



ANNUAL REPORT

2013 - 2014

THE wimmera
Everything you need.

 **Horsham Rural City**
Council urban rural balance

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About This Report

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

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

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

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

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

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

Images courtesy of Thea Jane Photography, Mark Radford, The Wimmera Mail-Times, Country Fire Authority, Department of Environment and Primary Industries, Parks Victoria and Horsham Rural City Council staff.

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OUR VISION

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

Our Mission

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

Our Core Values

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

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

RECOGNITION OF OUR LAND'S TRADITIONAL OWNERS

Horsham Rural City Council acknowledges the five Traditional Owner groups of this land: the Wotjobaluk, Wergaia, Jupagalk, Jaadwa and Jadawadjali people.

OUR COUNCIL

Our Councillors

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

The Councillors do not represent a particular area or "ward", they are elected to lead and represent the whole municipality. Each Councillor has a portfolio of local committees to attend, providing an invaluable link between the community and Council.

The Mayor is elected for a one year period each November/December, voted in by the Councillors, selected from Councillors who wish to be candidates.

About Council

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

Reports surrounding Council policies and other information required by Council are written by Senior Managers and Directors and presented at Council meetings for deliberation and adoption.

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

A great place to live - vibrant, inclusive, welcoming...



Our Municipality

Horsham Rural City is a vibrant, diverse community situated approximately 300 kilometres north-west of Melbourne and north of the Grampians National Park, in the heart of the Wimmera region of Victoria. Horsham Rural City Council has a population of 19,687 and covers an area of 4,267 square kilometres. Almost three quarters of residents live in the urban area of Horsham.

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

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

At a Glance

POPULATION	19,687*
Area	4,267 square kilometres
Road Length	2,974 kilometres
Number of Council Employees	253
Number of Councillors	7
Rateable Properties	11,823
Rate and Charge Revenue	\$20,875,000
Total Revenue (including grants)	\$44,045,000
Municipal Charge	\$268
Garbage Charge	\$305/\$185
Major Employment Sector in Municipality	Agriculture, Retail, Health Care and Social Assistance

*Australian Bureau of Statistics



MAYOR'S MESSAGE

To Our Community ...

It is with great delight that I present the 2013-2014 Annual Report for the Horsham Rural City Council. It has been a busy year with many significant achievements and highlights.

In January, we suffered the devastating effects of the Grampians Northern Complex Fire. The fire burnt over 55,000 hectares of land and sadly resulted in the loss of a member of our community.

The work of BlazeAid, supported by local Service Clubs, working alongside community members clearing and rebuilding fences, has been outstanding. This unprecedented level of volunteer support over an extended period of time has played a critical role in both the physical and social recovery of our fire affected communities and we sincerely thank them for their efforts (see pages 37-39).

It was a pleasure to welcome Governor-General Sir Peter Cosgrove and Lady Lynne Cosgrove to our municipality in April. Their visit came at a hectic time, just two days before ANZAC Day and during the Royal Tour (see page 49). In March, Victoria's Governor, The Honourable Alex Chernov AC QC and Mrs Elizabeth Chernov also made a return visit to Horsham.

The relationship with Nujiang Lisu Autonomous Prefecture has strengthened this year. In October I led a delegation to China, to facilitate an agreement between Horsham College and Nujiang National Middle School to commence a cultural education exchange program. An Agreement for Co-operation to run an Agricultural Education Exchange Program between Longerenong College and Lijiang Teachers College has also been signed. This aspect of Council's economic development work aligns strongly with the push by the Victorian Government for Regional Cities to assist local producers to access markets in China and south east Asia (see page 48).

Work on the Horsham Town Hall and Regional Art Gallery Redevelopment project commenced in January. This complex project required significant planning, community consultation and considered project management. I am confident that it will meet our community's requirements now and well into the future. (see page 30).

Australia Day was celebrated with special events in Horsham, Natimuk and Dadswells Bridge this year. Congratulations to award recipients – Mr James Heard, Mr Matthew Bray and the Wimmera Machinery Field Days. Racing identity Tony Cavanagh has developed a strong relationship with Horsham in his role as Australia Day Ambassador (see page 34).

Citizenship ceremonies are always a special occasion and eight ceremonies were conducted this year for 73 new Australian citizens. We warmly welcome all our new citizens to the municipality (see page 32).

