



Annual Report

2018-2019





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Copies of this report are available from the Municipal Offices, Civic Centre, 18 Roberts Ave, Horsham or the internet at www.hrcc.vic.gov.au.

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Cover image: Children from YMCA’s Summer Holiday Program explore Minna Gilligan’s artwork *Star Spangled Rodeo* as part of *On a Tangent* exhibition at the Horsham Regional Art Gallery. Image Charee Smith

Art is... a footprint – Spring into Winter project, recycled flowers by Nichola Clarke and community workshops. Image Michelle MacFarlane

Further Art is... a footprint - Spring into Winter images can be found throughout this document.



Welcome to Country

“The Horsham Rural City Council acknowledges the five Traditional Owner groups of this land; the Wotjobaluk, Wergaia, Jupagalk, Jaadwa and Jadawadjali people. We recognise the important and ongoing place that all Indigenous people hold in our community.

We pay our respects to the Elders, both past and present, and commit to working together in the spirit of mutual understanding and respect for the benefit of the broader community and future generations.”



Demographic Profile

Horsham Rural City is a vibrant, multi-cultural community situated approximately 300 kilometres north-west of Melbourne in Victoria's Wimmera region. The municipality covers an area of 4,267 square kilometres and includes the major centres of Horsham and Natimuk, and the localities of:

Arapiles	Douglas	Kalkee	Mitre	Riverside	Wartook
Blackheath	Drung	Kanagulk	Mockinya	St Helen's Plains	Wonwondah
Brimpaen	Duchembegarra	Kewell	Murra Warra	Telangatuk East	
Bungalally	Grass Flat	Longerenong	Noradjuha	Tooan	
Clear Lake	Haven	Laharum	Nurrabel	Toolondo	
Dadswells Bridge	Jilpanger	Lower Norton	Pimpinio	Vectis	
Dooen	Jung	McKenzie Creek	Quantong	Wail	

The municipality has an estimated population of 19,880 people, a number expected to reach 20,600 by 2036¹.

The age profile of the region compared to other parts of Victoria shows there are a high number of children below 19 years living in the municipality, emphasising the importance of early childhood services and services for school aged children. Conversely, there are fewer young adults in the municipality (compared to the State average), a consequence of school leavers moving to Melbourne or larger regional centres for employment and tertiary education. The municipality also has a higher percentage of people aged over 50, highlighting the need for services that cater for an ageing population.

Horsham is home to people from over 30 countries. Between 2011-2016, the municipality welcomed the highest percentage of residents from the Philippines, India, England and Sri Lanka.

At the 2016 census, 1,186 people living in Horsham were born overseas with 13 percent arriving in the last five years. 3.8 percent of Horsham's residents speak a language other than English at home².

The total number of residents who identified as Aboriginal or Torres Strait Islander in the 2016 Census was 1.5 percent.

At 2016, 60.9 percent of the population were of working age with the main industries of employment being hospitals, social assistance services, dryland and broadacre agriculture, primary education and local government.

Vision

A vibrant, inclusive community to live, work, play and invest

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 economy, liveability, and natural environment

Values

Innovative, Passionate, Caring, Open, Flexible, Friendly, Progressive, Fair, Reliable, Honest, Inclusive

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2018-2019 is the primary means of advising the Horsham Rural City Council community about Council's operations and performance during the financial year.

¹ https://www.planning.vic.gov.au/__data/assets/pdf_file/0032/332996/Victoria_in_Future_2019.pdf

² https://www.multicultural.vic.gov.au/images/2016_Census/LGProfiles/Full-Report-Population-Diversity-in-LGAs-2016-Census-Web-version-30May18.PDF

19,880

Population

2,974 kilometres

Road Length

216.78 (FTE)

Number of Council Employees

7

Number of Councillors

12,454

Rateable Properties

\$23,495,000

Rates and Charges Revenue

\$59,156,000

Total Revenue (including grants)

\$287

Municipal Charge

\$224/\$365

Garbage Charge

Agriculture, Retail, Health Care and Social Assistance

Major Employment Sector in Municipality

Municipality

Horsham Rural City is a vibrant, multi-cultural community situated in the heart of the Wimmera region of Victoria approximately 300 kilometres north-west of Melbourne. The municipality has a population of 19,880, covering an area of 4,267 square kilometres, with approximately three quarters of residents living within 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.

There are a range of quality educational and health care facilities including secondary colleges, a university and an agricultural college. The Grains Innovation Park, a nationally acclaimed agricultural research centre, is also based in Horsham.

The municipality has 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 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 2019-2023 Council Plan, associated Strategic Resource Plan and the 2018-2019 Budget, set the strategic direction for Council and management and include the indicators that Council use to deliver key outcomes.



Mayor's Message

I am happy to present the Horsham Rural City Council 2018–2019 Annual Report, for your consideration.

This is an important document. It provides an excellent overview of the work undertaken by your Council on behalf of our community over the past 12 months.

Your seven Councillors, elected by the community, are in the third year of a four-year term. We each bring a broad range of skills, background and experience to assist us to make informed decisions and to act in the best interests of our community.

Councillors serve on a variety of special committees and provide an important link to these groups. We have also been out and about with Listening Posts and feedback sessions for the Budget, Rating Strategy and more recently, the City to River Planning work.

With our "Community Conversations", we have had the opportunity to visit Clear Lake, Telangatuk, Toolondo, Pimpinio, Dadswells Bridge and Wartook. Along with the urban and rural tours, they are a great way for Councillors and staff to inspect our facilities and infrastructure and learn about some of the issues and challenges our local communities are experiencing, first hand.

We were saddened by the passing of former Councillor and Mayor, Heather Phillips in May. Heather was a dedicated Councillor from 2012 to 2016, serving as Mayor in 2015–2016. She was a passionate advocate for the community, especially around issues with an environmental impact or anything to do with animal welfare. Heather's fingerprints are around the municipality and, despite the two of us often being on the opposite sides of the debate, "H" had my utmost respect and she is sadly missed by us all (page 15).

Recently, we launched the Horsham Rural City Council Innovate Reconciliation Action Plan. This important document was facilitated through our Aboriginal Advisory Committee and affirms our commitment to be a community where Aboriginal people are valued and respected and put words into "action" (page 30).

The Horsham Youth Strategy is another important document adopted by Council this year. The 10-year strategy considers the type of services young people require, both now and into the future (page 32).

As an important part of the Youth Strategy actions, we have welcomed Horsham's very first Youth Council. The new Youth Council comprises young people aged between 12 and 25. These young people will play a leadership role in our community by helping to guide decisions for precincts and infrastructure in our municipality, now and into the future.

The new pump track for our young people, at Horsham's Apex Adventure Island opened in April. The pump track for bicycles and scooters is proving to be a very popular addition to Adventure Island, with over 200 people navigating the circuit each week. Thank you to the Horsham Apex Club, Wimmera Catchment Management Authority, Wimmera River Improvement Committee, Barengi Gadjin Land Council, Nexus and GWMWater for making this project possible (page 33).

Our showgrounds precinct is becoming a popular venue all year round for a variety of community activities. The Horsham Agricultural Society have worked hard over recent years to transform the showgrounds into a popular entertainment venue. A good example was the success of the inaugural New Year's Eve celebrations funded by Council. Approximately 2,000 people enjoyed a light show, live entertainment, children's activities and fine food at the free family-friendly event. The showgrounds were also the venue for the Horsham Agricultural Show, Irish Festival, German Fest, Leisure Roadshow and a range of other events throughout the year.

The Horsham Country Music Festival is another outstanding local event. Now firmly on the "circuit" which has retired folks and their motorhomes/caravans following similar festivals around Australia, the Horsham Country Music Festival has been running since 2005. With the support of Council, the Horsham Sports and Community Club and Regional Arts

Victoria, we are working to keep the festival going well into the future (page 37).

We have welcomed many new residents from all corners of the world to join us here in the Wimmera. Our Citizenship Ceremonies are happy occasions for our newest Australians. It is encouraging to see that multicultural flavor filtering through our community events (page 32).

I would also like to mention the new businesses that are coming to Horsham and "having a go" in the commercial world. These are challenging times and I urge our community to, where possible, support our local businesses.

Thank you to the many volunteers who take on the leadership positions in our community groups. This is vital work that provides opportunities on the sporting field or court, on the stage, behind a fire hose, or the myriad of service and recreation clubs in our Horsham Rural City Council. Well done!

Our Chief Executive Officer, Mr Sunil Bhalla, has come to Horsham to share his experience gleaned from previous appointments, and to work hard for our community. To Sunil and his team of Directors, we thank you for what you are doing for our community, particularly in the area of advocacy with both State and Federal Governments.

Finally, I would like to thank my fellow Councillors for their support this year. Your commitment and dedication is appreciated.

As a community, we will continue to work together to ensure that Horsham Rural City is a vibrant, inclusive community to live, work, play and invest!

"It's all happening in Horsham"



Cr Mark Radford
Mayor

Chief Executive Officer's Message

Welcome to our 2018-2019 Annual Report.

It has been a year of consolidation for Horsham Rural City Council as we continue to focus on enhanced service and project delivery, solid long-term planning, business efficiencies and continuous improvement across all areas of the organisation.

I am pleased to report that we have once again finished the year in a sound financial position. Robust financial management, monitoring and due diligence processes have contributed to this excellent result.

The staff restructure was finalised in early October, resulting in a realignment of services, clearly defined lines of communication and accountability, and the creation of five new positions. Principles underpinning the restructure were fairness and equity, better succession planning and fostering of personal and career development opportunities for staff. As an organisation, we are now less reliant on external resources and more adaptable to focus on peaks in workloads and areas where specialist skills are required. Staff have settled into their new roles and the revised structure is working effectively.

Following a series of staff workshops, we have adopted an Organisational Vision, Values and Behaviours Statement. This important document is on display at all sites and outlines the vision and values that underpin our behavior as an organisation (page 47).

Over recent years, there has been a strong focus on shared services in the Local Government sector. Horsham Rural City Council is a participant and lead Council in a group of neighbouring Councils that have received \$5 million under the State Government's Rural Councils Transformation Program to enable the sharing of corporate services across the six Councils. We look forward to progressing this important project in the year ahead (page 47).

A comprehensive review of Council's rating strategy was undertaken this year. The review included establishment of an independent Rates Advisory Committee comprising of nine community members and led by an independent chair. The aim of the review was to achieve a fair and equitable distribution of the rate contribution across all sectors of the community and a number of changes have been made to the strategy to reflect this (page 45).

This year has seen some enhancements to our procurement processes with the adoption of a Procurement Procedure and establishment of a new Procurement Request for Quotation System. These improvements enable us to provide comprehensive reporting and evidence of probity and fairness in all of our procurement activities. It is also expected to deliver better value for money from our procurement activities.

Planning for Horsham's future is a key priority for Council and we were delighted to launch the Transforming Horsham initiative this year. Transforming Horsham includes four strategic projects – City to River, Horsham Urban Transport Plan, Open Space Strategy and Horsham South Structure Plan. These projects each have the common goal of growing the city's economy and liveability. The first stage is to undertake an extensive community consultation process to gather feedback on a collection of ideas and thoughts to help reshape Horsham into the future (pages 38-39).

Advocating on behalf of the Horsham and wider Wimmera community is an important role for Council. I would like to acknowledge the State and Federal Governments for supporting many of our projects and initiatives. Progress against each of our advocacy priorities is provided on pages 42-45 of this report.

I express my appreciation to the Mayor and Councillors for their commitment over the past year. Thank you also to our dedicated staff and volunteers who have worked hard throughout the year to achieve great outcomes for our community.



Sunil Bhalla

Chief Executive Officer

Operations

Horsham Rural City Council is responsible for more than 70 services to the community ranging from emergency management, arts and culture, and the Livestock Exchange to community and human services 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's vision, four-year outcomes and four-year priorities to further improve services and facilities are described in our Council Plan 2019-2023, associated budget 2018-2019 and reported upon in this document. Refer to the section on Performance (pages 49-63) for more information about Council services.

The delivery of services, facilities, support and advocacy to achieve the four year outcomes is measured by a set of service performance indicators and measures. Council also has a wide range of responsibilities under Victorian and Australian legislations.

Economic Factors

- Grants Commission – Indexation resumed in 2017-2018 after a freeze having been applied for the years from 2014–2015 to 2016–2017.
- Rate Capping – continued for the fourth year.

- Seasonal Conditions – 2018 was another low rainfall year with some severe frosts that affected farm production. This had a significant impact on the general economy of the region and put financial pressures not only on farming enterprises but also on businesses.



Major Capital Works

This year, Horsham Rural City Council spent \$9,218,469 on capital works throughout the municipality. The table below provides details of some of the capital works projects that Council funded during 2018-2019.

Road Infrastructure Construction	Amount (\$)
Horsham	709,261
Rural	2,701,265
Rural Bridges	171,383
Roads to Recovery Program	1,432,098
Other	
Town Hall Performing Arts Project	19,232
Aquatic Centre and Outdoor Pool refurbishment	285,651
Racecourse Reserve Improvements	266,597
Community Building Refurbishments	94,718
Halls Refurbishments	239,838
Civic Centre Chamber Refurbishment	154,429
Sporting Facilities Refurbishments	149,959
Horsham North Community and Children's Hub	29,476
Works in Progress	970,101
Other Works (including Plant Purchases)	1,994,462
Total	9,218,469

Major Changes

Following the appointment of a new Chief Executive Officer (CEO) in April 2018, an extensive review of staffing was undertaken by the CEO and Directors resulting in a major organisational realignment. This was completed by October 2018.



Major Achievements

- Resolved the future ownership and management of the Wesley Performing Arts Centre
- Completed a review of the Council Meeting Procedure (page 46)
- Undertook a review of the Rating Strategy (page 45)
- Developed the Age Friendly Communities Action Plan (page 35)
- Established a riverside café trial
- Undertook a Governance and Compliance Audit
- Finalised the Youth Strategy (page 32)
- Developed an Open Space Strategy
- Completed the Innovate Reconciliation Action Plan (page 30)
- Completed the Performing Arts Services Demand Study
- Developed a Sports Facilities Demand Study
- Undertook the Horsham Town Hall Audience Development Plan
- Commenced a review of the Early Years Plan
- Awarded tender for the development of a Social Infrastructure Plan
- Commenced a review of Home Support Services in the context of Age Care Reform
- Worked with Wimmera Councils, Edenhope and District Hospital and Wimmera Primary Care Partnership implementing a drought support program – Funding gained enabled three dedicated rural outreach workers to come on board and work across the region
- Agreement with Sustainable Melbourne Fund to facilitate access to the Environmental Upgrade Agreement scheme
- Hosted a Digital Innovation Festival Event, promoting digital innovation in Horsham and connecting the region nationally and globally
- Assisted with two youth focused events showcasing employment opportunities in game development and creative industries
- Implemented Shared Municipal Building Surveyor Service across Horsham Rural City Council, Hindmarsh and West Wimmera Shire Councils

Council Profile

Council consists of the Mayor and six Councillors. The Horsham Rural City Councillors are the elected representatives of all residents and ratepayers across the municipality. The current Council were elected on 22 October 2016 and will finish their

term in October 2020. Council's primary objectives are to set the strategic direction, develop policies, identify service standards and monitor performance for the organisation.

Councillors



Cr Mark Radford
Mayor

First elected: 29 November 2008
Re-elected: 27 October 2012, 22 October 2016
mark.radford@hrcc.vic.gov.au
03 5382 9726, 0428 303 691

Cr Radford was first elected to Council in 2008 and has served as Mayor in 2014-2015 and 2018-2019. He is married to Anne and has three children. Mark is a self-employed electrical contractor, member of the Horsham Salvation Army, Horsham Arts Council and Secretary of the Vectis Rural Fire Brigade. He is committed to working for the community, with a passion for improving services for our young people.



Cr Pam Clarke

First elected: March 2003, November 2008
Re-elected: 27 October 2012, 22 October 2016
pam.clarke@hrcc.vic.gov.au
03 5381 0870, 0439 810 870

Cr Clarke has a strong background in disability and welfare services and was the Chief Executive Officer of a local disability service provider for 10 years. Pam has been Chairperson and committee member of many community and welfare organisations for 36 years and a local business owner for over 40 years.



Cr David Grimble

First elected: 29 November 2008
Re-elected: 27 October 2012, 22 October 2016
david.grimble@hrcc.vic.gov.au
03 5383 6286, 0417 528 636

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



Cr Alethea Gulvin

First elected: 22 October 2016
alethea.gulvin@hrcc.vic.gov.au
0411 170 713

Cr Gulvin is a teacher at Holy Trinity Lutheran College in Horsham and has represented Australia in sport on numerous occasions. Alethea has lived and studied locally throughout her entire education and joined Council because she wants to give back to her community.



Cr Josh Koenig

First elected: 22 October 2016
josh.koenig@hrcc.vic.gov.au
0413 449 644

Cr Koenig is a Horsham local, a family man and proud husband and father. He has worked in community services for over 10 years and is currently the Executive Officer of Uniting Wimmera. Josh is passionate about our community and wants to see it grow and develop, providing opportunities for all community members now and into the future.



Cr Les Power

First elected: 22 October 2016
les.power@hrcc.vic.gov.au
03 5382 4709, 0419 922 687

Cr Power has been a Horsham resident for over 40 years and a police officer for 15 years. Les is very supportive of the koori community and involved in many community groups including the Blue Ribbon Foundation, Horsham and District Football League, YMCA and Nexus.



Cr John Robinson
BM OAM

First elected: 22 October 2016
john.robinson@hrcc.vic.gov.au
0429 644 477

Cr Robinson has a local farming background combined with 40 years of leadership in community and emergency services organisations. He established the CFA District 17 Aviation Support Unit, and with his wife Sue, instigated the Helicopter Rescue Service based in Warrnambool, as well as the Koori Court of Victoria. John is a life member of Brophy Family and Youth Services and founder and Chairman of the Australian Bravery Foundation.

Councillor Committees

Committee	Councillor
Aboriginal Advisory Committee	Cr Mark Radford (Mayor) Cr Les Power (sub)
Aerodrome Users Group	Cr John Robinson
Audit Committee	Cr Mark Radford (Mayor) Cr David Grimble
Australia Day Committee	Cr Mark Radford (Mayor)
Bicycle Advisory Committee	Cr Alethea Gulvin
Chief Executive Officer Evaluation	Cr Mark Radford (Mayor) Cr Pam Clarke Cr David Grimble Cr Alethea Gulvin Cr Josh Koenig Cr Les Power Cr John Robinson
Community Halls Committee of Management	Cr Mark Radford (Mayor)
Domestic Animal Management Advisory Group	Cr Les Power Cr Mark Radford (Mayor) (sub)
Dudley Cornell Park Advisory Committee	Cr Josh Koenig
Grampians Central West Waste and Resource Recovery Group Forum	Cr Pam Clarke
Green Lake Advisory Committee	Cr John Robinson
GWMWater Regional Recreation Water Users Group	Cr John Robinson
Haven Recreation Reserve Advisory Committee	Cr Mark Radford (Mayor)
Horsham Aquatic Centre Advisory Committee	Cr Les Power
Horsham College/Community Oval	Cr Alethea Gulvin
Horsham Performing Arts Company	Cr Pam Clarke Cr Josh Koenig Cr Les Power
Horsham Police and Community Consultative Committee	Cr Mark Radford (Mayor)
Horsham Racecourse Reserve Advisory Committee	Cr John Robinson
Horsham Recreation Reserve Advisory Committee (City Oval)	Cr Alethea Gulvin
Horsham Regional Art Gallery Advisory Committee	Cr Pam Clarke
Horsham Regional Livestock Exchange Advisory Board	Cr David Grimble
Local Advisory Fire Prevention	Cr Les Power

Committee	Councillor
Municipal Association of Victoria	Cr Mark Radford (Mayor) Cr Josh Koenig (sub)
Municipal Emergency Management Committee	Cr John Robinson
Municipal Fire Management Planning Committee	Cr John Robinson
North Western Municipalities Association	Cr Mark Radford (Mayor) Cr Pam Clarke
Public Art Advisory Committee	Cr Pam Clarke
Rail Freight Alliance	Cr David Grimble
Regional Cities Victoria	Cr Mark Radford (Mayor)
Regional Mayors Roundtable	Cr Mark Radford (Mayor)
Sport and Recreation Advisory Committee	Cr Mark Radford (Mayor) Cr Alethea Gulvin (sub)
Seasonal Conditions Committee	Cr Mark Radford (Mayor)
Sunnyside Park Advisory Committee	Cr Alethea Gulvin
Tidy Towns Advisory Committee	Cr Les Power
Tourism Advisory Committee	Cr Mark Radford (Mayor)
Victorian Local Governance Association	Cr Mark Radford (Mayor) Cr Josh Koenig (sub)
Waste Strategy	Cr David Grimble
Western Highway Action Committee	Cr David Grimble
Western Rail Lobby Group	Cr Mark Radford (Mayor)
Wimmera Business Centre Advisory Board	Cr Josh Koenig
Wimmera Development Association	Cr Josh Koenig
Wimmera Drug and Alcohol Taskforce	Cr Pam Clarke
Wimmera Intermodal Freight Terminal Advisory Committee	Cr David Grimble
Wimmera Mallee Sustainability Alliance	Cr Mark Radford (Mayor)
Wimmera Regional Library Corporation	Cr Pam Clarke
Wimmera River Improvement Committee	Cr Mark Radford (Mayor)
Wimmera Southern Mallee LLEN	Cr Alethea Gulvin
Wimmera Southern Mallee Regional Transport Group	Cr David Grimble

Code of Conduct

The *Local Government Act 1989*, section 76C requires each Council to review and adopt a Councillor Code of Conduct within four months after a General Election. Horsham Rural City Council adopted the Councillor Code of Conduct on 6 February 2017.

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

- Acting with integrity
- Impartially exercise responsibilities in the interests of the local community
- Not improperly seek to confer an advantage, or disadvantage, on any person.

Specific principles include the obligation to:

- Avoid conflicts of interest
- Act honestly
- Treat all persons with respect
- Exercise reasonable care and diligence
- Endeavour to ensure that public resources are used prudently and in the public interest act lawfully
- Lead by example and act in a way that secures public confidence in the office of Councillor.

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 Council's website – www.hrcc.vic.gov.au

Councillor awards

Congratulations to three Councillors who were recognised with Victorian Councillor Service Awards by the Municipal Association of Victoria in October. Cr Mark Radford and Cr David Grimble were each awarded for 10 years of service. Cr Pam Clarke received an Emeritus Award, which recognises Councillors who have served three or more terms as Mayor.



Meetings of Council

Council conducts open public meetings on the fourth Monday of each month at the Civic Centre at 5:30pm. Members of the community are welcome to attend these meetings and observe from the gallery. For the 2018-2019 year, Council held:

- 13 Ordinary Council Meetings
- 2 Special Council Meetings

Below is a summary of Councillor attendance at Ordinary Council Meetings and Special Council Meetings for the 2018-2019 financial year.

Councillors 2018-2019	Ordinary Council Meeting	Special Council Meeting	Total
Cr Pam Clarke	13	2	15
Cr David Grimble	12	2	14
Cr Alethea Gulvin	13	2	15
Cr Josh Koenig	11	1	12
Cr Les Power	13	2	15
Cr Mark Radford	13	2	15
Cr John Robinson	13	2	15



Vale Heather Phillips

Horsham Rural City Council was saddened by the passing of Heather Phillips in May.

Heather was a Horsham Rural City Councillor from 2012 to 2016. She served one term as Mayor in 2014 and 2015.

Heather took her role as elected representative very seriously and was a committed, passionate and enthusiastic Councillor. She was a strong community advocate and not afraid to stand up for what she believed in, particularly when it came to environmental issues.

Heather was also a passionate wildlife carer and an active member of the Natimuk community, especially amongst the rock climbing community.

Heather made a significant contribution to Council and our community. She will be sadly missed.

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. A register is maintained to record all disclosed conflict of interests.

During 2018–2019, 20 conflicts of interest were declared at Council and Special Committee Meetings.

Councillor Allowances

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

The State Government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. In this instance, Horsham Rural City Council is recognised as a category two Council.

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

Councillors 2018-2019	Allowance \$
Cr Pam Clarke	38,823.99
Cr David Grimble	22,664.51
Cr Alethea Gulvin	22,664.51
Cr Josh Koenig	22,664.51
Cr Les Power	22,664.51
Cr Mark Radford	51,553.89
Cr John Robinson	22,664.51

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 their 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. Details of expenses for the 2018-2019 year are set out in the following table.

Councillors	Child Care	Communications	Conferences & Seminars	Development & Training	Entertainment
Cr Mark Radford (Mayor – Oct-Jun 2019)	-	1,221.09	1,932.87	-	154.88
Cr Pam Clarke (Mayor – Jul-Sep 2018)	-	173.74	1,303.44	4,202.73	154.88
Cr David Grimble	-	173.74	-	-	154.88
Cr Althea Gulvin	-	173.74	91.79	-	154.88
Cr Josh Koenig	-	173.74	48.15	-	154.88
Cr Les Power	-	173.74	1,322.69	-	154.88
Cr John Robinson	-	173.74	-	-	154.88
Total	-	2,263.50	4,698.95	4,202.73	1,084.18

Councillors	IT Equipment	Transportation	Travel & Accommodation	Memberships	Other Costs	Total (\$)
Cr Mark Radford (Mayor – Oct-Jun 2019)	-	9,662.87	1,590.45	-	358.84	14,921.00
Cr Pam Clarke (Mayor – July-Sep 2018)	1,749.00	4,229.18	3,653.52	-	103.12	15,639.61
Cr David Grimble	-	5,759.40	1,862.93	-	103.12	8,054.07
Cr Althea Gulvin	-	43.18	-	-	107.62	571.21
Cr Josh Koenig	-	43.18	-	-	170.45	590.40
Cr Les Power	-	43.18	1,090.62	-	170.45	2,955.56
Cr John Robinson	1,749.00	43.18	213.64	-	170.45	2,504.89
Total	3,498.00	19,894.18	8,411.16	-	1,184.04	45,236.74

Note: The figures included in this report may include expenses not incurred in the reporting period but processed in this reporting period.

