizens in the decision making of Council. The introduction of question time at Council meetings and the availability of the Council Agenda to the public at least 72 hours prior to meetings are improvements she has helped to instigate. Cr Phillips has a particular interest in waste management and recycling, governance and environmental management.

Committees: Aboriginal Advisory Group, Audit, Australia Day, Chief Executive Evaluation, Domestic Animal Management Advisory Group, Finance, Grampians Central West Waste and Resource Recovery Group, Municipal Association of Victoria, Municipal Emergency Management Committee, North Western Municipalities Association, Planning Committee, Regional Cities Victoria, Sport and Recreation Advisory Committee and Wimmera Mallee Sustainability Alliance.



CR ROBIN BARBER

Date elected:

27 October 2012

robin.barber@hrcc.vic.gov.au

(03) 5382 4417 BH

(03) 5389 1502 AH

(0417) 109 816

Cr Robin Barber was elected to Council in October 2012 and is currently serving his first term on Council.

Cr Barber lives at Wail and runs a building design business in Horsham. He is heavily involved in Business Horsham and is committed to developing a strong representative base for local business.

Committees:

Chief Executive Evaluation, Finance, Haven Recreation Reserve, Horsham Integrated Transport Strategy, Parking Consultative and Advisory, Planning, Tidy Towns and Wimmera Development Association.



CR PAM CLARKE

First elected:

November 2003 to
November 2008

Date re-elected:

27 October 2012

pam.clarke@hrcc.vic.gov.au

(03) 5381 0870

(0439) 810 870

Cr Pam Clarke was elected to Council in October 2012. She previously served as a Councillor for Horsham Rural City Council from 2003 to 2008, including one term as Mayor in 2007-2008.

Cr Clarke has a strong background in disability open employment and welfare services and was the Chief Executive Officer of a local disability service provider for many years. She was also Chairperson and committee member of a community welfare organisation for eight years. Cr Clarke has been a local business owner for over 40 years.

Committees:

Chief Executive Evaluation, Finance, Early Years Planning, Horsham Town Hall Fundraising, Kalkee Road Children's and Community Hub Project Control Group, Natimuk Community Centre, Planning, Public Art, Victorian Local Governance Association and Wimmera Disability Access Forum.

**CR SUE EXELL****Date elected:**

27 October 2012

sue.exell@hrcc.vic.gov.au

(03) 5382 6313

(0409) 257 256

Cr Sue Exell was elected to Council in October 2012 for a four year term. This is her first term on Council.

Cr Exell lives in Haven. She is a local business owner and has a long association with many community groups. Cr Exell wants to see Horsham and all of its outlying rural communities grow and develop into the future.

Committees:

Art Matters, Australia Day, Chief Executive Evaluation, Kalkee Road Children's and Community Hub Project Control Group, Early Years Planning, Green Lake, Haven Irrigation Memorial, Horsham Basketball Stadium, Horsham College/Community Oval, Horsham Integrated Transport Strategy, Horsham Racecourse, Horsham Recreation Reserve, Planning, Sport and Recreation Advisory, Rail Corridor Master Plan and Sunnyside Recreation Reserve.

**CR DAVID GRIMBLE****First elected:**

29 November 2008

Date re-elected:

27 October 2012

david.grimble@hrcc.vic.gov.au

(03) 5383 6286

(0417) 528 636

Cr David Grimble has served as a Councillor since November 2008, including two terms as Mayor in 2012-2013 and 2013-2014.

Cr Grimble runs a family farm at Brimpaen. He understands the responsibility of civic leadership and is committed to representing the whole of the municipality.

Committees:

Audit, Chief Executive Evaluation, Grampians Round Table, Horsham Integrated Transport Strategy, Horsham Town Hall Internal Working Group (until March 2016), Horsham Town Hall Project Control Group (until April 2016), Horsham Regional Livestock Exchange (chair), Planning, Regional Recreation Water Users Group, Wartook Valley Strategic Working Group, Western Highway Action, Wimmera Intermodal Freight Terminal (chair) and Wimmera and Southern Mallee Regional Transport Group.

**CR TONY PHELAN****Date elected:**

27 October 2012

tony.phelan@hrcc.vic.gov.au

(03) 5388 1317

(0409) 945 720

Cr Phelan lives on a family farm at Clear Lake and was previously a teacher for 22 years. He has a strong interest in contributing to a process of good governance that makes the municipality of Horsham Rural City Council an even better place to live for all.

Committees:

Chief Executive Evaluation, Horsham Aerodrome Advisory, Horsham Regional Art Gallery, Local Advisory Fire Prevention, Municipal Fire Management Planning, Planning, Rail Freight Alliance, Wartook Valley Strategic Working Group, Wimmera Business Centre and Wimmera Regional Library Corporation.

**CR MARK RADFORD****Dip Local Government****First elected:**

29 November 2008

Date re-elected:

27 October 2012

mark.radford@hrcc.vic.gov.au

(03) 5384 0324

(0427) 840 324

Cr Mark Radford was first elected to Council in November 2008 and served one term as Mayor in 2014-2015.

Cr Radford is a self-employed electrical contractor. He is committed to working for the community, with a passion for improving services for our young people.

Committees:

Chief Executive Evaluation, Horsham Aquatic Centre Advisory, Horsham Integrated Transport Strategy, Horsham Town Hall Fundraising, Horsham Town Hall Internal Working Group (until March 2016), Horsham Town Hall Project Control Group (until April 2016), Planning, Tourism Advisory and Wimmera River Improvement.

OUR PEOPLE

Organisational Structure

Council is the governing body that appoints the Chief Executive. The Chief Executive has responsibility for the day-to-day management of operations in accordance with the strategic directions of the Council Plan. Four Directors and the Chief Executive form the Executive Management Group, which leads the organisation. Details of the Executive Management Group are set out below.



SENIOR OFFICERS
REPORTING DIRECTLY
TO THE CHIEF
EXECUTIVE



PETER BROWN

CHIEF EXECUTIVE

B Econ, Grad Dip Bus, Grad Dip LG,
FCPA, LGPRO

Areas of Responsibility:

- Management and performance of all Council operations including \$47 million budget
- Ensuring that the day-to-day management of Council's operations are in accordance with the *Local Government Act* and align with the Council Plan
- Provision of advice and support to Council
- Direct responsibility for Council's four Directors and the Governance and Communications Unit

KEVIN O'BRIEN

DIRECTOR COMMUNITY SERVICES

(from January 2016, formerly Angela Murphy)

B Theol, Assoc Dip Arts, Dip Man,
Grad Cert Man

Areas of Responsibility:

- Aged and Disability Services
- Community Development
- Cultural Development
- Emergency Recovery
- Environmental Health Officer
- Horsham Aquatic Centre
- Horsham Regional Art Gallery
- Immunisations
- Maternal and Child Health
- Multiple Birth Support Program
- Playgroups
- Rural Access
- Senior Citizens
- Theatre and Venue Management
- Wimmera Regional Library Service
- Youth Services

OUR PEOPLE

Organisational Structure *Continued...*



GRAEME HARRISON **DIRECTOR CORPORATE SERVICES**

B Econ, Dip GAICD, CPA

Areas of Responsibility:

- Customer Services
- Financial Services
- Human Services
- Information and Communications Technology
- Organisational Performance
- Payroll
- Property Management
- Rate Collection
- Records Management
- Risk Management
- Treasury



ANGELA MURPHY **DIRECTOR PLANNING AND ECONOMIC SERVICES**

(from January 2016, formerly Tony Bawden)

B Bus (Acc), B Bus (Local Gov), ASA

Areas of Responsibility:

- Animal Management
- Building and Maintenance
- Caravan Park
- Economic Development
- Industrial Estate
- Local Laws
- Major Events and Marketing
- Planning Services
- Tourism
- Traffic Management
- Visitor Information Centre
- Wimmera Business Centre



JOHN MARTIN **DIRECTOR TECHNICAL SERVICES**

BE (Agric)

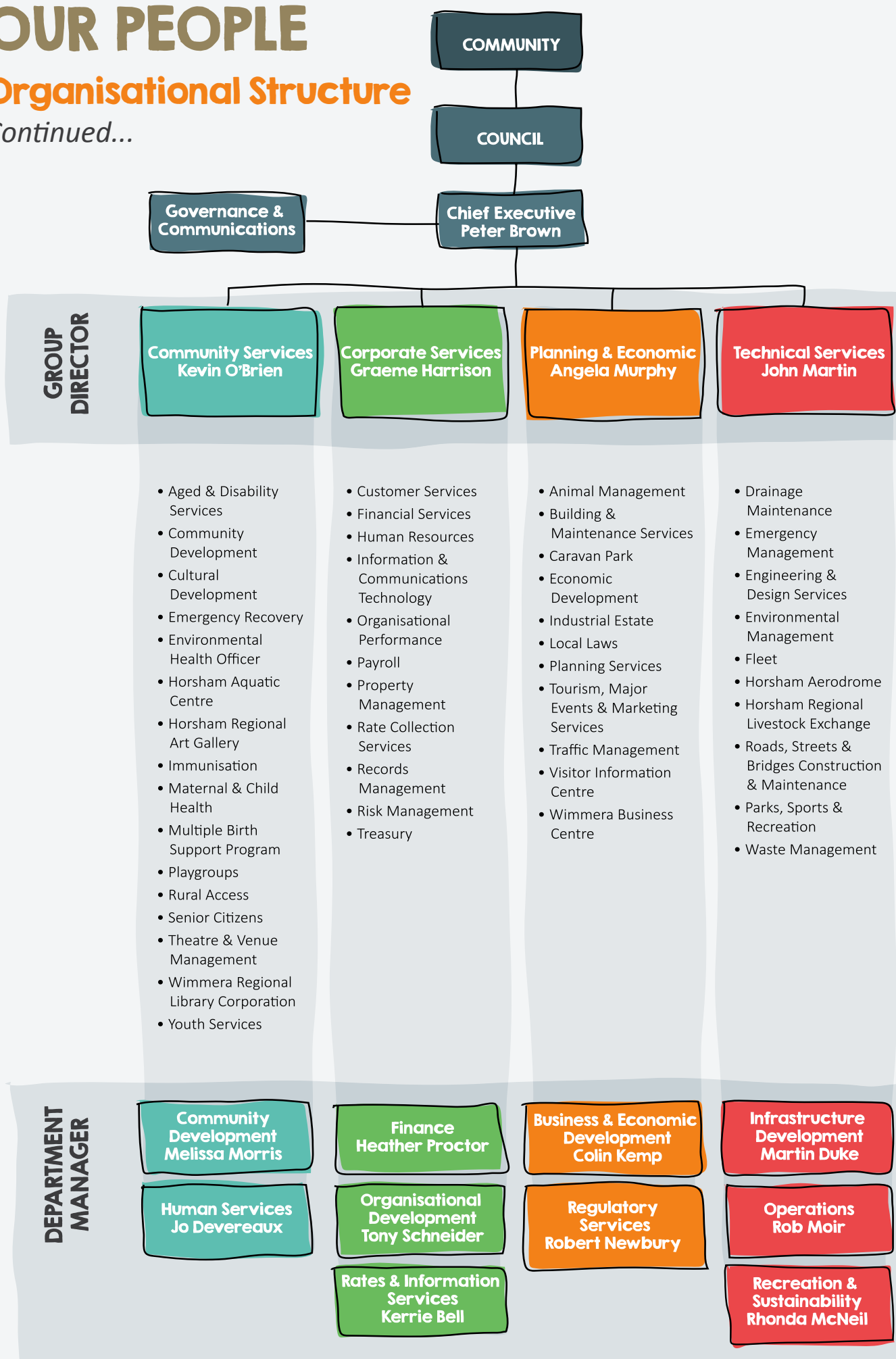
Areas of Responsibility:

- Drainage Maintenance
- Emergency Management
- Engineering and Design
- Environmental Management
- Fleet
- Horsham Aerodrome
- Horsham Regional Livestock Exchange
- Roads, Streets and Bridges Construction and Maintenance
- Sports and Recreation
- Waste Management

OUR PEOPLE

Organisational Structure

Continued...



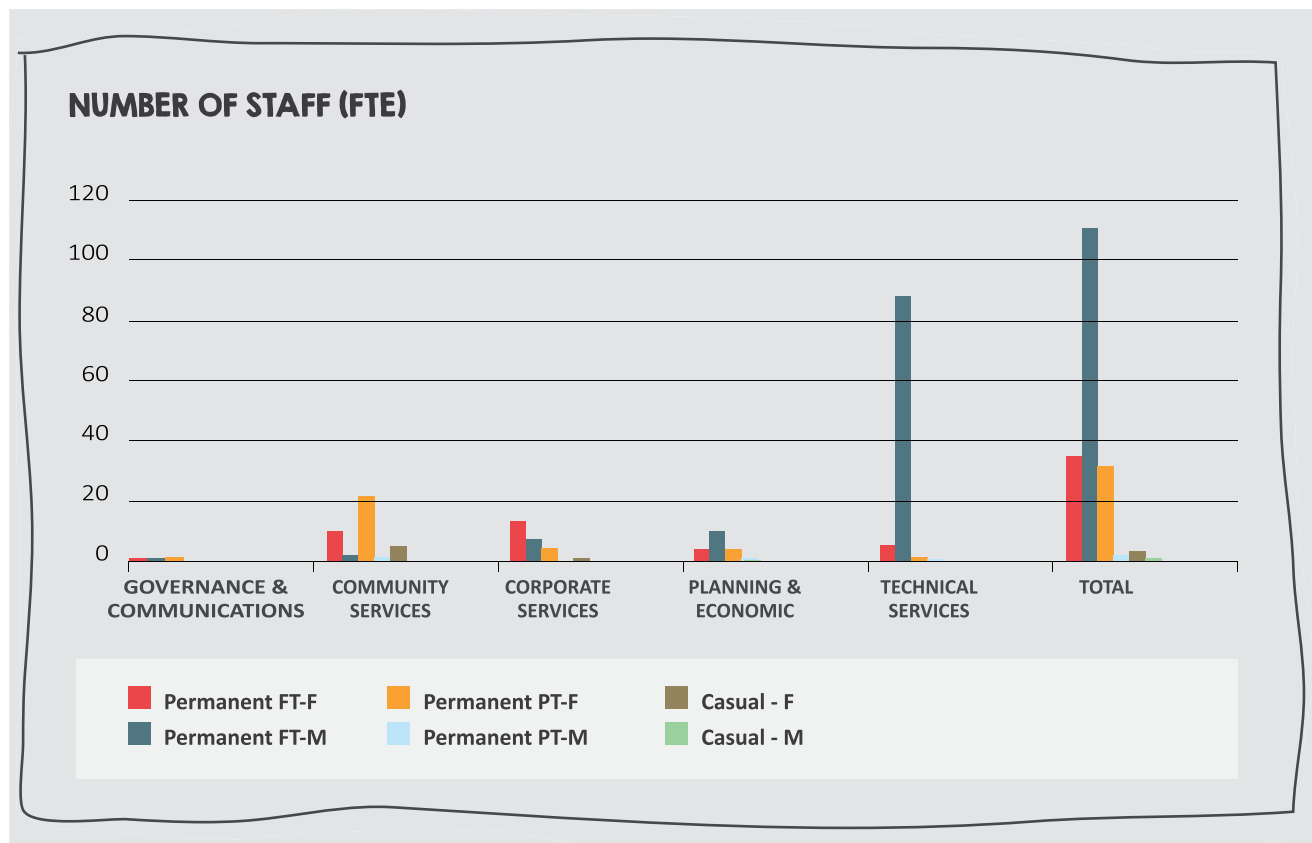
OUR STAFF

A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender is set out below.

NUMBER OF STAFF (FTE)

| Employee type/gender | Governance & Communications FTE | Community Services FTE | Corporate Services FTE | Planning & Economic FTE | Technical Services FTE | Total FTE |
|----------------------|---------------------------------|------------------------|------------------------|-------------------------|------------------------|---------------|
| Permanent FT – F | 1.00 | 9.00 | 14.00 | 4.00 | 7.00 | 35.00 |
| Permanent FT – M | 1.00 | 4.00 | 7.00 | 10.00 | 89.00 | 111.00 |
| Permanent PT – F | 1.45 | 21.42 | 4.74 | 4.71 | 1.17 | 33.49 |
| Permanent PT – M | 0.00 | 1.80 | 0.00 | 1.03 | 0.79 | 3.62 |
| Casual – F | 0.00 | 4.90 | 1.10 | 0.63 | 0.00 | 6.63 |
| Casual - M | 0.00 | 0.35 | 0.00 | 0.00 | 0.81 | 1.16 |
| Total | 3.45 | 41.47 | 26.84 | 20.37 | 98.77 | 190.90 |

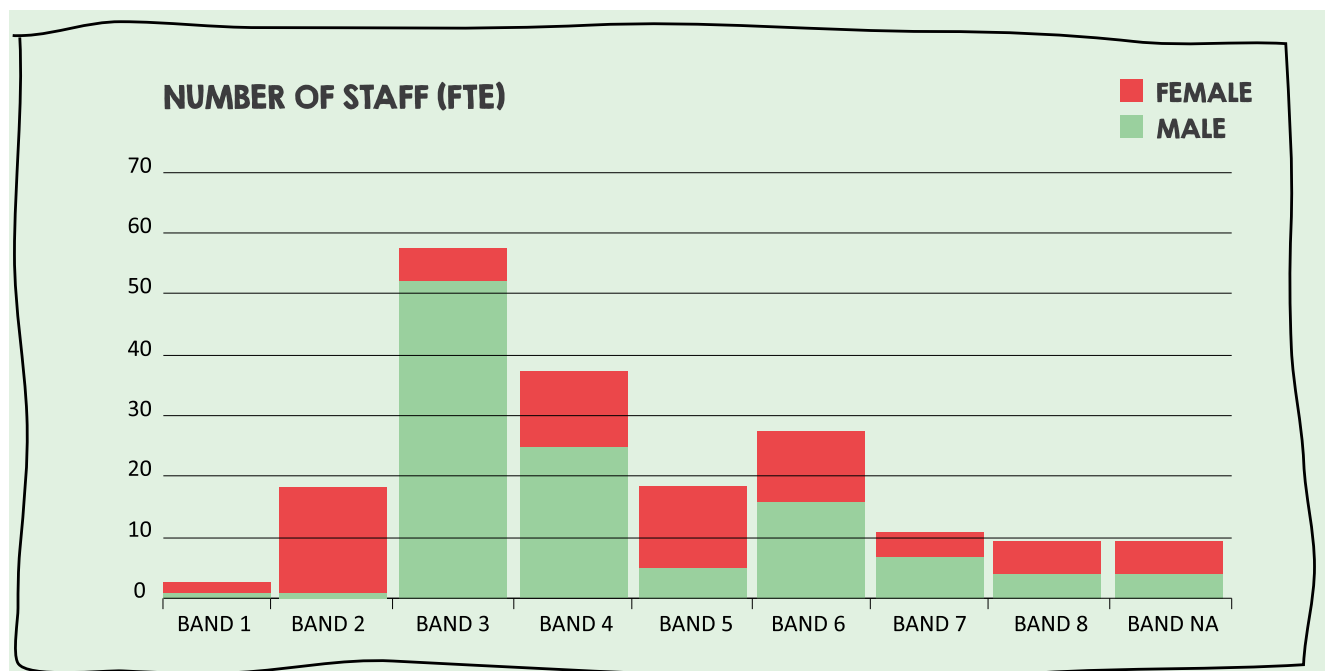
FT-Full time PT-Part time F-Female M-Male



OUR STAFF *Continued...*

NUMBER OF STAFF (FTE)

| Employment Classification | Female | Male | Total |
|---------------------------|--------------|---------------|---------------|
| Band 1 | 2.21 | 0.82 | 3.03 |
| Band 2 | 16.75 | 1.03 | 17.78 |
| Band 3 | 5.64 | 52.13 | 57.77 |
| Band 4 | 12.30 | 25.83 | 38.13 |
| Band 5 | 14.38 | 4.00 | 18.38 |
| Band 6 | 12.27 | 15.80 | 28.07 |
| Band 7 | 3.00 | 7.17 | 10.17 |
| Band 8 | 4.83 | 4.00 | 8.83 |
| Band not applicable | 4.74 | 4.00 | 8.74 |
| Total | 76.12 | 114.78 | 190.90 |



EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

A Council with 40 or more members of staff must have developed and implemented an equal opportunity program. The objective of Council's equal employment opportunity program is to ensure there is no discrimination relating to the characteristics listed under the *Equal Opportunity Act 2010* such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. Further objectives include ensuring the workplace is free from bullying and harassment.

Horsham Rural City Council commits itself in a variety of ways to the elimination of discrimination against, and the promotion of, equal opportunity for women, and all other people in relation to employment matters. This commitment is supported by the activities of seven designated 'contact officers', which represents one contact officer for every 35 employees. Every two years, an external provider is engaged to deliver equal opportunity refresher

training and we have found that this reaches 80% of staff. On commencement, all staff are made aware of Council's commitment to equal opportunity and they are reminded of the expectations and obligations employees owe to themselves, their colleagues, Council and the community.

Council's commitment to equal opportunity is generally reviewed by the Staff Consultative Committee, which meets regularly to promote employee and management awareness, consider relevant issues, and contribute to resolution and advice. Overall, throughout the last year, it is generally agreed that there were no breaches of the *Equal Opportunity Act 2010*.



OTHER STAFF MATTERS

Enterprise Bargaining Agreement

The current enterprise agreement nominally expired on 30 June 2016. A process to negotiate a new agreement commenced in December 2015 but was not yet finalised at the end of June. The draft agreement under discussion at that time proposes a further three year agreement, for the period July 2016 to 30 June 2019. The introduction of rate capping and falling rates of inflation have influenced negotiations and Council is seeking agreement on an annual wage rise in the order of 2.1%.

Professional Development

Council supports and promotes further education and development, including undergraduate and postgraduate qualifications.

This year, one staff member completed a Certificate IV in Local Government (Operational Works) whilst another is continuing studies towards a Masters of Infrastructure Engineering and Management. Other staff are currently part way through studying a variety of higher level studies including a Bachelor Degree in Civil Engineering and Diploma of Risk Management and Business Continuity. Locally, two staff completed the Leadership Wimmera Community Program in 2015 and another two commenced the program in 2016. In 2015, two Councillors also completed the Diploma of Local Government.

Council's Study Leave policy and Staff Training and Development policy and associated procedure were reviewed and adopted in October 2015.

Council also provides a comprehensive corporate learning program that supports a broad range of staff development needs. This is developed in alignment with strategic priorities as well as in response to needs identified through performance and development plans. A variety of learning methodologies are used including e-learning, facilitated workshops, personal coaching, internal and external training providers.

Preventing Violence Against Women

Horsham Rural City Council is committed to the prevention of violence against women and a Statement of Commitment for the prevention of violence against women in the Horsham municipality was adopted in 2014.

Council actively supports and promotes the White Ribbon campaign against domestic violence. White Ribbon is the world's largest male-led movement to end men's violence against women. A local Wimmera White Ribbon Committee, comprising of representatives from local agencies and community members, is responsible for raising awareness and co-ordinating local activities.

On 20 November, approximately 250 people, including Council staff, participated in the city's annual White Ribbon Walk Against Violence. Six Wimmera men were inducted as ambassadors to champion the White Ribbon message – Geoff Miller, Paul Beltz, Rob Pyers, Dan Glover, Ray Campling and Tony Doyle. They join existing local White Ribbon ambassadors Peter Brown, Slav Subbotin and Ross Anders.

Council welcomed Victoria's first Royal Commission into Family Violence, which was conducted this year. It contains practical recommendations on how to effectively prevent family violence, improve early intervention, support victims, make perpetrators accountable, better co-ordinate community and government responses and evaluate and measure strategies, frameworks, policies and programs and services.

Through its values, policies and procedures, Council actively promotes gender equality and the establishment of trusting and safe relationships between all staff, which in turn helps to break down gender stereotypes and build respect for women and their contributions at all levels of the workforce.

OTHER STAFF MATTERS *Continued...*

Health and safety

Compliance with the *Victorian Occupational Health & Safety Act 2004* is a continuing priority for Horsham Rural City Council, with an aim to have an incident and injury-free workplace for all our employees.

Achievements for 2015-2016:

- Introduction of an internal safety audit program to monitor compliance with documented procedures and to measure the effectiveness of the system in helping Council to meet its Occupational Health and Safety (OHS) policy and safety objectives
- Understanding Council's hazard profile through the identification of hazards and risks in consultation with employees in all business units
- Development of OHS page on the Council's internal Intranet – improving access for staff to policies, procedures, forms and safety information
- OHS Awareness training conducted for all staff

The Horsham Rural City Council 2016-2017 safety strategy demonstrates Council's commitment to provide a safe work environment.

This strategy outlines Council's key focus areas for the 2016-2017 period to support the achievement of our OHS policy and OHS strategic objectives, and the continued development of our safety management system in all operational areas of Council.

Strategy 1: Health and Safety Leadership

Strategy 2: Risk Management

Strategy 3: OHS Management and Performance

Strategy 4: Health and Wellbeing

FOCUS FOR 2016-2017:

To implement Council's annual OHS action plan, continue strengthening our safety culture and to implement an online incident reporting tool "Health Safety Works". This will streamline our incident reporting and provide a succinct analysis for learnings and any possible improvements across the organisation.

MUNICIPAL ASSOCIATION OF VICTORIA (MAV) WORKCARE SCHEME:

Horsham Rural City Council is one of 31 Victorian Councils that has expressed interest in the MAV WorkCare Self Insurance Scheme. This scheme would be a self-insurance model with all participating Council's required to ensure their OHS management systems are fully compliant with the National Audit Tool (NAT), which is based on Australian Standard 4801/SafetyMap and provides for consistent policy, structure, planning, implementation, measurement/evaluation and review.

It is expected that the scheme will commence on 1 July 2017, with all Councils expected to achieve full NAT compliance within three years.



The diagram above illustrates Council's Safety Framework

HORSHAM TOWN HALL & REGIONAL ART GALLERY REDEVELOPMENT

The Horsham Town Hall and Regional Art Gallery redevelopment has been listed as an initiative in the Council Plan since 2006. Having received Federal and State Government funding of \$10 million, in 2011 the process began for determining the location for a new Performing Arts Centre and Regional Art Gallery in Horsham. Twenty-five sites were assessed and eventually narrowed down to four, with two chosen as preferred options.

In October 2011, the community was given the opportunity to contribute their views via written submission on the final selection of the site and concept. Submissions included thoughts on the site that would best suit the needs of the community including performers, artists, community groups, exhibitors and fundraising committees, the site that would best preserve and maintain Horsham's heritage assets, the best site for the lucrative conference and

convention market and the pros and cons of having one venue or two separate venues. On 21 November 2011, Council unanimously voted to proceed with the development of the existing Town Hall and Regional Art Gallery site and to commence design of a 500 seat auditorium, renovations to the existing hall and major improvements to the Regional Art Gallery with a preliminary construction cost of \$18.4 million.

The Horsham Town Hall was listed on the Victorian Heritage Register in early June 2011. This meant that elements of the building needed to be protected including the Wilson Street façade, ticket box, foyer including terrazzo seal, stairwell and the Town Hall interior and balcony. Other parts of the building could be redeveloped, especially if it was to lead to enhanced use of the building. In its application for heritage listing, the National Trust of Victoria stated:





“The Horsham Town Hall is architecturally significant as an outstanding example of a provincial municipal building of the inter-war period, and as a notable and intact example of the Art Deco style of the late 1930s. Its grand public interiors, including the auditorium, foyers, staircases and supper room, as well as the former Council meeting room, are outstanding examples of the style, notable by their molded plasterwork, terrazzo floors and stairs, and the use of anodized metal and polished timber and for the original light fittings. The auditorium is one of the most impressive such spaces in country Victoria. The complex is significant as an important work of the distinguished Melbourne architect Charles Neville Hollinshed, who, after undertaking training and practical experience in London and New York in the 1920s, returned to Australia to become in the 1930s one of the country’s leading specialists in theatre design.”

In August 2012, plans were placed on the Council website and displayed at Council’s offices in relation to the redevelopment Planning Permit application. Four objections were received relating to car parking and heritage aspects and Council worked with the objectors to try to find a way to move forward with the project.

In September 2012, Council approved the Planning Permit application for the redevelopment and objectors were given the opportunity until 11 October 2012 to lodge applications to the Victorian Civil and Administrative Tribunal (VCAT) against the permit.

Two objection applications were lodged to VCAT addressing issues such as heritage, car parking, loading bays, site access, bicycle parking hoops and a range of specific conditions such as traffic management and construction hours.

During this period, Council also advertised for comment surrounding the Heritage Permit application that had been lodged. Four lengthy submissions were received all opposing the granting of a Heritage Permit with main arguments being the proposed demolition of the supper room.





HORSHAM TOWN HALL & REGIONAL ART GALLERY REDEVELOPMENT *Continued...*

On 24 December 2012, Heritage Victoria approved Council's application for a Heritage Permit, allowing work on the site that included preserving and restoring elements of the main hall, and demolition of the supper room to make way for a foyer running between Wilson and Pynsent Streets.

On 22 February 2013, VCAT also upheld Council's Planning Permit to redevelop the Horsham Town Hall and Regional Art Gallery.

With two years of delays, the need arose for an increased budget to be approved and a lead contractor appointed, which occurred in November 2013.

In mid-January 2014, work finally commenced on the redevelopment which saw between 50-60 tradespeople working on-site, many of which were local. The economic benefits during the construction period were positive, particularly with the flow-on effect to local trade businesses, retail, hospitality and accommodation providers.

Fundraising was also at the heart of the redevelopment, with the goal to raise \$1 million. Sponsorship of seats gave community members a chance to have their name engraved on a gold plaque on the seat back. At 30 June 2016, this had raised \$57,600 with 288 seats being sponsored.

Generous donations and sponsorship commitments were also received from 46 community members, local clubs and businesses and have been acknowledged on a donor board on permanent display in the Horsham Town Hall foyer.

A major contributor was the Geoff and Helen Handbury Foundation, who donated \$600,000 towards improvements to the Horsham Regional Art Gallery. The Handbury Foundation has shown strong support to Horsham and the Wimmera over many years and the new education space and art classroom was named the Geoff and Helen Handbury Education Centre.

Among other donors were Priceline Pharmacy Horsham with a \$5,000 dressing room sponsorship, Rotary Club of Horsham East with a \$5,000 sponsorship of the community kitchen, the Horsham Arts Council with a \$10,000 sponsorship of the green room, Volunteering Western Victoria with a \$10,000 sponsorship of the box office, Horsham College with a \$5,000 sponsorship of the stage curtain, CHS Group with a \$10,000 sponsorship of the fly tower, Jennifer G Smith with a \$10,000 sponsorship of the art gallery collection room and the Richard Morris Memorial with a \$5,000 sponsorship of a dressing room. In total \$800,843 has been raised.



