

Quarterly Performance Report

April – June 2020



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Section 1

Chief Executive Officer's Overview

I am pleased to present the Quarterly Performance Report for the quarter ended 30 June 2020.

We have just started to emerge from a three month period of social isolation which has posed significant challenges to our community. Our staff, businesses, councillors and community have embraced new ways of working and showed incredible adaptability in sweeping change. Virtual Council Meetings were held via Zoom for the first time in Council history, a significant shift in meeting procedure but also opening up the meeting to a greater audience with the ability to view the meetings online, but possibly at the same time disconnecting with some others.

As noted in my previous report the implications of COVID-19 have been significant however council's office and onsite staff had made significant changes to the way we operate to ensure continuity of services while ensuring the safety of other staff and the community at large. While there has been some recent return to face to face services in our council offices, we have increased our customer service staff to support increased calls from the community. Our outdoor crews and depot staff have worked tirelessly to ensure continuation of services to the community while increasing hygiene and social distancing practices. They've quickly adapted and developed internal processes for the protection of staff and community in this difficult time.

The major highlight of the quarter is the redeployment of staff. HRCC successfully redeployed staff from areas hit hardest by the state government closures and social isolation requirements. The result of this being that no permanent staff were stood down and they retained roles with HRCC. The contributions of redeployed staff to other areas of the organisation have been acknowledged as part of our internal quarterly award process.

Our Financial Hardship Coordinator has been providing dedicated community support during this challenging time. Her appointment was made in response to a significant increase in people reaching out for help. Residents, business, community, sporting groups and council itself are facing challenges due to COVID-19. Council is keen to reduce this pressure on our community.

For the quarter 1 April 2020 to 30 June 2020 the following key highlights are provided:

- Council plan actions and how they are tracking for the 3 months to 30 June 2020 can be viewed under each goal starting at page 5.
- Quarterly financial statements to 30 June 2020 can be viewed in Section 7 of this report.
- Coronavirus (COVID-19) impacts are addressed throughout the report but specific measures taken and impacts can be seen on page 27
- Major capital projects are continuing with minimal interruption – see page 29

The uncertainty of this time is challenging for us all and the community's efforts to support local businesses and one another at this time are commendable.

Please stay safe and continue to look after each other.



Sunil Bhalla

Chief Executive Officer
Horsham Rural City Council

Section 2

Goal 1 – Community and Cultural Development



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

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

Youth and Early Years' Service Continuity

Maternal and Child Health staff were posed the unique challenge of how to continue consultations for families during the period of social isolation. Many staff remained on the front line still seeing babies within the Kalkee Road Children's Hub.

A number of significant changes were made to how children are immunised while maintaining social distancing. Influenza vaccinations have seen an increase on previous years with all available appointments quickly taken. Supported playgroup moved online to allow social connection and contact with families during social isolation. Staff have been live streaming playgroup segments and providing a "front door drop off" of play packs for families to use.












Virtual Gallery Tours

With the closure of Horsham Regional Art Gallery due to state government closures, staff brought exhibitions to the public through virtual gallery tours in the "Behind closed doors" initiative. The exhibitions *Minstrel Kuik: She who has no self*, developed by the Gallery; and *Peter Milne: Juvenilia from M.33* - were viewed by the public via the Gallery website and Facebook.

Staff were also able to continue with digitising the Gallery's nationally significant collection with the support of Creative Victoria."



Council Plan Performance Progress

1.1 Contribute to building a vibrant, diverse and resilient community				
1.1.01	Pursue ongoing funding for a neighbourhood renewal program in Horsham North		100%	Project in recess until further notice.
1.1.02	Pursue funding for implementation of the Horsham North Urban Design Framework and Railway Corridor Master Plan		60%	GHD Consulting have been appointed to undertake assessments on parcels of land within the Rail Corridor to assess risk and remediation for future open space use.
1.1.03	Facilitate ongoing development of community facilities at Cameron Oval, Laharum		100%	The Laharum and Haven Precinct plans have been finalised Council has submitted an application to RDV for works at the Laharum Hall but this was unsuccessful. Council is working with the Laharum Sports Inc regarding funding for Stage 1 works at the Cameron Oval.
1.1.04	Facilitate ongoing development of community facilities at Haven Recreational Reserve		40%	Draft line marking plan completed and checked with school staff. Draft plan to be checked by other user groups. Engagement process being confirmed prior to commencement of community engagement process.
1.1.05	Complete construction of the Kalkee Road Children's and Community Hub and commence operations		100%	Construction completed.
1.1.06	Implement Volunteer Management Framework		75%	The Covid-19 situation and the suspension of volunteers at this time has impacted implementation of the framework
1.1.07	Develop and implement an Indigenous Reconciliation Action Plan		100%	Actions are currently being implemented.
1.1.08	Review future use of all kindergartens and Maternal & Child Health, post the Horsham North Children's Hub		90%	Work continues with DET and service providers to plan for 3yaer old kinder introduction in 2022 in HRCC.
1.1.09	Develop a master plan for Dudley Cornell Reserve following the construction of the Children's Hub		95%	Initial planning commenced 2018 but was placed on hold pending the development of various strategies: Open Space Strategy and completion of the Sporting facilities and Study. Currently finalising a revised community engagement process prior to recommencing planning for the Dudley Cornell Reserve.
1.1.10	Support our local communities in developing community plans and strategies		65%	Finalising the revised community engagement process in line with the new Local Government Act.
1.1.11	Implement recommendations from Innovate (Indigenous) Reconciliation Action Plan		75%	Actions are currently being implemented.

1.2 Develop a safe, active and healthy community, encouraging participation				
1.2.01	Develop and progressively implement a plan for the redevelopment of the Horsham City Oval precinct	●	10%	Redevelopment of the precinct is linked with the City to River Oval and Sawyer Park precinct. Initial planning has occurred with project formally planned to commence October 2020. Delayed start in recognition of the impact of COVID-19.
1.2.02	Encourage redevelopment of community facilities at the Horsham Showgrounds	●	90%	Showground Committee of Management consulted as part of the Wimmera Riverfront Activation consultation.
1.2.03	Complete a detailed feasibility study for a multipurpose/indoor sports and community facility	●	100%	Draft feasibility study has been completed.
1.2.04	Implement outcomes from the multipurpose/indoor sports and community facility feasibility study	●	0%	Now to be considered as part of Indoor/Outdoor Regional Sports Facility Feasibility Study, funding application submitted for feasibility study.
1.2.05	Development of the Health and Wellbeing Plan 2017	●	100%	Existing plan in place. Preliminary meetings held with DHHS regarding review and development of the next Health and Wellbeing Plan.
1.2.06	Support family violence prevention programs & initiatives	●	95%	Act@Work program actions near full implementation, support of Say No to Family Violence initiative
1.2.07	Development of Positive Ageing initiatives	●	100%	The project was successfully completed and has now become part of Council business through the action plan implementation
1.2.08	Review of Youth services in consultation with other agencies and develop a strategy	●	100%	Youth Strategy has been completed October 2018. We have now written implementation plan and begun with the employment of a Youth Planning and Engagement Officer.
1.2.09	Activate the Wimmera River Precinct for the community and visitors (including lights and greater presentation)	●	90%	City to River strategic planning completed. The masterplan identified a range of projects including the Riverfront project which has been successfully funded and will be implemented by the Community Wellbeing department.
1.2.10	Plan and progressively construct shared cycling and walking track paths along the Wimmera River -- from Riverside Bridge to Horsham Weir - both sides, including improvements to lighting and other facilities	●	75%	Liaising with Bicycle Advisory Committee to identify priority works. The Urban Transport Plan and Open Space Strategy highlight the importance of creating linkages between existing pathways. Some shared pathways must also accommodate increased usage of motorised transport aides (gophers).
1.2.11	Improve presentation, lighting and walking track condition around the racecourse	●	100%	Works completed.
1.2.12	Encourage the development of a riverside café	●	50%	Cafe location currently being considered as part of Riverfront Project and further feasibility and eon to occur following community consultation.
1.2.13	Support planning for review of use of the Riverside Recreation Hub precinct as part of the Wimmera River strategy	●	0%	HRCC supports initiatives to increase access along the river.
1.2.14	Determine Councils future role in Aged Care as a consequence of Commonwealth Government Aged Care reforms currently being undertaken	●	95%	Council resolved to undertake Expression of Interest process. EOI undertaken, outcome of EOI presented to Council in July 2020
1.2.15	Support behaviours that reinforce respect and equality for women and address rising levels of family violence	●	100%	Gender Equity project completed.
1.2.16	Support behaviours that reinforce respect and equality for all members of the community and address rising levels of violence generally	●	95%	Communities of Respect and Equality Membership, Community of Practice.

1.3 Contribute to cultural activities that enhance our community			
1.3.01	Complete Business Plan to determine the viability and funding options for an artist in residence facility on the Wimmera River.	●	80% Investors no longer interested in the proposed arts residency, but site has very high indigenous cultural significance and future opportunities may arise out of the City to River Project.
1.3.02	Work with the Wesley Committee of Management to review arrangements associated with the Wesley PAC	●	100% Council decision made re future ownership subject to compliance works being carried out.
1.3.03	Develop a public art action plan	●	90% Public Art Committee is currently under review. Move to integrate public art into the new Creative Horsham Strategy.
1.3.04	Continue to develop the Horsham Cinema in the main cinema with improved seating, screen and sound in conjunction with the cinema operator	●	95% New lease entered into which includes further improvements to main cinema.
1.3.05	Work with the Horsham Historical Society to plan for and scope a new Heritage Centre.	●	100% The Feasibility Study is progressing well and the consultant expects to deliver a draft report to the committee by the end of March 2018. Once the Committee have endorsed the Final Report, the Committee and the consultant would like to present this to Council. The proposal at this draft stage is recommending a Regional Museum/Discovery Centre.
1.3.06	Support the Arapiles Historical Society with the Natimuk Museum development	●	75% AHS Committee are continuing to meet and develop their various sites with the assistance of local benefactors and a strong volunteer base.
1.3.07	Form a stronger relation with Wimmera Machinery Field Days committee and their major and significant event in the municipality.	●	90% A draft MOU has been prepared and in principle agreement. The agreement provides ongoing support for this important event including the Field Days official dinner, mowing/watering of site and a Council presence (stand) during the event and agreement for necessary permits and a timeline for applications.
1.3.08	Review service levels for rural hall operational costs, safety and amenity upgrades	●	30% Social Infrastructure Plan (SIP) has identified gaps in knowledge about asset demand and service level standards. Work is being undertaken to inform how community halls and other Council owned assets are maintained and to what level.


1.4 Develop the municipality as a desirable place to live, work and enjoy for people of all ages and			
1.4.01	Work with other Councils and relevant agencies to prepare rollout of the National Disability Insurance Scheme	●	100% Transition commenced in October 2017. Completed in December 2018.
1.4.02	CBD Revitalisation Project – 2016-2025 Stage 1 - improved urban design	●	10% Funding allocated in 20/21 to progress CAD revitalisation.
1.4.03	CBD Revitalisation Project – 2016-2025 Stage 2 - Town Square	●	10% Funding in 20/21 Budget to progress CAD revitalisation project
1.4.04	Work with Victrack to improve underpasses between Horsham North and wider Horsham	●	100% Works on initial project largely complete. Further scoping required for future works.
1.4.05	Review the Domestic Animal Management Plan	●	65% Plan in Implementation Stage

Goal 1 Initiatives


No initiatives

Performance Indicators


*Active library members

	FY 2017-2018 11.83%	FY 2018-2019 11.06%	FY 2019-2020 10.84%
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Library collection usage

	FY 2017-2018 2.4	FY 2018-2019 2.14	FY 2019-2020 1.86
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Standard of library collection

	FY 2017-2018 46.14%	FY 2018-2019 43.11%	FY 2019-2020 45.82%
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Cost of library service

	FY 2017-2018 \$20.87	FY 2018-2019 \$20.98	FY 2019-2020 22.13
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*Number of children who attend the MCH service at least once a year

	FY 2017-2018 89.63%	FY 2018-2019 90.16%	FY 2019-2020 87.94%
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Infant enrolments in the MCH service

	FY 2017-2018 101.25%	FY 2018-2019 100.41%	FY 2019-2020 100.85%
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Cost of the MCH service

	FY 2017-2018 \$70.48	FY 2018-2019 \$60.62	FY 2019-2020 \$64.72
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*Number of Aboriginal children who attend the MCH service at least once a year

	FY 2017-2018 86.54%	FY 2018-2019 94.12%	FY 2019-2020 88.76%
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*Percentage of Critical and Major Non-Compliance Outcome Notifications

	FY 2017-2018 0%	FY 2018-2019 93.75%	FY 2019-2020 75.86%
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Time taken to action food complaints

	FY 2017-2018 4.67 days	FY 2018-2019 3 days	FY 2019-2020 2 days
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Food safety assessments

	FY 2017-2018 112.50%	FY 2018-2019 99.41%	FY 2019-2020 90.80%
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Cost of food safety service

	FY 2017-2018 \$666.84	FY 2018-2019 \$650.59	FY 2019-2020 \$767.58
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***Utilisation of Aquatic Facilities per population**

	FY 2017-2018 8.20%	FY 2018-2019 8.77%	FY 2019-2020 6.73%
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Cost of aquatic facilities per visit

	FY 2017-2018 \$3.10	FY 2018-2019 \$4.31	FY 2019-2020 \$5.69
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***Animal Management Prosecutions**

	FY 2017-2018 0	FY 2018-2019 1	FY 2019-2020 0
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Cost of animal management service

	FY 2017-2018 \$19.79	FY 2018-2019 \$32.14	FY 2019-2020 \$16.58
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Time taken to action animal management requests

	FY 2017-2018 1.01 days	FY 2018-2019 1 day	FY 2019-2020 1 day
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Animals reclaimed

	FY 2017-2018 45.31%	FY 2018-2019 62.91%	FY 2019-2020 53.10%
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*LGPRF Audited Indicators (Local Government Performance Reporting Framework)

Changes in data reporting as required by LGPRF:

* Cost of Animal Management Service per Population previously Cost of Animal Management Service.

* Cost of Library Service per Population previously Cost of Library Service.

Goal 2 – Sustaining the Economy

Lead in sustainable growth and economic development

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.



Business and Community Assistance Program

A Coronavirus support package has been proposed in the HRCC 2020-21 Draft Budget. The Draft Budget is on public exhibition for ten weeks. The Draft Business and Community Assistance Program has been developed to support business and the community through a blend of reduced costs for the community and programs to boost the economy. The Assistance Program will provide additional money to compliment COVID-19 support measures that are either already in place or budgeted for. The list of projects and initiatives have been developed in discussion with business and community groups.

Grants Help for Local Business Operators

Horsham Rural City Council's Economic Development Team have been available to support business owners who need to apply for government grants. Many Coronavirus-effect businesses can access up to \$10,000 from the Victorian Government along with the Commonwealth Government's JobKeeper payments. Council's Business Support Team have already supported many Horsham businesses in understanding the government support packages.



2.1 Cultivate opportunities for the municipality to prosper and pursue possibilities for new				
2.1.01	Progress implementation of the Wimmera Intermodal Freight Terminal Precinct Plan and encourage opportunities for the establishment of associated industries including the mining sector	●	80%	Stage 1 infrastructure works complete, Prospectus and Pricing Policy in development to progress negotiations with developers.
2.1.02	Work with the economic and community sectors to maximise opportunities arising from the national broadband rollout, including training and awareness of on-line retail business opportunities	●	90%	Enhance broadband project established and operational. Renewed marketing and training required to promoted digital connectively as part of Business and Community Support Package for Covid-19 response.
2.1.03	Develop an Economic Development strategy	●	100%	Economic Development Strategy adopted by Council on 19 February 2018.
2.1.04	Support development opportunities facilitated by the Wartook Valley strategy	●	30%	Review of amendment required and identified in Strategic Planning Work Program for 2022.
2.1.05	Facilitate further development of the Aerodrome Industrial Estate	●	15%	Further development dependent upon Aerodrome demand and funding of Master Plan.
2.1.06	Develop partnerships with industry groups and government	●	80%	Established strong relationship with agencies as part of COVID response and developed regular newsletter to Business.
2.1.07	Support investigations into the community service station at Natimuk	●	100%	Planning permit for service station in Natimuk was withdrawn, given the number of objections. Offered support to applicant

2.2 Support initiatives for improved transport services in and around the municipality				
2.2.02	Support a Western Highway by-pass of Horsham	●	100%	Funding committed for joint study with RRV into possible alternative truck route.
2.2.03	Explore, with reference to current planning activities being undertaken, opportunities for improved timetabling and passenger rail and bus services to Horsham from outside and within the region (including Horsham to Halls Gap, Melbourne and Adelaide)	●	50%	Bus services in Horsham had a major overhaul recently. Ongoing advocacy for return of passenger rail through meetings with State Ministers and elected members. Working group established including senior Council officers and Department of Transport bureaucrats to further investigate feasibility of return of passenger rail service to Horsham.
2.2.04	Investigate the impacts of the relocation of the rail line out of the town area	●	0%	Not yet started.
2.2.05	Review Municipal Parking strategy	●	100%	Municipal Parking Strategy endorsed by Council in December 2017.
2.2.06	Conduct a review of the roads service to encompass levels of service, construction and maintenance methods (including cost efficiency)	●	25%	Rural Roads Network Plan advancing, but slowly due to COVID limiting consultation. Preliminary draft framework for rural road service levels developed.
2.2.07	Horsham Integrated Transport Strategy completed, including: <ul style="list-style-type: none"> • Stage 1 – Strategic road network, including regional highways, • railway and Horsham Bypass • Stage 2 – Horsham urban area • Stage 3 – Rural areas of municipality 	●	70%	Rural Roads Network Plan underway, but COVID-19 impacting on consultation.
2.2.08	Develop a plan for a further vehicle bridge across the Wimmera River and determine the timing when this should be constructed.	●	10%	Planning on this linked to consideration of alternative truck route.

2.2.09	Support the development of the Grampians Way (ring road) - 'Stage 1 Mt Zero Access Road, Stage 2 Establish Picnic sites/viewing areas and signage, Stage 3 Seal remaining North West alignment (Winfield Rd north of Plantation Rd)	●	60%	Stage 1 Road works advancing.
2.2.10	Provide input to VicRoads on the redevelopment of the Western Highway/Hamilton Road/Golf Course Road intersection	●	50%	RRV's plan is reasonably firm. Funding being sought.
2.2.11	Continue to monitor and review car parking requirements in and around the CBD	●	5%	Parking Management Plan is underway. A Stakeholder Reference Group is being formed to work with the consultants Tonkin.
2.2.12	Investigate suitable locations for motorhome parking in Horsham	●	5%	Parking Management Plan is underway. A Stakeholder Reference Group is being formed to work with the consultants Tonkin.

2.3 Increase visitors to the municipality				
2.3.01	Investigate opportunities for the development of the Green Lake/Dock Lake recreational precinct	●	60%	2020-21 budget includes funding allocation for purchase of water in Green Lake. This is a component of planning for the redevelopment of the precinct.
2.3.02	Pursue opportunities for improvements at the Police Paddock Reserve/Horsham North including walking and bike tracks in the vicinity	●	60%	Several on-site meetings have occurred involving members of the Wimmera River Improvement Committee and a draft plan has been developed. Initial meetings have been held to discuss draft plan. Discussions are on-going.
2.3.03	Support the development of the Grampians Peak Trail	●	80%	Ongoing involvement for Grampians Peaks Trail, and Grampians Landscape Management Plan. Advocacy and Funding required for Trail Head development and Accommodation Investment.
2.3.04	Explore opportunities from the 2017-18 Australian and International Motor Cross Events	●	100%	Event held. Visitor Information Centre support with accommodation information for teams and attendees. Horsham Town Hall and Business Development advised local businesses of potential increased patronage. Event debriefs were undertaken with council and emergency services.
2.3.05	Investigate marketing and funding through the RMIT for the Zero to Nhill Trail	●	0%	This project was driven by the West Wimmera Shire Council. Students from RMIT used to visit the region to undertake design studies. This option is no longer available.
2.3.06	Investigate opportunities and plan for possible bike trails, Green Lake to Horsham, Horsham to Natimuk, Wartook to Zumsteins	●	70%	Cycling Trails Master Plan completed. Priority projects including the Wimmera River Trail identified. Funding and advocacy required to progress.

2.4 Promote Horsham as a regional city				
2.4.01	Support the WDA initiative to promote a Grains Centre of Excellence	●	30%	WDA reviewing priorities, delayed due to Covid and Regional Innovation Project.

Goal 2 Initiatives

Initiative	Progress
Economic Development - Small Business Assistance Program	Endorsed by council in January 2020 but put on hold due to COVID-19.
Parking and Traffic Management - Parking Plan	A Project Control Group has been formed, Councillors have been briefed on preliminary findings by the consultants, Tonkin, and a Stakeholder Reference Group is being established as the first step in community consultation

Performance Indicators

Nil

Goal 3 – Asset Management



Meet community and service needs through provision and maintenance of infrastructure

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

Lighting Horsham's River Tracks

Works to install lighting along Wimmera River waling and cycling tracks began in June. The project sees overhead LED lights added along the river between Menadue Street and the Anzac Bridge, including the Wotonga Basin.

Many people exercise along these paths during daylight hours and the new lighting will give the community reassurance to use the paths when it's dark. The lighting will improve safety for users along key tracks that connect residential areas to the river.

Horsham Rural City Council last year successfully applied for \$173,000 in funding from the Victorian Government's Public Safety Infrastructure Fund. HRCC has contributed \$90,464 from its own budget and local contractors are carrying out the installation.



Landscaping improvements will be carried out as part of the project to improve visibility and enhance the community's sense of safety on the tracks.

3.1 Determine infrastructure needs and expectations through consultation with developers and			
3.1.01	Develop improved pedestrian access (bridges) across the Wimmera River in Horsham, in partnership with land	●	55% Hamilton Street bridge identified as one of a number of potential grant funding projects. Detailed planning underway.
3.1.02	Undertake a review of Council infrastructure asset holdings to ensure they meet future community needs and longer term implications of ownership	●	90% Financial modelling substantively completed.
3.1.03	Purchase additional land for hangar space at Aerodrome including access-way	●	0% On hold pending development of Master Plan and Development Strategy.
3.1.04	Development of an Aerodrome Master Plan and implementation of planning overlays to protect the future development space of the Aerodrome	●	25% Council endorsed approval to develop Master Plan and Development Strategy, and referred to budget 2020/21.
3.1.05	Develop a prioritised plan for upgrade of community recreation facilities	●	75% Work is associated with the development of the Social Infrastructure Framework (development of framework progressing). Implementation of the Open Space Strategy will complement the Social Infrastructure Framework.
3.1.06	Implement a cyclic renewal program for all public convenience facilities in the Horsham central business district and across the municipality	●	90% All assets now included in database. Funding for one key facility included in draft 2020/21 budget.
3.1.07	Undertake master planning and major refurbishment of the Aquatic Centre	●	90% Wet deck works including new pool shell and concourse completed, ramp works about to commence.
3.1.08	Develop improved park and street tree policy as an 'urban forest plan'	●	20% Discussions continuing with Horsham Rural City Council Operations Team.
3.1.09	Identify and develop new off street parking areas on CBD fringe	●	50% Parking Management Plan is underway. A Stakeholder Reference Group is being formed to work with the consultants Tonkin.
3.1.10	Develop a master plan of streetscape themes and service levels for existing streets and new developments	●	30% Service levels under development through asset process for existing assets. Masterplan of new works part of City to River.
3.1.11	Investigate better footpaths for Natimuk	●	10% Some upgrade works completed.

3.2 Ensure projected financial and physical programs that reflect infrastructure needs			
3.2.01	Implementation of the Civic Centre Redevelopment Plan	●	10% Plans to redesign the current customer service area are being finalised and requests for tenders are expected to be issued November 2020 with construction taking place in first half of 2021
3.2.02	Confirm and undertake design and planning for the relocation of the municipal depot including potential co-location of Tech Services planning and delivery staff	●	60% On hold - funding omitted from 2020-21 due to other priorities.
3.2.03	Review and update Road Management plan	●	100% Completed June 2017.

3.3 Maintain asset management systems that will assist planning asset maintenance and capital		
3.3.01	Develop a maintenance and replacement schedule for all groups of assets managed by Council, including heritage listed buildings	85% Engineering Services has developed detailed building maintenance program from renewal information.
3.3.02	Develop and implement asset management plans for all nominated asset groups to assist with long term financial and asset management planning and legislative requirements - involve the community in the process	90% Condition audit for entire asset stock completed. This will guide the development of Asset Management Plans this year.
3.3.03	Develop and implement a fair and transparent pricing policy for all of Council's community facilities	80% Waiting for draft policy to be presented to Council. Discussions have occurred with Finance and Building maintenance teams. Pricing principals will also be supported by planning occurring through the Social Infrastructure Framework.


3.4 Deliver works to develop and maintain Council's physical assets for long term sustainability,		
3.4.01	Develop infrastructure that encourages greater participation and use of alternate transport options to the city (eg, walking, cycling and public transport)	40% Zero Carbon Plan draft nearly completed for presentation to Council August 2020.
3.4.02	Master plan preparation for the Livestock Exchange including potential items such as: roofing to cover yards, electronic ramps to replace manual ramps, compost turner and Radio Frequency Identification (RFID), solar panels and water capture.	100% Plan adopted. Now implementing actions - Roofing #1 priority.
3.4.03	Develop and review the Sports and Recreation Strategy	95% Role of Sport and Recreation Advisory Committee to be reviewed. Implementation of the Open Space Strategy is ongoing.
3.4.04	Develop additional off leash areas for dogs	85% Planning for additional off lead areas for dogs will occur as part of the implementation of the Open Space Strategy.
3.4.05	Develop improved entrances to all towns (street signage and landscapes)	25% Scope and Budget for branding strategy required across corporate, business and tourism.
3.4.06	Investigate and plan Wesley PAC refurbishment and Jubilee Hall upgrade	85% Jubilee Hall works completed, Wesley refurbishment to be carried out being funded by the committee, Project Control Group established, engineering assessments being carried out.
3.4.07	Investigate other options for the Wimmera Sports Stadium	80% Planning for feasibility study has commenced and is supported by additional funding of \$30K from SRV. A detailed engagement plan is currently being developed prior to the commencement of the project

Goal 3 Initiatives


Initiative	Progress
Commercial Activities - Gas Pipeline To WIFT Investigation	On hold.
Strategic Asset Management - Asset Management System Rollout	Asset Management System is in place and is being used in preparation of information to support preparation of the Long Term Capex Plan and Long Term Financial Plan.
Strategic Asset Management - Disaster Asset Evidence Photography	Capture on sealed roads is complete. Overall, project is 60% complete.
Strategic Asset Management - Rural Road Network Plan	Preparation work well advanced for a public consultation process, but that has been impacted by COVID-19. It is now anticipated that consultation will occur in early 2021.

Performance Indicators


*Satisfaction with sealed local roads

	FY 2017-2018 44	FY 2018-2019 45	FY 2019-2020 39
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Sealed local road requests

	FY 2017-2018 12.22	FY 2018-2019 10.72	FY 2019-2020 9.80
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Sealed local roads maintained to condition standards

	FY 2017-2018 99.30%	FY 2018-2019 99.21%	FY 2019-2020 96.62%
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Cost of sealed local road reconstruction

	FY 2017-2018 \$50.11	FY 2018-2019 \$30.86	FY 2019-2020 \$30.73
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Cost of sealed local road resealing

	FY 2017-2018 \$4.67	FY 2018-2019 \$5.71	FY 2019-2020 \$5.47
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*LGPRF Audited Indicators (Local Government Performance Reporting Framework)

Goal 4 – Governance and Business Excellence



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

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



Governor of Victoria

The Governor of Victoria the Hon Linda Dessau AC virtually visited the Horsham Rural City Council on Friday 8 May.

The tour began with a briefing with the Mayor and Chief Executive Officer about the impact the Covid-19 pandemic has had on the region's residents and businesses and the ways in which the community is adopting to the current circumstances. The virtual tour then followed with a visit to Sunnyside Lutheran Retirement Village followed by the Wimmera Base Hospital.

Council Elections

Horsham Rural City Council in conjunction with the Victorian Local Government Association has run a series of workshops to support potential candidates in the upcoming council elections. A pre-candidate training session was run on 28 May 2020 via Zoom and was well attended.

In an effort to encourage more women to stand for local government, HRCC has promoted "Local Government 101" a series of online workshops designed exclusively for women. The workshops answered questions that potential candidates may have including how to become a candidate and run a successful campaign.



4.1 Continuously improve communication and engagement with the community through effective consultation				
4.1.01	Review the rates strategy and implement	●	100%	Rating Strategy & Rating Policy have been adopted following extensive community consultation process.
4.1.02	Feedback to Community on engagement clearly explaining "why" Council delivers the services that it does	●	80%	The "why" of council services is explained in the Service Overview document - this information is yet to be simplified to provide a public message.
4.1.03	Prepare for a more deliberative approach to community engagement following the adoption of the major revisions to the Local Government Act including seeking community ideas for prosperity.	●	50%	The Oursay package of products has been purchased which has provided a range of new engagement tools that are being utilised to facilitate more enhance on-line community engagement. Covid-19 is impacting on how community engagement can occur. The new 2020 Local Government Act requires deliberative processes to be defined in Council's Community Engagement Policy, a revised policy will need to be in
4.1.04	Review our communications methods with a view to increasing electronic engagement with our customers and the community	●	80%	Council has considered a draft communications policy and plan. The plan seeks to define the forms and methods for communication both internally and externally to council. Whilst the document has not been adopted by council it is currently being utilised to guide communications activities. A range of activities have been implemented including use of Community Map, Electronic on-line forms for all engagement, use of social media and the establishment of an electronic newsletter.

4.3 Be an employer of choice				
4.3.01	Investigate opportunities for participating in employee exchange programs	●	100%	The recent staff restructure and many associated changes has meant to some extent exchanges and sharing are occurring as a matter of course, with people moving into new departments and working with different people/managers/supervisors. This, coupled with office accommodation changes, has meant that an additional layer of organised change is no longer appropriate and will not be for the foreseeable future.
4.3.02	Pursue implementation of Council's Workforce Strategy and identify opportunities for indigenous/migrant employment	●	100%	The trainee position at the Town Hall/Art Gallery is still being considered, owing to the need to prioritise other staff changes at that facility. The traineeship in the Records Unit that had ended was re-activated and a further indigenous appointment was made. It is anticipated that the current budget for indigenous employment opportunities (including incentive payments and other support/assistance available) will be fully expended, therefore the scope to do more in this area is not foreseeable and the objective has been met.


4.2 Manage risk to the organisation			
4.2.01	Review programs for savings/cancellation of services	●	50% A number of new business efficiencies have been introduced, new photocopiers, new fuel contract, improvements to procurement processes, solar panel installations at a range of council facilities and the commencement of the Regional Councils Corporate Collaboration project to increase collaboration across 6 neighbouring councils.
4.2.02	Implement a robust financial and performance management system	●	100% Financial & Performance Reporting Framework was updated in May 2019 and report formats to council were reviewed. A comprehensive quarterly performance report has been introduced and further KPI's are due to be developed. This will continue to develop to communicate performance information to Council and the community.
4.2.03	Respond to emerging risks through the strategic risk register and internal audit	●	100% Strategic risk register reviewed quarterly and presented to the Risk Management Committee for update and then to the Audit Committee. This regular process ensures an opportunity for changing/developing/emerging risks to be considered and revised/added/deleted, etc.
4.4 Achieve high standards of organisational performance			
4.4.01	Widen the implementation of the Merit Customer Service request tracking system across the organisation	●	100% Whilst this has already been completed it is still subject to review and improvement, particularly in relation to how data is reported back to Council, staff and the community and to improve the customer experience processes for the community.
4.4.02	Develop an ICT Strategy for Council including GIS capabilities	●	50% As part of the Regional Councils Corporate Collaboration project an IT Roadmap has been developed. This specifies current and future ICT needs and once complete will help inform the development of an overall ICT Strategy.
4.4.03	Develop a Management Strategy for Council's record and data management systems	●	25% Records no longer part of RCTP. Recommended that we wait for other software to ensure any new EDRMS integrates with existing software.
4.4.04	Embrace new technology in order to achieve greater efficiencies and outcomes across the organisation	●	50% Upgrades to phone systems to improve communications are in progress. Implementation of video conference facilities to improve communication completed for three meeting rooms at the Civic Centre.
4.4.05	Maintain sister city relationships as a means of facilitating business, educational and cultural networks and exchanges	●	60% Request received in late 2019 for a possible visit by the Chinese delegation.
4.4.06	Review the Name and Address Register (NAR) database to create single name and address database	●	100% Data remediation and training completed in March 2019. All necessary data has been cleansed. This needs to be checked on a monthly basis, and is in Teagan Harvey and Karen Telfer's objectives for each year.
4.4.07	Renew HRCC external website	●	100% A review is underway of the new website to identify what further improvements may be made.
4.4.08	Manage the implementation of the major revision to the Local Government Act	●	20% The new Local Government Act was enacted during March and will be phased in over the period to 31 June 2021. The Governance team is working on the development of a detailed implementation project plan to ensure that all legislative requirements are met within the specified timeframes.
4.4.09	Review need for more HR resources	●	100% A staff member has now been appointed to this role and systems and processes are now being reviewed.
4.4.10	Work with surrounding Shires to identify opportunities for shared services	●	100% Council is currently participating in a group of six Councils and has received \$5 million under the Rural Councils Transformation Program to develop a common information technology platform and shared corporate services.
4.4.11	Support training and programs relating to family violence and gender equality	●	100% Act@Work Program completed with action plan being implemented. New staff being provided training opportunities through Women's Health Grampians and also information provided through induction.
4.4.12	Support cultural awareness training and programs	●	100% Majority of staff have completed cultural awareness training, new staff trained as part of induction.