- Indicates no expenses claimed this financial year

Child Care – includes child care expenses incurred for dependent care or child care.

Communications – includes the monthly fees and usage costs associated with Councillor mobile phone and computer equipment. They do not include any costs associated for personal use which are to be reimbursed by Councillors.

Conferences and Seminars – local, interstate or overseas includes any registration fees and costs associated with attendance.

Development and Training – includes registration fees associated with attendance by Councillors within Victoria at one-off or short-term training and/or workshops held by government agencies, professional bodies or institutions that support the local government sector.

Entertainment – expenses such as snacks, meals, beverages while performing duties as a Councillor (excluding where Council or Committee meetings are held at times which extend through normal meal times and where Council provides suitable meals and refreshments served on the premises).

Transportation – includes taxi fares, public transport costs, car parking fees, toll fees and reimbursements for authorised use of private vehicles for kilometres travelled whilst conducting Council business with and outside the municipality. This category also includes the actual annual vehicle repayments and reimbursements associated with vehicle registration, insurance, servicing, fuel and etag of the Mayoral vehicle.

Travel and Accommodation – includes all travel and accommodation costs associated with attendance at local, interstate or overseas conferences, seminars and/or training and workshops.

Memberships – includes professional memberships to recognised sector related bodies and other incidental expenditure incurred by Councillors in performing their Councillor role.

Other Costs – includes other incidental expenditure incurred by Councillors in performing their Councillor roles.

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



Staff Profile

Council is the governing body that appoints a Chief Executive Officer. The Chief Executive Officer 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 Officer form the Executive Management Team and lead the organisation.

Chief Executive Officer



Sunil Bhalla

B Eng (Civil), M Tech (Const), MBA, GAICD

- Management and performance of all Council operations including \$58 million budget
- Ensuring that the day-to-day management of Council's operations are in accordance with the *Local Government Act 1989* and align with the Council Plan
- Provision of advice and support to Council
- Direct responsibility for Council's four Directors

Senior Officers Reporting Directly to the Chief Executive Officer



Kevin O'Brien

Director Community Wellbeing

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

Arts, Culture and Recreation

- Miscellaneous Projects
- Performance and Events
- Recreation and Open Space Planning
- Visual Art

Community Services and Emergency

- Home Support
- Miscellaneous Projects
- Wimmera Emergency Management Project
- Youth and Early Years

Graeme Harrison

Director Corporate Services

B Econ, Dip GAICD, CPA

Finance

- General Accounting
- Revenue

Governance and Information

- Community Relations and Advocacy
- Customer Service
- Governance
- Information Technology

People and Culture

- Business Efficiency
- Human Resources Lead
- Risk/OHS

Angela Murphy

Director Development Services

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

Economic Development

- Commercial Enterprises
- Business Development and Tourism
- Strategic Planning

Regulatory Services

- Community Safety
- Environmental Health
- Statutory Planning and Building Services

John Martin

Director Infrastructure Services

BE (Agric)

Engineering Services

- Engineering Design
- Facilities Management
- Project Office

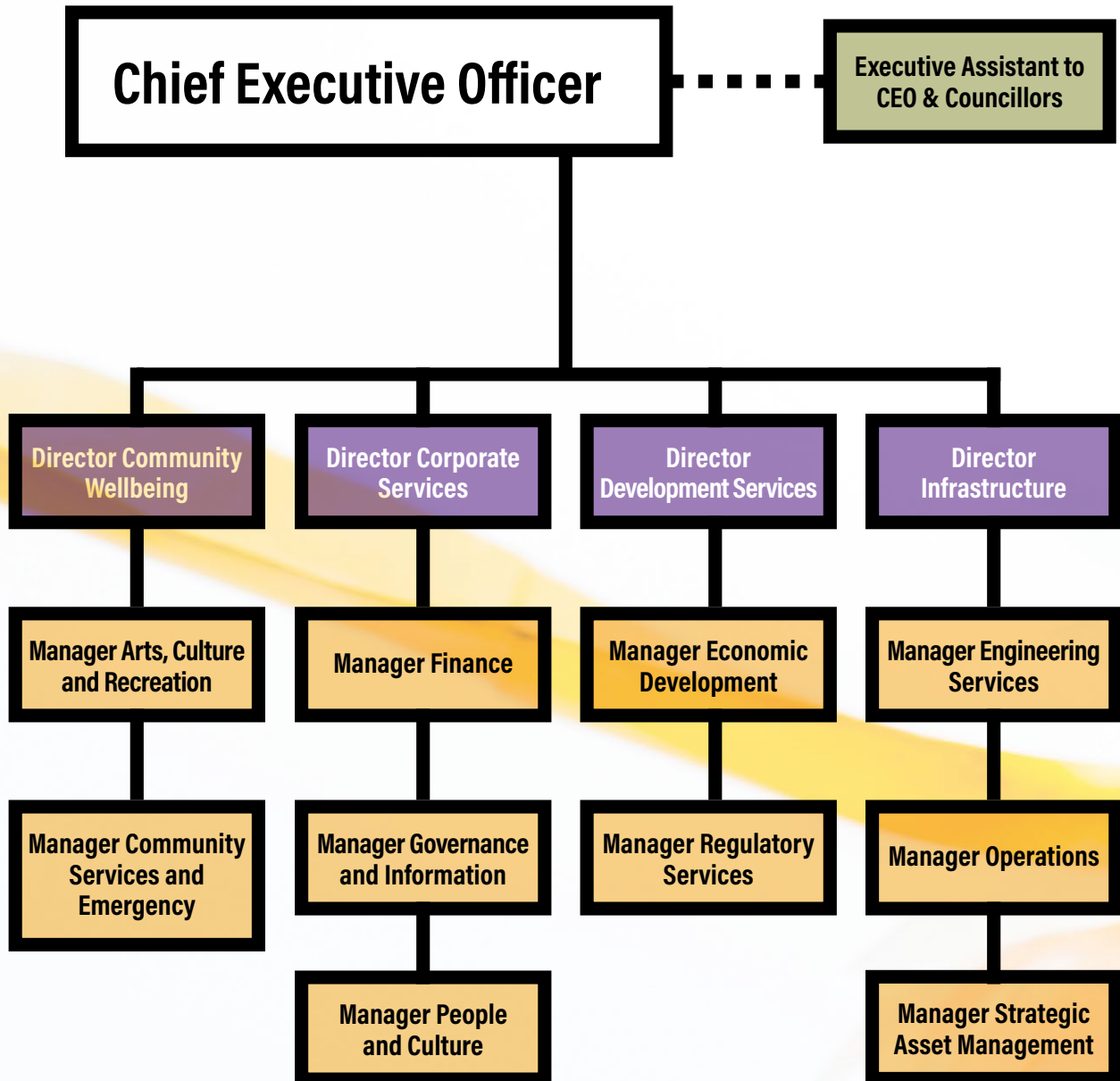
Operations

- Civil Works
- Parks and Gardens
- Waste Operations

Strategic Asset Management

- Assets
- Fleet
- Waste and Sustainability

Organisational Structure





Equal Employment Opportunity

Horsham Rural City Council commits itself in a variety of ways to the elimination of discrimination against and the promotion of equal opportunity for all people in relation to employment matters.

Council's equal opportunity program ensures 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.

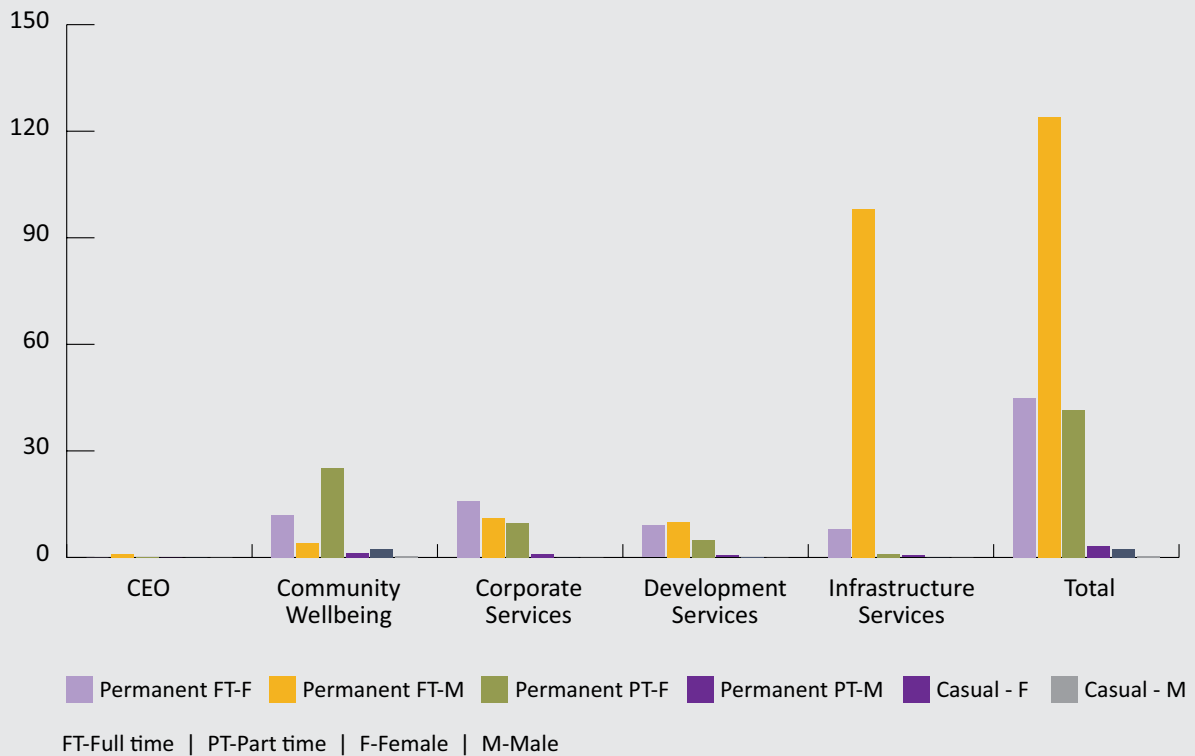
In May, a new role was established at Council for a People and Culture Manager, with one of the tasks under that role being to investigate options for contemporary approaches to equal opportunity training, education and awareness.

Overall, throughout the last year, it is generally agreed that there were no breaches of the *Equal Opportunity Act 2010*.

Number of Staff (FTE)

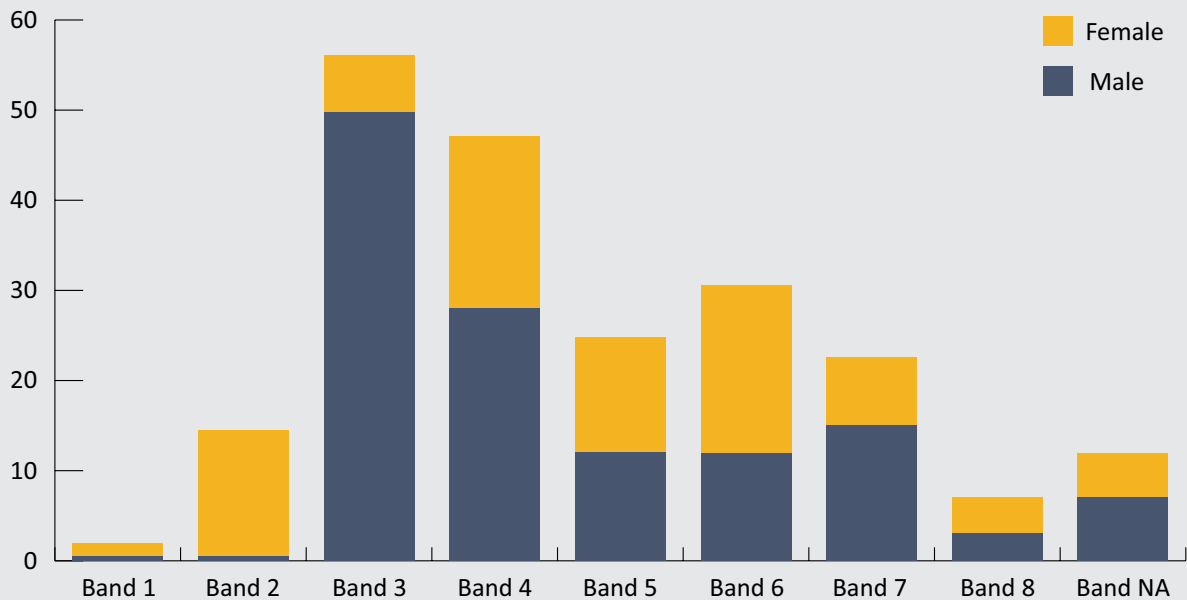
A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender is set out below.

Employee type/gender	CEO	Community Wellbeing	Corporate Services	Development Services	Infrastructure Services	Total FTE
Permanent FT - F		12.00	16.00	9.00	9.00	45.00
Permanent FT - M	1.00	4.00	11.00	10.00	98.00	124.00
Permanent PT - F	0.80	25.10	9.75	4.83	1.07	41.55
Permanent PT - M		1.34	0.90	0.55	0.55	3.34
Casual - F		2.37		0.01		2.38
Casual - M		0.52				0.52
Total	1.80	44.33	37.65	24.39	107.62	216.78



Number of Staff (FTE)

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	1.50	0.55	2.05
Band 2	13.94	0.67	14.61
Band 3	6.31	49.75	56.06
Band 4	19.10	28.00	47.10
Band 5	12.85	12.00	24.85
Band 6	18.74	11.90	30.64
Band 7	7.58	15.00	22.58
Band 8	4.00	3.00	7.00
Band not applicable	4.90	7.00	11.90
Total	88.92	127.86	216.78



Enterprise Bargaining Agreement

Enterprise Agreement Number Eight was officially endorsed by the Fair Work Commission on 12 January 2017 and in accordance with section 54 of the *Fair Work Act 2009*, has been in operation since 19 January 2017, with a nominal expiry date of 30 June 2019. The introduction of rate capping and falling rates of inflation influenced negotiations and an annual wage rise in the order of 2.1 percent was agreed upon for each year of the three year agreement. Enterprise Agreement Number Nine is currently under negotiation, and it is anticipated that it will be presented to Fair Work Australia for certification by the end of 2019.

Professional Development

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

During 2018-2019, 18 Council staff were undertaking the following:

- Master of Infrastructure Engineering and Management
- Master of Letters
- Master of Natural Resources and Management
- Bachelor of Civil Engineering
- Bachelor of Management and Human Resource Management
- Bachelor of Urban, Rural and Environmental Planning
- Advanced Diploma of Public Safety (Emergency Management)
- Diploma of Project Management
- Certified Practising Accountant
- Certificate IV in Leadership and Management (nine staff)

Two staff completed the Leadership Wimmera Program and a further three staff commenced the program during 2018-2019.

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 LGPRO e-learning, facilitated workshops, personal coaching and internal and external training providers. A focus for 2018-2019 was on developing a base level of skills for staff in Team Leader and Co-ordinator roles through study of a Certificate IV Leadership and Management.

Occupational 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 injury-free workplace for all our employees.

Achievements for 2018-2019:

- 122 incidents reported across all of Council
- 36 new staff completed OHS induction
- Ongoing work on policy/procedure for the MAV WorkCare Self-insurer Scheme

The Horsham Rural City Council OHS Framework for Improvement demonstrates Council's commitment to provide a safe work environment.

The framework is built on four cornerstones that work towards achieving zero harm:

- Establishing a systematic approach to managing OHS
- Building a positive OHS culture across the organisation
- Demonstrating active and visible OHS leadership
- Providing safe workplaces and equipment

MAV WorkCare Scheme

Council is a member of the Municipal Association of Victoria (MAV) WorkCare workers' compensation self-insurance scheme, which commenced on 1 November 2017.

The aim of the scheme is to help make local government workplaces safer through a more focused, tailored approach, and to ensure that injured workers receive the compensation and rehabilitation services to which they are entitled.

The WorkSafe licence granted to the MAV to run the scheme is dependent upon all member Councils obtaining and maintaining compliance with the National Audit Tool (NAT) by November 2020. The MAV is working closely with member Councils to support these objectives and has a comprehensive implementation plan comprising approximately 120 criteria, broken into eight groups of documentation, which the Occupational Health and Safety Officer is currently addressing. In the order of 40 policies and procedures are also involved, with some of these being new to Horsham Rural City Council (HRCC) and others being revisions of existing Council instruments. Group Four requirements are currently being addressed and so far Horsham Rural City Council is on track to ensure that its obligations for all eight groups are met by the due date.

Implementation of the self-insurance scheme offers a range of other significant benefits. Of particular note:

- It will remove the need for additional WorkCover contributions when a defined benefit superannuation liability call is made on Councils
- A forecast premium saving of a total of 15 percent over the first three years of scheme operation (based on the 2016-2017 premium payable by Council)
- A comprehensive resource library available to all members in addition to the support provided by MAV WorkCare to ensure full conformance with the National Assessment Tool (NAT).

Preventing Violence Against Women

Violence against women is a major issue for Horsham Rural City Council. The family violence incident rate in Horsham Rural City per 100,000 of population (October 2015 to September 2016) was more than double the Victorian average and Horsham has consistently had the highest rate of family violence incidences in the Grampians Region (2011 to 2016). Since 2012, Horsham has been in the top 10 worst performing areas across the State in relation to family violence.

Council is committed to supporting family violence prevention initiatives relating and incorporating behaviours that reinforce respect and equality for all members of the community. The 2019-2023 Council Plan lists four priorities, one advocacy action and two external factors that inform the plan in relation to violence and the 2017-2021 Municipal Public Health and Wellbeing Plan includes a section on preventing family violence. Council supports a range of initiatives to prevent violence including White Ribbon Day and International Women's Day events.

CoRE: Council is a member of the CoRE (Communities of Respect and Equality) Alliance and supports the framework developed to prevent violence against women and their children. CoRE is for those who believe that our communities can be better places to live if we take action together to promote change. The 2016-2020 CoRE Plan aims to prevent violence against women and their children in the Grampians Region. Further information about the CoRE Alliance can be found on the Horsham Rural City Council website at www.hrcc.vic.gov.au.

Act@Work: Council is committed to ensuring our workplaces set high standards for equality and respect for all staff, and that we have welcoming environments that are supportive of women. In 2017, the Act@Work program was introduced across the organisation and an action plan developed as part of a region-wide strategy. Act@Work is a comprehensive, organisation-wide cultural change program challenging sexism, discrimination and violence against women. It addresses workplace leadership, policies and procedures and promotes partnerships and links to the community to encourage workplaces to contribute to safer and more respectful communities.

Gender Equity in Community Engagement: Horsham Rural City Council has joined forces with the West Wimmera, Hindmarsh and Yarriambiack Shire Councils to deliver this 12-month project across the region. The project aims to increase participation of women in community engagement by ensuring all policies, procedures and practices support gender equity (page 31).

“Leadership statement ...

Horsham Rural City Council is committed to creating a safe, equal and respectful community that supports the prevention of (or is free from) violence against women and children.

Violence against women is preventable by ensuring respect and equality between women and men.

Horsham Rural City Council has a leadership role in the community and can influence cultural and social norms through our interaction with individuals, families, organisations and community to eliminate attitudes that support violence.

Council has an obligation to ensure a safe, equal and respectful workplace and to support employees.

Council is committed to addressing the drivers of gender inequality through the full range of our functions and responsibilities. Our work is underpinned by Council's membership of the CoRE Alliance; by our Act@Work Action Plan and by actions listed in the Council Plan; Health and Wellbeing Plan and other Council strategies.



Community Grants and Donations

Sport and Recreation	\$
AFL Wimmera Mallee – Training equipment for umpires	500
Horsham Croquet Club – Replace kitchen cupboards	7,700
Horsham Football Netball Club – Replace all flooring	8,000
Horsham Lawn Tennis Club – Tilt trailer for equipment transfer	1,600
Horsham Sharks Swimming Club – two new shade structures	10,000
Kalimna Park Croquet Club – Mouse proof storage cupboard	450
Laharum Sports Inc. – Commercial dishwasher	6,000
Natimuk Golf Club – Upgrade five tees with instant turf	2,000
Natimuk Uniting Football Club – Lighting upgrade	10,000
Noradjuha Quantong Football Netball Club – Fridge for healthy food options	680
Parkrun – Parkrun program in Horsham	5,000
Taylor's Lake Football Netball Club – Upgrade of switchboard	10,000
Specific Donation – Horsham Basketball Stadium (Lease)	15,500
Sunnyside Bowling Club – Synthetic greens	10,000
Community maintained Recreation Reserve maintenance allocation:	\$
Coughlin Park (HRCC allocation of outdoor staff resources)	11,800
Dooen	1,000
Dock Lake	11,800
Kalkee	5,900
Laharum	11,800
Natimuk Show Grounds	5,900
Noradjuha	500
Pimpinio	5,900
Quantong	11,800
Riverside (Equestrian Outdoor Surface)	500
Toolondo	500
Total Sport and Recreation	154,830
Halls Infrastructure	\$
CWA Hall Committee of Management- Defibrillator	1,400
Dooen Public Hall – Roof insulation	4,744
Hamilton Lamb Hall – Paving of nature strip	4,000
Insurance levy for Public Halls	14,287
Laharum Hall Committee – Lining of skillion roof	2,500
Taylor's Lake Hall – Split system air-conditioner	5,000
Total Halls	31,931
Kindergartens	\$
Green Park Casuarina Kindergarten – Blinds for Acacia verandah area	3,875
Natimuk Road Kindergarten – Replacement of rubber soft fall	10,000
Maintenance grants - \$830 each for Council's six kindergartens	4,980
Total Kindergartens	18,855
General Welfare and Community Services	\$
Christian Emergency Food Centre – Food hampers	2,230
Horsham College Chaplaincy Committee	5,460
Wimmera River Improvement Committee	8,000
Wimmera River Improvement Committee Police Paddock	2,350
Wimmera Toy Library – Replacement toys	1,000
Wimmera Toy Library – Storage bays for new HUB	3,500
Total Welfare and Community Services	22,540

Organisations	\$
3rd Horsham Brownie Guides – Repairs to roof	1,548
Arapiles Community Theatre – Workshops/Exhibitions	1,000
Centre for Participation – Volunteering award	1,000
Clear Lake Recreation Reserve	515
Charitable Organisations – Refund of rates (Red Cross, St Vincent de Paul, Salvation Army, Axis Worx, Jacobs Well)	10,168
Dadswells Bridge Hall – Newsletter	250
Federation University Horsham Campus – Nursing award	300
Holy Trinity Lutheran College Senior Achievement award	200
Horsham City Pipe Band – Support of Council events	1,670
Horsham College – Alternate pathways Achievement award	200
Horsham College – Senior Achievement award	200
Horsham Historical Society – Binding of local newspapers	2,550
Horsham Rural City Brass Band – Support of Council events	1,670
Horsham 2nd Scouts – Security lighting	2,500
Horsham Urban Landcare – Support of Landcare events	1,793
Longerenong Citizenship Prize	300
Natimuk Brass band – Support of Council events	1,670
Natimuk and District Progress Association – Monthly newsletter	1,500
North West Grampians Lions Branch – Christine Middleton performance	1,000
North West Grampians Newsletter – Monthly newsletter	1,500
OASIS Wimmera – Support activities Jubilee Hall	3,000
River Café – Picket fencing	3,363
St Brigid's College – Senior Achievement award	200
U3A Horsham and District – Support of Tai Chi program	600
Wimmera Association for Genealogy – Annual support	310
Wimmera Live Steam and Model Engineering Society – Safety improvements	5,000
Wimmera Filipino-Australian Club Inc. – Bowling tournament	1,000
Wimmera Mobility Group – Support group excursion	600
Wimmera Pride Project – Support group program/activities	4,000
Wonwondah North Hall – Newsletter	250
Total Organisations	49,857
Events	\$
Arapiles Cycling Event Committee – Re-useable signage for event	450
Art Is... Festival – Event support	7,400
Business Horsham – Community guest speaker	3,500
Horsham and District Orchid Society – Hire of College Hall for event	840
Horsham A & P Society – New Years Eve event	19,545
Horsham Calisthenics College – Annual calisthenics competition	1,100
Horsham Christian Ministers Association – Carols by Candlelight	3,500
Horsham Fishing Competition – Fishing competition support	5,000
Horsham Flying Club – Equipment/Advert support for two events	5,000
Horsham Mother's Day Classic – Mother's Day Classic support	1,000
Horsham Motorcycle Club – Ambulance for World Junior MX	6,000
Horsham Patchwork Quilters Inc. – Horsham Town Hall hire for exhibition	3,608
Kannamaroo Committee of Management – Friday/Saturday evenings	5,000
Natimuk Agricultural and Pastoral Society – Factory MC Freestyle performance	4,000
Natimuk Farmers Market Plus – Musician at four markets	900
Operation 19:14 Action Team – Children's activities	3,630
Rotary Club of Horsham East – Wimmera Science and Engineering Challenge support	6,260
Wimmera Development Association – 2019 Karen New Year Celebrations	2,000
Wimmera Machinery Field Days – Presidents lunch sponsorship	2,273
Wimmera and Southern Mallee Careers Expo – Key note speaker support	4,000
Wimmera Growers of Australian Plants Inc. – 12th FJC Rogers Seminar – three days	3,400
Wimmera Rockers Danceworld – Band hire support	2,200
Total Events	90,606
TOTAL COMMUNITY GRANTS AND DONATIONS FUNDED	368,619

Council Plan

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

The 2019-2023 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 the Performance section (pages 49-63).