**A MAJOR CONTRIBUTOR
WAS THE GEOFF AND
HELEN HANDBURY
FOUNDATION,
WHO DONATED
\$600,000 TOWARDS
IMPROVEMENTS TO THE
HORSHAM REGIONAL
ART GALLERY.**

The redevelopment was completed in January 2016 at a cost of \$19.8 million. The final construction saw the emergence of a 500 seat auditorium that includes a 10 metre stage, the latest sound and lighting technology and a 17 metre fly tower for scenery changes, the existing Town Hall refurbished and the Regional Art Gallery gain a dedicated freight delivery area, climate controlled art storage facility, curators workshop, a large permanent education space for schools and resurfaced walls for increased hanging space.

A series of opening celebrations including three art exhibitions and five shows from the very talented Horsham Arts Council were the preview to the opening celebrations which commenced on 29 January 2016 with the official opening of the redeveloped Horsham Town Hall occurring on 12 February 2016.

There have been 162 events, attracting over 25,000 patrons at Wesley and the Town Hall and 8,838 to the art gallery over the year. Approximately 73% of tickets have been sold in Horsham and Natimuk, 10.75% to the remainder of the municipality and 16.25% to areas outside the municipality, with some travelling from as far as Melbourne and Adelaide to attend events. Of the 153 days of operation (until 30 June), there have been activities occurring on 116 days, and over \$300,000 in sales for ticketed events.

The Horsham Town Hall and Regional Art Gallery redevelopment has already started enhancing livability to locals, attracting visitors from other regions and in time will help to attract new residents to the municipality. Its ability to host professional exhibitions, performances and major conferencing will in turn benefit the local economy.

Throughout the project, hundreds of community members participated in consultations. The project evolved based on that input, along with input from Councillors and staff, arts organisations, community groups, conference and event organisers.

Part of the vision Council endorsed was to create vibrant outstanding centres for the arts and to support and engage with the community of Horsham to develop and present diverse, inspiring and challenging cultural programs. That vision is being achieved!



OUR COUNCIL PLAN

The *Local Government Act 1989* requires all Victorian Councils to produce a four year Council Plan which must be reviewed annually.

The 2016-2020 Council Plan sets the strategic direction of Council over the next four years, linking the community's vision to long-term community goals and four year outcomes and priorities for Horsham Rural City Council. The Council Plan provides direction to management and includes the indicators that Council will use to deliver key outcomes.

The following pages provide details of some of the highlights achieved this year. Further information in relation to outcomes and priorities contained in the

Council Plan are provided in Our Performance (see pages 40-51).

For a full copy of the Horsham Rural City Council Plan, please contact Council on telephone (03) 5382 9777 or call into the Municipal Offices, Civic Centre, 18 Roberts Avenue, Horsham. It is also available on the Horsham Rural City Council website – www.hrcc.vic.gov.au.



Goal 1: Community & Cultural Development

DEVELOP HORSHAM AND THE MUNICIPALITY AS A DIVERSE, INCLUSIVE AND VIBRANT COMMUNITY

We support our diverse community by developing an environment that aims to cater to the shifting needs of our residents. We support innovation and encourage artistic and cultural expression to develop our municipality as a great place to live.

NUTBUSH



256 people danced the Nutbush for 5 minutes and 30 seconds at the Horsham City Oval in November

Nutbush Horsham was a community event held on Sunday, 29 November at the Horsham City Oval. Individuals and families came from across the Wimmera to participate in a Guinness World Record Attempt to create a new record for Nutbush Dancing.

Following strict guidelines from Guinness World Records in London, the challenge was for people to dance the same steps together, for a minimum of 5 minutes and 15 seconds to the Tina Turner song "Nutbush City Limits".

Leading up to the attempt, Nutbush dancing sessions were held at different venues around Horsham including the Aquatic Centre, May Park, Pynsent Street and local schools.

On the day, 256 people danced the Nutbush for 5 minutes and 30 seconds. The attempt was viewed by three independent witnesses, 13 stewards, two time keepers, 10 marshals and a spectator audience of cheering friends and family. A team of 50 volunteers worked in the lead-up to the attempt and on the day to bring it together.

Photographic evidence and video footage, along with statements from officials, was sent to London and a few weeks later we were recognised as having set a new World Record.

One of the key outcomes from the Nutbush project was the involvement of a wide demographic of people. Our youngest dancers were eight years old and our oldest were 90 and 87 years, respectively. It was particularly encouraging to see a number of families involved. Funds raised on the day supported the redevelopment of the Horsham Town Hall.

WELCOME BABY TO COUNTRY



Uncle Ron Marks (local Elder), Cr Heather Phillips, Alinta (mother) and Ellashay Cruz and Emma Kealy, Member for Lowan at the Welcome Baby to Country ceremony

A Welcome Baby to Country ceremony, celebrating the birth of Aboriginal and Torres Strait Island children born in the Wimmera and children of Traditional Owners born off country, was held on 14 November in Horsham. This event was very successful with 26 children welcomed by members of the Aboriginal community and local Elders. The first Welcome Baby to Country ceremony was held in 2007 when the Delkaii Aboriginal Best Start project was established.

CITIZENSHIP CEREMONIES

Horsham Rural City Council is proud and honoured to conduct Australian Citizenship Ceremonies on behalf of the Department of Immigration and Border Protection. Ceremonies are held on a regular basis immediately prior to Council meetings.

Citizenship ceremonies are performed by the Mayor and provide an important opportunity for Council to officially welcome all our new Australian citizens to the community. The Australian National Anthem, led by the Horsham Sing Australia group is a highlight of these events.

This year, Horsham Rural City Council conducted five citizenship ceremonies to naturalise 54 candidates to become Australian citizens. These candidates came from the following countries: Botswana, Burma, Cambodia, China, Egypt, India, Lebanon, Myanmar, Nepal, New Zealand, Pakistan, Philippines, Scotland, South Africa, South Korea, Sri Lanka, Thailand, Turkey, United Arab Emirates and United Kingdom.

CIVIC RECEPTIONS



Cr Mark Radford, Dr Ngaree Blow, Aunty Hazel McDonald and Aaron Grambeau at the Civic Reception to celebrate National Reconciliation Week in May

Civic Receptions are held at the discretion of the Mayor and the Chief Executive. They are hosted by the Mayor and are the highest level of Council function. Civic Receptions can be held for official openings, major functions, recognition of outstanding contributions by community groups/members, visiting dignitaries, etc.

This year, the following Civic Receptions were hosted by Horsham Rural City Council:

- 1 July - Acknowledgement event to recognise the Animal Rehousing program and Horsham Paws which received two significant Local Government Awards
- 24 November – Welcome the Honourable Linda Dessau, AM, Governor of Victoria to Horsham (see page 36)
- 30 November - Announcement of Horsham as the 2015 Tidy Town Sustainable Communities Award (see page 30)
- 26 May - Official opening of National Reconciliation Week 2016



ESTABLISHMENT OF AN ABORIGINAL ADVISORY COMMITTEE

Horsham Rural City Council acknowledges the five Traditional Owner groups of this land – the Wotjobaluk, Wergaia, Jupagalk, Jaadwa and Jadwadjali people. We recognise the important and ongoing place that all Indigenous people hold in our community. We are committed to working together in the spirit of mutual understanding and respect for the benefit of the broader community and future generations.

We also recognise Aboriginal people who have moved to Horsham from all over Australia since colonisation. These diverse Aboriginal communities contribute to the life and the city and shape its future.

“Recognise the important and ongoing place that all Indigenous people hold in our community” is a guiding principle in the 2016-2020 Council Plan, and we are committed to an inclusive approach that supports collaboration across the community and between Aboriginal people and non-Aboriginal communities to shape and achieve this vision for reconciliation.

Horsham Rural City Council is currently in the process of establishing an Aboriginal Advisory Committee. The purpose of this committee is to provide strategic advice and guidance on the development of policies, plans and projects that integrate reconciliation processes into our business, services and programs. The Aboriginal Advisory Committee will provide a platform for ongoing engagement between Council and Aboriginal communities across a broad range of issues.

Membership of the committee will include one Councillor, two Council officers and seven Aboriginal members including two representatives from Barengi Gadjin Land Council, two representatives from Goolum Goolum Aboriginal Co-operative and three community members.

Objectives of the committee will be to:

- Establish ways of working together that support respectful and robust dialogue between Council, local Aboriginal and non-Aboriginal communities
- Provide input into the development, implementation and review of the first Reconciliation Action Plan
- Advise Council on programs, services, events, projects, activities and facilities that support reconciliation
- Support planning and development of events that have significance for the journey towards reconciliation including Australia Day, Reconciliation Week and NAIDOC Week
- Strengthen community awareness of reconciliation issues in Horsham Rural City Council

AUSTRALIAN DAY CELEBRATIONS



Rotary Club of Horsham East's Penny Flynn (Community Event of the Year Award recipient), Dalton Cross (Youth Citizen Award recipient) and Russell and Libby Peucker (Joint Citizen Award recipients) at the Australia Day ceremony in Horsham

On Australia Day, we are encouraged to celebrate with family and friends by coming together as a community to congratulate our new citizens and Australia Day award recipients.

This year, Australia Day ceremonies were held throughout the municipality in Horsham, Natimuk, Dadswells Bridge and Brimpaen.

Horsham Rural City Council hosted the Horsham celebration at Sawyer Park on the banks of the Wimmera River. The celebration attracted an unprecedented 600 community members who enjoyed a free barbeque breakfast, provided by the Combined Service Clubs, prior to the official ceremony.

The 2016 Australia Day Awards were presented to:

- Russell and Libby Peucker – Joint Citizen Award
- Dalton Cross – Youth Citizen Award
- 2015 Tri State Games, Rotary Club of Horsham East – Community Event of the Year Award

Elder and member of the Barengi Gadjin Land Council, Jennifer Beer, presented a Welcome to Country and attendees were entertained with Australian melodies by the Horsham Pipe Band, Horsham Brass Band, Sing Australia Choir and Karla Creasey and Liam Robertson from the Horsham Arts Council.

An Australian Citizenship Ceremony was conducted by the Mayor, where eight community members (including two Council staff) from the Botswana, Nepal, Philippines, South Africa, Thailand, United Arab Emirates and the United Kingdom became naturalised as Australian citizens.

This year's Australia Day Ambassador was Aris Imbardelli, who has a background in education, hospitality, multiculturalism and sport. At the Horsham and Natimuk celebrations, Mr Imbardelli shared his story and delivered a message about what it means to be an Australian.

IRRIGATION MEMORIAL



Cr Mark Radford and Cr Sue Exell test out the new water fountain in Roberts Place

Until 2012, the Wimmera had a vast irrigation system, based on open earthen channels, transporting gravity fed water to farms, stretching to Murtoa through Drung, to Dooen and Horsham and out to Haven and Quantong.

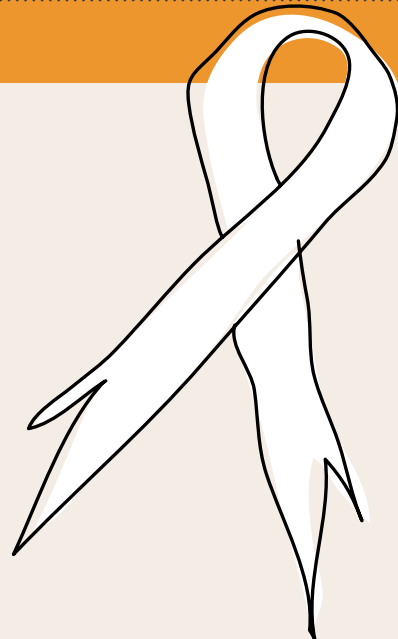
The system was replaced by the Wimmera Mallee Pipeline, and in 2012, Horsham Rural City Council sold their remaining water rights in the Wimmera irrigation system. A portion of the proceeds were reserved for the purpose of creating a memorial to the irrigation system. A part of that project was the installation of drinking fountains within Horsham displaying information on the history of irrigation in our region.

With community input and the assistance of GWMWater, displays for two fountains were created. One is located in Roberts Place near the pedestrian crossing and the other in Sawyer Park between the river and the soundshell.

The project has also delivered information boards containing a history of irrigation in the Wimmera at the Haven Recreation Reserve, and a mural depicting the irrigation system and its impact on life in the region will be created in Haven.

HIGHLIGHTS

- The 100th anniversary of the Mitre Hall was celebrated on 14 November.
- Horsham set a Guinness World Record when 256 people dance the Nutbush for 5 minutes and 30 seconds at the City Oval in November (see page 24).
- In November, approximately 250 people participated in the White Ribbon Walk Against Violence in Horsham (see page 18).
- The \$19.8 million Horsham Town Hall and Regional Art Gallery Redevelopment was officially opened in February – this is Council's largest capital works project to date (see pages 20-23).
- The Art Matters Collective Swab Project for Wimmera adults living with a disability commenced this year (see page 61).
- The Art is ... festival celebrated its 21st birthday in June with an action packed program of events (see page 28).



COMMUNITY GRANTS

Horsham Rural City Council's Community Development Grants Program helps groups in the Horsham and district community to improve facilities and work together for more engaged and healthy communities. This year, Council distributed \$380,707 in community grants to local not-for-profit organisations, groups and associations. See pages 66-67 for a full listing of the grants provided in 2015-2016.

FESTIVALS



Tchingal: Stories from Wotjobaluk Country - major performance featured in the Art is... festival

Nati Frinj / Arapiles Community Theatre: A very successful Nati Frinj Biennale event was held over the Melbourne Cup weekend in October/November. The event programed a total of 55 arts and cultural works including visual art exhibitions and installations, performances, theatre, poetry, workshops, film, projection works, music and special events. Over 61 local and invited professional artists used the Nati Frinj Biennale as a platform to experiment and develop their arts/cultural practice.

There were approximately 3,000 audience members across the weekend with 40% coming from outside the region. Most venue-based performances sold out and the night time projection works "Rising Lights" across town created a wonderful evening experience.

Art is... festival Turns 21: The very successful Art is... festival celebrated its 21st birthday from 3 to 12 June. The 10-day program included a total of 42 events and was the final year of a three year theme "Layers of Time" which focused on stories, myths and legends.

The land we walk is an ancient land.

It is full of memory and traces of stories, myths and legends. Whether a creation story, a family story, an heirloom brought from a distant shore, or a tale told around the kitchen table, we are the keepers of a shared knowledge. How do we pass this on? How does the next generation encounter these stories and make them their own?

From song lines to cyber lines, 'story' transcends time and place. Under the ever watchful gaze of Djurite and Gariwerd, we listen, share and learn from our communities stories, adding our voice to the layers of time.

Which part of the story do you keep?

The festival program reflected on our communities stories with an estimated 10,500 people attending throughout the ten days and eight weeks leading up to the festival.

Funding News: The Art is... festival and Arapiles Community Theatre are the successful recipients of a four year State Government investment until 2020 through Creative Victoria's Organisational Investment Program. Both events will receive \$300,000 each, equating to \$75,000 per year. This funding will provide both organisations with the certainty to plan and deliver sustainable festivals, leverage further support and employ staff to deliver on their mutual strategic plans. This will include four Art is... festivals and two Nati Frinj Festivals, along with the Made In Natimuk touring arm which promotes Nati Frinj Festival artist's works to other state and national contexts. The success of these festivals is testament to Creative Victoria's regard of the quality of their work and their importance in the regional cultural landscape.

GRAMPIANS WIMMERA ARTS ATLAS

The Grampians Wimmera Arts Atlas is a website developed as a partnership between Horsham Regional Arts Association and the Councils of Northern Grampians, Horsham and Ararat with the support of Regional Arts Victoria.

This website promotes the richness of artists, cultural groups and creative events across a specific region. It has been designed as the Grampians and Wimmera region's place to promote activities and link to other websites.

The Arts Atlas is available to all arts activities such as artists, festivals, cultural organisations, venue availability and event promotion. The site also offers an automated calendar of news and events each month, including an Arts Bulletin emailed to subscribers.

LIGHT IN LANEWAYS

Horsham Rural City Council's Public Arts Committee's Light in Laneways Exhibition was launched in June as part of the Art is... festival.

Light in Laneways is an ongoing response for increased safety and aesthetic experience of our laneways through lighting and public art. The lightboxes serve as infrastructure in which to highlight community artistic expression.

Currently, there are six lightboxes on the wall of a local business and carpark entrance of an exhibition called *By a Creek in a City*. The lightboxes feature the environmental artwork of students from McKenzie Creek Campus of Horsham College, led by artist Frank Tagliabue.

A further six lightboxes have been installed on the wall of the new Horsham Town Hall Theatre along Gallery Alley with a collective exhibition produced by the Horsham Regional Art Gallery's Education Officer, Debbie Moar. Known as *From a Studio in the City*, this latest exhibition is drawn from the work of a group of artists that meet every Thursday in the Federation University studio. Featured artists include Yvonne Preusker, Joan Goad, Sue Devlin, Peta Adamson and Joan Johns.

KALKEE ROAD CHILDREN'S AND COMMUNITY HUB

The Kalkee Road Children's and Community Hub is a new community facility to be located in Horsham North. The Community Hub includes a children's facility with kindergarten, childcare, Maternal and Child Health, supported playgroup, early intervention services and visiting specialist consulting rooms, including spaces suitable for flexible provision of other community services.

The Hub is to be a significant piece of civic infrastructure at 1,130 square metres, and is intended to meet community needs across all age groups, including youth programs, seniors groups, community-out programs, mothers and parents groups, playgroups, community events and lifelong learning programs. These are to be accommodated with the formal and informal community spaces of various sizes and a community outdoor area.

The Hub has been specifically located in Horsham North as this is an area of the municipality that was identified through the Horsham Early Years Social Infrastructure Plan as an area of particular need. The forecourt and entrance to the building will form a focal point within an existing streetscape through a combination of planting and landscape elements.

Facilities will include:

- A large multi-purpose space for playgroups, occasional care, immunisation sessions and community shared space available for booking for activities such as community meetings and events, business conferences and training sessions and young parents groups.
- Three consulting/interview rooms, meeting room and shared working space and a range of services new to the Horsham North area including private professional services, early childhood intervention allied health services, parenting groups, counselling services, and adult education programs.
- Reception/administration/foyer.
- Public amenities including accessible and baby change facilities.
- Children's services component to be delivered in four rooms of varying sizes, with an overall licence for 93 children. The rooms are adjoining and designed to open up to each other for group activities and special events. Programs delivered will include kindergarten and formal long day care.
- The new facility will be supported by an off-street car park, drop-off zone, access paths, landscaping and play areas.

The Schematic Design Cost Plan estimates the cost for the Kalkee Road Children's and Community Hub to be \$4.396 million (exc GST).

Council has secured \$2.6 million of external funding from the State Government (\$1 million from Regional Development Victoria and \$1.6 million from the Department of Education and Training) and has applied for further funding to the Commonwealth Government through the National Stronger Regions Fund.

Subject to planning/building approvals and approval of a successful tenderer for the works by Council, it is expected that commencement of construction of the Hub will occur in October 2016 with a completion date set for November 2017 and the Hub becoming operational in February 2018.





Goal 2:

Sustaining the Economy and Environment

LEAD IN SUSTAINABLE DEVELOPMENT AND ENHANCE THE ENVIRONMENT

As our community grows, so our region grows. We welcome new development and we aim to support enterprise, small and large, whilst advocating for the community to shop locally. We continue to promote and develop sustainable projects and encourage environmental practice within Council and the community.

HORSHAM - VICTORIA'S TIDIEST TOWN!



Cr Mark Radford with Jo and Don Johns at the tidy towns awards ceremony in Beechworth

This year Horsham was named Victoria's tidiest town. The 2015 Keep Victoria Beautiful Tidy Towns Sustainable Communities Award was presented to Horsham at a special ceremony in Beechworth in October.

Horsham has had ongoing successes at these awards, over many years and we are the only Victorian town to win the Keep Victoria Beautiful Tidy Towns Sustainable Communities Award six times.

Horsham was a finalist in eight of the 10 award categories, winning two and receiving a highly commended in another. The Horsham Special School won the Active Schools Awards and Project 19:14 free family fun day received a high commendation in the Sustainable Practices Award. Other finalists included Axis Worx, Horsham Historical Society, Wimmera River Improvement Committee, Horsham Rural City Council, Wimmera Catchment Management Authority, Landcare and Wimmera school students.

As State winner, Horsham was also a finalist in the National Tidy Towns Awards which were held in Toodyay, Western Australia in March. Whilst Horsham didn't win the overall national title, we are highly regarded on a national level for our consistent achievements and were successful in winning the National Environmental and Education category.

Horsham has a dedicated Tidy Towns committee which works tirelessly with community groups and Council to encourage ongoing beautification, recycling and litter reduction.

This year, Dr Don Johns, OAM, retired as Chairman of the Tidy Towns committee after 32 years of service.

Horsham's repeated success at the Tidy Towns awards is testimony to the passion Don brought to the committee and the incredibly high standard of service he gave as Chairman. Don was awarded the Victorian and National Dame Phyllis Frost Award by the Keep Australia Beautiful and Keep Victoria Beautiful organisations, in recognition of his Tidy Towns achievements. This prestigious personal award recognises his outstanding and sustained achievements in fostering community participation and environmental protection and awareness, with Horsham in particular, but also more broadly throughout the Wimmera region and Victoria. We sincerely thank Don for his outstanding contribution to Tidy Towns and our ongoing success.



GRAMPIANS PEAKS TRAIL



The \$30.2 million Grampians Peaks Trail will be completed in December 2019

During 2016-2017, Horsham Rural City Council agreed to act as Lead Agency for a consortium of Grampians Region Councils to seek \$10 million from the Federal Government's National Stronger Regions Fund. This application was successful and together with an allocation of \$20.2 million from the State Government, will fund the \$30.2 million trail. Parks Victoria is responsible for the delivery of the project.

The 144 kilometre Grampians Peaks Trail, when completed in December 2019, will offer a world-class wilderness walking experience from Mount Zero in the North to Dunkeld in the South. The spectacular Grampians' peaks, beautiful scenery and rich cultural heritage will combine to provide one of Australia's most iconic walks in the vein of Tasmania's Overland Track. The track, to be completed in stages, is expected to generate 86,000 visitor nights to the region each year when fully operational and additional employment opportunities.

As Lead Agency for the Federal funding component of the project, Horsham Rural City Council will be involved with this exciting and nationally significant project over the next five years, including membership of the Project Steering Committee and completing reporting requirements to the Federal Government.

WIMMERA RIVER IMPROVEMENT COMMITTEE



Wimmera River Improvement Committee members Peter Gawith, Ron Goudy, Merv Adams, Gary Aitken and John Seater with some of the new plants

The aim of the Wimmera River Improvement Committee is to develop and improve public open space areas along the Wimmera River in Horsham. This important volunteer committee works closely with Horsham Rural City Council and is part of the Farm Tree and Landcare Association.

As one of its many projects, the Wimmera River Improvement Committee completed a tree planting project on the south side of the river along Government Road, adjacent to Kenny Road and one of Horsham's much utilised cycling paths.

Vegetation in this area has traditionally been very sparse, however, over the last few years the Wimmera River Improvement Committee and other community groups have worked hard to enhance this precinct which is becoming a popular open space in our municipality.

The Wimmera River Improvement Committee has been responsible for numerous improvements to the Wimmera River precinct and the Horsham Police Paddock Reserve over many years and we sincerely thank them for their important and ongoing contribution to our community.

DOMESTIC ANIMAL MANAGEMENT PLAN

Council adopted the Domestic Animal Management Plan 2013-2016 on 1 July 2013 and the Plan was further reviewed on 4 June 2014. The plan developed through consultation with the Domestic Animal Management Advisory Group, consisting of a veterinarian, community representatives and representatives from Horsham PAWS (People for Animal Welfare and Support), is due for a major review by November 2017.

During 2015-2016, the following actions from the Plan were completed:

Action 4.2:

- OHS training (dealing with aggressive customers)
- Bureau of Animal Welfare training and information days
- First Aid training
- Firearms training
- Attended Southwest Authorised Officer Group meetings
- OHS awareness training

Action 8.2:

- Phone call registration follow up program

Action 8.3:

- Microchipping program (in conjunction with Horsham PAWS)
- Implemented new off-lease area

Action 10.1:

- Officers continue to patrol

Action 10.2:

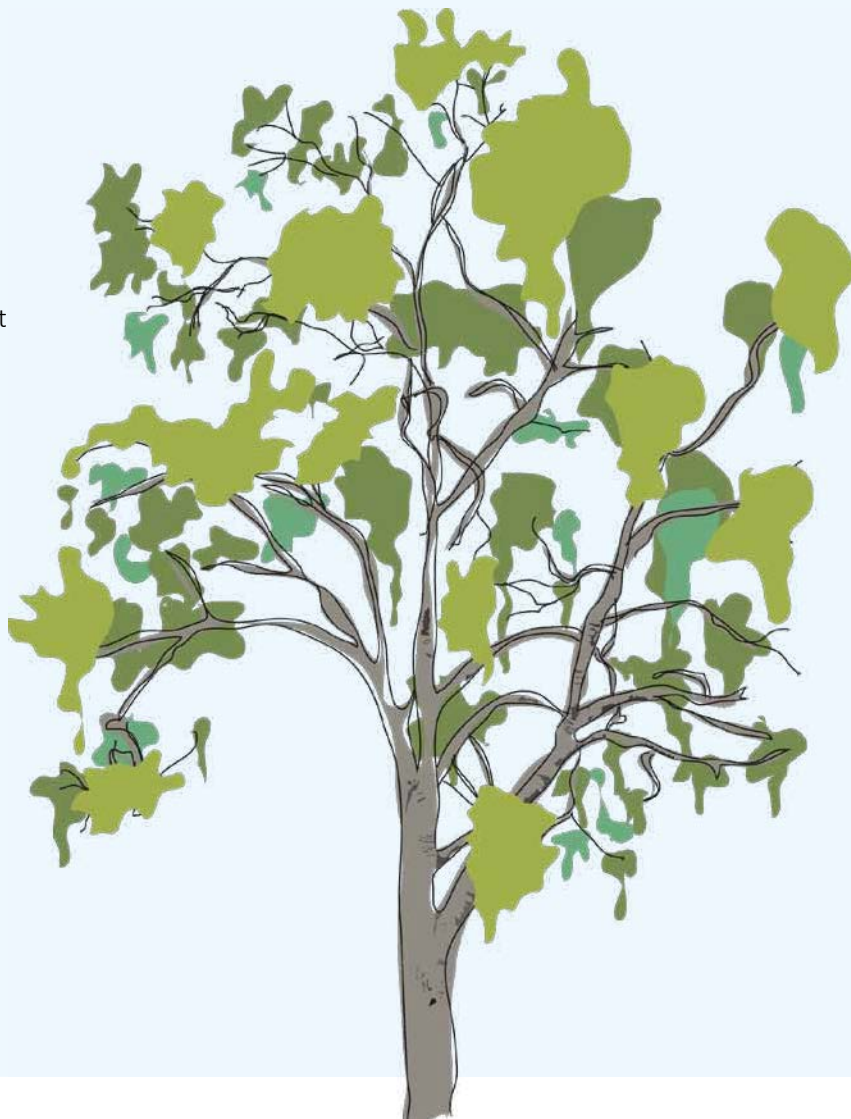
- Officers have reviewed the barking dog complaint process, which now includes a register form for ongoing complaints

Action 14.2:

- Council has implemented a fee structure for dangerous dogs, menacing dogs and restricted breed dogs

HIGHLIGHTS

- In October, Horsham was named Victoria's tidiest town for 2015 at a special Keep Victoria Beautiful Awards Ceremony in Beechworth (see page 30).
- During 2015-2016, 68 dogs and 173 cats were rehomed.
- Council was appointed as Lead Agency for the Federal funding component of the \$30.2 million, 144 kilometre Grampians Peaks Trail development this year (see page 31).
- Eight business development workshops were conducted and 10 individual mentoring sessions facilitated at the Wimmera Business Centre this year. The centre also provided a range of business advice to over 50 small businesses and those with new business ideas from setup to assisting businesses to grow.





Goal 3: Asset Management

MEET COMMUNITY AND SERVICE NEEDS THROUGH PROVISION AND MAINTENANCE OF INFRASTRUCTURE

We strive to ensure infrastructure is in place to support our growing community as well as upgrading and maintaining our infrastructure to attract more visitors to our municipality.

COUNCILLORS AND DIRECTORS GO ON TOUR

In August, Councillors and Directors participated in an urban tour, taking in a number of local assets and infrastructure such as the Livestock Exchange, Aerodrome, Caravan Park, recreation reserves and parks. They also toured facilities at other centres including Hamilton, Geelong, Torquay, Bannockburn, Ballarat and Ararat. Tours are generally arranged on an annual basis, visiting rural or urban areas in our municipality or to other regional centres. These tours provide Councillors and Directors with an opportunity to consider and discuss existing facilities and explore opportunities for future development within the municipality.

HORSHAM AEROMEDICAL TRANSFER STATION



Stephen Wik from LOCKS Constructions, with other tradespeople and volunteers who made the Horsham Aeromedical Transfer Station a reality

Victorian Governor Linda Dessau officially opened the Horsham Aeromedical Transfer Station at the Horsham Aerodrome on 19 March 2016. The transfer station will protect patients and ambulance members from the elements whilst they wait for medical aircraft to transport them to metropolitan hospitals.

The 10-month building project was a collaborative effort between local tradespeople and community groups including the Horsham East Rotary Club, Council, Ambulance Victoria and Freemasons Victoria Wimmera Lodge.

HORSHAM INTEGRATED TRANSPORT STRATEGY

In early April, Horsham Rural City Council commenced work on its Integrated Transport Strategy with an initial workshop with key stakeholders. The strategy will be developed in three stages.

The first stage will address the three regional highways (Western, Wimmera and Henty), and how they might all interface with a bypass of Horsham, the location of the railway line and planning for Horsham's urban growth.

Stages 2 and 3 will subsequently address: urban congestion and internal connections to facilitate Horsham's growth; and municipal-wide traffic, including freight and farm machinery access.

Council has engaged regionally experienced consultants, Driscoll Engineering, to assist with the preparation of this strategy. A broad range of stakeholders have also been nominated to provide community input into the process. Whilst Council initially sought four nominations, 10 nominations were received, and it was decided to appoint them all to capture the breadth of issues that the community sees as being important in our transport planning.