Goal 4 Initiatives


Initiative	Progress
Governance - Community Engagement Tools	The "OurSay" on-line engagement tools have been purchased and were used for the 2020-21 Budget Engagement. Following that further work needs to be undertaken to understand what worked and didn't work and why.
Governance - Horsham Municipality Community Plan	Community planning has been rescheduled to occur with the creation of a Community Vision and a major revision to the Council Plan for the next term of Council commencing in early 2020/21.
Governance - Replacement Electronic Document Records Management System (EDRMS)	The replacement project for the records system has been put on hold pending the procurement process for the Rural Councils Corporate Collaboration Project which is updating our finance systems together with 6 neighbouring councils in a shared service approach.
Management and Admin - Towards a paperless HRCC	New photocopiers and printers have been purchased that greatly enhances our capacity to understand our paper usage and are now providing regular monitoring and reporting to managers and the executive team.

Performance Indicators


*Community satisfaction with Council decisions

	FY 2017-2018	FY 2018-2019	FY 2019-2020
	49	49	39


Council decisions made at meetings closed to the public

	FY 2017-2018	FY 2018-2019	FY 2019-2020
	10.95%	12.50%	18.44%


Community satisfaction with community consultation and engagement

	FY 2017-2018	FY 2018-2019	FY 2019-2020
	53	54	41

Councillor attendance at Council meetings

	FY 2017-2018	FY 2018-2019	FY 2019-2020
	87.58%	96.19%	87.76%

Cost of governance per Councillor

	FY 2017-2018	FY 2018-2019	FY 2019-2020
	\$36,317.94	\$36,965.42	\$31,418.08

*LGPRF Audited Indicators (Local Government Performance Reporting Framework)

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

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.



Local Halls Solar Panels Program

Following on from the installations on the Horsham Mibus Centre (Library), Horsham Town Hall and Aquatic Centre, solar panels have now been installed on community halls at Mitre, Dadswells Bridge and Taylors Lake.

These community halls provide a vital connection point for our smaller communities.

This program will continue in 2020-21 with solar panels to be installed on another seven community halls.



5.1 Promote sustainability by encouraging sound environmental practice				
5.1.01	Investigate opportunities for the use of Renewable energy for Council facilities including implementing a Biomass Boiler system at the Aquatic Centre and Solar Panels where feasible on Council buildings and facilities	●	85%	Zero Carbon Plan identifies additional measures including major installations completed including Town Hall, Aquatic Centre and Library. Small halls are advancing in the 2020/21 budget.
5.1.02	Review Council's Environment Sustainability Strategy and lead the community in environmentally sustainable practices to improve management of our natural environment	●	95%	Draft Zero Carbon Plan incorporates review of relevant aspects of Environment Sustainability Strategy.
5.1.03	Develop a Climate Change Response Strategy for Council operations	●	40%	Zero Carbon Plan identifies a range of measure - still in draft form.
5.1.04	Support the Natimuk Community Energy Project	●	75%	Natimuk Community Energy has been successful in receiving a \$339,000 grant from the State Government's New Energy Jobs Fund. The grant will assist the project to finalise the necessary approvals, connection studies, develop detailed design and operational plans and develop a governance and financial model and market prospectus to attract investment for the construction phase.
5.1.05	Establish a sustainability reserve for the ongoing funding of sustainability related projects.	●	50%	Reserve established. Zero Carbon Plan to guide use of the reserve.
5.1.06	Develop a Waste Management Strategy	●	75%	Planning delayed while waiting for release of new Government Policy. Details of this slowly being released, will lead to more work in months ahead.
5.1.07	Explore GWM recycled water use within the community	●	95%	Awaiting final report from consultant.
5.1.08	Optimise use of water basins - capturing storm water	●	0%	No funding at this stage.
5.1.09	Investigate and support renewable energy opportunities throughout the municipalities	●	70%	Jung Windfarm proposal discussed with Council, planning permit to DELWP has occurred. Active participation and support in a WDA co-ordinated regional micro grid study proposal, and response to Hydrogen Discussion Paper.
5.1.10	Investigate options for shade at sporting facilities, recreational facilities and public spaces across the municipality.	●	90%	Planning is occurring via the Open Space Strategy and development of Social Infrastructure Framework.

5.2 Plan for rural and urban land use to create a sustainable municipality for the future				
5.2.01	Complete the Horsham South Structure Plan	●	75%	Options paper established and consultation for strated currently underway. Completion of Horsham South Structure Strategy anticipated Dec 2020.
5.2.02	Complete the Rural Land Use Strategy	●	30%	Limited development pressure or land- use conflict. Identified for review as part of Planning Scheme Review 2021
5.2.03	Complete the Public Open Space Strategy	●	100%	Open Space Strategy adopted by Council in December 2019 with some amendments.
5.2.04	Complete the Wimmera River Corridor Strategy	●	100%	Wimmera River Corridor Strategy completed and used to help inform the draft Open Space Strategy and City to River Background Report.
5.2.05	Review and further develop planning controls for heritage items through the completion of heritage studies	●	30%	Review of Heritage Study required and identified on Strategic Planning Work program for 2021
5.2.06	Encourage the upgrade of heritage facades on shop fronts along key retail strips and investigate possible contributions from Councils commercial property reserve	●	30%	Review of Heritage study required and establishment of guidelines for shop front grants programs.
5.2.07	Amend the Planning Scheme to implement the recommendations from flood	●	10%	Mapping review in process with WCMA and Consultants
5.2.08	Implement selected recommendations from the Wimmera River Project Report	●	0%	0

Goal 5 Initiatives

Initiative	Progress
Sustainability - Street Lighting - Lighting Regions Stage 2	Awaiting grant funding opportunity.
Sustainability - Waste Gasification Plant Investigation	On hold for now, but working with WDA and RDV on some opportunities for Waste to Energy.
Waste Management Services - Dooen Landfill Master Plan	Operational plan completed. Design for next cells nearing completion based on new long-term Master Plan for best use of available land at site.

Performance Indicators

*Council planning decisions upheld at VCAT

	FY 2017-2018 0%	FY 2018-2019 50%	FY 2019-2020 0%
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Time taken to decide planning applications

	FY 2017-2018 39	FY 2018-2019 55	FY 2019-2020 42
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Planning applications decided within required time frames

	FY 2017-2018 86.96%	FY 2018-2019 76.72%	FY 2019-2020 85.57%
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Cost of statutory planning process

	FY 2017-2018 \$3,221	FY 2018-2019 \$2,770	FY 2019-2020 \$2,898
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*Kerbside collection waste diverted from landfill

	FY 2017-2018 22.75%	FY 2018-2019 22.13%	FY 2019-2020 20.49%
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Kerbside bin collection requests

	FY 2017-2018 63.56	FY 2018-2019 77.27	FY 2019-2020 82.87
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Kerbside collection bins missed

	FY 2017-2018 1.03	FY 2018-2019 1.39	FY 2019-2020 1.45
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Cost of kerbside garbage bin collection service

	FY 2017-2018 \$117.81	FY 2018-2019 \$115.54	FY 2019-2020 \$121.42
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Cost of kerbside recyclables collection service

	FY 2017-2018 \$43.61	FY 2018-2019 \$61.67	FY 2019-2020 \$61.64
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*LGPRF Indicators (Local Government Performance Reporting Framework)

Section 3

Performance against Customer Service Targets

The last quarter was quite challenging for HRCC Customer Service staff. The beginning of April saw HRCC closed to face to face services. This triggered huge shifts in the way HRCC serves its community.

Whilst the Civic Centre doors were closed to the public, all queries, including payments and receipts were completed over the phone or online. Forms not previously available on the HRCC website were altered and uploaded for ease of customer use. Two staff were redeployed from Horsham Town Hall and Horsham Regional Art Gallery to assist with a significant increase in calls and online enquiries. With state government restrictions easing and the installation of Perspex screens in the Civic Centre, Customer Service staff resumed face to face services on 9 June 2020.

The following is a summary of the numbers of requests received through our Customer Request System – Merit, and the service areas to which they relate (sorted from highest to lowest):

Service	Qtr1	Qtr 2	Qtr 3	Qtr 4	12 Mths	% of Total
Animals	400	248	438	449	1,535	24%
Bin Services	203	178	215	168	764	12%
Parking	155	127	148	40	470	7%
Trees	61	76	151	56	344	5%
Roads	105	72	63	59	299	5%
Business or Events	102	112	74	5	293	5%
Parks & Reserves	20	73	74	28	195	3%
Local Laws	61	34	32	51	178	3%
Miscellaneous	24	50	44	45	163	3%
Drainage	44	24	39	53	160	3%
Footpaths	39	34	34	22	129	2%
Nature Strips	16	19	68	18	121	2%
Environmental Health	23	33	34	29	119	2%
Fire Control & Safety	14	80	21	3	118	2%
Signs	29	28	20	13	90	1%
Planning	16	20	12	36	84	1%
Public Amenities	28	19	20	13	80	1%
Rates & Property	3	9	36	18	66	1%
Roadsides	7	9	19	10	45	1%
Graffiti & Vandalism	17	12	3	5	37	1%
Other	265	381	200	255	1,101	17%
Grand Total	1,632	1,638	1,745	1,376	6,391	100%

The number of Customer Requests responded to within the specified time period:

"In-Time?"	Qtr1	Qtr2	Qtr 3	Qtr 4	12 Mths	% of Total
No	297	389	384	306	1,376	24%
Yes	1,110	1,053	1,195	930	4,288	76%
Grand Total	1,407	1,442	1,579	1,236	5,664	100%

Complaints received:

Complaints	Qtr1	Qtr2	Qtr 3	Qtr 4	12 Mths	% of Total
Finalised	13	24	23	100	160	92%
Open	0	1	2	10	13	8%
Grand Total	13	25	25	110	173	100%

There was a notable increase in complaints during the months of April to June 2020. The increase was attributed to community concerns around public toilets and the cleaning activities of the Work for Victoria cleaning crew, independently contracted by the Victoria Government. These concerns were relayed and addressed quickly.

Section 4

Business Improvements / Challenges

Council has implemented, addressed and managed the following business improvements and challenges across the organisation over the last three months:

Coronavirus (Covid-19) Impacts

The Covid-19 has continued to challenge us over this quarter with some closed services partially returning to deliver for the community. Office staff continue to work from their homes as directed by government and this has been proving to be effective for most and has been well supported by strong IT systems and capabilities. Face to face services are still available with the Customer Service team at the Civic Centre but we have been trying to encourage the community to use electronic options when they are available, to help limit the possibilities for spread of the virus.

It is also important to acknowledge that whilst this emergency is impacting upon the entire community it is not impacting evenly across all sectors and also all within each of the sectors. As a result council's response in the budget process has been to target a support program for both the businesses and the community rather than rate relief to all within the community regardless of their impact.

Council Services that have reopened with Covid-19 restrictions and limitations:

- Horsham Rural City Council Customer Service at Horsham Civic Centre
- Horsham Regional Art Gallery
- Aquatic Centre (with bookings and limited numbers in attendance)
- Library
- Senior Citizens Centre
- Basketball Stadium
- Community Halls
- Visitor's information Centre (open Thursday and Fridays)
- Outdoor Recreation Spaces (retaining social distancing and numbers as per the State Government Requirements for regional Victoria)
- Playgrounds
- Cinema
- Lakes & Waterways
- Children's Hub – There has been the resumption of some face to face services such as supported play group and immunisations which are being done by appointment only.
- A range of other events and workshops previously cancelled have been resuming in an online format. Notably consultative committees have continued to meet and various project consultations have moved online.

Council Services that remain closed:

There are many restrictions on a lot of activities and services that are listed above but the main service that continues to remain closed entirely is the Performing Arts at the Horsham Town Hall. Work was being undertaken to start programming again but this has been greatly impacted by the further lockdown occurring in Melbourne and across the state.

Support for the Community:

Andrea Hogan has been appointed as the Financial Hardship Co-ordinator to provide a single point of contact within the organisation for all hardship matters. (Andrea has been re-deployed from the Visitor Information Centre team leader role)

Development Services have been working on the Business and Community Support package and will have more information on this once the 2020-21 Budget has been adopted.

Financial Impacts Summary:

- It is a daily evolving circumstance that we find ourselves in and as such the financial impacts are also evolving and changing on a daily basis
- A detailed model has been developed to forecast our financial impacts depending upon when services are changed and a guestimate of when they may come back on line
- The impact on Council's operations, support to the community and service levels all result in financial implications for Council
- Relief and support measures are also being implemented with resulting losses in revenue to council or increases in direct support costs

New Local Government Act 2020

The Local Government Act received Royal Assent on 24 March 2020, and delivers the most significant reforms for Victorian local government in more than 30 years.

There are some significant pieces of work that will take place over the next 12 months including the establishment of a Community Vision and a revised Community Engagement Policy that sets some deliberative processes in place for council's community engagement.

In the short term new Governance Rules, a Transparency policy, a revise Audit & Risk Committee Charter and new terms of reference for our delegated committees were worked on this quarter.

Spending on Consultancies during 2019-20

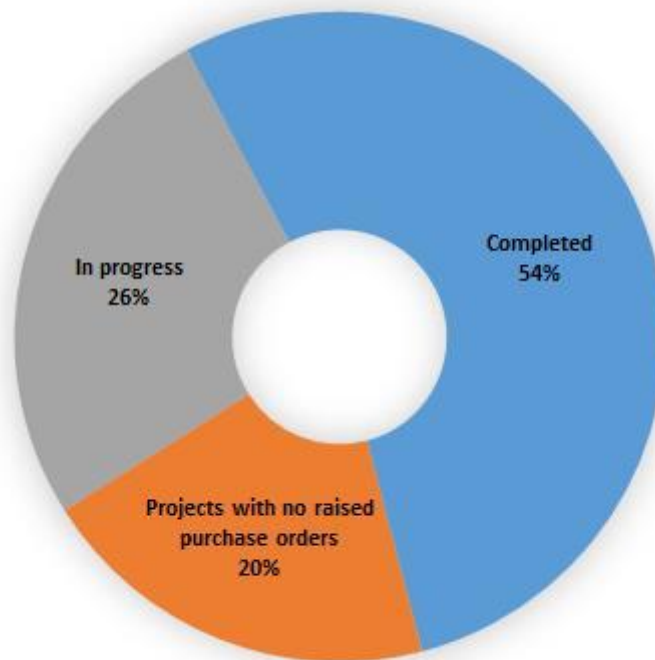
Following a question at the Budget on-line Q&A session and a subsequent follow-up public question from another member of the community the following is a list of consultancies that took place during 2019-20 by project or service area:

	No. of Consultancies	Total \$ Value
Aerodrome	2	31,220
Architects/Building works	5	34,617
City to River	3	31,651
Depot Contamination	2	92,424
Horsham South Structure Plan	1	125,246
Infrastructure - Engineering	8	105,317
Land Sale/Purchase	2	25,650
Land Use Planning generally	1	33,614
Open Space Strategy	1	12,000
Rural Councils Corporate Collaboration Project	1	53,800
Sundry	4	25,974
Sustainability & Environment	3	14,875
Transport Planning	2	64,190
Waste & Recycling	4	96,653
Grand Total	39	747,231

Section 5

Major Capital Works Projects

There are 149 capital projects and programs to be delivered over the financial year with a budget of \$20.36 million. There are also carried forward works on \$6.24 million that were uncompleted from 2018-19. The 2019-20 works are funded from, \$4.37 million external grants, R2R \$1.14 million, \$0.17 million from general contributions and donations, with the balance of \$15.82 million from Council cash (\$5.98 million from operations, \$0.45 million from asset sales, \$1.34 million from internal loans and \$6.90 million from reserves). There are no external borrowings planned for this year.



Highlights during the fourth quarter of the 2019-2020 Capital Works Program include:

All-Abilities Kayak Launch Facility, Wimmera River

This \$30,000 project was given its first test run by Paralympian Jannik Blair.

The installation of the all-abilities accessible launch facility is intended to increase participation and safety for people who wish to fish or paddle for recreation, regardless of their ability.



Pedestrian Crossing, Wimmera Base Hospital, Baillie Street

Council contractors recently completed the construction of a pedestrian crossing directly in front of the hospital in Baillie Street, Horsham. This crossing will enable safer access of patients and visitors to the main hospital building.



Roads Program

Horsham Rural City Council is responsible for over 3,000 kilometres of roads, for which we have an ongoing asset management plan.



Some of the works recently completed include:

- Green Lake Rd, \$417,000
- Federation Ave, Horsham \$190,000
- Longerenong Rd, \$545,000
- Don St, Horsham \$90,000
- Wail-Kalkee Rd, \$634,000
- Fire Access Crossing, Potters Creek \$40,000
- Asplins Rd, \$236,000
- Civic Centre Accessible Carpark Upgrade \$30,000
- Dermal St, Horsham, \$83,000

*Our works team has been able to carrying on working, with physical distancing protocols enforced

Section 6

Audit and Risk Committee

Minutes of Meeting

Thursday 11 June 2020 via Zoom 3.01pm

(To Note: Due to the continuing restrictions of the COVID-19 Coronavirus Pandemic, the meeting was conducted via Zoom to all committee and Exofficio members)

1. PRESENT

Committee Members:

Mr Richard Trigg (Chair)
Mr Vito Giudice
Mr Mark Knights
Cr Mark Radford
Cr David Grimble

Also in Attendance:

(Exofficio)

Mr Sunil Bhalla, Chief Executive Officer
Mr Graeme Harrison, Director Corporate Services
Mrs Heather Proctor, Manager Finance
Ms Diana McDonald, Co-ordinator Governance
Ms Kathie Teasdale, RSD Audit
Mr Chris Kol, McLaren Hunt Financial Group (In attendance for S.9 Audit Reports)

Additional Council

Officer Attendees:

Mr Robert Letts, Business Partner, Risk & HR (In attendance for S.10.3 Risk Management)

2. WELCOME

Richard Trigg welcomed all to the meeting.

3. APOLOGIES

Nil

4. CONFLICT OF INTEREST

Nil

5. CONFIRMATION OF MINUTES – 19 March 2020

Moved Mark Knights seconded Cr David Grimble that the minutes of the meeting held on 19 March 2020 be confirmed as an accurate record.

CARRIED

6. BUSINESS ARISING FROM PREVIOUS MINUTES

6.1 Council Plan Timeframe & Report

Advice received was tabled and discussed.

6.2 Final Procurement Policy (Adopted by Council 11 May 2020)

For information of the Committee.

Moved Vito Giudice seconded Cr Mark Radford that the above reports be received.

CARRIED

7. CEO UPDATE

7.1 Emerging Issues

Sunil discussed:

- Organisation Restructure
- Visitor Services Review
- Home Support Services Expression of Interest
- Federal and State Government Economic Stimulus

7.2 Any new level of Risk/Fraud and Corruption/Protected Disclosures

Nil

7.3 Declaration of any Conflicts of Interest

Nil

7.4 BCP and COVID-19

The CEO Sunil Bhalla provided an update on the Council's response to the COVID-19 pandemic and the Business Continuity Plan (BCP) team's response and ongoing management of the pandemic's requirements for the organisation. Sunil mentioned that a key component was to place a freeze on job vacancies and to redeploy staff affected by COVID-19.

8. CORRESPONDENCE

Nil

9. AUDIT REPORTS

9.1 RSD Internal Audit – Risk Review & Audit Plan

Kathie Teasdale provided an update on the Risk Review and Audit Plan. Cr Grimble requested bringing the Community Engagement review forward to better coincide with the requirements of the Local Government Act 2020.

ACTION: To follow up with RSD Audit in regard to rescheduling the Community Engagement Internal Audit.

9.2 RSD Internal Audit Progress Report (June 2020)

Report discussed.

Moved Cr Mark Radford seconded Vito Giudice that the Committee receives the RSD's Internal Audit – Risk Review & Audit Plan and the Internal Audit Progress Report (June 2020)

CARRIED

9.3 Internal Audit Actions Report – Council

In total 4 items were completed for the quarter (11 completed the previous quarter). Nil high risks, three medium risks and one low risk.

One additional audit (in-house assessment) is currently underway for the last quarter:

- Victorian Ombudsman’s Investigation of Alleged Improper Conduct by Executive Officers at Ballarat City Council (May 2020). This will be finalised and tabled for discussion and information of the Committee.

There are now 24 actions overdue from a total of 58 outstanding (approx 41% overdue), there was 27 overdue last quarter. Noting that again for this quarter there are currently no high risk actions overdue.

Moved Cr Mark Radford seconded Cr David Grimble that the Committee receives the Internal Audit Actions report.

CARRIED

9.4 Interim Management Letter – Year ending 20 June 2020

Chris Kol discussed the Interim Management Letter noting that the revised Audit Strategy identified COVIDI-19 as a specific risk to be considered. The interim Auditor visits were conducted via a remote secure platform with no identified issues from the 2020 interim visit. There is still some outstanding items from previous years.

The year end timelines will be similar to last years and it is anticipated that the audit will be conducted remotely, but there may be some onsite follow up attendance as required.

Moved Cr Mark Radford seconded Vito Giudice that the Committee receives the Interim Management Report

CARRIED

10. SCHEDULED ITEMS

10.1 Compliance & Legislation

10.1.1 Draft Budget (2020/2021) Report

Graeme Harrison discussed the preparation of Council’s draft 2020/2021 budget and that it is currently out for community consultation <https://oursay.org/horshamruralcitycouncil/budget2020-2021>

Report Noted

10.2 Reporting

10.2.1 Quarterly Performance Report – 31 March 2020

The quarterly financial report was tabled for the three monthly period from January to March 2020.

Moved Vito Giudice seconded Cr David Grimble that the Committee receives the Quarterly Report.

CARRIED

10.3 Risk Management

10.3.1 Risk Management Committee Meeting Minutes

Key points from Risk Management Committee Meeting May 2020:

- Strategic Risks currently being reviewed with the Council’s Internal Auditor RSD, and will be tabled at the next Audit & Risk Committee meeting
- Public Liability Insurance premiums rising by 18%

10.3.2 Risk Management Framework & Strategy

Risk Framework and Strategy reviews provided for the information of the Committee

10.3.3 Insurance Update Report

Report provided to the Committee

10.3.4 Insurance Renewals Update

Update included with 10.3.1

Moved Cr David Grimble seconded Cr Mark Radford that the Committee receives the above Risk Management reports.

CARRIED

10.4 Governance

10.4.1 Local Government Act 2020 Implementation & Local Government Victoria Transitional Arrangements

Council is preparing a range of project plans to undertake the various legislative compliance required as part of the New Local Government Act 2020 with the first key deliverables due on 1 September 2020. These include Governance Rules, Councillor Expense Policy, Delegated Committees and Asset Committees, Audit & Risk Charter and Committee and a Public Transparency Policy.

10.4.2 New Conflict of Interest Procedure (Staff)

Council has recently reviewed its Conflict of Interest Procedure (Staff) which has been updated and expanded to reflect current best practice, including the introductions of a Conflict of Interest Form.

10.4.3 HRCC Analysis – Ombudsman’s Investigation of Alleged Improper Conduct by Executive Officers at Ballarat City Council

Horsham Rural City Council’s in-house assessment and analysis of the above Victorian Ombudsman’s report is currently underway and will be tabled at the next Audit and Risk Committee Meeting.

10.4.4 Audit Committee Considerations in a COVID-19 Environment

This report from John Gavens was provided for the information of the Committee.

10.4.5 Policies reviewed and adopted (13 March 2020 – 4 June 2020)

There were nine policies and procedures reviewed and/or updated for the above period.

Moved Vito Giudice seconded Cr Mark Radford that the Committee receives the above Governance reports.

CARRIED

11. GENERAL BUSINESS

11.1 “Draft” Audit & Risk Committee Charter (In compliance with section 53(1) of the Local Government Act 2020)

Because of the mandatory timelines of the new Local Government Act 2020 it was agreed that a special Audit & Risk Committee meeting be scheduled to review the new Charter and requirements.

ACTION: Schedule an additional out of session Audit & Risk Committee Meeting.

11.2 Depot Contamination Remediation Works Update

Information provided to the Committee and reports noted.

11.3 Rural Councils Corporate Collaboration (RCCC) Project Overview

Graeme provided information regarding the RCCC project and the stages it was up to.

Report Noted

12. CONFIDENTIAL DISCUSSION

12.1 Horsham City to River Review

The Confidential Audit conducted was discussed by the Committee.

13. INTERNAL AUDITOR CONFIDENTIAL DISCUSSION

13.1 Meeting with Internal Auditors excluding Officers

Nil

14. NEXT MEETING

The next meeting of the Audit and Risk Committee will be held on Thursday 10 September 2020 commencing at the revised time of 3.00pm streamed via Zoom.

Noting that there will also be an additional out of session meeting scheduled via Zoom to consider the Audit & Risk Committee Charter and the HRCC analysis of the Victorian Ombudsman's Investigation of Alleged Improper Conduct by Executive Officers at Ballarat City Council. Date and time to be advised.

15. CLOSURE

Meeting closed at 5.27pm

**HORSHAM RURAL CITY COUNCIL
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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**CERTIFICATION OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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
28th September 2020

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 2020, 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

28th September 2020

Horsham

.....
Cr A.D. Grimble

28th September 2020

Horsham

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

28th September 2020

Horsham

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**COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$'000	2019 \$'000
INCOME			
Rates and charges	3.1	27,631	26,685
Statutory fees and fines	3.2	409	420
User fees	3.3	6,716	6,272
Grants - operating	3.4 (a)	10,705	15,820
Grants - capital	3.4 (b)	4,348	5,404
Contributions - monetary	3.5 (a)	736	951
Contributions - non-monetary	3.5 (b)	405	1,500
Other income	3.7	2,400	2,136
Share of net profits/(loss) of associates	6.3	45	(22)
		-----	-----
Total Income		53,395	59,166
		=====	=====
EXPENSES			
Employee costs	4.1	(20,410)	(18,081)
Materials and services	4.2	(19,465)	(21,454)
Depreciation	4.3	(12,076)	(12,292)
Amortisation - intangible assets	4.4	(224)	(203)
Amortisation - right of use assets	4.5	(55)	-
Bad and doubtful debts	4.5	(68)	(204)
Borrowing costs	4.7	(234)	(269)
Finance costs - leases	4.8	(14)	-
Other expenses	4.9	(267)	(308)
Fair value adjustments for investment property	6.3	-	(10)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	3.6	187	(41)
Written down value of assets disposed	3.6	(1,180)	(941)
		-----	-----
Total Expenses		(53,806)	(53,803)
		=====	=====
		-----	-----
Surplus/(Deficit) for the year		(411)	5,363
		=====	=====
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.1	265	26,801
(Impairment)/reversal of revalued assets	6.1	-	1,212
		-----	-----
Total comprehensive result		(146)	33,376
		=====	=====

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

**BALANCE SHEET
AS AT 30 JUNE 2020**

	Notes	2020 \$'000	2019 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5.1 (a)	6,921	13,207
Trade and other receivables	5.1 (c)	1,382	3,244
Other financial assets	5.1 (b)	29,200	23,900
Inventories	5.2 (a)	548	373
Other assets	5.2 (b)	547	1,174
		-----	-----
Total current assets		38,598	41,898
		=====	=====
NON-CURRENT ASSETS			
Trade and other receivables	5.1 (c)	357	90
Investments in associates	6.2	1,463	1,418
Property, infrastructure, plant & equipment	6.1	488,017	484,836
Investment property	6.3	2,450	2,450
Intangible assets	5.2 (c)	447	608
Right-of-use assets	5.8	438	-
		-----	-----
Total non-current assets		493,172	489,402
		=====	=====
Total Assets		531,770	531,300
		=====	=====
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5.3 (a)	3,838	3,017
Trust funds and deposits	5.3 (b)	509	541
Unearned income	5.3 (c)	5,190	-
Provisions	5.5	7,591	5,863
Interest-bearing liabilities	5.4	477	481
Lease liabilities	5.8	50	-
		-----	-----
Total current liabilities		17,655	9,902
		=====	=====
NON-CURRENT LIABILITIES			
Provisions	5.5	3,749	3,880
Interest-bearing liabilities	5.4	4,433	4,910
Lease liabilities	5.8	395	-
		-----	-----
Total non-current liabilities		8,577	8,790
		=====	=====
Total Liabilities		26,232	18,692
		=====	=====
NET ASSETS		505,538	512,608
		=====	=====
EQUITY			
Accumulated surplus		232,042	237,910
Reserves - asset replacement	9.1 (a)	22,559	24,026
Reserves - asset revaluation	9.1 (b)	250,937	250,672
		-----	-----
TOTAL EQUITY		505,538	512,608
		=====	=====

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

HORSHAM RURAL CITY COUNCIL

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

2020	Notes	TOTAL \$'000	Accumulated Surplus \$'000	Asset Replacement Reserve \$'000	Asset Revaluation Reserve \$'000
Balance at the beginning of the financial year		512,608	237,910	24,026	250,672
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers	10	(5,176)	(5,176)	-	-
Impact of change in accounting policy - AASB 1058 Income of Not-for-Profit Entities	10	(1,748)	(1,748)	-	-
Adjusted opening balance		505,684	230,986	24,026	250,672
(Deficit) for the year		(411)	(411)	-	-
Net asset revaluation increment		265	-	-	265
Transfers to other reserves	9.1 (a)	-	(5,272)	5,272	-
Transfers from other reserves	9.1 (a)	-	6,739	(6,739)	-
Balance at the end of the financial year		505,538	232,042	22,559	250,937
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

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 2020**

	Notes	2020 Inflows (Outflows) \$'000	2019 Inflows (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		27,419	26,679
Statutory fees and fines		408	536
User fees		8,086	3,593
Grants - operating		10,492	15,820
Grants - capital		3,444	7,107
Contributions - monetary		736	951
Interest received		669	613
Rent		219	243
Other receipts		1,819	1,295
Net GST refund		2,125	1,917
Employees costs		(18,915)	(18,025)
Materials and services		(19,813)	(22,546)
Other payments		(1,311)	(1,413)
		-----	-----
Net cash provided by/(used in) operating activities	9.2	15,378	16,770
		-----	-----
Cash flows from investing activities			
Proceeds from sale of investments		(5,300)	(1,400)
Payments for property, infrastructure, plant and equipment		(16,336)	(9,220)
Proceeds from sale of property, infrastructure, plant and equipment		749	253
Payments for investment properties		-	(60)
		-----	-----
Net cash provided by/(used in) investing activities		(20,887)	(10,427)
		-----	-----
Cash flows from financing activities			
Finance costs		(234)	(269)
Repayment of borrowings		(481)	(481)
Interest paid - lease liability		(14)	-
Repayment of lease liability		(48)	-
		-----	-----
Net cash provided by/(used in) financing activities		(777)	(750)
		-----	-----
Net increase/(decrease) in cash and cash equivalents		(6,286)	5,593
Cash and cash equivalents at the beginning of the financial year		13,207	7,614
		-----	-----
Cash and cash equivalents at the end of the financial year	5.1 (a)	6,921	13,207
		=====	=====
Financing arrangements	5.6		
Restrictions on cash assets	5.1 (b)		

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**

	2020 \$'000	2019 \$'000
Property		
Land Under Roads	15	-
Total land	15	-
Buildings	1,088	751
Works in progress	67	81
Total buildings	1,155	832
Total property	1,170	832
Plant and equipment		
Plant, machinery and equipment	1,562	1,605
Office furniture and equipment	157	167
Art purchases	27	10
Public art purchases	15	9
Total plant and equipment	1,761	1,791
Infrastructure		
Roads	5,308	4,448
Bridges	369	310
Footpaths and cycleways	312	107
Drainage	655	149
Recreation, leisure and community facilities	1,310	542
Waste management	91	2
Parks, open space and streetscapes	50	109
Off street car parks	98	-
Other infrastructure	110	40
Works in progress	5,098	889
Total infrastructure	13,401	6,596
Total capital works expenditure	16,332	9,219
Represented by:		
New asset expenditure	5,527	917
Asset renewal expenditure	9,523	7,357
Asset upgrade expenditure	1,282	945
Total capital works expenditure	16,332	9,219

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 2020****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)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

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 (except where transitional requirements of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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.

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 2020 \$'000	Actual 2020 \$'000	Variance	
				2020 \$'000	2020 %
INCOME					
Rates and charges		27,571	27,631	60	0.2
Statutory fees and fines		401	409	8	2.0
User fees	1	5,947	6,716	769	12.9
Grants - operating	2	14,648	10,705	(3,943)	(26.9)
Grants - capital	3	5,510	4,348	(1,162)	(21.1)
Contributions - monetary	4	190	736	546	287.4
Contributions - non-monetary	5	950	405	(545)	(57.4)
Fair value adjustments for investment property		10	-	(10)	(100.0)
Other income		2,373	2,400	27	1.1
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		2	187	185	9,250.0
Share of net profits of associates		95	45	(50)	(52.6)
Total Income		57,697	53,582	(4,115)	(7.1)
EXPENSES					
Employee costs	6	(19,180)	(20,410)	(1,230)	6.4
Materials and services	7	(22,600)	(19,465)	3,135	(13.9)
Depreciation and amortisation	8	(11,172)	(12,076)	(904)	8.1
Amortisation - intangible assets		-	(224)	(224)	100.0
Amortisation - right of use assets		-	(55)	(55)	100.0
Bad and doubtful debts		(82)	(68)	14	(17.1)
Borrowing costs		(232)	(234)	(2)	0.9
Finance costs - leases		-	(14)	(14)	100.0
Other expenses		(320)	(267)	53	(16.6)
Written down value of assets disposed	9	(700)	(1,180)	(480)	68.6
Total Expenses		(54,286)	(53,993)	293	(0.5)
Surplus for the year		3,411	(411)	(3,822)	(112.0)

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020****1.1 INCOME AND EXPENDITURE (Cont.)****(i) Explanation of material variations****1. User fees**

Waste management user fees increased by \$597K, which included \$90k increase at Horsham Transfer Station and \$509k increase at Dooen Landfill, comprising of an increase in general waste income of \$368k and hard waste income by \$141k.

At Horsham Livestock Exchange increased revenue of \$80k was earned, from a combination of increased agistment fees \$45k, sale of livestock and disposal fees \$20, truck wash income \$15k.