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 and Cultural Development

Develop Horsham and the municipality as a diverse, inclusive and vibrant community



Goal 2 - Sustaining the Economy

Lead in sustainable growth and economic development



Goal 3 - Asset Management

Meet community and service needs through provision and maintenance of infrastructure



Goal 4 - Governance and Business Excellence

Excel in communication, consultation, governance, leadership and responsible use of resources



Goal 5 - Natural and Built Environments

Lead in environmental best practice, create a municipality for the future and plan for the impacts of climate change



Goal 1: Community and Cultural Development

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 – See Performance section for more details (pages 49–63).

Australia Day Celebrations

Australia Day is an opportunity to come together as a nation to celebrate what is great about Australia and being Australian.

Horsham Rural City Council hosted a very successful Australia Day event on the banks of the Wimmera River at Sawyer Park in Horsham this year. The celebration attracted approximately 350 people who, prior to the official ceremony, enjoyed a free barbecue breakfast provided by Council and supported by the Combined Service Clubs of Horsham.

Elder and Barengi Gadjin Land Council member Jennifer Beer presented the Welcome to Country. Entertainment was provided by the Horsham City Pipe and

Brass Bands, Sing Australia Choir and Brittany Bates from the Horsham Arts Council. Children's story "Koala Lou" was read by Cr Alethea Gulvin, and a flag raising ceremony was performed by the Horsham Girl Guides and Horsham Scouts.

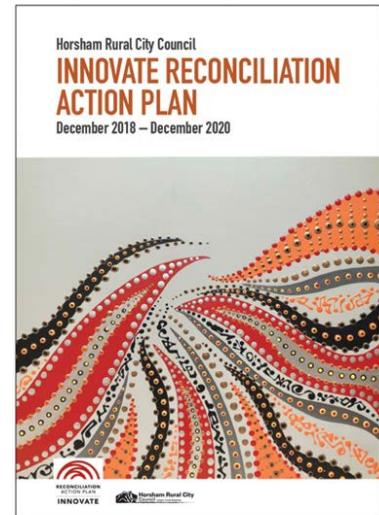
Australia Day Award presentations and an Australian Citizenship Ceremony were highlights of the day.

This year's Australia Day Award recipients were:

- Maree Thompson and Jeff Pekin, Joint Citizens of the Year
- Sebastian Dalgleish, Youth Citizen of the Year
- Horsham Motorcycle Club – Community Event of the Year

Mayor, Cr Mark Radford conducted the Australian Citizenship Ceremony where five community members from Bangladesh and China pledged their commitment to our great nation.

Australia Day celebrations were also held in Natimuk, Dadswells Bridge and Brimpaen.



Innovate Reconciliation Action Plan

We were proud to launch the Horsham Rural City Council Innovate Reconciliation Action Plan at a special morning tea at the Horsham Regional Art Gallery in May. The event was part of National Reconciliation Week celebrations.

Endorsed by Reconciliation Australia, the two-year plan was facilitated through Council's Aboriginal Advisory Committee by listening and engaging with local Aboriginal people, residents, service providers, schools, Council staff and other stakeholders.

Council has a long working history with the Traditional Owners, Aboriginal Community Controlled Organisations and Aboriginal and Torres Strait Islander communities. Our vision for reconciliation is to create an improved understanding of Aboriginal and Torres Strait Islander histories, cultures, hopes and future aspirations through fostering strong, respectful, inclusive and meaningful relationships within our communities. This plan affirms our commitment to be a community where Aboriginal people are valued and respected.

There are three key focus areas included in the Innovate Reconciliation Action Plan.

Relationships – We will develop and strengthen relationships with Aboriginal and Torres Strait Islander peoples and communities, organisations and networks through existing partnerships and by proactively engaging in and promoting significant cultural events so we understand the needs of Aboriginal and Torres Strait Islander peoples and improve our engagement with the community.

Respect – We will show respect to Aboriginal and Torres Strait Islander peoples, cultures, histories and stories and will be responsive to their needs, and will encourage the community to value the unique contribution that Aboriginal and Torres Strait Islander peoples make to society. This is important to our organisation, as the role of Council includes taking into account the diverse needs of the local community in decision making, fostering community cohesion and encouraging active participation in civic life.

Opportunities – We will contribute to "closing the gap" of disadvantage experienced by Aboriginal and Torres Strait Islander peoples by providing opportunities which support cultural, social and economic development, including employment and retention of Aboriginal and Torres Strait Islander staff and supporting education opportunities.

Council will achieve this through its service delivery function and facilitation/advocacy roles. This is important because Council has a responsibility to improve the overall quality of life of people in the local community and also to ensure that services and facilities provided by Council are accessible and equitable.

An internal working group has been established to actively monitor the Innovate Reconciliation Action Plan, including implementation of actions, tracking progress and reporting. Regular reports will be provided to the Executive Management Team, Council, Aboriginal Advisory Committee and Reconciliation Australia.

A number of actions in the plan have commenced including National Reconciliation Week events, employment of Aboriginal and Torres Strait Islander trainees, participation in and support of NAIDOC Week events, Cultural Awareness Training for staff, support of the Wimmera River Challenge, incorporation of Welcome to Country into the program for major community events and Acknowledgement of Country for significant staff meetings.

A full copy of the Innovate Reconciliation Action Plan is available on Council's website at www.hrcc.vic.gov.au.



Gender Equity in Community Engagement

It is recognised that men and women have different access to resources, power, responsibilities and life experiences, and that different strategies and engagement methods are necessary to achieve equitable outcomes for all our community.

Horsham Rural City Council is committed to improving and strengthening community engagement so that all members of our community can participate. This year we have partnered with West Wimmera, Hindmarsh and Yarriambiack Shire Councils to deliver the Gender Equity in Community Engagement project across the region.

Funded by the State Government's Department of Environment Land, Water and Planning, this 12-month project aims to increase the participation of women in community engagement by ensuring all policies, procedures and practices support gender equity. The project is supported by a Project Officer based at Horsham Rural City Council and governed by a Project Control Group comprising of representation from each of the partner shires.

The Gender Equity in Community Engagement project has conducted an analysis of community engagement at Horsham Rural City Council. The analysis has identified that:

- 61 percent of Advisory Committees do not achieve a gender balance
- Seven out of 10 Project Control Groups achieve a gender balance
- Engagement from community organisations resulted in low levels of female representation
- Engagement with low level commitment achieved higher levels of participation from females
- Males are under-represented when engagement occurs online or when the topic relates to the arts.

A model Terms of Reference, Expression of Interest and Support Pathways poster that support gender equity has been developed. Research has been conducted that identifies methods to increase the participation of women and girls of varying backgrounds and abilities in community engagement. Work is currently being conducted to develop a Gender Equity Community Engagement Audit Toolkit which will incorporate all relevant research.

The Gender Equity in Community Engagement project builds on Council's involvement in the CoRE (Communities of Respect and Equality) Alliance which has guided our Act@Work program, setting higher gender equality standards (page 25).



Horsham Youth Strategy

In August, Council adopted the Horsham Youth Strategy. The strategy is a high level 10-year document containing four objectives:

- Provide Council with a service delivery map of the current services that are available to young people in Horsham and surrounds
- Identify opportunities for young people to be empowered to make decisions on service delivery that suits their needs
- Increase meaningful engagement opportunities for young people with Council
- Provide Council with contemporary and future facing models for youth service delivery that reflects the needs of a diverse regional city population – these models must take into consideration equity and access.

The Horsham Youth Strategy is responsive to the emerging priorities of our young people. Community engagement highlighted two key priorities as important concerns for young people and the community, and a call to action for Council and services. They are: alcohol and other drug use and abuse, and bullying.

A Youth Services Engagement and Planning Officer was appointed in February and work has commenced on implementation of the strategy including:

- Several workshops with Youth Service providers in the region to identify existing youth services and discuss ways in which youth focused organisations can work together to address service gaps
- Establishment of Horsham's first Youth Council comprising 20 members from different age groups, cultural backgrounds and gender
- Redevelopment of the Pynsent Street building (formerly Nexus Youth Centre) including painting the outside and removing the black paint from the bricks.

Citizenship Ceremonies

The Mayor is responsible for conducting Australian Citizenship Ceremonies in the Horsham Rural City Council on behalf of the Department of Home Affairs. These special ceremonies provide an important opportunity for Council to officially welcome all our new Australian citizens to the local community.

Citizenship Ceremonies are held periodically throughout the year immediately prior to a Council meeting. The Australian National Anthem, led by the Horsham Sing Australia Group is a highlight of these events.

This year, Horsham Rural City Council conducted three citizenship ceremonies welcoming 21 candidates from Nepal, Colombia, Turkey, England, India, South Korea, Taiwan, Bangladesh and China.

Civic Receptions

Civic Receptions are the highest level of Council function. They are hosted by the Mayor and held at the discretion of the Mayor and Chief Executive Officer.

This year, Horsham Rural City Council hosted one Civic Reception:

- 10 October 2018 – Order of Australia Association Horsham Branch Inaugural Student Citizenship Awards.



New Pump Track for Horsham

In April, a new bike track was opened on the eastern section of Horsham's Adventure Island, located in the Weir Pond section of the Wimmera River. The bike track, known as a pump track because of the action required to navigate the circuit, is a component of Stage One of a proposed redevelopment of Adventure Island.

The pump track is a modular 83-metre plywood circuit with banked turns and humps. The new pump track is a popular addition to Adventure Island with an estimated 200 plus people each week using their bikes and scooters on the track. It's a great destination for families and riders of different ages and abilities to enjoy a fun, physical activity.

Walking paths, landscaping and amenities to create gathering and meeting places in a nature-based play environment complete the work of Stage One of the island's re-development.

The redevelopment was possible because of a partnership between Horsham Rural City Council, Horsham Apex Club, Wimmera Catchment Management Authority and the Wimmera River Improvement Committee.

Barengi Gadjin Land Council, Nexus Horsham and GWMWater also contributed to the project.

The pump track was purchased by Horsham Apex Club and represents several years of planning and fundraising by the Club. Horsham Rural City Council installed the track and undertook associated landscaping. The pump track is now a community asset to be enjoyed by all.

Art is... festival

The Art is... festival, is a 10 day co-created festival that occurs each June.

Priorities of the festival include providing employment to local artists, building artistic capacity and engaging all of the community in arts and culture. In 2019, the festival's theme was "Moulding our Future" and consisted of a permanent audio trail of talking trees aiming to improve early years literacy, and community art workshops with local artist Nichola Clarke to create colourful and whimsical sculptures as part of Spring into Winter. These sculptures were found within the roundabouts of the CBD for the month of June. Photos of this project are featured throughout this year's annual report.

The festival culminated in a community bonfire which engaged VCE Dance students from Horsham College, as well as providing a venue for local projection artists' work, creating a beautiful event at the Horsham Showgrounds in partnership with the Horsham Agricultural Society.

The Art is... festival returns in 2020 with the theme Art is... unexpected.





Horsham Regional Art Gallery

The significance and quality of the Horsham Regional Art Gallery Collection was recognised this year when it was used to develop an exhibition of feminist photography by Melbourne-based curator Olivia Poloni.

In Her Words focuses on women behind and in front of the camera by bringing together works from the Gallery Collection and contemporary Australian photographers. In the wake of recent movements such as #metoo, the exhibition shows women who are in control of their own story.

The exhibition was developed in partnership with National Exhibitions Touring Support (NETS) to tour to other galleries after its launch at Horsham. It is the first touring exhibition developed by Horsham Regional Art Gallery with such a large body of Collection works. The exhibition will travel to three other Victorian venues - Melbourne, Wangaratta and Swan Hill - and two venues in Queensland, Hervey Bay and Logan. The Gallery is proud to share Horsham's extraordinary Collection with audiences across Australia.

Horsham Town Hall

Looking from the outside in, it is easy to understand what makes our venue and community so special. It is the people, staff, volunteers, artists, patrons and amazing local talent that we see developing within the venue. It is such a privilege to be part of this amazing community. Within the venue we have a motto, "It's all about the experience", from the moment that you enter the door, to the moment you leave. Over 70,000 patrons this year have shared an experience that has evoked laughter, tears and everything in between.

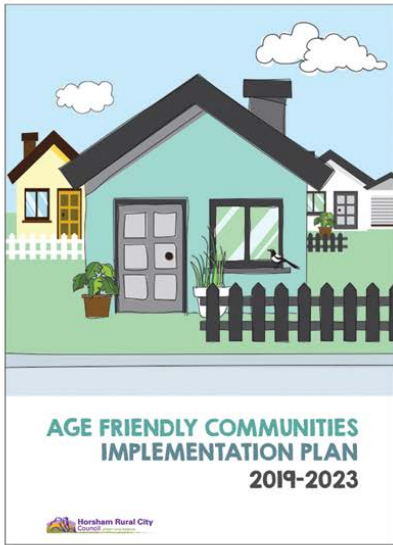
Many moments from the year have been highlights, however, the one that stands out is *Madam Butterfly*, Opera Australia. The opportunity for our youth to be part of the performance under the guidance of one of our own, Lisa Thomas, was a vision come true for the staff. To be able to present a performance of this magnitude was an enormous achievement for our community and demonstrates just how far we have come in the last three years.

The venue has hosted 268 events from comedy through to dining events, even being showcased in the Herald Sun for the FightMND tour which welcomed over 400 visitors to our town. A love of the arts is developing every year with our own community showcasing local talent in over 60 performances.

We are approaching exciting times with the development of a Creative Horsham Plan that will outline Council's direction with the arts, culture and events sector. As a team the shift in the awareness fills us with optimism and excitement about what the future will bring.

With the utmost gratitude, we thank all of our volunteers, partners and donors for their generosity of time and financial investment into the venue. To our colleagues at Creative Victoria and Regional Arts Victoria, we thank you for your continual support in helping deliver our vision as part of the Creative State strategy.

Thanks also to the amazing team at Horsham Town Hall who have thrown themselves whole heartedly into making the venue what it is today. Who would have anticipated three years ago the impact the venue would have on the region. Whilst there have been challenges during our busy year, their passion and commitment to arts is inspiring!



4 AGE FRIENDLY COMMUNITIES IMPLEMENTATION PLAN 2019 – 2023

TRANSPORT

Transportation, including accessible and affordable public transport is a key factor influencing older people's health and their ability to participate in social and cultural activities and access health services.

Issues identified in audit:

- There is limited public transport in Horsham – existing infrastructure such as bus stops, seats, shelter or ramps and paths to and from bus stops isn't good enough.
- Hours of operation mean that access to services and facilities in the morning or weekend is limited. Information on timetables and costs is difficult to find.
- Public transport is limited or nonexistent for rural dwellers in Arge, Temparang, Libburn, Innes.
- Trains are the preferred method of travel between Horsham and Melbourne.
- The existing coaches / buses with steep stairs are not age friendly. Increased services would allow Horsham more aged friendly.
- Having a car and a licence is essential for mobility within the municipality – not having a car is a major barrier: not being able to drive is a reason some people move to Horsham. Use of vehicles in rural areas is essential.
- Coaches are an important transport method for older people.
- Taxis are good, but affordability is an issue.
- Parking can be difficult for older people. Narrow parking bays are difficult and single parking bays are preferred. Some areas were marked as difficult for parking – especially around Litter House, Horsham Base Hospital, Library (R) especially on Probus Drive.
- A volunteer community transport service is needed. Many people don't know what currently exists or how to access it. Getting checks to be a volunteer driver can be a deterrent.
- Real infrastructure could be improved – areas noted include Savelle McElduff Corner Rd intersection, Seattle Street / Crown Road, Occulville / Federal Street intersection (roadblock at the Willemoes River Bridge).
- Prevention strategies and considerations could be shared to enhance their potential for mobility.
- Age crossing streets within the CBD can be difficult.

Things that make a positive contribution to the municipality being an age friendly place:

- The local bus service is reliable, clean, comfortable, affordable and the drivers are courteous.
- The timetables and number of services for the train bus service to Melbourne is improving.
- The bus to Ballarat is good enables access and feels safe.
- The bus from Horsham / Natimuk, while limited, does allow residents to access services in Horsham.
- Coaches mean people can get around.
- The taxi services including Most Taxis is an asset.
- Horsham is easy to drive around.

AGE FRIENDLY COMMUNITIES IMPLEMENTATION PLAN 2019 – 2023

TRANSPORT

Transportation, including accessible and affordable public transport is a key factor influencing older people's health and their ability to participate in social and cultural activities and access health services.

Action	Date of Onset	Responsibility within Council	Who can help?
1. Return of passenger rail	Deliver/ Advocate	CEO/Director Infrastructure Manager Engineering Services	Western Rail Alliance Transport for Victoria
2. Bus stop facility review including seats, shelters, lighting and paths and parking	Deliver/ Advocate	Director Community Wellbeing	Transport for Victoria
3. Bus route review to pick up key sites such as U3A	Deliver/ Advocate	Director Community Wellbeing	Transport for Victoria
4. A city circle bus to key places including Litter House, Innes, Chemist, optician, podiatrist, WHCC would improve access	Deliver/ Advocate	Manager Engineering Services	V/Line ticket office
5. Improve lighting in the Robbery Avenue car park near the bus station – the area is dark at night	Promote	Media and Communications Officer	Public Transport Victoria
6. Improved display of information on timetables and costs of public transport (promote via website)	Promote	Media and Communications Officer	Taxi Services Commission Older Peoples Reference Group
7. Promote the multi-purpose taxi program card	Promote	Media and Communications Officer	Older Peoples Reference Group
8. Review and if required increase provision of disabled parking places	Deliver	Director Development Services	
9. Parking – areas such as hospital, Town Hall, Litter House, Marine Arch, Chemist, Post office and Hotel Encouraging some off-day parking to be on an outside edge of the Central Activities District (CAD) to free up parking in the CAD for shoppers.	Review & Deliver	Director Development Services	
10. Need for drop off points at Litter House and Shop	Deliver	Manager Engineering Services	State, Litter House, Victoria
11. Need Greater parking and recharge facilities	Explore & consider	Manager Regulatory Services/Director Infrastructure	Women's Mobility group & Residents of Arden job
12. Improvements are needed to drainage near pedestrian crossings especially Litter House and the new Horsham Neighbourhood House site	Deliver	Manager Operations/ Manager Engineering Services	
13. Advocate and support establishment of a petrol service in Natimuk	Advocate	Director Development Services	HRCC, Natimuk
14. Promote awareness to community transport	Promote	Coordinator Home Support/Manager Community Services & Emergency	Community Participation

Horsham – An Age Friendly Community

In 2017, Horsham Rural City Council received a grant to support their development as an age friendly place.

The purpose of the project was to:

- Improve the age friendliness and liveability of the Horsham community for older people
- Engage older people who live in the municipality to inform the process of improving Horsham Rural City Council as an age friendly city.

An Older Persons Reference Group comprising 12 local residents was established to guide the project. The group undertook audits using the World Health Organisation – Age Friendly Communities checklists and the findings were used to develop an Age Friendly Action Plan. Over 160 people were consulted.

Following this process, the 2019–2023 Horsham Rural City Council Age Friendly Communities Implementation Plan was developed. This important document is available on Council's website. It contains a number of actions which will be reviewed quarterly by the Older Persons Reference Group around each of the following key themes:

- **Transport** – Transportation, including accessible and affordable public transport, is a key factor influencing older people's health and their ability to participate in social and cultural activities and access health services.
- **Respect and Social Inclusion** – Wellbeing is enhanced when older people feel acknowledged and respected. Older people are consulted, their input is valued, and they are partners in decision making.
- **Housing** – Appropriate housing is essential to older people's safety, quality of life and maintaining independence. Considerations include accessible affordable structure, design, location (close to community) and choice.
- **Social Participation** – Participating in leisure, social, cultural and spiritual activities helps older people stay engaged, informed and motivated.
- **Outdoor Spaces and Buildings** – Safe and accessible outdoor environments and public spaces are important for the mobility, independence and quality of life of older people and affect their ability to age in the community.
- **Civic Participation** – An age friendly place has opportunities for older people to contribute to employment, voluntary work and political process, should a person so choose.

- **Community and Health Services** – Older people require ease of access to an adequate range of services for promoting, maintaining and restoring health.
- **Communications and Information** – Older people require accessible and practical information to manage life, meet personal needs and stay engaged with the world.

The Older Persons Reference Group will continue to meet quarterly in an ongoing capacity.





Goal 2: Sustaining the Economy

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 will continue to promote and develop sustainable projects – See Performance section for more details (page 54).

Horsham Hosts World Junior Motocross Championship

Horsham was buzzing with activity in August when hundreds of international visitors arrived in the region for the FIM World Junior Motocross Championship. It was the first time the event had been held in Australia.

The three day Junior Motocross Championship was hosted by the Horsham Motorcycle Club at the Dooen Recreation Reserve.

The event was a huge success, attracting approximately 500 international visitors and over 1,000 domestic fans, injecting well over \$1 million into the local economy. It was live streamed around the world, providing an opportunity to showcase the region and build on Horsham and Victoria's reputation as a premier motocross and tourist destination.

Horsham Rural City Council recognised Horsham Motorcycle Club by awarding them with the Australia Day 2018 Community Event of the Year award for this significant world-class event (page 29). The club's dedicated volunteers have worked extremely hard over the past 20 years to bring their facilities up to a standard suitable to host State, National and International events. We are proud of their achievements and congratulate them on their efforts to raise the profile of motocross across Australia and around the world.

Milestone at Horsham Regional Livestock Exchange

A significant milestone was reached at the Horsham Regional Livestock Exchange in September when the 10 millionth sheep was sold.

Sheep and lambs have been sold at the Horsham Regional Livestock Exchange since the facility opened in December 1999.

Approximately 60 percent lambs and 40 percent sheep made up the 10 million sales.

Record lamb prices have meant that an impressive 470,000 sheep went through the pens this financial year.

The Horsham Regional Livestock Exchange is Victoria's fourth largest sheep and lamb market and the major livestock selling centre in the Wimmera, attracting vendors from as far afield as the South Australian border and southern New South Wales.



Country Music Festival

Thanks to a commitment from Council and a partnership agreement with the Horsham Sports and Community Club, the Horsham Country Music Festival's future is secure for at least the next three years.

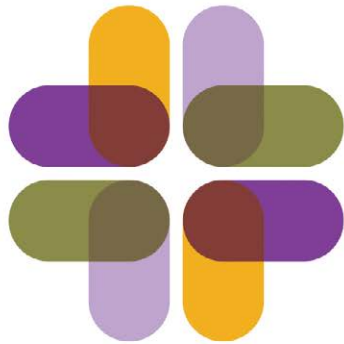
The popular event has been running since 2005 and this year's festival was to be the last. Age and health issues had prompted the 13-member committee to make the difficult decision not to continue beyond 2019. However, a new Festival Committee with a blend of existing members and some new faces, has been established to run the event with Council and the Horsham Sports and Community Club funding a casual Festival Co-ordinator position.

Council's contribution of \$5,000 along with support through the Tourism and Promotions team, will significantly reduce the workload of the volunteers that run the festival.

The four-day Horsham Country Music Festival held every March, attracts country music fans from around Australia, many "on the road" with caravans or motorhomes. Between 600 and 1,000 people attend a variety of performances each day of the festival. Artists from across Australia and overseas have performed at the festival each year. The event also provides the opportunity for non-professional, budding country music artists to showcase their skills.

As the festival has evolved, it has supported charities including the Wimmera Cancer Centre and National Farmers Federation Drought Appeal.

The economic and social benefits that the Horsham Country Music Festival brings to Horsham are substantial and it is important that it keeps going, and growing, into the future.



Transforming HORSHAM

Transforming Horsham

Transforming Horsham was launched in late 2018 to encompass four strategic projects that each have the common goal of growing the city's economy and liveability. These four priority projects will reshape Horsham over the coming decades. Transforming Horsham is about imagining together, talking together, working together and moving forward together.

The projects are:

Horsham Urban Transport Plan

The aim of the Horsham Urban Transport Plan is to set directions and priorities for developing our transport system in urban Horsham in a way that supports the goals of our community, economy and environment both now and in the future. Key objectives include to: remove trucks from the CBD and river precinct and create a more active and vibrant precinct, provide more river crossings and link our highways to economic activities through the development of local and arterial roads.

An initial community survey was conducted in March 2019 and responses will be used to inform community workshops planned for August 2019.

City to River

This project will provide a suite of transformative projects that aim to improve, revitalise and link Horsham's Central Activity District and the Wimmera Riverfront Precinct over the next 20 years making Horsham a more attractive place to live, work, visit and invest.

The project commenced in December 2018 with a review of existing strategies, plans and economic and demographic data. This was followed by targeted consultation in January–February 2019 to understand key stakeholder aspirations for the precinct and from this, a Vision and high level concept plans were prepared for wider community feedback. The draft Master Plan is currently open for community feedback and comment. The final Master Plan will be completed by December 2019.




**Transforming
HORSHAM**
... for future generations
City to River
**Help shape the future
Have your say!**

To see the
Draft Masterplan
 and make comment go to
www.hrcc.vic.gov.au or
 visit Horsham Rural Council
 Reception Room,
 18 Roberts Ave
 Horsham VIC 3400






Open Space Strategy

Open space plays an important role in our society by providing places for exercise, quiet reflection, children's play and organised sport. As our communities grow and change, greater attention needs to be placed on planning our open spaces to ensure that they meet our current and future needs.

Horsham Rural City Council has developed an integrated Open Space Strategy to provide Council with strategic directions to determine priorities for the planning, provision and development of open space across the municipality. The draft Open Space Strategy is open for public comment until the end of August 2019.