The community members are: Andrew Hedt, Bob Scates, Dick Gill, Geoff Rethus, Janette Goodwin, Jeff Moore, Noel Ferguson, Richard May, Russell Peucker and Tim Rethus. Other stakeholders on the group include: four Councillors and representatives from VicRoads, the Department of Transport, the Victorian Farmers Federation, Business Horsham and the Wimmera Southern Mallee Regional Transport Group. Robert Kelm has also been nominated to the group as a transport industry representative.

A preliminary draft report is due for public release by late July 2016, with the aim of collating public feedback to inform consideration by Council on the first stage of the Horsham Integrated Transport Strategy by September 2016. Stage 2 is anticipated to start in late 2016 and stage 3 in mid 2017.

HORSHAM AERODROME MASTER PLAN

Council has engaged AECOM and Kneebush Planning to develop a Master Plan for the Horsham Aerodrome. This plan will set out a long-term vision for development of the aerodrome and establish a framework to safeguard the aerodrome from other uses that might impact on its future development.

Preparation of a Master Plan for the Horsham Aerodrome supports a recommendation from the Horsham Bypass Planning Panel for Council to investigate the potential impacts of the proposed bypass alignment by VicRoads on planned extensions of the runways. Once these needs are established, it will be possible to determine whether the preferred bypass alignment will impact on these needs.

Council has used guidelines developed by the aviation industry as the basis for the Master Plan and the community has also been consulted to ensure that all relevant issues are captured in the plan.

The draft Master Plan will be completed by July 2016, and made available for public consultation. The feedback from this consultation will be evaluated to prepare a final plan for consideration by Council.

RAIL CORRIDOR MASTER PLAN

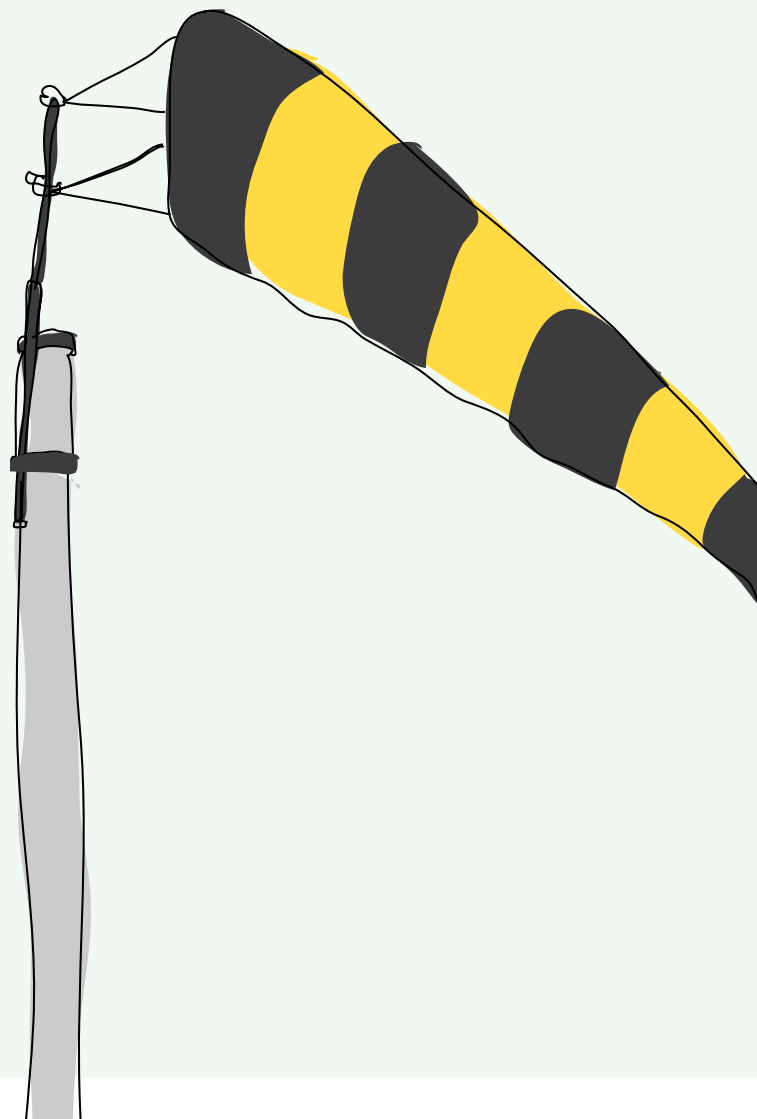
On 21 March 2016, Council adopted a Rail Corridor Master Plan. Key features of this plan include six hectares of passive open space, identification of a possible site for a new indoor recreation facility, an east-west bicycle and pedestrian path that follows the railway line, improvements to the existing rail crossings and the possible development of another, the potential construction of up to 30 new homes on the southern side of the railway line, provision for the development of expanded community facilities and provision for the long-term realignment of the railway line.

LAHARUM PRECINCT PLAN

Following an extensive consultation process, Council adopted a Precinct Plan for Laharum in November. This plan recommends significant improvements to Cameron Oval, the Laharum Hall and Laharum Primary School. Council staff will continue to work closely with the Laharum community to source funds for this important project.

HIGHLIGHTS

- In November, the first sod on the new \$1.2 million Anzac Centenary Bridge in Horsham was turned. The pedestrian bridge will cross the Wimmera River from Apex Island to Major Mitchell Drive. It is expected that the bridge will be completed in late 2016.
- Council adopted a Rail Corridor Master Plan in March (see previous column).
- Council commenced work on its Integrated Transport Strategy in April (see page 33).
- AECOM and Kneebush Planning have been engaged to develop a Master Plan for the Horsham Aerodrome. It is expected that this plan will be finalised in late 2016 (see previous column).



ROAD WORKS

Horsham Rural City Council services 2,976 kilometres of roads. Of these roads, 948 kilometres are sealed roads and 947 kilometres are unsealed roads.

Below is a description of road works completed in 2015-2016:

| Work Description | Length (kilometres) | Area (square metres) |
|---|---------------------|----------------------|
| Road construction new urban | - | - |
| Road construction new rural | - | - |
| Road reconstruction urban | 1.08 | 9,366 |
| Road reconstruction rural | 8.96 | 48,597 |
| New sealed road construction (subdivisions) | 0.84 | 5,045 |
| Rural reseals | 29.05 | 128,915 |
| Urban reseals | 3.02 | 26,790 |
| Sealed road shoulder re-sheeting | 17.97 | 35,940 |
| Gravel road re-sheeting | 35.94 | 146,773 |
| Footpaths new | 0.82 | 1,148 |
| Footpaths renew | 0.39 | 543 |
| Kerb and channels new | 1.21 | |
| Kerbs and channels renew | 2.265 | |

MAJOR CAPITAL WORKS

This year, Horsham Rural City Council spent \$15,088,000 on capital works throughout the municipality. The table below provides details of some of the capital works projects that Council funded during 2015-2016.

| Road Infrastructure Construction | Amount (\$) |
|---|-------------------|
| Horsham | 1,395,000 |
| Rural | 1,768,000 |
| Rural Bridges | 131,000 |
| Roads to Recovery Program | 2,426,000 |
| OTHER | |
| Playground Equipment | 48,000 |
| Land purchase WIFT Industrial Precinct | 1,056,000 |
| Town Hall Performing Arts Project | 4,511,000 |
| Green Park Kindergarten Refurbishment | 288,000 |
| Aquatic Centre Refurbishment | 80,000 |
| Hocking Street Clubrooms Disabled Toilet/Access | 51,000 |
| Community Stadium Relocation | 91,000 |
| Sunnyside Clubrooms Building Refurbishment | 44,000 |
| Green Lake Boating Improvements | 63,000 |
| Public Art projects | 37,000 |
| Works in Progress | 1,013,000 |
| Other Works (including plant purchases) | 2,086,000 |
| TOTAL | 15,088,000 |



Goal 4: Governance and Business Excellence

EXCEL IN COMMUNICATION, CONSULTATION, GOVERNANCE, LEADERSHIP AND RESPONSIBLE USE OF RESOURCES

Our goal is to excel in what we deliver and how we deliver it, both within Council and to our community. Our staff are our greatest asset so their wellbeing is key to learning and high performance.

LOCAL LAW NO 1 - GOVERNANCE (2016) AND COUNCIL MEETING PROCEDURE

Following an extensive consultation process, Council adopted Local Law No 1 – Governance (2016) and the referenced Council Meeting procedure on 1 February. These documents replace Council's previous Local Law No 1 – Processes of Municipal Government (Procedures for Meetings) which was adopted in 2006.

The objectives of Local Law No 1 are to:

- Provide a mechanism to facilitate the good government of the Horsham Rural City Council through its formal meeting procedure to ensure effective and efficient Council decisions are made in a manner which acknowledges the role of Local Government within the Australian system of Government.
- Promote and encourage community participation in the system of Local Government by providing mechanisms for the Council to ascertain the community's views and expectations.
- Regulate and control the election of Mayor, any Deputy Mayor and the Chairperson of any special committees.
- Regulate and control the procedures governing the conduct of meetings.
- Regulate and control the use of the Council's Common Seal.

Below are some of the significant changes to Local Law No 1:

- Meeting procedures have been incorporated via reference into a separate Council procedure to facilitate an easier process for amendment should that be required in the future.
- Activities such as use of the Common Seal of Council, procedure for election of the Mayor, procedure for election of any Deputy Mayor and process for amending provisions of the Meeting Procedure are all that remains in Local Law No 1.

- The most significant change in the Meeting procedure was the introduction of a Public Question Time at Ordinary Council Meetings and clear guidelines around the process.
- Additional content around appropriate conduct at meetings was also added to the Meeting procedure.

Local Law No 1 – Governance (2016) and the referenced Council Meeting procedure can be downloaded from Council's website – www.hrcc.vic.gov.au.

GOVERNOR'S VISIT



The Hon Linda Dessau, AM and Cr Heather Phillips with Horsham Motorcycle Club representatives.

On 24 and 25 November 2015, Horsham Rural City Council welcomed the Honourable Linda Dessau, AM, Governor of Victoria, to the region. Council hosted a Civic Reception in her honour and she was taken on a tour of facilities at Goolum Goolum Aboriginal Co-operative, Nexus Youth Resource Centre, Natimuk Gymnastics Club, Horsham Special School, Australian Grains Genebank and the Horsham Motorcycle Club. The Governor also performed the official opening of the Horsham Men's Shed and unveiled the installation of the Framing the Wimmera project in Natimuk.

REVIEW OF OUR SECTION 86 COMMITTEES

Under Section 86(6) of the *Local Government Act 1989*, we are required to review the purpose and operation of special committees of Council within 12 months of a Council election. This ensures the function and responsibilities of committees are regularly reviewed and appropriate governance and administrative processes are in place and are being adhered to.

Since November 2015, a project officer has been working with Council's special committees reviewing the purpose and operation of these committees. The review identified opportunities to clarify the purpose and provide a higher level of support for these committees.

It was identified that a more appropriate role and governance structure for a number of these is to become advisory committees, providing a regular forum for key stakeholders to make strategic input into planning and provide an important consultative role.

The review also identified that some committees have become more independent of Council and their operation is enhanced by becoming an incorporated association with a licence, with Council to ensure the shared use of community facilities.

The administrative burden on volunteers managing community halls has also been reviewed. An innovative governance model is being developed involving the clustering of halls for administration whilst ensuring the continued independence of halls for the day-to-day operation of the facility. The model involves the 11 community halls being combined as a single special committee and the establishment of 11 hall sub-committees. This provides a more supportive structure for the hall committees whilst recognising the unique requirements of each committee and the importance of providing a locally managed facility for the community.

The first stage of the review is complete and governance arrangements are almost finalised. The second stage involves the identification of systems to ensure the provision of on-going and co-ordinated support of Council's special committees. For a list of all special committees of Council, see pages 53-54.

GO WOMEN LG 2016

On 9 June 2016, Horsham Rural City Council, in partnership with Leadership Wimmera, hosted a GoWomenLG2016 event for the north-west region. Approximately 30 ladies from across the Wimmera attended the forum, aimed at supporting and encouraging women candidates to stand for the next Local Government elections in October. The event featured a facilitated panel discussion with current and former local Councillors from the West Wimmera, Hindmarsh, Northern Grampians, Horsham and Yarriamambiack shires. Topics such as being a voice in your community, what's involved in running a campaign, how to be an effective Councillor and how to make a difference were discussed by the panel.

GoWomenLG2016 is an initiative of the Victorian Local Governance Association, in conjunction with the Victorian Government. It provides support, networking and resources for women candidates in the 2016 Victorian Local Government elections.

RECOGNISING STAFF ACHIEVEMENTS



In January, former Director Corporate Services and Economic Development and Director Planning and Economic, Tony Bawden was presented with a Letter Under Seal in recognition of his outstanding contribution to Horsham Rural City Council and the wider community over the past 13 years.

Our employees make outstanding contributions across all Council departments. We are proud to recognise, reward and celebrate the many achievements of our employees through a monthly staff awards program. This is a peer nominated awards program recognising outstanding achievement and performance. This could be going above and beyond the call of duty, to simply thinking outside the box and coming up with an idea to improve our business and service delivery.

The following awards were presented to staff this year:

Monthly Staff Awards

- Tracey Arbuckle – ICT Department
- Martin Bride – Community Development Department
- Gloria McRae, Julie Anson, Tamara Hallam-Brook and Colin Kemp – Visitor Information Centre Team
- Mary-Anne Duke – Aged & Disability Unit
- Grant Preece, Luke Spasic, Col Edgerton, Ryan Johnstone, Aaron Prior, David Gove – Tree Care Unit, Parks and Recreation Department
- Mark Hunter and Ash Baker – Depot
- Melinda Bottoms – Aged and Disability Unit
- Darrell Gunn, Wayne Smith, Simon Clark, Mick Neale and Gavin Cooper – Parks and Gardens Unit
- Mi Kim – Environmental Health Unit
- Nick Carey, Adam Moar and Kirsten Miller – Planning Team
- Shane Podolski, Sara Barron, Joy Cowie, Charee Smith, Shana Miatke – The Horsham Town Hall Team
- Vincent Liao, Julie Schmidt, Dave Wall, Karen Mayberry, Cynthia Souter, Heather Proctor – The Super Audit Team

Annual Departmental Achievement Awards

- Karen Mayberry – Corporate Services
- Chris Flood – Planning and Economic
- Joy Cowie – Community Services
- Danielle Fowler – Technical Services

Special Awards

- *Ian Maria Customer Service Award* – Paul Christopher
- *Rob Jory Award* – Mark Hunter
- *OHS Committee Awards* - Encouragement Award – Christine O'Connor and Wendy Davies
- *OHS Overall Award* – Simon Clark
- *Cross Functional Team Award* - Horsham Town Hall Team
- *25 Years of Service* - Heather Proctor and Robert Abernathy

IMPROVING OUR VOLUNTEER MANAGEMENT SYSTEMS

Volunteers provide an important role in supporting and enhancing Council services to the community across a wide range of areas including family and youth, aged and disability, arts and culture, tourism and recreation and emergency management.

This year, Council hosted two special morning tea events on International Volunteers Day in December and during National Volunteers Week in May, to acknowledge our many valued volunteers.

An audit of Council's volunteer management system has been conducted and recommendations to improve our systems and processes were made. As a result, Volunteering Western Victoria was engaged to review our systems and align our processes in accordance with the National Standards for Involving Volunteers in Not-For-Profit Organisations. Key activities of this 12-month project include the formation of a volunteer executive group, mapping of current volunteer activity, a workshop for Councillors and senior management, development of a volunteer management framework, policies and procedures and a final report with recommendations for future action.

ADVOCACY

Advocacy on behalf of the Horsham and wider Wimmera community is an important role for Council. The Council Plan provides details of our current advocacy priorities which are:

- Improved weather forecasting including Bureau of Meteorology radar coverage – *Agreement from Federal and State Governments to jointly fund*
- The rebuilding of Horsham College – *Funding achieved*
- Improved education and health outcomes for our community – *Funding achieved for construction of new \$3.5 million Wimmera Cancer Treatment Centre in Horsham*
- Total mobile phone coverage across the municipality – *18 blackspots to be improved in Mallee electorate including two in Horsham, disappointingly Wartook Valley not included - further advocacy undertaken to achieve Wartook in stage 2*
- The retention of recreational lakes or other recreational water facilities with the purpose of securing water based recreational opportunities in the municipality – *Advocacy continues with Green Lake and Toolondo receiving water announcements*
- Improved facilities at Horsham Police Station – *No progress*
- Improved residential aged care facilities – *No progress*
- More flexibility and less onerous conditions in compliance with Environment Protection Authority requirements for landfill – *No progress, submission to state inquiry*
- Support upgrade of student accommodation and new facilities at Longerenong College – *Upgrade of student residential facilities officially opened in June*
- Investigate the relocation of the railway line from the centre of Horsham as part of the Horsham road bypass – *Rail Corridor Master Plan adopted in March (see page 34)*
- Encourage the establishment of a passenger air service from Horsham to Melbourne and Adelaide – *No progress, continued advocacy occurring*
- Duplication of the Western Highway and improved safety through to Stawell – *Commitments received to Ararat, continued lobbying*
- Cherrypool roadside toilets – *Funding obtained and replacement toilets installed*
- Passenger rail – *Funding reviewed and consultant appointed for study into passenger services to Wimmera and South West Victoria*
- Horsham road bypass (alignment) and construction – *Community discussions continue*
- National Broadband Network – *Council continues to advocate for fibre optic services in Horsham - expected construction will commence second quarter 2017 and be completed fourth quarter 2017*

Delegation to Canberra: In March, Mayors and Chief Executives of the five Wimmera Councils and the Executive Director of the Wimmera Development Association visited Canberra to meet with Federal Government ministers and staff and opposition parties. The delegation was facilitated by Mr Andrew Broad, MP, Member for Mallee. Topics discussed included Local Government funding for education and training, roads funding, drought support, Wimmera weather radar, pulse proteins project, Indigenous tourism and cultural initiatives, freight on road and rail, Stronger Region's projects, NBN mobile black spots and data use.





HIGHLIGHTS

- Horsham Rural City Council welcomed the Honourable Linda Dessau, AM, Governor of Victoria, to the region in November (see page 36).
- In February, Council adopted Local Law No 1 – Governance (2016) and the referenced Council Meeting procedure to replace previous Local Law No 1 – processes of Municipal Government (Procedures for Meetings) (see page 36).
- An extensive review of Council's Section 86 Committees was undertaken this year (see pages 37 and 53-54).
- Council's social media presence has increased this year with 1,455 Facebook Likes and 151 Twitter Followers.
- During 2015-2016, the Horsham Rural City Council website received an average of 10,000 – 11,000 visits each month.
- This year, approximately 300 people each day have accessed the free WiFi throughout Horsham's central business district.

OUR PERFORMANCE

Council Plan

The 2016-2020 Council Plan sets the strategic direction of Council over the next four years, linking the community's vision to long-term community goals, four-year outcomes and four-year priorities for Horsham Rural City Council. The Council Plan provides direction to management and includes the indicators that Council will use to deliver key outcomes.

| | | |
|---|--|---|
|  | 1. Community and Cultural Development | Develop Horsham and the municipality as a diverse, inclusive and vibrant community |
|  | 2. Sustaining the Economy and the Environment | Lead in sustainable development and enhance the environment |
|  | 3. Asset Management | Meet community and service needs through provision and maintenance of infrastructure |
|  | 4. Governance and Business Excellence | Excel in communication, consultation, governance, leadership and responsible use of resources |

Performance

Council's performance for the 2015-2016 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2016-2020 Council Plan. Performance has been measured as follows:

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



Goal 1: Community & Cultural Development

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the measures included in the Council Plan.

| Measure | Result | Comments |
|---|--------|---|
| Substantially complete the Town Hall/ Art Gallery construction project | 100% | Construction completed in January 2016. Official opening of the venue occurred in February 2016. |
| Complete demolition of Grampians fire affected properties and cancel associated 43 emergency orders | 100% | 34 emergency orders and 9 building orders have been cancelled. |
| Increase the number of cultural events held each year | 100% | In 2015-2016 there were 166 cultural events with 28,882 patrons compared to 114 Cultural events with 16,505 patrons in 2014-2015. |

The following statement reviews the progress of Council in relation to major initiatives identified in the 2015-2016 budget for the year.

| Major Initiatives | Progress |
|---|---|
| \$840,000 for planning and commencement of construction of the Horsham North Children's Hub. | Design consultants appointed, Design Development Drawing and Design Development Cost Plan endorsed by Project Control Group in June 2016. |
| An allocation of \$102,000 for a detailed investigation of the sustainability of aged services within Council and the broader Wimmera area. | Project Officer commenced in April 2016. Has commenced the implementation of a work plan as determined by the Wimmera Southern Mallee Home Support Program Working Group. |
| The major capital works project for the refurbishment of the Town Hall and Art Gallery and the construction of the new Performing Arts Centre was commenced in 2014-2015 and is expected to be finished during 2015-2016. | Horsham Town Hall construction completed and became operational in January 2016. |
| The development of a business plan to establish an artists in residence facility on the banks of the Wimmera River is the beginning step for a significant project. | Project delayed due to not being successful in receiving external funding. |

The following statement provides information in relation to the services funded in the 2015-2016 budget and the persons or sections of the community who are provided the service.

| Service | Description |
|--|--|
| Community Services | <p>Provision of the following to support Council's direct service delivery areas:</p> <ul style="list-style-type: none"> • General community services – support surrounding education in preschools and schools, Senior Citizen Centres, Service Clubs and the State Emergency Service. Emergency management, community engagement and development, disability access services and Horsham Youth Centre (Nexus). • Home and Community Care – provides care to frail aged and disabled persons with home care, personal care, respite care along with property maintenance services and disabled parking permits. • Maternal and Child Health Services – support to families with parenting, health and development, promotion of health, wellbeing and safety, social supports, referrals and linking with local communities, and sponsoring of a Koori service. • Preventative Services – provides health administration, immunization, health vending machines and other preventative measures under the health plan including needle exchange, Tobacco Act reforms and mosquito monitoring. • Administration – administration and support to the Community Services group. |
| Recreation, Culture and Leisure | <p>Provision of the following to support Council's direct service delivery areas:</p> <ul style="list-style-type: none"> • Art Gallery – visual art resource for the local community and visitors to Horsham. • Cultural centre activities – community development and education to enhance the capacity and strength of communities in the municipality by developing community plans as a resource. • Halls - running of public halls, the Hamilton Lamb Hall, Horsham Town Hall and new Performing Arts Centre plus assistance to rural halls. • Other recreation groups and clubs – providing maintenance, insurance and other ongoing costs for recreation groups and clubs including Guides, Scouts, Cenotaph and War Memorials, Brass and Pipe Bands and Sawyer Park Soundshell. |

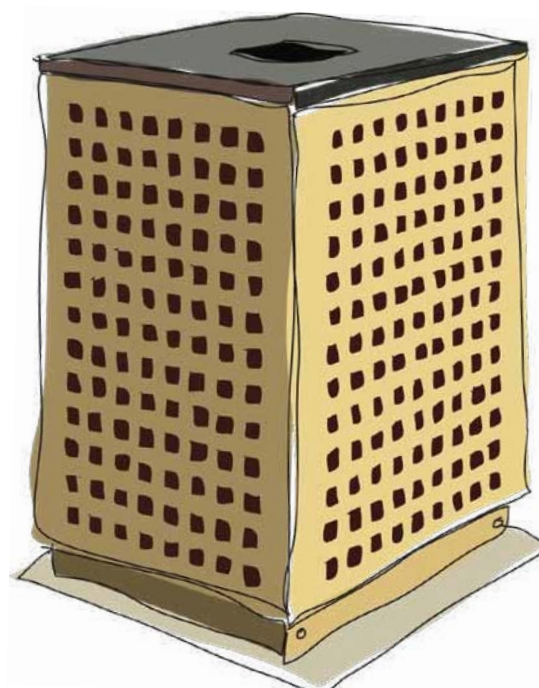
The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

| Service/Indicator/Measure | Results | | Material Variations |
|--|---------|---------|--|
| | 2015 | 2016 | |
| Libraries Utilisation <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items] | 2.57 | 2.88 | |
| Resource standard <i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100 | 50.67% | 54.66% | |
| Service cost <i>Cost of library service</i> [Direct cost of the library service / Number of visits] | \$5.23 | \$4.91 | |
| Participation <i>Active library members</i> [Number of active library members / Municipal population] x100 | 16.42% | 12.85% | This year, using BC Analytics, an accurate figure of the number of users who borrowed items was able to be established. It counts the number of unique User IDs that performed the Charge Item (loans), Renew Item and Renew User transaction commands giving a true reflection of how many users actually borrowed items in the year. |
| Maternal and Child Health (MCH) Satisfaction <i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100 | 97.93% | | |
| Service standard <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100 | 97.93% | | |
| Service cost <i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses] | | \$64.03 | |
| Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 | 81.43% | | In 2016 there was a state wide initiative to transition the majority of Councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016 therefore we are unable to report this data for the 2015/2016 financial year. |
| <i>Participation in the MCH service by Aboriginal children</i> [Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100 | 79.46% | | |
| Food Safety Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints] | 0.50 | 0.56 | |

| Service/Indicator/Measure | Results | | Material Variations |
|--|----------|----------|--|
| | 2015 | 2016 | |
| Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100 | 80.49% | 93.33% | |
| Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>] | \$631.18 | \$621.23 | |
| Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises] x100 | 100% | 100% | Council had 4 notifications that were followed up during the year. |
| Home and Community Care Timeliness Time taken to commence the HACC service [Number of days between the referral of a new client and the commencement of HACC service/Number of new clients who have received a HACC service] | | 17 | This is the first year that the time taken to commence the HACC service has been reported. |
| Service standard Compliance with Community Care Common Standards [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100 | 55.56% | 55.56% | |
| Service cost Cost of domestic care service [Cost of the domestic care service / Hours of domestic care service delivered] | | \$59.08 | |
| Cost of personal care service [Cost of the personal care service / Hours of personal care service delivered] | | \$65.92 | |
| Cost of respite care service [Cost of the respite care service / Hours of respite care service delivered] | | \$69.83 | |



| Service/Indicator/Measure | Results | | Material Variations |
|--|---------|--------|---|
| | 2015 | 2016 | |
| Participation Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100 | 27.77% | 25.74% | No Material Variation |
| Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100 | 9.09% | 7.73% | Result has slightly decreased which indicates a lower level of demand for HACC services from CALD people within the municipality. |
| Aquatic Facilities Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities] | 0 | 0 | |
| Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents] | 1 | 0 | No reportable safety incidents occurred. |
| Service cost Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities] | \$2.88 | \$3.71 | |
| Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population] | 9.17 | 6.7 | The utilisation of aquatic facilities is lower than the previous year due to an average of 100 less memberships each month. On average a member will attend the centre 3.3 times per week = 17,160 less visits per month. Horsham has also seen two major competitors opening which has had a significant impact on membership. |





Goal 2: Sustaining the Economy and Environment

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

| Measures | Result | Comments |
|---|--------|---|
| 90% of planning permits issued within the 60 day statutory period | 69% | 189 Planning Applications were received for the 2015 - 2016 year, with 69% completed within 60 days. |
| Facilitate further development of private industrial land. Target 10 new lots by 2016 | 100% | New private subdivisions approved and infrastructure works underway for 17 new lots. Further subdivisions and works proposed. |
| WIFT Precinct – Establish framework and implementation plan for the first stage of infrastructure, land availability and planning regime by June 2015 | 100% | Land purchase finalised together with expression of interest lodged with State Government for infrastructure development. |
| Tender the leasing of Horsham Caravan Park by March 2015 | 100% | Lease negotiated and commenced with Horsham Riverside Caravan Park Pty Ltd. |

The following statement reviews the progress of Council in relation to major initiatives identified in the 2015-2016 budget for the year.

| Major Initiatives | Progress |
|--|--|
| \$120,000 for the development of the Horsham South Structure Plan. \$80,000 from other sources and \$40,000 from rates and general revenue. | Project brief prepared with consultant to be appointed during 2016-2017 to progress study. |
| The Doon Landfill site will continue with its capital works program with a further \$1.03 million planned to be expended for the new Putrescible Cell No 2 at the John's site. | Design works being undertaken and presently going through the consent processes with the EPA. Works to be undertaken in the first half of 2016-2017. |
| Further development of the Wimmera Intermodal Freight Terminal site to facilitate future development of the industrial precinct. \$450,000 (capital) to complete a storage basin, road works and related drainage works. | Expression of interest for funding lodged with RDV to support infrastructure development with works proposed for 2017. |



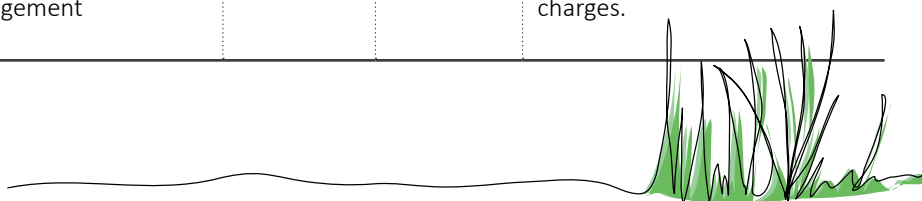
The following statement provides information in relation to the services funded in the 2015-2016 budget and the persons or sections of the community who are provided the service.

| Service | Description |
|--|---|
| Regulatory Services | <p>Provision of the following to the municipal community as a whole:</p> <ul style="list-style-type: none"> • Building control – building approvals, inspection fees, easement approvals and State Government levies. • Health registrations – legislative services surrounding environmental health, inspection services, health registrations, food safety, complaint investigation and enforcement. • Local Laws and Animal Control – permits and licences, enforcements and fines and fire hazard enforcement. Animal management services for dogs and cats including rehoming, microchipping and investigation of complaints and registrations. • Parking control – management of parking infringements, maintenance on parking meters, car parking fees, fines and associated costs. • School Crossing supervision – supervision of school crossings and school crossing maintenance. • Town Planning – planning permits, notice of applications, information certificates, scheme appeals and subdivision costs, preparation of strategies, heritage studies and structure plans for the municipality. |
| Recreation, Culture and Leisure | <p>Provision of the following to the municipal community as a whole:</p> <ul style="list-style-type: none"> • Lakes and beaches – maintenance and beach cleaning for Green Lake and Lake Toolondo along with maintenance of boat ramps and buoyage systems. |
| Economic Development | <p>Provision of the following to the municipal community as a whole:</p> <ul style="list-style-type: none"> • Economic promotion – support to the Wimmera Development Association, maintenance and administration for the Wimmera Business Centre, general economic development and promotion for the municipality. • Industrial estates – provides land sales and acquisitions, tree plantation and land management costs for Burnt Creek, Enterprise estates and the Wimmera Intermodal Freight Terminal. • Tourism and Information Centre – provides a comprehensive range of up to date information on tourism products, and support to visitors accessing the Tourist Information centre. • Administration – administration and support services for the Economic and Planning department. |
| Environment | <p>Provision of the following to the municipal community as a whole:</p> <ul style="list-style-type: none"> • Environmental services – covers fire hazards, fire disaster clean up, grass removal, fire plugs, street sweeping, footpath clearing in the CBD and weir operations. • Waste Management services – manages the Dooen Landfill sites, Kenny Road transfer station, rural transfer stations, waste collection and recyclables collection across the urban and rural areas of the municipality. |