There were also small increases in building fees and public arts income \$37k each.

2. Grants - income

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 \$4.48m.

Council was successful in receiving additional operating grants during the year including two grants for Economic Development \$165k, \$86k for 3 community service grants and \$70k for planning grant.

3. Grants - capital

Changes in accounting standards has resulted in \$1.7m of capital assets received in 18.19 being reinstated as grant revenue in current year. This comprised of \$920k for new industrial precinct, \$790k for fixing country roads program.

Council received additional capital grants during the year for roads to recovery \$200k and \$85k for footpath lighting. Further industrial estate grant funding of \$300k was included in the budget, the project was completed under budget and this grant funding will not be received.

Two works in progress, Drung Jung Rd Rehabilitation and Livestock Exchange Roofing project will see the grant funding outstanding of \$1.641m received in 20.21 financial year, upon completion of the projects.

Council had included grant income for the following projects: Central Business Revitalisation \$740k, street lighting changeover \$200 and fire access grants \$120k, however these applications were unsuccessful.

4. Contributions - monetary assets

Contributions were received for additional works on roads \$390k as well as a sporting group contributing towards synthetic green upgrade \$195k.

5. Contributions - non-monetary assets

Decreased urban development resulted in a reduction in road and land infrastructure assets provided to Council.

6. Employee costs

Council has made a decision to withdraw from providing aged and disability services care.

A provision/expense has been recognised at year end for staff redundancies of \$1.13m.

7. Materials and services

The materials budget included expenditure of \$5.67m for one large operating grant, only \$1.2m was expended during the year. Additional expenditure was recorded for Covid-19 operations \$195k, and \$679k for two community facilities which were outside the budget.

8. Depreciation

A revaluation of road infrastructure assets occurred in the previous financial year, resulting in an increase in asset values, resulting in a larger than expected depreciation expense.

9. Written down value of assets disposed

Increased written down values of \$350k for aquatic centre outdoor pool was originally budgeted in prior year where actual replacement and write off occurred during 19.20 financial year.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

1.2 CAPITAL WORKS	Ref	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	2020 %
Property					
Land Under Roads		-	15	15	100.0
Total land		-	15	15	100.0
Buildings					
Buildings	1	1,700	1,088	(612)	(36.0)
Works in Progress		-	67	67	100.0
Total buildings		1,700	1,155	(545)	(32.1)
Total property		1,700	1,170	(530)	67.9
Plant and equipment					
Plant, machinery and equipment	2	2,223	1,562	(661)	(29.7)
Office furniture and equipment		407	157	(250)	(61.4)
Art purchases		25	27	2	8.0
Public art purchases		25	15	(10)	(40.0)
Total plant and equipment		2,680	1,761	(919)	(34.3)
Infrastructure					
Roads	3	7,873	5,308	(2,565)	(32.6)
Bridges		274	369	95	34.7
Footpaths and cycleways	4	1,035	312	(723)	(69.9)
Drainage	5	85	655	570	100.0
Recreation, leisure and community facilities	6	598	1,310	712	119.1
Waste Management	7	2,205	91	(2,114)	(95.9)
Parks, open space and streetscapes		30	50	20	66.7
Aerodromes		30	-	(30)	(100.0)
Off street car parks		87	98	11	12.6
Other infrastructure	8	3,760	110	(3,650)	(97.1)
Works in Progress	9	-	5,098	5,098	100.0
Total infrastructure		15,977	13,401	(2,576)	(16.1)
Total capital works expenditure		20,357	16,332	(4,025)	(19.8)
Represented by:					
Asset renewal expenditure		9,890	9,523	(367)	(3.7)
Asset upgrade expenditure		1,622	1,282	(340)	(21.0)
New asset expenditure		8,855	5,527	(3,328)	(37.6)
Total capital works expenditure		20,367	16,332	(4,035)	(19.8)

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020****1.2 CAPITAL WORKS (cont.)****(i) Explanation of material variations****1. Buildings**

The budget included one large project for Wimmera River/CAD Precinct building works of \$600k. As grant funding was not received for this project this project did not proceed.

2. Plant, machinery and equipment

Seven items of plant were ordered during the year valued at \$478k which had not been delivered by 30th June.

3. Roads

Contracted works of \$132k for roadworks in the new industrial estate were outstanding at end of year. There are contracts in place for six urban road reconstructions, incomplete work valued at \$880k, and another contract for one rural road reconstruction project with incomplete works of \$460k at 30th June. \$5.3m of works were completed during the year, there is \$1.8m of works listed as works in progress.

4. Footpaths and cycleways

The footpath budget included works in the CBD of \$585k, and as the matching grant was not received the project was withdrawn from Council's program of works. \$315k of incomplete works is listed as works in progress.

5. Drainage

Two prior year budgeted projects were completed, being: Darlot Street drainage final stage \$145k and industrial estate water main \$343k.

Road reconstruction budget estimates included in current year, did not recognise the drainage cost as a separate component. Completed projects recognised \$140k of drainage assets being renewed.

6. Recreation, leisure and community facilities

Completion of prior year project of outdoor pool pipework refurbishment of \$1.3m is now recognised. Wimmera river activation works was in the planning stage at 30th June.

7. Waste Management

The budget included two reconstruction projects at Dooen Landfill, hardwaste cell \$840k, and putrescible cell \$1.364m. Contracts are still to be let for both projects.

8. Other infrastructure

The regional livestock roofing project of \$3m was expected to be completed by 30th June. \$2.96m has been expended and treated as works in progress at 30th June, the project will be completed by October 2020.

The budget also included \$680k of expenditure for other infrastructure associated with a new industrial estate. The water main has been completed.

9. 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 \$1.89m. The other significant project outstanding is livestock roofing project with works in progress value of \$2.96m at year end.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

2.0 ANALYSIS OF COUNCIL RESULTS BY PROGRAM

Council delivers its functions and activities through the following programs.

(a) Communities and Place Directorate

Communities and Place Directorate provides community care, family services, emergency management, arts and culture, performance and events and recreation and open space planning.

This directorate also provides, planning and building services, health and community safety, commercial enterprises, business and economic development and tourism and events.

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.

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 assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Communities and Place	11,842	(21,883)	(10,041)	3,707	59,505
Corporate Services	30,030	(8,509)	21,521	4,300	49,811
Infrastructure Services	11,523	(23,414)	(11,891)	7,046	422,454
	53,395	(53,806)	(411)	15,053	531,770

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Communities and Place	9,728	(17,093)	(7,365)	4,197	60,857
Corporate Services	33,122	(8,461)	24,661	9,479	52,584
Infrastructure Services	16,306	(28,239)	(11,933)	7,548	417,859
	59,156	(53,793)	5,363	21,224	531,300

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 RATES AND CHARGES

2020	2019
\$'000	\$'000

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district.

The valuation base used to calculate general, cultural and farm rates for 2019/20 was \$4,569,123,000 (2018/19 \$ 4,446,535,000).

Residential	12,765	11,683
Commercial	1,637	1,617
Industrial	848	826
Farm/rural	5,778	6,137
Cultural	16	15
Municipal charge	3,154	3,209
Garbage charges	3,287	3,198
Revenue in lieu of rates	146	-
	-----	-----
Total rates and charges	27,631	26,685
	=====	=====

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019 and the valuation first applied in the rating year commencing 1 July 2019.

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	92	112
Perin court recoveries	33	25
Issue of certificates	20	16
Local laws - permits & licences	27	35
Town planning fees	126	130
Health registrations	111	102
	-----	-----
Total statutory fees and fines	409	420
	=====	=====

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 2020**

3.3 USER FEES

	2020 \$'000	2019 \$'000
Administration charges	118	163
Animal control	373	359
Building fees & other charges	163	116
Fees - parking meters	294	384
Immunisations	-	2
Home based welfare services	755	712
Other swimming income	1	1
Performance ticket sales	922	1,120
Sporting and recreation facilities	94	116
Freight Hub user charge	80	136
Supervision of private subdivisions	47	33
Plan checking fees	2	1
Aerodrome	35	39
Saleyards	592	586
Wimmera business centre income	117	147
Rural revegetation scheme	18	4
Garbage charges	2	8
Garbage disposal	855	768
Transfer station	380	308
Waste management fees	1,751	1,165
Other user fees	117	104
	-----	-----
Total user fees	6,716	6,272
	=====	=====

User fees by timing of revenue recognition

User fees recognised over time	6,266	5,777
User fees recognised at a point in time	453	495
	-----	-----
Total user fees	6,719	6,272
	=====	=====

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT

	2020 \$'000	2019 \$'000
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	9,551	9,238
State funded grants	5,502	11,986
Total grants received	15,053	21,224
(a) Operating Grants		
Recurrent - Commonwealth Government		
Commonwealth Government family and children	35	32
Financial Assistance Grant - general purpose	4,009	4,457
Financial Assistance Grant - local roads	2,268	2,215
General Home Care	702	777
Recurrent - State Government		
School crossing supervisors	37	36
Community services	240	240
Family and children	-	15
Maternal and child health	512	551
Senior citizens centres	16	16
Food services	99	66
Home and community care	154	169
Youth services	33	33
Library	185	172
Arts and art gallery	183	206
Environmental and landcare grants	75	68
Total recurrent operating grants	8,548	9,053
Non-recurrent - Commonwealth Government		
Outdoor recreation	1,200	869
Non-recurrent - State Government		
Corporate services	66	5,015
Regulatory services	70	-
Community services	87	195
Family and children	36	16
Public and community health	6	88
Youth services	-	84
Outdoor recreation	221	265
Arts and art gallery	11	140
Halls, historic buildings & monuments	-	7
Economic development	169	11
Environmental and landcare grants	64	61
Recycling and waste grants	-	9
Employment schemes	3	7
Covid 19 grants	224	-
Total non-recurrent operating grants	2,157	6,767
Total operating grants	10,705	15,820

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT (Cont.)

	2020 \$'000	2019 \$'000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery funding	1,337	888
Total recurrent capital grants	1,337	888
Capital non-recurrent		
Non-Recurrent State Government		
Outdoor recreation	130	117
Halls, historic buildings & monuments	-	7
Economic development	922	1,000
Local roads & ancillary assets	1,569	1,238
Livestock exchange	189	346
Sustainability grants	101	-
Recycling grants	100	-
Flood recovery grants	-	1,808
Total non-recurrent capital grants	3,011	4,516
Total capital grants	4,348	5,404
Total grants	15,053	21,224

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	3,245	3,412
Corporate services	-	5,000
Covid 19 grants	197	-
Town planning studies	70	-
Family and children	10	-
Community services	131	203
Kindergarten specific grants	35	15
Youth services	25	10
Disability grants	29	15
Outdoor recreation	54	216
Arts and arts gallery	10	116
Economic growth	116	1,011
Environmental	10	14
Road & street infrastructure	113	1,031
	4,045	11,043

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT (Cont.)

	2020 \$'000	2019 \$'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	(3,412)	(3,149)
Corporate services	(66)	(7)
Town planning studies	-	(12)
Community services	(203)	(63)
Youth services	(10)	-
Disability grants	(15)	(134)
Outdoor recreation	(216)	(515)
Halls, historic buildings & monuments	-	(45)
Arts and arts gallery	(87)	(73)
Economic growth	(1,011)	-
Environmental	(14)	(35)
Road & street infrastructure	(994)	(65)
Roads to recovery	-	(244)
	-----	-----
	(6,028)	(4,342)
	=====	=====

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

Operating		
Balance at start of year	8,887	3,864
Received during the financial year and remained unspent at balance date	3,878	8,785
Received in prior years and spent during the financial year	(3,807)	(3,762)
	-----	-----
Balance at year end	8,958	8,887
	=====	=====
Capital		
Balance at start of year	2,547	869
Received during the financial year and remained unspent at balance date	167	2,258
Received in prior years and spent during the financial year	(2,221)	(580)
	-----	-----
Balance at year end	493	2,547
	=====	=====

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

3.5 CONTRIBUTIONS

(a) Monetary

	2020 \$'000	2019 \$'000
Road assets	447	382
Recreational, leisure and community facilities	250	306
Recreational, leisure and community services	39	263
	-----	-----
	736	951
	=====	=====

(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	16	117
Land under roads	26	91
Road and bridge assets	363	1,158
Assets contributed by others		
Artworks and public art	-	82
Other structures - recreational facilities	-	52
	-----	-----
	405	1,500
	=====	=====

Total contributions	1,141	2,451
	=====	=====

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 2020**

3.6 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT	2020 \$'000	2019 \$'000
Plant and Equipment		
Proceeds from sale of assets	412	243
Written down value of assets sold	(363)	(273)
(Loss) on sale of plant and equipment	49	(30)
Furniture and Equipment		
Proceeds from sale of assets	-	2
Written down value of assets sold	-	(1)
Profit on sale of furniture and equipment	-	1
Sale of land and buildings		
Proceeds from sale of assets	337	-
Written down value of assets sold	(199)	-
Profit on sale of land and buildings	138	-
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	749	253
Written down value of assets sold	(562)	(294)
Total net gain/(loss) on disposal of property, plant and equip	187	(41)
Disposal of council buildings		
Written down value of assets written off	(38)	(34)
Disposal of road infrastructure assets		
Written down value of assets written off	(790)	(796)
Disposal of other structures		
Written down value of assets disposed	(352)	(111)
Total written down value of assets disposed	(1,180)	(941)

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

3.7 OTHER INCOME

	2020 \$'000	2019 \$'000
	-----	-----
Interest	612	664
Interest on rates	27	40
External works	256	360
Road maintenance/works	10	7
Main roads maintenance Vicroads	701	478
Pre-school income	15	17
Other welfare receipts	5	5
Community workshop income	3	3
Art gallery	27	24
Information office	31	40
Childrens hub rent	60	71
Theatre rent	3	7
Mibus centre rent	11	11
Commercial properties rent	185	203
Caravan park rent	65	62
Other	389	144
	-----	-----
Total other income	2,400	2,136
	=====	=====

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.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 4 THE COST OF DELIVERING SERVICES

4.1 (a) EMPLOYEE COSTS

	2020 \$'000	2019 \$'000
Wages and salaries	17,947	16,900
Workcover	403	387
Superannuation	1,580	1,450
Home care staff redundancy provision	1,133	-
Less: Amounts capitalised in non-current assets constructed by the Council	(653)	(656)
Total employee costs	20,410	18,081

(b) SUPERANNUATION

Council made contributions to the following funds

Defined benefit fund

Employer contributions to Local Authorities

Superannuation Fund (Vision Super) & other funds	140	149
--	-----	-----

Accumulation funds

Employer contributions to Local Authorities

Superannuation Fund (Vision Super) & other funds	1,440	1,301
--	-------	-------

1,580	1,450
-------	-------

Employer contributions payable at reporting date

71	70
----	----

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4.2 MATERIALS & SERVICES

	2020 \$'000	2019 \$'000
	-----	-----
Contract payments		
Valuation services	152	100
Provision of meals for meals on wheels	154	141
Management youth centre	42	106
Management aquatic centre	263	258
Waste management contracts	1,412	726
Contract cleaning	281	260
Building service contractors	326	313
Town planning services	-	264
Strategies	254	244
Sporting group projects	661	629
Community facilities projects	1,200	870
Covid operating costs	129	-
Rural Council Corporate Collaboration Project	66	-
Contracts less than \$100,000	1,041	895
Materials and services		
Sporting group projects	37	98
Library	518	495
Road maintenance contracts	457	511
Performing events expenses	737	1,098
General materials	530	595
Road maintenance materials	827	723
Waste management expenses	2,040	1,853
Other materials & services less than \$100,000	2,623	2,925
Other		
Insurances	517	446
Plant operating costs	1,367	1,282
Computer expenditure	486	533
Power, light & heating	806	892
Advertising	236	423
Telephone	154	200
External salaries	940	1,145
External plant hire	20	109
Fringe benefit tax	92	88
Legal costs	120	153
Printing and stationery	84	91
Donations	360	372
Wimmera Development Association membership	207	204
Water rates	251	291
Community engagement projects	39	237
Flood and fire emergency response works and projects	-	1,809
Emergency management	36	75
	-----	-----
Total materials and services	19,465	21,454
	=====	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

4.3 DEPRECIATION

	2020 \$'000	2019 \$'000
Furniture and fittings	177	150
Plant and equipment	1,038	999
Roads	5,687	6,062
Kerb and channel	470	465
Footpaths and cycleways	560	555
Bridges	314	311
Drainage	461	455
Other land improvements	42	42
Buildings	1,641	1,600
Other structures	1,686	1,653
Total depreciation	12,076	12,292

Refer to note 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 AMORTISATION - INTANGIBLE ASSETS

Landfill air space	224	203
Total amortisation - intangible assets	224	203

4.5 AMORTISATION - RIGHT OF USE ASSETS

Landfill land	55	-
Total amortisation - right of use assets	55	-

4.6 BAD AND DOUBTFUL DEBTS

Other debtors	-	29
Parking fine debtors	35	76
Animal fine debtors	33	99
Total bad and doubtful debts	68	204
Movement in provision for doubtful debts		
Balance at the beginning of the year	248	97
New provisions recognised during the year	61	153
Amounts already provided for and written off as uncollectable	(13)	-
Amounts provided for but recovered during the year	(11)	(2)
Balance at end of year	285	248

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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

4.7 BORROWING COSTS

	2020 \$'000	2019 \$'000
Interest - borrowings	229	260
Finance costs airspace	5	9
	-----	-----
	234	269
	=====	=====

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.8 FINANCE COSTS - LEASES

Interest - lease liabilities	14	-
	-----	-----
	14	-
	=====	=====

4.9 OTHER EXPENSES

Auditors' remuneration - VAGO audit of financial statements, performance statement and grant acquittals	52	52
Auditors' remuneration internal	10	53
Councillor & mayoral allowances	205	203
	-----	-----
Total other expenses	267	308
	=====	=====

NOTE 5 OUR FINANCIAL POSITION

5.1 FINANCIAL ASSETS

(a) CASH AND CASH EQUIVALENTS

Cash on hand	3	5
Cash at bank	216	552
Overnight cash at 11am call	6,702	10,369
Short term deposits	-	2,281
	-----	-----
Total cash and cash equivalents	6,921	13,207
	=====	=====

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

5.1 FINANCIAL ASSETS (Cont.)

(b) OTHER FINANCIAL ASSETS	2020 \$'000	2019 \$'000
Term deposits - current	29,200	23,900
Total other financial assets	29,200	23,900
Total financial assets	36,121	37,107
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary or future use. These include:		
- Trust funds and deposits (Note 5.3b)	509	541
- Unexpended grants	6,206	8,022
- Reserve funds allocated to specific future purposes	300	300
Total restricted funds	7,015	8,863
Total unrestricted cash and cash equivalents	(94)	4,344
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	3,146	4,657
- Cash from Financial Assistance held to fund 19/20 programs	-	3,412
- Cash from Financial Assistance held to fund 20/21 programs	3,245	-
Total funds subject to intended allocations	6,391	8,069

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 2020

5.1 FINANCIAL ASSETS (Cont.)

(c) TRADE AND OTHER RECEIVABLES	2020 \$'000	2019 \$'000
Current		
Statutory receivables		
Rates debtors	410	198
Parking infringement debtors	129	119
Other infringement debtors	196	155
Less doubtful debt provision - All infringements	(261)	(211)
Net GST receivable	281	186
Non-statutory receivables		
Sundry debtors	637	2,816
Less doubtful debt provision - Sundry debtors	(24)	(37)
Loans & advances to community organisations	14	18
Total current trade & other receivables	1,382	3,244
Non-current		
Non-statutory		
Sundry debtors	9	18
Loans & advances to community organisations	311	24
Deferred property debts receivable	37	48
Total non current trade & other receivables	357	90
Total trade & other receivables	1,739	3,334

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:

	2020 \$'000	2019 \$'000
Current (not yet overdue)	260	2,562
Past due by up to 30 days	148	60
Past due between 31 and 180 days	71	131
Past due between 181 and 365 days	172	81
Total trade and other receivables	651	2,834
Non-current (not yet overdue)	357	90

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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 \$285k, (2019 \$248k) were impaired. The amount of the provision raised against these debtors was \$285k, (2018 \$248k). 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:

	2020 \$'000	2019 \$'000
Past due between 31 and 180 days	11	26
Past due between 181 and 365 days	1	4
Past due by more than 1 year	273	218
Total trade and other receivables	285	248

5.2 NON-FINANCIAL ASSETS

(a) INVENTORIES

Inventories held for distribution	530	352
Inventories held for sale	18	21
Total inventories	548	373

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	241	235
Accrued income	306	939
Total other assets	547	1,174

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

5.2 NON-FINANCIAL ASSETS (Cont.)

(c) INTANGIBLE ASSETS	2020 \$'000	2019 \$'000
Landfill air space	608	811
add additions	63	-
less amortisation	(224)	(203)
	-----	-----
Total intangible assets	447	608
	=====	=====
		Landfill \$'000
Gross carrying amount		
Balance at 1 July 2019		811
Additions from internal developments		63

Balance at 30 June 2020		874
		=====
Accumulated amortisation and impairment		
Balance at 1 July 2019		(203)
Amortisation expense		(224)

Balance at 30 June 2020		(427)
		=====

Net book value at 30 June 2019		608
		=====
Net book value at 30 June 2020		447
		=====

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	3,510	2,842
Fire services levy	181	22
Accrued expenditure	4	5
PAYG payable	143	148
	-----	-----
Total trade and other payables	3,838	3,017
	=====	=====

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 2020**

5.3 PAYABLES (Cont.)

(b) TRUST FUNDS AND DEPOSITS

	2020 \$'000	2019 \$'000
Refundable building deposits	61	56
Refundable contract deposits	62	38
Refundable security deposits	201	265
Other refundable deposits	185	182
	-----	-----
Total trust funds and deposits	509	541
	=====	=====

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.

(c) UNEARNED INCOME

Grants received in advance - operating	4,903	-
Grants received in advance - capital	287	-
	-----	-----
Total unearned income	5,190	-
	=====	=====

5.4 INTEREST-BEARING LOANS AND BORROWINGS

Current		
Borrowings - secured	477	481
	-----	-----
	477	481
	=====	=====
Non-current		
Borrowings - secured	4,433	4,910
	-----	-----
	4,433	4,910
	=====	=====
Total	4,910	5,391
	=====	=====

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

5.4 INTEREST BEARING LOANS AND BORROWINGS (Cont.)	2020 \$'000	2019 \$'000
The maturity profile for Council's borrowings is:		
Not later than one year	477	481
Later than one year and not later than five years	4,433	605
Later than five years	-	4,305
	4,910	5,391

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	Quarry	Landfill	Total
	\$'000	Restoration \$'000	Restoration \$'000	\$'000
2020				
Balance at the beginning of the financial year	5,748	176	3,819	9,743
Additional provisions	3,409	-	224	3,633
Amounts used	(1,916)	(176)	(55)	(2,147)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	48	-	63	111
Balance at the end of the financial year	7,289	-	4,051	11,340
2019	\$'000	Quarry Restoration \$'000	Landfill Restoration \$'000	Total \$ \$'000
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	5,748	176	3,819	9,743

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

5.5 PROVISIONS (cont.)	2020 \$'000	2019 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,431	1,375
Long service leave	402	380
Sick leave gratuity	23	42
Home care staff redundancies	1,133	-
	-----	-----
	2,989	1,797
	=====	=====
Current provisions expected to be wholly settled after 12 months		
Annual leave	319	161
Long service leave	2,898	2,756
Sick leave gratuity	401	269
	-----	-----
	3,618	3,186
	=====	=====
Total current employee provisions	-----	-----
	6,607	4,983
	=====	=====
Non-current		
Long service leave	447	513
Sick leave gratuity	235	252
	-----	-----
Total non current employee provisions	682	765
	=====	=====
Aggregate carrying amount of employee provisions		
Current	6,607	4,983
Non-current	682	765
	-----	-----
Total aggregate carrying amount of employee provisions	7,289	5,748
	=====	=====

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 and home care staff redundancies 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.

Home care staff redundancies: based on hours worked for preceding 12 months. This Council decision in January 2020 to exit home care services once approval for an alternate service provider has been accepted, will result in staff redundancy payments in line with Council's Enterprise Bargain Agreement.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

5.5 PROVISIONS (cont.)

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. 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	2020	2019
- Wage inflation rate	4.250%	4.313%
- Oncost rate	11.500%	11.500%
- Discount rate	0.872%	1.324%

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

	2020 \$'000	2019 \$'000
Quarry restoration provision		
Current	-	10
Non-current	-	166
	-	176

Key Assumptions

- discount rate	0.872%	1.324%
- inflation rate	1.870%	1.890%

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.

The provision for quarry restoration was removed due to the sale of the quarry, Council does not have any future liabilities/commitments for restoration.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

5.5 PROVISIONS (cont.)	2020 \$'000	2019 \$'000
(c) Landfill restoration provision		
Current	984	870
Non-current	3,067	2,949
	4,051	3,819
	4,051	3,819

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	2020	2019
- discount rate	0.872%	1.324%
- inflation rate	1.870%	1.890%

5.6 FINANCING ARRANGEMENTS

The Council has the following funding arrangements in place.

	2020 \$'000	2019 \$'000
Bank overdraft	1,000	1,000
Credit card facilities	350	350
Total facilities	1,350	1,350
	1,350	1,350
Used facilities	36	55
Unused facilities	1,314	1,295

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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.

2020	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	225	238	144	607
Management of Facilities	260	-	-	260
Road maintenance	150	-	-	150
Building maintenance	185	-	-	185
Parks and gardens maintenance	80	-	-	80
Depot maintenance	192	-	-	192
Waste management	41	-	-	41
Studies and Plans	372	-	-	372
Grampians Peak Trail	6,600	-	-	6,600
Capital				
Roadworks	1,510	-	-	1,510
Recreation	416	-	-	416
Building projects	742	-	-	742
Plant	478	-	-	478
Total	11,251	238	144	11,633

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020****5.8 LEASES****Policy applicable before 1 July 2019**

As a lessee, council classifies as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental of the underlying asset to council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentives nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 July 2019

Council has applied AASB 16 Leases using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to AASB 16 Leases, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied AASB 16 Leases only to contracts that were previously identified as leases.

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimated of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

5.8 LEASES (cont.)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commence date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties of early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Council has elected to apply the temporary option available under AAASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Right-of-Use Assets	Property
	\$'000
Balance at 1 July 2019	493
Amortisation charge	(55)

Balance at 30 June 2020	438
	=====
Lease Liabilities	2020
Maturity analysis - contractual undiscounted cash flows	\$'000
Less than one year	50
One to five years	274
More than five years	121

Total undiscounted lease liabilities as at 30 June:	445
	=====
Lease liabilities included in the Balance Sheet at 30 June:	
Current	50
Non-current	395

Total lease liabilities	445
	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

5.8 LEASES (cont.)

i. Leases classified as operating leases under AASB 117 Leases

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when apply AASB 16 Leases to leases previously classified as operating leases under AASB 117 Leases.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of AASB 137 Provisions, Contingent Liabilities and Contingent Assets onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impact on financial statements

On transition to AASB 16 Leases, Council recognised an additional \$493,337 of right-of-use assets and \$493,337 of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 3%.

	2019 \$'000
Lease Liabilities	
Lease liabilities recognised as at 1 July 2019	493
Discount using the incremental borrowing rate	(34)
Finance lease interest paid during 19/20	(14)

Finance lease liability recognised at 30 June 2020	445
	=====

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 6 ASSETS WE MANAGE

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019	Additions	Contributions	Revaluations	Transfers	Depreciation	Disposal	At Fair Value 30 June 2020
Land	39,264	15	42	265	-	(42)	(199)	39,345
Buildings	62,008	1,088	-	-	81	(1,641)	(38)	61,498
Plant and equipment	13,741	1,761	-	-	5	(1,215)	(364)	13,928
Infrastructure	368,740	8,303	362	-	740	(9,178)	(1,143)	367,824
Work in progress	1,083	5,165	-	-	(826)	-	-	5,422
	484,836	16,332	404	265	-	(12,076)	(1,744)	488,017

Summary of Works in Progress

	Opening WIP	Additions	Transfers	Closing WIP
Land and buildings	162	67	(81)	148
Plant and equipment	5	-	(5)	-
Infrastructure	916	5,098	(740)	5,274
	1,083	5,165	(826)	5,422

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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

2020 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 2019	797	37,960	992	39,749	94,486	94,486	162	134,397
Accumulated depreciation at 1 July 2019	-	-	(485)	(485)	(32,478)	(32,478)	-	(32,963)
	797	37,960	507	39,264	62,008	62,008	162	101,434
Movements in fair value								
Additions	15	-	-	15	1,088	1,088	67	1,170
Contributions by developers and others	26	16	-	42	-	-	-	42
Revaluation increments/decrements	-	265	-	265	-	-	-	265
Disposal	-	(199)	-	(199)	(48)	(48)	-	(247)
Transfers	-	-	-	-	81	81	(81)	-
	41	82	-	123	1,121	1,121	(14)	1,230
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	(42)	(42)	(1,641)	(1,641)	-	(1,683)
Accumulated depreciation of disposals	-	-	-	-	10	10	-	10
	-	-	(42)	(42)	(1,631)	(1,631)	-	(1,673)
At fair value 30 June 2020	838	38,042	992	39,872	95,607	95,607	148	135,627
Accumulated depreciation at 30 June 2020	-	-	(527)	(527)	(34,109)	(34,109)	-	(34,636)
	838	38,042	465	39,345	61,498	61,498	148	100,991

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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

2020 Plant and equipment	Plant machinery & Equipment \$'000	Office furniture & Equipment \$'000	Art Collection \$'000	Public Art \$'000	Total Plant & Equipment \$'000	Works in Progress \$'000	Total Plant & Equipment \$'000
At fair value 1 July 2019	15,838	2,151	3,781	288	22,058	5	22,063
Accumulated depreciation at 1 July 2019	(6,779)	(1,538)	-	-	(8,317)	-	(8,317)
	9,059	613	3,781	288	13,741	5	13,746
Movements in fair value							
Additions	1,562	157	27	15	1,761	-	1,761
Disposal	(1,107)	-	-	-	(1,107)	-	(1,107)
Transfers	-	-	-	5	5	(5)	-
	455	157	27	20	659	(5)	654
Movements in accumulated depreciation							
Depreciation and amortisation	(1,038)	(177)	-	-	(1,215)	-	(1,215)
Accumulated depreciation of disposals	743	-	-	-	743	-	743
	(295)	(177)	-	-	(472)	-	(472)
At fair value 30 June 2020	16,293	2,308	3,808	308	22,717	-	22,717
Accumulated depreciation at 30 June 2020	(7,074)	(1,715)	-	-	(8,789)	-	(8,789)
	9,219	593	3,808	308	13,928	-	13,928

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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

2020 Infrastructure	Roads	Bridges	Footpaths & cycleways	Drainage	Recreational, leisure and community	Waste management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Other Infrastructure	Works in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	389,326	30,504	27,238	44,510	11,343	7,458	3,827	3,289	4,779	24,753	916	547,943
Accumulated depreciation at 1 July 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	916	369,656
Movements in fair value												
Additions	5,308	369	312	655	1,310	91	50	-	98	110	5,098	13,401
Contributions by developers and others	248	-	53	61	-	-	-	-	-	-	-	362
Disposal	(2,237)	-	(88)	-	(1,157)	-	(14)	-	-	-	-	(3,496)
Transfers	301	-	37	77	325	-	-	-	-	-	(740)	-
	3,620	369	314	793	478	91	36	-	98	110	4,358	10,267
Movements in accumulated depreciation												
Depreciation and amortisation	(6,157)	(314)	(560)	(461)	(296)	(553)	(155)	(99)	(75)	(508)	-	(9,178)
Accumulated depreciation of disposals	1,482	-	52	-	805	-	14	-	-	-	-	2,353
	(4,675)	(314)	(508)	(461)	509	(553)	(141)	(99)	(75)	(508)	-	(6,825)
At fair value 30 June 2020	392,946	30,873	27,552	45,303	11,821	7,549	3,863	3,289	4,877	24,863	5,274	558,210
Accumulated depreciation at 30 June 2020	(128,092)	(12,770)	(13,080)	(10,501)	(3,251)	(3,890)	(1,974)	(1,565)	(2,435)	(7,554)	-	(185,112)
	264,854	18,103	14,472	34,802	8,570	3,659	1,889	1,724	2,442	17,309	5,274	373,098

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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.

Asset recognition thresholds and depreciation periods	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 2020****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 2020**

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 2020 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	Date of valuation
Non specialised land	-	38,042	-	June 2020
Specialised land	-	-	838	n/a
Land improvements	-	-	465	June 2014
Non specialised buildings	-	-	61,498	June 2018
	-----	-----	-----	
Total	-	38,042	62,801	
	=====	=====	=====	

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 2020 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	Date of valuation
Roads	-	-	264,854	July 2018
Bridges	-	-	18,103	July 2018
Footpaths and cycleways	-	-	14,472	July 2018
Drainage	-	-	34,802	June 2017
Recreation & leisure facilities	-	-	8,570	June 2013
Waste management	-	-	3,659	June 2013
Parks, open space/streetscapes	-	-	1,889	June 2013
Aerodromes	-	-	1,724	June 2013
Off street car parks	-	-	2,442	July 2018
Other infrastructure	-	-	17,309	June 2013
	-----	-----	-----	
Total	-	-	367,824	
	=====	=====	=====	

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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 \$625 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 \$353 to \$7,070 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.