Horsham South Structure Plan

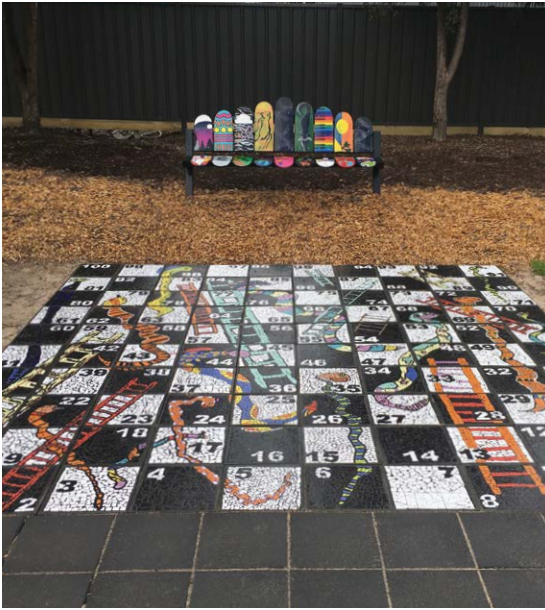
It is anticipated that the Horsham South area will undergo change over the coming decades.

The Structure Plan will identify a future vision for the area that captures the community's objectives and aspirations. It will also provide a broader assessment of opportunities and issues that will need to be considered for the period beyond the 20-year horizon.

The plan provides the foundation for the pursuit of more detailed statutory planning provisions, amendments to the Planning Scheme as well as design and development initiatives, for specific areas and activities in Horsham South.

It will also guide Council policies, programs and initiatives relating to community, economic, social, environmental, and physical initiatives.

Work on the Horsham South Structure Plan will commence in the second half of 2019.



Goal 3: Asset Management

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 the municipality. – See Performance section for more details (pages 55–57).

Dudley Cornell Park Upgrade

Work has commenced on a significant upgrade to facilities located at Dudley Cornell Park.

The popular Dudley Cornell Park is one of the Wimmera’s busiest sporting precincts, hosting cricket, junior football, athletics, soccer and school sports.

Upgrades to facilities include the construction of new female-friendly change rooms and public toilets. When construction is complete, an existing toilet block located near the Gertrude Street entrance will be demolished. The new facilities and associated works will be completed in late October.

As part of the project, a barbecue and shelter has been constructed and is already in use.

Female participation in sport is an important element of Council’s Health and Wellbeing Plan. Ensuring facilities are provided for males and females is one component of a strategy encouraging

more people to become more active more often. It is expected that this investment will encourage new and emerging players to participate in sport in a welcoming and supportive environment and importantly, that our community will also be encouraged to make greater use of this very popular park.

Horsham Rural City Council acknowledges the support of Sport and Recreation Victoria who have endorsed the project with funding of \$100,000. The remaining \$200,000 required for the project, is being funded by Horsham Rural City Council.

New additions to Horsham botanical gardens playground

The NorthFest Family Fun Day held in Horsham every two years brings people together in a fun and relaxed environment. In 2015 and 2017, a legacy art project was created as part of the festival activity. The artwork is designed to leave a lasting legacy of the festival – something for the community to use and enjoy.

In 2015, a snakes and ladders mosaic was created. Artist Jodie Mathews worked with collaborating artists from Horsham Primary School – Rasmussen campus and Horsham College. The colorful snakes and ladders game will provide fun for people of different ages. A permanent dice is conveniently located alongside the mosaic.

In 2017, a skateboard bench was created by artists from the Holy Trinity Lutheran College and Horsham College – McKenzie Creek campus. The colorful skateboard seat is located near the snakes and ladders mosaic.

Both projects have been installed in the playground area of the Horsham botanical gardens.

Road works

Horsham Rural City Council services 2,974 kilometres of roads. Of these roads, 988 kilometres are sealed roads, 979 kilometres are unsealed roads and 1,007 kilometres are formed only (dirt) roads.

Below is a description of road works completed in 2018-2019.

Work Description	Length (kilometres)	Area (square metres)
Road construction New Urban	-	-
Road construction New Rural	3.63	17,305.00
Road reconstruction Urban	0.50	3,402
Road reconstruction Rural	4.81	28,050
New sealed road construction (subdivision)	0.76	6,217
Rural reseals	33,459.00	178,336
Urban reseals	2,379.00	25,290
Sealed shoulder re-sheeting	17,490.00	69,960
Gravel road re-sheeting	29,731.00	122,308
Footpaths new (subdivision)	1.53	2,148
Footpaths renew	0.51	714
Kerb and channels new (subdivision)	1.48	-
Kerbs and channels renew	0.94	-

Changing Places Facility in Horsham

A new state-of-the-art accessible toilet facility was constructed in Horsham's May Park this year.

The Changing Places facility is a larger-than-standard accessible toilet with extra features such as a height



adjustable adult-sized changing bench and a tracking hoist system. It will enable people with severe and profound disabilities, their families and carers to actively participate in all aspects of life. Many people with high support needs find it difficult to leave the house for more than a few hours so they avoid accessing the community for a range of everyday situations. This new facility will enable people to get out and about and do the things they enjoy.

May Park is a popular rest stop on the Western Highway between Melbourne and Adelaide. The facility was constructed as part of the May Park Revitalisation project funded by the Victorian Government's Regional Jobs and Infrastructure Funds and Council.

Other improvements include accessible parking bay works, new rubber soft fall paths and a significant upgrade to the playground so that it caters for children of all abilities.

Racecourse Reserve Upgrade

Improvements to the safety and usability of the Horsham Racecourse Reserve were completed this year.

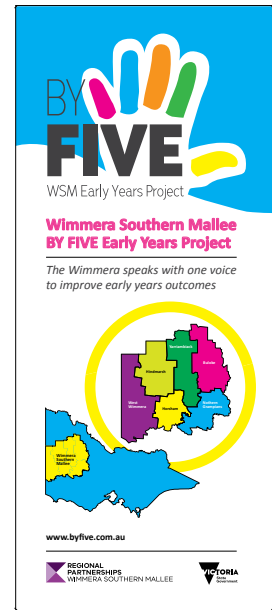
Works included:

- Installation of new lights on the Adrian Hatcher Fitness Track around the perimeter of the wider reserve
- Landscaping to improve natural surveillance
- Installation of seating
- Construction of an off-leash dog park.

In early 2018, the Horsham Racecourse Reserve Advisory Committee raised concerns about safety and a lack of lighting, and Council was successful in an application to the Victorian Government's Public Strategy Fund for \$192,035 to complete the project. The total project cost was \$229,527.

The new lighting will give people reassurance to use the fitness track early in the morning and at night. It is popular for people walking dogs and the installation of a fenced off leash park will provide a further sense of safety created by increased passive usage.

The Horsham Racecourse Reserve area is home to a number of community facilities including tennis, netball and rugby organisations, a skate park and firefighting training and competition facilities.



Goal 4: Governance and Business Excellence

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 important – See Performance section for more details (pages 58–60).

Advocacy

Advocating for and representing our residents, communities and businesses in State and Federal Government is a key function of Local Government and one Horsham Rural City Council takes seriously.

During the past year, lobbying and advocacy was undertaken through Local, State and Federal politicians. This process allowed us to share the key projects and priorities for the Wimmera, which in the future may lead to funding and further important opportunities to have our voices heard.

Advocacy priorities that have progressed during the past year include:

Improved education and health outcomes for the community

- The Wimmera Cancer Centre was completed and opened for public use during 2018-2019.
- Horsham Rural City Council is a partner in the 'BY FIVE' Wimmera Southern Mallee Early Years Project. In May 2018, the BY FIVE project team, Wimmera Southern Mallee LLEN, VET, VCAL and careers teacher networks and

Deakin University collaborated to raise awareness amongst secondary students of future health and allied health employment opportunities across the Wimmera. Student interest was also heightened by the announcement of free TAFE courses in 2019. The result has seen overall enrolment in health and community service courses at Federation University, Horsham Campus increase by 110 students in 2019.

Enhanced broadband pilot

- Council worked with the Department of Jobs, Precincts and Regions and their delivery partner to maximise the trial coverage and link with existing local businesses to provide installation and support services.

The purpose of the pilot is to demonstrate new models for delivering high-speed broadband into regional areas which generally have limited availability of business grade internet services. The project will give Horsham businesses access to the latest wireless broadband infrastructure that will deliver very high internet speeds similar to what is available in Melbourne and other major metropolitan centres throughout Australia.

Review of funding model for Local Government

- In September 2018, Horsham Rural City Council put forward a motion to the Municipal Association of Victoria State Council to advocate for a review of the funding model for Local Governments, as the source of funding is unsustainable, particularly for rural Councils. The Victorian Government has also commenced an inquiry into the Local Government rating system to identify changes that will improve its fairness and equity. The State Government review will be completed by March 2020.

Retention of recreational lakes or other recreational water facilities with the purpose of securing water based recreational opportunities in the municipality

- Council's negotiations with GWMWater enabled the supply of around 1,000ML into Green Lake to boost its level going into the 2018-2019 summer period.



Return of passenger rail – Western Rail Campaign

- Horsham Rural City Council continues to work with our partner Councils on the Western Rail Campaign. Strong advocacy prior to the September 2018 State Election saw the Victorian opposition make an election promise to invest \$4 million into a business case to return rail passenger services to Horsham and Hamilton. Whilst this promise was not matched by the re-elected Labour Government, the Western Rail group met post-election with the Hon Melissa Horne, Minister for Public Transport and departmental advisors in March 2019. This meeting discussed options for the return of rail including a possible trial of shuttle services between Horsham/Hamilton and Ararat. There are future discussions planned with senior officers of Transport for Victoria, Public Transport Victoria and V/Line during the second half of 2019 to further progress this matter.

Actively pursue the retention and further development of rail freight services for the region and lobby for containerised transport subsidy

- There are road safety and productivity benefits in increasing the use of rail for transport of freight. The State Government's Mode Shift Incentive Scheme helps to offset some of the costs of access to rail and ports. Council's direct advocacy, supported also through the Wimmera Southern Mallee Regional Transport Group, has contributed to the Government's announcement for the 2019-2020 budget of the continuation of this scheme for a further 12 months. A longer-term approach to managing the equity of costs of road *versus* rail transport continues to be sought.

Family violence support and safety hub in Horsham

- Council has advocated through State Ministers and their opposition counterparts to the establishment of a Support and Safety Hub (known as Orange Door) in Horsham. The Royal Commission into family violence and the Roadmap to Reform recommended the establishment of Orange Door facilities across Victoria to provide enhanced support to women and children suffering family violence.

Work with our regional partners to increase collaboration between communities, industry, businesses and government to address the most important challenges and opportunities in our region

- An announcement of \$5 million of grant funding under the State Government's Rural Council Transformation Program, with Horsham Rural City Council taking the lead role. This is a five-year project to deliver shared finance and payroll services, together with a common electronic records management system, across a regional grouping of six Wimmera, Mallee and Loddon Councils (page 47).

Alternative truck route to provide an effective bypass for the Western highway, Wimmera highway and Henty highway

- As part of Transforming Horsham (page 38), Council commenced work on the Horsham Urban Transport Plan in 2019. This plan will take a strategic approach to developing our transport system in urban Horsham in a way that supports the goals of our community, economy and environment, both now and in the future. Key objectives of this plan are to remove trucks from the CBD and link highways via the development of alternative local arterial roads. Any alternate truck route will require a second road crossing of the Wimmera River.



Duplication of the Western Highway to Stawell and improved safety through to the South Australia border

• Council has continued to be a member of the Western Highway Action Committee, advocating for improvements along the whole length of the Western Highway. Progress on the planned duplication of the section of highway between Buangor and the outskirts of Ararat stalled in 2018-2019 for a variety of reasons, including an application to the Federal Minister for recognition of a culturally significant area. Council's advocacy through this commitment has helped influence priorities for works, including rehabilitation of significant sections of the Western Highway through the municipality.

Regional liveability

• In March, Council endorsed the Notice of Motion to the National General Assembly 2019 seeking support for the Federal Government to develop a long-term plan for investment in Regional Cities as a key to maintaining the liveability of the regions they support, attract business investment and provide high quality health, education, recreation and cultural facilities.

Improvements to the Horsham CBD and Wimmera River Precinct

• The City to River project is a key part of Transforming Horsham (page 38). Prior to the Federal Election in May 2019, Council successfully lobbied for a funding commitment from the Federal Government to support future enhancements to the CBD and Wimmera River area. An allocation of \$1.65 million has been promised to commence priority works. Council has also committed \$850,000 in its 2019-2020 budget towards this project.

Funding for the roofing at the livestock exchange

• Federal funding of \$1.49 million was announced in the lead up to the Federal Election in 2019, following a successful application to the Building Better Regions Fund. At a total cost of \$3 million, works to construct the new roof over the saleyards will commence in late 2019

Expansion of the Wimmera Intermodal Freight Terminal

• During 2018-2019, Council prepared a master plan to consider the potential long term development of the Wimmera Intermodal Freight Terminal (WIFT). This work complemented planning by Wimmera Container Line, and its parent company SCT Logistics to expand the current intermodal terminal's facilities, in response to an extended period through 2017 and 2018 where container throughput exceeded projections from the initial business case for the site. An expanded WIFT terminal will be able to cater for the expected freight related developments that are being planned around the WIFT Precinct at Dooen.



Rating Review

A review of Council's rating strategy was undertaken in late 2018. The review engaged an independent Rates Advisory Committee that was established from members of the community and led by an independent chair and consultant. The purpose was to review the way rates are calculated to achieve a fair and equitable distribution of the rate contribution across all sectors of the community.

The committee made a number of recommendations and a draft Rating Strategy and Rating Policy was developed. The overall process ran for approximately six months and received 333 responses from a series of engagements, submissions and a survey. The community feedback and the committee's recommendations were considered and the final Rating Strategy 2019-2023 and Rating Policy were subsequently adopted by Council. Key changes to Council's Rating Strategy include:

- Reduction in the farm differential from 80 percent to 67 percent
- Introduction of a commercial differential of 95 percent of the general rate
- Introduction of an industrial differential of 95 percent of the general rate
- \$30 additional rebate per property paid to eligible pensions
- No differential for retirement villages
- No new rate category for rural lifestyle farms
- Decrease in the flat municipal charge from \$287 to \$280
- Introduction of a review measure of 3.5 percent movement in relative valuation which would trigger a review of rating differentials.

Governance

Council is committed to good governance and transparency. This includes policy development, legislative compliance, protection of personal information and facilitating public access to governance information.

Horsham Rural City Council's Governance Unit supports a workplace culture aligned to one of high performance and continuous improvement, focused on delivering exceptional governance, integrity and organisational outcomes.

Council meetings

A review of Local Law No 1 Governance – Meeting Procedure was conducted this year. As part of the review, Councillors participated in a workshop with Macquarie Lawyers and Strategists. Feedback from the community was also invited and a number of submissions received.

Following the review, some changes have been made to the way Council meetings are conducted.

Ordinary Council meetings are now held monthly. Meetings are held on the fourth Monday of each month, with Council Briefings held on the first and second Monday.

Council Briefings are not open to the public. This provides an opportunity for Officers to present reports to Councillors for discussion and feedback prior to finalising them for the formal Council meeting.

In the past, there were two Council meetings and two Council Briefings held each month, excluding January, and there was limited time between meetings to fully consider and finalise reports.

Councillors are now invited to provide an update on their duties as a Councillor and the meetings they have attended in writing for inclusion on the agenda. These reports are not read or addressed by Councillors at the meeting, however, they may make a verbal acknowledgement if requested. In the past, Councillors were invited to present a verbal report at the meeting. They did not have an opportunity to submit a written report.

Improvements have also been made to the structure of the Council agenda and minutes. Audio recordings of all Council meetings have been introduced to ensure that an audio archive is maintained for accessibility by the public and to ensure good governance.

Achievements 2018-2019:

- New Governance department established – October 2018
- New Gifts, Benefits and Hospitality Policy and processes – December 2018
- Improvements to Council Meeting Agenda and Minute templates – February 2019
- New Policy and Procedure templates developed – February 2019
- Mini Governance (Staff Training) Workshops introduced – April 2019
- Governance Framework established – April 2019
- Audio Recording of Council Meetings – May 2019
- Procurement Procedure developed – May 2019
- Development of Councillor Conflict of Interest Declaration Form – June 2019
- New Procurement Request for Quotation (RFQ) system established – June 2019
- Number of Public Tenders – 38
- Policies/Procedures Reviewed – 15
- Policies/Procedures Written – 15

The focus for 2019-2020:

- Continuous improvement for Governance processes across the organisation, to provide better probity, transparency and decision-making
- Develop a Governance Intranet Site with resources for employees
- Continue to provide support to the Mayor and Councillors
- Continue to build and refine Council's governance culture, including fraud awareness
- Proficient management of Council's legislative requirements.

Rural Councils Transformation Program

In August 2018, the Minister for Local Government launched the Victorian Government's \$20 million Rural Councils Transformation Program. The program encourages the sharing of knowledge, costs and resources at a regional scale so that Local Governments can deliver more efficient, effective and sustainable services for their communities.





Horsham Rural City Council is a participant and lead Council in a group of Councils that submitted a business case for funding for the Rural Councils Corporate Collaboration project in conjunction with the Hindmarsh, West Wimmera, Yarriambiack, Buloke and Loddon Shire Councils.


The Rural Councils Corporate Collaboration was successful in receiving funding of \$5 million under the Rural Councils Transformation Program to establish an information technology platform and common finance, payroll and records management functions in phase 1 of the project, to enable the sharing of corporate services across the Councils.

Our Organisational
VISION

A progressive and innovative organisation,
delivering high quality and sustainable services

Our Organisational
VALUES

	 F	 A	 I	 R
WE VALUE	<p>FLEXIBILITY We are adaptable to changing circumstances</p> <p>MY BEHAVIOUR</p> <ul style="list-style-type: none"> • I am willing to embrace new ideas and ways of doing things • I am committed to finding a way to make it happen • I seek opportunities for ongoing learning and continuous improvement • I am willing to compromise for a better outcome 	<p>ACCOUNTABILITY We are responsible for our behaviour and actions</p> <p>MY BEHAVIOUR</p> <ul style="list-style-type: none"> • I lead by example • I take ownership of my actions and decisions • I perform my role with pride • I deliver what I promise 	<p>INTEGRITY We are ethical, transparent and honest in our conduct</p> <p>MY BEHAVIOUR</p> <ul style="list-style-type: none"> • I do the right thing • I always bring my best self to work • I communicate openly and directly • I act in the best interests of the community 	<p>RESPECT We value diversity and appreciate others</p> <p>MY BEHAVIOUR</p> <ul style="list-style-type: none"> • I treat others the way I expect to be treated • I care for the people I work with • I am inclusive and treat everyone equally • I consider other views to gain a shared understanding



Horsham Rural City Council *where rural belongs*

Organisational Vision, Values and Behaviours Statement

A new Organisational Vision, Values and Behaviours Statement for Horsham Rural City Council was adopted this year. This document outlines Council's vision for the future and the values that underpin our behavior as an organisation.

The Organisational Vision, Values and Behaviours Statement was developed following a series of workshops with staff to determine their vision for the organisation, along with key values and behaviours that they believe are important in the workplace. This information was then summarised into the final document by a small staff sub-committee and adopted by the Executive Management Team.



Goal 5: Natural and Built Environments

Encourage and increase awareness of environmental responsibilities within Council and the community, whilst planning for a growing municipality, and implement practices that minimise our environmental footprint and contribute to a sustainable future – See Performance section for more details (pages 61–63).

Boomerang Bags – doing our bit to reduce waste

In September 2017, Horsham’s Tidy Towns Committee and Urban Landcare Group joined forces to bring Boomerang Bags to the Wimmera.

The community-based initiative salvages fabric destined for landfill and turns it into reusable shopping bags for the public.

For the past two years, community members have donated many hours of their time and numerous metres of fabric to this important project, resulting in the creation of more than 2,000 reusable shopping bags for use in our local community. Pockets on the bags are printed by the Department of Justice Community Corrections program.

Regular working bees at the Civic Centre continue to be popular for local Boomerang Bag volunteers. People don’t have to be a sewing expert to get involved, there are no barriers. They come together from all walks of life to cut, sew, hem and iron fabric, while at same time enjoying a cuppa and cake and having fun along the way.

The Boomerang Bag concept started when two Queensland residents wanted to reduce the amount of plastic bags in their community. It has now grown across the country to involve more than 300 communities.

Boomerang Bags are provided free of charge and available at a number of outlets across the municipality including the Civic Centre, library and Craft for a Cause in Horsham. They are a great initiative in supporting residents to reduce waste.



Recycling Update

In early 2019, many Councils were compelled to send their recyclables to landfill due to the recycling crisis generated by the imminent failure of a key comingled recycling processor.

Recyclable materials collected within the Horsham municipality were and still are being collected, sorted and processed as usual, but at an extra cost. This additional cost was reflected in an increase of \$30 for garbage charges for urban customers in 2018-2019.

Council has also prepared for changes in legislation, notably a ban on electronic waste (e-waste) being disposed to landfill, with a range of upgrades to transfer stations planned for 2019-2020 to facilitate this.

In addition, planning is also underway for the introduction of a garden organics collection service due to commence from 1 July 2020.

These measures aim to continually reduce the risk to the environment of inappropriately disposed waste products, many of which can be productively reused.

Remlaw Fire Commemoration

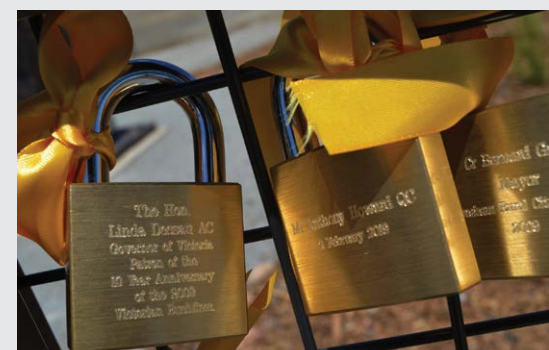
In February, the Haven and Horsham community welcomed a visit by Her Excellency the Honourable Linda Dessau AC, Governor of Victoria, to mark the 10-year anniversary of the Remlaw Fire.

The commemoration event included the unveiling of two remembrance rails, bus tours of fire affected areas, a photographic display and refreshments in the Haven Hall. The day concluded with a family-friendly evening of food and music on the lawns behind the hall. The event provided an opportunity for people to come together to reflect on the impact the fire had on the local community. It was also an opportunity to acknowledge recovery of people and places that has occurred since 2009.

In late March, a further re-generation event was held at Haven’s Anzac Park. The event included projections onto trees and walls of interviews with three community members, stunning local images and regeneration drawings from Haven Primary School students.

Students from Haven Primary School also produced a 50-page publication telling their stories of regeneration and change after the fire. Minor maintenance occurred on the Black Saturday time capsule and materials from the students and the broader community was added to the capsule. The time capsule will be opened again in 10 years.

The Remlaw Fire occurred on 7 February 2009 when a high voltage power line came down in high winds in the middle of a stubble paddock. The fire began in Remlaw Road, north of Horsham, but quickly spread to the south and eventually east of Horsham in an arc of destruction. It damaged and destroyed multiple homes, the Horsham Golf Club clubhouse and trees, killed numerous livestock and burnt trees and local infrastructure. Fortunately, no lives were lost.



Performance

Horsham Rural City Council's performance for the 2018-2019 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2019-2023 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 and 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
100% completion of construction of the Kalkee Road Children's and Community Hub and commencement of operations by April 2018	100%	Complete
Completion of a detailed feasibility study for a multipurpose/indoor sports and community facility by December 2017	100%	Complete
Work with the Horsham Historical Society to plan for an scope a new Heritage Centre	100%	Complete
Securing funding for CBD revitalisation Project Stage 1 – improved urban design	20%	\$1.65 million election commitment by the coalition for City to River Stage 1. Further funding opportunities to be pursued after the masterplan is endorsed and staging confirmed.
Develop plans for a Town Square by 31 December 2018	50%	Potential location and concept of a town square tested through the targeted City to River engagement. Wider community engagement on potential location underway as part of City to River.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2018-2019 budget for the year.

Major Initiatives	Progress
Social Infrastructure Framework	CDM Smith were awarded the contract for the development of a Social Infrastructure Plan in June 2019.

The following statement provides information in relation to the services funded in the 2018-2019 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost \$'000		
		Actual	Budget	Variance
	Provision of the following to support Council's direct service delivery areas:			
Home Support	This service provides care to frail aged and disabled persons with home care, personal care, respite care along with property maintenance services and disabled parking permits.	193	188	-5
Animal Management	This service provides animal management through implementation of appropriate rules and regulations in relation to keeping of cats, dogs and other animals and livestock within the municipality to minimise disturbance to residents and the community, and ensure public safety. It also includes the operation of Council's dog and cat rehousing program.	314	-33	-347
Community Development	This service provides maintenance, insurance and other ongoing costs for the municipality's recreation groups and clubs including community halls, the Cenotaph and War Memorials, Brass and Pipe Bands and Sawyer Park Soundshell.	673	705	32
Community Safety	This service deals with matters concerning Local Laws including permits and licences, enforcement and fines and fire hazard enforcement.	145	98	-47
Youth and Early Years	This service provides support to families with parenting, health and development, immunisation, promotion of health, wellbeing and safety, social supports, referrals and linking with local communities.	348	556	208
Emergency Support	Provides community subsidy costs for the SES building.	18	16	-2
Emergency Management	This service supports public health wellbeing during times of an emergency and to support the community to recover from emergency events.	16	15	-1
Library	This service provides community development and education to enhance the capacity and strength of communities in the municipality by developing community plans that build on strengths and assets and acting as a resource to communities.	548	563	15
Management and Administration	This service provides local and regional facilitation and leadership for planning, developing and delivering community services to meet the needs of the community.	374	388	14
Performing Arts	This service surrounds the running of public halls, the Hamilton Lamb Hall, the Horsham Town Hall and Horsham Performing Arts Centre operations.	599	491	-108
Visual Arts	This service provides an important visual art resource for the local community and visitors to Horsham through the Horsham Regional Art Gallery.	377	441	64

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
	2016	2017	2018	2019	
Libraries	2.88	2.60	2.40	2.14	Slight decrease in library loans, whilst small increase in number of items in the library collection.
Utilisation					
<i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]					
Resource standard	54.66%	48.70%	46.14%	43.11%	
<i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100					
Service cost	\$4.91	\$5.11	\$5.75	\$5.70	
<i>Cost of library service</i> [Direct cost of the library service / Number of visits]					
Participation	12.85%	12.38%	11.83%	11.06%	
<i>Active library members</i> [Number of active library members / Municipal population] x100					
Maternal and Child Health (MCH)	93.88%	91.74%	100.00%	98.76%	
<i>Satisfaction</i> Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100					
Service standard	100.72%	100.43%	101.25%	100.41%	
<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					
Service cost	\$64.03	\$63.95	\$70.48	\$60.62	2017-2018 had a higher reliance on casual Maternal Child Health staff, compared to 2018-2019 where the team returned to normal permanent coverage of Maternal Child Health staff.
<i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]					
Participation	72.82%	83.67%	89.63%	90.12%	
<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					
<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	55.17%	75.00%	86.54%	95.51%	2018-2019 once again saw an increase in participation by Aboriginal children in the Maternal Child Health program. This has been achieved by the work Council has done building the relationship with the local Goolum Goolum Aboriginal Co-operative and the ease of access to the service by having a Maternal Child Health nurse based at Goolum Goolum half a day every week.