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

| Service/Indicator/Measure | Results | | Material Variations |
|--|---------|-------|---|
| | 2015 | 2016 | |
| Waste Collection Satisfaction <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000 | 78.74 | 34.15 | There was a greater requirement for new bins in 2014-2015 year as opposed to 2015-2016. |
| Service standard Kerbside collection bins missed <i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</i> | 0.00 | 49.27 | Missed bins database has been initiated this year. |

| Service/Indicator/Measure | Results | | Material Variations |
|---|------------|------------|---|
| | 2015 | 2016 | |
| Service cost <i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins] | \$111.19 | \$109.44 | |
| <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins] | \$57.73 | \$50.86 | |
| Waste Diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100 | 20.66% | 24.32% | Council had an increase in waste being diverted from landfill during this period. |
| Statutory Planning <i>Timeliness</i> Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application] | 47.00 | 51.00 | |
| Service standard <i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100 | 79.92% | 69.06% | |
| Service cost <i>Cost of statutory planning service</i> [Direct cost of statutory planning service / Number of planning applications received] | \$1,459.27 | \$2,032.02 | |
| Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100 | 100% | 100% | One matter went to VCAT and the decision was upheld. |
| Animal Management Timeliness <i>Time taken to action animal requests</i> [Number of days between receipt and first response action for all animal management requests/Number of animal management requests] | | 1 | This is the first year that the time taken to action animal requests has been reported. |
| Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] | 39.07% | 26.19% | |
| Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals] | \$53.19 | \$68.07 | |
| Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions] | 0 | 2 | Council had two successful prosecutions totalling eight charges. |





Goal 3: Asset Management

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

| Measures | Result | Comments |
|---|--------|--|
| Essential Safety measures – Complete annual reports of Council buildings with existing determinations – target 100% | 15% | Will be a multi-year project. Cannot complete an Annual Report until a full year of inspections has occurred. |
| Achieve building condition assessments for buildings valued at over \$20,000 – target 100% | 100% | All buildings had condition assessments during 2014-2015. |
| Budgeted commitment of expenditure on Renewal of Council assets above condition 8 – target 70% | 90% | Achieved 63%. |
| The proportion of capital works projects completed at the conclusion of the financial year – target 90% | 65% | Completed 88 out of 136 projects, therefore 48 not completed. 23 were commenced but not completed. |
| The proportion of capital works projects completed within the allocated budget – target 90% | 71% | Completed 88 overall, 62 of these were completed within their budget allocation. Of the 26 that were not within budget, 11 were over by less than 10%. |

The following statement reviews the progress of Council in relation to major initiatives identified in the 2015-2016 budget for the year.

| Major Initiatives | Progress |
|---|--|
| \$750,000 for CBD revitalisation works including \$200,000 for underground power lines within the CBD. This is a part of the ongoing CBD strategy and is expected to be funded \$500,000 from a non-recurrent grant and \$250,000 from the CBD reserve. | The external funding was not received and so this project did not proceed. |
| \$450,000 of capital to upgrade the playground, facilities, pathways etc. on Apex Island, adjoining the new pedestrian bridge across the Wimmera River. | Grant funding was not received. Currently in discussions with Apex and other groups as to what can be achieved with current funding. |
| An allocation of \$45,000 for planning re a new community indoor sports, recreation and cultural activities centre. This will include the investigation and feasibility of potential locations such as the Showgrounds. | Tenders are about to be called for a consultant to undertake the planning of this project. |



The following statement provides information in relation to the services funded in the 2015-2016 budget and the persons or sections of the community who are provided the service.

| Service | Description |
|--|---|
| Recreation, Culture and Leisure | <p>Provision of the following to the municipal population as a whole:</p> <ul style="list-style-type: none"> • Aquatic Centre – providing equitable and affordable access to a diverse range of services including indoor and outdoor pools, gymnasium, multi-purpose group fitness facility, child care and café. • Parks and Gardens – development and maintenance of gardens and major reserves including the Botanic Gardens, May Park and 23 neighbourhood parks. • Sports Complexes – maintenance and operations of indoor and outdoor sport complexes including Racecourse Reserve, City Oval, Dudley Cornell Park, Skate bowl facilities and Basketball Stadium. |
| Physical Services | <p>Provision of the following to the municipal population as a whole:</p> <ul style="list-style-type: none"> • Aerodrome – provides a regional airport for commercial and private aircraft. • Caravan Park – provides affordable holiday accommodation on the Wimmera River. • Livestock Exchange – provides weekly sheep sales and fortnightly cattle sales at the Burnt Creek Drive facility servicing primary industry across the Wimmera. Horsham Regional Livestock Exchange is the fourth largest sheep selling centre in Victoria. • Other Council properties – maintenance and operations for all of Council's commercial properties and residences. • Other Infrastructure services – maintenance for bicycle tracks, drainage, footpaths and off street car parks. • Public Conveniences – operations and maintenance of the 6 public conveniences in Horsham, 1 in Natimuk and several rural facilities. • Road Construction and Maintenance – maintenance and construction of roads, streets, bridges and related assets to the required standards . • Street Beautification, Signage and Lighting – provides street tree maintenance, tree planting and removal, city centre maintenance of lighting, signage and street furniture. • Administration – administration and support services for the Technical Services department. |

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

| Service/Indicator/Measure | Results | | Material Variations |
|--|---------|---------|---------------------|
| | 2015 | 2016 | |
| Roads Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100 | 3.22 | 4.22 | |
| Condition Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100 | 99.04% | 99.22% | |
| Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed] | \$46.67 | \$53.23 | |

| Service/Indicator/Measure | Results | | Material Variations |
|--|---------|--------|--|
| | 2015 | 2016 | |
| <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed] | \$4.92 | \$5.12 | |
| Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads] | 48 | 45 | Council were 3 points lower than previous but are still 1 point higher than large rural Councils |



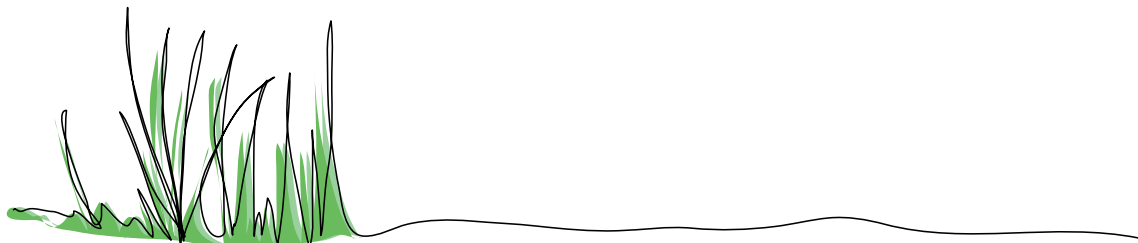
Goal 4: Governance and Business Excellence

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

| Measures | Result | Comments |
|---|-------------|--|
| Increase overall score in the Community Satisfaction Survey | 2% increase | The Overall Performance index score of 63 represents a one point improvement on the 2015 result, following the three point drop observed between 2014 and 2015. The 2016 result is significantly higher than the Large Rural (index score of 54) and State-wide Council averages for Overall Performance (index score of 59). This is a very strong result with our overall performance rising whilst the trend for all Councils has been to reduce. |
| Maintain staff turnover rates at under 10% | 100% | Staff turnover rate was well below the 10% target at 8.92% for 2015-2016. |
| Review all policies and procedures and update into the new framework | 80% | Of the 77 existing Council policies, 25 have been rewritten, 22 have been revoked and 30 are in various stages of being finalised, with all due to be completed by the end of 2016. The review and revision of policies is now an ongoing task. |

The following statement reviews the progress of Council in relation to major initiatives identified in the 2015-2016 budget for the year.

| Major Initiatives | Progress |
|----------------------|----------|
| No major initiatives | |



The following statement provides information in relation to the services funded in the 2015-2016 budget and the persons or sections of the community who are provided the service.

| Service | Description |
|--------------------------------------|---|
| Management and Administration | <p>Provision of the following to support Council's direct service delivery areas:</p> <ul style="list-style-type: none"> • Corporate Services – variety of organisational services provided internally and to ratepayers. Covers information technology, rates, financial management, customer service, support to Director and the Council building maintenance costs. • Finance – records the operational costs associated with Councils financing arrangements. • Governance and Leadership – facilitates Council's governance services, implementation of Council decisions and policies of compliance with legislative requirements. • Organisational Development – responsible for human resources, payroll, OHS, risk management and organisational performance. |

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

| Service/Indicator/Measure | Results | | Material Variations |
|--|-------------|-------------|--|
| | 2015 | 2016 | |
| Governance Transparency <i>Council resolutions at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100 | 15.91% | 13.91% | |
| Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement] | 61 | 61 | The satisfaction rating has remained constant for the past two years at 61 which is still 9 points higher than other Large Rural areas and 7 points higher than the State-wide result. |
| Attendance <i>Council attendance at Council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x100 | 95.65% | 95.05% | |
| Service cost <i>Cost of governance</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election] | \$38,775.43 | \$39,421.08 | |
| Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community] | 58 | 60 | Satisfaction with Council decisions increased by two points and was 10 points higher than Large Rural areas and 6 points higher than the State-wide figure. |

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

Governance

Horsham Rural City Council is constituted under the *Local Government Act 1989* to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

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

Council is committed to effective forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. Although Council's formal decision-making processes are conducted through Council meetings, Council delegates the majority of its decision-making to Council staff. The community has many opportunities to provide input into Council's decision-making processes including community consultation and making submissions to Special Committees of Council.

When engaging the community in a decision-making process, Council promises to:

- Provide a genuine opportunity for the community to have input and an influence on decisions that are the subject of the engagement
- Actively seek out and encourage contributions from people who may be affected by or interested in a decision
- Provide relevant, timely and balanced information so people can contribute in a meaningful way including clearly defining negotiable and non negotiable elements of any subject of engagement
- Provide a variety of appropriate and accessible ways for people to have their say and to speak honestly
- Actively listen so that people's ideas and input assist in making the final decision

- Consider the needs and interests of all people in the decision-making process
- Tell the community about the final decision, and how their input was considered
- Effectively record engagement plans, methodologies, community responses, outcomes and evaluations

Meetings of Council

Council conducts open public meetings on the first and third Monday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. For the 2015-2016 year, Council held the following meetings:

- 22 ordinary Council meetings
- 4 special Council meetings

The following table provides a summary of Councillor attendance at Council meetings and Special Council meetings for the 2015–2016 financial year.

| Councillors | Council Meeting | Special Council Meeting | Total |
|-----------------------------|-----------------|-------------------------|-------|
| Cr Heather Phillips (Mayor) | 21 | 4 | 25 |
| Cr David Grimble | 22 | 4 | 26 |
| Cr Pam Clarke | 17 | 3 | 20 |
| Cr Mark Radford | 21 | 4 | 25 |
| Cr Tony Phelan | 22 | 4 | 26 |
| Cr Sue Exell | 22 | 4 | 26 |
| Cr Robin Barber | 21 | 4 | 25 |

Code of Conduct

The *Local Government Act 1989* requires Councils to review and make any necessary amendments to its Councillor Code of Conduct within four months after the *Local Government Amendment (Improved Governance) Act 2015* came into effect (by 1 July 2016). The Horsham Rural City Council Code of Conduct for Councillors was reviewed and adopted on 16 May 2016.

Under the *Local Government Act 1989*, Councillors must observe principles of good governance including:

- Transparency through proper processes that are open to public scrutiny
- Accountability through being accessible/ responsive to local community
- Acting with integrity
- Acting impartially in the interests of the local community
- Not improperly giving anyone an advantage or disadvantage
- Avoiding conflicts between public duties and personal interests
- Acting honestly and avoiding statements or actions that may mislead or deceive someone
- Not improperly giving anyone an advantage or disadvantage
- Avoiding conflicts between public duties and personal interests and not misusing their position for gain or to cause detriment
- Acting honestly and avoiding statements or actions that may mislead or deceive someone
- Considering the diversity of interests and needs of other Councillors, Council staff and the local community and treating everyone's opinions, beliefs, rights and responsibilities with respect
- Taking reasonable care and diligence, and understanding legal obligations of office as a Councillor
- Participating in the responsible allocation of the resources of Council through the annual budget, making sure decisions are in the public interest whilst ensuring the Council remains in a sustainable financial position
- Acting lawfully and not breaching the public's trust
- Protecting confidential and privileged information

The Code of Conduct sets out how Councillors will display these attributes. It also provides guidelines on ethical decision making, conflict of interest, prohibited conduct, other statutory obligations and expectations of Councillors and officers. The full Code of Conduct for Councillors is available on our website – www.hrcc.vic.gov.au

Councillor Allowances

In accordance with Section 74 of the *Local Government Act 1989*, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also entitled to receive a higher allowance.

The *Local Government Act 1989* currently provides for Councillors to be paid an expense allowance but does not define the term "allowance". It is however, generally accepted that remuneration for Councillors is based on the recognition of services which Councillors render whilst participating in the responsibilities involved with the management and future development of a municipality.

The Act provides for Councillor allowances to be fixed by Order in Council, within upper and lower limits specified in the Order, for the specific Category of Council. The Council by resolution then sets an allowance appropriate to the municipality. Horsham Rural City Council is currently a category 1 Council for the purposes of Councillor and Mayoral Allowances.

The following table contains a summary of the allowances paid to each councillor during the year.

| Councillors | Allowance \$ |
|-----------------------------|--------------|
| Cr Heather Phillips (Mayor) | 47,051.53 |
| Cr Mark Radford | 36,009.47 |
| Cr Pam Clarke | 20,829.94 |
| Cr David Grimble | 20,829.94 |
| Cr Tony Phelan | 20,829.94 |
| Cr Sue Exell | 20,829.94 |
| Cr Robin Barber | 20,829.94 |

Councillor Expenses

In accordance with Section 75 of the *Local Government Act 1989*, Council is required to reimburse a Councillor for expenses incurred whilst performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council Committee paid by the Council. The details of the expenses for the 2015-2016 year are set out in the following table.

| Councillors | Travel \$ | Total \$ |
|-----------------------------|-----------|-----------|
| Cr Heather Phillips (Mayor) | 5,166.25 | 5,166.25 |
| Cr David Grimble | 10,032.59 | 10,032.59 |
| Cr Pam Clarke | - | - |
| Cr Tony Phelan | 9,145.46 | 9,145.46 |
| Cr Mark Radford | 1,821.05 | 1,821.05 |
| Cr Sue Exell | - | - |
| Cr Robin Barber | - | - |

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

Conflict of Interest

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

A conflict of interest exists when a personal or private interest may compromise the ability to act in the interest of the public. A conflict of interest exists even if no improper act results from it. The Horsham Rural City Council Code of Conduct for Councillors and Code of Conduct for Staff provide guidelines for the disclosure of a conflict of interest.

Declaration of a conflict of interest is a standard agenda item for all Council and Special Committee meetings.

During 2015–2016, 10 conflicts of interest were declared at Council and Special Committee meetings.

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks lead to better decision making by Council. The Act requires Council to undertake an assessment against the prescribed Governance and Management Checklist and include this in its Report of Operations. Council's Governance and Management Checklist results are set out on pages 64-65. The following items have been highlighted as important components of the management framework.

Audit Committee

ROLE

The Audit Committee is an advisory committee of Council whose role is determined by the *Local Government Act 1989* under Section 139, and Council. It monitors Council's audit processes, including internal control activities. The key objective of the Audit Committee is to provide independent assurance and assistance to the Chief Executive and the Council on Council's risk, control and compliance framework, and its external accountability and legislative compliance responsibilities.

RESPONSIBILITIES

The responsibilities and terms of reference of the Audit Committee are clearly defined in the Audit Committee Charter, which is renewed annually and has been formally approved by Council.

The key responsibilities of the Audit Committee include a range of functional areas:

- External reporting review
- Financial statement audit review
- Internal audit
- Legislative compliance
- Internal control and risk management
- Fraud prevention and awareness
- Good governance

COMPOSITION

The Audit Committee comprises of two appointed Councillors and three independent members with technical expertise and industry experience. The current Audit Committee members are:

- Chair/independent member – Geoff Price
- Independent member – Roy Henwood
- Independent member – Pina Wallis
- Councillor representative – Cr Heather Phillips
- Councillor representative – Cr David Grimble

Ex-officio members:

- Horsham Rural City Council – Peter Brown, Graeme Harrison, Heather Proctor and Diana McDonald
- Internal Auditor – Crowe Horwath (Contractor)

The Auditor General's agent also attends meetings to report matters of significance in relation to the Financial Statements.

INTERNAL AUDIT

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the operations of Council.

During the past 12 months, the following internal audits were conducted by Crowe Horwath, Council's internal auditors:

- Capital Works Management
- Legislative Compliance and Delegations Review
- Payroll Review

Following each of these scheduled audits, recommendations are provided with implementation actions assigned to key staff members, the Audit Committee also receives update reports in relation to any previous matters raised by the internal auditors to ensure that these are adequately addressed.

EXTERNAL AUDIT

Council's external auditor is the Victorian Auditor General Office (VAGO) who has appointed Richmond Sinnott & Delahunty (RSD) Chartered Accountants to conduct the annual statutory financial statement audit. The Audit Committee also reviews recommendations from matters raised by other VAGO audit reports such as the performance audits.

Risk Management

Horsham Rural City Council recognises that Risk Management is an integral part of good management practice and through an Enterprise Risk Management (ERM) approach is committed to establishing an organisational culture that ensures effective Risk Management.

Managing risk is an increasingly important aspect of local government, and one that requires commitment across the whole organisation. Council manages its risks to maximise opportunities and minimise losses. Council's risk management supports informed decision-making and encourages the identification of opportunities for continuous improvement through good governance and best practice.

Horsham Rural City Council has a Risk Management Framework in place, which includes Council's Risk Management Strategy which aligns directly with the International Standards AS/NZS ISO 31000:2009.

Achievements 2015-2016:

- Four Risk Management Committee Meetings conducted (25 August 2014, 30 November 2015, 7 March 2016 and 23 May 2016)
- Community Insurance Information sessions conducted – July 2015
- Focused on identification of fraud and corruption control strategies
- Fraud and Cyber Awareness Training conducted for all staff – May 2016
- Fraud Health Check conducted and a Fraud Control Plan developed
- Business Continuity Plan reviewed – May 2016
- Business Continuity and Emergency Management combined scenario conducted
- Risk Management Strategy reviewed – June 2016
- Definition of Risk Appetite Statement reviewed – June 2016

The focus for 2016-2017:

- Review of the Road Management Plan
- Efficient management of increasing Public Liability Claims
- Ensuring effectiveness of controls for organisational strategic risks
- Continuing to build and refine Council's operational risk register

Competitive Tendering

In 2015-2016, Council submitted 29 projects to a competitive tender process for a total of \$3,018,303.

24 annual supply tenders were maintained equating to an annual spend for these contracts of \$3,129,834.

An additional 43 quotations were sought and awarded for procurement of works, goods or services in compliance with Council's Procurement policy and obligations under Section 186 of the *Local Government Act 1989*, totalling \$778,764.

Combined competitive procurement for 2015-2016 is \$6,926,901.

Special Committees

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

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

The following table contains a list of all special committees established by Council that is in operation and the purpose for which each committee was established.

| Committee Name | Purpose of Committee | No of Councillors | No of Council Staff | No of Community Members |
|---|---|-------------------|---------------------|-------------------------|
| Art Craft Workshop | To promote the arts through the Art Craft Workshop located at the Mibus Memorial Cultural Centre. | 0 | 0 | 15 |
| Horsham Rural City Pride (Tidy Towns) | To develop, maintain, promote and beautify the area of the Horsham township and to educate the public. | 1 | 1 | 8 |
| Kannamaroo Festival | To arrange and stage the annual Kannamaroo Festival in Horsham. | 0 | 0 | 8 |
| Natimuk Community Centre (NC ²) | To co-ordinate, manage and develop the Natimuk Community Precinct (NC ²). | 1 | 0 | 5 |
| Horsham Regional Art Gallery | To promote the arts through the Horsham Regional Art Gallery for the benefit of the community and provide advice to Council on the maintenance and upkeep of the Art Gallery. | 1 | 0 | 4 |
| Horsham Regional Livestock Exchange | To co-ordinate, manage, develop, maintain and promote the Horsham Regional Livestock Exchange. | 1 | 1 | 7 |
| Wimmera Business Centre | To co-ordinate, manage, develop, maintain and promote the Wimmera Business Centre. | 1 | 4 | 3 |
| Wimmera Intermodal Freight Terminal (WIFT) | To make recommendations to the landlord regarding WIFT management and operation, further development or redevelopment, capital works and the renewal and replacement of major assets. | 1 | 2 | 2 |
| Dadswells Bridge Hall | To co-ordinate, manage and develop the Dadswells Bridge Hall and surrounds for the promotion and benefit of the community. | 0 | 0 | 12 |
| Hamilton Lamb Hall | To co-ordinate, manage and develop Hamilton Lamb Hall for the promotion and benefit of the community. | 0 | 0 | 9 |
| Jung Hall | To co-ordinate, manage and develop the Jung Hall and surrounds for the promotion and benefit of the community. | 0 | 0 | 8 |
| Laharum Hall | To co-ordinate, manage and develop the Laharum Hall and surrounds for the promotion and benefit of the community. | 0 | 0 | 15 |
| Mitre Public Hall | To co-ordinate, manage and develop Mitre Public Hall for the benefit of the community. | 0 | 0 | 19 |

| Committee Name | Purpose of Committee | No of Councillors | No of Council Staff | No of Community Members |
|---|---|-------------------|---------------------|-------------------------|
| Natimuk & District Soldiers Memorial Hall | To co-ordinate, manage and develop the Natimuk & District Soldiers Memorial Hall and surrounds for the promotion and benefit of the community. | 0 | 0 | 6 |
| Sailors Home Hall | To co-ordinate, manage and develop the Sailors Home Hall and surrounds for the promotion and benefit of the community. | 0 | 0 | 10 |
| Taylors Lake Hall | To co-ordinate, manage and develop the Taylors Lake Hall and surrounds for the promotion and benefit of the community. | 0 | 0 | 13 |
| Telangatuk East Hall | To co-ordinate, manage and develop the Telangatuk East Hall and surrounds and Telangatuk East Recreation Reserve for the promotion and benefit of the community. | 0 | 0 | 8 |
| Horsham Basketball Stadium | To co-ordinate, develop, maintain and promote the Horsham Basketball Stadium and surrounds. | 1 | 1 | 4 |
| Finance Committee | To monitor the operations and performance of Council against budget and actual expenditure, debtors, creditors, capital works, performance reporting framework and review accounts for payment. | 3 | 2 | 0 |
| HRCC Tourism Advisory Committee | To develop out of region tourism marketing, tourism development and visitor servicing with the primary aim of increasing visitation and length of visitor stay in the municipality. | 1 | 2 | 3 |
| Camerons Oval | To co-ordinate, manage, and develop Camerons Oval, Laharum for promotion and benefit of sports and other activities for the benefit of the community. | 0 | 1 | 12 |
| Dudley Cornell Park | To co-ordinate, manage, and develop Dudley Cornell Park for the promotion and benefit of sports and other activities for the benefit of the community. | 0 | 0 | 0 |
| Green Lake | To advise and support Council and GWMWater on the management, development, maintenance, promotion and beautification of the area. | 1 | 0 | 8 |
| Haven Recreation Reserve | To co-ordinate, manage, and develop the Haven Recreation Reserve and Haven Hall for the benefit of the community. | 1 | 1 | 5 |
| Horsham Racecourse Reserve | To co-ordinate and promote the use of the Horsham Racecourse and Recreation Reserve. | 1 | 1 | 7 |
| Horsham Recreation Reserve | To co-ordinate, manage, and develop Horsham Recreation Reserve for the promotion and benefit of sports and other activities for the benefit of the community. | 1 | 1 | 16 |
| Quantong Recreation Reserve | To co-ordinate, manage, and develop Quantong Recreation Reserve for the promotion and benefit of sports and other activities for the benefit of the community. | 0 | 1 | 9 |
| Sunnyside Park Rec Reserve | To co-ordinate, manage and develop Sunnyside Park for the promotion and benefit of sports and other activities for the benefit of the community. | 1 | 1 | 7 |

Organisational Plans, Policies and Strategies

This year the following plans, policies and strategies have been developed and/or reviewed:

Accrued Extra Time policy

Acknowledgement of Traditional Owners policy

Allowances policy

Annual Review policy

Apprentices, Trainees and Work Experience policy

Ceasing Employment policy

Ceasing Employment procedure

Code Red Situations policy

Community Engagement procedure

Contracts of Employment policy

Critical Incidents and Debriefing policy

Critical Incidents and Debriefing procedure

Damage to Clothing or Personal Equipment policy

Disputes Resolution policy

Disputes Resolution procedure

Employee and Family Wellbeing policy

Environmental Health Registrations and Inspections procedure

Environmental Health Regulatory Activities policy

Equal Opportunity policy

Equal Opportunity procedure

Event of a Robbery procedure

Fatigue Management policy

Handling of Mail and Packages policy

Handling of Mail and Packages procedure

Hot Works procedure

Hours, Payments and Related Matters policy

Job Sharing policy

Job Sharing procedure

Leave policy

Local Law No 1 Meeting procedure

Managing Emergency Situations at a Council Site policy

OHS Legislative Compliance procedure

Onsite Wastewater Management policy

Other Models of Employment policy

Other Models of Employment procedure

Outside Work policy

Police Check procedure

Position Classifications policy

Position Details policy

Pre-Employment Health Check policy

Probation and Confirmation policy

Probation and Confirmation procedure

Rates and Charges Debt Collection policy

Rates and Charges Financial Hardship policy

Reasonable Adjustment policy

Reasonable Adjustment procedure

Recruitment and Selection policy

Recruitment and Selection procedure

Relocation Expense Reimbursement policy

Salary Sacrifice and Novated Leasing of Vehicles policy

Sampling procedure

Smoking in the Workplace policy

Staff Training & Development policy

Staff Training & Development procedure

Starting at the Council or in a New Position policy

Study Leave policy

Superannuation policy

Temporary Employee Movements and Other Changes policy

Traffic Management Plan procedure

Vacation Work policy

Volunteering in Community Activities policy

Working with Children Check policy

Working with Children Check procedure

Working in Isolation policy

Working in Isolation procedure

Community Satisfaction Survey

Horsham Rural City Council has continued participating optionally in the base level Community Satisfaction Survey even though the mandatory requirement to do so ended in 2012. The main objectives of the Community Satisfaction Survey are to assess Council's performance across a wide range of measures and to seek insight into ways to provide improved or more effective service delivery. Two of the results from the survey now also appear in the mandatory Local Government Performance Reporting Framework.

Horsham Rural City Council's performance in 2015-2016 has been consistent with the results from 2014-2015. On two of the seven core measures, four areas have seen an increase in results and only one area has seen a decrease compared to a decrease in three areas in the previous period.

Council's Overall Performance index of 63 is a one point increase from the previous year and is 9 points higher than the Large Rural Group and 4 points higher than the State-wide average. Other increases occurred for Making Community Decisions up by 2 points to 60, Customer Service an increase of 3 points to 75 and overall Council Direction up by 2 points to 55.

Council's performance remained unchanged for Community Consultation at 61 and for Advocacy at 58.

Sealed Local Roads achieved a lower score of 45 which is 3 points lower than last year.

| Core Performance Measure | Score | | |
|----------------------------|---------|-------|-------|
| | Horsham | Rural | State |
| Overall Performance | 63 | 54 | 59 |
| Community Consultation | 61 | 52 | 54 |
| Advocacy | 58 | 50 | 53 |
| Making Community Decisions | 60 | 50 | 54 |
| Sealed Local Roads | 45 | 44 | 54 |
| Customer Service | 75 | 67 | 69 |
| Overall Council Direction | 55 | 48 | 51 |

Freedom of information

The *Freedom of Information Act 1982* (the Act) provides an opportunity for the public to access Council documents. The Act establishes a legally enforceable right for the community to access information in document form held by Council.

Requests for access to documents under the Act should be made in writing specifying the information required. Freedom of Information request forms can be obtained from the Municipal Offices, Civic Centre, 18 Roberts Avenue, Horsham. The application fee during the 2015-2016 financial year was \$26.20 along with any access charges that may be levied in accordance with the Freedom of Information Regulations.

In 2015-2016 the number of valid requests was significantly lower due to Council being able to supply documents outside of FOI.

How many requests did Horsham Rural City Council receive?

| | |
|-----------------------|---|
| Personal Requests | 0 |
| Non-Personal Requests | 3 |

What happened?

| | |
|--------------------------|---|
| Full access given | 0 |
| Part access given | 1 |
| Denied in full | 0 |
| Released outside the Act | 0 |
| No documents existed | 1 |
| Request on hold | 1 |

No internal reviews were conducted.

No appeals to VCAT or to the FOI commissioner were received.

Applications

| | |
|--|---|
| Section 51 (1) review of a decision | 0 |
| Section 50 (2) applications to the Victorian Civil and Administrative Tribunal | 0 |
| Section 12 (1) notices served upon the Principal officer | 0 |

The officer with authority to make a decision in relation to a request under the *Freedom of Information Act 1982* is Peter Brown, Chief Executive, telephone (03) 5382 9725 or email peter.brown@hrcc.vic.gov.au.

Charter of Human Rights and Responsibilities

The Victorian Charter of Human Rights and responsibilities outlines the basic human rights of all people in Victoria. The Charter was introduced to Victoria through an Act of Parliament and came into full effect on 1 January 2008.

The Charter requires public authorities such as Victorian State and Local Government department and agencies, and people delivering services on behalf of government, to act consistently with the human rights in the Charter when developing policies, making laws, delivering services and making decisions. It aims to build a fairer, more inclusive community by giving specific legal protection to the following 20 fundamental human rights:

1. Your right to recognition and equality before the law
2. Your right to life
3. Your right to protection from torture and cruel, inhuman or degrading treatment
4. Your right to freedom from forced work
5. Your right to freedom of movement
6. Your right to privacy and reputation
7. Your right to freedom of thought, conscience, religion and belief
8. Your right to freedom of expression
9. Your right to peaceful assembly and freedom of association
10. Your right to protection of families and children
11. Your right to taking part in public life
12. Cultural rights
13. Property rights
14. Your right to liberty and security of person
15. Your right to humane treatment when deprived of liberty
16. Rights of children in the criminal process
17. Your right to a fair hearing
18. Rights in criminal proceedings
19. Right not to be tried or punished more than once
20. Retrospective criminal laws

Council has numerous moral and legal obligations in respect to human rights issues. These include specific human rights requirements under the Victorian Charter of Human Rights and Responsibilities, equal opportunity legislation, bullying and harassment requirements, the *Local Government Act 1989* and Federal legislation.