Growing our economy continues to be a major focus and this year has seen significant investment in our municipality including the Bayer Crop Science \$14 million wheat and oilseeds breeding centre at Longerenong, the Nuseed \$7 million innovation centre in Horsham and the \$6 million Australian Grains Genebank at the Grains Innovation Park. The Horsham Golf Club's new \$5.2 million clubhouse was also officially opened and the State Government made a \$10 million commitment to rebuild Horsham College.

In collaboration with the Wimmera Development Association and our neighbouring Councils, we have continued to advocate on behalf of the region at a Federal and State Government level on important issues such as the Western Highway Duplication, Western Highway Realignment (bypass), improved passenger rail services, mobile phone coverage and improved weather forecasting (see page 49).

Horsham is a great place to live and we are fortunate to have a vibrant, inclusive and welcoming community that is diverse in nature. Our city offers a safe and friendly environment and I acknowledge the volunteers, Service Clubs and emergency services that provide safety, security, harmony and goodwill within our community.

It is an honour to serve as Mayor of Horsham Rural City Council for a second term and I am grateful for the support of my wife Jenny and family Jessica and Josh. I personally thank my fellow Councillors for their support over the past year and to all Council staff for their commitment in delivering and maintaining high quality services and facilities to our community.



Cr David Grimble
Mayor

A great place to live - vibrant, inclusive, welcoming...

From the CHIEF EXECUTIVE

It has been a sound year for Horsham Rural City Council. Our finances have been managed carefully and we have finished in a solid financial position.

A revised organisational structure was completed this year and there are now clear and consistent levels of authority throughout the organisation. This structure enables key staff to progress the work of Council more quickly and effectively. (see page 9).

Our environment is constantly changing and we need to continually review how we conduct our business to best meet the needs of the organisation and the community, whilst minimising the effect of changes to services on the community.

A key priority in the Council Plan is to achieve greater efficiencies and outcomes across the organisation by embracing new technology. Introduction of iPads is one example of this, and it is pleasing to report that we have reduced our printing costs this year.

Council has adopted a Digital Community Strategy to ensure that all members of the community have the opportunity to engage with technology. Free community Wi-Fi in the central business district is one objective to be rolled out later this year (see page 41). We have also expanded into social networking as a means of providing information to our community, whilst continuing to provide information by traditional means (see page 48).

I acknowledge the work of our emergency response, relief and recovery teams, emergency service agencies and volunteers for the efficient manner in which they responded to the Grampians Northern Complex Fire in January. Responding to catastrophic events will always be a challenge, however, we have become more experienced over recent years and now have very effective systems and processes in place (see pages 37-39).

In collaboration with the Wimmera Development Association and our neighbouring Councils, we have continued to explore economic development opportunities for the region, building on our traditional strength in agriculture – supporting development of agricultural research and freight efficiencies. The challenge in the future will continue to be value-adding to increase the value of our primary agricultural commodities and to ensure local producers are able to maximise production.

Advocacy on behalf of the Horsham and the wider Wimmera and Southern Mallee community is an important role for Council and we have worked hard on these issues over the past year. It is particularly pleasing to see the announcement of \$10 million funding for Horsham College after several years of constant advocacy from this Council, Horsham College Council, Business Horsham and the wider community (see page 49).

The Horsham Town Hall and Regional Art Gallery Redevelopment Project is progressing well. This important project will be completed in the second half of 2015 (see page 30).

We are faced with significant financial constraints as other levels of government shift more costs onto Local Government and we will continue to lobby for more equitable funding models. It is imperative that we do not compromise important services to our community.

Council is required to ensure that resources are used effectively and efficiently to achieve the best outcomes for our community. We continue to work closely with regional municipalities to develop shared service models to assist us to operate more efficiently, improve service quality and ensure long term sustainability. There will be a strong emphasis on shared service delivery over the next few years.



Mr Peter Brown
Chief Executive



OUR COUNCILLORS

Horsham Rural City Council's seven Councillors were elected for a four year term through a postal ballot that concluded on 26 October 2012. The next Council election will be held in October 2016.



Mayor

Cr David Grimble

Cr David Grimble has served as a Councillor since November 2008 and is currently in his second term as Mayor.

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

Cr Grimble is the Council representative for the following committees: Audit Committee, Australia Day Committee, Business and Industrial Liaison Group, Chief Executive Evaluation, Finance Committee, Horsham Regional Livestock Exchange, Horsham Town Hall Project Internal Working Group, Horsham Town Hall Project Control Group, Municipal Association of Victoria, North Western Municipalities Association, Planning Sub-Committee, Regional Cities Victoria, Wartook Valley Strategic Working Group, Western Highway Action Committee, Wimmera Intermodal Freight Terminal Precinct Structure Plan, Wimmera Regional Transport Group and the Wimmera Southern Mallee Regional Strategic Plan Project Working Group.