Reconciliation of specialised land	2020 \$'000	2019 \$'000
	-----	-----
Land under roads	838	797
	-----	-----
Total specialised land	838	797
	=====	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

6.2 INVESTMENTS IN ASSOCIATES	2020 \$'000	2019 \$'000
Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting.		
Council's interest in equity	72.67%	33.28%
Equity in Wimmera Regional Library Corporation - at valuation	992	963
	992	963
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	285	417
Change in equity share apportionment	(10)	1,017
Reported surplus/(loss) for year	345	(1,122)
Transfers to/(from) reserves	(5)	(27)
Council's share of accumulated surplus at end of year	615	285
Council's share of reserves		
Council's share of reserves at start of year	678	550
Change in equity share apportionment	(306)	101
Transfers to/(from) reserves	5	27
Council's share of reserves at end of year	377	678
Movement in carrying value of specific investment		
Carrying value of investment at start of year	963	967
Change in equity share apportionment	(316)	1,118
Share of surplus/(loss) for year	345	(1,122)
Carrying value of investment at end of year	992	963
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 2020**

6.2 INVESTMENTS IN ASSOCIATES (cont.)	2020 \$'000	2019 \$'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	471	455
	471	455
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	239	333
Reported surplus/(loss) for year	16	(18)
Transfers to/(from) reserves	(33)	(76)
Council's share of accumulated surplus at end of year	222	239
Council's share of reserves		
Council's share of reserves at start of year	216	140
Transfers to/(from) reserves	33	76
Council's share of reserves at end of year	249	216
Movement in carrying value of specific investment		
Carrying value of investment at start of year	455	473
Share of surplus/(loss) for year	16	(18)
Carrying value of investment at end of year	471	455
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.

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2020, 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 effect 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 2020**

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

	2020 \$'000	2019 \$'000
Total income	-	-
Total expenses	-	(30)
	-----	-----
Surplus/(Deficit) for year	-	(30)
	=====	=====
Total comprehensive result	-	(30)
	=====	=====

Summarised balance sheet

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

Summarised statement of cash flows

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

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 2020**

6.3 INVESTMENT PROPERTY	2020 \$'000	2019 \$'000
Balance at beginning of financial year	2,450	2,400
Additions	-	60
Fair value adjustments	-	(10)
	-----	-----
Balance at end of financial year	2,450	2,450
	=====	=====

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.
Mr S. Bhalla	Chief Executive Officer
Mr K. O'Brien	Director Communities and Place
Mr G.A. Harrison	Director Corporate Services
Ms A. Murphy	Director Development Services
Mr J. Martin	Director Infrastructure

	2020 No.	2019 No.
Total number of councillors	7	7
Total of chief executive and other key management personnel	5	5
	-----	-----
Total number of key management personnel	12	12
	=====	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

7.1 COUNCIL AND KEY MANAGEMENT REMUNERATION (Cont.)

(c) Remuneration of key management personnel	2020 \$'000	2019 \$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,198	1,207
Long-term benefits	24	24
Post-employment benefits	91	89
	-----	-----
Total	1,313	1,320
	=====	=====

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	6	5
\$ 30,000 - \$ 39,999	-	1
\$ 50,000 - \$ 59,999	-	1
\$ 60,000 - \$ 69,999	1	-
\$180,000 - \$189,999	1	-
\$200,000 - \$209,999	-	3
\$209,000 - \$219,999	2	-
\$220,000 - \$229,999	1	1
\$260,000 - \$269,999	1	-
\$280,000 - \$289,999	-	1
	-----	-----
	12	12
	=====	=====

(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 \$151,000.

Based on the above criteria, there are no other senior officers whose remuneration is required to be disclosed. (2018/19 nil).

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020****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, (2018/19 nil).

Fees and charges charged to entities controlled by key management personnel is nil. (2018/19 nil).

Infrastructure contributions from entities controlled by key management personnel is nil. (2018/19 nil).

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 one of 5 member councils that contributed to Wimmera Regional Library Corporation in 2019/20. Council contributed \$518,473 in 2019/20 and \$494,675 in 2018/19.

Council is a one of 5 member councils that contribute to Wimmera Regional Development Association. Council contributed \$207,483 in 2019/20 and \$203,748 in 2018/19.

(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 (2018/19 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, (2018/19 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, (2018/19 nil).

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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

	2020 \$'000	2019 \$'000
Not later than one year	239	257
Later than one year and not later than 5 years	370	334
Later than 5 years	1,236	1,102
	-----	-----
	1,845	1,693
	=====	=====

(b) CONTINGENT LIABILITIES

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

Superannuation

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

Future superannuation contributions

In addition to the disclosed contributions, Horsham Rural City Council has not paid any unfunded liability payments to Vision Super during 19/20 or 18/19. There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019. The expected contributions paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 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
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 2020**

8.1 CONTINGENT ASSETS AND LIABILITIES

(b) CONTINGENT LIABILITIES (cont.)

Liability Mutual Insurance

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.

MAV Workcare

Council is a participant of the MAV WorkCare Scheme. The MAV WorkCare scheme provides workers compensation insurance. The MAV WorkCare Scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

8.2 CHANGE IN ACCOUNTING STANDARDS

The following new AAS'S have been issued that are not mandatory for the 30 June 2020 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.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)
AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including as upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable assets and land under road(s) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, as appropriate except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no impact on the transitions and balances recognised in the financial statements as the Council is not a grantor in a service concession arrangement.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

The Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies. Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020****8.2 CHANGE IN ACCOUNTING STANDARDS (cont.)**

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

This Standard sets out amendments to Australian accounting Standards, Interpretation and other pronouncements to reflect the issuance of Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

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 manages 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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020****8.3 FINANCIAL INSTRUMENTS (cont.)****(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. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- 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.

(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(b) 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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020****8.3 FINANCIAL INSTRUMENTS (cont.)****(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 +0.25% and -0.25% 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.

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 of an asset result in changes to the permissible or practical highest and best use of the asset.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

8.4 FAIR VALUE MEASUREMENT (cont.)

Revaluation (cont.)

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.

8.5 IMPACT OF COVID-19

Impact of Covid-19 pandemic on Horsham Rural City Council operations and 2019-20 financial report.

On 30 January 2020, Covid 19 was declared as a global pandemic by world health organisation. Since then, various measures are taken by all three levels of Government in Australia to reduce the spread of Covid-19. This crisis and measures taken to mitigate it has impacted HRCC council operations in the following areas for the financial year ended 30 June 2020.

- In response to significant government directive amidst the Covid-19 outbreak performing arts centre, aquatic centre, visitor information centre, library and community centres were closed. The closure of the aquatic centre resulted in increased expenditure of \$80k to assist with ongoing operational costs of the contracted operator, due to loss of revenue.
- Council undertook to assist all commercial rent agreements from March 2020. This resulted in decrease in rent revenue of \$13k.
- Council activated its Business Continuity Plan in response to this crisis in March 2020 and has implemented a Covid-19 Financial Hardship policy and is working to support those financial impacted. This has resulted in some increased expenses for 2019/20 which was offset by a freeze on recruitment to vacant positions.
- Financial impact associated with rates revenue/interest free period is \$13k. This has also resulted in the debtor balance as at 30 June 2020 to increase by \$68k compared to last year.
- Other financial impacts include reduction in parking fee/fine revenue \$120k, performing arts revenue and expenses \$200k, and loss of earned interest from general investments \$50k.
- Council has expended a net additional amount of \$162k in ongoing operational costs to continue operating in a Covid-19 safe environment.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

8.6 EVENTS OCCURRING AFTER BALANCE DATE

Covid-19

To assist in containing Covid-19, the Victorian Government enacted a State of Emergency from 16th August 2020 through to 13th September 2020.

Regional Victoria including Horsham Rural City Council was required to enter a Stage 3 Lockdown on 5th August 2020 for a period of 6 weeks. This lockdown continues to affect Council operations and facilities for available for its customers. The lockdown affects recreation, social and business activity within the municipality.

Council adopted its 20/21 budget on 27th July 2020, being very mindful of the impact of the Covid-19 pandemic, but also of the need for council to play a role in the economic stimulus of the local community. The budget reflecting decreases in service delivery particularly for performing arts and recreation and increased costs for social and business recovery. The budget adopted included a minor cash surplus and did not include any new borrowings.

NOTE 9 OTHER MATTERS

9.1 RESERVES

(A) ASSET REPLACEMENT RESERVES

2020	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Central Activity District develop	2,817	251	229	2,839
Office equipment replacement	563	279	202	640
Plant replacement	4,915	1,286	1,331	4,870
Recreation contribution	371	130	-	501
Waste management replacement	3,568	1,314	559	4,323
Contingency & redundancy	175	392	-	567
Firebrace St properties	580	54	-	634
Major capital projects	856	121	174	803
Aquatic centre replacement	583	132	517	198
Aerodrome reseal	441	43	-	484
Industrial estate	3,970	46	759	3,257
Library asset replacement	43	16	27	32
Livestock exchange	332	277	200	409
Loan funds	1,608	423	-	2,031
Internal Loan Borrowings	-	100	1,510	(1,410)
Quarry & road rehabilitation	111	181	-	292
Road construction	32	-	-	32
Headworks drainage	633	39	275	397
Unfunded superannuation	600	-	-	600
Wimmera Business Centre	135	-	-	135
Wimmera Freight Terminal	616	44	-	660
Infrastructure gap	829	-	802	27
Sustainability projects	248	144	154	238
Total other reserves	24,026	5,272	6,739	22,559

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

9.1 RESERVES (Cont.)

(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
Central Activity District develop	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
Total other reserves	21,278	5,194	2,446	24,026

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 2020

9.1 ASSET REVALUATION RESERVES

2020	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	-	265	25,184
Other land improvements	2,975	-	-	2,975
Buildings	20,425	-	-	20,425
Total property	48,319	-	265	48,584
Plant and equipment				
Works of art	1,330	-	-	1,330
Total plant and equipment	1,330	-	-	1,330
Infrastructure				
Roads	146,562	-	-	146,562
Kerb and channel	11,351	-	-	11,351
Drainage	15,884	-	-	15,884
Footpaths and cycleways	10,857	-	-	10,857
Bridges	7,227	-	-	7,227
Other infrastructures	8,067	-	-	8,067
Total Infrastructure	199,948	-	-	199,948
Other				
Land held for sale	1,075	-	-	1,075
Total asset revaluation reserve	250,672	-	265	250,937
2019				
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
Total asset revaluation reserve	222,659	1,212	26,801	250,672

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 2020**

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

	2020 \$'000	2019 \$'000
	-----	-----
Surplus for the year	(411)	5,363
Depreciation and amortisation	12,355	12,495
Loss on disposal of property, infrastructure, plant and equipment	993	982
Contributions - Non-monetary assets	(405)	(1,500)
Share of (profits)/loss of associates	(45)	22
Fair value decrement adjustments for Investment property	-	10
Financing Costs	248	269
Change in Accounting Policy - Govt Grants	(1,733)	-
Change in assets and liabilities:		
Increase in provisions	1,596	172
(Increase) in intangible assets	(63)	
(Increase) in right-of-use assets	(438)	-
Increase in lease liabilities	445	-
(Increase)/Decrease in prepayments	(6)	(13)
(Decrease) in trade and other payables and other liabilities	789	(280)
(Increase) in inventories	(175)	(11)
(Increase)/Decrease in trade and other receivable	1,595	(1,671)
(Increase)/Decrease in accrued income	633	932
	-----	-----
Net cash provided by/(used in) operating activities	15,378	16,770
	=====	=====

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 2020, 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 allocate benefit liabilities, assets and costs between employers for the purpose of AASB 119.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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.

A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 107.1%.

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 2020 was 104.6%. The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 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 2017 full 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 2018/2019). This rate is expected to increase in line with any increases to the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation.

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 an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of the 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 2020**

9.3 SUPERANNUATION (Cont.)

The 2019 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 2019 and the last 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:

	2019	2017
	\$m	\$m
A VBI Surplus	\$151.3	\$69.8
A total service liability surplus	\$233.4	\$193.5
A discounted accrued benefits surplus	\$256.7	\$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 2019.

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 2019.

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 2019.

Horsham Rural City Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

The 2020 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020. The financial assumptions for the purposes of this investigation are:

	2019	2017
	Triennial investigation	Triennial investigation
Net Investment Return	5.60% p.a.	6.5% p.a.
Salary Inflation	2.50% p.a.	3.50% p.a.
	for the first two years and	
	2.75% p.a. thereafter	
Price Inflation	2.00% p.a.	2.50% p.a.

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 2020 are detailed below:

Scheme	Type of Scheme	Rate	2020 \$'000	2019 \$'000
Vision Super	Defined benefits	9.5%	140	149
Vision Super and other funds	Accumulation funds	9.5%	1,440	1,301

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020****9.3 SUPERANNUATION (Cont.)**

Council has not paid any unfunded liability payments to Vision Super in 2019/20 or in 2018/19.

There were \$71,331 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ended 30 June 2021 is \$130,000.

10.0 CHANGE IN ACCOUNTING POLICY

Council has adopted AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

(a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

AASB 15 Revenue from Contracts with Customers applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted AASB 15 Revenue from Contracts using the modified (cumulative catch up) method.

Revenue for 2019 as reported under AASB 118 Revenue is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 Revenue from Contracts with Customers requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

(b) AASB 16 Leases

AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosure. The transition impact of these are detailed below.

(c) AASB 1058 Income of Not-For-Profit Entities

AASB 1058 Income of Not-for-Profit Entities applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted AASB 1058 Income of Not-for-Profit Entities using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

AASB 1058 Income of Not-for-Profit Entities requires income to be recognised as Council satisfies the performance obligations under the contract.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

10.0 CHANGE IN ACCOUNTING POLICY (Cont.)

(d) Transition Impacts

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019.

	2019 \$'000
Retained earnings a 30 June 2019	237,910
Revenue Adjustment - impact of AASB 15 Revenue from Contracts with Customers	(5,176)
Income Adjustment - impact of AASB 1058 Income of Not-for-Profit Entities	(1,748)
Retained earnings at 1 July 2019	----- 230,986 =====

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of AASB 16.

The following table summarises the impacts of transition to be new standards on Council's balance sheet for the year ending 30 June 2019.

	As reported 30 June 2019 \$'000	Adjustments \$'000	Post Adoption \$'000
Assets			
Right of use assets	-	438	438
	=====	=====	=====
Liabilities			
Unearned income - operating grants	-	(5,176)	(5,176)
Unearned income - capital grants	-	(1,748)	(1,748)
Lease liability - current	-	(50)	(50)
Lease liability - non-current	-	(481)	(481)
	-----	-----	-----
	-	(7,455)	(7,455)
	=====	=====	=====

Performance Statement

For the year ended 30 June 2020

Description of municipality

Horsham Rural City is a vibrant community situated in the heart of the Wimmera region of Victoria approximately 300 kilometres north-west of Melbourne. The municipality has a population of 19,921, 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 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 nearby, including recreational lakes, wetlands, the Wimmera River, Mount Arapiles, the Wartook Valley, and the Grampians National Park.

The municipality covers an area of 4,267 square kilometres and includes the major centres of Horsham and Natimuk, and the localities of:

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

Sustainable Capacity Indicators

For the year ended 30 June 2020

Indicator / measure	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$2,311	\$2,524	\$2,706	\$2,710	
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$20,903	\$21,267	\$22,479	\$22,523	
Population density per length of road [Municipal population / Kilometres of local roads]	6.65	6.66	6.68	6.70	
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,624	\$1,808	\$1,785	\$1,877	
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$679	\$540	\$500	\$496	
Disadvantage					
Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	5	4	4	4	
Workforce turnover					
Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	10.8%	11.5%	13.7%	10.1%	Workforce turnover is a new sustainable capacity indicator from last year's reporting.

Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2020

Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	6.39	8.20	8.77	6.73	Utilisation of aquatic facilities has decreased due to the impacts of Covid-19 restrictions. The facility was closed from 23rd of March.
Animal Management					
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	0%	Zero prosecutions due to Covid-19 - All court matters delayed for several months.
Food Safety					
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 a food premises] x100	0.00%	0.00%	93.75%	75.86%	Follow up of notifications down as one of the premises closed plus other delays including insurance issues.
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]	58.00	49.00	49.00	39.00	Council has many commitments to deliver on and our community is demanding we do better in a number of areas.
Libraries					
Participation					
<i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	12.38%	11.83%	11.06%	10.84%	
Maternal and Child Health (MCH)					
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	83.67%	89.63%	90.16%	87.94%	
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	75.00%	86.54%	94.12%	88.76%	

Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Comments
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]	44.00	44.00	45.00	39.00	The annual Community Satisfaction Survey assesses the community's satisfaction with Council's performance. Satisfaction with sealed local roads has decreased to a rating of 39 out of 100.
Statutory Planning					
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	0.00%	0.00%	50.00%	0.00%	There were zero planning decisions taken to VCAT in 2020FY.
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	24.16%	22.75%	22.13%	20.49%	

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

"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*

"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

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

Financial Performance Indicators

For the year ended 30 June 2020

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	6%	-3%	-3%	-9%	-8%	-5%	-6%	-4%	A large one off grant of \$5m was recognised in 2019FY accounts resulting in a significant improved result for that year. From 2021FY and onwards, the adjusted deficit will remain around -6 percent.
Liquidity Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100 Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	298%	338%	423%	218%	280%	270%	283%	266%	Changes in accounting standards requires Council to recognise some grants received in advance as unearned income. This increased current liabilities by \$5m resulting in an unfavourable variance. Taking advantage of longer term deposits directly affects unrestricted cash held, this is reflected in year-end figures where high levels of long terms 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 Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100 Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100 Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	25%	23%	20%	18%	16%	15%	22%	37%	Council did not draw down any new loans during 2020FY which has resulted in a decreased ratio and a favourable variance. This trend will continue until Council increases its external loan borrowings. This trend is the result of continued repayment of existing loans, until such time as Council increases its external loan borrowings. This trend is the result of continued repayment of existing loans, until such time as Council increases its external loan borrowings.
									Council intends to continue its focus on asset renewal over the longer term.

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,813	\$4,172	\$4,483	\$4,499	\$4,614	\$4,201	\$4,202	\$4,203	
Revenue level <i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	New in 2020	\$2,015	\$1,901	\$1,946	\$1,993	\$2,042	
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	51%	53%	51%	56%	51%	57%	59%	59%	Significant capital grant funding is budgeted in 2022FY.
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%	

Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

Financial Performance Indicators

For the year ended 30 June 2020

Retired Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	1.00	0.00	1.00	Retired in 2020	This measure was replaced by the animal management prosecutions measure from 1 July 2019
Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,787.00	\$1,844.89	\$1,871.78	Retired in 2020	This measure was replaced by the average rate per property assessment measure from 1 July 2019
Obligations Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	77.70%	82.79%	59.85%	Retired in 2020	This measure was replaced by the asset renewal and upgrade compared to depreciation measure from 1 July 2019

Definitions

"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

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

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

Other Information

For the year ended 30 June 2020

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 an 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, the prescribed financial performance indicators and measures, and 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 longer 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: xx September 2020

In our opinion, the accompanying performance statement of the Horsham Rural City Council for the year ended 30 June 2020 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: xx 2020

David Grimble

Councillor

Dated: xx 2020

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

Chief Executive Officer

Dated: xx 2020



1 PURPOSE

This policy is to provide guidance and support for Councillors and Council Staff in the performance of their duties.

It complements the Councillor and Staff Codes of Conduct and supports compliance with Section 124 Directing a member of Council staff, and Section 46 (3)(1)(b)(c) Managing interactions between members of Council staff and Councillors, provisions of the *Local Government Act 2020* (the Act)

This policy seeks to ensure that Councillors understand their responsibilities under the Act and do not improperly direct or influence Council staff and to ensure that Horsham Rural City Council is efficient and effective, with high standards of governance and transparency.

2 INTRODUCTION

The objectives of this policy are to:

- Recognise the respective roles and responsibilities of Councillors and Council Staff, in particular the Chief Executive Officer (CEO), in accordance with the Code of Conduct
- Ensure Councillors have access to advice, information and documentation to help them fulfil their role in an effective manner
- Assist Councillors and Council Staff in respecting the roles and responsibilities of others in the organisation
- Incorporate good governance principles to information sharing, including transparency, accessibility and accountability
- Support compliance with relevant legislation including the *Local Government Act 2020* Section 124 Directing a member of Council staff and Section 46 (3)(1)(b)(c) Managing interactions between members of Council staff and Councillors, *Occupational Health and Safety Act 2004*, *Privacy and Data Protection Act 2014* and the *Equal Opportunity Act 2010*.

3 SCOPE

The policy applies to all Councillors, staff, volunteers, contractors, sub-contractors and individuals involved in Horsham Rural City Council services or activities. Reference to interactions includes contact between Councillors and staff where the content or matter relates to the business of Council and includes Councillor's requests for information and service requests. Channels of contact may include, but are not limited to, phone (including text), in person, by email or online and through digital and social media platforms.

4 PRINCIPLES

Councillors will generally interact with staff for the following reasons:

1. Requests for information
2. Requests for service (generally on behalf of others)
3. General discussion about Council matters.

Interactions can be written or verbal and may occur at a range of events such as Councillor Briefings, committee meetings, civic receptions, workshops, informal meetings or other formal and informal opportunities.

If any Councillor or staff member has concerns about interactions between Councillors and staff, the matter will be referred to the CEO who is responsible for the management of such interactions.

Councillors may contact the CEO on any matter as required.

4.1 Allowable Interactions

Interactions between Councillors and staff should occur with the CEO or Directors (who together form the Executive Management Team (EMT) and Department Managers.

It is also appropriate for Councillors to contact the following staff in relation to their roles and functions:

- Executive Assistant to CEO and Councillors
- Governance Team
- Community Relations & Advocacy Team

The following officers may contact Councillors directly, at the request of members of the EMT, or to provide acknowledgment or reference to service requests for the information of Councillors:

- Executive Assistant to CEO and Councillors
- Governance Team
- Community Relations & Advocacy Team

Notwithstanding the above, Councillors should direct their enquiries directly to Directors or Department Managers to lodge or follow up on service requests or requests for information.

Staff other than the CEO, Directors, Department Managers or those listed above are to advise their Manager if a Councillor has contacted them without the prior approval of their relevant Manager or Director. Correspondingly, staff should not seek to make direct contact with Councillors without their Manager's consent.

4.2 Improper or Undue Influence

Under the Act, it is the responsibility of the Council to appoint the CEO. The CEO is then responsible for employing staff for the successful operation of the organisation. As Council does not employ the staff, Council, or individual Councillors, cannot direct or manage staff, and are responsible for the performance of the CEO only.

Further to this, Councillors are prohibited under Section 124 of the Act from improperly directing or or interacting with Council Staff.

A Councillor must not direct, or seek to direct, a member of Council staff:

- a) In the exercise of a delegated power, or the performance of a delegated duty or function of the Council; or
- b) In the exercise of a power or the performance of a duty or function exercised or performed by the member as an authorised officer under this Act or any other Act; or
- c) In the exercise of a power or the performance of a duty or function the member exercises or performs in an office or position the member holds under this Act or any other Act; or
- d) In relation to advice provided to the Council or a delegated committee, including advice in a report to the Council or delegated committee.

Improper or undue influence can include:

- Disrespecting the professional opinion, skills or expertise of staff through intimidatory, bullying, harassing or disrespectful behaviour
- Using rank or position to seek information outside the processes outlined in this Policy
- Pressuring staff to make a decision outside the formal Council decision making processes



- Pressuring staff to provide information, services or assistance to one person, group or part of the community over another, outside a formal decision of Council
- Pressuring staff to make a decision to take action outside normal business process timeframes
- Pressuring staff to change a recommendation in a Council Report.

4.3 Communication channels

All communication between Councillors and Council Staff should go through the Chief Executive Officer or relevant Director as appropriate.

The Mayor, or another Councillor who is filling in for the Mayor at an event or function, may liaise with Council's Community Relations Team for advice in relation to speeches, media releases and official statements to the media.

Councillors can also communicate with Council Staff through a range of standard business processes including:

- Council Meetings and Briefing Sessions
- Committees with both Councillor and Council Staff members.

Contact with other Council Staff will be in accordance with this Policy.

Where possible all communication should be via email. This allows for appropriate record keeping in accordance with relevant legislation. However e-mail should not be taken as received and read, therefore important or time critical matters should be supported by face to face or telephone communications.

4.4 Councillor Requests from the Community

Council recognises the responsibility Councillors have to represent their constituents and in achieving the strategic priorities of the community which requires access to information and resources. In the first instance Councillors should encourage community members to contact Council directly (via phone, email or Customer Request System) to register service requests or operational matters. Where a community member is unwilling to contact Council directly the Councillor may forward the request so it can be lodged and a response provided to the customer.

Direct engagement between community members and Council will reduce delays and enable the most appropriate support or advice to be provided directly to the customer and enable accurate corporate records to be maintained.

Councillors should not expect that just mentioning an issue at a Briefing Meeting or Council Meeting will mean that the issue will be formally recorded and actioned.

These requests are then logged in Council's Records Management System and distributed to the appropriate staff member. Councillors should include sufficient information to enable staff to respond, for example, the name and contact details of a resident if staff are required to contact them. Councillors should indicate in the request whether they would like to respond to the member of the public, or whether they would like the appropriate staff member to do so.

4.5 Councillor Requests for advice or information

All Councillor requests for information should be sent to council@hrcc.vic.gov.au or through the Executive Assistant to CEO and Councillors.

Councillors should consider any likely cost implications in making requests for advice or information, and not make requests where the costs cannot be justified as being in the public interest. If the costs of providing information are likely to be high, the Councillor will be requested to consider a Notice of Motion.

Where a Councillor's request requires the allocation of resources or expenditure of funds, the Councillor will be requested to consider a Notice of Motion.

4.6 Responses to Councillors

4.6.1. Notifying all Councillors and the CEO

If a request from a Councillor relates to matters which is of a whole of Council significance or relevance then all the Councillors will be copied into the reply. The CEO should be copied in or otherwise informed of all communication between Council Staff and Councillors.

4.6.2 Refusal of Document Access

Where the CEO or a Director determines to refuse access to a document or information sought by a Councillor, they must act reasonably. In reaching this decision, they must take into account whether or not the document sought is required for the Councillor to perform his or her civic duty. The CEO or Director must state to the Councillor the reasons for the decision if access is refused.

4.6.3 Confidentiality of Documents

Councillors are required to treat all information provided by staff appropriately and to adhere to any confidentiality requirements. If a Councillor is unsure whether a document or advice is confidential, they should contact the CEO or relevant Director for clarification prior to releasing the information.

Where possible, staff will clearly identify information which is confidential to assist Councillors in the appropriate handling of such information, however it is the Councillors' responsibility to ensure they use the information in an ethical and legal manner.

4.7 Personal interaction between Councillors and Staff

While this Policy governs the interactions between Councillors and Council Staff in relation to Council work, it does not prevent Councillors and Council Staff from communicating generally.

From time to time, Councillors and Council Staff may be present at social and community events or may have previous personal relationships. In such situations, both parties must refrain from discussing matters relating to Council business.

It is also recognised that Councillors and staff often live in the same community and may form friendships, therefore the following applies:

- Social media friendships are not the appropriate channel for Council-related interactions and should not be used for this purpose
- Social events are not the appropriate place for Council-related interactions
- Councillors should not engage with staff with whom they have friendships in any discussion about operational or personnel matters
- If Council-related matters are discussed in these situations then the staff member should treat the matter as if it is a verbal request for information

4.8 Verbal requests for information (inclusive of face-to-face, phone calls, meetings or events)

4.8.1 Where Councillors and staff discuss Council issues verbally:

- The staff member should make a brief note capturing the important elements of the discussion and create a corporate record with appropriate security levels relevant to the nature of the privacy considerations

- Circulation or sharing of the information will only occur through consultation with the CEO and/or relevant Director

4.8.2 Where the matter is of broad interest to Council or Councillors, or may result from, or be expected to be brought to a Councillor Briefing or Council Meeting:

- It is appropriate to share information with all Councillors to support informed discussion and decision-making
- The staff member will advise the relevant Director or CEO of the discussion between Councillor and staff member
- The staff member will provide an overview of the discussion to all Councillors either through:
 - Email with relevant details
 - Inclusion in a Communication Report to be emailed or included in a Councillor Briefing agenda
 - Inclusion of relevant advice provided to a Councillor in a Council Report, if the matter is progressing directly to a Council meeting.

4.9 Contact contradictory to this policy

Where any Councillor or staff member has concerns in regard to communications between Councillors and Council staff, the matter will be referred to the CEO. Council staff are to inform their Director or the CEO of any conduct made directly to them by a Councillor.

5 COMMUNICATION

Website, Intranet, Leadership team meetings, Councillor Code of Conduct, Staff Code of Conduct, Councillor Briefing.

6 RESPONSIBILITY

Policy Owner: Director Corporate Services

7 DEFINITIONS

Definition	Meaning
The Act	Local Government Act 2020

8 SUPPORTING DOCUMENTS

Document	Location
Councillor Code of Conduct	Internet
Staff Code of Conduct	Intranet
Local Government Act (2020)	Internet

9 DOCUMENT CONTROL

Version Number	Approval Date	Approval By	Amendment	Review Date
01	21 September 2020	Council	• New Policy	September 2024

02 MUNICIPAL PLANNING STRATEGY

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02.01 CONTEXT

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Horsham regional city is in western Victoria, located on the Wimmera River, approximately 300 kilometres north-west of Melbourne CBD. Horsham is the largest urban centre in the Wimmera Southern Mallee Region, and provides a range of higher order commercial, community, entertainment, administrative and retail functions to an extensive rural hinterland.

The municipality has a population of 19,880 (*Victoria in Future, 2019*) and covers an area of 4267 square kilometres. Almost three quarters of residents live in the urban area of the regional city, where retail, community and government services are provided.

The main road transport corridor in the region is the Western Highway, which connects Horsham with Melbourne (via Ballarat) and Adelaide. Other important road and rail corridors include the Henty Highway, which runs north–south and provides access to the Port of Portland. The Wimmera Highway provides a regional east–west link.

The community is changing. There is some population increase, mainly with people moving to Horsham from surrounding areas. The rural areas of the municipality are experiencing population decline. The population is ageing, and older residents are looking to retire to a place that better meet their needs. There is an increase in people from diverse cultures moving to the municipality. Some areas within Horsham are highly disadvantaged.

Additional services are needed, including a range of public and private education facilities for all ages, as well as health and residential aged care services. Increased opportunities for social connection and physical activity are sought to improve the city's liveability, such as through cultural venues, sporting and recreational facilities. More diverse and affordable housing, together with efficient public transport within Horsham and connecting to larger centres would also enhance the attraction of Horsham regional city for residents.

The economy is changing. While dryland and broadacre agriculture is the major industry, the farming sector is diversifying to adapt to global economic and climate changes and consolidation of farming enterprises is creating larger corporate entities. Mining may increase, providing economic activity and employment opportunities. The municipality has an international reputation in leading cropping research.

Water savings from the Wimmera Mallee Pipeline system and the development of the Wimmera Intermodal Freight Terminal and surrounding precinct will provide economic opportunities.

Significant landscapes within Horsham include the Grampians Ranges and Mount Arapiles, the Black Ranges and the Natimuk-Douglas Saline Wetland Depression. Some of these significant landscapes extend beyond the municipal boundary.

Rivers, creeks, streams, wetlands and lakes are among the municipality's most valuable natural assets. The Wimmera River is the largest watercourse in the municipality and north of the Polkemmet Bridge is classified as a heritage river under the *Heritage Rivers Act 1992*. Much of the remaining length of the river is in poor condition and the river generally has poor water quality in times of low flow.

The Natimuk Douglas Saline Wetland Depression is a significant nesting site for migratory birds. The wetlands are a former course of the Murray River and consist of more than 30 natural saline and fresh water lakes. The municipality also features other waterways and wetlands of high environmental value in the Millicent Coast Basin and the Wimmera River Basin.

The endangered South-eastern Red-tailed Black Cockatoo occurs as a single population in south-western Victoria (the area bounded by Portland, Casterton, Harrow, Kanagulk and Natimuk) and south-eastern South Australia. It uses large hollows in eucalypts for nesting and requires the Stringybark and Buloke trees for feeding.

02.02 VISION

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

Council seeks to manage land use and development in a manner that:

- Recognises our place and importance as a regional centre.
- Recognises the significance of our agricultural community.
- Protects and promotes the municipality as a safe place to live.
- Respects and protects our natural environment.
- Considers the impact of climate change.
- Provides accessible and quality services in a timely and efficient manner.
- Values our local heritage and history.
- Recognises the importance of economic growth and development.

02.03 STRATEGIC DIRECTIONS

02.03-1 Settlement

Horsham regional city is the main urban centre for the municipality, the Wimmera Southern Mallee region and adjoining areas. It provides a wide range of retail, government, community, industrial and agribusiness services that are generally concentrated in the town centre.

Connecting Melbourne and Adelaide and a network of towns and communities in Victoria's western region, Horsham will continue to be diverse, responding to changes in residential and commercial needs, revitalising existing urban areas, innovations in industry, and business opportunities with a focus on agricultural research and production.

Horsham North is a significantly disadvantaged area of the city with a pronounced shortage of community services, economic activity and educational opportunities. Horsham North is physically separated from the town centre by the railway corridor and adjoining industrial land uses. A significant urban regeneration opportunity within Horsham includes facilitating improved connections between areas bisected by the railway corridor. A key limitation of developing Horsham rail corridor land for urban uses is potential land contamination resulting from prolonged industrial land uses in the area.

Natimuk is the municipality's second largest settlement. Although a relatively small community, Natimuk provides a range of services and is located within commuting distance to Horsham. There is limited land available for residential development, however demand for housing in the town remains constant. The Natimuk Creek forms an attractive landscape feature skirting the northern fringe of the township, but its floodplain imposes some restriction on urban development. The township benefits from the influx of visitors to Mount Arapiles-Tooan State Park, which has supported local businesses and encouraged the establishment of tourist accommodation and other services, as well as attracting additional permanent residents.

A number of smaller settlements are established throughout the municipality. While most provide lower service levels than larger settlements, residents are attracted to these localities as an alternative to living in Horsham, by affordable property prices or rental opportunities, and by natural attractions such as nearby parks or lakes. The municipality's small towns are experiencing population decline and loss of services and infrastructure. These settlements will benefit from land for rural living being made available where social and physical infrastructure can be efficiently provided.