Protecting and promoting human rights is identified as a guiding principle in the 2016-2020 Council Plan. Council's adoption of a Human Rights policy in June 2015 embeds Council's corporate responsibility to respect human rights in all operations. The following are some examples of where Council has played a role in building understanding and respect for human rights.

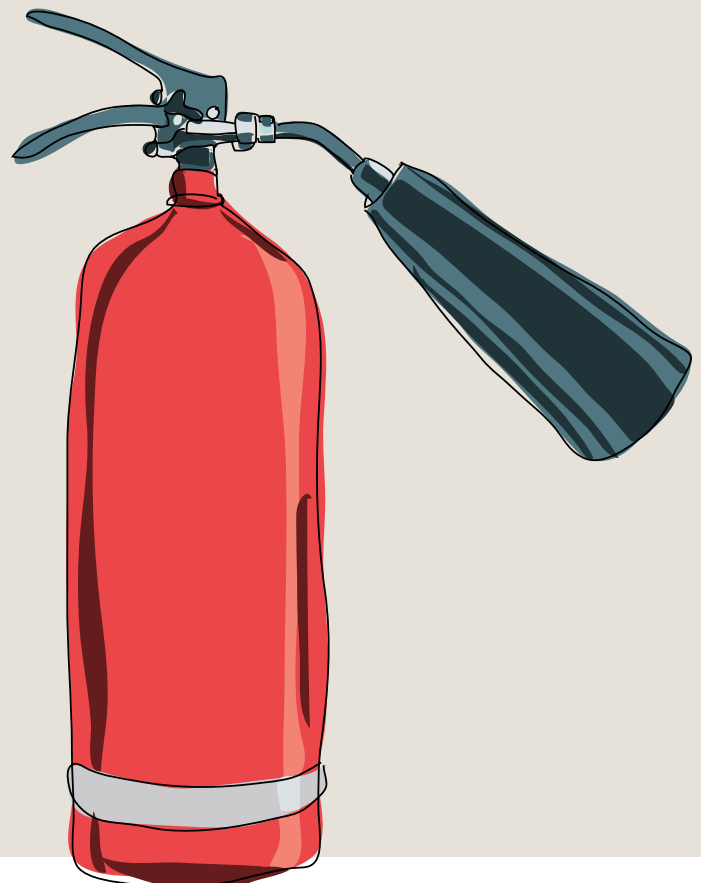
LOCAL LAWS

Local Laws are developed to deal with important community safety and peace and order issues. They often apply to noise, fire hazards, abandoned vehicles, parking permits, street stalls, disabled parking, furniture on footpaths, graffiti, burning off, animals in public spaces and nuisance pests.

Horsham Rural City Council has the following Local Laws:

- Governance (2016) Local Law Number 1 and Council Meeting Procedure (see page 36)
- Community Local Law Number 3
- Community (Amendment) Local Law Number 4

Local Laws are available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting the Municipal Offices on telephone (03) 5382 9777.



CUSTOMER SERVICE CHARTER

Horsham Rural City Council has a Customer Service Charter. The Charter sets out Council's service standards and is our commitment to the community, that we aim to be accountable for all our actions and deliver services to a high level. We aim to be accessible to a diverse range of cultures and disabilities. If we fail to meet any of our obligations, there are avenues available to help assist customers to receive a satisfactory outcome.

The Customer Service Charter is available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting the Municipal Offices on telephone (03) 5382 9777.

DISABILITY ACCESS AND ACTION PLAN

In accordance with section 38 of the *Disability Act 2006*, Council adopted the 2013-2016 Disability Access and Action Plan on 15 July 2013.

The plan identifies goals and actions to reduce barriers created by attitudes, practices and structures, to ensure that all people can participate equally in the life of our community. The Disability Access and Action Plan will be reviewed and updated over the next year.

The following actions have been fully implemented during the last financial year:

- Delivery of the Art Matters Collective Swab project, an arts initiative aimed at adults living with a disability - this project was jointly funded by Horsham Rural City Council, Rural Access Wimmera and Regional Arts Victoria (see page 61).
- Planning for installation of a disability access lift to the stage within the heritage listed hall at the Horsham Town Hall
- Rollout of hearing loop system at the Horsham Town Hall
- Delivery of disability awareness training to Councillors and Council staff
- Support scooter safety and education initiatives
- Commence review of disability parking spaces in Horsham
- Ensure that disability parking permit holders are aware of their parking meter entitlements (ie, double time limit)
- Funding secured for the delivery of a Changing Places facility in May Park

ART MATTERS



An exhibition of the Art Matters artworks was presented as part of the Art is... festival.

The Art Matters Collective Swab Project was an exciting arts initiative that created opportunities for arts participation in the visual and performing arts for 40 Wimmera based adults living with a disability. This project was facilitated by local visual artist Anthony Pelchen, dance artist Amy Anselmi and videographic artist David Bowe.

Each Monday, 15 participating artists met to create nine large works on paper. Other participants from the Day Programs of Cooina in Nhill, Woodbine in Warracknabeal and Grahams Bridge Road in Horsham created a further three works.

All 12 works were presented as part of the Art is... festival in June 2016. A silent auction was held in which all paintings were sold and a series of postcards was also created for sale.

The program was originally designed as a trial in the lead-up to the introduction of the National Disability Insurance Scheme (NDIS) in October 2017. The Art Matters team hopes to create a viable art option for people to choose as a part of their NDIS package as an alternative to the sport-heavy opportunities.

At 30 June 2016, the Art Matters project secured their future with a \$15,000 grant from Regional Arts Victoria.

Victoria's Compulsory Child Safe Standards

Council is working to create and maintain a child safe organisation to comply with the Child Safe Standards, including promoting the cultural safety of Aboriginal children, children from a culturally and linguistically diverse background, and children with a disability.

The Child Safe Standards form part of the Victorian Government's response to the Betrayal of Trust Inquiry.

Victorian organisations that provide services to children are required under the *Child Safety and Wellbeing Act 2005* to ensure that they implement compulsory child safe standards to protect children from harm.

Legislative objectives of Council

The purpose and objectives of the Horsham Rural City Council are defined in the *Local Government Act 1989*. The Local Government Charter section of the Act states that the purpose of Local Government is to provide a system under which Councils perform the functions and exercise the powers conferred by or under this Act and any other Act for the peace, order and good government of their municipal districts (Section 3A).

A Council consists of its Councillors who are democratically elected in accordance with this Act. The Act sets out the objectives of the Council of which the primary objective is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions. In seeking to achieve its primary objective, a Council must have regard to the following facilitating objectives (Section C).

- (a) To promote the social, economic and environmental viability and sustainability of the municipal district
- (b) To ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community
- (c) To improve the overall quality of life of people in the local community
- (d) To promote appropriate business and employment opportunities
- (e) To ensure that services and facilities provided by the Council are accessible and equitable
- (f) To ensure the equitable imposition of rates and charges
- (g) To ensure transparency and accountability in Council decision making

Protected Disclosures

The *Protected Disclosure Act 2012* (PD Act) aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. The PD Act provides protection from detrimental action to any person affected by a protected disclosure and establishes a system for the matters disclosed to be investigated and rectifying action to be taken. Under the PD Act, any person can be one who makes a disclosure, is a witness, or a person who is the subject of an investigation.

Horsham Rural City Council is committed to the aims and objectives of the PD Act. It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct.

The role of the Protected Disclosures Officer is held by the Chief Executive, the Protected Disclosures Co-ordinator by the Director Corporate Services, and Welfare Manager by the Organisational Development Manager.

Horsham Rural City Council recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

For the purposes of Section 69 (1) (b) of the *Protected Disclosures Act 2012*, in the period to 30 June 2016, no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

A copy of the Management of Protected Disclosures procedures can be found on Council's website – www.hrcc.vic.gov.au, obtained from the Municipal Offices, Civic Centre, 18 Roberts Avenue, Horsham, or by contacting us on telephone (03) 5382 9777.





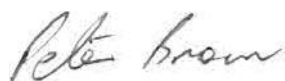
Governance and Management Checklist

| Column 1 Governance and Management Items | Column 2 Assessment |
|---|---|
| 1. Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest) | Policy Date of operation of current policy: 15 June 2015 |
| 2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community) | Guidelines Date of adoption: 15 February 2016 |
| 3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years) | Adopted in accordance with section 126 of the Act Date of adoption: 20 June 2016 |
| 4. Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required) | Adopted in accordance with section 130 of the Act Date of adoption: 20 June 2016 |
| 5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years) | Date of operation of current plans: Asset Management Plan – General: 21 December 2015 Asset Management Plan – Roads: 21 December 2015 |
| 6. Rating strategy (strategy setting out the rating structure of Council to levy rates and charges) | Strategy Date of operation of current strategy: 20 June 2016 |
| 7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations) | Policy Date of operation of current policy: 8 July 2013 |
| 8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud) | Policy Date of operation of current policy: 9 December 2013 |
| 9. Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery) | Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 6 October 2014 |
| 10. Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works) | Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 6 June 2016 |
| 11. Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster) | Plan Date of operation of current plan: 23 May 2016 |
| 12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster) | Plan Date of operation of current plan: 29 June 2015 |
| 13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations) | Framework Date of operation of current framework: 8 July 2013 |
| 14. Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements) | Established in accordance with section 139 of the Act Date of establishment: 15 December 2014 |
| 15. Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls) | Engaged Date of engagement of current provider: 21 July 2014 |

Governance and Management Checklist *Continued...*

| Column 1 Governance and Management Items | Column 2 Assessment |
|---|--|
| 16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act) | Framework Date of operation of current framework: 18 May 2015 |
| 17. Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year) | Reports Date of reports: 17 August 2015, 15 February 2016 |
| 18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure) | Statements presented to Council in accordance with section 138(1) of the Act Date statements presented: 21 September 2015, 2 November 2015, 15 February 2016, 16 May 2016 |
| 19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies) | Reports Date of reports: 21 September 2015, 4 April 2016 |
| 20. Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act) | Reports Date of reports: 7 September 2015, 7 March 2016 |
| 21. Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements) | Considered at a meeting of Council in accordance with section 134 of the Act Date statements presented: 5 October 2015 |
| 22. Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors) | Reviewed in accordance with section 76C of the Act Date reviewed: 16 May 2016 |
| 23. Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff) | Reviewed in accordance with section 98(6) of the Act Date of review: 3 March 2016 |
| 24. Meeting procedures (a local law governing the conduct of meetings of Council and Special Committees) | Meeting procedures local law made in accordance with section 91(1) of the Act. Date local law made: 1 February 2016 |

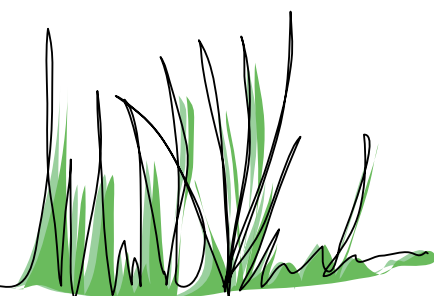
I certify that this information presents fairly the status of Council's governance and management arrangements.



Peter Brown
Chief Executive
Dated: 19 September 2016



Cr Heather Phillips
Mayor
Dated: 19 September 2016



Community Grants

| Sporting Clubs/Recreation Reserves – Rural Recreation Reserves Turf Maintenance | \$ |
|---|---------------|
| Dock Lake | 5,360 |
| Dooen | 875 |
| Haven | 875 |
| Kalkee | 5,360 |
| Laharum | 5,360 |
| Natimuk Showgrounds | 9,700 |
| Noradjuha | 2,680 |
| Pimpinio | 5,360 |
| Quantong | 5,360 |
| Riverside | 875 |
| Toolondo | 2,680 |
| Total | 44,485 |

| Sport and Recreation Grants | \$ |
|--------------------------------|---------------|
| Coughlin Park Community Centre | 10,000 |
| Total | 10,000 |

| Annual Allocation to Assist Major Funding Applications | \$ |
|--|---------------|
| Central Park Tennis Club | 10,000 |
| Total | 10,000 |

| Sporting Clubs/Recreation Reserves – Other Grants | \$ |
|---|-------|
| Coughlin Park – day labour | 8,650 |
| Central Wimmera Clay Target Club – fire protection water supply | 5,000 |
| Drung Golf Club – replace tee signs | 1,939 |
| Horsham Aquatic Community Group – equipment and trolley | 2,500 |
| Horsham Calisthenics College – trophies | 700 |
| Horsham Dog Obedience Club – awning for shelter | 2,000 |
| Horsham Little Athletics – resurface runups long/triple jump | 1,000 |
| Horsham Motorcycle Club – complete safety fence | 4,986 |
| Horsham Riding for the Disabled – rubber matting indoor arena | 1,462 |
| Horsham Soccer Club – signage | 1,000 |
| Kalimna Park Croquet Club – line marker | 1,157 |
| Natimuk Bowling Club – replace chairs | 2,500 |
| Natimuk Golf Club – contribution to new slasher | 4,545 |

| Sporting Clubs/Recreation Reserves – Other Grants | \$ |
|--|---------------|
| Riverside Recreation Reserve – rebuild horse yards | 5,000 |
| Taylors Lake Football Netball Club – fence playground area | 2,500 |
| Total | 44,939 |

| Welfare and Health | \$ |
|--|---------------|
| Bennett Road Kindergarten – park bench, landscaping | 2,300 |
| Horsham and District Kindergarten Association – annual donation | 11,000 |
| Natimuk Pre School Centre – reference books and protective clothing | 790 |
| Natimuk Road Kindergarten – improve entrance lighting | 366 |
| Roberts Avenue Kindergarten – shade sail and wooden instruments | 2,242 |
| Maintenance grants - \$780 each for Council's six kindergartens (Bennett Road, Casuarina, Horsham North, Natimuk, Natimuk Road and Roberts Avenue) | 4,680 |
| Total | 21,378 |

| Halls | \$ |
|---|---------------|
| Insurance and fire services levy for all Council public halls | 15,231 |
| Dooen Public Hall – roofing | 8,900 |
| Hamilton Lamb Memorial Hall – tune piano | 500 |
| Telangatuk East Hall – ceiling fans and shade canopy | 2,213 |
| Toolondo Recreation Reserve – kitchen air conditioning | 1,744 |
| Wonwondah North Hall – kitchen cabinetry | 2,000 |
| Total | 30,588 |

| General Welfare | \$ |
|--------------------------------------|--------------|
| Haven Bush Playgroup – resources | 1,000 |
| Horsham College Chaplaincy Committee | 5,150 |
| Wimmera Toy Library – resources | 909 |
| Total | 7,059 |

| Community Services | \$ |
|--|---------------|
| Christian Emergency Food Centre | 2,100 |
| Wimmera River Improvement Committee | 7,800 |
| Wimmera River Improvement Committee – Police Paddock | 2,400 |
| Total | 12,300 |

Community Grants *Continued...*

| Organisations | \$ |
|---|---------------|
| Charitable Organisations - rate refunds (Jacobs Well, Red Cross, St Vincent de Paul, Salvation Army, Axis Worx) | 9,035 |
| Arapiles Historical Society – update and replace historical markers | 3,714 |
| Business Horsham | 12,500 |
| Clear Lake Recreation Reserve – cleaning of public toilets | 515 |
| Federation University Horsham Campus – Nursing Achievement Award | 300 |
| Horsham and District Orchid Society | 600 |
| Horsham Arts Council – history book | 5,000 |
| Horsham City Brass Band Inc | 1,600 |
| Horsham City Brass Band Inc – new uniforms | 1,885 |
| Horsham City Pipe Band Inc | 1,600 |
| Horsham Historical Society – digitise old films and photos | 800 |
| Horsham Mens Shed – electrical works and floor coverings | 4,687 |
| Horsham PAWS – digital display signs | 1,000 |
| Horsham Secondary College – Senior Achievement Award | 200 |
| Horsham Showgrounds Committee | 5,000 |
| Longerenong College – citizenship prize | 300 |
| Makers Gallery | 500 |
| Makers Gallery – computer, printer, software | 2,880 |
| Natimuk and District Progress Press Association | 1,100 |
| Natimuk Brass Band | 1,600 |
| North West Grampians Newsletter | 1,422 |
| Pimpinio Cemetery Trust – war memorial | 2,860 |
| St Brigids College – Senior Achievement Award | 200 |
| St Brigids College – self defence program for open community | 1,000 |
| Sing Australia – song books | 990 |
| Third Horsham Girl Guilds – windows and security screens | 4,700 |
| Tidy Towns Committee – shelter for May and Miller Wagon | 10,000 |
| Wimmera and Southern Mallee Careers Association – expo | 1,750 |
| Wimmera Association for Genealogy Inc | 300 |
| Wimmera Southern Mallee LLEN – lets read program | 5,000 |
| Total | 83,038 |

| Promotions, Festival and Culture | \$ |
|---|---------------|
| Art is ... festival | 6,500 |
| Business Horsham – community seminars | 3,000 |
| Carols by Candlelight | 2,700 |
| Horsham Country Music Inc | 1,800 |
| Horsham Fishing Competition | 5,000 |
| Horsham Regional Arts Association | 3,100 |
| Horsham Spring Garden Festival | 1,000 |
| Kannamaroo Festival | 4,000 |
| Natimuk Frinj Festival | 6,500 |
| North Fest Family Fun Festival | 3,250 |
| Operation 19:14 Family Fun Day | 2,700 |
| Tri State Games – Rotary Club of Horsham East | 5,000 |
| Wimmera Rockers Danceworld – dance extravaganza | 2,100 |
| Total | 46,650 |

| | |
|--------------------|----------------|
| GRAND TOTAL | 310,437 |
|--------------------|----------------|

| Natimuk Special Grants | \$ |
|---|---------------|
| Arapiles Rescue Group | 1,374 |
| Arapiles Historical Society | 16,215 |
| Natimuk A and P Society | 5,000 |
| Natimuk Bowling Club | 6,000 |
| Natimuk Brass Band | 1,240 |
| Natimuk Gymnastic Group | 15,921 |
| Natimuk Lake Foreshore | 3,000 |
| Natimuk Preschool | 1,000 |
| Natimuk Showgrounds Committee of Management | 10,000 |
| Natimuk Soldiers Hall | 5,520 |
| Natimuk Tennis Club | 5,000 |
| Total | 70,270 |

| | |
|--------------------------------------|----------------|
| TOTAL COMMUNITY GRANTS FUNDED | 380,707 |
|--------------------------------------|----------------|

STATUTORY INFORMATION

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

Documents Available for Public Inspection

In accordance with Regulation 12 of the Local Government (General) Regulations 2015, the following is a list of the prescribed documents that are available for inspection or copies of the documents can be obtained for the purposes of section 222 of the *Local Government Act 1989* (the Act) at The Civic Centre, 18 Roberts Avenue, Horsham.

Regulation 12(a)

A document containing details of overseas or interstate travel (other than interstate travel by land for less than 3 days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months including—

- (i) the name of the Councillor or member of Council staff; and
- (ii) the dates on which the travel began and ended; and
- (iii) the destination of the travel; and
- (iv) the purpose of the travel; and
- (v) the total cost to the Council of the travel, including accommodation costs;

Regulation 12(b)

The agendas for, and minutes of, ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;

Regulation 12(c)

The minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;

Regulation 12(d)

A register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under section 86(6) and 98(6), respectively, of the Act;

Regulation 12(e)

A document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease;

Regulation 12(f)

A register maintained under section 224(1A) of the Act of authorised officers appointed under that section;

Regulation 12(g)

A list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Victorian Local Government Indicators

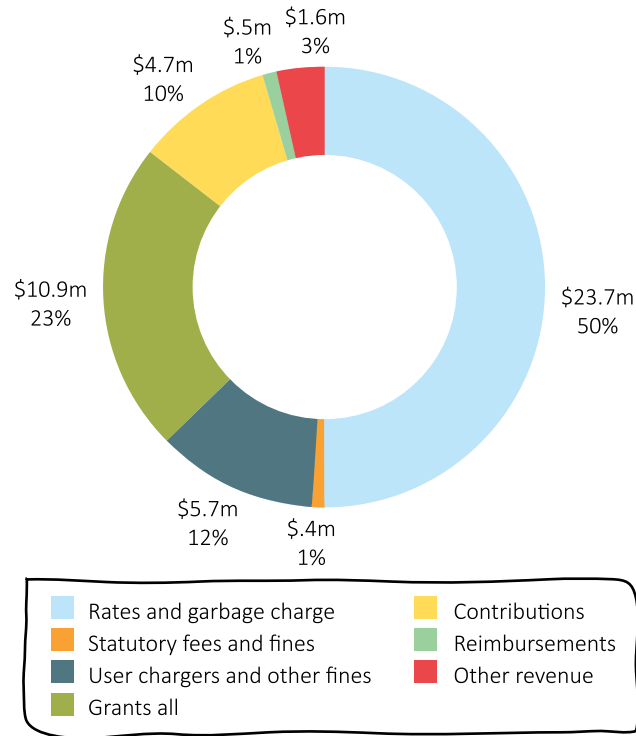
The Victorian Government requires all Victorian Councils to measure and annually report against 11 Victorian Local Government Indicators (VLGIs). These indicators provide information regarding expenditure, cost of services and infrastructure provision, customer satisfaction and governance. The following table presents the results of the VLGIs for the 2015-2016 and 2014-2015 years.

| Indicator | Calculation | 2015-2016 | 2014-2015 |
|---|--|------------|------------|
| 1. Average rates and charges per assessment | Total rates and charges receivable at beginning of year/Number of assessments in the adopted budget | \$1,959.65 | \$1,855.86 |
| 2. Average residential rates and charges per assessment | Rates and charges declared for residential assessments receivable at beginning of year/Number of residential assessments in the adopted budget | \$1,761.57 | \$1,626.13 |
| 3. Average liabilities per assessment | Total liabilities/Number of assessments in the adopted budget | \$1,515.88 | \$1,309.63 |
| 4. Operating result per assessment | Net surplus/Number of assessments in the adopted budget | \$107.33 | \$714.24 |
| 5. Average operating expenditure per assessment | Operating expenditure/Number of assessments in adopted budget | \$3,848.69 | \$3,461.73 |
| 6. Community satisfaction rating for overall performance generally of Council | Result from the Annual Local Government Community Satisfaction Survey | 63 | 62 |
| 7. Average capital expenditure per assessment | Capital expenditure/ Number of assessments in the adopted budget | \$1,503.82 | \$1,780.57 |
| 8. Renewal gap | Capital renewal/Average annual asset consumption | 63.7% | 82.8% |
| 9. Renewal and maintenance gap | Capital renewal and maintenance/ Average annual asset consumption plus planned maintenance | 69.0% | 79.7% |
| 10. Community satisfaction rating for Council's advocacy and community representation on key local issues | Result from the Annual Local Government Community Satisfaction Survey | 58 | 58 |
| 11. Community satisfaction rating for Council's engagement in decision making on key local issues | Result from the Annual Local Government Community Satisfaction Survey | 60 | 58 |

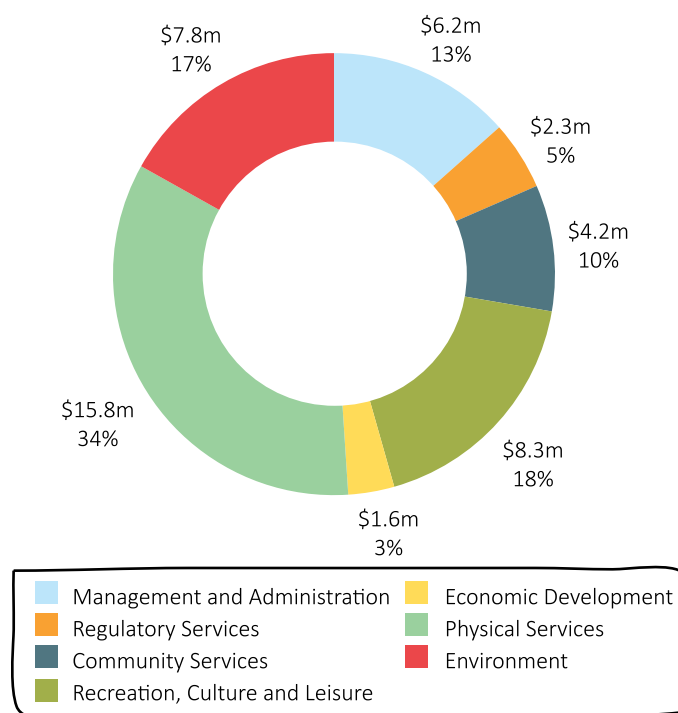


Where Our Money Comes and Where Our Money Goes

INCOME



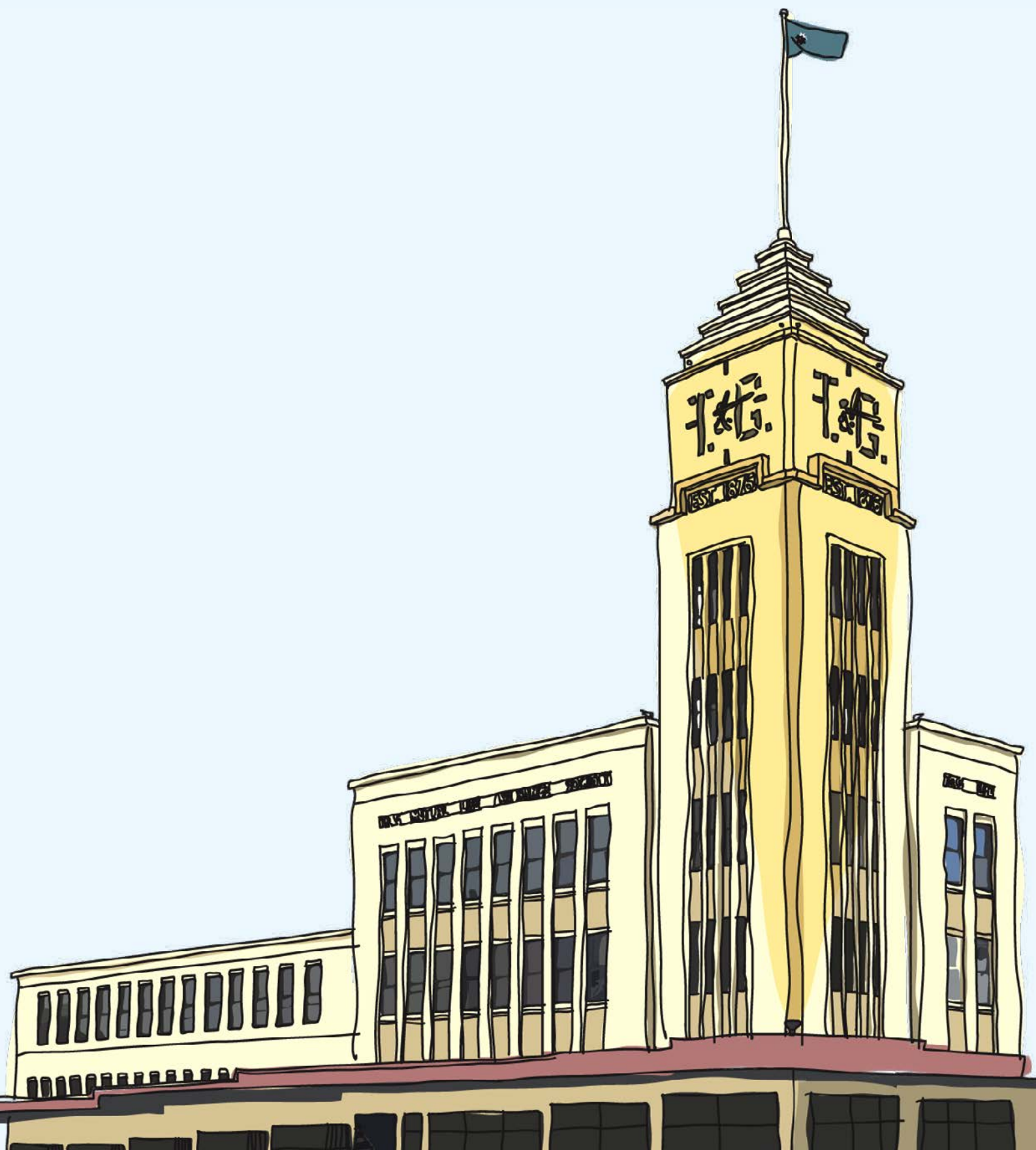
EXPENDITURE



HORSHAM RURAL CITY COUNCIL

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016



PERFORMANCE STATEMENT

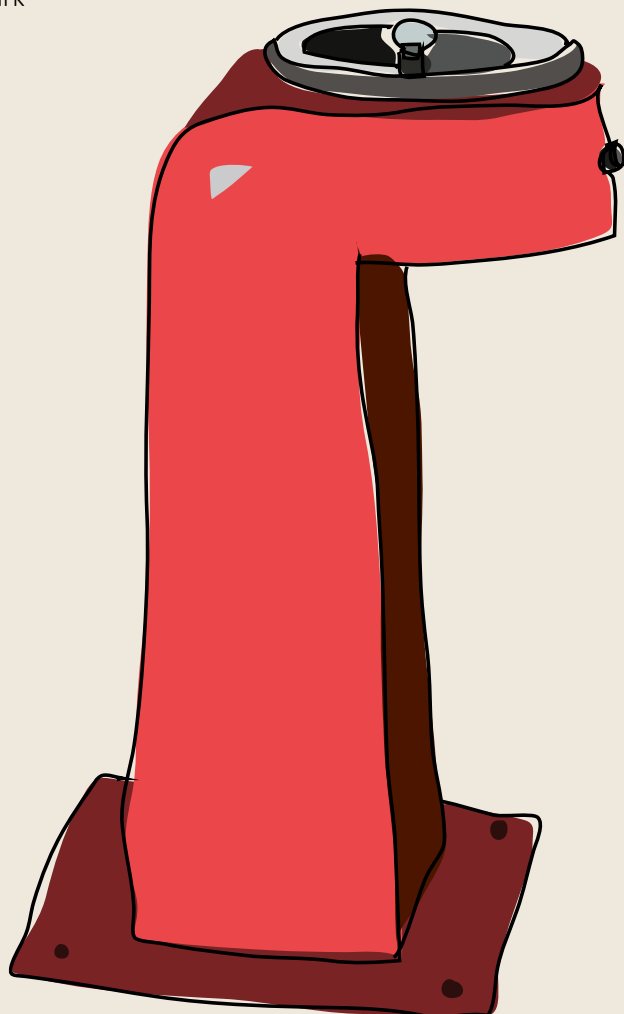
For the year ended 30 June 2016

DESCRIPTION OF MUNICIPALITY

Horsham Rural City Council is a vibrant, diverse community situated approximately 300 kilometres north-west of Melbourne and north of the Grampians National Park, in the heart of the Wimmera region of Victoria. Horsham Rural City Council has a population of 19,774 and covers an area of 4,267 square kilometres. Almost three quarters of residents live in the urban area of Horsham.