Cr Pam Clarke

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

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

Cr Clarke is the Council representative for the following committees: Business Industry Liaison Group, Chief Executive Evaluation, Finance Committee, Horsham Town Hall Fundraising Committee, Horsham Town Hall Project Control Group, Horsham Town Hall Steering Committee, Municipal Association of Victoria (sub), Parking Consultative and Advisory Committee, Planning Sub-Committee, Public Art Committee, Wartook Valley Strategic Working Group, Wimmera Business Centre and the Wimmera Disability Access Forum.



Cr Robin Barber

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

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

Cr Barber is the Council representative for the following committees: Chief Executive Evaluation, Finance Committee, Horsham College/Community Oval Committee of Management, Planning Sub-Committee, Wartook Valley Strategic Working Group, Wimmera Development Association, Wimmera Intermodal Freight Terminal Committee of Management Delegation and the Wimmera Intermodal Freight Terminal Precinct Structure Plan.





Cr Sue Exell

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

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

Cr Exell is the Council representative for the following committees: Audit Committee, Chief Executive Evaluation, Green Lake Committee of Management, Horsham Racecourse Committee of Management, Horsham Recreation Reserve Committee of Management, Regional Recreation Water Users Group, Sport and Recreation Advisory Committee, Sunnyside Recreation Reserve and the Wimmera Regional Sports Assembly.



Cr Tony Phelan

Cr Tony Phelan is currently serving his first term on Council. He was elected to Council in October 2012.

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

Cr Phelan is the Council representative for the following committees: Chief Executive Evaluation, Haven Recreation Reserve Committee of Management, Horsham Aerodrome Advisory Committee, Horsham Regional Art Gallery, Local Advisory Fire Prevention Committee, Municipal Fire Management Planning Committee, Natimuk Community Centre Committee of Management, Planning Sub-Committee, Rail Freight Alliance, Wimmera Intermodal Freight Terminal Precinct Structure Plan and the Wimmera Regional Library Corporation.



Cr Heather Phillips

Cr Heather Phillips joined Council in October 2012 and is currently serving her first term. She has a strong interest in the financial sustainability of Council and endeavours to make decisions based on long term viability with community needs. This includes having transparent communication between residents and Council, responding to residents needs and being respectful of all opinions. Cr Phillips has a particular interest in waste management, emergency and environmental management.

Cr Phillips is the Council representative for the following committees: Chief Executive Evaluation, Children's Hub Steering Committee, Domestic Animal Management Advisory Group, Regional Waste Management Forum, Municipal Emergency Management Committee, North Western Municipalities Association, Police Community Consultative Committee, Tidy Towns and the Victorian Local Government Association.



Cr Mark Radford

Cr Mark Radford was first elected to Council November 2008 and this is his second term. Cr Radford is a self-employed electrical contractor. He is committed to working for the community, with a passion for improving services for our young people.

Cr Radford is the Council representative for the following committees: Chief Executive Evaluation, Horsham Aquatic Centre Advisory Committee, Horsham Basketball Stadium Committee of Management, Horsham Town Hall Internal Working Group, Horsham Town Hall Fundraising Committee, Horsham Town Hall Project Control Group, Horsham Town Hall Steering Committee, Planning Sub-Committee, Sport and Recreation Advisory Committee, Tourism Advisory Committee, Victorian Local Government Association and the Wimmera River Improvement Committee.

ORGANISATIONAL STRUCTURE

The finalisation of an updated organisational structure was completed throughout the year. Clear and consistent levels of authority, work-group designations and titles now exist and this has helped to better manage delegations, accountability, reporting and the general flow of communication throughout the organisation.

All positions at the executive and departmental management levels are now occupied and these groups have been meeting regularly, separately and together, to oversee and support the smooth running of Council business. The opportunity for individual managers to share information, knowledge and expertise, concerns and ideas at a senior level is proving beneficial to the operations of the broader organisation, creating efficiencies, and helping to break down barriers between work groups and staff.