Council's strategic directions for settlement are to:

- Focus urban growth opportunities for Horsham regional city in:
 - Town Centre (Horsham Central Activity District (CAD)).
 - Existing Urban Area (outside of CAD).
 - Strategic Infill Sites.
 - Regeneration and growth areas to the north and west of Horsham.
- Facilitate the redevelopment of the Horsham Rail Corridor.
- Encourage residential development and other land uses in Natimuk and other small settlements.
- Direct low density residential and rural living developments to locations adjoining existing settlements.

02.03-2 Environmental and landscape values

The Shire has been extensively cleared as a result of its agricultural heritage. Remnant vegetation is valuable in terms of biodiversity, habitat, water table management and soil stabilisation. The municipality has 77 of Victoria's rare and threatened plants and 46 species of threatened fauna. Road and railway reserves frequently contain important remnant vegetation and habitat.

Council's strategic directions for environmental and landscape values are to:

- Protect the quality of the land and water resources of the municipality through sound environmental management.
- Reverse the long-term decline in remnant vegetation and associated biodiversity.
- Assist in the re-establishment of native vegetation across the region within identified locations.
- Protect the habitat of the Red-tailed Black Cockatoo.
- Protect surface and ground water quality.
- Preserve important wetlands and areas of environmental significance.
- Protect the landscape character, environmental features and scenic qualities of the Grampians National Park, Black Ranges and Mt Arapiles-Tooan State Park.

02.03-3 Environmental risks and amenity

Climate change projections for the municipality predict:

- Increased temperatures, particularly in summer.
- Drier conditions with greater decreases in rainfall expected in spring.
- Increases in the intensity of rainfall but a decrease in the number of rainy days.
- Increased risk of bushfire and a longer fire season.

With increased temperatures and less rainfall, water will be a key issue in the future for the community, council, primary producers and businesses.

Bushfire threat across the municipality varies based on vegetation type, topography and seasonal influences. A forest fire risk exists around the Grampians National Park, Black Range State Park and other State Parks. A grassfire risk exists through much of the remainder of the municipality, with the potential for grassfires to impact on Horsham and smaller townships and settlements.

Some land in Horsham Rural City is subject to flooding, especially along the Wimmera River and other waterways. Dadswells Bridge on the Western Highway is located within a floodplain. Development in these areas is at risk from flooding, and can also impact on the capacity of the floodplain to contain and convey flood waters.

Council's strategic directions for environmental risks and amenity are to:

- Adapt to the impacts of climate change to withstand hotter, drier conditions and severe weather events.
- Design development to respond to bushfire risk.
- Ensure development does not expose the community to increased risk from bushfires.
- Minimise flood risk and maintain the capacity of the floodplain.

02.03-4 Natural resource management

Agriculture

Horsham's combination of soils, landform and climate provide a rural environment that is inherently suitable to broad acre agricultural production.

Protection of land and water resources and support for agricultural productivity improvements will enhance the region's economic base and help meet growing export demands. Agricultural diversification and value adding to primary production is taking place in the region, which will lead to a further strengthening of the local economy. Investment in infrastructure, including road and rail transport and interchange, and the Wimmera Mallee Pipeline project have been facilitated to improve the productivity of agriculture. These investments should not be undermined by the encroachment of non-farming related land uses. There is also significant risk to Horsham's agricultural activities by ad hoc land use change that can compromise the viability and growth of the sector.

The municipality is particularly well suited for further expansion of the agricultural sector due to its established infrastructure. The Wimmera Mallee Pipeline is upgrading water supply to towns and rural areas, providing improved water security. Horsham has sufficient

land and infrastructure to cater for related transport, logistics and industry functions associated with growth of the agricultural sector. Niche agricultural uses in the municipality include horticulture, viticulture, and animal production. Intensifying agricultural land uses has the potential to increase detrimental impacts on the environment and surrounding areas to much higher levels.

Fragmentation of rural land by inappropriate subdivision can detrimentally affect [reword] the productive capacity of the land. The subdivision of land to less than the minimum lot size is of particular concern in the Wartook area adjacent to the Grampians National Park.

Council's strategic directions for agriculture are to:

- Protect productive agricultural land for agriculture and sustainable resource use.
- Avoid the fragmentation of productive agricultural land.
- Develop a more diverse and productive intensive agriculture industry.
- Encourage land use and development that facilitates value adding, new commodities, specialist services, research and education and improved transport connections to export markets.
- Support the development of animal production industries.
- Avoid small lot subdivisions in productive agricultural areas.

Water

Land use and development can have effects on the quality and quantity of water available for use. The Wimmera and Glenelg Catchment Management Strategies establish the land and water management priorities within the region.

Council's strategic directions for water are to:

- Protect water supply catchments, reservoirs, floodplains and channels from the impacts from development.
- Maintain public access along stream banks and foreshores.
- Discourage subdivision within potable water supply catchment areas to protect water quantity and quality.

Earth and energy resources

Mineral sand resources are in abundance in various locations in Horsham. Mining of the sands provides employment opportunities and significant economic benefits for the municipality.

Transport and energy infrastructure is critical to enable earth resources projects to proceed as they can place significant demands on infrastructure.

The introduction of sensitive land uses can constrain opportunities for the future extraction of resources.

Council's strategic directions for earth and energy resources are to:

- Encourage the use and development of land in areas of abundant mineral sand deposits for the earth and energy resources industry and associated activity.
- Direct urban growth and rural residential development away from areas where it would limit the ability to mine and extract earth resources.
- Support infrastructure and services associated with mining and extractive industry .

02.03-5 Built environment and heritage

The buildings, monuments and places which had their origin in Horsham's history, play a continuing role.

Council's strategic directions for built environment and heritage are to:

- Conserve the post-contact built heritage of value within the Horsham municipality.
- Protect notable historic sites within the Horsham town centre and support proposed modifications that enhance the character of the precinct.

02.03-6 Housing

Approximately one quarter of Horsham Rural City's population reside outside of the Horsham urban area in townships and settlements. Horsham's population is projected to grow, although is likely to see a significant increase in population of older residents, and decline of younger residents.

Growth estimates indicate there will be a demand for additional dwellings, much of which could be accommodated through the existing supply of residential land and infill opportunities.

A substantial proportion of recent medium density development has involved the redevelopment of sites with good access to the Horsham town centre. Medium density housing in a central location is particularly attractive to older members of the community. Surplus council land, adjacent to the town centre in Selkirk Drive, presents an opportunity to increase the supply of medium density housing close to existing services.

Rural living offers the opportunity for residential use in a rural environment, however can lead to the sprawl of dwellings across farming and rural areas, conflicts between residential and agricultural uses, and increased exposure for those residents to environmental risks. Conversely, when located close to existing townships, where investment in physical and community infrastructure and services has occurred, lower density or rural living development can provide benefits in the form of sustaining population and service provision.

Low density residential development is popular in Horsham however providing infrastructure to support further low-density development needs careful management. Low density residential development in existing smaller settlements can cater for housing choice and support the sustainability and liveability of the towns.

The largest areas of rural living are close to the Horsham regional centre, including areas of Farming Zone land, such as Haven, Riverside and Quantong. Where small agricultural holdings have been developed for rural living, yet remain in the Farming Zone, there is now a need to protect residential uses from the impacts of incompatible farming activities. Infrastructure requirements also need to be addressed for these areas.

Council's strategic directions for housing are to:

- Encourage increased densities in areas that can capitalise on existing physical and social infrastructure.
- Improve the diversity of housing options available within Horsham.
- Facilitate lower density residential or rural living development, where infrastructure and services can be provided at locations adjoining existing settlements.
- Determine the suitability of land for rural living based on the ongoing use of land for agriculture, right to farm and avoidance of land use conflict.

02.03-7 Economic development

Agricultural sector

Agriculture is and will remain the key economic driver of the Wimmera Southern Mallee region. Horsham is the centre of agricultural research and development in the region, including associated industrial development, with government and private agencies leading the way in innovative agriculture and agro-processing. The Grains Innovation Park and Longerenong College provide a significant focus for agricultural research in the region.

Council's strategic directions for the region's agricultural sector are to:

- Support land use and development for research and innovation in agriculture.
- Support further development and intensification of agricultural and related uses as an important element of the municipality's economic and employment base.

Industry

There are a number of industrial areas around Horsham including small scale industrial and service premises with limited adverse amenity potential to the south-east of the town centre,

arger operations south of the Wimmera River close to wastewater treatment facilities, and on highway entrances to the city with good access for heavy vehicles.

Horsham is well supplied with vacant industrially zoned land.

Residential uses encroaching on industrial land create impediments to the establishment of industrial business that require buffer distances to sensitive uses.

Additional land for business and industry is also available in the Wimmera Intermodal Freight Terminal (WIFT) Precinct and the Horsham Aerodrome.

The WIFT Precinct in Dooen of about 470 hectares is a major intermodal freight and logistics hub for the Wimmera-Mallee region.

The development of the precinct will facilitate a range of businesses and jobs for the municipality and wider region relating to freight and logistics.

The precinct comprises six industry sub-precincts to assist in managing potential inter-industry conflict and to maximise the opportunities associated with the proximity to the key freight handling facilities.

Council's strategic directions for industry are to:

- Support industrial development in industrial areas.
- Avoid encroachment of sensitive land uses near land identified for industrial development.
- Provide for the staged development of the WIFT precinct as a major intermodal freight and logistics hub for the Wimmera-Mallee region.

Tourism

Horsham is near popular tourist attractions including the Grampians National Park, Mt Arapiles-Tooan State Park, Little Desert National Park, Black Range State Park and various lakes. The protection of these significant natural features will enhance opportunities for the local tourist industry.

The development of the Grampians Peaks Trail offers an opportunity for business and tourism operators within the vicinity to provide complementary services and facilities. The proposed Grampians Way ring road around the national park may further increase visitation of the area from those people enjoying surrounding tourism routes.

The Wartook Valley area is an area of high landscape, environmental and rural values, that have combined to make the area an attractive place to live, work and recreate. Numerous conservation-oriented covenants have been placed on various properties, that influence future use and development of the land.

Mt Arapiles is located west of Natimuk township in a productive farming area.

Mt Arapiles-Tooan State Park is an international rock-climbing destination that will continue to create demand for tourist services in the area. The lack of development around the mountain assists to maintain agricultural activity and the wilderness experience for visitors, and ensures that visitors make use of services and facilities in Natimuk, to the benefit of the local economy.

Council's strategic directions for tourism are to:

- Encourage use and development that will enable visitors to stay longer within Horsham.
- Support the Grampians Peaks Trail, the Grampians Way and associated tourist development.
- Encourage development in the Wartook Valley that protects the National Park, allows for greater tourism activity and protects farming land and other agricultural uses.
- Support tourist services in Natimuk township, and limited, sustainably developed tourist facilities outside the township area.

02.03-8 Transport

Areas currently bisected by the current railway corridor within Horsham are in need of improved transport connections for road, bicycle and pedestrian movements. Council aims to make Horsham and the surrounding communities more pedestrian and cycling friendly.

The main road transport corridor in the region is the Western Highway. Other important road corridors include the Henty Highway, which provides access to the Port of Portland and the Wimmera Highway. VicRoads proposed Western Highway Bypass for Horsham will help improve the amenity and function of the regional centre's commercial area and improve opportunities for industrial activity in Horsham.

The Horsham Airport, located north of the city, provides a range of services to the region. The opportunity exists to develop adjacent land for related industries and other business that will benefit from co-location with the airport. Height restrictions are imposed upon development in the regional centre and surrounding areas to ensure safe functioning of the airport.

Council's strategic directions for transport are to:

- Facilitate improved transport connections (road, bicycle, pedestrian) across the rail corridor.
- Encourage road corridors and improved connections to link developing areas to established areas.
- Support upgrades to the regional road network that provide:
 - Amenity benefits to Horsham residents.
 - Connection to the Wimmera Highway and the Henty Highway.
- Support upgrades to the cycling network to improve safety and cater for all levels of cyclist.
- Protect the air safety of Horsham Airport.
- Facilitate further development of Horsham Airport and land adjacent the Airport for air service related businesses.

02.03-9 Infrastructure

Community infrastructure

Community and cultural infrastructure is important to support community connections and health, wellbeing and vitality. Several early years centres are proposed in Horsham to respond to children's health, wellbeing and intellectual needs.

A medical services precinct around the Horsham Base Hospital will reinforce its role as the regional health provider. The expected increase in the aged population of the region is likely to result in a demand for more health services.

Council's strategic directions for community infrastructure are to:

- Locate community facilities in places that are easily accessible to members of the community.
- Provide health facilities that meet the needs of the local and regional community.
- Facilitate the establishment of early years centres throughout Horsham.

Development infrastructure

The efficient delivery of infrastructure is fundamental to providing affordable and diverse housing, generating economic growth and facilitating sustainable development that meets the needs of communities.

Some land within Horsham is affected by overland flow associated with stormwater flooding. Development in this area needs to be managed to ensure that risk is minimised and does not exacerbate stormwater flooding of adjacent land.

Access to telecommunications is important to better connect services and attract business within the region.

Council's strategic directions for development infrastructure are to:

- Facilitate agreements with developers for contributions towards the cost of infrastructure.
- Encourage a consistent approach to the design and construction of infrastructure across the municipality.
- Minimise risk associated with overland flow of stormwater and improve stormwater harvesting.
- Facilitate the supply of telecommunications infrastructure to service the municipality.

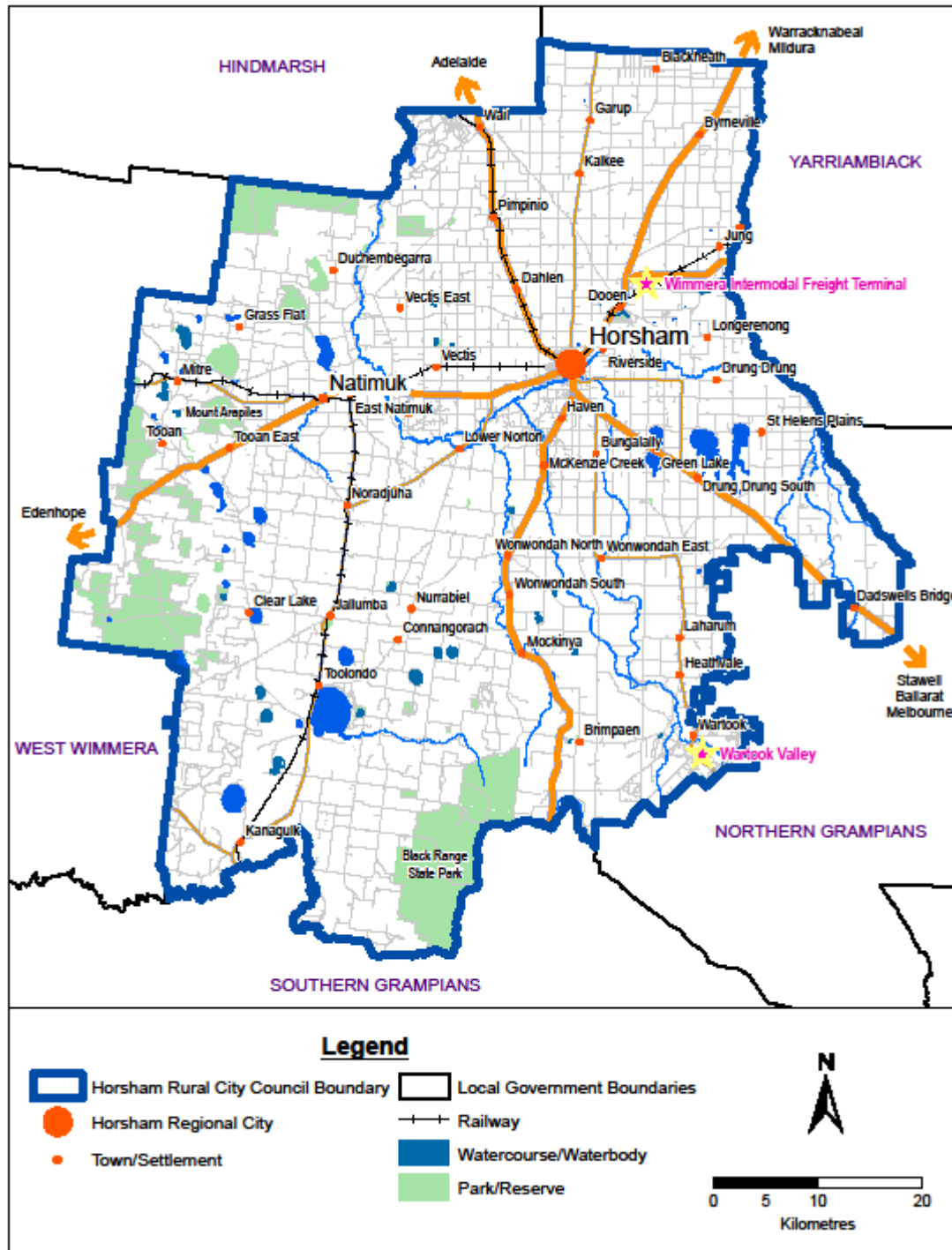
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02.04 STRATEGIC FRAMEWORK PLANS

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The plans contained in Clause 02.04 are to be read in conjunction with the strategic directions in Clause 02.03.

Horsham Rural City Strategic Framework Plan



11.01-1L Settlement – Horsham Rural City

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Policy application

This policy applies to land in Horsham Regional City and the Towns/Settlements identified in the strategic framework plans at Clause 02.04.

Strategies – General

Support long term urban growth opportunities to the north and west of Horsham Regional City's Existing Urban Area.

Create open spaces to Horsham's north and west sequential with future growth opportunities.

Support development, including subdivision, that delivers:

- Improved sight lines.
- Local legibility.

Connection to and extension of the city's established grid based road network.

Support the establishment of home-based businesses in Natimuk and other small settlements.

Support increased residential development in the municipality's smaller towns.

Strategies – Horsham regional city

Improve connectivity between the Horsham CAD and surrounding urban area.

Maximise opportunities for growth within Horsham CAD and Horsham's urban area.

Facilitate the provision of a wide range of housing types and opportunities in areas close to the Horsham CAD.

Encourage medium density residential development within easy walking distance to the town centre.

Facilitate the development of strategic infill sites for medium density housing.

Encourage the development of retirement living and aged care uses within the Horsham urban area.

Create new linkages across the Wimmera River to improve connectivity between Horsham and communities to the south.

Encourage opportunities for mixed use development on strategic infill sites.

Ensure residential development on the south side of the Wimmera River is not located on the floodplain, does not compromise the buffer to the waste water treatment facility, is appropriately drained and contributes to open space and public access along the waterway.

Allow bulky goods and manufacturing industries in highway locations where such activities are already established.

Minimise land use conflict in the vicinity of the Horsham rifle range and sewerage treatment plant.

Strategies – Horsham North

Facilitate the relocation of industrial uses away from the rail corridor in Horsham North.

Provide a social, cultural, and recreational focus for the rail corridor by:

- Facilitating the establishment of multiple uses in the current rail corridor.
- Facilitating delivery of an off-road pedestrian and cycle path through the rail corridor.
- Supporting redevelopment of vacant and underutilised land in the rail corridor for a range of social, cultural, and recreational uses.

- Supporting development in the rail corridor that complements the re-integration and urban renewal of Horsham North.

Re-integrate Horsham North with wider Horsham urban area by improving road, pedestrian and cycle connections across the railway line.

Improve safety in the public realm and encourage increased activity on local streets by supporting the provision of active street edges and open spaces in Horsham North.

Facilitate infill development on prominent, underutilised sites.

Improve movement networks and accessibility throughout Horsham North by:

- Enhancing the amenity, safety and appearance of key routes for pedestrian and bicycle movement.
- Promoting integration of public transport upgrades to support access to Horsham town centre and community facilities.

Support development of a Children's/Community Hub close to Dudley Cornell Reserve, comprising primary school, care services, Municipal Child Health and associated uses.

Encourage development of youth-focussed facilities in Horsham North.

Generate economic activity in Horsham North by:

- Facilitating development of a mixed use commercial and residential area north of Dudley Cornell Reserve.
- Supporting opportunities to include retail uses in the redeveloped rail corridor.
- Supporting the rezoning and redevelopment of industrial areas, especially along the railway corridor.
- Facilitating infill residential development.

Improve health and recreation opportunities in Horsham North by:

- Facilitating development of health facilities and services.
- Facilitating development to support active and passive recreation.

Policy documents

Consider as relevant:

- *Horsham Framework for Managing Growth* (Meinhardt Pty Ltd, 2013)
- *Horsham North Urban Design Framework* (SJB Urban Pty Ltd, 2013)

11.03-1L Horsham Central Activity District (CAD)

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Policy application

This policy applies to land in the Commercial 1 Zone, and land in the Commercial 2 Zone (along Dimboola Road, O'Callaghans Parade, in the vicinity of McPherson Street and Urquhart Street) north of the Wimmera River in Horsham.

Strategies

Encourage retail and business activities within the Horsham CAD.

Maintain a compact and integrated CAD by:

- Encouraging the redevelopment of land on McLachlan Street, between Darlot Street and Firebrace Street, as the preferred location for major activity generating land uses including an additional anchor tenant, also providing strong linkages to Firebrace Street.
- Encouraging a greater intensity of development in the centre of the CAD (bounded by Baillie Street to the north, Firebrace Street to the east, Darlot Street to the west and Wilson Street to the south), supporting mixed-use development with accommodation uses above the ground floor.
- Encouraging a mix of uses on land south-west of the Wilson Street and Darlot Street intersection for office, commercial, accommodation, education or health-related uses, supporting an extension of Hamilton Street to the west connecting to Wilson Street in the north.
- Discouraging large-scale traditional retail development on land south-west of the Wilson Street and Darlot Street intersection.
- Directing commercial development to locate in existing commercial areas.
- Encouraging redevelopment of under-utilised sites throughout the CAD, including supporting consolidation of smaller sites.
- Encouraging retail and restricted retail uses on land along Dimboola Road and Stawell Road.

Support delivery of improvements to the streetscape, amenity and public realm along Firebrace Street, the 'main-street' in Horsham.

Support mixed-use development in the CAD, with accommodation uses above ground floor and an increase in residential density in surrounding areas.

Facilitate the development of a mix of community and social infrastructure in the Horsham CAD.

Support the continued use of commercial land to the south-east of the CAD for service-related businesses that do not affect the amenity of surrounding areas.

Enhance east/west connectivity between the CAD and the surrounding areas including the Horsham Racecourse.

Enhance north/south connectivity between the CAD and the Wimmera River and Botanical Gardens.

Policy documents

Consider as relevant:

- *Horsham Central Activity District Strategy* (Essential Economics, October 2013)

12.01-1L Protection of biodiversity - Horsham

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Strategies

Protect and enhance native vegetation, biodiversity and ecological processes and endeavour to achieve no net loss of native vegetation in the municipality.

Protect remnant vegetation on private land and in road and railway reserves.

Conserve suitable nesting sites for the Red-tailed Black Cockatoo through the protection of live and dead hollow bearing trees and other suitable trees within the bird's known nesting area.

Conserve the feeding habitat of the Red-tailed Black Cockatoo through the retention of Buloke and Stringybark trees.

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12.03-1L Protection of waterways and wetlands - Horsham

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Strategies

Protect the environmental significance of the Natimuk-Douglas wetlands and their catchments from development and land management practices that would alter the quantity and quality of water entering the wetlands.

Protect the environmental significance of waterways and wetlands in the Millicent Coast Basin, Wimmera River Basin and the Glenelg Basin.

Minimise development impacts on waterways to support a flow regime for recreation, stock and domestic purposes while sustaining viable populations of native flora and fauna.

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13.03-1L Floodplain management – Horsham

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Policy application

This policy applies to all land within the Floodway Overlay, Land Subject to Inundation Overlay and Schedule 9 to the Design and Development Overlay.

Strategies

Discourage the intensification of land use and development in the floodplain of the Wimmera River and other watercourses.

Support inclusion of land within the urban area of Horsham that is at high risk from flooding within the Public Park and Recreation Zone to form part of the city's open space network.

Encourage a precautionary approach for new development in flood prone areas where flood modelling data is limited.

Avoid buildings and works, including earthworks and vegetation clearance on land in the Floodway Overlay.

Discourage landfill in all areas subject to inundation.

Discourage buildings and works, except where of low flood risk.

Discourage extensions to buildings at levels below the 100 Year Average Recurrence Interval (ARI) Flood.

Avoid the construction of levees in areas important for flood storage or environmental values, except to protect existing dwellings and their immediate curtilage.

Discourage earthworks that obstruct natural flow paths or drainage lines.

Locate buildings and works on land outside the Floodway Overlay and the Land Subject to Inundation Overlay.

Policy guidelines

Consider as relevant:

Buildings and works

- Locating buildings and works on the highest available natural ground.
- Designing buildings and works to have:
 - A 100-year ARI flood depth less than 500mm above the natural ground level at the building site.
 - A minimum floor level at least 300mm above the 100 year ARI.
 - A free board height of 800mm above ground level where flood levels are not known.
- Locating buildings and works to align with their longitudinal axis parallel to the predicted predominant direction of flood flow.
- Including flood-proofing measures that minimise the effects of flooding on the building structure and its contents, e.g. the use of water resistant building materials for foundations, footings and floors.
- Limiting the size of building (fill) pads to as near as practical to the building exterior.
- Designing buildings and works with foundations that are compatible with the flood risk.
- Minimising site coverage and hard surface areas.
- Maximising permeable surfaces to minimise run-off.

Subdivision

- Avoiding subdivision of land that creates lots that are wholly contained within the Floodway Overlay.

- Avoiding subdivision of land that creates lots with land wholly in the Land Subject to Inundation Overlay unless:
 - There is an adequate building envelope on each lot where the inundation is less than 500mm.
 - Access to the building envelope does not traverse land where inundation is greater than 500mm.

Fences

- Designing fencing to:
 - Enable movement of floodwaters through the fence.
 - Avoid solid contiguous materials including timber palings, metal sheet, colorbond, concrete, brick or masonry.
 - Avoid plinths less than 300mm above the ground.
 - Avoid trapping debris in floodwaters.

Extensions to buildings

- Designing extensions to buildings to:
 - Have a floor level at or above the 100 year ARI flood extent, where a floor level of at least 300mm above the 100 year ARI flood extent is not practical.
 - Have a 100-year ARI flood depth less than 500 mm above the natural surface level along existing or proposed roads, internal driveways and access tracks to the building from land outside of the defined flood area.
 - Align with their longitudinal axis parallel to the predicted predominant direction of flood flow.

Other

- Measures to provide for the storage of chemicals at a height of at least 1.5 metres above the 100 year ARI flood extent.
- Permitting construction of a dam for stock or domestic water supply purposes provided excavated material is removed off site and away from land within flood extent and there is no increase in the surface level of land surrounding the dam, including embankments.
- Whether earthworks, such as for access, avoids impeding the flow of flood waters.
- Locating water tanks outside of the inundated area.
- If water tanks are located in inundated area:
 - Avoiding a continual line of water tanks to allow for the movement of water around them.
 - Limiting fill/pads to the footprint of the water tank.

Policy documents

Consider as relevant:

- *Horsham Flood Study* (Water Technology, February 2003)

14.01-1L Protection of agricultural land - Horsham

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Strategies

Avoid the fragmentation of productive agricultural land by non-farm related subdivision and development.

Support the restructuring of farm holdings to facilitate the ongoing use of agricultural land for primary production.

Support the construction of dwellings in rural areas only where it can be shown that the development will result in improved agricultural productivity.

Discourage house lot excisions in the Riverside area (at the east of Horsham) that compromise agricultural activity.

Discourage the re-subdivision of existing lots, or other forms of subdivision in the Wartook Tourist Area.

Discourage the rezoning of isolated areas of rural land for residential purposes.

14.01-2L Intensive agriculture – Horsham

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Strategies

Provide direction on appropriate locations for the establishment of intensive agricultural activities.

Support businesses that provide services to intensive agriculture.

Maintain buffer areas around intensive agriculture.

Avoid dwellings and other urban development encroaching on land suitable for intensive agriculture.

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15.01-1L Urban design - Horsham Regional City

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Strategies

Facilitate development of priority pedestrian routes linking residential areas to the Horsham Central Activity District, the medical precincts of the Wimmera Base Hospital and Baillie Street and schools.

Design development fronting Horsham's highway entrances to contribute as a well presented entry to the city.

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15.03-1L Heritage conservation – Horsham Rural City

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Strategies

Discourage the demolition of buildings and other elements of local and state heritage significance.

Support demolition only where a permit has been granted for the development of the land.

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16.01-5L Rural residential development – Horsham

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Strategies

Direct rural residential development to areas adjoining existing settlements or where there is an existing identifiable community.

Facilitate and support rural residential development in existing rural living areas.

Direct residential development at low densities to areas where it will:

- Benefit existing settlements by attracting new residents.
- Complement existing land use and subdivision patterns.
- Minimise environmental risk and protect environmental assets.
- Not compromise long-term growth of settlements.
- Limit the impact on agricultural uses and industry.
- Not compromise residential infill policy in existing settlements.

Support staged and coordinated rural residential development in Haven.

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17.01-1L Wimmera Intermodal Freight Terminal (WIFT) Precinct

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Policy application

This policy applies to land in Development Plan Overlay Schedule 9 (DPO9) and Environmental Significance Overlay Schedule 7 (ESO7).

Strategies

Encourage use and development that benefit from association with the WIFT including:

- Freight.
- Logistics and transport related uses.
- Industry including manufacturing, mineral sands processing and storage.
- Warehousing.

Encourage value-add uses such as warehousing and industries involved in the manufacture, packaging, storage and transfer of primary produce and raw materials from farms for national and international markets.

Encourage a range of complementary activities and businesses that support the role of the precinct as a major intermodal freight and logistics hub, including container park facilities, large volume container packing, bulk loading and warehousing facilities.

Manage inter-industry conflict by providing separation between food based industries and uses with adverse amenity potential that may impact on food processing.

Ensure subdivisions provide sufficient space in road verges for future infrastructure provision.

Encourage the long term provision of reticulated potable water, sewerage and gas.

Ensure that development does not prejudice the potential extension of the rail siding.

Ensure that development does not prejudice the future upgrade of key transport routes for B-Triple trucks access from Wimmera and Henty Highways to the WIFT and warehousing sub-precincts.

Minimise the impact of use and development with adverse amenity potential on the Doon Township and surrounding rural area.

Discourage the development of sensitive land uses on land adjacent to the precinct.

Policy documents

Consider as relevant:

- *Wimmera Intermodal Freight Terminal Structure Plan* (AECOM, December 2012)

17.01-2L Innovation and research in agriculture

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Strategies

Support the use and development of land for agricultural research and development centres.

Support the ongoing use and development of the Grains Innovation Park and Longerenong College.

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17.03-2L Sustainable industry - Horsham

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Strategies

Direct industrial use and development within the Horsham regional centre to established industrial zones serviced by infrastructure, including road access.

Encourage industrial activities with minimal threshold requirements to locate north of Plumpton Road, as a buffer between established industrial sites and the proposed Wimmera River South residential area of Horsham.

Support the restructuring of industrial areas impacted by encroachment of residential uses.

Cluster industrial activities on land around the Horsham Regional Livestock Exchange, south-east of Horsham on the Western Highway, to minimise potential impacts from inundation from the nearby Burnt Creek.

17.04-1L Tourism – Natimuk and Mt Arapiles area

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Policy application

This policy applies to land surrounding Mt Arapiles-Toooan State Park affected by Schedule 2 to the Significant Landscape Overlay and to land within Natimuk township.

Strategies

Facilitate tourist related development associated with the Mount Arapiles-Toooan State Park in Natimuk.

Enhance the environmental and recreational qualities of Mt Arapiles-Toooan State Park.

Encourage services for visitors to Mt Arapiles-Toooan State Park within Natimuk township, where reticulated water and sewer services are available, including:

- Accommodation.
- Food and drink premises.
- Shops.
- Rock climbing and bushwalking related businesses and industries.

Support tourist related development outside the Natimuk township that minimises adverse aesthetic and environmental impacts.

Minimise development that would have a detrimental impact upon unspoilt vistas to and from the park, in particular the area between the mountain and Mitre Lake in the east.

Policy guidelines

Consider as relevant:

- Disposing of any wastewater or effluent in such a manner so as to minimise any environmental effects, such as effluent or drainage being directed to watercourses (including through composting toilets or similar systems).

18.02-1L Cycling and pedestrian networks - Horsham--/--
C---**Strategies**

Support the staged development of the Horsham to Natimuk Bike Trail connection.

Provide off-road bicycle and walking paths through industrial areas that link to residential areas and recreational facilities.

Provide off-road bicycle and walking paths in highway locations, or where heavy vehicles dominate road use.

Maintain and extend the network of bike and walking tracks within Horsham to provide for recreational and commuter cycling.

Facilitate the bicycle path network through the collection of developer contributions for bicycle infrastructure.

Support improvements to the bicycle and pedestrian network for Horsham North.

Facilitate improved connections across the Horsham rail corridor.

Policy documents

Consider as relevant:

- *Horsham Municipal Bicycle and Shared Path Plan 2012-16* (Driscoll Engineering Services P/L, September 2012)

18.04-1L Horsham Airport

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Strategies

Support the upgrading of the east/west and north/south runways to a standard that facilitates their use by emergency services aircraft.

Enable the development of land in the vicinity of the Horsham Airport for aviation related business and industry.

Support private and charter aircraft operations on land adjacent to the Horsham Airport.

Support flying training facilities at Horsham Airport.

Maintain the rural zoned land around the airfield to protect expansion opportunities.

Avoid sensitive uses establishing in the vicinity of land identified for aviation related industry.

19.02-1L Health facilities - Horsham

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Strategies

Encourage hospital and associated medical facilities to establish in the vicinity of the existing Horsham Base Hospital.

Encourage medical and allied health services to cluster around the Baillie Street area in Horsham.

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19.02-2L Education facilities - Horsham

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Strategies

Facilitate the development of early years centres in Kalkee Road, Horsham North, Horsham West and Horsham South.

Facilitate the co-location of complementary community services within early years centres.