Horsham is the major provider of retail, community and government services in the Wimmera, with dryland and broadacre agriculture being our major industry. The Grains Innovation Park, a nationally acclaimed agricultural research centre, is based in Horsham. There are a range of quality educational and health care facilities including secondary colleges, a university and an agricultural college. We also have a diverse array of natural assets including recreational lakes, wetlands, the Wimmera River, Mount Arapiles, the Wartook Valley, and the Grampians National Park is nearby.

Horsham Rural City Council includes the major centres of Horsham and Natimuk, and the localities of: Arapiles, Blackheath, Brimpaen, Bungalally, Clear Lake, Dadswells Bridge, Dooen, Douglas, Drung, Duchembegarra, Grass Flat, Green Lake, Greenland Dam, Haven, Jilpanger, Jung, Kalkee, Kanagulk, Kewell, Laharum, Longerenong, Lower Norton, McKenzie Creek, Mitre, Mockinya, Mount Talbot, Murra Warra, Noradjuha, Nurrabiel, Pimpinio, Quantong, Riverside, St Helen's Plains, Telangatuk East, Tooan, Toolondo, Vectis, Wail, Wartook and Wonwondah.



Sustainable Capacity Indicators

FOR THE YEAR ENDED 30 JUNE 2016

| Indicator/measure | Results | Results | Comments |
|--|----------|----------|--|
| | 2015 | 2016 | |
| Population | | | |
| <i>Expenses per head of municipal population</i> | \$2,094 | \$2,338 | No Material Variations |
| [Total expenses / Municipal population] | | | |
| <i>Infrastructure per head of municipal population</i> | \$20,614 | \$20,496 | No Material Variations |
| [Value of infrastructure / Municipal population] | | | |
| <i>Population density per length of road</i> | 7 | 7 | No Material Variations |
| [Municipal population / Kilometres of local roads] | | | |
| Own-source revenue | | | |
| <i>Own-source revenue per head of municipal population</i> | \$1,551 | \$1,614 | No Material Variations |
| [Own-source revenue / Municipal population] | | | |
| Recurrent grants | | | |
| <i>Recurrent grants per head of municipal population</i> | \$599 | \$407 | The 50% advance payment of 2015/2016 Victorian Grants Commission was received June 15, amount was \$2.8 million, inflating the 2015 actuals and decreasing 2016 actuals. |
| [Recurrent grants / Municipal population] | | | |
| Disadvantage | | | |
| <i>Relative socio-economic disadvantage</i> | 6 | 6 | No Material Variations |
| [Index of Relative Socio-economic Disadvantage by decile] | | | |

Definitions

“adjusted underlying revenue” means total income other than—

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

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

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

“population” means the resident population estimated by council

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

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

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

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2016

| Service/indicator/measure | Results | Results | Comments |
|---|---------|---------|--|
| | 2015 | 2016 | |
| Governance | | | |
| Satisfaction | | | |
| <i>Satisfaction with council decisions</i> | 58 | 60 | Satisfaction with Council decisions increased by two points. This was 10 points higher than large rural areas and 6 points higher than the state-wide figure. |
| [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community] | | | |
| Statutory Planning | | | |
| Decision making | | | |
| <i>Council planning decisions upheld at VCAT</i> | 100% | 100% | Only one matter went to VCAT and the decision was upheld. |
| [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100 | | | |
| Roads | | | |
| Satisfaction | | | |
| <i>Satisfaction with sealed local roads</i> | 48 | 45 | Council were 3 points lower than previous but are still 1 point higher than large rural councils. |
| [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads] | | | |
| Libraries | | | |
| Participation | | | |
| <i>Active library members</i> | 16.42% | 12.85% | This year, using BC Analytics, an accurate figure of the number of users who borrowed items was able to be established. It counts the number of unique User IDs that performed the Charge Item (loans), Renew Item and Renew User transaction commands giving a true reflection of how many users actually borrowed items in the year. |
| [Number of active library members / Municipal population] x100 | | | |
| Waste Collection | | | |
| Waste diversion | | | |
| <i>Kerbside collection waste diverted from landfill</i> | 20.66% | 24.32% | Council had an increase in waste being diverted from landfill during this period. |
| [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100 | | | |
| Aquatic facilities | | | |
| Utilisation | | | |
| <i>Utilisation of aquatic facilities</i> | 9.17 | 6.7 | The utilisation of aquatic facilities is lower than the previous year due to an average of 100 less memberships each month. On average a member will attend the centre 3.3 times per week = 17,160 less visits per month. Horsham has also seen two major competitors opening which has had a significant impact on membership. |
| [Number of visits to aquatic facilities / Municipal population] | | | |
| Animal management | | | |
| Health and safety | | | |
| <i>Animal management prosecutions</i> | 0 | 2 | Council had two successful prosecutions totalling eight charges. |
| [Number of successful animal management prosecutions] | | | |

Service Performance Indicators *continued...*

FOR THE YEAR ENDED 30 JUNE 2016

| Service/indicator/measure | Results | Results | Comments |
|--|---------|---------|---|
| | 2015 | 2016 | |
| Food safety | | | |
| Health and safety | | | |
| Critical and major non-compliance notifications | 100% | 100% | Council had 4 notifications that were followed up during the year. |
| [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100 | | | |
| Home and community care | | | |
| Participation | | | |
| Participation in HACC service | 27.72% | 25.74% | No Material Variations |
| [Number of people that received a HACC service / Municipal target population for HACC services] x100 | | | |
| Participation | | | |
| Participation in HACC service by CALD people | 9.09% | 7.73% | Result has slightly decreased which indicates a lower level of demand for HACC services from CALD people within the municipality. |
| [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100 | | | |
| Maternal and child health | | | |
| Participation | | | |
| Participation in the MCH service | 81.43% | | In 2016 there was a state wide initiative to transition the majority of councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September therefore we are unable to report this data for the 2015/2016 financial year. |
| [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 | | | |
| Participation | | | |
| Participation in the MCH service by Aboriginal children | 79.46% | | In 2016 there was a state wide initiative to transition the majority of councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September therefore we are unable to report this data for the 2015/2016 financial year. |
| [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100 | | | |

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

Financial Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2016

| | Results | | Forecasts | | | | |
|--|----------------|-------------|------------------|-------------|-------------|-------------|---|
| Dimension/indicator/measure | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Material Variations |
| Operating position | | | | | | | The adjusted underlying surplus/ deficit will remain constant around -5% over the forecast period due to minimal increases in operating grants, user fees and rates, making minimal increases in operating expenditure. |
| Adjusted underlying result | | | | | | | |
| Adjusted underlying surplus (or deficit) | 6% | -11% | -5% | -4% | -5% | -5% | |
| [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100 | | | | | | | |
| Liquidity | | | | | | | |
| Working capital | | | | | | | |
| Current assets compared to current liabilities | 229% | 245% | 191% | 195% | 199% | 201% | No Material Variations |
| [Current assets / Current liabilities] x100 | | | | | | | |
| Unrestricted cash | | | | | | | The improving trend in this indicator is due to the accumulation of cash over multiple years in order to meet loan repayments due in 2020. |
| Unrestricted cash compared to current liabilities | 105% | 159% | 145% | 152% | 156% | 158% | |
| [Unrestricted cash / Current liabilities] x100 | | | | | | | |
| Obligations | | | | | | | The result for this measure is expected to increase by 19 percentage points over the 5 year period to 2020. The increasing forecast trend reflects the scheduled increased borrowings over the four year period, in line with the forecast capital works program. |
| Loans and borrowings | | | | | | | |
| Loans and borrowings compared to rates | 17% | 28% | 28% | 32% | 41% | 47% | |
| [Interest bearing loans and borrowings / Rate revenue] x100 | | | | | | | |
| Loans and borrowings repayments compared to rates | 3% | 3% | 3% | 3% | 3% | 4% | |
| [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100 | | | | | | | No Material Variations |
| Indebtedness | | | | | | | The result for this measure is expected to increase by 14 percentage points over the 5 year period to 2020. The increasing forecast trend reflects the scheduled increased borrowings over the four year period in line with forecast capital works program. |
| Non-current liabilities compared to own source revenue | 15% | 27% | 27% | 28% | 35% | 42% | |
| [Non-current liabilities / Own source revenue] x100 | | | | | | | |
| Asset renewal | | | | | | | Whilst the expenditure level remains constant for capital expenditure over the years, the ratio reflects the variable levels of renewal works undertaken in each year. Capital funds are redirected to new assets especially in 2018/2019 financial year. |
| Asset renewal compared to depreciation | 92% | 73% | 92% | 78% | 72% | 85% | |
| [Asset renewal expenses / Asset depreciation] x100 | | | | | | | |

Financial Performance Indicators *continued...*

FOR THE YEAR ENDED 30 JUNE 2016

| Dimension/indicator/measure | Results | | Forecasts | | | | Material Variations |
|---|---------|---------|-----------|---------|---------|---------|--|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| Stability | | | | | | | |
| Rates concentration | | | | | | | |
| <i>Rates compared to adjusted underlying revenue</i> | 51% | 58% | 54% | 54% | 56% | 59% | More reliance on rate revenue over the next 5 years is reflected in % increase. |
| [Rate revenue / Adjusted underlying revenue] x100 | | | | | | | |
| Rates effort | | | | | | | |
| <i>Rates compared to property values</i> | 0.6% | 0.6% | 0.7% | 0.7% | 0.7% | 0.7% | No Material Variations |
| [Rate revenue / Capital improved value of rateable properties in the municipality] x100 | | | | | | | |
| Efficiency | | | | | | | |
| Expenditure level | | | | | | | |
| <i>Expenses per property assessment</i> | \$3,437 | \$3,759 | \$4,017 | \$4,084 | \$3,854 | \$3,812 | Recurrent expenses expected to increase by approximately \$53 per assessment by 2020. The increasing trend reflects minimal increases in revenue, with small increases each year in recurrent expenses. |
| [Total expenses / Number of property assessments] | | | | | | | |
| Revenue level | | | | | | | |
| <i>Average residential rate per residential property assessment</i> | \$1,594 | \$1,711 | \$1,788 | \$1,869 | \$1,758 | \$1,837 | The result for this measure is expected to increase by approximately \$125 per assessment by 2020. The small increase in the trend reflects Council's minor rate increases due to rate capping. The expected decrease in 2018/2019 reflects the expected growth in assessment numbers. |
| [Residential rate revenue / Number of residential property assessments] | | | | | | | |
| Workforce turnover | | | | | | | |
| <i>Resignations and terminations compared to average staff</i> | 11% | 9% | 9% | 10% | 10% | 10% | Forecast figures for 2017-2020 are based on an average 9.5% turnover rate which was our turnover rate for the 2012-2015 period |
| [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100 | | | | | | | |

Definitions

"adjusted underlying revenue" means total income other than—

(a) non-recurrent grants used to fund capital expenditure; and

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

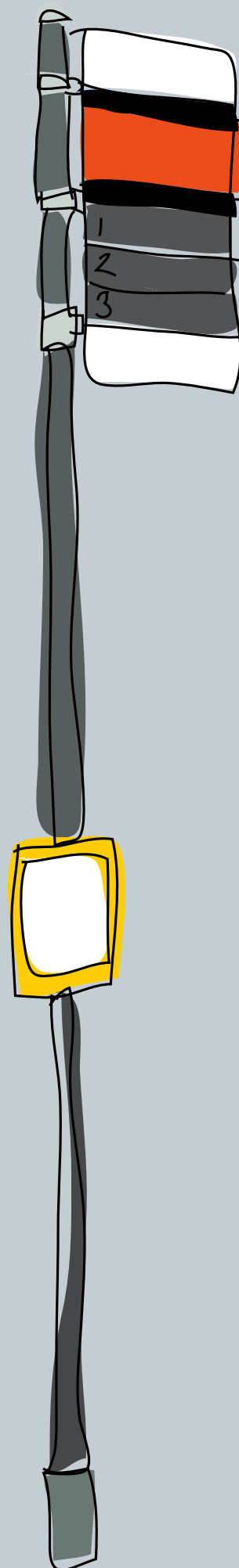
1. Basis of preparation

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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Council's Strategic Resource Plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Comments have been made against the Sustainable Capacity Indicators and Service Performance Indicators measures along with Material Variation explanations for the Financial Performance Indicators.

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 20 June 2016 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting Council or via Council's website www.hrcc.vic.gov.au incorporated within the Council Plan.



CERTIFICATION OF THE PERFORMANCE STATEMENT

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



Graeme Harrison B. Econ, CPA, GAICD

Principal Accounting Officer

Dated: 22 September 2016

In our opinion, the accompanying performance statement of the Horsham Rural City Council for the year ended 30 June 2016 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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



Heather Phillips

Councillor

Dated: 22 September 2016



David Grimble

Councillor

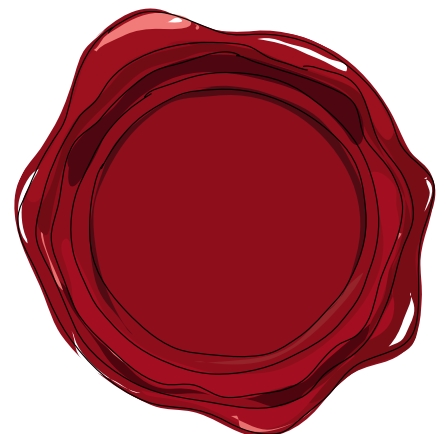
Dated: 22 September 2016



Peter Brown B. Econ, Grad Dip Bus, Grad Dip LG, FCPA, FLGPRO

Chief Executive

Dated: 22 September 2016





Victorian Auditor-General's Office

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Melbourne VIC 3000
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Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Horsham Rural City Council

The Performance Statement

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Horsham Rural City Council which comprises the statement, the related notes and the certification of the performance statement.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Horsham Rural City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)

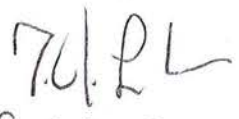
Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of the Horsham Rural City Council in respect of the 30 June 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
23 September 2016


f Andrew Greaves
Auditor-General

HORSHAM RURAL CITY COUNCIL FINANCIAL STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016





Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Horsham Rural City Council

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Horsham Rural City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of financial statement.

The Councillors' Responsibility for the Financial Report

The Councillors of the Horsham Rural City Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)


Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Horsham Rural City Council as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
23 September 2016


Andrew Greaves
Auditor-General

HORSHAM RURAL CITY COUNCIL

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HORSHAM RURAL CITY COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016

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**CERTIFICATION OF FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

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



Mr G.A. Harrison, B Econ, CPA, GAICD
Principal Accounting Officer

22 September 2016

Horsham

In our opinion, the accompanying financial statements present fairly the financial transactions of the Horsham Rural City Council for the year ended 30th June 2016, and the financial position of the Council as at that date.

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

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



Cr H.R. Phillips

22 September 2016

Horsham



Cr D.A. Grimble

22 September 2016

Horsham



Mr. P.F. Brown
Chief Executive

22 September 2016

Horsham

HORSHAM RURAL CITY COUNCIL

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COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2016

| | Notes | 2016 \$'000 | 2015 \$'000 |
|--|-------|----------------|----------------|
| INCOME | | | |
| Rates and charges | 3 | 23,720 | 22,312 |
| Statutory fees and fines | 4 | 390 | 417 |
| User fees | 5 | 5,693 | 5,614 |
| Grants - operating | 6 | 6,319 | 11,906 |
| Grants - capital | 6 | 4,586 | 3,905 |
| Contributions - monetary | 7 (a) | 1,713 | 1,589 |
| Contributions - non-monetary assets | 7 (b) | 1,131 | 1,828 |
| Found assets - land | | 1,871 | - |
| Reimbursements | 8 | 485 | 548 |
| Other income | 9 | 1,548 | 1,676 |
| Share of net profits of associates | 17 | 27 | 66 |
| Fair value adjustments for investment property | 25 | 100 | - |
| Total Income | | 47,583 | 49,861 |
| EXPENSES | | | |
| Employee costs | 11 | (16,266) | (14,974) |
| Materials and services | 12 | (16,850) | (14,736) |
| Bad and doubtful debts | 13 | (73) | (76) |
| Depreciation and amortisation | 14 | (11,371) | (10,111) |
| Other expenses | 15 | (342) | (320) |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | 10 | (52) | (91) |
| Written down value of assets disposed | 10 | (1,132) | (813) |
| Borrowing costs | 16 | (206) | (212) |
| Total Expenses | | (46,292) | (41,333) |
| Surplus for the year | | 1,291 | 8,528 |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to surplus or deficit in future periods | | | |
| Net asset revaluation increment/(decrement) | 31 | (2,483) | 19,493 |
| Total comprehensive result | | (1,192) | 28,021 |

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

HORSHAM RURAL CITY COUNCIL

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BALANCE SHEET
AS AT 30th JUNE, 2016

| | Notes | 2016 \$'000 | 2015 \$'000 |
|--|-------|----------------|----------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 18 | 14,337 | 16,486 |
| Trade and other receivables | 19 | 1,774 | 1,996 |
| Other financial assets | 20 | 8,600 | 7,050 |
| Other assets | 21 | 504 | 681 |
| Inventories | 22 | 531 | 702 |
| Non current assets classified as held for sale | 23 | - | 314 |
| Total current assets | | 25,746 | 27,229 |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 19 | 198 | 174 |
| Investments in associates | 17 | 1,188 | 1,161 |
| Property, infrastructure, plant & equipment | 24 | 446,919 | 444,292 |
| Investment property | 25 | 2,400 | 2,300 |
| Total non-current assets | | 450,705 | 447,927 |
| Total Assets | | 476,451 | 475,156 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 26 | 4,298 | 4,497 |
| Trust funds and deposits | 27 | 609 | 718 |
| Provisions | 28 | 5,147 | 5,354 |
| Interest-bearing loans and borrowings | 29 | 438 | 1,305 |
| Total current liabilities | | 10,492 | 11,874 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 28 | 2,028 | 2,026 |
| Interest-bearing loans and borrowings | 29 | 6,322 | 2,455 |
| Total non-current liabilities | | 8,350 | 4,481 |
| Total Liabilities | | 18,842 | 16,355 |
| NET ASSETS | | 457,609 | 458,801 |
| EQUITY | | | |
| Accumulated surplus | | 227,033 | 226,681 |
| Reserves - asset replacement | 30 | 14,957 | 14,018 |
| Reserves - asset revaluation | 31 | 215,619 | 218,102 |
| TOTAL EQUITY | | 457,609 | 458,801 |

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

HORSHAM RURAL CITY COUNCIL

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th JUNE, 2016

| 2016 | Notes | Accumulated Surplus \$'000 | Asset Replacement Reserve \$'000 | Asset Revaluation Reserve \$'000 | TOTAL \$'000 |
|---|-------|----------------------------------|---|---|-----------------|
| Balance at the beginning of the financial year | | 226,681 | 14,018 | 218,102 | 458,801 |
| Surplus for the year | | 1,291 | - | - | 1,291 |
| Net asset revaluation increment | | - | - | (2,483) | (2,483) |
| Transfers to reserve | 30 | (5,563) | 5,563 | - | - |
| Transfers from reserve | 30 | 4,624 | (4,624) | - | - |
| Balance at the end of the financial year | | 227,033 | 14,957 | 215,619 | 457,609 |

| 2015 | Notes | Accumulated Surplus \$'000 | Asset Replacement Reserve \$'000 | Asset Revaluation Reserve \$'000 | TOTAL \$'000 |
|---|-------|----------------------------------|---|---|-----------------|
| Balance at the beginning of the financial year | | 217,619 | 14,552 | 198,609 | 430,780 |
| Surplus for the year | | 8,528 | - | - | 8,528 |
| Net asset revaluation increment | | - | - | 19,493 | 19,493 |
| Transfers to reserve | 30 | (5,212) | 5,212 | - | - |
| Transfers from reserve | 30 | 5,746 | (5,746) | - | - |
| Balance at the end of the financial year | | 226,681 | 14,018 | 218,102 | 458,801 |

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

HORSHAM RURAL CITY COUNCIL

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30th JUNE, 2016**

| | Notes | 2016 Inflows (Outflows) \$'000 | 2015 Inflows (Outflows) \$'000 |
|---|-------|---|---|
| Cash flows from operating activities | | | |
| Rates and charges | | 23,767 | 22,336 |
| Statutory fees and fines | | 363 | 393 |
| User fees | | 5,685 | 5,315 |
| Grants - operating | | 6,952 | 6,952 |
| Grants - capital | | 4,257 | 9,935 |
| Contributions - monetary | | 1,713 | 1,589 |
| Reimbursements | | 534 | 603 |
| Interest received | | 471 | 650 |
| Rent | | 239 | 249 |
| Other receipts | | 1,049 | 1,614 |
| Net GST refund | | 2,125 | 2,214 |
| Employees costs | | (15,555) | (14,761) |
| Material and services | | (18,836) | (14,370) |
| Other payments | | (1,807) | (2,339) |
| Net cash provided by operating activities | 32 | 10,957 | 20,380 |
| Cash flows from investing activities | | | |
| Payments for investments | | (1,550) | (4,050) |
| Payments for property, infrastructure, plant and equipment | | (15,086) | (19,432) |
| Proceeds from sale of property, infrastructure, plant and equipment | | 735 | 335 |
| Net cash (used in) investing activities | | (15,901) | (23,147) |
| Cash flows from financing activities | | | |
| Finance costs | | (206) | (212) |
| Repayment of borrowings | | (467) | (549) |
| Repayment of finance lease | | (7) | (11) |
| Proceeds from borrowings | | 3,475 | 830 |
| Net cash provided by financing activities | | 2,795 | 58 |
| Net (decrease) in cash and cash equivalents | | (2,149) | (2,709) |
| Cash and cash equivalents at the beginning of the financial year | | 16,486 | 19,195 |
| Cash and cash equivalents at the end of the financial year | 18 | 14,337 | 16,486 |
| Financing Arrangements | 33 | | |
| Restrictions on cash assets | 18 | | |

The above statement of cashflows should be read with the accompanying notes

HORSHAM RURAL CITY COUNCIL

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**STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDED 30th JUNE, 2016**

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Property | | |
| Land | 1,086 | 70 |
| Total land | 1,086 | 70 |
| Buildings | 5,123 | 1,059 |
| Works in Progress | 266 | 8,468 |
| Total buildings | 5,389 | 9,527 |
| Total property | 6,475 | 9,597 |
| Plant and equipment | | |
| Plant, machinery and equipment | 1,507 | 1,578 |
| Office furniture and equipment | 173 | 107 |
| Art purchases | 40 | 15 |
| Public art purchases | 38 | - |
| Total plant and equipment | 1,758 | 1,700 |
| Infrastructure | | |
| Roads | 4,961 | 4,825 |
| Bridges | 390 | 11 |
| Footpaths and cycleways | 367 | 479 |
| Drainage | - | 211 |
| Recreation, leisure and community facilities | 35 | 134 |
| Waste management | 109 | 414 |
| Parks, open space and streetscapes | 97 | 166 |
| Aerodromes | - | 471 |
| Off street car parks | 19 | 16 |
| Other infrastructure | 129 | 177 |
| Works in Progress | 746 | 1,229 |
| Total Infrastructure | 6,853 | 8,133 |
| Total capital works expenditure | 15,086 | 19,430 |
| Represented by: | | |
| Asset renewal expenditure | 8,289 | 9,253 |
| Asset upgrade expenditure | 3,187 | 5,397 |
| New asset expenditure | 3,610 | 4,780 |
| Total capital works expenditure | 15,086 | 19,430 |

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

HORSHAM RURAL CITY COUNCIL

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30th JUNE, 2016

Introduction

The Horsham Rural City Council was established by an Order of the Governor in Council on 20th January 1995 and is a body corporate.

The Council's main office is located at 18 Roberts Avenue Horsham.

Statement of compliance

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

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1(m))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (n))
- the determination of employee provisions (refer to note 1 (t))

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

(b) Change in accounting policies

There have been no changes in accounting policies from the previous period.

(c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2016, and their income and expenses for that part of the reporting period in which control existed, if material.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Principles of consolidation (cont.)

The entity that is controlled by Council and could be consolidated into Council financial statements is Horsham Performing Arts. This company is a cultural charitable organisation set up for the promotion of the performing arts and for other cultural purposes of the benefit of the community.

Horsham Performing Arts Company is controlled by 6 directors, of which 3 are Horsham Rural City Councillors and one officer, therefore Council has control of this entity, however due to the small turnover value, the Horsham Performing Arts accounts have not been consolidated, but are included below for information.

**HORSHAM PERFORMING ARTS
STATEMENT OF PROFIT AND LOSS
FOR YEAR ENDED 30TH JUNE 2016**

| | 2016 \$'000 | 2015 \$'000 |
|--------------------------------------|----------------|----------------|
| Revenue - fundraising | 66 | 136 |
| Expenses - fund raising | (10) | (2) |
| Contribution to construction project | (170) | - |
| | ----- | ----- |
| Surplus/(Deficit) for Year | (114) | 134 |
| | ===== | ===== |

**HORSHAM PERFORMING ARTS
STATEMENT OF FINANCIAL POSITION
FOR YEAR ENDED 30TH JUNE 2016**

| | | |
|-----------------------|-------|-------|
| CURRENT ASSETS | | |
| Cash | 6 | 92 |
| Receivables | 14 | 42 |
| | ----- | ----- |
| Total Current Assets | 20 | 134 |
| | ===== | ===== |
| EQUITY | | |
| Retained Profits | 20 | 134 |
| | ===== | ===== |

**HORSHAM PERFORMING ARTS
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30TH JUNE 2016**

| | | |
|--|-------|-------|
| Balance at the beginning of the financial year | 134 | - |
| Surplus/(Deficit) for the year | (114) | 134 |
| | ----- | ----- |
| Balance at the end of the financial year | 20 | 134 |
| | ===== | ===== |

**HORSHAM PERFORMING ARTS
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30TH JUNE 2016**

| | | |
|---|-------|-------|
| Receipts from fundraising | 94 | 94 |
| Payments to suppliers | (180) | (2) |
| | ----- | ----- |
| Net cash provided by operating activities | (86) | 92 |
| Cash at beginning of the financial year | 92 | - |
| | ----- | ----- |
| Cash at end of the financial year | 6 | 92 |
| | ===== | ===== |

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Committee of Management

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

(e) Accounting for investments in associates

Associates

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(f) Revenue Recognition

Income is recognised when Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Rates and charges

Annual rates and charges are recognised as revenues when Council issues annual rates notices.

Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

Statutory fees and fines

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

User fees

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 5. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Other Income

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016****1 SIGNIFICANT ACCOUNTING POLICIES (continued)****(g) Fair value measurement**

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities.

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

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

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

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

(h) Cash and cash equivalents

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

(i) Trade and other receivables

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.

(j) Other financial assets

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

(k) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories including land held for sale are measured at the lower of cost and net realisable value.

(l) Non-current assets held for sale

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

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

In accordance with Council's policy, the threshold limits detailed in Note 1 (n) have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 24, Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 4 years. The valuation is performed either by experienced council officers or independent experts.

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

Land under Roads

Land under roads acquired after 30 June 2008 is brought to account using the fair value basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

(n) Depreciation of property, infrastructure, plant and equipment

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

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Depreciation of property, infrastructure, plant and equipment (cont.)

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

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

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

| | Depreciation Period | Threshold Limit \$'000 |
|--|------------------------|------------------------------|
| Property | | |
| Land | | 1,000 |
| Land improvements | 10 - 100 years | 5,000 |
| Buildings | 15 - 100 years | 5,000 |
| Plant, machinery and equipment | | |
| Plant, machinery and equipment | 1 - 30 years | 5,000 |
| Office furniture and equipment | 3 - 20 years | 1,000 |
| Art purchases | | 50 |
| Infrastructure | | |
| Road pavements and seals | 13 - 60 years | 5,000 |
| Road formation and earthworks | 100 years | 5,000 |
| Road kerb, channel and minor culverts | 50 - 55 years | 5,000 |
| Bridges substructure | 110 years | 5,000 |
| Footpaths and cycleways | 40 - 50 years | 5,000 |
| Drainage | 100 years | 5,000 |
| Recreation, leisure and community facilities | 10 - 100 years | 5,000 |
| Waste management | 3 - 50 years | 5,000 |
| Parks, open space and streetscapes | 10 - 75 years | 5,000 |
| Aerodromes | 10 - 100 years | 5,000 |
| Off street car parks | 45 - 90 years | 5,000 |

(o) Repairs and maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. When the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

(p) Investment property

Investment property, comprising freehold rental properties, is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise. Rental income from the leasing of investment properties is recognised in the comprehensive income statement on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Impairment of assets

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

(r) Trust funds and deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned, transferred in accordance with the purpose of the receipt or forfeited (refer to note 27).

(s) Borrowings

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

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include: interest on bank overdrafts, interest on borrowings, and finance lease charges.

(t) Employee costs and benefits

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

Wages and salaries, and annual leave

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL representing 7 years is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30th JUNE, 2016

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Employee costs and benefits (cont.)

The components of this current liability are measured at:

- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL representing less than 7 years that has been accrued, where an employee is yet to reach a qualifying term of employment is disclosed as a non-current liability.

There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

(u) Landfill rehabilitation provision

Council is obliged to restore Doon site to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

(v) Leases

Finance Leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 4 year period.

Operating Leases

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

(w) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(x) Financial guarantees

Financial guarantee contracts are not recognised in the balance sheet, unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 37 Contingent Liabilities and Contingent Assets.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016****1 SIGNIFICANT ACCOUNTING POLICIES (continued)****(y) Contingent assets and contingent liabilities and commitments**

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

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of a note and are inclusive of the GST payable.