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CHIEF EXECUTIVE



Peter Brown

Chief Executive

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

Peter was appointed as Chief Executive of Horsham Rural City Council in November 2010, following two and a half years as Director of Corporate Strategies with the Warrnambool City Council. Peter commenced in Local Government in 1982 as Payroll Officer for the former Horsham City Council. At the time of Council amalgamations in 1995, he was employed as the Finance Manager. Peter went on to serve the newly formed Horsham Rural City Council from 1995 to 2002 as General Manager of Corporate Services and Economic Development, before leaving Local Government for six years to take on the role of Chief Executive Officer at Wimmera UnitingCare.

Areas of Responsibility: Peter is responsible for the overall management and performance of all Council operations including the \$41.3 million budget. He provides advice to Council and ensures that the day-to-day management of Council's operations align closely with the Council Plan and are in accordance with the *Local Government Act*.

Peter is directly responsible for Council's four Directors and the Governance and Communications Unit.

Highlights/Achievements:

- > Consolidation of Mayoral support and media function in one location
- > Introduction of weekly Councillors in the Loop newsletter
- > Introduction of Social Media
- > Completion of Departmental level of management structure
- > Extension of electronic communication
- > Advocacy for new Horsham College facilities
- > Commencement of Horsham Town Hall and Regional Art Gallery Redevelopment Project



Use of iPads is one way Council is using technologies to achieve greater efficiencies across the organisation.



**HORSHAM
RURAL CITY COUNCIL**

COMMUNITY SERVICES



Angela Murphy

Director

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

Angela was appointed to the position of Director Community Services in 2001. Angela worked for a number of rural and regional Councils prior to joining Horsham Rural City Council.

Areas of Responsibility: Angela is responsible for the management of Council's community and human service programs. She is also responsible for Council's business enterprises.

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

Highlights/Achievements:

- > Extensive consultation via a range of means including online surveys, face-to-face surveys, public meetings focus groups, workshops, drop-in sessions, one-on-one meetings and formal submission (see page 58)
- > 19,572 meals provided through Meals on Wheels
- > 441 Disabled Parking permits provided (new and renewal permits)
- > 16,964 hours of care provided through Home and Community Care including:
 - 10,843 hours Home Care to 460 households
 - 1,254 hours Respite to 21 households
 - 3,074 hours Personal Care to 104 households
 - 670 hours Home Maintenance to 135 households
 - 1,121 hours of Assessment Co-ordinations to 369 households
- > 12,419 hours of services purchased by other providers to 200 households including:
 - 451 hours Post-Acute Care support following client's hospitalisation and discharge to home
 - 155 hours Hospital to Home support to 39 households
- > Immunisation coverage rate of 96.87% of children aged between 0 to 5 years
- > Gardasil (Human Papilloma Virus) catch up program for boys in Year 9 administered
- > 219 Food Businesses (96%) inspected
- > 73 Public Health and Wellbeing Registered premises (99%) inspected
- > Environmental Health Officer now conducts the majority of work electronically using an Apple iPad and online apps, iauditor and Microsoft onenote – this move to mobile technology has eliminated the use of paper and improved efficiency while conducting duties
- > Support, information and advice provided to 277 newborn babies and their families
- > 171,033 attendances at Horsham Aquatic Centre – increase of 5.4% on previous year
- > 8,501 attendances at Horsham Regional Art Gallery, Jubilee Hall
- > Delivery of nine exhibitions at the Horsham Regional Art Gallery involving the work of 24 artists, including five from our region



Approximately 60 people participated in the White Ribbon Day march in November to protest against family violence.

- > 65 education programs delivered by the Horsham Regional Art Gallery to 1,121 local students
- > 75 events held at the Horsham Town Hall – 14,122 attendees
- > Arapiles Bike Trail signage and website launched
- > Northfest bi-annual family festival held – more than 1,000 attendees
- > Skate Park graffiti project completed
- > Completion of flood recovery works – including opening of the Dadswells Bridge Hall
- > Grampians Northern Complex Fire – response, relief and recovery (see page 37)
- > Commencement of Mibus Memorial Cultural Centre air-conditioning, lift and toilet upgrade project
- > Pop Up Café on the Wimmera River
- > Adoption of the Cultural Plan, Health and Wellbeing Plan, Disability Access and Action Plan and Horsham North Urban Design Framework
- > Commencement of Horsham Town Hall and Regional Art Gallery redevelopment project (see page 30)
- > Commencement of precinct planning for Laharum and Haven
- > Launch of Poles in the Park at Foundry Park
- > Natimuk Men's Shed works and launch
- > 21 years of International Day for People with a Disability celebration
- > Walk to School 2013 project
- > Youth Matters project
- > Renovations to Natimuk Kindergarten to increase capacity completed
- > Grants received and planning commenced for further increased capacity at Green Park Kindergarten and renovations at Bennett Road Kindergarten
- > Membership of the Delkaia Aboriginal Best Start Partnership, and Koolin Balit Aboriginal health program for children aged 0 to 8 years
- > Partner in Good Tucker Good Health for Aboriginal children healthy eating and garden program at Horsham Primary School, Rasmussen Road campus
- > Supported Playgroup facilitated by Council held at Horsham North Primary School Rasmussen Road campus, Young Parents Playgroup, Jelly Beans Migrant Playgroup and Black Cockatoos Aboriginal Playgroup
- > Family Violence Provisions clause included in updated Enterprise Agreement
- > Participation in White Ribbon March opposing violence against women
- > Early Years' Service Planning and Infrastructure Planning for children aged 0 to 8 years underway
- > Attendance of 16 children and one staff member at the Portsea camp (see page 32)