Service/Indicator/measure	Results				Material Variations
	2016	2017	2018	2019	
Food Safety	5 days	3 days	4.67 days	3 days	There were 13 less food complaints during 2018-2019, therefore the timeframe to action food complaints was quicker.
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]					
Service standard <i>Food safety assessments</i> [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	93.33%	77.71%	112.50%	99.41%	2017-2018 saw a catch up of the 2016-2017 backlog. 2018-2019 saw a return to a normal assessment cycle where over 99 percent of Class 1 premises were assessed.
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>]	\$621.23	\$573.99	\$666.84	\$650.59	
Health and safety <i>Critical and major non-compliance outcome notifications</i> [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%	0.00%	0.00%	93.75%	There were zero non-compliance notifications during 2017-2018 and 16 non-compliance notifications during the 2018-2019 year. One non-compliance wasn't followed up during the year as the premises burnt down.
Home and Community Care Timeliness <i>Time taken to commence the HACC service.</i> [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]	16.81 days	-	-	-	HACC measures were removed from 1 July 2016.
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%	-	-	-	HACC measures were removed from 1 July 2016.
Service cost <i>Cost of domestic care service</i> [Cost of the domestic care service / Hours of domestic care service delivered]	\$59.08	-	-	-	
<i>Cost of personal care service</i> [Cost of the personal care service / Hours of personal care service delivered]	\$65.92	-	-	-	HACC measures were removed from 1 July 2016.
<i>Cost of respite care service</i> [Cost of the respite care service / Hours of respite care service delivered]	\$69.83	-	-	-	

Service/Indicator/measure	Results				Material Variations
	2016	2017	2018	2019	
Home and community care					
Participation					
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	25.75%	-	-	-	HACC measures were removed from 1 July 2016.
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	7.73%	-	-	-	HACC measures were removed from 1 July 2016.
Aquatic Facilities					
Service standard					
<i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0	0	0	0	No health inspections were conducted as they are not required by the <i>Health Act 2008</i> .
<i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	0	1	0	0	There were no reportable Worksafe incidents for 2018-2019.
Service cost					
<i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$3.71	\$3.92	\$3.10	\$4.31	The aquatic centre contract was renegotiated at a higher cost because of increased competition in the local market resulting in less memberships and on the basis that a 24/7 Gym service was introduced. There was also an additional cost associated with extending outdoor pool hours as part of a trial and increases in utility costs, partially as a result of the introduction of the new 24/7 gym service.
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	6.70	6.39	8.20	8.77	Utilisation of aquatic facilities has increased due to the introduction of access to the Gym 24/7 which has led to an increase in memberships and therefore visits, extending outdoor pool hours, an extensive summer holidays program and a greater focus on aqua based classes.
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 day	1 day	1.01 days	1 day	
Service standard					
<i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected]	38.00%	55.81%	45.31%	62.91%	2018-2019 saw a marked increase in animals being reclaimed by their owners.
Service cost					
<i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$68.07	\$66.70	\$72.43	\$11743	Costs have increased significantly due to staff turnover resulting in an increased use of casual and contract labour.
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	2	1	0	1	Council had one successful animal prosecution for the period.

Goal 2: Sustaining the Economy

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
Complete Stage 1 infrastructure development at the Wimmera Intermodal Freight Terminal Precinct by May 2019	15%	Funding of \$1.25 million confirmed for the project by State Government. Infrastructure design is 80% complete in preparation for tender
Implement the outcomes from the Visitor Information Centre review by 30 June 2019	30%	A review by Grampians Tourism of Visitor Information Centres in the region is due to be presented to relevant Councils. Council has had an interim briefing on the project.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2018-2019 budget for the year.

Major Initiatives	Progress
Wimmera Intermodal Freight Terminal Precinct Industrial Estate – Development land purchase, water supply, retardation basin	State Government funding of \$1.25 million confirmed, power supply under contract, 80 percent of design completed for road, drainage and water supply.

The following statement provides information in relation to the services funded in the 2018-2019 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost \$'000		
		Actual	Budget	Variance
	Provision of the following to support Council's direct service delivery areas:			
Economic Development	This service provides support to the Wimmera Development Association, maintenance and administration for the Wimmera Business Centre and general economic development and promotion for the municipality. Land sales and acquisitions, tree plantation and land management costs for the Burnt Creek and Enterprise Industrial estates and Wimmera Intermodal Freight Terminal, are also provided under this service.	274	258	-16
Management and Administration	This service provides general administration for all areas of planning, building, tourism and economic services areas.	533	554	21
Parking and Traffic Management	This service provides management of parking infringements, maintenance on parking meters, car parking fees, fines and associated costs.	-282	-282	-
Business Development and Tourism	This service provides information and support to visitors accessing the Visitor Information Centre. This area also covers tourism marketing and development as well as promotion for major events and festivals.	561	621	60

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
Develop a consultative process for community input into road construction and maintenance priorities for input to the 2018-2019 budget, by April 2018	100%	Complete
Finalise preparation of asset management plans for all main asset groups by December 2018	70%	Significant work has occurred in most asset groups developing detailed inventory of all assets.
Implement improved asset management and maintenance management systems by December 2018	50%	Reporting systems and link to customer response system being developed to integrate maintenance system with other Council systems.
Complete, or commit via contracts, 90% of infrastructure works (by value) within the planned financial year	92%	\$6.6 million expended with \$3.2 million commitments for infrastructure works.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2018-2019 budget for the year.

Major Initiatives	Progress
Depot relocation design and estimates	Council's depot is currently located in an area with high numbers of heavy vehicle movements passing through Horsham's shopping precinct on a regular basis. Investigations into three alternative sites occurred during 2018. In early 2019, a detailed financial business case was prepared to evaluate the merit of these locations. Selection of a preferred location is likely to occur in the first half of the 2019-2020 financial year.
Horsham Regional Livestock Exchange (HRLE) Roof	In the first half of the financial year, a business case was developed demonstrating the significant financial, OHS and animal welfare benefits that would arise from roofing the saleyards at HRLE. This business case was used as the basis of a grant application to the Australian Government's Building Better Regions Fund program. In March 2019, Council was advised that it had been successful in obtaining a grant of \$1.49 million to contribute to the estimated cost of \$3 million to roof the facility. Tenders for these works were due to be called soon after the end of the financial year.
Road clearances, tree clearing/pruning	<p>Larger farm machinery places increasing demands on maintaining an envelope clear of trees on Council's road network. In recent years, there has been a larger program committed to improving the clearance of vegetation. In addition to individual trees in many locations, a combination of in-house and contract resources pruned selected trees in longer sections of roads in around 30 locations, with some of the key areas being parts of the following roads:</p> <ul style="list-style-type: none"> • Polkemmet Road • Rifle Butts Road • Jallumba-Harrow Road • Brennans Road • Mt Talbot Road • Fergusons Sandhill Road <p>One of the aims of the Rural Transport Plan due to commence in late 2019 is to develop a prioritised approach to maintenance of a road network with sufficient clearances. There will be extensive community consultation on this plan.</p>
Indoor Community Centre/Sports Stadium	A business case was completed for a new facility at the preferred location in McBryde Street. However, further detailed investigations have been put on hold pending completion of the City to River visioning project.
Outdoor pool pipework, gutter, wet deck concourse	A contract for major upgrade works at the outdoor pool was awarded late in the 2018-2019 financial year. These works are on track to be completed in time for the 2019-2020 summer season.

Major Initiatives	Progress
Central Business District (CBD) revitalisation inc. laneway activation, relocating power lines underground, operational items, shop front enhancement and shade incentive	A program of works to enhance some aspects of the CBD had been prepared and was the subject of an unsuccessful grant application in 2017-2018. With the initiation of the major City to River visioning project, encompassing a broader area than just the CBD, this project has been put on hold until the City to River project sets the integrated vision for this area.

The following statement provides information in relation to the services funded in the 2017-2018 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost \$'000		
		Actual	Budget	Variance
	Provision of the following to support Council's direct service delivery areas:			
Commercial Activities	This service includes the Livestock Exchange, which 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. It also includes the operations of the Horsham Aerodrome which provides a regional airport for commercial and private aircraft.	-399	-144	255
Engineering Services	Building Asset Management oversees the facilities management and maintenance of Council's buildings, including compliance and safety services (such as asbestos management and essential safety measures management).	1,027	1,012	-15
Management and Administration	This service provides administration and support services for the Infrastructure department.	1,001	700	-301
Operations Management	This service includes management and administration of the Operations department to facilitate the delivery of core functions and capital programs.	281	111	-170
Strategic Asset Management	This service includes Engineering design and project management.	488	684	196
Parks and Gardens	Provision of managed areas for sport, recreation and amenity - includes sportsgrounds, parks, gardens, botanic gardens and playgrounds throughout the municipality.	2,351	2,542	191
Infrastructure - Rural	This service is responsible for maintaining and constructing roads, streets, bridges and related assets in all non-urban areas of Horsham and Natimuk. This includes the VicRoads maintenance contract (which excludes major highways) and quarry operations.	1,911	1,846	-65
Infrastructure - Urban	This service provides maintenance and construction of roads, streets, bridges and related assets to the required standards. Maintenance for bicycle tracks, drainage, footpaths and off street car parks.	-563	-881	-318
Aquatic Recreation	Provision and maintenance of outdoor and indoor sport and recreation facilities throughout the municipality including the Horsham Aquatic Centre. Also works with community groups and usage groups to increase participation.	812	773	-39

Service	Description	Net Cost \$'000		
		Actual	Budget	Variance
	Provision of the following to support Council's direct service delivery areas:			
Sports and Recreation	Provision and maintenance of outdoor and indoor sport and recreation facilities throughout the municipality.	1,066	632	-434
Streetscapes and Public Conveniences	This service provides street tree maintenance, tree planting and removal, along with city centre maintenance on lighting, signage and street furniture, and street cleaning. Climate change initiatives such as environmental footprint reduction program also fall within this service. This service also provides operations and maintenance of the six public conveniences in Horsham, one in Natimuk and several rural facilities.	1,091	1,618	527

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
	2016	2017	2018	2019	
Roads	4.22	6.33	12.22	10.72	Reduction in local sealed road requests logged in 2018-2019 compared with 2017-2018.
Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100					
Condition <i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	99.22%	99.29%	99.30%	99.23%	
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$53.23	\$52.67	\$50.11	\$30.86	Reduction in cost is due to the urban/ rural split during 2018-2019. Urban road construction has a higher cost per square metre when compared to rural road reconstruction. 2018-2019 saw an approximate reduction of 4,000m ² of urban roads completed as compared to 2017-2018. This was due to contractor availability during the year.
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$5.12	\$4.66	\$4.67	\$5.71	Higher contract costs from suppliers for resealing in 2018-2019.
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]	45	44	44	45	

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
Complete an engagement process by 30 June 2018, with community, for the 2018-2019 Council Plan and Budget cycle that is more deliberative and explains the "why" of Council services	50%	With the creation of a Governance Team and an Advocacy and Community Relations Team in 2018, considerable improvements should be seen in the future.
Maintain staff turnover rates at under 10 percent	50%	Staff turnover for the 12 months to 30 June 2019 was 15.44%.
Increase overall score in the Community Satisfaction Survey	50%	The Overall Performance score increased by one point from 54 to 55 which is below the Regional centres score of 58 and the State-wide score of 60. Action plans have been developed to further improve in this measure.
Implement a new Horsham Rural City Council External Website	100%	Complete

The following statement reviews the progress of Council in relation to major initiatives identified in the 2018-2019 budget for the year.

Major Initiatives	Progress
Civic Centre Reception alterations/ entrance	Designs were completed and project was tendered. The preferred tenderers price was well in excess of the budget and alternate design options are being investigated to deliver the project within budget.
Audio, hearing loop, video conferencing for Civic Centre meeting rooms/Council Chamber	Hearing augmentation system and updated audio and visual display systems have been installed throughout the Council Chamber and meeting room spaces that provide universal access design for attendees at meetings.

The following statement provides information in relation to the services funded in the 2018-2019 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost \$'000		
		Actual	Budget	Variance
	Provision of the following to support Council's direct service delivery areas:			
Financial Services	Provides financial services internally to all staff, department managers, project leaders, Council, etc, plus delivers external services in the form of information to government and the community and specific services to Wimmera Development Association and the Wimmera Regional Library Board.	713	669	-44
General Revenue	Provides treasury management including additional borrowings and interest repayments.	-28,437	-27,765	672
Governance and Leadership	This service manages and facilitates Council's governance services, the implementation of Council decisions and policies, and compliance with legislative requirements. This service also includes the office of the Mayor and Councillors, the Chief Executive Officer and media.	1,776	1,894	118
Community Relations and Advocacy	This service includes co-ordination of Council grant seeking and advocacy to State and Federal Governments for funding of major projects.	430	424	-6
Information and Technology	Provides IT hardware and IT software systems, IT support services to staff, customer services at Horsham and Natimuk and the Council's Records Management service. The goal of this service is to provide efficient and effective access to the information needs of staff and the community, and the management of systems that support this whilst at all times keeping secure Council's information assets from accidental or malicious access, modification or destruction.	926	883	-43
Management and Administration	This service contains a variety of organisational services that are provided both internally within Council but also to ratepayers. It includes salaries for rates and property services, financial services. Customer service and the general support for the Corporate Services group.	-3,919	1,307	5,226
People and Culture	This service is responsible for human resources, payroll, OH&S and risk management functions. The Payroll Co-ordinator is also responsible for processing the payroll for three separate Council related entities, including the Wimmera Regional Library Corporation, Horsham Public Cemetery and Wimmera Development Association.	694	699	5
Rates and Property Services	Rate collection services encompasses collection of Council rateable income which ensures consistency in debt management, general rate, and municipal and garbage charges. Property services encompasses collection of property valuations, maintaining a strategically focused property management system and management of Council leases and licences.	407	315	-92

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
	2016	2017	2018	2019	
Governance	13.91%	8.21%	10.95%	13.39%	Whilst the number of Council decisions made that were closed to the public remained constant to previous years, less decisions were made at open Council meetings which is reflected by an increase in this ratio.
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					
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	57	53	54	
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	95.05%	89.44%	87.58%	96.19%	Council changed from fortnightly to monthly meetings from August 2018.
Service cost <i>Cost of governance</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$39,421.08	\$37,546.00	\$36,317.94	\$36,965.42	
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]	60	58	49	49	

Goal 5: Natural and Built Environments

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
Update and promote our Sustainability Strategy by June 2018	5%	Scope of strategy developed with work to commence in August 2019.
Install solar panels on at least two Council buildings by June 2018	100%	Complete
90% of planning permits issued within the 60 day statutory period	50%	Staff departures at the start of the year resulted in the Statutory Planning team operating for eight months with only one planner.
Complete at least one major strategic planning review prior to 30 June 2018	100%	Complete

The following statement reviews the progress of Council in relation to major initiatives identified in the 2018-2019 budget for the year.

Major Initiatives	Progress
Sustainability projects	The State Government's Local Government Energy Saver Program provided funding to undertake audits of four of Council's major facilities. These audits have been used to identify a range of minor works to reduce energy use and wastage. The program has also provided some significant grant funding to enable some major works to proceed. Council is using this grant to fund the further installation of solar panels on a number of facilities. Tenders for these additional works were due to be issued soon after the end of the financial year.
Rehabilitate Dooen Landfill-Ladlows Hardwaste 2B West cover	Planning and design for this rehabilitation is well advanced with works scheduled for late in the 2019-2020 financial year.
Transfer station improvements - upgrade of facility	Late in the 2018-2019 financial year, a grant was received to upgrade the Horsham, Kenny Road transfer station to provide a containment area for e-waste, in response to the Government's ban on disposal of this material to landfill. Some Council funds are also contributing to this investment to expand the e-waste facility to improve Council's receipt and management of a broader range of recyclable materials.

The following statement provides information in relation to the services funded in the 2018-2019 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost \$'000		
		Actual	Budget	Variance
	Provision of the following to support Council's direct service delivery areas:			
Strategic Planning Services	This service provides statutory planning services such as planning permits, notice of applications, information certificates, scheme appeals and subdivision costs. The function of strategic planning, which aims to strategically plan the municipality's needs is also included.	348	164	-184
Natural Resource Management	This service provides a mix of environmental services covering fire hazards, fire disaster clean up, grass removal, fire plugs, their replacement and markers, footpath cleaning in the CBD and weir operations.	65	80	15
Statutory Planning and Regulations	This service provides statutory planning services such as planning permits, notice of applications, information certificates, scheme appeals and subdivision costs. The function of strategic planning, which aims to strategically plan the municipality's needs is also included. This service provides matters relating to the administration of building control including building approval, inspection fees, easement approval and State Government levies.	574	531	-43
Sustainability	This service manages a range of sustainability related projects from Council's Sustainability Strategy. A reserve is being established to facilitate future energy and water efficiency projects.	206	268	62
Waste Management Services	This service manages the Dooen Landfill sites, Kenny Road Transfer Station and rural transfer stations along with waste collection and recyclables collection across both the urban and rural areas of the municipality.	-1,284	-1,108	176

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
	2016	2017	2018	2019	
Statutory Planning	51.00	50.00	39.00	59.00	In 2019 there was an eight month period where the Statutory Planning team only had one planner, therefore permits were processed over a longer timeframe.
Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]					
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	69.06%	65.76%	86.96%	49.59%	Staff departures at the start of the year resulted in the Statutory Planning team operating for eight months with only one planner.

Service/Indicator/measure	Results				Material Variations
	2016	2017	2018	2019	
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%	0.00%	0.00%	50%	Two planning decisions were taken to VCAT in 2018-2019 with one decision upheld.
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	34.15	66.66	63.56	77.27	Council received 131 additional requests for new services.
Service standard <i>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	0.95	1.07	1.03	1.39	Council received 35 missed bin requests during 2018-2019.
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]	\$109.44	\$115.94	\$117.81	\$115.54	
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$50.86	\$36.71	\$43.61	\$61.67	Costs have increased due to the impact of China's National Sword policy and the domestic recycling crisis that followed.
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	24.32%	24.16%	22.75%	22.13%	

Governance and Compliance

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.

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 70-71. The following items have been highlighted as important components of the management framework.

Audit and Risk Committee

Role

The Audit and Risk 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, risk and governance processes, including Council's internal control activities. The key objective of the Audit and Risk Committee is to provide independent assurance and assistance to the Chief Executive Officer and the Council on Horsham Rural City 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 and Risk Committee are clearly defined in Council's Audit and Risk Committee Charter, which is renewed annually and formally approved by Council. Following the most recent annual review of the Audit Committee Charter, the committee recommended that the name be changed to Audit and Risk Committee and was duly approved by the Committee at the November 2018 meeting.

The key responsibilities of the Audit and Risk 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 and Risk Committee comprises two appointed Councillors and three independent members with technical expertise and industry experience.

The current Audit and Risk Committee members are:

- Chair/independent member – Geoff Price
- Independent member – Richard Trigg (commenced March 2019)
- Independent member – Vito Giudice
- Councillor representative – Cr Pam Clarke (final meeting September 2018)
- Councillor representative – Cr Mark Radford (commenced November 2018)
- Councillor representative – Cr David Grimble

Ex-officio members:

Horsham Rural City Council – Sunil Bhalla, 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, there were five internal audits conducted by Crowe Horwath, Council's internal auditors:

- Environmental Health – Food Act Compliance
- Follow Up Review (2018)
- Human Resources Management Practices
- Corporate Governance
- Procurement (Under the Tender Threshold)

Following each of these scheduled audits, recommendations are provided with implementation actions assigned to key staff members. The Audit and Risk 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 McLaren Hunt Financial Group for an initial three year period (until 30 June 2021) to conduct the annual statutory financial statement audit. The Audit and Risk Committee also reviews recommendations from matters raised by other compliance entities including VAGO, Independent Broad-Based Anti-Corruption Commission (IBAC) and Office of the Victorian Information Commissioner (OVIC).

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 in place a Risk Management Framework, which includes Council's Risk Management Strategy which aligns directly with the International Standards AS/NZS ISO 31000:2018.

Achievements 2018-2019:

- Meetings conducted – Three (28 August 2018, 12 February 2019 and 4 June 2019)
- Risk register modernised
- Risk Maturity Appraisal completed

Focus for 2019-2020:

- Review of, and training exercises for Business Continuity Plan
- Improve event risk management
- Review and update the strategic risks to separate operational risks
- Proficient management and purchase of Council's insurance portfolio

Procurement Activity

In 2018-2019, Council submitted 48 projects to a competitive tender process for a total of \$8,091,513.22.

71 annual supply tenders were maintained equating to an annual spend for these contracts of \$4,564,376.00.

An additional 16 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 \$464,763.00.

Combined competitive procurement for 2018-2019 is \$13,120,652.22

Contracts

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

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 are in operation and the purpose for which each committee was established.

Committee Name	Purpose of Committee	Number of Councillors	Number of Council Staff	Number of Community Members
Community Halls Committee of Management	To co-ordinate and manage the ten Council-owned community halls identified within the Instrument of Delegation	1	1	10
Kannamaroo	To arrange and stage the annual Kannamaroo Festival in Horsham	1	1	8

Organisational Plans, Policies, Procedures and Strategies

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

Aerodrome Drug and Alcohol Management Plan	Horsham Regional Art Gallery Collection Policy	Policy Development, Implementation, Review and Approval Procedure
Audio Recording of Council Meetings Policy	Horsham Regional Art Gallery Collection Procedure	Procedure Development, Implementation, Review and Approval Procedure
CCTV Policy	Infrastructure Private Works Policy	Policy Framework Policy
Councillor Allowances, Expense Reimbursement and Support Policy	Infrastructure Private Works Procedure	Procurement Procedure
Council Plan	Manual Handling Procedure	Rates Concessions for Cultural, Recreational and Charitable Organisations Policy
Council Procurement Card Use Policy	OHS Contractor Management Procedure	Rating Policy
Council Resolutions Procedure	OHS Chemical Management Procedure	Rating Strategy
Electrical Safety Procedure	OHS Lock Out Tag Out Procedure	Risk Management Strategy
Gifts, Benefits and Hospitality Policy	OHS Planning Procedure	Rates and Charges Financial Hardship Policy
Hazard Identification Risk Assessment and Control Procedure	OHS Plant Safety Procedure	Social Media Policy
Health and Safety Incident Reporting and Investigation Procedure	OHS Purchasing Goods Procedure	
	OHS Risk Change Management Procedure	
	OHS Training Procedure	

Community Satisfaction Survey

Horsham Rural City Council participated once again in the Local Government Community Satisfaction survey, even though the mandatory requirement to do so ended in 2012. The survey was co-ordinated by the Department of Environment, Land, Water and Planning (DELWP) on behalf of Victorian Councils and was undertaken by JWS Research. The survey provides Council with some of the key performance indicators required under the Planning and Reporting Regulations (2014) and included compulsory questions along with two additional free text questions and one tailored question with regard to sealed local roads.

Four hundred completed interviews were achieved from 1 February to 30 March 2019 with Horsham being classified for the purposes of this year's survey as a Regional Centre which includes Bendigo, Geelong, Latrobe, Mildura, Wangaratta, Warrnambool and Wodonga.

The main objective of the survey was to assess the performance of Council across a range of measures, and to seek insight into ways to provide improved or more effective service delivery.

Core Performance Measure	Score		
	Horsham	Regional	State
Overall Performance	55	58	60
Community Consultation	54	54	56
Advocacy	54	54	54
Making Community Decisions	49	52	55
Sealed Local Roads	45	57	56
Customer Service	61	72	71
Overall Council Direction	47	52	53

Overall Council Performance: The overall performance index score of 55 for Horsham increased one point from 2018. Whilst not a significant improvement, the 2019 results halted declining satisfaction trends from 2016 – 2018. This rating ranks Horsham the same or better than the average for Regional Centres and State-wide in the following demographics: women, residents of Horsham and residents aged 65+. Of particular note is the increase in approval by women with a three point increase from 2018 to 2019. This could be related to Council being pro-active by placing women's issues in the spotlight over the past 12 months i.e. Kalkee Road Children's and Community Hub, immunisations and violence against women. Conversely there has been a two point decrease in satisfaction from male respondents and a six point decrease from residents living in rural areas.

Community Consultation: Horsham scored 54 index points for community consultation and engagement, an increase of one point from 2018. This is the same as other Regional Centres and two below the State-wide average of 56.

Making Community Decisions: The survey indicates that whilst Horsham's rating has remained the same as last year at 49 points, it still sits six points below the State-wide score and three points below Regional Centres performance ranking in this area.

Overall Council Direction: This year Council achieved a five point increase to 47, bringing it closer to the Regional Centre figure of 52 and State-wide figure of 53. This increase is positive considering the previous three years had seen a collective 13 point drop.