Policy documents

Consider as relevant:

- *Horsham Early Years Plan* (Horsham Rural City Council, 2014)

19.03-2L Infrastructure design and provision – Horsham

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Strategy

Provide a consistent approach to the design and construction of infrastructure across the municipality.

Policy guideline

Consider as relevant:

- The *Infrastructure Design Manual* (Local Government Infrastructure Design Association, 2018) or an approved precinct structure plan for new subdivision and development.

Policy documents

Infrastructure Design Manual (Local Government Infrastructure Design Association, 2018)

19/01/2006
VC37**SCHEDULE 2 TO CLAUSE 42.03 SIGNIFICANT LANDSCAPE OVERLAY**

Shown on the planning scheme map as **SLO2**.

MT ARAPILES-TOOAN STATE PARK**1.0 Statement of nature and key elements of landscape**19/01/2006
VC37

Mt Arapiles rises abruptly 200 metres above the Wimmera Plains. Mt Arapiles and nearby Mitre Rock are distinctive landscape features visible across wide areas of the municipality. The natural features are formed by an outlier of sandstone surrounded by marine and terrestrial sediments over basement rocks of the Paleozoic era. The 'Mount' is a renowned rock-climbing venue and attracts more than 70,000 rock climbers each year.

2.0 Landscape character objectives to be achieved19/01/2006
VC37

To maintain the quality of vistas towards and from Mt Arapiles-Tooan State Park.
To maintain the visual qualities of land located between Mt Arapiles-Tooan State Park and Mitre Lake.
To consider farm buildings and associated structures as an integral element of the rural landscape surrounding Mt Arapiles-Tooan State Park.

3.0 Permit requirement19/01/2006
VC37

A permit is not required to construct a building for use as a dwelling, or construct a building or construct or carry out works related to the use of the land for grazing animal production and crop raising, including silos.

4.0 Application requirements

30/07/2018

The following application requirements apply to an application for a permit under Clause 42.03, in addition to those specified elsewhere in the scheme and must accompany an application, as appropriate, to the satisfaction of the responsible authority:

- A detailed concept plan showing all plans and elevations of the proposed building, works, landscaping and associated access ways and other facilities.

5.0 Decision guidelines19/01/2006
VC37

The following decision guidelines apply to an application for a permit under Clause 42.03, in addition to those specified in Clause 42.03 and elsewhere in the scheme which must be considered, as appropriate, by the responsible authority:

- Whether the proposed building or work will be visible from prominent locations within Mt Arapiles-Tooan State Park.
- Whether views towards Mt Arapiles from key access roads (including the Wimmera Highway, Centenary Park Road and Natimuk-Frances Road) and other key vantage points have been suitably protected having regard to:
 - The size and bulk of the proposed buildings or works (with a preference for buildings to be of a low profile and not exceed one storey).
 - The screening potential of existing or proposed vegetation.
- The desirability of requiring buildings to be clad in non-reflective materials of muted shades of green, brown or grey, unless there are other visual means of limiting the appearance of the building from Mt Arapiles-Tooan State Park or from access roads to the park.

12/03/2015
GC20**SCHEDULE 9 TO CLAUSE 43.02 DESIGN AND DEVELOPMENT
OVERLAY**Shown on the planning scheme map as **DDO9****STORMWATER MANAGEMENT AREA****1.0****Design objectives**11/01/2007
C22

To minimise the risk associated with stormwater flooding.

2.0**Buildings and works**12/03/2015
GC20

A permit is not required to construct the following buildings and/or works:

- A pergola.
- A veranda.
- An open sided carport.
- The addition of a second story, or other additional stories, on top of the existing building where there is no increase in building footprint.
- Swimming pool.
- Earthworks in the General Residential Zone.
- An open sports ground excluding change rooms, pavilions, shelters, other buildings, and raised viewing areas, provided that the natural surface level is not altered.
- An outdoor recreation facility, excluding any buildings or structures that alter water movement across or storage capacity of the floodplain, and works that alter the topography of the land.
- Road works or works to any other access way (public or private) that they:
 - do not change the finished level of the road surface; or
 - are limited to resurfacing of an existing road.
- Cycle or pedestrian tracks where there is no increase in the natural ground level.

3.0**Subdivision**

30/07/2018

None specified.

4.0**Signs**

04/10/2018

None specified.

5.0**Application requirements**

30/07/2018

The following application requirements apply to an application for a permit under Clause 43.02, in addition to those specified elsewhere in the scheme and must accompany an application, as appropriate, to the satisfaction of the responsible authority:

- A flood risk report prepared by a suitably qualified person that addresses the following matters:
 - Details of the proposed development, site conditions, and site context plan.
 - The flood extent, flood levels and flow directions relevant to the site.
 - The frequency, duration, depth and velocity of flooding and flood warning time applicable to the development site and access way.
 - The susceptibility of the development to flood damage.

- The potential flood risk to life health and safety.
- The effect of the development on reducing flood storage and on redirecting or obstructing floodwater, stormwater or drainage water.
- The effect of the development on environmental values, for example flora, fauna and wetlands.
- Whether the proposed development could be located on flood-free land or land with a lesser flood hazard.
- A site description, which may use a site plan (drawn to scale), photographs or any other relevant technique, that accurately describes:
 - The boundaries, dimensions, shape, size, orientation, slope and elevation of the site.
 - Relevant existing and proposed ground levels of the site, to Australian Height Datum taken by or under the direct supervision of a licensed land surveyor, and the difference in levels between the site and surrounding properties.
 - Location, layout, size and use of existing and proposed buildings and works on the site and on surrounding properties.
 - Floor levels of any existing and proposed buildings, to Australian Height Datum, taken by or under the direct supervision of a licensed surveyor.
 - The use of surrounding properties and buildings.
 - Location of significant environmental values including flora, fauna and wetlands on the site and surrounding properties.
 - Adjoining roads, internal driveways, and access tracks.
 - Any other notable features or characteristics of the site.
- Elevations of all proposed buildings, drawn to scale.
- Construction details of all buildings, fences, works and driveways.
- In the case of fences, a report that demonstrates that the fence does not significantly obstruct flood flows.

This information may not be required for:

- A single dwellings on a lot.
- Minor earthworks.

6.0

Decision guidelines

11/01/2007
C22

The following decision guidelines apply to an application for a permit under Clause 43.02, in addition to those specified in Clause 43.02 and elsewhere in the scheme which must be considered, as appropriate, by the responsible authority:

- The recommendations of relevant flood study.
 - Any comments from the floodplain management authority.
 - The existing use and development of the land.
 - Whether the proposed use or development could be located on flood free land or land with a lesser flood hazard outside the area affected by flooding.
 - The susceptibility of the proposal to flooding and flood damage.
 - The potential flood risk to life, health and safety associated with the development.
- Flood risk factors to consider include:
- The frequency, duration, extent, depth and velocity of flooding of the site and accessway.
 - Flood warning time available.
 - The danger to the occupants of the development, other floodplain residents and emergency personnel if the site or accessway is flooded.

- The effect of the development on redirecting or obstructing floodwater, stormwater or drainage water and the effect of the development on reducing flood storage and increasing flood levels and flow velocities.
- The effect on the development of environmental values such as natural habitat, stream stability, erosion, water quality and sites of scientific significance.

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14/12/2017
C64**SCHEDULE 9 TO CLAUSE 43.04 DEVELOPMENT PLAN OVERLAY**

Shown on the planning scheme map as **DPO9**.

WIMMERA INTERMODAL FREIGHT TERMINAL PRECINCT**1.0****Objectives**

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To develop the precinct having regard to the following six sub-precincts (as shown on Map 1 to this schedule):

- **Sub-precinct 1 Grain:** Uses associated with the collection, storage and transfer of grain and other bulk agricultural produce, on large and super size lots. Uses associated with mineral sands discouraged.
- **Sub-precinct 2 Mineral Sands:** Uses associated with mineral sand mining operations, including the collection, storage and transfer of mineral sands and other earth resources that may require separation from food related industries.
- **Sub-precinct 3 Warehousing and Logistics:** Uses associated with large scale warehousing and logistics, freight and industries that benefit from a location in close proximity to the WIFT, on large and super size lots.
- **Sub-precinct 4 Large Manufacturing:** Manufacturing and general industries that have potential amenity impacts and require large buffers from sensitive land uses, on super size lots. Manufacturing industries with large footprints encouraged.
- **Sub-precinct 5 Warehousing Logistics and Small Manufacturing:** A mix of smaller-scale manufacturing, warehousing and logistics industries that require small buffers to sensitive uses, on small and medium size lots.
- **Sub-precinct 6 Highway Businesses:** A range of ancillary uses and service industries that support the precinct and benefit from increased exposure along the highway, such as convenience retail and fuel supply, on small lots. No direct access from either the Henty or Wimmera Highways.

To facilitate infrastructure to service the use and development of the precinct.

2.0**Requirement before a permit is granted**14/12/2017
C64

A permit may be granted for use or to subdivide land or to construct a building or to construct or carry out works before a development plan has been prepared if the responsible authority is satisfied that the permit will not prejudice the future integrated use and development of the land as a major intermodal freight and logistics hub for the Wimmera – Mallee region as shown in Map 1 to Schedule 9 to Clause 43.04.

3.0**Conditions and requirements for permits**14/12/2017
C64

None specified.

4.0**Requirements for development plan**14/12/2017
C64

A development plan must include the following requirements:

- The development plan must have regard to Maps 1, 2, 3 and 4 to this schedule.

A **Master Plan** that includes:

- The location of all sub-precincts and proposed land uses within the Wimmera Intermodal Freight Terminal Precinct (the Precinct) having regard to Map 1 to the Schedule 9 to Clause 43.04, including roads and drainage reserves.
- Land uses within close vicinity to the Wimmera Intermodal Freight Terminal must demonstrate a need to use or have access to the Terminal.

- Land uses must demonstrate that they are not incompatible with surrounding land uses so as to prevent environmental problems created by siting incompatible land uses close together.
- The location of Gateway sites.
- The subdivision layout showing:
 - The location and distribution of lots showing an appropriate range of lots sizes from small (1-5 hectares), medium (5-15 hectares), large (15-40 hectares) and super (40-80 hectares) within the relevant sub-precinct.
 - The presentation of lots to the Wimmera and Henty Highways ensuring that no lot has direct road access from the Henty or Wimmera Highways.
 - An internal loop road to service uses in sub-precinct 6 Highway Business.
 - Primary access to the Precinct from the corner of Henty Highway and Freight Terminal Road
 - Typical street cross-sections.
- The provision of utilities and services including: electricity, telecommunications, water supply and waste water treatment.
- A staging plan showing the timing and staging of the development of the Precinct and the range of lot sizes for future subdivision.

A **Transport Management Plan** complying with any VicRoads requirements that includes:

- An integrated transport plan including public transport, walking and cycling infrastructure having regard to Map 2 to Schedule 9 to Clause 43.04.
- A road transport plan having regard to Map 2 to Schedule 9 to Clause 43.04 that must include:
 - a connecting 'link' road from the northern end of the Terminal to the Wimmera Highway; and
 - a connecting 'loop' road from the northern end of the Terminal to Molyneaux Road.
- Principle access to the Precinct at the corner of Henty Highway and Freight Terminal Road via an appropriately designed intersection treatment (a large priority T-junction intersection).
- Truck queuing and rest area for the queuing of vehicles waiting to access the Terminal.
- An assessment of the likely traffic impacts of the proposed development and any required works including a safety assessment of the Molyneaux Road rail level crossing using the Australian Level Crossing Assessment Model (ALCAM) for any potential increased use of the crossing.
- Road layout, road widths and reserves and site access, including internal and external road intersections, performance and treatments, and the design of Freight Terminal Road as a quality, tree-lined boulevard to appropriate safety and relevant utility service requirements.
- The design of footpaths, bicycle paths, and shared pathway networks, internal and external to the Precinct.
- Traffic Management measures and signalisation.
- Details of proposed car parking arrangements on street and off street.
- Access for B triple trucks and related transport and logistics activities associated with the operation of the precinct and the Wimmera Intermodal Freight Terminal.

An **Urban Design and Landscape Master Plan** for the overall Wimmera Intermodal Freight Terminal Precinct that includes:

- Environmentally Sustainable Design principles for buildings, landscaping, internal environments, and construction practices.
- The location of Gateway sites and their landscape treatment.
- A street tree master plan for the overall Precinct.

- Tree planting having regard to Map 4 to Schedule 9 to Clause 43.04.
- Landscaping along Henty Highway between the rail corridor and Freight Terminal Road to screen views from passing traffic.
- A 7 metre setback of planting from the edge of the road seal along Henty Highway and Wimmera Highway.
- Landscaping and setbacks to provide an appropriate transition from the rural environment to the Precinct and interface treatments.

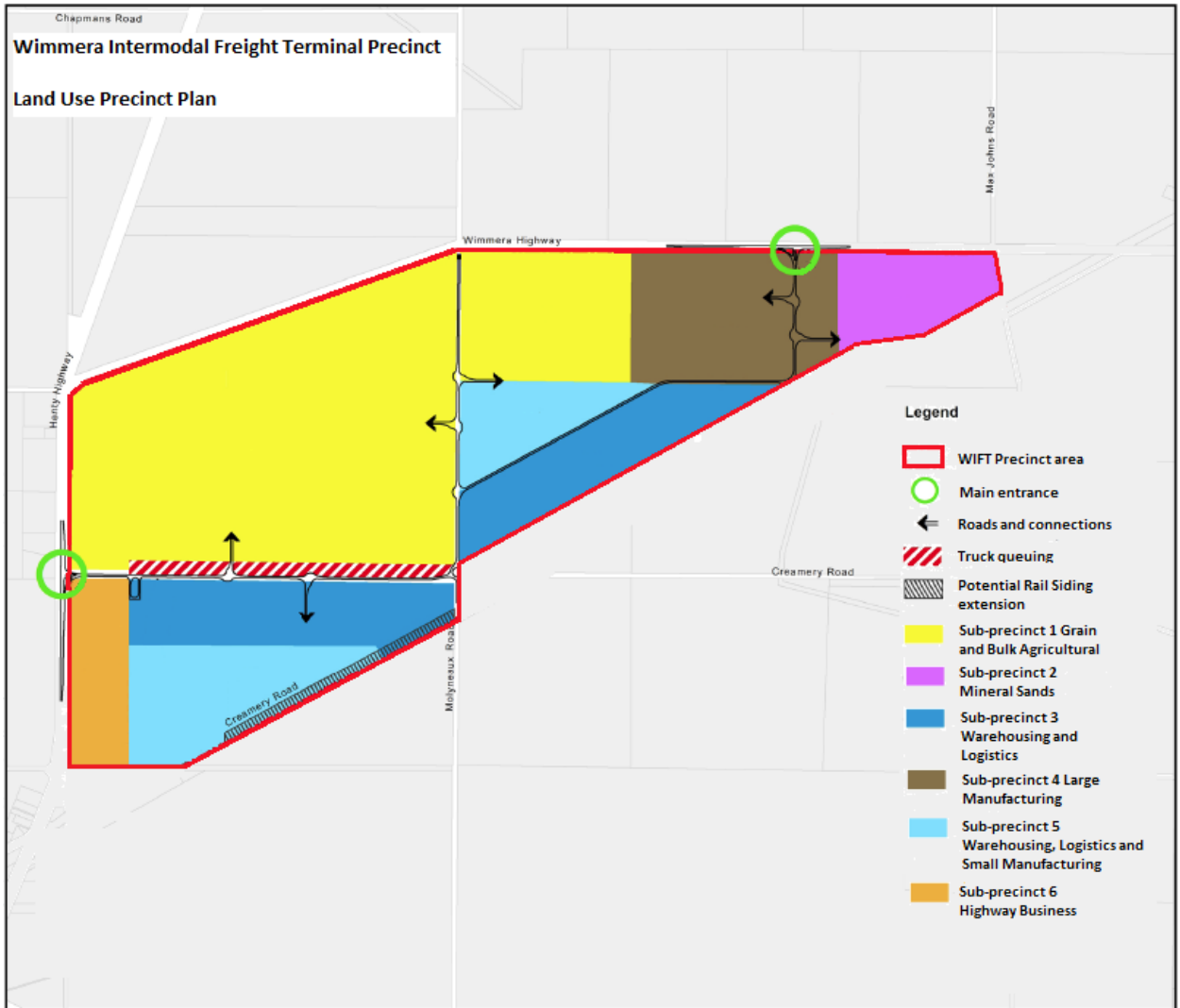
An **Integrated Water Management Plan** responding to flooding, stormwater and drainage management that includes:

- A storm water management strategy having regard to Map 3 to Schedule 9 to Clause 43.04.
- Stormwater management practices that:
 - Maintain existing 1% Annual Exceedance Probability (AEP) peak flow rate is no greater than current flows from the Precinct.
 - Maintain water quality to existing conditions and as agreed with the Wimmera Catchment Management Authority.
 - Ensure there is sufficient storage capacity for 145,800m³ of stormwater in the south-west of the Precinct, or appropriately spaced along the southern corridor between Molyneux Road and Henty Highway with the greatest amount of storage in the south-west corner.
 - Ensure that stormwater will not overtop the rail corridor.

An **Infrastructure Plan** approved by the Responsible Authority, which identifies the anticipated staging and timing of the provision of infrastructure. The infrastructure plan should address, as appropriate:

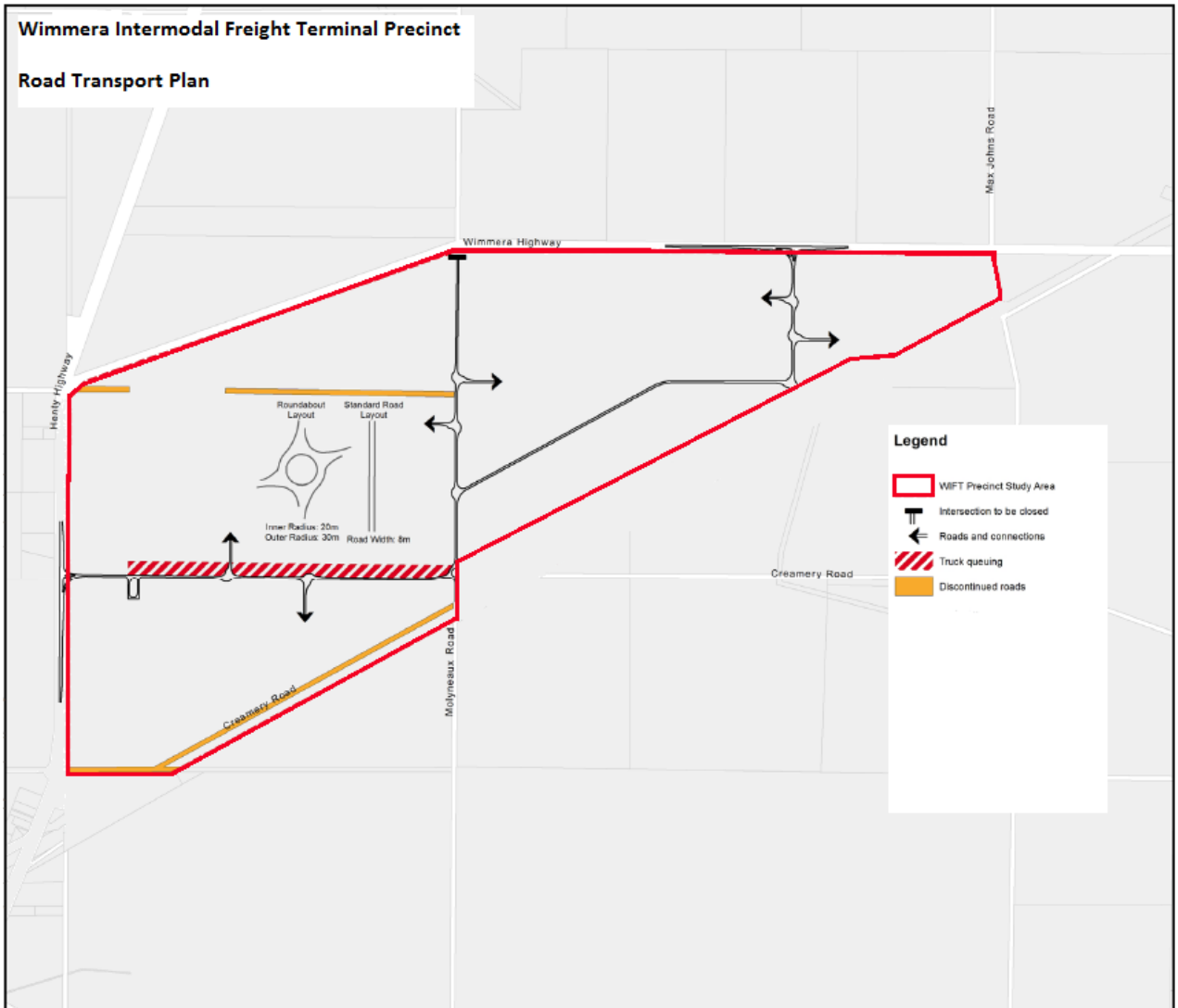
- The provision, staging and timing of stormwater drainage works.
- The provision, staging and timing of roadworks (including bus stops and associated works) both internal and external in accordance with the approved traffic management plan.
- The provision, staging and timing of landscaping works for local parks, stormwater drainage reserves and regional landscaping works.
- The securing of the infrastructure and utility services as may be necessary by way of an agreement pursuant to Section 173 of the *Planning and Environment Act 1987*.
- Any other infrastructure related matter reasonably requested by the Responsible Authority associated with the subdivision of land.
- Identification of any agency or person responsible for provision of particular items of infrastructure

Map 1 to Schedule 9 to Clause 43.04 – Land Use Precinct Plan



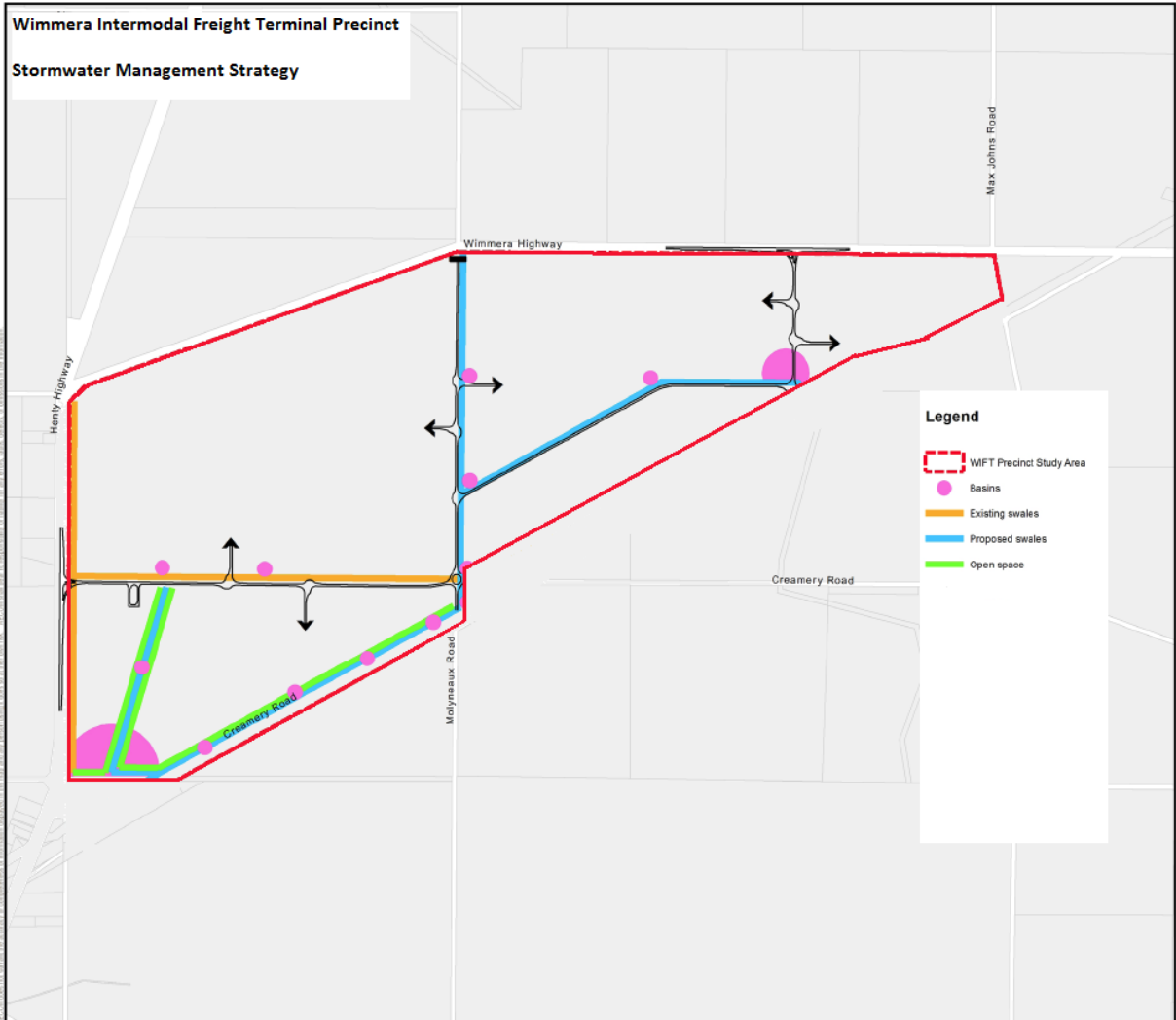
This plan is conceptual and indicative only and is not drawn to scale

Map 2 to Schedule 9 to Clause 43.04 – Road Transport Plan



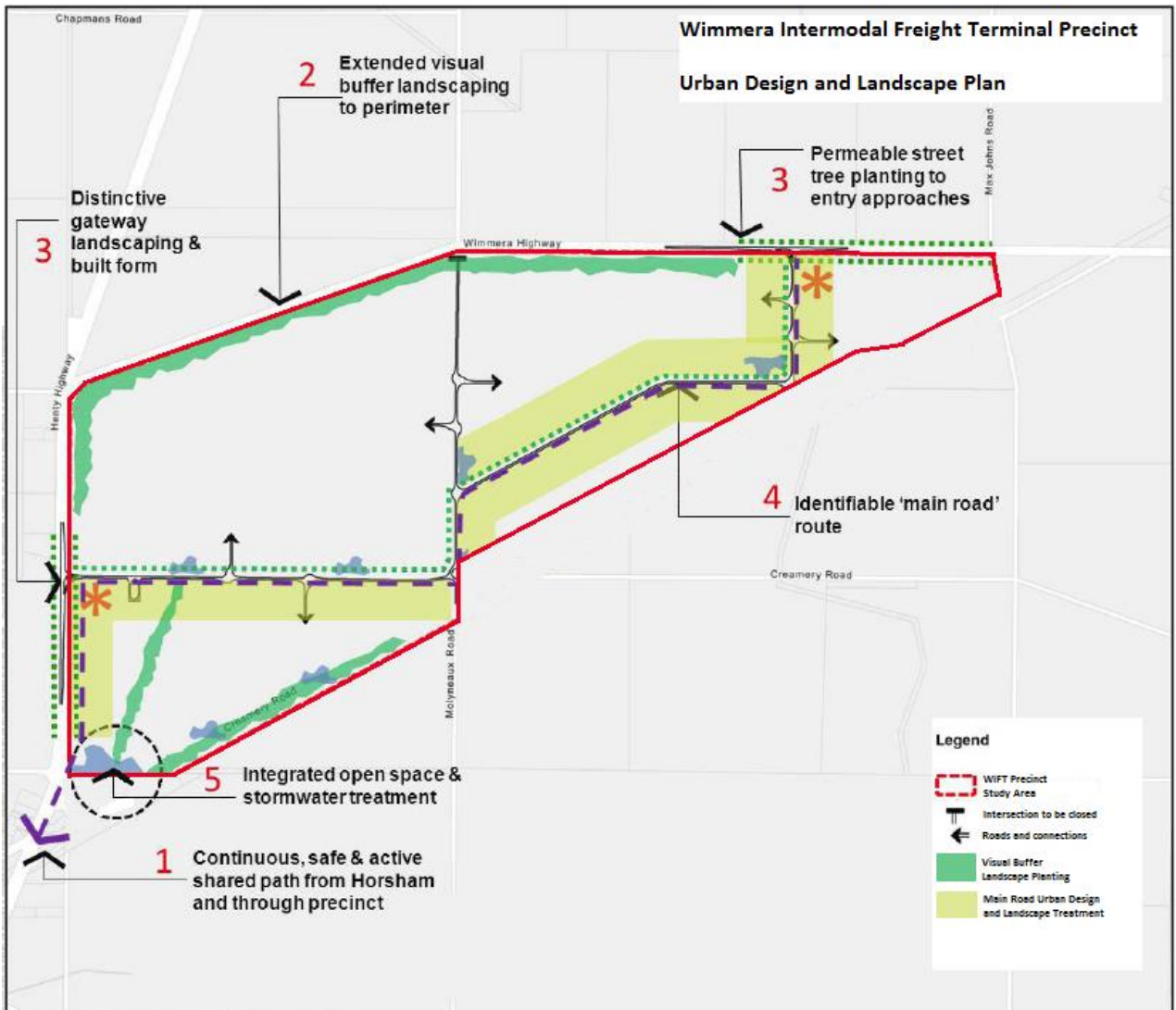
This plan is conceptual and indicative only and is not drawn to scale.

Map 3 to Schedule 9 to Clause 43.04 – Stormwater Management Strategy Plan



This plan is conceptual and indicative only and is not drawn to scale.

Map 4 to Schedule 9 to Clause 43.04 – Urban Design and Landscape Plan*



* This plan is conceptual and indicative only and is not drawn to scale.

11/01/2007
C22**SCHEDULE 1 TO CLAUSE 44.03 FLOODWAY OVERLAY**

Shown on the planning scheme map as **FO**.

HORSHAM FLOOD RISK AREAS**1.0 Floodway objectives to be achieved**

--/20--

None specified.

2.0 Statement of risk

--/20--

None specified.

3.0 Permit requirement11/01/2007
C22

A permit is not required to construct the following buildings and works:

- Any buildings or works on land that has been filled in accordance with the requirements of a planning permit.
- Any buildings and works, if appropriately detailed information submitted to the responsible authority show that the natural level of the land on which the buildings and works are proposed is at least 300mm above the Average Recurrence Interval flood level.
- A pergola.
- A veranda.
- An open sided carport.
- The addition of a second storey, or other additional storeys, on top of the existing building where there is no increase in building footprint.
- Swimming pool.
- An open sports ground excluding change rooms, pavilions, shelters, other buildings, and raised viewing areas, provided that the natural surface level is not altered.
- An outdoor recreation facility, excluding any buildings or structures that alter water movement across or storage capacity of the floodplain, and works that alter the topography of the land.
- Road works or works to any other access way (public or private) that:
 - Do not change the finished level of the road surface.
 - Are limited to resurfacing of an existing road.
- Cycle or pedestrian tracks where there is no increase in the natural ground level.

4.0 Application requirements

--/20--

The following application requirements apply to an application for a permit under Clause 44.03, in addition to those specified in Clause 44.03 and elsewhere in the scheme and must accompany an application, as appropriate, to the satisfaction of the responsible authority:

- A flood risk report prepared by a suitably qualified person that addresses the following matters:
 - Details of the proposed development, site conditions, and site context plan.
 - The flood extent, flood levels and flow directions relevant to the site.
 - The frequency, duration, depth and velocity of flooding and flood warning time applicable to the development site and access way.
 - The susceptibility of the development to flood damage.
 - The potential flood risk to life health and safety.

- The effect of the development on reducing flood storage and on redirecting or obstructing floodwater, stormwater or drainage water.
- The effect of the development on environmental values, for example flora, fauna and wetlands.
- Whether the proposed development could be located on flood-free land or land with a lesser flood hazard.
- A site description, which may use a site plan (drawn to scale), photographs or any other relevant technique, that accurately describes:
 - The boundaries, dimensions, shape, size, orientation, slope and elevation of the site.
 - Relevant existing and proposed ground levels of the site, to Australian Height Datum taken by or under the direct supervision of a licensed land surveyor, and the difference in levels between the site and surrounding properties.
 - Location, layout, size and use of existing and proposed buildings and works on the site and on surrounding properties.
 - Floor levels of any existing and proposed buildings, to Australian Height Datum, taken by or under the direct supervision of a licensed surveyor.
 - The use of surrounding properties and buildings.
 - Location of significant environmental values including flora, fauna and wetlands on the site and surrounding properties.
 - Adjoining roads, internal driveways, and access tracks.
 - Any other notable features or characteristics of the site.
- Elevations of all proposed buildings, drawn to scale.
- Construction details of all buildings, fences, works and driveways.
- In the case of fences, a report that demonstrates that the fence does not significantly obstruct flood flows.

This information may not be required for:

- A single dwelling on a lot.
- Minor earthworks.

5.0

Decision guidelines

None specified.

--/20--

11/01/2007
C22**SCHEDULE TO CLAUSE 44.04 LAND SUBJECT TO INUNDATION OVERLAY**

Shown on the planning scheme map as **LSIO**.

HORSHAM FLOOD STORAGE OR FLOOD FRINGE AREAS**1.0 Land subject to inundation objectives to be achieved**

--/20--

None specified.

2.0 Statement of risk

--/20--

None specified.

3.0 Permit requirement11/01/2007
C22

A permit is not required to construct the following buildings and works:

- Any buildings or works on land that has been filled in accordance with the requirements of a planning permit.
- Any buildings and works if appropriately detailed information submitted to the responsible authority show the natural level of the land on which the buildings and works are proposed is at least 300mm above the Average Recurrence Interval flood level.
- A pergola.
- A veranda.
- An open sided carport.
- The addition of a second storey, or other additional storeys, on top of the existing building where there is no increase in building footprint.
- Swimming pool.
- An open sports ground excluding change rooms, pavilions, shelters, other buildings, and raised viewing areas, provided that the natural surface level is not altered.
- An outdoor recreation facility, excluding any buildings or structures that alter water movement across or storage capacity of the floodplain, and works that alter the topography of the land.
- Road works or works to any other access way (public or private) that:
 - Do not change the finished level of the road surface.
 - Are limited to resurfacing of an existing road.
- Cycle or pedestrian tracks where there is no increase in the natural ground level.