This year Horsham Rural City Council achieved an immunisation rate of 96.87% of children aged between 0 to 5 years.

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CORPORATE SERVICES



Graeme Harrison

Director

B Econ, Dip AICD, CPA

Graeme commenced as Director Corporate Services in November 2012. Graeme has extensive experience working across the public, semi-public and private sectors in senior management roles within organisations in Australia and overseas. He has a strong financial background and is a Certified Practising Accountant.

Areas of Responsibility: Graeme is responsible for the provision of a broad range of internal supports to ensure that Council delivers quality and efficient services to our community and that statutory requirements are met.

Services Include: Customer Services, Financial Services, Human Resources, Information and Communications Technology, Organisational Performance, Payroll, Property Management, Rate Collection Services, Records Management, Risk Management and Treasury.



The 2014-2018 Council Plan was adopted this year.

Highlights/Achievements:

- > \$41.3 million budget managed effectively
- > \$415 million infrastructure assets managed
- > 54,483 cash receipts processed
- > 11,604 invoices processed
- > 11,904 debtor invoices raised
- > \$15 million total annual wages processed each fortnight, totalling approximately \$597,000 gross or \$443,000 nett per pay (payroll for six entities)
- > 12,140 rate notices issued
- > 16,541 mail items received
- > Information Technology systems across 16 sites managed effectively
- > 36 positions recruited, 9.2 per cent workforce turnover
- > 28 insurance claims processed
- > 9 Workcover claims processed
- > Risk Management Strategy reviewed
- > Two internal audits conducted
- > Purchase of Old Ambulance Station and 2 tenants established
- > New Community Grants and Donations Policy developed
- > Melbourne Cup Holiday decision
- > Section 86 Committee for the Horsham College Oval established
- > New look Council Plan
- > New look Budget using the State-wide model budget
- > Procurement policy reviewed
- > Successful implementation of Fire Services levy
- > 2014 revaluation of properties completed
- > Staff Code of Conduct updated
- > Upgrade to Recfindó records management system
- > Establishment of new system for managing and keeping staff delegations up to date
- > New organisational structure finalised (see page 9)
- > Major steps forward in OH&S system developments
- > Improved processes for Audit Committee operations
- > Corporate Services Values and Behaviours developed
- > Range of policies and procedures reviewed
- > Challenge to the *Local Government Act* re rating of mining commenced



PLANNING AND ECONOMIC SERVICES



Tony Bawden

Director

Dip LGA, Grad CLGM, FIMM, JP

Tony was appointed to the restructured position of Director Planning and Economic in October 2012. He has 38 years of experience in Local Government and was previously employed as the Director Corporate and Economic, a position he held for 10 years. Prior to this, Tony worked in Senior Management positions and as a Chief Executive Officer in Local Government in South Australia.

Areas of Responsibility: Planning and Economic Services encompasses a variety of building, planning and regulatory services including traffic/parking control and animal management. This department provides economic development and business support through major projects such as industrial estates and the Wimmera Intermodal Freight Terminal and also oversees tourism and events marketing, including the Horsham and Grampians Visitor Information Centre.