Advocacy: Survey results show a performance rating increase of two points to 54 for advocacy and lobbying that is consistent with other Regional Centres and State-wide averages. Performance was rated significantly higher by women than rural residents and males.

Sealed Local Roads: Survey data once again shows that local roads are the area that resident's feel Council perform most

poorly. This has been a consistent trend with the overall point score for Horsham sitting at around 45 since 2016. The condition of rural roads is a significant problem that Council needs to continue to address. An additional question in the 2019 survey asked participants to nominate which roads were of particular concern to them and the survey showed 105 of the overall 227 roads mentioned were in fact VicRoads Roads which is 46 percent of the total.

Customer Service: Council has performed well in this area of the survey, at or around the Regional Centre and State-wide averages from 2012 to 2018. Results for 2019 show a significant decrease in points from 70 to 61. Analysis provided by JWR Research indicated that a drop of this size was unlikely to be related to service provision unless there were elements of customer service that had changed significantly since 2018. One notable change had been to the after-hours phone service provision with calls being answered and triaged by a private provider. The researchers indicated the problem could be an 'outcome issue' rather than a 'direct customer service issue' i.e. certain groups of residents not happy with outcomes or Council decisions. The community debate around farm rates over an extended six month period was at the forefront of community discussions during February 2019 (which coincided with the timing of the survey).

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 or www.hrcc.vic.gov.au. The application fee during the 2018-2019 financial year was

\$28.90 along with any access charges that may be levied in accordance with the Freedom of Information Regulations.

In 2018-2019 the number of valid requests increased due to topical issues in the municipality. In two cases Council was able to supply documents outside of FOI.

How many FOI requests did Horsham Rural City Council receive?

Personal requests	0
Non-personal requests	5

What happened?

Full access given	1 <i>(Held over from the previous year)</i>
Part access given	3
Denied in full	0
Released outside the Act	2
No documents existed	0
Request on hold	0

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

Council's Principal Officer is Sunil Bhalla, Chief Executive Officer, however, under current Council delegations the officers with authority to make a decision in relation to a request under the *Freedom of Information Act 1982* are: Director Corporate Services and Team Leader Information and Knowledge. Telephone (03) 5382 9777 or email council@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:

- Your right to recognition and equality before the law
- Your right to life
- Your right to protection from torture and cruel, inhuman or degrading treatment
- Your right to freedom from forced work
- Your right to freedom of movement
- Your right to privacy and reputation
- Your right to freedom of thought, conscience, religion and belief
- Your right to freedom of expression
- Your right to peaceful assembly and freedom of association
- Your right to protection of families and children
- Your right to taking part in public life
- Cultural rights
- Property rights
- Your right to liberty and security of person
- Your right to humane treatment when deprived of liberty
- Rights of children in the criminal process
- Your right to a fair hearing
- Rights in criminal proceedings
- Right not to be tried or punished more than once
- 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 2019-2023 Council Plan. Council's adoption of a Human Rights Policy in June 2015 embeds the organisation's corporate responsibility to respect human rights in all operations.

Adoption of the Innovate Reconciliation Action Plan (page 30) and Horsham Youth Strategy (page 32), introduction of the Gender Equity in Community Project (page 31) and construction of a Changing Places Facility (page 41) are some new initiatives that take into consideration the 20 fundamental human rights contained in the Charter. This report also includes a section on Preventing Violence Against Women (page 25).

The following are some further 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:

- Local Law Number 1 Governance (2016) and Council Meeting procedure
- Community Local law Number 3
- Community (Amendment) Local Law Number 4

A review of Local Law No 1 Governance – Meeting Procedure was undertaken this year, resulting in a number of changes to the way in which Council meetings are conducted (page 46).

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.

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994*, Council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report.

During 2018-2019 Council undertook the following actions:

- Sought and received an extension from the State Government on renewal of Council's Domestic Animal Management Plan
- Engaged a project manager to assess Council's data and assist the Community Safety Unit draft the plan
- Reviewed Council's data and upgraded its system to more accurately record domestic animal related data
- Commenced a draft version of the Domestic Animal Management Plan for public comment.

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 2013-2016 plan was reviewed in 2018 however for the interim, Council is continuing to implement the current Disability Action Plan with a view to adopting the Community Inclusion Plan 2019-2022, later in 2019.

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

- Hearing Augmentation system installed in the meeting rooms at the Civic Centre
- Portable Hearing Augmentation system provided to Wimmera Regional Library Corporation Horsham branch
- Accessible Events Guide released
- Auslan Emergency Management Training provided for Councils Emergency Management team and personnel
- Read Speaker added to the Horsham Rural City Council website.

Food Act Ministerial Directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year.

No such Ministerial Directions were received by Council during the financial year.

Road Management Act Ministerial Direction

In accordance with section 22 of the *Road Management Act 2004*, Council is required to publish a copy or summary of any Ministerial Directions received.

No such Ministerial Directions were received by Council during the financial year.

Infrastructure and Development Contributions

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

For the 2018-2019 year Council had no infrastructure or development contributions.

Carer's Recognition Act 2012

Council is not funded to provide home-based care services for children and young people in foster, kinship and permanent care, therefore there are no actions to report on.

Victoria's Compulsory Child Safe Standards

Horsham Rural City Council is committed to providing and promoting child safe environments. Council has zero tolerance to child abuse and aims to create a child safe and child friendly environment where children feel safe and secure and have fun. This includes the physical, emotional, cultural and social wellbeing of all children, 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.

To further consolidate Council's commitment to the Child Safe Standards, Council has adopted a Child Safe Policy and Reporting a Child Safety Concern Procedure.

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 (Part 1A) 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 (S.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 (S.3C).

- (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 Officer, the Protected Disclosures Co-ordinator by the Director Corporate Services, and Welfare Manager by the Human Resources Lead.

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 2019, no disclosures were notified to Council Officers appointed to receive disclosures, or to IBAC.

Council reviewed and adopted its Management of Protected Disclosures Procedure on 6 February 2017 to include updates to the IBAC Act. A copy of the Management of Protected Disclosures Procedure can be found on Council's website – www.hrcc.vic.gov.au, or by contacting the Municipal Offices on (03) 5382 9777.

GOVERNANCE & MANAGEMENT CHECKLIST

Governance and Management Items	Assessment
1. Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy 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 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 four financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 24 June 2019
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: 24 June 2019
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	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: 23 April 2019
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: 14 March 2017
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: 4 December 2017
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: 24 June 2019
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: 26 May 2018
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: 14 August 2017
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: 1 March 2004
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
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: 13 June 2018

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)	Report Date of reports: 24 September 2018, 23 April 2019
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: 27 August 2018, 22 October 2018, 29 January 2019, 23 April 2019
19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 28 August 2018, 4 May 2019
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: 24 September 2018, 25 March 2019
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: 22 October 2018
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: 6 February 2017
23. Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: 25 February 2018
24. Meeting procedures (a Local Law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 24 August 2018

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



Sunil Bhalla
Chief Executive Officer

Dated: 23 September 2019



Cr Mark Radford
Mayor

Dated: 23 September 2019

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 –

- The name of the Councillor or member of Council staff; and
- The dates on which the travel began and ended; and
- The destination of the travel; and
- The purpose of the travel; and
- 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.

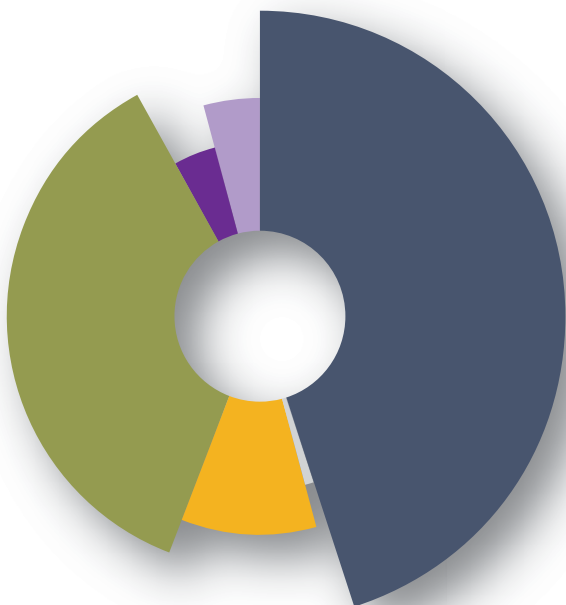
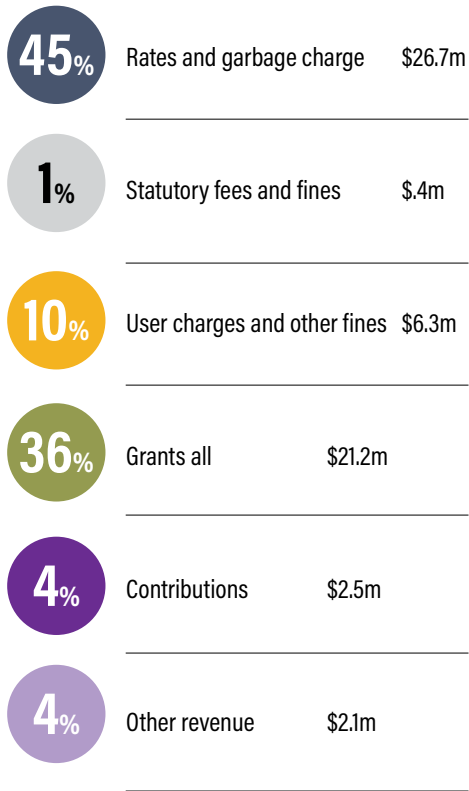
Victorian Local Government Indicators

These indicators provide information regarding expenditure, cost of services and infrastructure provision, customer satisfaction and governance.

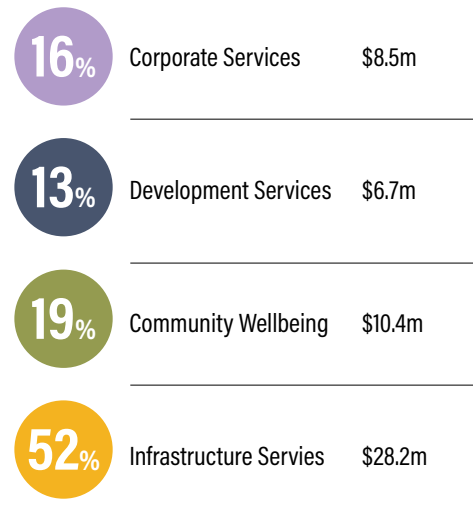
Indicator	Calculation	2018-2019	2017-2018	2016-2017	2015-2016
1. Average rates and charges per assessment	Total rates and charges receivable at beginning of year/Number of assessments in the adopted budget	\$2,147.94	\$2,080.48	\$2,033.53	\$1,959.65
2. Average residential rates and charges per assessment	Rates and charges declared for residential assessments receivable at beginning of year/Number of residential assessments in the adopted budget	\$1,867.56	\$1,855.91	\$1,812.14	\$1,761.57
3. Average liabilities per assessment	Total liabilities/Number of assessments in the adopted budget	\$1,469.24	\$1,524.76	\$1,631.24	\$1,515.88
4. Operating result per assessment	Net surplus/Number of assessments in the adopted budget	\$434.11	\$512.42	\$682.08	\$107.33
5. Average operating expenditure per assessment	Operating expenditure/Number of assessments in adopted budget	\$4,357.62	\$4,065.66	\$3,896.11	\$3,848.69
6. Community satisfaction rating for overall performance generally of Council	Result from the Annual Local Government Community Satisfaction Survey	55	54	60	63
7. Average capital expenditure per assessment	Capital expenditure/ Number of assessments in the adopted budget	\$872.59	\$1,387.02	\$1,137.70	\$1,503.82
8. Renewal gap	Capital renewal/Average annual asset consumption	50.1%	78.8%	73.4%	63.7%
9. Renewal and maintenance gap	Capital renewal and maintenance/ Average annual asset consumption plus planned maintenance	59.6%	81.9%	74.5%	69.0%
10. Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the Annual Local Government Community Satisfaction Survey	54	52	56	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	49	49	58	60

Where Our Money Comes and Where Our Money Goes

Income



Expenditure





Horsham Rural City Council Performance Statement

For the year ended 30 June 2019



Description of municipality

Horsham Rural City is a vibrant, multi-cultural community situated in the heart of the Wimmera region of Victoria approximately 300 kilometres north-west of Melbourne. The municipality has a population of 19,880, covering an area of 4,267 square kilometres, with approximately three quarters of residents living within 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.

There are a range of quality educational and health care facilities including secondary colleges, a university and an agricultural college. The Grains Innovation Park, a nationally acclaimed agricultural research centre, is also based in Horsham.

The municipality has 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.

The municipality includes the major centres of Horsham and Natimuk, and the localities of:

Arapiles	Grass Flat	McKenzie Creek	Telangatuk East
Blackheath	Haven	Mitre	Tooan
Brimpaen	Jilpanger	Mockinya	Toolondo
Bungalally	Jung	Murra Warra	Vectis
Clear Lake	Kalkee	Noradjuha	Wail
Dadswells Bridge	Kanagulk	Nurrabel	Wartook
Dooen	Kewell	Pimpinio	Wonwondah
Douglas	Laharum	Quantong	
Drung	Longerenong	Riverside	
Duchembegarra	Lower Norton	St Helen's Plains	



Horsham Rural City Council Sustainable Capacity Indicators

For the year ended 30 June 2019

<i>Indicator/measure</i>	Results 2016	Results 2017	Results 2018	Results 2019	Comments
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,338	\$2,311	\$2,524	\$2,706	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$20,496	\$20,903	\$21,267	\$22,479	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	6.64	6.65	6.66	6.68	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,614	\$1,624	\$1,808	\$1,785	
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$407	\$679	\$540	\$500	
Disadvantage					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	5	5	4	4	

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.

Horsham Rural City Council

Service Performance Indicators

For the year ended 30 June 2019

<i>Service/indicator/measure</i>	Results 2016	Results 2017	Results 2018	Results 2019	Comments
Governance					
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]	60	58	49	49	
Statutory Planning					
Decision making					
Council planning decisions upheld at VCAT	100%	0%	0%	50%	Two planning decisions were taken to VCAT in 2018-2019 with one decision 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>					
[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	45	44	44	45	
Libraries					
Participation					
<i>Active library members</i>					
[Number of active library members / Municipal population] x100	12.85%	12.38%	11.83%	11.06%	
Waste Collection					
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	24.32%	24.16%	22.75%	22.13%	
Aquatic facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i>					
[Number of visits to aquatic facilities / Municipal population]	6.7	6.39	8.20	8.77	Utilisation of aquatic facilities has increased due to the introduction of access to a gym 24/7, which has led to an increase in memberships and therefore visits.
Animal management					
Health and safety					
<i>Animal management prosecutions</i>					
[Number of successful animal management prosecutions]	2	1	0	1	Council had one successful animal prosecution for the period.

Horsham Rural City Council

Service Performance Indicators

For the year ended 30 June 2019

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Comments
Food safety					
Health and safety					
<i>Critical and major non-compliance notifications</i> [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	100%	0%	0%	93.75%	There were zero non-compliances notification during 2017-2018 and 16 non-compliance notifications during the 2018-2019 year. One non-compliance wasn't followed up during the year as the premises burnt down.
Home and community care					
Participation					
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	25.75%	-	-	-	HACC measures were removed from 1 July 2016.
Participation					
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	7.73%	-	-	-	HACC measures were removed from 1 July 2016.
Maternal and child health					
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	72.82%	83.67%	89.63%	90.16%	
Participation					
<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	55.17%	75.00%	86.54%	94.12%	2018-2019 once again saw an increase in participation by Aboriginal Children in the Maternal Child Health program. This has been achieved by the work Council has done building the relationship with the local Goolum Goolum Aboriginal Co-operative and the ease of access to the service by having a Maternal Child Health nurse based at Goolum Goolum half a day every week.

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*.

Horsham Rural City Council Financial Performance Indicators

For the year ended 30 June 2019

Dimension/indicator/measure	Results			Forecasts				Material Variations	
	2016	2017	2018	2019	2020	2021	2022		2023
Operating position									
Adjusted underlying result									
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	-11%	6%	-3%	-3%	-4%	-3%	-3%	-4%	A large non-recurrent operating grant of \$5 million was received on 26 June 2019 resulting in a significant improved result for 2018-2019. In future years, the adjusted deficit will remain around -4 percent.
Liquidity									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	245%	298%	338%	423%	248%	252%	238%	240%	A large cash balance was held at 30 June 2019 due to \$5 million grant being received on 26th June 2019 for a program to commence in 2019-2020.
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	77%	36%	11%	-32%	-1%	-9%	-14%	-6%	Taking advantage of longer term deposits directly affects unrestricted cash held, this is reflected in year-end figures where high levels of long term deposits are held. Forecast figures reflect a return to a more consistent unrestricted cash balance.
Obligations									
Loans and borrowings									
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	28%	25%	23%	20%	18%	16%	22%	38%	Council did not draw down any new loans during 2018-2019 year which has resulted in a decreased ratio and therefore showing a favourable variance. This trend will continue until Council increases its external loan borrowings.
Loans and borrowings repayments compared to rates									
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.9%	3.0%	2.9%	2.8%	2.6%	2.4%	1%	1%	
Indebtedness									
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	27%	28%	26%	25%	23%	21%	25%	38%	
Asset renewal									
Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	73%	78%	83%	60%	88%	85%	74%	104%	Whilst 80 percent of capital expenditure was spent on asset renewal in 2019, a large increase in depreciation expense due to infrastructure asset revaluations has reduced the asset renewal ratio.
Stability									
Rates concentration									
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	58%	51%	53%	51%	53%	59%	60%	61%	

Horsham Rural City Council Financial Performance Indicators

For the year ended 30 June 2019

Dimension/ <i>indicator</i> /measure	Results			Forecasts				Material Variations	
	2016	2017	2018	2019	2020	2021	2022		2023
Rates effort									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Efficiency									
Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,759	\$3,813	\$4,171	\$4,483	\$4,524	\$3,818	\$3,866	\$3,933	
Revenue level									
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,711	\$1,787	\$1,845	\$1,872	\$1,899	\$1,926	\$1,952	\$1,979	
Workforce turnover									
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	8.92%	10.76%	11.53%	13.68%	8.28%	8.28%	8.28%	8.28%	

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)

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

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

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

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

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

Other Information

For the year ended 30 June 2019

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 24 June 2019 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained 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: 23 September 2019

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

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

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

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



Mark Radford

Councillor

Dated: 23 September 2019



David Grimble

Councillor

Dated: 23 September 2019



Sunil Bhalla B Eng (Civil), M Tech (Const), MBA, GAICD

Chief Executive Officer

Dated: 23 September 2019

Independent Auditor's Report

To the Councillors of Horsham Rural City Council

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


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

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

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

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

MELBOURNE
27 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Independent Auditor's Report

To the Councillors of Horsham Rural City Council

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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



**HORSHAM RURAL CITY COUNCIL
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

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**CERTIFICATION OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

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.



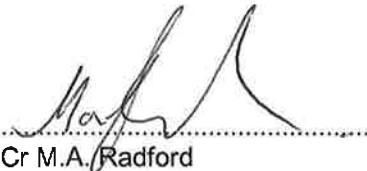
.....
Mr G.A. Harrison, B Econ, CPA, GAICD
Principal Accounting Officer
23rd September 2019

Horsham

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

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

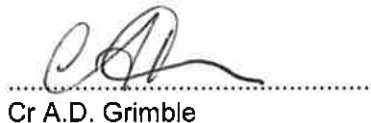
We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



.....
Cr M.A. Radford

23rd September 2019

Horsham



.....
Cr A.D. Grimble

23rd September 2019

Horsham



.....
Mr. S. Bhalla, B Eng(Civil), M Tech (Const), MBA, GAICD
Chief Executive Officer

23rd September 2019

Horsham

FINANCIAL REPORT
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**COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$'000	2018 \$'000
INCOME			
Rates and charges	3.1	26,685	25,695
Statutory fees and fines	3.2	420	447
User fees	3.3	6,272	6,887
Grants - operating	3.4 (a)	15,820	10,566
Grants - capital	3.4 (a)	5,404	7,102
Contributions - monetary	3.5 (a)	951	1,117
Contributions - non-monetary assets	3.5 (b)	1,500	1,715
Other income	3.7	2,136	2,586
Share of net profits of associates	6.2	(22)	160
		-----	-----
Total Income		59,166	56,275
		=====	=====
EXPENSES			
Employee costs	4.1	(18,081)	(17,598)
Materials and services	4.2	(21,454)	(19,584)
Depreciation and amortisation	4.3	(12,495)	(11,105)
Bad and doubtful debts	4.4	(204)	(77)
Borrowing costs	4.5	(269)	(291)
Other expenses	4.6	(308)	(261)
Fair value adjustments for investment property	6.3	(10)	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	3.6	(41)	74
Written down value of assets disposed	3.6	(941)	(1,142)
		-----	-----
Total Expenses		(53,803)	(49,984)
		=====	=====
		-----	-----
Surplus for the year		5,363	6,291
		=====	=====
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.1	26,801	2,681
(Impairment)/reversal of revalued assets	6.1	1,212	1,422
		-----	-----
Total comprehensive result		33,376	10,394
		=====	=====

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

**BALANCE SHEET
AS AT 30 JUNE 2019**

	Notes	2019 \$'000	2018 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5.1 (a)	13,207	7,614
Trade and other receivables	5.1 (c)	3,244	1,557
Other financial assets	5.1 (b)	23,900	22,500
Inventories	5.2 (a)	373	362
Other assets	5.2 (b)	1,174	2,093
		-----	-----
Total current assets		41,898	34,126
		=====	=====
NON-CURRENT ASSETS			
Trade and other receivables	5.1 (c)	90	106
Investments in associates	6.2	1,418	1,440
Property, infrastructure, plant & equipment	6.1	484,836	459,630
Investment property	6.3	2,450	2,400
Intangibles	5.2 (c)	608	811
		-----	-----
Total non-current assets		489,402	464,387
		=====	=====
Total Assets		531,300	498,513
		=====	=====
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5.3 (a)	3,017	3,275
Trust funds and deposits	5.3 (b)	541	563
Provisions	5.5	5,863	5,791
Interest-bearing liabilities	5.4	481	481
		-----	-----
Total current liabilities		9,902	10,110
		=====	=====
NON-CURRENT LIABILITIES			
Provisions	5.5	3,880	3,780
Interest-bearing liabilities	5.4	4,910	5,391
		-----	-----
Total non-current liabilities		8,790	9,171
		=====	=====
Total Liabilities		18,692	19,281
		=====	=====
NET ASSETS		512,608	479,232
		=====	=====
EQUITY			
Accumulated surplus		237,910	235,295
Reserves - asset replacement	9.1 (a)	24,026	21,278
Reserves - asset revaluation	9.1 (b)	250,672	222,659
		-----	-----
TOTAL EQUITY		512,608	479,232
		=====	=====

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

2019	Notes	TOTAL \$'000	Accumulated Surplus \$'000	Asset Replacement Reserve \$'000	Asset Revaluation Reserve \$'000
Balance at the beginning of the financial year		479,232	235,295	21,278	222,659
Surplus for the year		5,363	5,363	-	-
Net asset revaluation increment		28,013	-	-	28,013
Transfers to other reserves	9.1 (a)	-	(5,194)	5,194	-
Transfers from other reserves	9.1 (a)	-	2,446	(2,446)	-
Balance at the end of the financial year		512,608	237,910	24,026	250,672

2018	Notes	TOTAL \$'000	Accumulated Surplus \$'000	Asset Replacement Reserve \$'000	Asset Revaluation Reserve \$'000
Balance at the beginning of the financial year		468,838	231,843	18,439	218,556
Surplus for the year		6,291	6,291	-	-
Net asset revaluation increment		4,103	-	-	4,103
Transfers to other reserves	9.1 (a)	-	(6,447)	6,447	-
Transfers from other reserves	9.1 (a)	-	3,608	(3,608)	-
Balance at the end of the financial year		479,232	235,295	21,278	222,659

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 Inflows (Outflows) \$'000	2018 Inflows (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		26,679	25,828
Statutory fees and fines		536	459
User fees		3,593	8,032
Grants - operating		15,820	10,566
Grants - capital		7,107	5,917
Contributions - monetary		951	1,117
Interest received		613	644
Rent		243	278
Other receipts		1,295	2,757
Net GST refund		1,917	1,855
Employees costs		(18,025)	(17,382)
Materials and services		(22,546)	(21,628)
Other payments		(1,413)	(1,836)
		-----	-----
Net cash provided by operating activities	9.2	16,770	16,607
		-----	-----
Cash flows from investing activities			
Payments for investments		(1,400)	(6,500)
Payments for property, infrastructure, plant and equipment		(9,220)	(15,314)
Proceeds from sale of property, infrastructure, plant and equipment		253	550
Payments for investment properties		(60)	-
		-----	-----
Net cash used in investing activities		(10,427)	(21,264)
		-----	-----
Cash flows from financing activities			
Finance costs		(269)	(291)
Repayment of borrowings		(481)	(451)
		-----	-----
Net cash used in financing activities		(750)	(742)
		-----	-----
Net increase/(decrease) in cash and cash equivalents		5,593	(5,399)
Cash and cash equivalents at the beginning of the financial year		7,614	13,013
		-----	-----
Cash and cash equivalents at the end of the financial year	5.1 (a)	13,207	7,614
		=====	=====
Financing arrangements	5.6		
Restrictions on cash assets	5.1 (a)		

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

**STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$'000	2018 \$'000
Property		
Works in progress	-	63
Total land	-	63
Buildings	751	3,524
Works in progress	81	604
Total buildings	832	4,128
Total property	832	4,191
Plant and equipment		
Plant, machinery and equipment	1,605	1,555
Office furniture and equipment	167	261
Art purchases	10	40
Public art purchases	9	-
Works in progress	-	26
Total plant and equipment	1,791	1,882
Infrastructure		
Roads	4,448	4,573
Bridges	310	544
Footpaths and cycleways	107	290
Drainage	149	77
Recreation, leisure and community facilities	542	44
Waste management	2	1,853
Parks, open space and streetscapes	109	103
Other infrastructure	40	102
Works in progress	889	1,655
Total infrastructure	6,596	9,241
Total capital works expenditure	9,219	15,314
Represented by:		
Asset renewal expenditure	7,357	9,194
Asset upgrade expenditure	945	2,254
New asset expenditure	917	3,866
Total capital works expenditure	9,219	15,314

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

OVERVIEW

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 (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of employee provisions (refer to note 5.5)
- the determination of landfill provisions (refer to note 5.5)

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1 PERFORMANCE AGAINST BUDGET

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent and \$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 25th June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 INCOME AND EXPENDITURE

	Ref	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	2019 %
INCOME					
Rates and charges		26,702	26,685	(17)	(0.1)
Statutory fees and fines		484	420	(64)	(13.2)
User fees		6,162	6,272	110	1.8
Grants - operating	1	12,328	15,820	3,492	28.3
Grants - capital	2	3,484	5,404	1,920	55.1
Contributions - monetary	3	70	951	881	1,258.6
Contributions - non-monetary	4	900	1,500	600	66.7
Fair value adjustments for investment property		10	(10)	(20)	(200.0)
Other income		2,361	2,136	(225)	(9.5)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(42)	(41)	1	(2.4)
Share of net profits of associates		30	(22)	(52)	(173.3)
Total Income		52,489	59,115	6,626	12.6
EXPENSES					
Employee costs		(17,970)	(18,081)	(111)	0.6
Materials and services	5	(20,500)	(21,454)	(954)	4.7
Depreciation and amortisation	6	(10,900)	(12,495)	(1,595)	14.6
Bad and doubtful debts		(72)	(204)	(132)	183.3
Borrowing costs		(295)	(269)	26	(8.8)
Other expenses		(277)	(308)	(31)	11.2
Written down value of assets disposed		(1,000)	(941)	59	(5.9)
Total Expenses		(51,014)	(53,752)	(2,738)	5.4
Surplus for the year		1,475	5,363	3,888	263.6

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019****1.1 INCOME AND EXPENDITURE (Cont.)****(i) Explanation of material variations****1. Grants - operating**

The budget included grant payments for 2 stages of the Grampians Peak Trail project, due to delays in meeting project timelines only one funding payment was received resulting in a short fall in this project of \$2.65m.