4.0 Application requirements

--/20--

The following application requirements apply to an application for a permit under Clause 44.04, in addition to those specified in Clause 44.04 and elsewhere in the scheme and must accompany an application, as appropriate, to the satisfaction of the responsible authority:

- A flood risk report prepared by a suitably qualified person that addresses the following matters:
 - Details of the proposed development, site conditions, and site context plan.
 - The flood extent, flood levels and flow directions relevant to the site.
 - The frequency, duration, depth and velocity of flooding and flood warning time applicable to the development site and access way.
 - The susceptibility of the development to flood damage.
 - The potential flood risk to life health and safety.

- The effect of the development on reducing flood storage and on redirecting or obstructing floodwater, stormwater or drainage water.
- The effect of the development on environmental values, for example flora, fauna and wetlands.
- Whether the proposed development could be located on flood-free land or land with a lesser flood hazard.
- A site description, which may use a site plan (drawn to scale), photographs or any other relevant technique, that accurately describes:
 - The boundaries, dimensions, shape, size, orientation, slope and elevation of the site.
 - Relevant existing and proposed ground levels of the site, to Australian Height Datum taken by or under the direct supervision of a licensed land surveyor, and the difference in levels between the site and surrounding properties.
 - Location, layout, size and use of existing and proposed buildings and works on the site and on surrounding properties.
 - Floor levels of any existing and proposed buildings, to Australian Height Datum, taken by or under the direct supervision of a licensed surveyor.
 - The use of surrounding properties and buildings.
 - Location of significant environmental values including flora, fauna and wetlands on the site and surrounding properties.
 - Adjoining roads, internal driveways, and access tracks.
 - Any other notable features or characteristics of the site.
- Elevations of all proposed buildings, drawn to scale.
- Construction details of all buildings, fences, works and driveways.
- In the case of fences, a report that demonstrates that the fence does not significantly obstruct flood flows.

This information may not be required for:

- A single dwelling on a lot.
- Minor earthworks.

5.0

Decision guidelines

--/20--

None specified.

--/20--
C--**SCHEDULE TO CLAUSE 72.08 BACKGROUND DOCUMENTS****1.0 Background documents**--/20--
C--

Name of background document	Amendment number - clause reference
<i>Horsham Central Activity District Strategy</i> (Essential Economics, October 2013)	C75
<i>East Horsham Drainage Recommendation Report</i> (2013)	C75
<i>East Horsham Flood Intelligence Report</i> (2013)	C75
<i>Environment Sustainability Strategy</i> (Horsham Rural City Council, 2010)	C75
<i>Horsham Early Years Plan</i> (Horsham Rural City Council, 2014)	C75
<i>Horsham Flood Study</i> (Water Technology, February 2003)	C22
<i>Horsham Framework for Managing Growth</i> (Meinhardt, October 2013)	C75
<i>Horsham Health and Wellbeing Plan</i> (Horsham Rural City Council, 2013)	C75
<i>Horsham Heritage Study Stage 2</i> (Grieve Gillet, 2014)	C75
<i>Horsham Municipal Bicycle & Shared Path Plan 2012-2016</i> (Driscoll Engineering Services, September 2012)	C75
<i>Horsham North Urban Design Framework</i> (SJB Urban, September 2013)	C75
<i>Infrastructure Design Manual</i> (Local Government Infrastructure Design Association, 2018)	C75
<i>Natimuk Flood Investigation</i> (Water Technology, 2013)	C75
<i>Regional Bushfire Planning Assessment – Grampians Region</i> (Department of Planning and Community Development, 2012)	C75
<i>South West Victoria Landscape Assessment Study</i> (Planisphere, 2012)	C75
<i>Upper Mount William Creek Flood Investigation</i> (Water Technology, 2014)	C75
<i>Wartook Valley Strategy</i> (Meinhardt, September 2017)	C75
<i>Wimmera Floodplain Management Strategy</i> (Wimmera Catchment Management Authority, 2012)	C75
<i>Wimmera Intermodal Freight Terminal Structure Plan</i> (AECOM, December 2012)	C64
<i>Wimmera Regional Catchment Strategy 2013-2019</i> (Wimmera Catchment Management Authority, 2013)	C75
<i>Wimmera River and Yarriambiack Creek Flow Modelling Study</i> (2009)	C75

29/04/2019

SCHEDULE TO CLAUSE 74.01 APPLICATION OF ZONES, OVERLAYS AND PROVISIONS

1.0

Application of zones, overlays and provisions

29/04/2019

This planning scheme applies the following zones, overlays and provisions to implement the Municipal Planning Strategy and the objectives and strategies in Clauses 11 to 19:

- **Low Density Residential Zone** to residential areas that may not be serviced by reticulated sewerage systems including land at the outskirts of Horsham regional city.
- **Mixed Use Zone** to areas with a mixed use character including land at the north of Dudley Cornell Reserve in Horsham North..MUZ Horsham mixed use areas
- **Township Zone** to provide for residential development and a range of commercial, industrial and other uses in a small rural town context including Wail, Pimpinio, Natimuk, Dooen, Jung, Mitre, Nurrabel, Noradjuha, Wonwondah North and Clear Lake.
- **General Residential Zone** to new or established residential areas where there are minimal constraints to residential development in Horsham regional city.
- **Industrial 1 Zone** to areas comprising a range of industrial and non-industrial uses including:
 - Core industrial areas in Horsham regional city.
 - Land surrounding the Horsham airport suitable for aviation related industries.
- **Industrial 3 Zone** to land providing a buffer between industrial and residential areas.
 - Fringe industrial areas in Horsham regional city.
- **Commercial 1 Zone** to mixed use commercial centres for retail, office, business, residential, entertainment and community uses in Horsham Regional City.
- **Commercial 2 Zone** to land for use as offices and associated business and commercial services together with some manufacturing, industry and bulky goods retailing.
 - A number of highway locations to allow bulky goods and manufacturing industries where such activities are already established.
 - Land to the south east of the Horsham CAD to encourage a mix of light industrial and office activity.
 - Land fronting the eastern side of Urquhart Street, Horsham to encourage mixed-use development.
- **Rural Living Zone** to areas with predominantly residential uses in a rural setting in Natimuk, outer Horsham, Noradjuha, Laharum, Dadswells Bridge and Toolondo.
- **Farming Zone** to productive agricultural land.
 - Most rural land in the municipality.
 - Areas identified as being suitable for agricultural production.
 - Areas identified as being suitable for intensive agricultural production.
 - The Wartook area.
- **Public Use Zone** to land used for a public purpose, including public land used for utility or community service provision.
 - PUZ1 Service & Utility.
 - PUZ2 Education.
 - PUZ3 Health & Community (including the Horsham Base Hospital).
 - PUZ4 Transport (including Horsham rail corridor land identified for public uses).
 - PUZ5 Cemetery/Crematorium.
 - PUZ6 Local Government (All council facilities).

- PUZ7 Other public use (including Council owned facilities and land in Horsham North required for public facilities).
- **Public Park and Recreation Zone** to public open space and public recreation areas including:
 - Land in Horsham North identified for public open space.
 - Horsham rail corridor land suitable for open space and recreational development.
- **Public Conservation and Resource Zone** to to conserve and protect the natural environment or resources including:
 - Wimmera River.
 - Little Desert National Park.
 - Yarriambiack, Lake Wyn Wyn, Lake Duchembegarra, Natimuk, MacKenzie rivers.
 - Darlot Swamp, Dock Lake.
 - Mt Arapiles-Toooan Park, Mitre Lake, St Marys Lake, Heard Lake, Boundary Swamp.
 - Norton Creek.
- **Road Zone** to declared roads and other important roads including:
 - Western Highway.
 - Wimmera Highway.
 - Henty Highway.
 - Horsham – Noradjuha Road.
 - Horsham – Kalkee Road.
 - Horsham – Drung South Road.
 - Horsham – Minyip Road.
 - Natimuk – Hamilton Road.
 - Natimuk – Frances Road.
- **Special Use Zone** to provide for the use of land for specific purposes, with detailed requirements prescribed for particular sites including:
 - SUZ1 Horsham golf course.
 - SUZ2 Land required for the Horsham Airport.
 - SUZ3 Dooen freight hub.
 - SUZ4 Horsham showgrounds.
 - SUZ5 Wimmera events centre.
 - SUZ6 Areas identified as being suitable for extractive industry. Earth and energy resources industry.
 - SUZ8 Horsham artist in residence.
 - SUZ9 Wimmera Intermodal Freight Terminal Precinct in Dooen.
- **Urban Floodway Zone** to urban land where the primary function of the land is to carry or store floodwater and identified as a high hazard area where high flow velocities are known to occur and where impediment of flood flows is likely to cause significant changes to flood flows, adversely affecting flooding in other areas including:
 - Land between the Wimmera River and Low Density Residential Zone land south of Barnes Boulevard, Horsham.
- **Environmental Significance Overlay** to areas where the development of land may be affected by environmental constraints, and areas where vegetation protection is part of a wider objective to protect the environmental significance of the area including:
 - ESO1 Wartook tourist area adjacent to the Grampians National Park.
 - ESO2 Natimuk Douglas wetlands areas of ecological, significance and areas identified as Red-tailed Black Cockatoo habitat.

- ESO3 Water course protection
- ESO4 Water catchment protection
- ESO5 Channel and reservoir protection
- ESO6 Horsham South wastewater treatment plant buffer area
- ESO7 Wimmera intermodal freight terminal precinct buffer area in Dooen to protect the precinct from incompatible sensitive uses and provide a buffer to uses with adverse amenity potential in the precinct.
- **Significant Landscape Overlay** to identify, conserve and enhance the character of significant landscapes including Grampians National Park, Mt Arapiles-Tooan State Park, and the Grampians and Black Range environs.
- **Heritage Overlay** to conserve and enhance heritage places of natural and cultural significance and ensure that development does not adversely affect the significance of heritage places including:
 - Buildings, places and precincts of identified heritage value.
 - Notable historic sites within the Horsham CAD to provide for their protection and any proposed modifications to ensure the character of the precinct is enhanced.
- **Design and Development Overlay** to implement requirements to control built form and the built environment.
 - DDO1 Rifle butts danger area around the Horsham rifle range and sewerage treatment plant to minimise land use conflict in the vicinity of these facilities.
 - DDO2 Immediate airport environs area and DDO3 Wider airport environs area around the Horsham Airport to restrict development within the identified airspace.
 - DDO4 Flood fringe development areas to require the filling of several parcels of land subject to inundation prior to further development.
 - DDO5 Urban conservation precinct – Horsham central area to notable historic sites within the CAD to provide for their protection and any proposed modifications to ensure the character of the precinct is enhanced.
 - DDO6 Urban conservation precincts – Horsham residential areas.
 - DDO8 City gardens [former Horsham Saleyards site] where specific design solutions are required.
 - DDO9 Stormwater management area where stormwater flow exceeds the capacity of the storm water drainage network and overland flow of storm water occurs.
 - DDO10 Stawell Road/Western Highway entrance corridor sites.
 - DDO11 Wimmera intermodal freight terminal precinct in Dooen to ensure a high quality urban design and built form in the precinct.
- **Incorporated Plan Overlay** to specify requirements over the development of an area and the plan is incorporated in to the planning scheme including:
 - IPO1 (2214 Western Highway, Haven).
- **Development Plan Overlay** to specify requirements over the development of an area including:
 - DPO1 to undeveloped low density residential areas.
 - DPO2 to undeveloped rural living areas.
 - DPO3 Wimmera River South and DPO6 Gates Estate on the south side of the Wimmera River.
 - DPO4 Mining Policy Area No. 1 [Drung South] and DPO5 Mining Policy Area No. 2 [mineral sands].
 - DPO7 Wimmera Events Centre development plan.
 - DPO8 Horsham artists in residence site.
 - DPO9 Wimmera Intermodal Freight Terminal (WIFT) Precinct in Dooen.

- **Floodway Overlay** to urban and rural land identified as part of an active floodway, or to a high hazard area with high flow velocities, where impediment of flood water can cause significant changes in flood flows and adversely affect other areas.
- **Land Subject to Inundation Overlay** to land in either rural or urban areas that is subject to inundation from mainstream flooding, not part of the primary floodway, identified as being at lower risk from flooding during significant flood events.
- **Bushfire Management Overlay** to areas identified as having a high bushfire hazard.
- **Public Acquisition Overlay** to land that is proposed to be acquired for a public purpose including:
 - Sites to be acquired by council for use as locally managed roads, to improve accessibility within Horsham CAD (PAO1).
 - Land to be acquired by GWM Water for use as a pumping station and water storage sites for the Wimmera Mallee Pipeline System (PAO2).
- **Environmental Audit Overlay** to land identified, known or reasonably suspected of being contaminated including former industrial sites within Horsham regional centre.
- **Road Closure Overlay** to roads to be closed including former [council owned] roads located within Horsham CAD and the WIFT Precinct.

Amendment VC148

Planning Advisory Note 72

July 2018

This Advisory Note provides information about changes to the *Victoria Planning Provisions* (VPP) and planning schemes introduced by Amendment VC148.

Amendment VC148 is part of the Smart Planning program's reforms to simplify and modernise Victoria's planning policy and rules to make planning schemes more efficient, accessible and transparent.

There are two Advisory Notes for Amendment VC148. This Advisory Note provides information about changes to the *Victoria Planning Provisions* (VPP) and planning schemes introduced by Amendment VC148.

Additional information about the Planning Policy Framework introduced by this amendment is provided in [Advisory Note 71](#) and in the explanatory report for the amendment, which is available on [Planning Schemes Online](#).

Why is change needed?

The VPP has served Victoria well for a long time. However, increasing demands on the planning system and successive reforms have resulted in planning schemes that have grown considerably in size and complexity.

The growth in complexity of planning schemes not only affects their efficiency and effectiveness, it also acts as a barrier to long-term change and the benefits that technology can deliver through more responsive and accessible planning services.

The VPP introduced standardised planning scheme provisions in response to a proliferation of localised controls and the increasing complexity and disparity of planning schemes. It was founded on the principles that planning schemes:

- have a policy focus
- will facilitate appropriate development
- are usable
- are more consistent across the state.

The amendment implements part of the Victorian Government's Smart Planning program reforms to simplify and modernise Victoria's planning policy and rules.

These reforms have been identified through work undertaken by the Smart Planning program and included in the discussion paper *Reforming the Victoria Planning Provisions*, released for public comment in October 2017. The discussion paper included proposals to simplify and realign the VPP using the six principles of a modern planning scheme (outlined below).



The changes made by Amendment VC148 are necessary to ensure that the VPP and planning schemes not only remain aligned to the founding principles, but also implement the principles of a modern planning scheme.

Principles of a modern planning scheme

- **Digital first** – provisions should be optimised for more efficient access and processing of planning information, including through better digital interfaces.
- **User focused** – provisions should be end user focused and provide accessible, transparent and understandable pathways to navigate the approval process.
- **Consistent** – the architecture of provisions and how they are applied should be simple and consistent regardless of the content, so that it is clearly understood and applied by planning authorities and proponents.
- **Proportional** – provisions should impose a level of regulatory burden that is proportionate to the planning and environmental risks.
- **Land use focused** – provisions should avoid conflict and overlap with other interlocking regulatory regimes.
- **Policy and outcome focused** – provisions should ensure that controls have a clear policy basis and are planning outcomes driven.

Smart Planning program

The Smart Planning program is delivering long term, transformative change to the Victorian planning system to make it more responsive to the needs of Victorians. The changes made by Amendment VC148 are one part of this broader program. You can find out more about Smart Planning at: planning.vic.gov.au/smart-planning.

What does Amendment VC148 do?

Amendment VC148 implements changes to the VPP and planning schemes to clarify, simplify and improve their structure, function and operation, and to remove unnecessary regulation.

In summary, Amendment VC148:

- introduces a new Planning Policy Framework (PPF)
- enables the future introduction of a Municipal Planning Strategy (MPS)
- simplifies the VPP structure by:
 - restructuring particular provisions
 - integrating VicSmart into applicable zones, overlays and particular provisions
 - consolidating operational and administrative provisions
- amends specific zones, overlays and particular provisions to improve their structure and operation, and to support the future translation of Local Planning Policy Frameworks (LPPFs) into the MPS and PPF
- introduces a new Specific Controls Overlay to replace Clause 52.03 (Specific Sites and Exclusions)
- deletes outdated particular provisions
- deletes permit requirements for low-impact uses in industrial zones
- reduces car parking requirements for uses in commercial areas and for land within walking distance of high-quality public transport.

Information on key changes is provided below.



A simpler VPP structure with VicSmart built in

The VPP has been restructured to implement the new PPF, support the future translation of LPPFs into the MPS and PPF, and to make planning schemes easier to navigate and use.

The new VPP structure is shown in the new planning scheme structure in **Attachment 1**. It consists of three parts:

1. Policy settings:

- **Purpose of the planning scheme**
- **MPS** (will only be included in a planning scheme when the LPPF is translated into the MPS and PPF)
- **PPF** (has replaced the State Planning Policy Framework - SPPF)
- **Local Planning Policy Framework** (retained in the planning scheme until translated into the MPS and PPF)

2. Decision rules:

- **Zones**
- **Overlays**
- **Particular provisions** (restructured)
- **General provisions**

3. Operation:

- **Operational provisions** (for the MPS, PPF, zones, overlays, particular provisions and VicSmart)
- **Administration provisions** (including incorporated documents)
- **Meaning of terms** (general, sign and land use terms and nesting diagrams)
- **Strategic implementation** (will only be included in a planning scheme when a LPPF is translated into the MPS and PPF).

Implementation of the Planning Policy Framework

The Amendment implements the PPF by introducing various changes to the VPP, including:

- a new 3-tier integrated policy structure
- new and updated policy themes
- integration of regional policy.

The policy themes are shown in **Attachment 2**.

More information about the policy themes, MPS and PPF is provided in [Advisory Note 71](#).



Particular provisions restructured

Particular provisions from Clauses 52, 53 and 57 have been organised into three categories that more clearly recognise their different functions and make them easier to navigate:

1. Provisions that apply only to a specified area (Clause 51).
2. Provisions that require, enable or exempt a permit (Clause 52).
3. General requirements and performance standards (Clause 53).

The restructure has resulted in the renumbering of several provisions. The new structure of the particular provisions is shown in **Attachment 3**.

VicSmart integrated

The classes of State VicSmart applications (previously contained in Clause 92) have been moved so they sit with the relevant permit triggers in zones, overlays and particular provisions.

The information requirements and decision guidelines for State VicSmart applications have been moved to the particular provisions in Clauses 59.01 to 59.14.

Local VicSmart applications have not been integrated into the VPP at this time:

- Classes of local VicSmart applications are to be specified in the schedule to Clause 59.15.
- Information requirements and decision guidelines for local VicSmart applications are to be specified in the schedule to Clause 59.16.

The operation of VicSmart has not changed. The operational provisions for the VicSmart process are now contained in Clause 71.06.

Operational and administrative provisions consolidated

The new operational provisions section of the VPP (Clause 70) consolidates the following provisions:

- Operational provisions for the new MPS and PPF.
- Operational provisions for zones, overlays, particular provisions and VicSmart (previously in Clauses 31, 41, 51 and 91, respectively).
- Administration provisions (previously Clauses 61.01 to 61.06).
- Incorporated documents (previously Clause 81).
- Background documents (new clause).
- General, sign and land use terms and nesting diagrams (from previous Clauses 71 to 75.17).
- Strategic implementation (new provisions only included when an LPPF is translated into the MPS and PPF).

The structure of Clause 70 is shown in **Attachment 4**.



Changes to support the future translation into the MPS and PPF

To support the future translation of LPPFs into the MPS and PPF, several zones, overlays and other provisions have been amended to enable their schedules to specify additional matters, including objectives, application requirements or decision guidelines.

Often these matters are included in local planning policies because some controls do not enable these matters to be specified. This has now been corrected.

The changes are summarised in the following table:

Provision	Change enables schedule to specify:
Urban Floodway Zone	<ul style="list-style-type: none"> • Application requirements • Decision guidelines
Environmental Significance Overlay Vegetation Protection Overlay Significant Landscape Overlay Design and Development Overlay	<ul style="list-style-type: none"> • Application requirements
Development Plan Overlay	<ul style="list-style-type: none"> • Objectives
Erosion Management Overlay Salinity Management Overlay Floodway Overlay Land Subject to Inundation Overlay Special Building Overlay	<ul style="list-style-type: none"> • Objectives • A statement of risk • Application requirements • Decision guidelines
Heritage Overlay (more information provided below)	<ul style="list-style-type: none"> • Statement of significance (mandatory) • Heritage design guidelines • Application requirements
Gaming (Clause 52.28)	<ul style="list-style-type: none"> • Objectives • Location guidelines • Venue guidelines • Application requirements • Decision guidelines

The schedule templates for zones and overlays in the Ministerial Direction - *The Form and Content of Planning Schemes* (Ministerial Direction), have been amended to reflect these changes. The Ministerial Direction can be viewed online at: www.planning.vic.gov.au/guide-home/the-role-of-the-minister

When an existing schedule is amended, it must be updated to reflect the Ministerial Direction.



Changes to the Heritage Overlay

New Clause 43.01-5 in the Heritage Overlay now requires that a schedule to the overlay **must specify** a statement of significance for each heritage place included in the schedule after the commencement of Amendment VC148.

The new requirement does not apply to a heritage place included in the schedule by an amendment prepared or authorised by the Minister under section 8(1)(b) or section 8A(4) of the *Planning and Environment Act 1987* (the Act) before or within three months after the commencement of the Amendment VC148.

The schedule may specify a statement of significance for any heritage place included in the schedule before Amendment VC148 or during this transition period. A decision to do so can be made by each council.

More information about statements of significance is provided in Planning Practice Note 1 - *Applying the Heritage Overlay*.

New Clause 43.01-6 enables the schedule to also specify heritage design guidelines for any heritage place. A heritage design guideline must not contain any mandatory requirements.

Any statement or guidelines specified in the schedule must also be incorporated into the planning scheme. This requirement is included in the Ministerial Direction.

The form of the Heritage Overlay schedule has also been changed in the Ministerial Direction. When an existing schedule is amended, it must be updated to reflect the Ministerial Direction.

Changes to improve the structure and operation of specific provisions

Amendment VC148 amended several provisions to simplify, clarify and enhance their structure and operation.

New Specific Controls Overlay

The Specific Controls Overlay (SCO) has been introduced to replace the particular provision Clause 51.01 - *Specific Sites and Exclusions* (previously Clause 52.03).

The SCO operates in the same way as Clause 51.01. However, it will be more transparent because it will be shown on planning scheme maps and planning certificates.

The specific control will be contained in a document that is:

- incorporated in the planning scheme (by being listed in the schedule to Clause 72.04)
- specified in the schedule to the SCO with the corresponding map notation.

The Ministerial Direction provides that Clause 51.01 must no longer be used to apply a specific control to land.

However, the particular provision may still be used if the amendment has been prepared or authorised by the Minister under section 8(1)(b) or section 8A(4) of the Act before or within three months after the commencement of Amendment VC148 (this transition is specified in the Ministerial Direction).

Existing incorporated documents specified in the schedule to Clause 51.01 continue to apply, and will be translated over time.



Development Plan Overlay – notice and review exemption clarified

The notice and review exemption in the Development Plan Overlay (DPO) has been modified to remove the 'catch 22' identified in *Saunders v Frankston CC (Red Dot)* [2009] VCAT 144 (19 February 2009).

The modification does not change the practical operation of the DPO, but does remove a source of potential confusion.

The third purpose of the DPO has also been modified to reflect the change to the notice and review exemption.

Provisions regulating the use and development of land for signs

Provisions that regulate the use and development of land for signs have been amended to modernise, clarify and generally improve their structure and operation.

Sign terms

The term 'advertising signs' has been replaced with 'signs' throughout the VPP (including in zones, overlays and Clause 52.05). This change reflects the fact that planning schemes regulate a range of sign types, including direction and information signs.

Consequential changes have been made to the terms and definitions for 'display area' (previously 'advertisement area') and 'sign' in Clause 73.02 as follows:

Sign terms	Old definition	New definition
Display area	The total area of an advertisement. If the advertisement does not rotate or move, the area is one side only.	The area of that part of a sign used to display its content, including borders, surrounds and logo boxes. It does not include safety devices, platforms and lighting structures. If the sign does not move or rotate, the area is one side only.
Sign	An advertisement and any structure built specifically to support it.	Includes a structure specifically built to support or illuminate a sign.

Use of land to display a sign

A permit is no longer required to use land to display a sign. An exemption has been included in Clause 62.01 (Uses not requiring a permit).

To support this change, the term 'sign' has been listed in the table to Clause 73.03 (Land use terms). The term has not been defined and so has its ordinary meaning.

Signs exempt from a permit

Exemptions have been included in Clauses 62.02-1 and 62.02-2 to clarify that the permit exemptions in Clause 52.05-10 (Signs not requiring a permit) apply to all planning scheme provisions.



Changes to Clause 52.05 (Signs)

Clause 52.05 (Signs) has been amended to:

- clarify that the clause only applies to the development of land for signs
- make it clearer by including more headings, improved drafting and integrating requirements for major promotion signs
- replace the phrase 'display a sign' with 'construct or put up for display a sign' to align with the definition of 'development' in section 3 of the Act
- enable the schedule to the clause to exempt an application for any type of sign from the notice and review requirements of the Act (previously only an application for a major promotion sign could be exempted by the schedule)
- require a permit that includes an expiry date to include a condition that provides that on expiry of the permit the sign and structures built specifically to support and illuminate it must be removed.

Change to sign requirements in the Mixed Use Zone

The Mixed Use Zone now enables its schedule to specify a different sign category from Clause 52.05.

Clause 52.29 – new notice and review exemption

An application under Clause 52.29 (Land Adjacent to a Road Zone, Category 1, or a Public Acquisition Overlay for a Category 1 Road) is now exempt from the notice and third-party review requirements of the Act. A notice and review exemption has been introduced at Clause 52.29-5.

Outdated particular provisions deleted

Unnecessary planning requirements add to the cost and time of starting or operating a business.

Amendment VC148 deleted three particular provisions that specified design and other requirements for the use of land for a service station (Clause 52.12), a car wash (Clause 52.13), or motor vehicle, boat or caravan sales (Clause 52.14). These requirements were outdated and imposed unnecessary regulatory burden on business.

To ensure potential amenity impacts associated with service stations can be managed, the following changes have also been made:

- The amenity conditions (Clause 32.04-3) and decision guidelines (Clause 32.04-13) in the Mixed Use Zone that previously applied only to industry and warehouse uses now also apply to the use of land for a service station.
- In the Industrial 1 Zone, a standard amenity condition has been added to 'service station' in the table of uses at Clause 33.01-1.

Permit requirements for low-impact uses deleted

The draft action statement developed by Small Business Victoria from an extensive review of small business regulation difficulties (*Making it easier to do business in Victoria, Small Business Regulation Review (Retail Sector) 2016*) identified the time taken for small business to receive approvals as a key area for reform.

Several small business activities have been identified as sufficiently low impact that, in appropriate locations, there is no benefit from requiring planning approval.



The following low-impact uses are now Section 1 uses (permit not required) in the specified industrial zones:

- **Convenience shop** – Industrial 1 Zone.
- **Take away food premises** – Industrial 1 Zone and Industrial 3 Zone.
- **Service industry** – Industrial 3 Zone (subject to conditions specified in the table of uses).

Reduced car parking requirements

Making an application for a car parking reduction is costly and time consuming. There is typically little opportunity or justification to provide additional car parking when changing the use of an existing building, and a reduced car parking requirement is appropriate in locations that are well serviced by high-quality public transport. In these circumstances the car parking requirements provide limited community benefit and so have been reduced.

Amendment VC148 changed Clause 52.06 (Car parking) to reduce car parking requirements for new uses of existing buildings in commercial areas and for land within walking distance of public transport on the Principal Public Transport Network (PPTN).

New permit exemption for uses in commercial areas

A permit is no longer required under Clause 52.06-3 to reduce the required number of car parking spaces for a new use of an existing building if the following requirements are met:

- The building is in the Commercial 1 Zone, Commercial 2 Zone or Activity Centre Zone.
- The gross floor area of the building is not increased.
- The reduction does not exceed 10 car parking spaces.
- The building is not in a Parking Overlay with a schedule that allows a financial contribution to be paid in lieu of the provision of the required car parking spaces for the use.

This permit exemption will reduce delays and costs for business in established commercial areas.

Reduced car parking requirements near public transport

The reduced parking rates specified in Column B of Table 1 in Clause 52.06 now apply if any part of the land is identified as being within 400 metres of the PPTN as shown on the Principal Public Transport Network Area Maps (PPTN Area Maps).

The Column B rates apply to the whole of the land, even if only part of the land is within the PPTN Area Maps.

The PPTN Area Maps are incorporated in the VPP at Clause 72.04 and consist of 33 maps covering 31 municipalities. The maps can be viewed online at: planning.vic.gov.au

The PPTN outlines the routes where high-quality public transport services are or will be provided. It supports integrated transport and land use planning by encouraging more diverse and dense development near high-quality public transport to help support public transport usage. The PPTN is incorporated in the VPP.

More information about the PPTN is available online at: transport.vic.gov.au/about/planning/principal-public-transport-network/



Phasing out the Priority Development Zone

The Ministerial Direction has been amended to prevent the future use of the Priority Development Zone (PDZ).

Existing schedules to the PDZ can be amended, however, no new schedules can be introduced. Amendment VC148 did not change the PDZ.

How does Amendment VC148 affect current permit applications?

Current applications for permits and applications to amend permits must continue to be assessed against the existing LPPF and must now be assessed against the new PPF (where required by the planning scheme).

Amendment VC148 does not introduce new permit requirements. However, a number of uses and other matters no longer require a permit and some requirements have been reduced (for example, car parking requirements).

Responsible authorities are encouraged to review their current applications to determine whether any are affected by the new exemptions or modified requirements.

If a proposal no longer requires a permit, the responsible authority should notify the applicant of this and consider whether a full or partial refund of the application fee is appropriate.

Councils should review their report templates and processes to identify and update references to planning scheme provisions that have been changed by Amendment VC148.

More information

To view Amendment VC148 go to [Planning Schemes Online](#).