(z) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2016 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(aa) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

(ab) Trust funds and other deposits

Horsham Rural City Council has received monies as agent for the following: Art Gallery Trust Fund, Mack Jost Trust Fund, Con Kroker Trust Fund, Wimmera Regional Library Corporation, Wimmera Development Association, Horsham Cemetery Trust. As Horsham Rural City Council performs only a custodial role in respect of these monies, and the monies cannot be used for council purposes, they are not brought to account in the financial statements.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

2 BUDGET COMPARISON

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$400,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 30th June 2015. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

(a) Income and expenditure

| | Ref | Budget 2016 \$'000 | Actual 2016 \$'000 | Variance 2016 \$'000 | % |
|---|-----|--------------------------|--------------------------|----------------------------|--------|
| INCOME | | | | | |
| Rates and charges | | 23,564 | 23,720 | 156 | 0.7 |
| Statutory fees and fines | | 410 | 390 | (20) | (4.9) |
| User fees | | 5,537 | 5,693 | 156 | 2.8 |
| Grants - operating | 1 | 9,314 | 6,319 | (2,995) | (32.2) |
| Grants - capital | | 4,576 | 4,586 | 10 | - |
| Contributions - monetary | | 1,633 | 1,713 | 80 | 4.9 |
| Contributions - non-monetary | 2 | 500 | 1,131 | 631 | 126.2 |
| Found assets - land | 3 | - | 1,871 | 1,871 | - |
| Reimbursements | | 500 | 485 | (15) | - |
| Other income | | 1,475 | 1,548 | 73 | 4.9 |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | | (57) | (52) | 5 | (8.8) |
| Share of net profits of associates | | 60 | 27 | (33) | (55.0) |
| Fair value adjustments for investment property | | 55 | 100 | 45 | 81.8 |
| Total Income | | 47,567 | 47,531 | (36) | (0.1) |
| EXPENSES | | | | | |
| Employee costs | 4 | (16,745) | (16,266) | 479 | (2.9) |
| Materials and services | 5 | (17,529) | (16,850) | 679 | (3.9) |
| Bad and doubtful debts | | (63) | (73) | (10) | 15.9 |
| Depreciation and amortisation | 6 | (10,396) | (11,371) | (975) | 9.4 |
| Other expenses | | (427) | (342) | 85 | (19.9) |
| Written down value of assets disposed | 7 | (300) | (1,132) | (832) | 277.3 |
| Borrowing costs | | (269) | (206) | 63 | (23.4) |
| Total Expenses | | (45,729) | (46,240) | (511) | 1.1 |
| Surplus/(deficit) for the year | | 1,838 | 1,291 | (547) | (29.8) |

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

2 BUDGET COMPARISON (Cont.)

(i) Explanation of material variations

1. Grants - operating

Actual income reflects an decrease of the Grants Commission payment, an early 50% payment of the 15/16 allocation was received 30th June 2015. The amount was \$2.8m.

2. Contributions - non-monetary assets

Increased urban development saw road and land infrastructure assets valued at \$1.1m provided to Council, exceeding the \$500,000 budget.

3. Found assets - land

A comprehensive review of land and buildings held by Council during 15/16, revealed several parcels of crown land controlled by Council were missing from Council's asset register. The value of this land was \$740,000. The review also revealed Council had not recognised parcels of public open space donated by developers over the past few years, valued at \$1.13m. Systems are now in place to recognise public open at the time the land is donated to Council.

4. Employee costs

Several staff left Council during the year with some vacancies still within Council at 30th June 2016. Some of these staff were replaced with contracted hired staff.

5. Materials and services

The materials budget included expenditure for one large operating grant of \$500k, as the grant was not provided, the project was withdrawn from Council's program of works.

6. Depreciation and amortisation

Two waste cells are nearing the end of their lives, increasing the depreciation expense this year.

7. Written down value of assets disposed

Gravel road formations valuations reflect the changeability and variability of the road condition which this year has reflected in increased write offs of value.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

2 BUDGET COMPARISON (cont.)

| (b) Capital Works | Ref | Budget 2016 \$'000 | Actual 2016 \$'000 | Variance 2016 \$'000 | % |
|--|-----|--------------------------|--------------------------|----------------------------|---------|
| Property | | | | | |
| Land | 8 | - | 1,086 | 1,086 | 100.0 |
| Total land | | - | 1,086 | 1,086 | - |
| Buildings | 9 | 7,029 | 5,123 | (1,906) | (27.1) |
| Works in Progress | | - | 266 | 266 | 100.0 |
| Total buildings | | 7,029 | 5,389 | (1,640) | (23.3) |
| Total property | | 7,029 | 6,475 | (554) | (23.3) |
| Plant and equipment | | | | | |
| Plant, machinery and equipment | 10 | 1,881 | 1,507 | (374) | (19.9) |
| Office furniture and equipment | | 203 | 173 | (30) | (14.8) |
| Art purchases | | 20 | 40 | 20 | 100.0 |
| Public art purchases | | 20 | 38 | 18 | 90.0 |
| Total plant and equipment | | 2,124 | 1,758 | (366) | (17.2) |
| Infrastructure | | | | | |
| Roads | 11 | 6,435 | 4,961 | (1,474) | (22.9) |
| Bridges | | 390 | 390 | - | - |
| Footpaths and cycleways | | 400 | 367 | (33) | (8.3) |
| Drainage | 12 | 400 | - | (400) | (100.0) |
| Recreation, leisure and community facilities | | 225 | 35 | (190) | (84.4) |
| Waste Management | 13 | 1,590 | 109 | (1,481) | (93.1) |
| Parks, open space and streetscapes | | 478 | 97 | (381) | (79.7) |
| Off street car parks | | 17 | 19 | 2 | 11.8 |
| Other infrastructure | | 196 | 129 | (67) | (34.2) |
| Works in Progress | | - | 746 | 746 | 100.0 |
| Total Infrastructure | | 10,131 | 6,853 | (3,278) | (32.4) |
| Total capital works expenditure | | 19,284 | 15,086 | (4,198) | (21.8) |
| Represented by: | | | | | |
| Asset renewal expenditure | | 10,562 | 8,289 | (2,273) | (21.5) |
| Asset upgrade expenditure | | 3,750 | 3,187 | (563) | (15.0) |
| New asset expenditure | | 4,972 | 3,610 | (1,362) | (27.4) |
| Total capital works expenditure | | 19,284 | 15,086 | (4,198) | (21.8) |

HORSHAM RURAL CITY COUNCIL

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30th JUNE, 2016

2 BUDGET COMPARISON (cont.)

(i) Explanation of material variations

8. Land Purchase

Council took the opportunity to purchase two parcels of land during 15/16 which were unbudgeted. One parcel of land was for passive recreation, whilst the other parcel is for a future industrial estate.

9. Buildings

Several building projects were reliant on gaining capital grants to assist funding the projects. Six major projects valued at \$1.68m were delayed as grants were not achieved.

10. Plant, machinery and equipment

The budget included the net change over of a grader (\$300k) during 15/16, a decision was made to defer the purchase until 16/17.

11. Roads

The budget included \$1m of expenditure for country roads and bridges. It was anticipated the funding program would continue in 15/16. The program was not funded for a further term which reducing Council's road capital expenditure.

12. Drainage

\$300k was included for a new retardation basin at an industrial estate. These works were to be funded by achieving a capital grant. The works have been deferred until a grant application is successful.

13. Waste Management

The 15/16 budget included the construction of a new putrescible cell. Planning and design is currently underway, with the construction being completed by February 2017.

3 RATES AND CHARGES

| | 2016 \$'000 | 2015 \$'000 |
|-------------------------|----------------|----------------|
| Residential | 10,865 | 9,954 |
| Commercial | 1,460 | 1,374 |
| Industrial | 760 | 703 |
| Farm/rural | 4,952 | 4,716 |
| Cultural | 24 | 53 |
| Municipal charge | 2,916 | 2,894 |
| Garbage charges | 2,743 | 2,618 |
| Total rates and charges | 23,720 | 22,312 |

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its total market value including all improvements. It includes the site value, which is the value of the land without improvements.

The valuation base used to calculate general, cultural and farm rates for 2015/16 was \$3,550,377,000 (2014/15 \$ 3,532,247,000).

The 2015/16 General rate in the CIV dollar was .5382 cents. (2014/15 .5070 cents).

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014 and the valuation first applied in the rating year commencing 1 July 2014.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

4 STATUTORY FEES AND FINES

| | 2016 \$'000 | 2015 \$'000 |
|---------------------------------|----------------|----------------|
| Infringements and costs | 144 | 156 |
| Perin court recoveries | 38 | 30 |
| Issue of certificates | 15 | 15 |
| Local laws - permits & licences | 22 | 34 |
| Town planning | 76 | 87 |
| Health registrations | 95 | 95 |
| Total statutory fees and fines | 390 | 417 |

5 USER FEES

| | | |
|-------------------------------------|-------|-------|
| Administration charges | 136 | 163 |
| Animal control | 341 | 347 |
| Building fees & other charges | 198 | 159 |
| Fees - parking meters | 428 | 432 |
| Immunisations | 7 | 8 |
| Home based welfare services | 899 | 846 |
| Lord Mayors Camp | 8 | 7 |
| Other swimming income | 1 | 1 |
| Halls income | 592 | 1 |
| Performance ticket sales | 15 | 136 |
| Sporting and recreation facilities | 61 | 63 |
| Sports marketing | - | 10 |
| Freight Hub user charge | 88 | 101 |
| Supervision of private subdivisions | 32 | 58 |
| Plan checking fees | 20 | 17 |
| Aerodrome | 34 | 37 |
| Saleyards | 462 | 518 |
| Caravan park | - | 350 |
| Wimmera business centre income | 156 | 156 |
| Rural revegetation scheme | 9 | 7 |
| Garbage charges | 8 | 8 |
| Garbage disposal | 724 | 731 |
| Transfer station | 256 | 281 |
| Waste management fees | 1,215 | 1,174 |
| Fire hazards grass removal | 3 | 3 |
| Total user fees | 5,693 | 5,614 |

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

6 GOVERNMENT GRANT REVENUES

2016
\$'000

2015
\$'000

Grants were received in respect of the following:

Summary of grants

| | | |
|----------------------------|-------|--------|
| Commonwealth funded grants | 6,774 | 11,158 |
| State funded grants | 4,131 | 4,653 |

Total grants received

| | |
|--------|--------|
| 10,905 | 15,811 |
|--------|--------|

Operating Grants

| | | |
|---|-------|-------|
| Recurrent - Commonwealth Government | | |
| Commonwealth Government family and children | 36 | 37 |
| Victorian Grants Commission - general purpose | 1,867 | 5,475 |
| Victorian Grants Commission - local roads | 1,027 | 3,053 |

Recurrent State Government

| | | |
|-----------------------------------|-----|-----|
| School crossing supervisors | 24 | 24 |
| Community services | 253 | 253 |
| Maternal and child health | 343 | 313 |
| Senior citizens centres | 15 | 15 |
| Food services | 50 | 49 |
| Home and community care | 942 | 909 |
| Disability services | 131 | 126 |
| Library | 167 | 163 |
| Arts and art gallery | 224 | 229 |
| Environmental and landcare grants | 118 | 50 |

Total recurrent operating grants

| | |
|-------|--------|
| 5,197 | 10,696 |
|-------|--------|

Non-recurrent State Government

| | | |
|-----------------------------------|-----|-----|
| Regulatory services | 5 | 100 |
| Community services | 83 | 111 |
| Family and children | 12 | 95 |
| Public and community health | 16 | 22 |
| Home and community care | - | 70 |
| Outdoor recreation | 785 | 382 |
| Indoor recreation | 51 | 97 |
| Arts and art gallery | 3 | 7 |
| Emergency management planning | - | 26 |
| Economic development | 20 | 13 |
| Environmental and landcare grants | 80 | 64 |
| Tourism promotion | 4 | 47 |
| Flood recovery grants | - | 11 |
| Fire recovery grants | - | 165 |
| Drought recovery grants | 55 | - |
| Other | 8 | - |

Total non-recurrent operating grants

| | |
|-------|-------|
| 1,122 | 1,210 |
|-------|-------|

Total Operating Grants

| | |
|-------|--------|
| 6,319 | 11,906 |
|-------|--------|

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

6 GOVERNMENT GRANT REVENUES (cont.)

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Capital Grants | | |
| Recurrent - Commonwealth Government | | |
| Roads to recovery funding | 2,844 | 1,093 |
| Total Recurrent Capital Grants | 2,844 | 1,093 |
| Capital non-recurrent | | |
| Non-recurrent - Commonwealth Government | | |
| Buildings | 1,000 | 1,500 |
| Non-Recurrent State Government | | |
| Community services | - | 2 |
| Home and community care | 46 | 28 |
| Community facilities | 69 | 284 |
| Outdoor recreation | 265 | 24 |
| Indoor Recreation | - | 10 |
| Halls, historic buildings & monuments | 50 | - |
| Local roads & ancillary assets | 312 | 489 |
| Aerodrome | - | 394 |
| Recycling grants | - | 35 |
| Flood recovery grants | - | 46 |
| Total non-recurrent capital grants | 1,742 | 2,812 |
| Total capital grants | 4,586 | 3,905 |
| Total grants | 10,905 | 15,811 |
| Conditions on grants | | |
| Grants recognised as revenue during the year that were obtained on the condition that they be expended in a specified manner that had not occurred at balance date were: | | |
| Grants commission | - | 2,835 |
| Town planning studies | - | 67 |
| Family and children | - | 15 |
| Community services | 248 | 219 |
| Kindergarten specific grants | 23 | - |
| Home and community care | 33 | 70 |
| Rural disability access grant | 122 | 128 |
| Outdoor recreation | 320 | 121 |
| Halls, historic buildings & monuments | 3 | 9 |
| Arts and arts gallery | 54 | 49 |
| Economic growth | 46 | - |
| Environmental | 48 | 39 |
| Waste management | - | 10 |
| Road & streets infrastructure | 59 | 130 |
| Roads to recovery | 274 | 20 |
| Pedestrian bridge | - | 34 |
| | 1,230 | 3,746 |

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

6 GOVERNMENT GRANT REVENUES (cont.)

2016 2015
\$'000 \$'000

Conditions on grants

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

| | | |
|---------------------------------------|---------|---------|
| Grants commission | (2,835) | - |
| Town planning studies | (67) | - |
| Family and children | (10) | (182) |
| Community services | (219) | (63) |
| Home and community care | (70) | - |
| Youth services | - | (6) |
| Rural disability access grant | (128) | (83) |
| Outdoor recreation | (121) | (69) |
| Halls, historic buildings & monuments | (9) | (3,001) |
| Arts and arts gallery | (49) | (23) |
| Economic growth | - | (80) |
| Environmental | (39) | (101) |
| Waste management | (10) | (10) |
| Road & streets infrastructure | (130) | (55) |
| Roads to recovery | (20) | - |
| Country roads and bridges | - | (1,000) |
| Pedestrian bridge | (34) | - |
| | (3,741) | (4,673) |

Summary:

Unspent grants received on condition that they be spent in a specific manner

| | | |
|---|---------|---------|
| Balance at start of year | 3,746 | 4,673 |
| Received during the financial year and remained unspent at balance date | 1,230 | 3,746 |
| Received in prior year and spent during the financial year | (3,741) | (4,673) |
| Balance at year end | 1,235 | 3,746 |

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

7 CONTRIBUTIONS

(a) Monetary

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Road Assets | 104 | 1,212 |
| Recreational, leisure and community facilities | 918 | 266 |
| Recreational, leisure and community services | 691 | 111 |
| | 1,713 | 1,589 |

(b) Non-Monetary

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

| | | |
|----------------------------------|-------|-------|
| Assets contributed by developers | | |
| Land public open space | 276 | 30 |
| Land under roads | 54 | 131 |
| Road Assets | 592 | 1,615 |
| Assets contributed by others | | |
| Buildings | 180 | - |
| Artworks | 29 | 52 |
| | 1,131 | 1,828 |
| Total Contributions | 2,844 | 3,417 |

8 REIMBURSEMENTS

| | | |
|---------------------------------|-----|-----|
| Road maintenance/works | 3 | 4 |
| Main roads maintenance Vicroads | 482 | 544 |
| Total Reimbursements | 485 | 548 |

9 OTHER INCOME

| | | |
|------------------------------|-------|-------|
| Interest | 448 | 610 |
| Interest on Rates | 37 | 40 |
| External works | 390 | 477 |
| Pre-school income | 4 | 5 |
| Other health receipts | 1 | - |
| Other welfare receipts | 11 | 3 |
| Youth resource centre income | 60 | 60 |
| Community workshop income | 3 | 4 |
| Art gallery | 52 | 21 |
| Information office | 35 | 41 |
| Quarry restoration Income | 29 | 17 |
| Theatre rent | 6 | 7 |
| Mibus centre rent | 9 | 9 |
| Industrial estate rent | 22 | 25 |
| Commercial properties rent | 180 | 185 |
| Caravan park rent | 59 | 12 |
| Other | 202 | 160 |
| Total other income | 1,548 | 1,676 |



**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

**10 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY,
INFRASTRUCTURE, PLANT AND EQUIPMENT**

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Sale of developed land | | |
| Proceeds from sales of developed land | 345 | - |
| Less: Cost of developed land sold | (314) | - |
| Profit/(loss) on sale of developed land | 31 | - |
| Plant and Equipment | | |
| Proceeds from sale of assets | 284 | 334 |
| Written down value of assets sold | (419) | (406) |
| (Loss) on sale of plant and equipment | (135) | (72) |
| Furniture and Equipment | | |
| Proceeds from sale of assets | 7 | 1 |
| Written down value of assets sold | - | (20) |
| Profit/(loss) on sale of furniture and equipment | 7 | (19) |
| Sale of land and buildings | | |
| Proceeds from sale of assets | 99 | - |
| Written down value of assets sold | (54) | - |
| Profit/(loss) on sale of land and buildings | 45 | - |
| Summary | | |
| Total proceeds from sale of assets | 735 | 335 |
| Written down value of assets sold | (787) | (426) |
| Profit/(loss) on sale of assets | (52) | (91) |
| Disposal of council buildings | | |
| Written down value of assets written off | (134) | (34) |
| Disposal of road infrastructure assets | | |
| Written down value of assets written off | (962) | (774) |
| Disposal of other structures | | |
| Written down value of assets disposed | (36) | (5) |
| Total Written down value of assets disposed | (1,132) | (813) |

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

11 EMPLOYEE COSTS

| | 2016 \$'000 | 2015 \$'000 |
|---|----------------|----------------|
| Wages and salaries | 15,482 | 14,481 |
| Workcover | 182 | 152 |
| Superannuation | 1,311 | 1,257 |
| Less: Amounts capitalised in non-current assets constructed by the Council | (709) | (916) |
| Total employee costs | 16,266 | 14,974 |

Note 11(b) Superannuation

Council made contributions to the following funds

Defined benefit fund

| | | |
|---|-----|-----|
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 164 | 185 |
|---|-----|-----|

| | | |
|--|---|---|
| Employer contributions payable to reporting date | - | - |
|--|---|---|

Accumulation funds

| | | |
|---|-------|-------|
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) and other funds | 1,147 | 1,072 |
| Employer contributions - other funds | | |

| | | |
|--|-------|-------|
| | 1,147 | 1,072 |
| Employer contributions payable to reporting date | 92 | 80 |

Refer to note 36 for further information relating to Council's superannuation obligations.

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

12 MATERIALS & SERVICES

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Contract payments | | |
| Valuation services | 63 | 66 |
| Provision of meals for meals on wheels | 178 | 195 |
| Management youth centre | 134 | 135 |
| Management aquatic centre | 102 | 107 |
| Waste management contracts | 806 | 771 |
| Contract cleaning | 322 | 351 |
| Building service contractors | 263 | 171 |
| Strategies | 102 | 90 |
| Sporting group projects | 1,363 | - |
| Community facilities projects | 380 | - |
| Contracts less than \$100,000 | 1,328 | 679 |
| Materials and services | | |
| Sporting group projects | 198 | 320 |
| Library | 474 | 462 |
| Road maintenance contracts | 375 | 397 |
| Performing events expenses | 393 | 129 |
| Town hall set up expenses | 103 | - |
| General materials | 496 | 489 |
| Road maintenance materials | 497 | 640 |
| Waste management expenses | 1,664 | 1,551 |
| Other Materials & services less than \$100,000 | 3,095 | 3,294 |
| Other | | |
| Insurances | 375 | 427 |
| Plant operating costs | 914 | 1,085 |
| Computer expenditure | 360 | 353 |
| Power, light & heating | 610 | 602 |
| Advertising | 214 | 136 |
| Telephone | 188 | 196 |
| External salaries | 439 | 502 |
| External plant hire | 101 | 102 |
| Fringe benefit tax | 126 | 103 |
| Legal costs | 198 | 156 |
| Donations | 379 | 364 |
| Wimmera Development Association membership | 194 | 191 |
| Water rates | 217 | 216 |
| Community engagement projects | 83 | 135 |
| Sustainability projects | 116 | 67 |
| Flood and fire emergency response works and projects | - | 254 |
| Total materials and services | 16,850 | 14,736 |

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**
13 BAD AND DOUBTFUL DEBTS

| | 2016 \$'000 | 2015 \$'000 |
|------------------------------|----------------|----------------|
| Other debtors | 16 | 14 |
| Parking fine debtors | 20 | 42 |
| Animal fine debtors | 37 | 20 |
| Total bad and doubtful debts | 73 | 76 |

14 DEPRECIATION AND AMORTISATION

| | | |
|-------------------------------------|--------|--------|
| Furniture and fittings | 107 | 123 |
| Plant and equipment | 885 | 850 |
| Roads | 5,997 | 5,983 |
| Kerb and channel | 434 | 428 |
| Drainage | 31 | 29 |
| Footpaths and cycleways | 493 | 478 |
| Bridges | 199 | 193 |
| Other land improvements | 42 | 42 |
| Buildings | 895 | 750 |
| Other structures | 2,288 | 1,235 |
| Total depreciation and amortisation | 11,371 | 10,111 |

Refer to note 24 for a more detailed breakdown of depreciation and amortisation charges

15 OTHER EXPENSES

| | | |
|--|-----|-----|
| Auditors' remuneration - VAGO audit of financial statements, performance statement and grant acquittals | 47 | 41 |
| Fees for other services provided by other auditors | 35 | 21 |
| Councillor & mayoral allowances | 187 | 184 |
| Operating lease rentals | 73 | 74 |
| Total other expenses | 342 | 320 |

16 BORROWING COSTS

| | | |
|-----------------------|-----|-----|
| Interest - borrowings | 206 | 212 |
|-----------------------|-----|-----|

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

17 INVESTMENTS IN ASSOCIATES

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| <hr/> | | |
| Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting. Refer note 1(e). | | |
| Council's interest in equity | 30.98% | 30.27% |
| Equity in Wimmera Regional Library Corporation - at valuation | 968 | 945 |
| | <hr/> | <hr/> |
| | 968 | 945 |
| | <hr/> | <hr/> |
| Council's share of accumulated surplus | | |
| Council's share of accumulated surplus at start of year | 422 | 421 |
| Change in equity share apportionment | 10 | (6) |
| Reported surplus for year | 1 | 42 |
| Transfers to/(from) reserves | 4 | (35) |
| | <hr/> | <hr/> |
| Council's share of accumulated surplus at end of year | 437 | 422 |
| | <hr/> | <hr/> |
| Council's share of reserves | | |
| Council's share of reserves at start of year | 523 | 492 |
| Change in equity share apportionment | 12 | (4) |
| Transfers to/(from) reserves | (4) | 35 |
| | <hr/> | <hr/> |
| Council's share of reserves at end of year | 531 | 523 |
| | <hr/> | <hr/> |
| Movement in carrying value of specific investment | | |
| Carrying value of investment at start of year | 945 | 913 |
| Change in equity share apportionment | 22 | (10) |
| Share of surplus for year | 1 | 42 |
| | <hr/> | <hr/> |
| Carrying value of investment at end of year | 968 | 945 |
| | <hr/> | <hr/> |
| Council's share of expenditure commitments | Nil | Nil |
| Council's share of contingent liabilities and contingent assets | Nil | Nil |

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

17 INVESTMENTS IN ASSOCIATES (cont.)

| | 2016 \$'000 | 2015 \$'000 |
|---|----------------|----------------|
| <hr/> | | |
| Council's investment in the Wimmera Development Association is based on the equity method of accounting. Refer note 1(e). | | |
| Council's interest in equity | 48.14% | 48.14% |
| Equity in Wimmera Development Association - at valuation | 220 | 216 |
| | <hr/> | <hr/> |
| | 220 | 216 |
| | <hr/> | <hr/> |
| Council's share of accumulated surplus | | |
| Council's share of accumulated surplus at start of year | 152 | 121 |
| Reported surplus for year | 4 | 34 |
| Transfers to/(from) reserves | (6) | (3) |
| | <hr/> | <hr/> |
| Council's share of accumulated surplus at end of year | 150 | 152 |
| | <hr/> | <hr/> |
| Council's share of reserves | | |
| Council's share of reserves at start of year | 64 | 61 |
| Transfers to/(from) reserves | 6 | 3 |
| | <hr/> | <hr/> |
| Council's share of reserves at end of year | 70 | 64 |
| | <hr/> | <hr/> |
| Movement in carrying value of specific investment | | |
| Carrying value of investment at start of year | 216 | 182 |
| Share of surplus for year | 4 | 34 |
| | <hr/> | <hr/> |
| Carrying value of investment at end of year | 220 | 216 |
| | <hr/> | <hr/> |
| Council's share of expenditure commitments | Nil | |
| Council's share of contingent liabilities and contingent assets | Nil | |

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

18 CASH AND CASH EQUIVALENTS

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Cash on hand | 5 | 3 |
| Cash at bank | 408 | 2,980 |
| Overnight cash at 11am call | 853 | 3,152 |
| Short term deposits | 13,071 | 10,351 |
| | 14,337 | 16,486 |
| Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include: | | |
| - Trust funds and deposits (Note 27) | 609 | 718 |
| - Unexpended grants (Note 6) | 1,230 | 3,746 |
| - Reserve funds allocated to specific future purposes | 262 | 263 |
| Restricted Funds | 2,101 | 4,727 |
| Total unrestricted cash and cash equivalents | 12,236 | 11,759 |

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council

| | | |
|---|-------|-------|
| - Cash held to fund carried forward capital works | 4,198 | 6,314 |
| Total funds subject to intended allocations | 4,460 | 6,577 |

Refer also to note 20 for details of other financial assets held by council.