Council was successful in receiving additional operating grants during the year including a grant from the Regional Council Transformation Program of \$5m on behalf of 6 councils, an extra \$610k from Grants Commission, \$284k for 7 community service grants and \$260k for 4 sporting grants.

2. Grants - capital

Council received additional capital grants during the year for Livestock RFID equipment grant \$346k, funding for 7 roads under Fixing Country Roads program \$662k, 5 other road grants \$575k and \$1.8m to complete flood recovery roadworks. Council had included in the budget

Council had included income for two large projects: Central Business Revitalisation \$1m, and Transfer Station Renewal of \$500k, but both applications were unsuccessful.

3. Contributions - monetary assets

Subdividers and others contributed to roads & private street schemes \$140k, headworks \$105k, and \$100k towards a walking path. Other community and sporting groups contributed smaller amounts towards recreation and sporting facilities including bowling green lighting \$128k, ovals lighting \$130k, and a contribution to the construction of a bicycle pump track \$75k.

4. Contributions - non-monetary assets

Increased urban development saw road and land infrastructure assets valued at \$1.4m provided to Council, exceeding the \$900k budget.

5. Materials and services

The repairing of Council's flood damaged assets contributed an additional \$1.8m to the materials budget, whilst less materials were required for community facility projects \$400k and road maintenance materials \$400k.

6. Depreciation

A revaluation of road infrastructure assets occurred on 1st July 2018, resulting in an increase in asset values, this has resulted in larger than expected depreciation expense.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

1.2 CAPITAL WORKS	Ref	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	2019 %
Property					
Buildings	1	1,437	751	(686)	(47.7)
Works in Progress		-	81	81	100.0
Total buildings		1,437	832	(605)	(42.1)
Total property		1,437	832	(605)	57.9
Plant and equipment					
Plant, machinery and equipment		1,759	1,605	(154)	(8.8)
Office furniture and equipment		244	167	(77)	(31.6)
Art purchases		25	10	(15)	(60.0)
Public art purchases		25	9	(16)	(64.0)
Total plant and equipment		2,053	1,791	(262)	(12.8)
Infrastructure					
Roads	2	6,940	4,448	(2,492)	(35.9)
Bridges		210	310	100	47.6
Footpaths and cycleways	3	1,007	107	(900)	(89.4)
Drainage		-	149	149	100.0
Recreation, leisure and community facilities	4	1,346	542	(804)	(59.7)
Waste Management	5	1,090	2	(1,088)	(99.8)
Parks, open space and streetscapes		51	109	58	113.7
Aerodromes		200	-	(200)	(100.0)
Off street car parks		40	-	(40)	(100.0)
Other infrastructure	6	681	40	(641)	(94.1)
Works in Progress		-	889	889	100.0
Total infrastructure		11,565	6,596	(4,969)	(43.0)
Total capital works expenditure		15,055	9,219	(5,836)	(38.8)
Represented by:					
Asset renewal expenditure		8,330	7,357	(973)	(11.7)
Asset upgrade expenditure		1,895	945	(950)	(50.1)
New asset expenditure		4,830	917	(3,913)	(81.0)
Total capital works expenditure		15,055	9,219	(5,836)	(38.8)

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019****1.2 CAPITAL WORKS (cont.)****(i) Explanation of material variations****1. Buildings**

The budget included two large projects including works in the CBD of \$180k and sustainability projects worth \$200k as the matching grants were not received, these projects were withdrawn from Council's program of works. Funding of \$400k was included in the budget for the renewal of civic centre foyer, this work has not started due to an unsuccessful tender process.

2. Roads

The budget included \$1.8m of expenditure for roads associated with a new industrial estate. The project was in the planning phase at 30th June 2019. Contracts were signed in February 2019 for 5 urban road reconstructions valued at \$1.3m, these works will start in September 2019.

3. Footpaths and cycleways

The footpath budget included works in the CBD of \$680k, and as the matching grant was not received the project was withdrawn from Council's program of works. Council also made the decision during the year to cease planning works on a second Wimmera River Pedestrian Bridge valued at \$160k.

4. Recreation, leisure and community facilities

The budget included \$1.3m for the outdoor pool and wetdeck refurbishment, the project was not complete at 30th June, which is reflected in the reduction of expenditure in this area.

5. Waste Management

Council had approved a \$1m budget for transfer station improvements, as long as a grant of \$500k was gained, as the grant application was unsuccessful the project was withdrawn.

6. Other infrastructure

The budget included \$680k of expenditure for other infrastructure associated with a new industrial estate. The project was in the planning phase at 30th June 2019.

7. Works in Progress

Several road infrastructure projects being carried out by contractors were incomplete at end of year, the value of works incurred as at 30th June was \$550k. The other significant project had \$324k expended during the year was the outdoor pool pipe works also being carried out by contractors.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

2.1 ANALYSIS OF COUNCIL RESULTS BY PROGRAM

Council delivers its functions and activities through the following programs.

(a) Community Wellbeing Directorate

Community Wellbeing provides community care, family services, emergency management, arts and culture, performance and events and recreation and open space planning.

Corporate Services Directorate

Corporate Services provides general administration and management of the municipality including finance services, information technology, property and procurement, human resource management including payroll, governance, communications, customer service and information and knowledge.

Developmental Services Directorate

Development Services provides, planning and building services, health and community safety, commercial enterprises, business and economic development and tourism and events.

Infrastructure Services Directorate

Infrastructure services is responsible for constructing new infrastructure and maintaining existing infrastructure across the municipality. These assets include capital works, engineering services, project management, environment and waste, parks and gardens, emergency management, facilities management and asset management.

(b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total property, infrastructure, plant & equip assets
2019	\$'000	\$'000	\$'000	\$'000	\$'000
Community Wellbeing	5,309	(10,420)	(5,111)	2,799	38,069
Corporate Services	33,122	(8,461)	24,661	9,479	6,120
Development Services	4,419	(6,673)	(2,254)	1,398	22,788
Infrastructure Services	16,306	(28,239)	(11,933)	7,548	417,859
	59,156	(53,793)	5,363	21,224	484,836

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets property, infrastructure, plant & equip assets
2018	\$'000	\$'000	\$'000	\$'000	\$'000
Community Wellbeing	7,104	(9,192)	(2,088)	4,685	38,078
Corporate Services	25,558	(5,748)	19,810	4,085	6,165
Development Services	3,862	(5,469)	(1,607)	224	22,897
Infrastructure Services	19,751	(29,575)	(9,824)	8,674	392,490
	56,275	(49,984)	6,291	17,668	459,630

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 RATES AND CHARGES

	2019	2018
	\$'000	\$'000

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 2018/19 was \$4,446,535,000 (2017/18 \$ 4,088,497,000).

The 2018/19 General rate in the CIV dollar was .4908 cents. (2017/18 .5146 cents).

Residential	11,683	11,775
Commercial	1,617	1,533
Industrial	826	834
Farm/rural	6,137	5,506
Cultural	15	16
Municipal charge	3,209	3,117
Garbage charges	3,198	2,914
	-----	-----
Total rates and charges	26,685	25,695
	=====	=====

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018 and the valuation first applied in the rating year commencing 1 July 2018.

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

3.2 STATUTORY FEES AND FINES

Infringements and costs	112	59
Perin court recoveries	25	22
Issue of certificates	16	20
Local laws - permits & licences	35	29
Town planning	130	210
Health registrations	102	107
	-----	-----
Total statutory fees and fines	420	447
	=====	=====

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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

3.3 USER FEES

	2019 \$'000	2018 \$'000
	-----	-----
Administration charges	163	181
Animal control	359	383
Building fees & other charges	116	148
Fees - parking meters	384	405
Immunisations	2	10
Home based welfare services	712	811
Lord Mayors Camp	-	9
Other swimming income	1	1
Performance ticket sales	1,120	1,268
Sporting and recreation facilities	116	133
Sports marketing	-	3
Freight Hub user charge	136	151
Supervision of private subdivisions	33	6
Plan checking fees	1	1
Aerodrome	39	37
Saleyards	586	479
Wimmera business centre income	147	167
Rural revegetation scheme	4	2
Garbage charges	8	11
Garbage disposal	768	770
Transfer station	308	314
Waste management fees	1,165	1,580
Other user fees	104	17
	-----	-----
Total user fees	6,272	6,887
	=====	=====

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT	2019 \$'000	2018 \$'000
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	9,238	12,635
State funded grants	11,986	5,033
Total grants received	21,224	17,668
(a) Operating Grants		
Recurrent - Commonwealth Government		
Commonwealth Government family and children	32	37
Financial Assistance Grant - general purpose	4,457	4,063
Financial Assistance Grant - local roads	2,215	2,160
General Home Care	777	785
Recurrent - State Government		
School crossing supervisors	36	38
Community services	240	240
Family and children	15	-
Maternal and child health	551	454
Senior citizens centres	16	16
Food services	66	64
Home and community care	169	216
Disability services	-	143
Youth services	33	17
Library	172	171
Arts and art gallery	206	203
Environmental and landcare grants	68	113
Total recurrent operating grants	9,053	8,720
Non-recurrent - Commonwealth Government		
Outdoor recreation	869	1,243
Non-recurrent - State Government		
Corporate services	5,015	7
Regulatory services	-	150
Community services	195	199
Family and children	16	-
Public and community health	88	5
Disability services	-	60
Youth services	84	-
Outdoor recreation	265	22
Arts and art gallery	140	50
Halls, historic buildings & monuments	7	8
Economic development	11	-
Environmental and landcare grants	61	71
Recycling and waste grants	9	31
Employment schemes	7	-
Total non-recurrent operating grants	6,767	1,846
Total operating grants	15,820	10,566

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT (Cont.)

	2019 \$'000	2018 \$'000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery funding	888	1,991
Total recurrent capital grants	888	1,991
Capital non-recurrent		
Non-recurrent - Commonwealth Government		
Buildings	-	1,850
Local roads and bridges	-	506
Non-Recurrent State Government		
Community facilities	-	143
Outdoor recreation	117	759
Halls, historic buildings & monuments	7	27
Economic development	1,000	-
Local roads & ancillary assets	1,238	373
Livestock exchange	346	31
Flood recovery grants	1,808	1,422
Total non-recurrent capital grants	4,516	5,111
Total capital grants	5,404	7,102
Total grants	21,224	17,668
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:		
Financial assistance	3,412	3,149
Corporate services	5,000	7
Town planning studies	-	42
Community services	203	90
Kindergarten specific grants	15	-
Youth services	10	-
Disability grants	15	134
Outdoor recreation	216	536
Halls, historic buildings & monuments	-	45
Arts and arts gallery	116	73
Economic growth	1,011	-
Environmental	14	35
Road & streets infrastructure	1,031	85
Roads to recovery	-	244
	11,043	4,440

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT (Cont.)

	2019 \$'000	2018 \$'000
	-----	-----
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:		
Financial assistance	(3,149)	(3,004)
Corporate services	(7)	(75)
Town planning studies	(12)	-
Community services	(63)	(209)
Kindergarten specific grants	-	(95)
Rural disability access grant	(134)	(137)
Outdoor recreation	(515)	(181)
Halls, historic buildings & monuments	(45)	(13)
Arts and arts gallery	(73)	(59)
Environmental	(35)	(13)
Road & streets infrastructure	(65)	(310)
Roads to recovery	(244)	(529)
	-----	-----
	(4,342)	(4,625)
	=====	=====

Summary:

Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	4,733	4,918
Received during the financial year and remained unspent at balance date	11,043	4,440
Received in prior years and spent during the financial year	(4,342)	(4,625)
	-----	-----
Balance at year end	11,434	4,733
	=====	=====

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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

3.5 CONTRIBUTIONS

(a) Monetary

	2019 \$'000	2018 \$'000
Development contributions - cash	-	300
Road assets	382	392
Recreational, leisure and community facilities	306	326
Recreational, leisure and community services	263	99
	951	1,117
	951	1,117

(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	117	-
Land under roads	91	39
Road and bridge assets	1,158	1,676
Assets contributed by others		
Artworks and public art	82	-
Other structures - recreational facilities	52	-
	1,500	1,715
	1,500	1,715
 Total contributions	 2,451	 2,832
	 2,451	 2,832

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

3.6 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT	2019 \$'000	2018 \$'000
Sale of developed land		
Proceeds from sales of developed land	-	215
Less: Cost of developed land sold	-	(165)
	-----	-----
Profit on sale of developed land	-	50
	=====	=====
Plant and Equipment		
Proceeds from sale of assets	243	294
Written down value of assets sold	(273)	(295)
	-----	-----
(Loss) on sale of plant and equipment	(30)	(1)
	-----	-----
Furniture and Equipment		
Proceeds from sale of assets	2	1
Written down value of assets sold	(1)	-
	-----	-----
Profit on sale of furniture and equipment	1	1
	=====	=====
Sale of land and buildings		
Proceeds from sale of assets	-	40
Written down value of assets sold	-	(16)
	-----	-----
Profit/(loss) on sale of land and buildings	-	24
	=====	=====
Sale of other infrastructure		
Proceeds from sale of assets	8	-
Written down value of assets sold	(20)	-
	-----	-----
Profit/(loss) on sale of land and buildings	(12)	-
	=====	=====
Summary		
Total proceeds from sale of assets	253	550
Written down value of assets sold	(294)	(476)
	-----	-----
Total net gain/(loss) on disposal of property, plant and equip	(41)	74
	=====	=====
Disposal of council buildings		
Written down value of assets written off	(34)	-
Disposal of road infrastructure assets		
Written down value of assets written off	(796)	(1,141)
Disposal of other structures		
Written down value of assets disposed	(111)	(1)
	-----	-----
Total written down value of assets disposed	(941)	(1,142)
	=====	=====

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

3.7 OTHER INCOME

	2019 \$'000	2018 \$'000
	-----	-----
Interest	664	555
Interest on rates	40	39
External works	360	374
Road maintenance/works	7	4
Main roads maintenance Vicroads	478	928
Pre-school income	17	18
Other health receipts	-	1
Other welfare receipts	5	10
Community workshop income	3	3
Art gallery	24	67
Information office	40	41
Childrens hub rent	71	-
Theatre rent	7	7
Mibus centre rent	11	10
Industrial estate rent	-	44
Commercial properties rent	203	192
Caravan park rent	62	61
Other	144	232
	-----	-----
Total other income	2,136	2,586
	=====	=====

Interest is recognised as it is earned.

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

NOTE 4 THE COST OF DELIVERING SERVICES

4.1 EMPLOYEE COSTS

	2019 \$'000	2018 \$'000
	-----	-----
Wages and salaries	16,900	16,525
Workcover	387	316
Superannuation	1,450	1,476
Less: Amounts capitalised in non-current assets constructed by the Council	(656)	(719)
	-----	-----
Total employee costs	18,081	17,598
	=====	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

4.2 MATERIALS & SERVICES

	2019 \$'000	2018 \$'000
	-----	-----
Contract payments		
Valuation services	100	50
Provision of meals for meals on wheels	141	152
Management youth centre	106	142
Management aquatic centre	258	101
Waste management contracts	726	562
Contract cleaning	260	287
Building service contractors	313	294
Town planning services	264	103
Strategies	244	134
Sporting group projects	629	77
Community facilities projects	870	1,322
Contracts less than \$100,000	895	498
Materials and services		
Sporting group projects	98	66
Library	495	492
Road maintenance contracts	511	555
Performing events expenses	1,098	914
General materials	595	650
Road maintenance materials	723	1,147
Waste management expenses	1,853	1,919
Other materials & services less than \$100,000	2,925	3,143
Other		
Insurances	446	448
Plant operating costs	1,282	1,084
Computer expenditure	533	610
Power, light & heating	892	694
Advertising	423	257
Telephone	200	151
External salaries	1,145	537
External plant hire	109	69
Fringe benefit tax	88	131
Legal costs	153	53
Printing and stationery	91	95
Donations	372	392
Wimmera Development Association membership	204	200
Water rates	291	245
Community engagement projects	237	117
Sustainability projects	-	61
Flood and fire emergency response works and projects	1,809	1,422
CCTV safety project	0	277
Emergency management	75	133
	-----	-----
Total materials and services	21,454	19,584
	=====	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

4.3 DEPRECIATION AND AMORTISATION

	2019 \$'000	2018 \$'000
Furniture and fittings	150	120
Plant and equipment	999	1,010
Roads	6,062	5,255
Kerb and channel	465	479
Footpaths and cycleways	555	547
Bridges	311	217
Drainage	455	450
Other land improvements	42	42
Buildings	1,600	1,560
Other structures	1,653	1,425
	-----	-----
Total depreciation	12,292	11,105
	-----	-----
Intangible assets	203	-
	-----	-----
Total depreciation and amortisation	12,495	11,105
	=====	=====

Refer to note 5.2 (c) and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy

4.4 BAD AND DOUBTFUL DEBTS

Other debtors	29	8
Parking fine debtors	76	25
Animal fine debtors	99	44
	-----	-----
Total bad and doubtful debts	204	77
	=====	=====
Movement in provision for doubtful debts		
Balance at the beginning of the year	97	73
New provisions recognised during the year	153	29
Amounts already provided for and written off as uncollectable	-	(3)
Amounts provided for but recovered during the year	(2)	(2)
	-----	-----
Balance at end of year	248	97
	=====	=====

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

4.5 BORROWING COSTS

Interest - borrowings	260	291
Finance costs airspace	9	-
	-----	-----
	269	291
	=====	=====

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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

4.6 OTHER EXPENSES	2019 \$'000	2018 \$'000
Auditors' remuneration - VAGO audit of financial statements, performance statement and grant acquittals	52	50
Auditors remuneration internal	53	16
Councillor & mayoral allowances	203	195
Total other expenses	308	261

NOTE 5 OUR FINANCIAL POSITION

5.1 FINANCIAL ASSETS

(a) CASH AND CASH EQUIVALENTS

Cash on hand	5	5
Cash at bank	552	150
Overnight cash at 11am call	10,369	3,368
Short term deposits	2,281	4,091
Total cash and cash equivalents	13,207	7,614

(b) OTHER FINANCIAL ASSETS

Term deposits - current	23,900	22,500
-------------------------	--------	--------

Council's cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use. These include:

- Trust funds and deposits (Note 5.3b)	541	563
- Unexpended grants	8,022	1,291
- Reserve funds allocated to specific future purposes	300	300

Restricted funds	8,863	2,154
------------------	-------	-------

Total unrestricted cash and cash equivalents	4,344	5,460
---	--------------	--------------

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	4,657	1,194
- Cash from Financial Assistance held to fund 19/20 programs	3,412	-
- Cash from Financial Assistance held to fund 18/19 programs	-	3,149

Total funds subject to intended allocations	8,069	4,343
--	--------------	--------------

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

Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

5.1 FINANCIAL ASSETS (Cont.)

(c) TRADE AND OTHER RECEIVABLES	2019 \$'000	2018 \$'000
Current		
Statutory receivables		
Rates debtors	198	192
Parking infringement debtors	119	103
Other infringement debtors	155	164
Less doubtful debt provision - All infringements	(211)	(88)
Net GST receivable	186	251
Non statutory receivables		
Sundry debtors	2,816	917
Less doubtful debt provision - Sundry debtors	(37)	(9)
Loans & advances to community organisations	18	27
Total current trade & other receivables	3,244	1,557
Non-current		
Non statutory		
Sundry debtors	18	-
Loans & advances to community organisations	24	57
Deferred property debts receivable	48	49
Total non current trade & other receivables	90	106
Total trade & other receivables	3,334	1,663

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

(d) Ageing of receivables

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

	2019 \$'000	2018 \$'000
Current (not yet overdue)	2,562	582
Past due by up to 30 days	60	216
Past due between 31 and 180 days	131	26
Past due between 181 and 365 days	81	120
Total trade and other receivables	2,834	944
Non Current (not yet overdue)	90	106

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

5.1 TRADE AND OTHER RECEIVABLES (Cont.)

(e) Ageing of individually impaired trade and other receivables

At balance date, other debtors representing financial assets with a nominal value of \$248k, (2018 \$97k) were impaired. The amount of the provision raised against these debtors was \$248k, (2018 \$97k). They individually have been impaired as a result of their doubtful collection. 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 receivables that have been individually determined as impaired at reporting date was:

	2019 \$'000	2018 \$'000
Past due between 31 and 180 days	26	1
Past due between 181 and 365 days	4	4
Past due by more than 1 year	218	92
Total trade and other receivables	248	97

5.2 NON FINANCIAL ASSETS

(a) INVENTORIES

Inventories held for distribution	352	342
Inventories held for sale	21	20
Total inventories	373	362

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) OTHER ASSETS

Prepayments	235	222
Accrued income	939	1,871
Total other assets	1,174	2,093

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

(c) INTANGIBLE ASSETS

	2019 \$'000	2018 \$'000
Landfill air space	811	811
less amortisation	(203)	-
Total intangible assets	608	811
		Landfill \$'000
Gross carrying amount		
Balance at 1 July 2018		811
Additions from internal developments		-
Balance at 30 June 2019		811
Accumulated amortisation and impairment		
Balance at 1 July 2018		-
Amortisation expense		(203)
Balance at 30 June 2019		(203)
Net book value at 30 June 2018		811
Net book value at 30 June 2019		608

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

5.3 PAYABLES

(a) TRADE AND OTHER PAYABLES

Trade payables	2,842	3,254
Fire services levy	22	15
Accrued expenditure	5	6
PAYG payable	148	-
Total trade and other payables	3,017	3,275

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

(b) TRUST FUNDS AND DEPOSITS

	2019 \$'000	2018 \$'000
Refundable building deposits	56	59
Refundable contract deposits	38	73
Refundable security deposits	265	293
Refundable retention amounts	-	4
Other refundable deposits	182	134
	-----	-----
Total trust funds and deposits	541	563
	=====	=====

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. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and Nature of Items

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

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 and 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.

5.4 INTEREST BEARING LOANS AND BORROWINGS

Current		
Borrowings - secured	481	481
	-----	-----
	481	481
	=====	=====
Non-current		
Borrowings - secured	4,910	5,391
	-----	-----
	4,910	5,391
	=====	=====
Total	5,391	5,872
	=====	=====

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

5.4 INTEREST BEARING LOANS AND BORROWINGS (Cont.)	2019 \$'000	2018 \$'000
The maturity profile for Council's borrowings is:		
Not later than one year	481	481
Later than one year and not later than five years	605	1,086
Later than five years	4,305	4,305
	<u>5,391</u>	<u>5,872</u>

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

5.5 PROVISIONS	Employee \$'000	Quarry Restoration \$'000	Landfill Restoration \$'000	Total \$'000
2019				
Balance at the beginning of the financial year	5,649	173	3,749	9,571
Additional provisions	1,922	-	110	2,032
Amounts used	(2,025)	-	-	(2,025)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	202	3	(40)	165
Balance at the end of the financial year	<u>5,748</u>	<u>176</u>	<u>3,819</u>	<u>9,743</u>
2018				
Balance at the beginning of the financial year	5,397	166	2,413	7,976
Additional provisions	2,076	7	1,342	3,425
Amounts used	(1,823)	-	-	(1,823)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(1)	-	(6)	(7)
Balance at the end of the financial year	<u>5,649</u>	<u>173</u>	<u>3,749</u>	<u>9,571</u>

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

5.5 PROVISIONS (cont.)

	2019 \$'000	2018 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,375	1,377
Long service leave	380	283
Sick leave gratuity	42	21
	-----	-----
	1,797	1,681
	=====	=====
Current provisions expected to be wholly settled after 12 months		
Annual leave	161	239
Long service leave	2,756	2,682
Sick leave gratuity	269	285
	-----	-----
	3,186	3,206
	=====	=====
Total current employee provisions	-----	-----
	4,983	4,887
	=====	=====
Non-current		
Long service leave	513	570
Sick leave gratuity	252	192
	-----	-----
Total non current employee provisions	765	762
	=====	=====
Aggregate carrying amount of employee provisions		
Current	4,983	4,887
Non-current	765	762
	-----	-----
Total aggregate carrying amount of employee provisions	5,748	5,649
	=====	=====

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

Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and 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.