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ATTACHMENT 1: NEW PLANNING SCHEME STRUCTURE

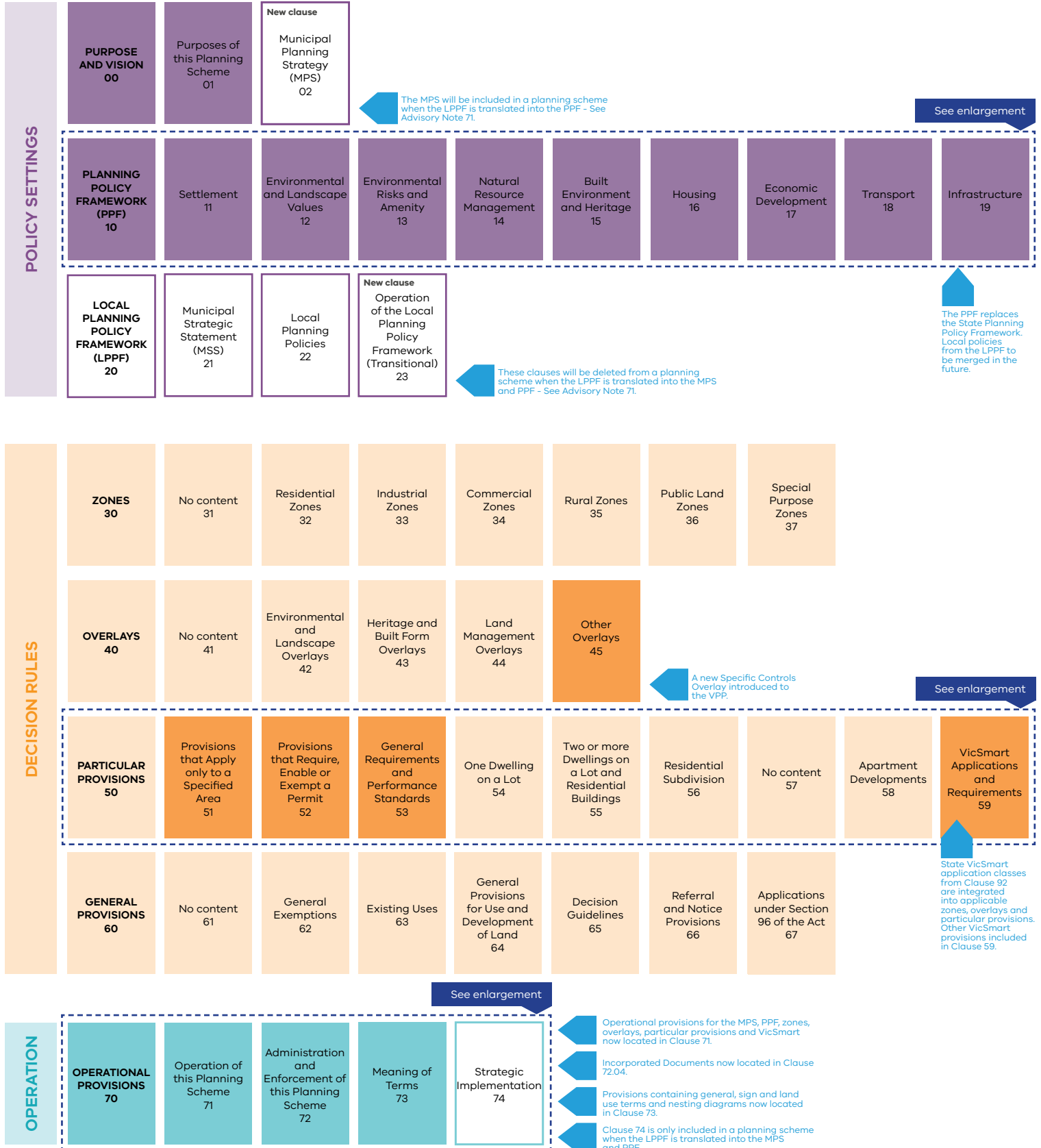
AMENDMENT VC148

Key:



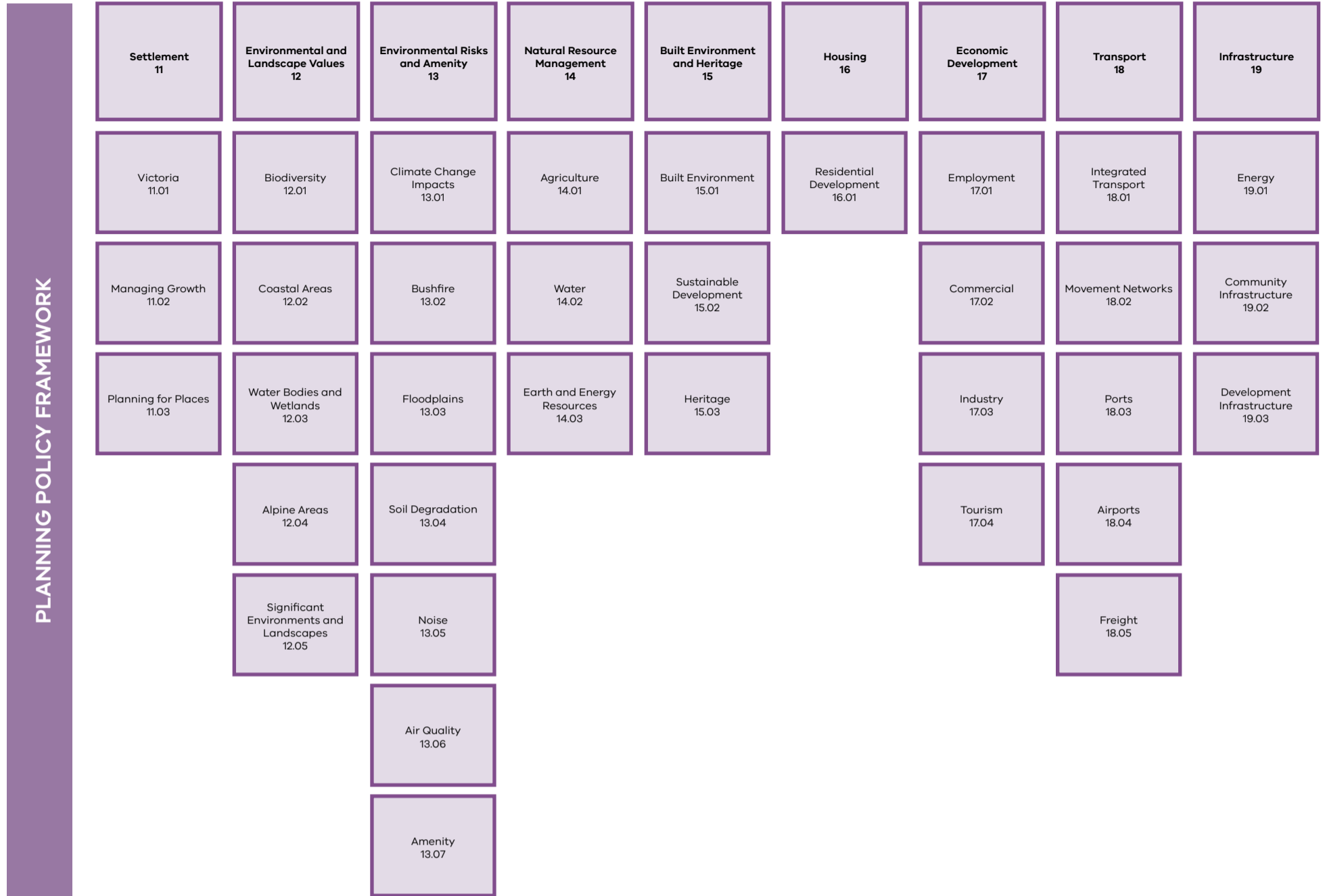
New/modified content or renumbered clauses.

Clauses that will be either added or removed as part of the integration of local policy content into the Planning Policy Framework.



ATTACHMENT 2: PLANNING POLICY FRAMEWORK (PPF)
 AMENDMENT VC148


Note: All clauses contain new/modified content or have been renumbered.



ATTACHMENT 3: CHANGES TO REFORMED PARTICULAR PROVISIONS

AMENDMENT VC148

APPENDIX 9.8B

Key:
 New/modified content or renumbered particular provisions (excluding clauses with no content)

PARTICULAR PROVISIONS

<i>New clause</i>	<i>New clause</i>		<i>New clause</i>						
Provisions that Apply only to a Specified Area 51	Provisions that Require, Enable or Exempt a Permit 52		General Requirements and Performance Standards 53	One Dwelling on a Lot 54	Two or more Dwellings on a Lot and Residential Buildings 55	Residential Subdivision 56	No content 57	Apartment Developments 58	VicSmart Applications and Requirements 59
Specific Sites and Exclusions 51.01	No content 52.01	No content 52.18	Public Open Space Contribution and Subdivision 53.01	Neighbourhood and Site Description and Design Response 54.01	Neighbourhood and Site Description and Design Response 55.01	Subdivision Site and Context Description and Design Response 56.01		Urban Context Report and Design Response 58.01	Realign the Common Boundary between Two Lots 59.01
Metropolitan Green Wedge Land: Core Planning Provisions 51.02	Easements, Restrictions and Reserves 52.02	Telecommunications Facility 52.19	Bushfire Planning 53.02	Neighbourhood Character 54.02	Neighbourhood Character and Infrastructure 55.02	Policy Implementation 56.02		Urban Context 58.02	Subdivision of Buildings and Car Parking Spaces 59.02
Upper Yarra Valley and Dandenong Ranges Strategy Plan 51.03	No content 52.03	No content 52.20	Brothels 53.03	Site Layout and Building Massing 54.03	Site Layout and Building Massing 55.03	Liveable and Sustainable Communities 56.03		Site Layout 58.03	Front Fence in a Residential Zone 59.03
Melbourne Airport Environs Strategy Plan 51.04	Satellite Dish 52.04	Private Tennis Court 52.21	Convenience Restaurant and Take-Away Food Premises 53.04	Amenity Impacts 54.04	Amenity Impacts 55.04	Lot Design 56.04		Amenity Impacts 58.04	Buildings and Works in a Zone (except a Rural Zone) 59.04
Williamstown Shipyard Site Strategy Plan 51.05	Signs 52.05	Crisis Accommodation 52.22	Freeway Service Centre 53.05	On-Site Amenity and Facilities 54.05	On-Site Amenity and Facilities 55.05	Urban Landscape 56.05		On-Site Amenity and Facilities 58.05	Buildings and Works in an Overlay 59.05
	Car Parking 52.06	Shared Housing 52.23	Live Music and Entertainment Noise 53.06	Detailed Design 54.06	Detailed Design 55.06	Access and Mobility Management 56.06		Detailed Design 58.06	Remove, Destroy or Lop a tree 59.06
	No content 52.07	Community Care Unit 52.24	Shipping Container Storage 53.07		Apartment Developments 55.07	Integrated Water Management 56.07		Internal Amenity 58.07	Applications under a Heritage Overlay 59.07
	Earth and Energy Resources Industry 52.08	Crematorium 52.25	Cattle Feedlot 53.08			Site Management 56.08			Applications under a Special Building Overlay 59.08
	Stone Extraction and Extractive Industry Interest Areas 52.09	No content 52.26	Broiler Farm 53.09			Utilities 56.09			Signs 59.09
	No content 52.10	Licensed Premises 52.27	Uses with Adverse Amenity Potential 53.10						Car parking 59.10
	Home Based Business 52.11	Gaming 52.28	Timber Production 53.11						No Content 59.11
	Bushfire Protection: Exemptions 52.12	Land Adjacent to a Road Zone, Category 1, or a Public Acquisition Overlay for a Category 1 Road 52.29	Racing Dog Keeping and Training 53.12						Two Lot Subdivision in a Rural Zone 59.12
	2009 Bushfire - Recovery Exemptions 52.13	No content 52.30	Renewal Energy Facility (other than Wind Energy Facility and Geothermal Energy Extraction) 53.13						Buildings and Works in a Rural Zone 59.13
	2009 Bushfire - Replacement Buildings 52.14	No content 52.31	Resource Recovery 53.14						Extension to One Dwelling on a Lot in a Residential Zone 59.14
	Heliport and Helicopter Landing Site 52.15	Wind Energy Facility 52.32	Statement of Underlying Provisions 53.15						Local VicSmart Applications 59.15
	Native Vegetation Precinct Plan 52.16	Post Boxes and Dry Stone Walls 52.33							Information Requirements and Decision Guidelines for Local VicSmart Applications 59.16
	Native Vegetation 52.17	Bicycle Facilities 52.34							

ATTACHMENT 4: CHANGES TO REFORMED OPERATIONAL PROVISIONS
 AMENDMENT VC148

Note: All clauses contain new/modified content or have been renumbered.

OPERATIONAL PROVISIONS	Operation of this Planning Scheme 71	Administration and Enforcement of this Planning Scheme 72	Meaning of Terms 73	New clause Strategic Implementation 74
	Operation of the Municipal Planning Strategy 71.01	Responsible Authority for this Planning Scheme 72.01	General Terms 73.01	New clause Application of Zones, Overlays and Provisions 74.01
	Operation of the Planning Policy Framework 71.02	What Area is Covered by this Planning Scheme? 72.02	Sign Terms 73.02	New clause Further Strategic Work 74.02
	Operation of Zones 71.03	What does this Planning Scheme Consist of? 72.03	Land Use Terms 73.03	
	Operation of Overlays 71.04	Documents Incorporated in this Planning Scheme 72.04	Nesting Diagrams 73.04	
	Operation of Particular Provisions 71.05	When did this Planning Scheme Begin? 72.05		
	Operation of VicSmart Applications and Process 71.06	Effect of this Planning Scheme 72.06		
		Determination of Boundaries 72.07		
		New clause Background Documents 72.08		

I was engaged by DELWP in early 2018 to undertake a pilot project to evaluate the performance of the State and Local Planning Policy Frameworks in all existing *Victorian Planning Schemes* with a view to rationalizing and simplifying them.

The project trialed a revised structure for all planning schemes. Clause 02 of the new structure is now the location for discussion of local context, local vision, local strategic direction and local plans (formerly in Clauses 21 and 22). This is called the 'Municipal Planning Strategy' (MPS) and should be no more than about ten pages with maps.

Local policy is then able to be supplemented in Clauses 11-19, consisting of mainly objectives and strategies. This section is now called the Planning Policy Framework (PPF) and allows for Councils to add specific local direction to existing state policy.

Instead of having state and local policy separated and spread over hundreds of (often disjointed) pages, the pilot project revealed that a rationalized and well-structured policy framework could be delivered in this much more condensed format.

The project outcome was a tighter policy framework focused on the most critical land use issues for each municipality, which is more effective in decision making. The 'casualties' in the project were typically matters of endless repetition, irrelevant narrative, elements that should be located elsewhere in the planning scheme, outdated material and matters beyond the scope of planning.

The Minister for Planning approved the revised structure in mid-2018 and directed DELWP to work with Councils to translate all existing local policies in schemes into the new format by mid 2021.

I have been retained by DELWP to provide advice on the translation phase of the project and have recently been working with DELWP's project team and have met with Horsham Rural City Council officers on that scheme translation.

In simple terms, the aim of the project is to retain all of the important local directions in the Horsham Planning Scheme (HPS) and to only delete unnecessary or repetitive material.

To this end, an initial translation (Draft 1) prepared by DELWP's project team was provided to Council in early 2020. This was the subject of a meeting between Council, DELWP officers and myself in June 2020. As a result, I undertook a peer review of the draft translation to ensure the key local planning issues for Horsham Rural City are clearly represented in the new structure. Draft 2 has now been prepared and reviewed by Council officers. This final draft condenses the existing HPS policy framework into the new simplified format.

John Keaney
August 2020



MINUTES OF AUDIT & RISK COMMITTEE

Thursday 30 July 2020

via Zoom 12:00pm

(To Note: Due to the continuing restrictions of the COVID-19 Coronavirus Pandemic, the meeting was conducted via Zoom to all committee and Exofficio members)

File Ref: F18/A13/000001

1. PRESENT

Committee Members:

Mr Richard Trigg (Chair)
Mr Vito Giudice
Mr Mark Knights
Cr Mark Radford
Cr David Grimble

Also in Attendance:

(Exofficio)

Mr Sunil Bhalla, Chief Executive Officer
Mr Graeme Harrison, Director Corporate Services
Mrs Heather Proctor, Manager Finance
Ms Diana McDonald, Co-ordinator Governance
Ms Faith Hardman, Corporate Planner (Note Taker)
Ms Kathie Teasdale, RSD Audit

Additional Council

Officer Attendees:

Mr Robert Letts, Business Partner, Risk & HR (In attendance for S.10.3 Risk Management)

2. WELCOME

Chair welcomed all to the meeting.

3. APOLOGIES

Mr Chris Kol

4. CONFLICT OF INTEREST

Nil

5. SCHEDULED ITEMS

5.1 HRCC Analysis – Ombudsman’s Investigation of Alleged Improper Conduct by Executive Officers at Ballarat City Council

Report was presented to the committee and discussed.

Motion to note the report and its recommendations moved by Mr Vito Giudice and seconded by Cr Mark Radford.

CARRIED

5.2 Local Government Act 2020 – Division 8. Audit & Risk Committee

Legislation excerpt from the new Local Government Act 2020 was provided for the information of the Committee.

5.3 (Draft) Audit & Risk Committee Charter and Annual Work Plan

Draft was provided for the feedback of the Committee. It was noted that the Annual Work Plan will align with the Audit and Risk Committee Charter. Further drafting required.

5.4 Summary of Changes - Audit & Risk Committee Charter

The draft Audit and Risk Committee Charter was reviewed. The committee discussed the alignment with the new Local Government Act 2020.

Motion received that the charter with the amendments made today and recommend the officers make the amendments to the charter as noted for recommendation to council moved by Cr David Grimble and seconded Mr Vito Giudice.

CARRIED

5.6 Strategic Risk Review – Update

Update provided to Committee on Strategic Risk Review.

6. NEXT MEETING

The next meeting of the Audit and Risk Committee will be held on Thursday 10 September, 2020 commencing at 3:00pm. – next meeting to have a closed section at the start.

7. CLOSURE

Meeting closed at 1:18 pm

GRAEME HARRISON
Director Corporate Services

Minutes signed as correct: (Chair)

Mr Richard Trigg

Date:



MINUTES OF AUDIT & RISK COMMITTEE

Thursday 21 September 2020

via Zoom, meeting commenced at 12.32pm

File Ref: F18/A13/000001

PRE MEETING –

INTERNAL AUDITOR CONFIDENTIAL DISCUSSION

Meeting with Internal Auditors excluding Officers – conducted in camera before meeting commencement.

1. PRESENT

Committee Members:

Mr Richard Trigg (Chair)
 Mr Vito Giudice
 Mr Mark Knights
 Cr Mark Radford
 Cr David Grimble*

Also in Attendance:

(Exofficio)

Mr Sunil Bhalla, Chief Executive Officer
 Mr Graeme Harrison, Director Corporate Services
 Mrs Heather Proctor, Manager Finance
 Ms Diana McDonald, Co-ordinator Governance
 Ms Kathie Teasdale, RSD Audit
 Mr Chris Kol, McLaren Hunt Financial Group

Additional Council

Officer Attendees:

John Martin, Director Infrastructure (In attendance for sections 9.5 and 11.1)

Robert Letts, Business Partner, Risk & HR (In attendance for section 10.3)

**Noting Cr Grimble had connectivity issues and wasn't present for all of the meeting.*

2. WELCOME

Richard Trigg welcomed all to the meeting.

3. APOLOGIES

Nil

4. CONFLICT OF INTEREST

Nil

5. CONFIRMATION OF MINUTES – 11 June 2020 including Confidential Minutes, and 30 July 2020 Additional Meeting

Moved Mark Radford seconded Vito Giudice that the minutes of the meeting held on 11 June 2020 and 30 July 2020 be confirmed as an accurate record.

CARRIED

6. BUSINESS ARISING FROM PREVIOUS MINUTES

6.1 Council endorsement of Audit & Risk Committee Charter & Annual Work Program (Council Meeting 24.08.2020)

ACTION: Final Charter and Annual Work Program will be emailed to all Committee Members.

7. CEO UPDATE

7.1 Emerging Issues

Sunil discussed:

- Council Election
- Organisation Restructure
- Home Support Services – Council Decision
- Government Stimulus
- 2020/2021 Budget

7.2 Any new level of Risk/Fraud and Corruption/Protected Disclosures

- One issue was reported to the Committee, with RSD Audit conducting an audit into the related area.

7.3 Declaration of any Conflicts of Interest

Nil

8. CORRESPONDENCE

Outward Correspondence: Membership guide and reappointment letters to independent Audit and Risk Committee Members

ACTION: The new Membership Guides and reappointment letters to be emailed to Independent Members.

9. AUDIT REPORTS

9.1 RSD Internal Audit Progress Report (September 2020)

Kathie Teasdale provided an update on the Audit Progress Report and noted recent reports & publications of interest.

9.2 RSD Audit: Waste Management – Landfill & Transfer Station Operations – Audit Scope (Draft)

Report discussed.

Moved Vito Giudice seconded Cr Mark Radford that the Committee receives RSD's Internal Audit Progress Report (September 2020) and the Waste Management – Landfill & Transfer Station Operations – Draft Audit Scope.

CARRIED

9.3 Strategic Risk Review Update

Graeme provided a verbal update on the Strategic Risk Review and noted that this will be completed for the next committee meeting.

ACTION: Strategic Risk Review document to be tabled at the next meeting.

9.4 Internal Audit Actions Report – Council

In total 20 items were completed for the quarter which is a great achievement (4 were completed last quarter and 11 the quarter before). 10 high risks, 9 medium risks and one low risk. There are now 28 actions overdue from a total of 51 outstanding (that's 55% are overdue). There were 24 overdue last quarter.

There are no high risk actions overdue and 9 of the outstanding items are from the Internal Audit Program and 19 are from Council's own internal reviews.

One additional audit has been completed for this quarter:

- Review of the Road Management Plan by CT Management

Needless to say that the capacity of staff to address the outstanding actions has been impacted by the COVID-19 Emergency.

9.5 Road Management Plan Audit

John Martin, Director Infrastructure spoke to the Road Management Plan (RMP) audit which was recently completed.

ACTION: The RMP audit to be reported separately in the summary of the Internal Audit Actions Report.

Moved Vito Giudice seconded Cr Mark Radford that the Committee receives the Road Management Plan Audit.

CARRIED

10. SCHEDULED ITEMS

10.1 Compliance & Legislation

10.1.1 2020/2021 Budget Update

Discussed above as part of Section (7.1) CEO updates.

10.1.2 Local Government Act 2020 Implementation

A report with updates and timelines for the implementation of the legislative requirements of the new *Local Government Act 2020* was provided to the Committee.

Report Noted.

10.1.3 Victorian Ombudsman Reports:

- Investigation into three Council's outsourcing of parking fines
- Worksafe 2: Follow up investigation into the management of complex workers compensation claims

The Committee discussed and noted both reports.

10.1.4 Ombudsman's Review of Financial Hardship

The Ombudsman is conducting a review of financial hardship policies and processes and has requested a range of data from Council's including policies, procedures and details of the number of requests received.

10.2 Reporting

10.2.1 Draft Annual Financial Accounts

10.2.2 Draft Performance Statement

VAGO commenced Council's audit on 3 September, Chris Kol, McLaren Hunt noted that they received full cooperation from the finance team and that staff responses have been excellent. The draft Closing Report will be provided to Council in a week or two.

Moved Cr Mark Radford seconded Mark Knights that the Audit and Risk Committee recommend to adopt in principle the Annual Financial Accounts and Performance Statements for the year ended 30 June 2020, subject to the closing report and pending any changes by the auditor general, and nominates the Mayor Cr Mark Radford and Cr David Grimble to sign the financial statements.

CARRIED

10.2.3 Quarterly Performance Report – 30 June 2020

The quarterly performance report was tabled.

Moved Cr Mark Radford seconded Vito Giudice that the Committee receives the Quarterly Performance Report – 30 June 2020

CARRIED

10.2.4 CEO Expenses 2019/2020

Reported and noted for the financial year 2019/2020.

10.3 Risk Management**10.3.1 Risk Management Committee Meeting Minutes**

Key points from Risk Management Committee Meetings 25 May 2020 and 20 August 2020 were noted:

- COVID-19 and Business Continuity Plan (BCP) Team
- Business in a VOCID Safe Environment
- Review of Risk Framework
- Strategic Risk Report
- Strategic Risk Register
- Risk Strategy
- COVID-19 Plan

ACTION: The reviewed Strategic Risk Register to be tabled at the November/December Audit & Risk Committee meeting.

10.3.2 Risk Management Framework & Strategy

Draft Risk Management Framework and Strategy document reviews provided for the information of the Committee, noting they will be endorsed by the new Council in December.

10.3.3 Insurance Update Report

Noting that there has been a significant increase in the public liability coverage for all Council's, and lack of appetite for some underwriters to provide this coverage.

Moved Vito Giudice seconded Mark Knights that the Committee receives the above Risk Management reports.

CARRIED

10.4 Governance**10.4.1 Governance Compliance Framework – Biannual Update**

Significant work has been completed in the Governance Compliance framework and it is proposed to do a summary report for future reports for the Committee to have a higher level overview.

ACTION: Diana McDonald to present Governance Compliance Framework report in new format for the biannual update to be provided at the March 2021 meeting.

10.4.2 Audit & Risk Committee Biannual Report (September 2020)

As part of the requirements of the new *Local Government Act 2020* and Council's revised Audit and Risk Committee Charter and Annual Work program the Committee must provide a report biannually to Council. This is Council's second report and the next one will be tabled at the March committee meeting.

10.4.3 Policies reviewed and adopted (5 June 2020 – 9 September 2020)

There were eight policies and procedures reviewed and/or updated for the above period.

Moved Mark Knight seconded Cr Mark Radford that the Committee receives the above Governance reports.

CARRIED

11. GENERAL BUSINESS

11.1 Depot Contamination Remediation Works Update

Information provided to the Committee and reports noted.

11.2 Rural Councils Corporate Collaboration (RCCC) Project Update

Graeme provided information regarding the RCCC project and the stages it was up to, there has now been a Project Manager appointed to oversee the RCCC Project across the six Councils.

11.3 Inclusion of Audit and Risk Committee Independent Members on Council’s website

Diana requested that the Independent Members provide a corporate style photo and short blurb for inclusion on Council’s website.

11.4 Councillor Committee Members Retiring

The Committee would like to record a vote of thanks to both the current Mayor Cr Mark Radford and Cr David Grimble for their many contributions and valued and respected input into the functions and governance of the Committee. Cr Grimble has achieved a notable 12 years on the Committee which is a great achievement.

The Mayor responded and gave his thanks and appreciation to the Audit and Risk Committee for the work that is done for the Council, and commented that Sunil is doing a great job, and the staff are also doing a great job.

12. NEXT MEETING

The next meeting of the Audit and Risk Committee will be rescheduled to December, date and time to be advised following the appointment of new Councillors to the Committee.

13. CLOSURE

Meeting closed at 2.29pm

GRAEME HARRISON
Director Corporate Services

Minutes signed as correct: (Chair)
Mr Richard Trigg
Date:

Audit and Risk Committee Biannual Report (September 2020)

Role of the Audit and Risk Committee

The Audit and Risk Committee is an advisory committee of Council whose role is determined by Council and the *Local Government Act 1989* under Section 139. 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 Council and the Chief Executive Officer on Council's risk, control and compliance framework, and its external accountability and legislative compliance responsibilities.

Responsibilities of the Audit Committee

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. The full charter can be viewed at – www.hrcc.vic.gov.au

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

Membership

The Audit and Risk Committee comprises two appointed Councillors (one of whom is the Mayor) and three independent members with technical expertise and industry experience.

Members over the 12 months were:

- Geoff Price – Chair/Independent member (Final Meeting November 2019)
- Richard Trigg –Chair/ Independent member (Appointed as Chair 16 December 2019)
- Vito Giudice – Independent member
- Mark Knights – Independent member (Commenced 16 December 2019)
- Cr Mark Radford – Councillor representative/Mayor
- Cr David Grimble – Councillor representative

Ex-officio members:

- Horsham Rural City Council – Sunil Bhalla (CEO), Graeme Harrison (Director Corporate Services), Heather Proctor (Finance Manager) and Diana McDonald (Co-ordinator Governance)
- Internal Auditor – RSD Audit (contractor)
- Auditor General's agent McLaren Hunt Financial Group 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. Crowe Horwath Council's previous Internal Auditors contract expired and Council tendered for a new Internal Auditor contract. RSD Audit were successful and commenced, with their first meeting November 2019.

RSD Audit conducted an initial organisational Risk Review and Audit Plan which led to the development of the new Strategic Internal Audit Plan.

The new Internal Auditors also commenced a review of Council's Strategic Risk Register and Business Continuity Plan and completed an audit on the Governance processes of Council's City to River project.

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's 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).

Achievements 2019-2020:

- 4 meetings conducted (11 September 2019, 21 November 2019, 19 March 2020, 11 June 2020)
- New Strategic Internal Audit Plan
- Annual Self-Assessment of Performance against Audit and Risk Committee Charter
- Inaugural Audit and Risk Committee Annual Report (2018/2019) presented to Council
- Inclusion of CEO Report
- Council staff undertake regular internal analysis and develop recommendations for action in relation to relevant external Integrity body reports. During the year 4 such reviews were undertaken:
 - VAGO Fraud and Corruption Control Review – HRCC Analysis and Recommendations for Action (Aug19)
 - IBAC Report on Corruption Risks Associated with Procurement in Local Government (Sept19)
 - Local Government Inspectorate
Protecting Integrity: Yarriambiack Shire Council (Nov19)
 - Ombudsman's Investigation of Alleged Improper Conduct by Executive Officers at Ballarat City Council (May20)
- Introduction of new Organisational Quarterly Performance Report to the community
- Review of the Audit and Risk Charter in line with the requirements of the new Local Government Act 2020
- Reappointment of the Audit and Risk Committee following the implementation of the new Local Government Act 2020
- Review of Audit and Risk Committee Annual Work Program addressing requirements of the new Charter and Local Government Act 2020
- Inclusion of Audit and Risk Committee Independent Members on Council's website
- Preparation of a biannual Audit and Risk Report for Council



MINUTES

HORSHAM AQUATIC CENTRE ADVISORY COMMITTEE

Held on Monday 31 August 2020 at 12noon- 1.30 pm

Meeting held via Zoom, due to Covid 19

Attendees:	Cr Les Power	Horsham Rural City Council, Chair
	Dick Gill	Community Representative
	Neville McIntyre	Community Representative
	Michael White	Community Representative
	Sam Winter	Horsham Aquatic Centre
	Scott Bryant	The Y
	Brett Ellis	Horsham Rural City Council (left 12.40)
	Madelein Van Heerden	Horsham Rural City Council
	Mandy Kirsopp	Horsham Rural City Council
	Carolynne Hamdorf	Horsham Rural City Council
	Amber Louison-Suwal	Wimmera Health Care Group (left 1.29pm)
	Scot Nicholson	Horsham Rural City Council
	Hannah Battista	Horsham Aquatic Centre (left 1.02pm)
	David Bowe	Community Representative
	Hayley Thomas	Minutes, Horsham Rural City Council
	Dianna Blake	Horsham Rural City Council (arrived 1.15pm)
Apologies:	Peter Walsgott	Swimming Club Rep
	Mark Myer	Horsham Aquatic Centre

1. WELCOME & ACKNOWLEDGEMENT OF COUNTRY

Carolynne offered an Acknowledgement of Country. (A standing item for all future meetings)
Chair welcomed all to the meeting and thanked members for their attendance.

2. DISCLOSURE OF CONFLICT OF INTEREST

Nil

3. MINUTES OF THE PREVIOUS MEETING

Minutes of the previous meeting of the Horsham Aquatic Centre Advisory Committee held on 29 June 2020, were confirmed and adopted.

Moved: Dick Gill

Seconded: Neville McIntyre

CARRIED

4. BUSINESS ARISING FROM PREVIOUS MINUTES

a). Review and update Terms of Reference – feedback & questions

Carolynne shared screen of current Terms of Reference and thoroughly ran through item headers/expectations within document.

5. CORRESPONDENCE

Nil

a) Building and Maintenance (Brett)**Maintenance:**

Brett advised current works include patching of plastering, painting indoors and steel work being repair above inside pool. Few issues around pump and filtration system as a result of extra dust due to concourse works. Appreciate usual checks being completing by YMCA. Additional dust has impacted on heating and cooling system, works are planned to clean or replace filters.

Council is currently updating asset register for whole facility with regard to replacement of items. An area identified as a result of this is the synthetic turf/grass within childcare outdoor area. Quotations have been sort to replace this surface, works hopefully to commence soon.

Brett raised on behalf of David Eltringham, issue around current 'RSL War memorial signage – naming of the pool'. How can we recognize this going forth as initial signage has been covered with new filter/tank system? Does it potentially need to be visible from O'Callaghan's Parade? Discussion sort from committee members.

Action: Brett to follow up with RSL and bring proposed solution to next meeting.

Sam raised issue around heaters that have been replaced in change room areas (4 of).

Brett left meeting at 12.40pm

b) Centre Manager (Sam & Scott, Hannah to talk about Customer Insights)

Scott introduced Hannah who works within their customer research space. Hannah shared findings and gave an overview of current research piece around health and recreation throughout current covid climate. This was to engage how people are feeling about exercise, how are they tracking, what are their expectations, how these may have shifted/changed in recent times. This research piece was to understand current behaviours and how individuals see their use of the YMCA going forth.

Positive results where indicated around individuals intentions to return to the facility, programs and services when appropriate. General findings are that members are keen to reactivate memberships as soon as restrictions allow.

Action: Hannah to forward information as presented via Carolynne to distribute to group.

Hannah left meeting 1.02pm

Sam shared power point presentation on all aspects relative to 5 week facility opening period. Sam touched on covid compliance, centre attendance and occupancy, new memberships activated in July, swimming lessons, snap shot given of positive/negative feedback received throughout this time. Sam expressed there is continual work going on behind the scenes with regard to operational aspects including but not limited to; outdoor pool opening, café offerings, recruitment for summer season etc .

Scott expressed disappointment in having to close once again and again appreciation and thanks was conveyed to Sam and team for all work involved within such a challenging period.

c) Contract Manager (Carolynne)

Carolynne reiterated thanks and appreciation to Sam for enormous amount of work and time around functionality, redeployment of staff and significant time strain, and commends the

continual open communication. She expressed there was so many tricky elements to ensure continuity of service, managing costs for Council with a closed facility etc. Appreciation expressed again such a challenging and difficult time.

Mention was made to the amount of work completed behind the scenes with meetings between YMCA and Council to prepare a thorough master plan to give overarching intent to the facility.

d) Outdoor Pool Works Update (Madelein)

Madelein gave update on installation of indoor concourse around edges and middle access of indoor pools. Grinding works involved in these works has caused significant dust throughout facility. Concourse works are currently a week ahead of schedule and will be completed by the end of the week. These works have given a new light, modern feel to indoor pool area. Cleaners will be engaged to ensure evidence of dust is eliminated.

Ramp is being installed (whilst facility is closed) as it was not compliant to disability access standards. Works due to be completed end of Sept/Start of October.

e) Swimming Club Update (Peter) - apology

Peter is an apology today

f) Wimmera Health Care Group Update (Amber)

Not using centre at the moment. Expressed it has been a difficult and challenging time. Nurse is currently doing contactless delivery. The group now have ipads and can complete work remotely, people are finding this great. Initial work around getting people setup and familiar with technology.

Amber left meeting 1.29pm

8. GENERAL BUSINESS

a. Feedback from consultation with HACAC re the Riverfront Activation Project (attached)

Carolynne requested feedback on notes that were provided, all were happy with these. To be forwarded the Riverfront CRG.

b. Preparedness for next stage – accessibility items in the Master Plan (Dianna Blake)

Carolynne advised Dianna has completed preliminary works on priorities and next stages of current HAC Masterplan. Important to note that the projects listed within the Masterplan show an order for which works are proposed to happen next. There is an enormous amount of additional planning, scoping and QS costings required before the Masterplan concepts are anywhere near a 'shovel ready' project.

Dianna spoke on research around other facilities that have hydrotherapy pools and spas to potentially seek lessons from their development. The current plan would create issues with increased staffing required and the cost to potential contractors in provided supervision across numerous and separated areas, i.e. hydro, indoor pool, spa and sauna etc., rather a more open and accessible design requiring more efficient use of staff. Also concern around the proposed family change room and spa/sauna encroaching on the natural northern light at the centre in its current location.

Dianna suggested the HACAC consider revisiting the Master plan and getting some additional and updated design options to improve functionality, maximum use of space, operational efficiencies and design principles in relation to current pool upgrade concepts.

Sam advises that this is a fantastic idea and would like to include the current (concept) location of water splash play area be reconsidered within this review. She stressed that the proposed outdoor water splash area would run only 3 months of the year therefore is not viable. She raised question as to how we can possibly integrate this with the indoor pools with indoor/outdoor use and a potential bi-fold door arrangement be considered.

In closing, Dianna advised process now is to write a brief to obtain a specialist aquatic design consultant, then the quotation process would occur to confirm an appropriate consultant to undertaken the design work. This would update the Master plan its projects and priorities. An additional meeting maybe scheduled before the next formal HACAC in Nov to seek input and inform the members of progress on seeking the design upgrades

9. NEXT MEETING

Meeting closed 1.41pm

The next meeting of the Horsham Aquatic Centre Advisory Committee – Monday 30 November 2020, at 12 noon