19 TRADE AND OTHER RECEIVABLES

| | | |
|--|-------|-------|
| Current | | |
| Rates debtors | 290 | 337 |
| Sundry debtors | 959 | 1,108 |
| Less doubtful debt provision - Sundry debtors | (20) | (14) |
| Parking infringement debtors | 112 | 93 |
| Less doubtful debt provision - Parking infringements | (44) | (36) |
| Other infringement debtors | 133 | 117 |
| Loans & advances to community organisations | 57 | 32 |
| Net GST receivable | 287 | 359 |
| | 1,774 | 1,996 |
| Non-current | | |
| Sundry debtors | - | 8 |
| Loans & advances to community organisations | 141 | 125 |
| Deferred rates receivable | 57 | 41 |
| | 198 | 174 |
| Total Trade & Other Receivables | 1,972 | 2,170 |

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

19 TRADE AND OTHER RECEIVABLES (Cont.)

(a) Aging of receivables

At balance date debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade & Other Receivables was:

| | 2016 \$'000 | 2015 \$'000 |
|-----------------------------------|----------------|----------------|
| Current (not yet overdue) | 788 | 989 |
| Past due by up to 30 days | 57 | 110 |
| Past due between 31 and 180 days | 129 | 26 |
| Past due between 181 and 365 days | 42 | 15 |
| Total trade and other receivables | 1,016 | 1,140 |
| Non Current (not yet overdue) | 141 | 133 |

(b) Movement in Provision for Doubtful Debts

| | | |
|---|-----|------|
| Balance at the beginning of the year | 51 | 50 |
| New Provisions recognised during the year | 22 | 23 |
| Amounts already provided for and written off as uncollectable | (1) | (22) |
| Amounts provided for but recovered during the year | (8) | - |
| Balance at end of year | 64 | 51 |

(c) Aging of individually impaired trade and other receivables

At balance date, other debtors representing financial assets with a nominal value of \$64k, (2015 \$51k) were impaired. The amount of the provision raised against these debtors was \$15k, (2015 \$50k). The individually impaired debtors relate to general and sundry debtors, parking and animal infringement debtors and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

| | 2016 \$'000 | 2015 \$'000 |
|-----------------------------------|----------------|----------------|
| Past due between 31 and 180 days | 1 | 1 |
| Past due between 181 and 365 days | 2 | 13 |
| Past due by more than 1 year | 61 | 36 |
| Total trade and other receivables | 64 | 50 |

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

20 OTHER FINANCIAL ASSETS

| | 2016 \$'000 | 2015 \$'000 |
|---------------|----------------|----------------|
| Term deposits | 8,600 | 7,050 |

21 OTHER ASSETS

| | | |
|--------------------|-----|-----|
| Prepayments | 376 | 228 |
| Accrued income | 128 | 453 |
| Total other assets | 504 | 681 |

22 INVENTORIES

| | | |
|-----------------------------------|-----|-----|
| Inventories held for distribution | 506 | 691 |
| Inventories held for sale | 25 | 11 |
| Total inventories | 531 | 702 |

23 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

| | | |
|---|---|-----|
| Industrial land held for sale - at cost | - | 314 |
|---|---|-----|

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016

24 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

| | At Fair Value 30 June 2016 | Accumulated Depreciation | WDV 30 June 2016 | At Fair Value 30 June 2015 | Accumulated Depreciation | WDV 30 June 2015 |
|---------------------|-------------------------------|-----------------------------|---------------------|-------------------------------|-----------------------------|---------------------|
| Land | 37,661 | (359) | 37,302 | 39,951 | (317) | 39,634 |
| Buildings | 88,679 | (30,846) | 57,833 | 66,901 | (29,910) | 36,991 |
| Plant and Equipment | 19,583 | (6,519) | 13,064 | 19,028 | (6,221) | 12,807 |
| Infrastructure | 504,437 | (167,000) | 337,437 | 499,560 | (159,480) | 340,080 |
| Work in progress | 1,283 | - | 1,283 | 14,780 | - | 14,780 |
| | 651,643 | (204,724) | 446,919 | 640,220 | (195,928) | 444,292 |

Summary of Works in Progress

| | Opening WIP | Additions | Transfers | Closing WIP |
|---------------------|-------------|-----------|-----------|-------------|
| Buildings | 13,413 | 266 | (13,396) | 283 |
| Plant and Equipment | 13 | - | (13) | - |
| Infrastructure | 1,354 | 746 | (1,100) | 1,000 |
| | 14,780 | 1,012 | (14,509) | 1,283 |

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016

24 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (Cont.)

| 2016 Land and buildings | Land - specialised \$'000 | Land - non specialised \$'000 | Land improvements \$'000 | Total Land \$'000 | Buildings -non specialised \$'000 | Total Buildings \$'000 | Works in Progress \$'000 | Total Property \$'000 |
|--|---------------------------------|-------------------------------------|--------------------------------|-------------------------|---|------------------------------|--------------------------------|-----------------------------|
| At fair value 1 July 2015 | 513 | 38,446 | 992 | 39,951 | 66,901 | 66,901 | 13,413 | 120,265 |
| Accumulated depreciation at 1 July 2015 | - | - | (317) | (317) | (29,910) | (29,910) | - | (30,227) |
| | 513 | 38,446 | 675 | 39,634 | 36,991 | 36,991 | 13,413 | 90,038 |
| Movements in fair value | | | | | | | | |
| Acquisition of assets at fair value | - | 1,086 | - | 1,086 | 5,123 | 5,123 | 266 | 6,475 |
| Contributions by developers and others | 54 | 276 | - | 330 | 180 | 180 | - | 510 |
| Found assets | - | 1,871 | - | 1,871 | - | - | - | 1,871 |
| Revaluation increments/decrements | - | (5,523) | - | (5,523) | 3,040 | 3,040 | - | (2,483) |
| Fair value of assets disposed | - | - | - | - | (134) | (134) | - | (134) |
| Assets transferred to held for sale | - | (54) | - | (54) | - | - | - | (54) |
| Transfers | - | - | - | - | 13,569 | 13,569 | (13,396) | 173 |
| | 54 | (2,344) | - | (2,290) | 21,778 | 21,778 | (13,130) | 6,358 |
| Movements in accumulated depreciation | | | | | | | | |
| Depreciation and amortisation | - | - | (42) | (42) | (895) | (895) | - | (937) |
| Transfers to/from other asset classes | - | - | - | - | (41) | (41) | - | (41) |
| | - | - | (42) | (42) | (936) | (936) | - | (978) |
| At fair value 30 June 2016 | 567 | 36,102 | 992 | 37,661 | 88,679 | 88,679 | 283 | 126,623 |
| Accumulated depreciation at 30 June 2016 | - | - | (359) | (359) | (30,846) | (30,846) | - | (31,205) |
| | 567 | 36,102 | 633 | 37,302 | 57,833 | 57,833 | 283 | 95,418 |

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016

24 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (Cont.)

| 2016 Plant and equipment | Plant machinery & Equipment \$'000 | Office furniture & Equipment \$'000 | Art Collection \$'000 | Public Art \$'000 | Total Plant & Equipment \$'000 | Works in Progress \$'000 | Total Plant & Equipment \$'000 |
|--|---------------------------------------|--|--------------------------|----------------------|-----------------------------------|-----------------------------|-----------------------------------|
| At fair value 1 July 2015 | 13,624 | 1,651 | 3,571 | 182 | 19,028 | 13 | 19,041 |
| Accumulated depreciation at 1 July 2015 | (4,934) | (1,287) | - | - | (6,221) | - | (6,221) |
| | 8,690 | 364 | 3,571 | 182 | 12,807 | 13 | 12,820 |
| Movements in fair value | | | | | | | |
| Acquisition of assets at fair value | 1,507 | 173 | 40 | 38 | 1,758 | - | 1,758 |
| Contributions by developers and others | - | - | 29 | - | 29 | - | 29 |
| Fair value of assets disposed | (918) | (154) | - | - | (1,072) | - | (1,072) |
| Transfers | (173) | | | 13 | (160) | (13) | (173) |
| | 416 | 19 | 69 | 51 | 555 | (13) | 542 |
| Movements in accumulated depreciation | | | | | | | |
| Depreciation and amortisation | (885) | (107) | - | - | (992) | - | (992) |
| Accumulated depreciation of disposals | 499 | 154 | - | - | 653 | - | 653 |
| Transfers | 41 | - | - | - | 41 | - | 41 |
| | (345) | 47 | - | - | (298) | - | (298) |
| At fair value 30 June 2016 | 14,040 | 1,670 | 3,640 | 233 | 19,583 | - | 19,583 |
| Accumulated depreciation at 30 June 2016 | (5,279) | (1,240) | - | - | (6,519) | - | (6,519) |
| | 8,761 | 430 | 3,640 | 233 | 13,064 | - | 13,064 |

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016

24 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (Cont.)

| 2016 Infrastructure | Roads | Bridges | Footpaths & cycleways | Drainage | Recreational, leisure and community | Waste management | Parks open spaces and streetscapes | Aerodromes | Off street car parks | Other Infrastructure | Works in Progress | Total Infrastructure |
|--|-----------|---------|--------------------------|----------|---|---------------------|--|------------|-------------------------|-------------------------|----------------------|-------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At fair value 1 July 2015 | 404,647 | 18,337 | 23,582 | 1,979 | 10,519 | 5,575 | 3,348 | 3,289 | 4,115 | 24,169 | 1,354 | 500,914 |
| Accumulated depreciation at 1 July 2015 | (125,657) | (8,081) | (11,320) | (432) | (2,933) | (1,553) | (1,302) | (1,066) | (1,908) | (5,228) | - | (159,480) |
| | 278,990 | 10,256 | 12,262 | 1,547 | 7,586 | 4,022 | 2,046 | 2,223 | 2,207 | 18,941 | 1,354 | 341,434 |
| Movements in fair value | | | | | | | | | | | | |
| Acquisition of assets at fair value | 4,961 | 390 | 367 | - | 35 | 109 | 97 | - | 19 | 129 | 746 | 6,853 |
| Contributions by developers and others | 481 | - | 111 | - | - | - | - | - | - | - | - | 592 |
| Fair value of assets disposed | (2,294) | (423) | (31) | - | - | - | (75) | - | - | (99) | - | (2,922) |
| Transfers | 387 | 698 | - | - | - | - | 11 | - | - | 4 | (1,100) | - |
| | 3,535 | 665 | 447 | - | 35 | 109 | 33 | - | 19 | 34 | (354) | 4,523 |
| Movements in accumulated depreciation | | | | | | | | | | | | |
| Depreciation and amortisation | (6,462) | (199) | (493) | (31) | (258) | (1,196) | (139) | (101) | (76) | (487) | - | (9,442) |
| Accumulated depreciation of disposals | 1,506 | 260 | 18 | - | - | - | 46 | - | - | 92 | - | 1,922 |
| | (4,956) | 61 | (475) | (31) | (258) | (1,196) | (93) | (101) | (76) | (395) | - | (7,520) |
| At fair value 30 June 2016 | 408,182 | 19,002 | 24,029 | 1,979 | 10,554 | 5,684 | 3,381 | 3,289 | 4,134 | 24,203 | 1,000 | 505,437 |
| Accumulated depreciation at 30 June 2016 | (130,613) | (8,020) | (11,795) | (463) | (3,191) | (2,749) | (1,395) | (1,167) | (1,984) | (5,623) | - | (167,000) |
| | 277,569 | 10,982 | 12,234 | 1,516 | 7,363 | 2,935 | 1,986 | 2,122 | 2,150 | 18,580 | 1,000 | 338,437 |

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

24 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (Cont.)

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, Ben Sawyer, Certified Practicing Valuer of Preston Rowe Paterson. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2016 are as follows:

| | Level 1 \$ '000 | Level 2 \$ '000 | Level 3 \$ '000 |
|-----------------------------|--------------------|--------------------|--------------------|
| Land | - | - | 36,102 |
| Specialised Land | - | - | 567 |
| Land Improvements | - | - | 633 |
| Buildings - non specialised | - | - | 57,833 |
| | ----- | ----- | ----- |
| Total | - | - | 95,135 |
| | ===== | ===== | ===== |

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Mr Peter Moloney, Dip CE. CE. EWS. MIEAust, Moloney Asset Management Services.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2016 are as follows:

| | Level 1 \$ '000 | Level 2 \$ '000 | Level 3 \$ '000 |
|--|--------------------|--------------------|--------------------|
| Roads | - | - | 277,569 |
| Bridges | - | - | 10,982 |
| Footpaths and cycleways | - | - | 12,234 |
| Drainage | - | - | 1,516 |
| Recreation, leisure and community facilities | - | - | 7,363 |
| Waste management | - | - | 2,935 |
| Parks, open space and streetscapes | - | - | 1,986 |
| Aerodromes | - | - | 2,122 |
| Off street car parks | - | - | 2,150 |
| Other infrastructure | - | - | 18,580 |
| | ----- | ----- | ----- |
| Total | - | - | 337,437 |
| | ===== | ===== | ===== |

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

24 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (Cont.)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$815 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$200 to \$300 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 143 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure are determined on the basis of the current condition of the asset and vary from 3 years to 110 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

| | 2016 \$'000 | 2015 \$'000 |
|------------------------------------|----------------|----------------|
| Reconciliation of specialised land | | |
| Land under roads | 567 | 513 |
| Total specialised land | 567 | 513 |

25 INVESTMENT PROPERTY

| | | |
|--|-------|-------|
| Balance at beginning of financial year | 2,300 | 2,490 |
| Transfer land value to land assets | - | (56) |
| Transfer building value to building assets | - | (134) |
| Fair value adjustments | 100 | - |
| Balance at end of financial year | 2,400 | 2,300 |

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Ben Sawyer, Certified Practising Valuer of Preston Rowe Paterson who has recent experience in the location and category of property being valued. The valuation is at fair value, based on the current market value for the property.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

26 TRADE AND OTHER PAYABLES

| | 2016 \$'000 | 2015 \$'000 |
|--------------------------------|----------------|----------------|
| Trade payables | 4,290 | 4,384 |
| Accrued expenditure | 8 | 6 |
| PAYG payable | - | 107 |
| Total trade and other payables | 4,298 | 4,497 |

27 TRUST FUNDS AND DEPOSITS

| | | |
|--------------------------------|-----|-----|
| Refundable building deposits | 67 | 64 |
| Refundable contract deposits | 53 | 106 |
| Refundable security deposits | 318 | 422 |
| Refundable retention amounts | 49 | 19 |
| Other refundable deposits | 122 | 107 |
| Total trust funds and deposits | 609 | 718 |

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

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

28 PROVISIONS

| | Employee \$'000 | Quarry Restoration \$'000 | Landfill Restoration \$'000 | Total \$'000 |
|---|--------------------|---------------------------------|-----------------------------------|-----------------|
| 2016 | | | | |
| Balance at the beginning of the financial year | 4,500 | 190 | 2,690 | 7,380 |
| Additional provisions | 2,273 | 2 | 95 | 2,370 |
| Amounts used | (1,592) | (9) | (1,034) | (2,635) |
| Increase in the discounted amount arising because of time and the effect of any change in the discount rate | 38 | 8 | 14 | 60 |
| Balance at the end of the financial year | 5,219 | 191 | 1,765 | 7,175 |
| 2015 | | | | |
| Balance at the beginning of the financial year | 4,279 | 182 | 2,615 | 7,076 |
| Additional provisions | 1,694 | 4 | 62 | 1,760 |
| Amounts used | (1,513) | - | - | (1,513) |
| Increase in the discounted amount arising because of time and the effect of any change in the discount rate | 40 | 4 | 13 | 57 |
| Balance at the end of the financial year | 4,500 | 190 | 2,690 | 7,380 |

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

28 PROVISIONS (cont.)

| | 2016 \$'000 | 2015 \$'000 |
|---|----------------|----------------|
| (a) Employee provisions | | |
| Current provisions expected to be settled wholly within 12 months | | |
| Annual leave | 1,290 | 1,121 |
| Long service leave | 218 | 140 |
| Sick leave gratuity | 40 | - |
| | 1,548 | 1,261 |
| Current provisions expected to be wholly settled after 12 months | | |
| Annual leave | 198 | 295 |
| Long service leave | 2,567 | 2,438 |
| Sick leave gratuity | 299 | - |
| | 3,064 | 2,733 |
| Total Current Employee Provisions | 4,612 | 3,994 |
| Non-current | | |
| Long service leave | 607 | 506 |
| Aggregate carrying amount of employee provisions | | |
| Current | 4,612 | 3,994 |
| Non-current | 607 | 506 |
| Total aggregate carrying amount of employee provisions | 5,219 | 4,500 |
| (b) Restoration Provisions | | |
| Quarry restoration provision | | |
| Current | 25 | 42 |
| Non-current | 166 | 148 |
| | 191 | 190 |

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

28 PROVISIONS (cont.)

| | 2016 \$'000 | 2015 \$'000 |
|---|----------------|----------------|
| (c) Landfill restoration provision | | |
| Current | 510 | 1,318 |
| Non-current | 1,255 | 1,372 |
| | 1,765 | 2,690 |

29 INTEREST BEARING LOANS AND BORROWINGS

| | | |
|----------------------|-----|-------|
| Current | | |
| Finance leases | - | 8 |
| Borrowings - secured | 438 | 1,297 |
| | 438 | 1,305 |

| | | |
|----------------------|-------|-------|
| Non-current | | |
| Borrowings - secured | 6,322 | 2,455 |
| | 6,322 | 2,455 |

The maturity profile for Council's borrowings is:

| | | |
|---|-------|-------|
| Not later than one year | 438 | 1,297 |
| Later than one year and not later than five years | 1,890 | 1,851 |
| Later than five years | 4,432 | 604 |
| | 6,760 | 3,752 |

The maturity profile for Council's finance lease liabilities is:

| | | |
|-------------------------|---|---|
| Not later than one year | - | 8 |
| | - | 8 |

Borrowings are secured by way of mortgage over the general rates of Council.

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

30 ASSET REPLACEMENT RESERVES

| 2016 | Balance at beginning of reporting period \$'000 | Transfer to \$'000 | Transfer from \$'000 | Balance at end of reporting period \$'000 |
|------------------------------|--|-----------------------|-------------------------|--|
| Car park development | 1,640 | 563 | 436 | 1,767 |
| Office equipment replacement | 392 | 125 | 154 | 363 |
| Plant replacement | 2,725 | 1,824 | 1,253 | 3,296 |
| Recreation contribution | 263 | 4 | 5 | 262 |
| Waste management replacement | 1,973 | 1,128 | 1,499 | 1,602 |
| Contingency & redundancy | 83 | 60 | - | 143 |
| Firebrace St properties | 472 | 54 | - | 526 |
| Major capital projects | 79 | 38 | - | 117 |
| Aquatic centre replacement | 514 | 71 | 23 | 562 |
| Aerodrome reseal | 93 | 79 | - | 172 |
| Industrial estate | 4,060 | 601 | 1,060 | 3,601 |
| Library asset replacement | 56 | 7 | 12 | 51 |
| Livestock exchange | 285 | 8 | 11 | 282 |
| Loan funds | 162 | 180 | - | 342 |
| Quarry & road rehabilitation | 70 | 10 | - | 80 |
| Road construction | 32 | - | - | 32 |
| Town Hall redevelopment | 163 | - | 149 | 14 |
| Headworks drainage | 357 | 73 | 22 | 408 |
| Unfunded superannuation | 300 | 100 | - | 400 |
| Wimmera Business Centre | 113 | 26 | - | 139 |
| Wimmera Freight Terminal | 186 | 73 | - | 259 |
| Infrastructure gap | - | 539 | - | 539 |
| | 14,018 | 5,563 | 4,624 | 14,957 |
| 2015 | | | | |
| Car park development | 1,509 | 484 | 353 | 1,640 |
| Office equipment replacement | 254 | 210 | 72 | 392 |
| Plant replacement | 2,292 | 1,674 | 1,241 | 2,725 |
| Recreation contribution | 231 | 43 | 11 | 263 |
| Waste management replacement | 1,563 | 904 | 494 | 1,973 |
| Contingency & redundancy | 100 | 60 | 77 | 83 |
| Firebrace St properties | 423 | 54 | 5 | 472 |
| Major capital projects | 34 | 81 | 36 | 79 |
| Aquatic centre replacement | 415 | 108 | 9 | 514 |
| Aerodrome reseal | 111 | 57 | 75 | 93 |
| Industrial estate | 4,060 | - | - | 4,060 |
| Library asset replacement | 62 | 6 | 12 | 56 |
| Livestock exchange | 210 | 120 | 45 | 285 |
| Loan funds | 162 | - | - | 162 |
| Quarry & road rehabilitation | 61 | 9 | - | 70 |
| Road construction | 32 | - | - | 32 |
| Town Hall redevelopment | 2,494 | 985 | 3,316 | 163 |
| Headworks drainage | 184 | 173 | - | 357 |
| Unfunded superannuation | 200 | 100 | - | 300 |
| Wimmera Business Centre | 65 | 48 | - | 113 |
| Wimmera Freight Terminal | 90 | 96 | - | 186 |
| | 14,552 | 5,212 | 5,746 | 14,018 |

The above transfers represent an appropriation of funds for the future replacement and expansion of assets.

The loan fund reserve is held to meet the future increased loan repayments required for planned capital renewal and expansion projects.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

31 ASSET REVALUATION RESERVES

| 2016 | Balance at beginning of reporting period \$'000 | Impairments \$'000 | Revaluation increment/ (decrement) \$'000 | Balance at end of reporting period \$'000 |
|---------------------------|--|-----------------------|--|--|
| Property | | | | |
| Land | 28,483 | - | (5,523) | 22,960 |
| Other land improvements | 2,975 | - | - | 2,975 |
| Buildings | 16,663 | - | 3,040 | 19,703 |
| Total property | 48,121 | - | (2,483) | 45,638 |
| Plant and equipment | | | | |
| Works of art | 1,330 | - | - | 1,330 |
| Total plant and equipment | 1,330 | - | - | 1,330 |
| Infrastructure | | | | |
| Roads | 123,561 | - | - | 123,561 |
| Kerb and channel | 9,383 | - | - | 9,383 |
| Drainage | 15,884 | - | - | 15,884 |
| Footpaths and cycleways | 8,330 | - | - | 8,330 |
| Bridges | 2,823 | - | - | 2,823 |
| Other infrastructures | 7,595 | - | - | 7,595 |
| Total Infrastructure | 167,576 | - | - | 167,576 |
| Other | | | | |
| Land held for sale | 1,075 | - | - | 1,075 |
| | 218,102 | - | (2,483) | 215,619 |
| 2015 | | | | |
| Property | | | | |
| Land | 28,483 | - | - | 28,483 |
| Other land improvements | 2,975 | - | - | 2,975 |
| Buildings | 16,663 | - | - | 16,663 |
| Total property | 48,121 | - | - | 48,121 |
| Plant and equipment | | | | |
| Works of art | 763 | - | 567 | 1,330 |
| Total plant and equipment | 763 | - | 567 | 1,330 |
| Infrastructure | | | | |
| Roads | 104,635 | 300 | 18,626 | 123,561 |
| Kerb and channel | 9,383 | - | - | 9,383 |
| Drainage | 15,884 | - | - | 15,884 |
| Footpaths and cycleways | 8,330 | - | - | 8,330 |
| Bridges | 2,823 | - | - | 2,823 |
| Other infrastructures | 7,595 | - | - | 7,595 |
| Total Infrastructure | 148,650 | 300 | 18,626 | 167,576 |
| Other | | | | |
| Land held for sale | 1,075 | - | - | 1,075 |
| | 198,609 | 300 | 19,193 | 218,102 |

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

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

32 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Surplus for the year | 1,291 | 8,528 |
| Depreciation and amortisation | 11,371 | 10,111 |
| Loss on disposal of property, infrastructure, plant and equipment | 1,184 | 904 |
| Contributions - Non-monetary assets | (1,131) | (1,828) |
| Found assets - Land | (1,871) | - |
| Share of (profits) of associates | (27) | (66) |
| Fair value (increment) adjustments for Investment property | (100) | - |
| Financing Costs | 206 | 212 |
| Change in assets and liabilities: | | |
| Increase in employee provision | 720 | 221 |
| Increase in quarry provision | 1 | 8 |
| Increase/(Decrease) in landfill provision | (925) | 75 |
| (Increase)/Decrease in prepayments | (148) | 13 |
| Increase/(Decrease) in trade and other payables | (310) | 648 |
| Increase/(Decrease) in accrued expenditure | 2 | (1) |
| (Increase)/Decrease in inventories | 171 | (84) |
| Decrease in trade and other receivable | 198 | 928 |
| Decrease in accrued income | 325 | 711 |
| Net cash provided by operating activities | 10,957 | 20,380 |

33 FINANCING ARRANGEMENTS

Financing

Unrestricted access was available at the reporting date to the following line of credit.

| | | |
|------------------------|-------|-------|
| Bank overdraft | 1,000 | 1,000 |
| Credit card facilities | 266 | 241 |
| Total facilities | 1,266 | 1,241 |
| Used facilities | - | 20 |
| Unused facilities | 1,266 | 1,221 |

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

34 COMMITMENTS

The Council has entered into the following commitments

| 2016 | Not Later Than 1 Year \$'000 | Later Than 1 Year and Not Later Than 2 years \$'000 | Later Than 2 Years and Not Later Than 5 years \$'000 | TOTAL \$'000 |
|----------------------------------|--|---|--|---------------------|
| Operating | | | | |
| Waste Collection Recycling | 219 | - | - | 219 |
| Various Studies | 161 | - | - | 161 |
| Building Surveyor Services | 349 | 357 | - | 706 |
| Strategic Planning Services | 78 | - | - | 78 |
| Waste Rehabilitation | 77 | - | - | 77 |
| GIS Shared Services | 53 | - | - | 53 |
| Council Election | 127 | - | - | 127 |
| Capital | | | | |
| Roadworks | 100 | - | - | 100 |
| Horsham North Childrens Hub | 107 | - | - | 107 |
| Pedestrian Bridge | 385 | - | - | 385 |
| Livestock Exchange Loading Ramps | 34 | - | - | 34 |
| Other Buildings Refurbishment | 104 | - | - | 104 |
| Plant | 149 | - | - | 149 |
| Total | 1,943 | 357 | - | 2,300 |

| 2015 | Not Later Than 1 Year \$'000 | Later Than 1 Year and Not Later Than 2 years \$'000 | Later Than 2 Years and Not Later Than 5 years \$'000 | TOTAL \$'000 |
|-------------------------------|--|---|--|---------------------|
| Operating | | | | |
| Waste Collection Recycling | 258 | - | - | 258 |
| Various Studies | 157 | - | - | 157 |
| Telephone Lease | 26 | - | - | 26 |
| Building Surveyor Services | 349 | - | - | 349 |
| Recreation Facilities | 90 | - | - | 90 |
| Waste Rehabilitation | 984 | - | - | 984 |
| Valuation Services | 41 | - | - | 41 |
| | | | | 0 |
| Capital | | | | 0 |
| Roadworks | 260 | - | - | 260 |
| Town Hall Refurbishment | 4,858 | - | - | 4,858 |
| Pedestrian Bridge | 707 | - | - | 707 |
| Other Buildings Refurbishment | 235 | - | - | 235 |
| Plant | 779 | - | - | 779 |
| Total | 8,744 | - | - | 8,744 |

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**
35 OPERATING LEASE COMMITMENTS
(a) Operating lease commitments

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

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Not later than one year | 12 | 73 |
| Later than one year and not later than 5 years | - | 12 |
| | 12 | 85 |

(b) Operating lease receivables

At the reporting date, Horsham Rural City Council had entered into commercial property leases on its investment property, consisting of surplus freehold shop complexes. These properties held under operating leases have remaining cancellable lease terms of between 1 and 5 years. All leases include a CPI based revision of the rental charge annually.

Council has also entered into a long term lease of the Horsham Caravan Park. The 21 year lease includes an annual CPI increase on the rental charge.

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

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Not later than one year | 440 | 165 |
| Later than one year and not later than 5 years | 1,439 | 367 |
| Later than 5 years | 1,204 | 1,433 |
| | 3,083 | 1,965 |

36 SUPERANNUATION

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

Accumulation

The Fund's accumulation category, Vision My Super/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings, for the year ended 30 June 2016, this was 9.5% required under Superannuation Guarantee Legislation.

Defined Benefit

Horsham Rural City Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result the level of participation of the Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30th JUNE, 2016

36 SUPERANNUATION (Cont.)

Funding Arrangements

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's actuary.

As at 30 June 2015, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 105.8%.

To determine the VBI, the fund Actuary used the following long-term assumptions:

| | |
|-----------------------|------------|
| Net Investment Return | 7.00% p.a. |
| Salary Inflation | 4.25% p.a. |
| Price Inflation (BPI) | 2.50% p.a. |

Vision Super has advised that the estimated VBI at quarter ended 30 June 2016 was 102.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2015 interim actuarial investigation conducted by the Fund's actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). This rate will increase in line with any increase to the contribution rate.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding Calls

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

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

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

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

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

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

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

36 SUPERANNUATION (Cont.)**2015 Interim actuarial investigation surplus amounts**

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2015.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Horsham Rural City Council was notified of the 30 June 2015 VBI during August 2015.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ended 30 June 2017 is \$147,000.

37 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At balance date, the Council's exposure as a result of bank guarantees is:

| | \$'000 |
|--|--------|
| | ----- |
| Department of Natural Resources - Arnotts Quarry | 32 |
| Minister for Agriculture and Resources | 12 |
| Minister for Energy and Resources | 5 |
| Environment Protection Authority | 625 |

Finance Assurance for Dooen Landfill

Council has a responsibility under the Environment and Protection Act 1970, for remedial action and site aftercare at the Dooen Landfill. Council progressively rehabilitates the John's site each year.

Defined benefit superannuation scheme obligations

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme. Matters relating to this potential obligation are outlined in Note 36. As a result of the volatility in financial markets the likelihood of making such contributions in the future period exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

38 FINANCIAL INSTRUMENTS**(a) Objectives and policies**

The Council's principal financial instruments comprise cash assets, term deposits, receivables, (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement of the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements.

Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

38 FINANCIAL INSTRUMENTS (cont.)

(b) Market risk

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

Interest rate risk

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

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. Council manage interest rate risk by ensuring:

- conformity with State and Federal regulations and standards,
- appropriate liquidity,
- diversification of financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

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

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

(c) Credit risk

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

- Council only invest surplus funds with financial institutions that conform with State and Federal regulations and standards.

Trade and other receivables consist of a large number of customers, spread across the ratepayer, consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal, as we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

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

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

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016****38 FINANCIAL INSTRUMENTS (cont.)****(d) Liquidity risk**

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

To help reduce these risks Council:

- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

Council's maximum exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

Details of the maturity profile for borrowings are disclosed at note 29.

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

(e) Fair value

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of +1% and -2% in market interest rates (AUD) from year end rates of 4.4%.

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016**

39 RELATED PARTY TRANSACTIONS

(i) Responsible persons

Name of persons holding the position of a Responsible Person at the Council at any time during the year are:

| | |
|------------------|------------------------------------|
| Cr M.A. Radford | Returned to office on 1/11/12. |
| Cr R.L. Barber | Duly elected to office on 1/11/12. |
| Cr P.N. Clarke | Duly elected to office on 1/11/12. |
| Cr S.J. Exell | Duly elected to office on 1/11/12. |
| Cr D.A. Grimble | Returned to office on 1/11/12. |
| Cr A.J. Phelan | Duly elected to office on 1/11/12. |
| Cr H.R. Phillips | Duly elected to office on 1/11/12. |

Chief Executive Officer

P.F. Brown

Commenced 1/11/10

(ii) Remuneration of Responsible Persons

The number of responsible officers, whose total remuneration from council falls within the following bands:

| | 2016 No. | 2015 No. |
|-----------------------|-------------|-------------|
| \$20,000 - \$29,999 | 4 | 3 |
| \$30,000 - \$39,999 | 2 | 2 |
| \$40,000 - \$49,999 | - | 2 |
| \$50,000 - \$59,999 | 1 | - |
| \$250,000 - \$259,999 | 1 | 1 |
| | 8 | 8 |
| | \$'000 | \$'000 |
| | 470 | 466 |

Total Remuneration for the reporting year for Responsible Persons included above, amounted to

(iii) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council, who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$139,000.

The number of senior officers other than the Responsible Persons, are shown below in their relevant income bands.

| | 2016 No. | 2015 No. |
|-----------------------|-------------|-------------|
| Income Range: | | |
| \$ 70,000 - \$ 79,999 | 1 | - |
| \$160,000 - \$169,999 | 1 | - |
| \$170,000 - \$179,999 | 2 | 3 |
| \$190,000 - \$199,999 | - | 1 |
| \$200,000 - \$209,999 | 1 | - |
| | 5 | 4 |
| | \$'000 | \$'000 |
| | 795 | 721 |

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

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2016****39 RELATED PARTY TRANSACTIONS (Cont.)****(iv) Responsible retirement benefits**

The aggregate amount paid during the reporting period by Council in connection with the Councillors responsible persons was nil (2014/15 nil).

(v) Loans to responsible persons

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a responsible person of the council, or a related party of a responsible person is nil.

(vi) Transactions with responsible persons

During the period Council entered the following transactions with responsible persons or related parties of responsible persons'.

Cr Robin Barber is a joint owner of the firm Robin L. Barber Design Drafting Pty Ltd. Council entered into the provision of design services on normal commercial terms and conditions. The total value of design services provided by Robin L. Barber Design during the 2015/2016 financial year was \$1,692. (2014/2015, \$7,582).

Cr Pam Clarke is a part of the family owned firm, Kimpton Builders Pty Ltd. Council entered into the provision of building services on normal commercial terms and conditions. The total value of building services provided by Kimpton Builders Pty Ltd during the 2015/2016 financial year was nil. (2014/2015, nil).

Cr Sue Exell is a joint owner of the firm Exell Plumbing Pty Ltd. Council entered into the provision of plumbing services on normal commercial terms and conditions. The total value of building services provided by Exell Plumbing Pty Ltd during the 2015/2016 financial year was nil. (2014/2015, nil).

Cr Mark Radford is a joint owner of the firm Mark Radford Electrician. Council entered into the provision of electrical services on normal commercial terms and conditions. The total value of electrical services provided by Mark Radford Electrician during the 2015/2016 financial year was \$221. (2014/2015, nil).

The Council has entered into the above transactions with Responsible Persons and Responsible Person related parties within normal customer or employee relationships on terms and conditions no more favourable than those available in similar arm's length dealings.

40 EVENTS OCCURRING AFTER BALANCE DATE

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



Council Offices

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Horsham 3400

P: (03) 5382 9777

F: (03) 5382 1111

E: council@hrcc.vic.gov.au

W: www.hrcc.vic.gov.au

Monday to Friday – 8.30am to 5pm

Postal Address:

PO Box 511, Horsham 3402

DEPOT:

Selkirk Drive, Horsham 3400

P: (03) 5382 9600

F: (03) 5382 5358

Monday to Friday – 7.30am to 4.30pm

NATIMUK:

Natimuk Community Centre,
62 Main Street, Natimuk 3402

P: (03) 5387 1304

Thursdays only – 9am to 12pm