The current provision expected to be wholly settled within 12 months is calculated on the following basis:

Annual leave and sick leave gratuity: based on the trend of actually usage in preceding 12 months.
Long service leave: based on usage average over the last 5 years.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at 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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

5.5 PROVISIONS (cont.)

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.

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.

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

Key Assumptions	2019	2018
- inflation rate	4.313%	3.875%

Discount rates depend on years of service and are based on the rates released by the Department of Treasury and Finance. Probabilities of staff meeting their entitlement periods are based on history over the last four years.

(b) Restoration Provisions

	2019 \$'000	2018 \$'000
Quarry restoration provision		
Current	10	34
Non-current	166	139
	<u>176</u>	<u>173</u>

Key Assumptions		
- discount rate	1.324%	2.647%
- inflation rate	1.890%	3.520%

Discount rates are based on the rates released by the Department of Treasury and Finance.

The provision for quarry 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 sites 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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

5.5 PROVISIONS (cont.)

	2019 \$'000	2018 \$'000
(c) Landfill restoration provision		
Current	870	870
Non-current	2,949	2,879
	-----	-----
	3,819	3,749
	=====	=====

Landfill rehabilitation provision

Council is obligated to restore the Dooen 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.

Key Assumptions	2019	2018
- discount rate	1.324%	2.647%
- inflation rate	1.890%	3.520%
- estimated cost to rehabilitate	3,025	3,066

5.6 FINANCING ARRANGEMENTS

The Council has the following funding arrangements in place.

	2019 \$'000	2018 \$'000
Bank overdraft	1,000	1,000
Credit card facilities	350	350
	-----	-----
Total facilities	1,350	1,350
	=====	=====
Used facilities	55	45
Unused facilities	1,295	1,305

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

5.7 COMMITMENTS

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

2019	Not Later Than 1 Year \$'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				
Building Surveyor Services	92	225	383	700
Management of Facilities	255	260	-	515
Road maintenance	26	-	-	26
Building maintenance	190	-	-	190
Parks and gardens maintenance	62	-	-	62
Software maintenance	87	-	-	87
Waste management	115	-	-	115
Studies	296	-	-	296
Capital				
Roadworks	2,553	-	-	2,553
Recreation facility renewal	1,571	-	-	1,571
Building projects	298	-	-	298
Plant	235	-	-	235
Total	5,780	485	383	6,648

2018	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				
Building Surveyor Services	89	-	-	89
Strategic Planning Services	87	-	-	87
Waste management services	95	-	-	95
Flood recovery asset renewal	526	-	-	526
Capital				
Roadworks	632	-	-	632
Bridge works	94	-	-	94
Electronic ID system	39	-	-	39
Recreation facility renewal	245	-	-	245
Building projects	1	-	-	1
Plant	183	-	-	183
Total	1,991	-	-	1,991

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6 ASSETS WE MANAGE

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2018	Additions	Contributions	Revaluations	Transfers	Impairment Reversal	Depreciation	Disposal	At Fair Value 30 June 2019
Land	39,098	-	208	-	-	-	(42)	-	39,264
Buildings	62,256	751	-	-	635	-	(1,600)	(34)	62,008
Plant and equipment	13,264	1,791	82	-	26	-	(1,149)	(273)	13,741
Infrastructure	342,605	5,707	1,211	26,801	1,633	1,212	(9,501)	(928)	368,740
Work in progress	2,407	970	-	-	(2,294)	-	-	-	1,083
	459,630	9,219	1,501	26,801	-	1,212	(12,292)	(1,235)	484,836

Summary of Works in Progress

	Opening WIP	Additions	Transfers	Closing WIP
Land and buildings	716	81	(635)	162
Plant and equipment	26	-	(26)	-
Infrastructure	1,665	889	(1,633)	921
	2,407	970	(2,294)	1,083

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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

2019 Property	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 2018	706	37,843	992	39,541	93,240	96,505	716	136,762
Accumulated depreciation at 1 July 2018	-	-	(443)	(443)	(30,984)	(34,249)	-	(34,692)
	706	37,843	549	39,098	62,256	62,256	716	102,070
Movements in fair value								
Additions	-	-	-	-	751	751	81	832
Contributions by developers and others	91	117	-	208	-	-	-	208
Disposed	-	-	-	-	(140)	(140)	-	(140)
Transfers	-	-	-	-	635	635	(635)	-
	91	117	-	208	1,246	1,246	(554)	900
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	(42)	(42)	(1,600)	(1,600)	-	(1,642)
Accumulated depreciation of disposals	-	-	-	-	106	106	-	106
	-	-	(42)	(42)	(1,494)	(1,494)	-	(1,536)
At fair value 30 June 2019	797	37,960	992	39,749	94,486	97,751	162	137,662
Accumulated depreciation at 30 June 2019	-	-	(485)	(485)	(32,478)	(35,743)	-	(36,228)
	797	37,960	507	39,264	62,008	62,008	162	101,434

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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

2019	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
Plant and equipment							
At fair value 1 July 2018	15,009	2,011	3,709	233	20,962	26	20,988
Accumulated depreciation at 1 July 2018	(6,283)	(1,415)	-	-	(7,698)	-	(7,698)
	8,726	596	3,709	233	13,264	26	13,290
Movements in fair value							
Additions	1,605	167	10	9	1,791	-	1,791
Contributions by developers and others	-	-	62	20	82	-	82
Disposed	(776)	(27)	-	-	(803)	-	(803)
Transfers	-	-	-	26	26	(26)	0
	829	140	72	55	1,096	(26)	1,070
Movements in accumulated depreciation	(999)	(150)	-	-	(1,149)	-	(1,149)
Depreciation and amortisation	503	27	-	-	530	-	530
Accumulated depreciation of disposals	(496)	(123)	-	-	(619)	-	(619)
At fair value 30 June 2019	15,838	2,151	3,781	288	22,058	-	22,058
Accumulated depreciation at 30 June 2019	(6,779)	(1,538)	-	-	(8,317)	-	(8,317)
	9,059	613	3,781	288	13,741	-	13,741

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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

2019 Infrastructure	Roads \$'000	Bridges \$'000	Footpaths & cycleways \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Waste management \$'000	Parks open spaces and streetscapes \$'000	Aerodromes \$'000	Off street car parks \$'000	Other Infrastructure \$'000	Works in Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2018	377,378	22,075	25,226	43,989	10,790	7,456	3,618	3,289	4,134	24,501	1,665	524,121
Accumulated depreciation at 1 July 2018	(130,714)	(8,438)	(12,858)	(9,585)	(3,722)	(2,793)	(1,679)	(1,367)	(2,106)	(6,589)	-	(179,851)
	246,664	13,637	12,368	34,404	7,068	4,663	1,939	1,922	2,028	17,912	1,665	344,270
Movements in fair value												
Additions	4,448	310	107	149	542	2	109	-	-	40	889	6,596
Contributions by developers and others	619	-	194	346	-	-	52	-	-	-	-	1,211
Revaluation increments	7,816	8,111	1,687	-	-	-	-	-	645	-	-	18,259
Disposed	(1,827)	-	-	-	(357)	-	-	-	-	(55)	-	(2,239)
Transfers	892	8	24	26	368	-	48	-	-	267	(1,633)	-
	11,948	8,429	2,012	521	553	2	209	-	645	252	(744)	23,827
Movements in accumulated depreciation												
Depreciation and amortisation	(6,527)	(311)	(555)	(455)	(283)	(544)	(154)	(99)	(81)	(492)	-	(9,501)
Accumulated depreciation of disposals	1,031	-	-	-	245	-	-	-	-	35	-	1,311
Revaluation (increment)/decrement	11,581	(3,707)	841	-	-	-	-	-	(173)	-	-	8,542
Reversal of impairment losses	1,212	-	-	-	-	-	-	-	-	-	-	1,212
	7,297	(4,018)	286	(455)	(38)	(544)	(154)	(99)	(254)	(457)	-	1,564
At fair value 30 June 2019	389,326	30,504	27,238	44,510	11,343	7,458	3,827	3,289	4,779	24,753	921	547,948
Accumulated depreciation at 30 June 2019	(123,417)	(12,456)	(12,572)	(10,040)	(3,760)	(3,337)	(1,833)	(1,466)	(2,360)	(7,046)	-	(178,287)
	265,909	18,048	14,666	34,470	7,583	4,121	1,994	1,823	2,419	17,707	921	369,661

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

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

Acquisition

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

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

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

	Depreciation Period	Threshold Limit \$'000
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
Intangible assets		
Landfill air space	4 years	5,000

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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019****6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (Cont.)****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 residual values and a separate depreciation rate is determined for each component.

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

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

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

Repairs and maintenance

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.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, Ben Sawyer, Certified Practising Valuer of Preston Rowe Paterson Reg No. 63163. 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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

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

The date of the current valuation is detailed in the following table.

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

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	Date of valuation
Non specialised land	-	37,960	-	June 2018
Specialised land	-	-	797	n/a
Land improvements	-	-	507	June 2014
Non specialised buildings	-	-	62,008	June 2018
	-----	-----	-----	
Total	-	37,960	63,312	
	=====	=====	=====	

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 date of the current valuation is detailed in the following table.

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

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

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	Date of valuation
Roads	-	-	265,909	July 2018
Bridges	-	-	18,048	July 2018
Footpaths and cycleways	-	-	14,666	July 2018
Drainage	-	-	34,470	June 2017
Recreation & leisure facilities	-	-	7,583	June 2013
Waste management	-	-	4,121	June 2013
Parks, open space/streetscapes	-	-	1,994	June 2013
Aerodromes	-	-	1,823	June 2013
Off street car parks	-	-	2,419	July 2018
Other infrastructure	-	-	17,707	June 2013
	-----	-----	-----	
Total	-	-	368,740	
	=====	=====	=====	

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

6.1 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 15 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of 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.

	2019 \$'000	2018 \$'000
Reconciliation of specialised land		
Land under roads	797	706
Total specialised land	797	706

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

6.2 INVESTMENTS IN ASSOCIATES

	2019 \$'000	2018 \$'000
Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting.		
Council's interest in equity	33.28%	33.67%
Equity in Wimmera Regional Library Corporation - at valuation	963	967
	-----	-----
	963	967
	=====	=====
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	417	407
Change in equity share apportionment	1,017	1
Reported surplus/(loss) for year	(1,122)	22
Transfers to/(from) reserves	(27)	(13)
	-----	-----
Council's share of accumulated surplus at end of year	285	417
	=====	=====
Council's share of reserves		
Council's share of reserves at start of year	550	577
Change in equity share apportionment	101	(40)
Transfers to/(from) reserves	27	13
	-----	-----
Council's share of reserves at end of year	678	550
	=====	=====
Movement in carrying value of specific investment		
Carrying value of investment at start of year	967	984
Change in equity share apportionment	1,118	(39)
Share of surplus/(loss) for year	(1,122)	22
	-----	-----
Carrying value of investment at end of year	963	967
	=====	=====
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 30 JUNE 2019**

6.2 INVESTMENTS IN ASSOCIATES (cont.)	2019 \$'000	2018 \$'000
Council's investment in the Wimmera Development Association is based on the equity method of accounting.		
Council's interest in equity	48.14%	48.14%
Equity in Wimmera Development Association - at valuation	455	473
	-----	-----
	455	473
	=====	=====
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	333	191
Reported surplus for year	(18)	177
Transfers to/(from) reserves	(76)	(35)
	-----	-----
Council's share of accumulated surplus at end of year	239	333
	=====	=====
Council's share of reserves		
Council's share of reserves at start of year	140	105
Transfers to/(from) reserves	76	35
	-----	-----
Council's share of reserves at end of year	216	140
	=====	=====
Movement in carrying value of specific investment		
Carrying value of investment at start of year	473	296
Share of surplus for year	(18)	177
	-----	-----
Carrying value of investment at end of year	455	473
	=====	=====
Council's share of expenditure commitments	Nil	
Council's share of contingent liabilities and contingent assets	Nil	

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.

Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2019, and their income and expenses for that part of the reporting period in which control existed.

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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

6.2 INVESTMENTS IN ASSOCIATES (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.

Summarised financial information

Summarised statement of comprehensive income

	2019 \$'000	2018 \$'000
Total income	-	8
Total expenses	(30)	(4)
	-----	-----
Surplus/(Deficit) for year	(30)	4
	=====	=====
Total comprehensive result	(30)	4
	=====	=====

Summarised balance sheet

Total Current Assets	14	42
	-----	-----
Total assets	14	42
	=====	=====

Summarised statement of cash flows

Net cash provided by operating activities	(27)	13
	-----	-----
Net increase/(decrease) in cash and cash equivalents	(27)	13
	=====	=====

Committees of Management

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

6.3 INVESTMENT PROPERTY	2019 \$'000	2018 \$'000
Balance at beginning of financial year	2,400	2,400
Additions	60	-
Fair value adjustments	(10)	-
	-----	-----
Balance at end of financial year	2,450	2,400
	=====	=====

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 benefit 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.

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.

NOTE 7 PEOPLE AND RELATIONSHIPS

7.1 COUNCIL AND KEY MANAGEMENT REMUNERATION

(a) Related parties

Parent Entity
Horsham Rural City Council is the parent entity.

Subsidiaries and associates
Interests in subsidiaries and associates are detailed in note 6.2.

(b) Key management personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Cr M.A. Radford	Returned to office on 10/11/16.
Cr P.N. Clarke	Returned to office on 10/11/16.
Cr A.D. Grimble	Returned to office on 10/11/16.
Cr J.T. Koenig	Duly elected to office 10/11/16.
Cr L.V. Power	Duly elected to office 10/11/16.
Cr J.T. Robinson	Duly elected to office 10/11/16.
Cr A.N. Gulvin	Duly elected to office 10/11/16.
Chief Executive Officer	
Director Community Wellbeing	
Director Corporate Services	
Director Development Services	
Director Infrastructure	

	2019 No.	2018 No.
Total number of councillors	7	7
Total of chief executive and other key management personnel	5	7
	-----	-----
Total number of key management personnel	12	14
	=====	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

7.1 COUNCIL AND KEY MANAGEMENT REMUNERATION (Cont.)

(c) Remuneration of key management personnel	2019 \$'000	2018 \$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,207	1,168
Long-term benefits	24	21
Post-employment benefits	89	83
	-----	-----
Total	1,320	1,272
	=====	=====

The number of key management personnel, whose total remuneration from council and any related entities, falls within the following bands:

	No.	No.
\$ 20,000 - \$ 29,999	5	6
\$ 30,000 - \$ 39,999	1	-
\$ 40,000 - \$ 49,999	-	1
\$ 50,000 - \$ 59,999	1	1
\$ 60,000 - \$ 69,999	-	1
\$140,000 - \$149,999	-	1
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	3	2
\$209,000 - \$219,999	-	1
\$220,000 - \$229,999	1	-
\$280,000 - \$289,999	1	-
	-----	-----
	12	14
	=====	=====

(d) Senior officer remuneration

A senior officer is an officer of Council, other than key management personnel, who:

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

Based on the above criteria, there are no other senior officers whose remuneration is required to be disclosed. (2017/18 nil).

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019****7.2 RELATED PARTY DISCLOSURES****(a) Transactions with related parties**

During the period Council entered the following transactions with responsible persons or related parties of responsible persons.

Fees and charges charged to associates is nil, (2017/18 nil).

Fees and charges charged to entities controlled by key management personnel is nil. (2017/18 nil).

Infrastructure contributions from entities controlled by key management personnel is nil. (2017/18 nil).

In 17/18 employee expenses for close family members of key management personnel included a close family member. The staff member was paid in accordance with the Award for the job they performed. The council employs 280 staff of which only 1 was a close family member of key management personnel. In 18/19 external salaries expenses for close family members of key management personnel included one close family member. The contracted staff member was paid in accordance with the Award for the job they performed. The contracted staff member was remunerated via a labour hire firm. The purchase of labour was at arm's length and was in the normal course of council operations. The amount paid to hire labour firm for this person was \$27,432.

Purchase of materials and services from entities controlled by key management personnel is nil.

Purchase of materials and services from associates by key management personnel is as follows:
Council is a one of 5 member councils that contribute to Wimmera Regional Library Corporation.
Council contributed \$494,675 in 2018/19 and \$492,000 in 2017/18.

Council is a one of 5 member councils that contribute to Wimmera Regional Development Association.
Council contributed \$203,748 in 2018/19 and \$200,000 in 2017/18.

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties is nil (2017/18 nil).

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party is nil, (2017/18 nil).

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party is nil, (2017/18 nil).

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 8 MANAGING UNCERTAINTIES

8.1 CONTINGENT ASSETS AND LIABILITIES

(a) CONTINGENT ASSETS

Operating lease receivables

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:

	2019 \$'000	2018 \$'000
Not later than one year	257	212
Later than one year and not later than 5 years	334	449
Later than 5 years	1,102	1,169
	-----	-----
	1,693	1,830
	=====	=====

(b) CONTINGENT LIABILITIES

Superannuation

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 below. As a result of the volatility in financial markets the likelihood of making such contributions in the future period exists.

Future superannuation contributions

In addition to the disclosed contributions, Horsham Rural City Council has not paid any unfunded liability payments to Vision Super during 18/19 or 17/18. There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2018. The expected contributions paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 will be approx. \$129k.

Landfills

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.

Bank Guarantees

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

(b) CONTINGENT LIABILITIES (cont.)

Liability Mutual Insurance (where applicable)

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

8.2 CHANGE IN ACCOUNTING STANDARDS

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

Revenue from contracts with customers (AASB15) (applies 2019/20)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income. It is expected there will be some revenue recognition impact of approx. \$5m in 2019/20 financial statements.

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

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

Leases (AASB 16) (applies 2019/20)

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

Only leases previously identified

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

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

This standard is expected to apply to certain transactions currently accounted for under AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives. It is expected there will be some revenue recognition impact but it will not be material for 2019/20 financial statements.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

8.3 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 and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes 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.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council's 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 Council to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. 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 the balance sheet. To help manage this risk:

- Council only invest surplus funds with financial institutions that conform with State and Federal regulations and standards.

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, because the main debtor is secured by a charge over the rateable property.

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

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

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019****8.3 FINANCIAL INSTRUMENTS (cont.)****(d) Liquidity risk**

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

To help reduce these risks Council:

- 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 the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c) and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, 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 5.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of +1% and -1% in market interest rates (AUD) from year end rates of 1.67%.

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

8.4 FAIR VALUE MEASUREMENT

Fair value hierarchy

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

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

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019****8.4 FAIR VALUE MEASUREMENT (Cont.)**

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

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

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.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to 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.

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 of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

8.5 EVENTS OCCURRING AFTER BALANCE DATE

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

NOTE 9 OTHER MATTERS

9.1 RESERVES

(A) ASSET REPLACEMENT RESERVES

2019	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Car park development	2,456	361	-	2,817
Office equipment replacement	550	189	176	563
Plant replacement	4,778	1,522	1,385	4,915
Recreation contribution	335	36	-	371
Waste management replacement	2,484	1,315	231	3,568
Contingency & redundancy	193	71	89	175
Firebrace St properties	594	54	68	580
Major capital projects	474	427	45	856
Aquatic centre replacement	858	46	321	583
Aerodrome reseal	372	69	-	441
Industrial estate	3,946	39	15	3,970
Library asset replacement	50	8	15	43
Livestock exchange	242	169	79	332
Loan funds	1,185	423	-	1,608
Quarry & road rehabilitation	108	7	4	111
Road construction	32	-	-	32
Headworks drainage	538	105	10	633
Unfunded superannuation	600	-	-	600
Wimmera Business Centre	143	-	8	135
Wimmera Freight Terminal	486	130	-	616
Infrastructure gap	759	70	-	829
Sustainability projects	95	153	-	248
	21,278	5,194	2,446	24,026

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

9.1 RESERVES (Cont.)

(A) ASSET REPLACEMENT RESERVES

2018	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Car park development	2,127	343	14	2,456
Office equipment replacement	476	359	285	550
Plant replacement	4,290	1,660	1,172	4,778
Recreation contribution	297	38	-	335
Waste management replacement	2,421	1,606	1,543	2,484
Contingency & redundancy	69	124	-	193
Firebrace St properties	620	54	80	594
Major capital projects	50	593	169	474
Aquatic centre replacement	767	111	20	858
Aerodrome reseal	313	59	-	372
Industrial estate	3,559	537	150	3,946
Library asset replacement	48	8	6	50
Livestock exchange	218	62	38	242
Loan funds	746	439	-	1,185
Quarry & road rehabilitation	99	9	-	108
Road construction	32	-	-	32
Headworks drainage	445	93	-	538
Unfunded superannuation	500	100	-	600
Wimmera Business Centre	160	8	25	143
Wimmera Freight Terminal	335	151	-	486
Infrastructure gap	812	-	53	759
Sustainability projects	55	93	53	95
	<u>18,439</u>	<u>6,447</u>	<u>3,608</u>	<u>21,278</u>

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 30 JUNE 2019**

9.1 ASSET REVALUATION RESERVES

2019	Balance at beginning of reporting period \$'000	Impairments and reversals \$'000	Revaluation increment \$'000	Balance at end of reporting period \$'000
Property				
Land	24,919	-	-	24,919
Other land improvements	2,975	-	-	2,975
Buildings	20,425	-	-	20,425
Total property	48,319	-	-	48,319
Plant and equipment				
Works of art	1,330	-	-	1,330
Total plant and equipment	1,330	-	-	1,330
Infrastructure				
Roads	127,920	1,212	17,430	146,562
Kerb and channel	9,383	-	1,968	11,351
Drainage	15,884	-	-	15,884
Footpaths and cycleways	8,330	-	2,527	10,857
Bridges	2,823	-	4,404	7,227
Other infrastructures	7,595	-	472	8,067
Total Infrastructure	171,935	1,212	26,801	199,948
Other				
Land held for sale	1,075	-	-	1,075
	222,659	1,212	26,801	250,672
2018				
Property				
Land	22,960	-	1,959	24,919
Other land improvements	2,975	-	-	2,975
Buildings	19,703	-	722	20,425
Total property	45,638	-	2,681	48,319
Plant and equipment				
Works of art	1,330	-	-	1,330
Total plant and equipment	1,330	-	-	1,330
Infrastructure				
Roads	126,498	1,422	-	127,920
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	170,513	1,422	-	171,935
Other				
Land held for sale	1,075	-	-	1,075
	218,556	1,422	2,681	222,659

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

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

	2019 \$'000	2018 \$'000
	-----	-----
Surplus for the year	5,363	6,291
Depreciation and amortisation	12,495	11,105
Loss on disposal of property, infrastructure, plant and equipment	982	1,069
Contributions - Non-monetary assets	(1,500)	(1,715)
Share of (profits)/loss of associates	22	(160)
Fair value decrement adjustments for Investment property	10	-
Financing Costs	269	291
Change in assets and liabilities:		
Increase in provisions	172	1,595
(Increase)/Decrease in intangible assets	-	(810)
(Increase)/Decrease in prepayments	(13)	279
(Decrease) in trade and other payables and other liabilities	(280)	(2,222)
(Increase) in inventories	(11)	(16)
(Increase)/Decrease in trade and other receivable	(1,671)	1,302
(Increase)/Decrease in accrued income	932	(402)
	-----	-----
Net cash provided by operating activities	16,770	16,607
	=====	=====

9.3 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 Operating 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 2018, this was 9.5% as required under Superannuation Guarantee (SG) 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 Horsham Rural City Council in the fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocated benefit liabilities, assets and costs between employers for the purpose of AASB 119.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

9.3 SUPERANNUATION (Cont.)

Funding Arrangements

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's actuary.

As at 30 June 2018, 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 is a contributing employer was 106.0%.

The financial assumptions used to calculate the VBI's were:

Net Investment Return	6.00% p.a.
Salary Inflation	3.50% p.a.
Price Inflation (CPI)	2.00% p.a.

Vision Super has advised that the actual VBI at quarter ended 30 June 2019 was 107.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 interim 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 2018 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 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increase to the SG 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 unlikely that the Fund will be wound up.

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

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

9.3 SUPERANNUATION (Cont.)

The 2018 Interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

The Fund's actuarial investigations identified the following in the defined benefit category of which Council is a contributing employer:

	2018	2017
	\$m	\$m
A VBI Surplus	\$131.9	\$69.8
A total service liability surplus	\$218.3	\$193.5
A discounted accrued benefits surplus	\$249.1	\$228.8

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

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2018.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2018.

Horsham Rural City Council was notified of the 30 June 2018 VBI during August 2018 (2017: August 2017).

The 2019 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2019.

Superannuation contributions

Contributions by Horsham Rural City Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June are detailed below:

Scheme	Type of Scheme	Rate	2019 \$'000	2018 \$'000
Vision Super	Defined benefits	9.5%	149	134
Vision Super and other funds	Accumulation funds	9.5%	1,301	1,341

Council has not paid any unfunded liability payments to Vision Super in 2018/19 or in 2017/18.

There were \$69,898 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ended 30 June 2020 is \$129,000.



Council Offices



Horsham

Civic Centre, 18 Roberts Avenue,
Horsham 3400

P · (03) 5382 9777

E · council@hrcc.vic.gov.au

W · www.hrcc.vic.gov.au

Monday to Friday – 8.30am to 5.00pm

Depot

Selkirk Drive, Horsham 3400

P · (03) 5382 9600

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

Postal Address

PO Box 511, Horsham 3402