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



Highlights/Achievements:

Building

- > 74 Permits issued by Council valued at over \$3.8 million
- > Asset inspections undertaken on all buildings
- > New roof on Jubilee Hall
- > 120 plus properties affected by the Grampians Northern Complex Fire inspected, resulting in 43 Building/Emergency Orders being issued and contractors arranged for clean up
- > New carport constructed at Civic Centre
- > Conversion of downstairs "meter room" into new meeting room completed
- > Civic Centre PA system upgrade
- > Demolition of dwellings at 24 and 26 Kalkee Road, Horsham
- > Pipe Band Hall universal access ramps and new entry doors constructed
- > Split system installed at Wimmera Business Centre
- > Preparation work for Mibus Memorial Cultural Centre air conditioning, lift and toilet upgrade contracts
- > Planning of first stage of outdoor pool renovations
- > New roof over courtyard at Aquatic Centre to create RPM room constructed
- > Construction of new patient transfer and amenities shed at Horsham Motorcycle Club, Dooen project managed
- > Change of use and permits for the mens shed (Old Ambulance Station) negotiated
- > Floor repairs at Laharum Hall and Natimuk Soldiers Memorial Hall
- > Ongoing works at Natimuk Courthouse
- > Natimuk Gymnasium alteration coordinated
- > Planning for Bennett Road and Casuarina Kindergarten alterations and extensions
- > Installation of new chemical dosing system at outdoor pool
- > Brimpaen Hall toilet upgrade project managed
- > New Essential Safety Measures for Council public buildings program established
- > New flooring installed on Horsham City Oval grandstand

Sharon Starick, GRDC director, Tony Gregson, Plant Health Australia Chairman and Peter Walsh, Minister for Agriculture and Security, open the \$6 million Australia Grain Genebank in Horsham.



The KTM Junior Moto X event attracted over 3,000 people to Horsham in July.

Local Laws

- > 376 Fire Hazard notices issued
- > 2,061 parking infringements issued
- > 336 unregistered animals investigated
– 42 currently outstanding
- > 257 animal fines issued
- > Dog Pound floor and walls painted
- > 69 dogs and 173 cats rehoused
- > New Domestic Animal Management Plan adopted

Economic

- > Official opening of Bayer Crop Science \$14 million Wheat and Oilseed Breeding Centre at Longerenong College – one of six worldwide centres being established by Bayer for the enhancement of grains research
- > Opening of Australian Grains Genebank at the Grains Innovation Park – this \$6 million facility will house over 180,000 genetic grain samples from Australia and around the world
- > Opening of Nuseed's \$7 million innovation centre in Horsham
- > KTM Junior Moto X event held in Horsham, attracting over 3,000 visitors for the week
- > Tourism Advisory Committee event funding of over \$17,000 to seven community groups and SEED funding provided for new events or activities to further seven groups
- > Attendance at the Regional Victoria Living Expo in Melbourne, where Horsham lifestyle opportunities were showcased to over 9,600 visitors (see page 41)
- > The Small Business Advisory Service, auspiced by the Wimmera Business Centre conducts 29 various business support workshops attracting 225 attendees
- > 176 one-on-one business support and mentoring sessions facilitated by the Wimmera Business Centre
- > Assistance provided to 15 incubator and permanent tenants at the Wimmera Business Centre
- > Horsham and Grampians Visitor Information Centre assisted 14,156 visitors enquires, providing information on regional events and tourist attractions – Staff attended to over 500 email and 1,723 phone enquiries (see page 40)
- > The Horsham and Grampians Visitor Information Centre provided 470 information packs to visitors attending local events, distributed 104 New in Town information kits as well 109 After Hours information packs for visitors attending the centre outside of normal business hours
- > Precinct Planning over land adjoining Wimmera Intermodal Freight Terminal progressed
- > Horsham Caravan Park Master Plan completed and received by Council

Planning

- > 219 Planning permits processed
- > Total estimated cost of works for permits issued: \$31,455,779
- > Average cost of works per permit issued: \$150,506
- > Average gross processing days to a determination: 62 compared with 99 days for the Regional Cities average
- > Median processing dates to a determination: 43 compared with 54 for the Regional Cities average
- > 93% of permits completed within 60 days compared with 78% for the Regional Cities average
- > Central Activity District (CAD) Strategy adopted
- > Framework for Managing Growth adopted
- > Heritage Study Stage 2 ongoing
- > Strategic Planner contract filled
- > Transition of zones – new residential provisions
- > Rewrite of Municipal Strategic Statement (MSS) commenced
- > Flying squad engaged to undertake Planning Scheme amendments including removal of Environmental Significance Overlay Schedule 5(ESO5) in some areas and inclusion of Natimuk Flood Study into Planning Scheme
- > Correction Amendments to Planning Scheme to correct anomalies
- > Two Planning Scheme Amendments gazetted and 13 in progress

TECHNICAL SERVICES



John Martin
 Director
 BE (Agric)

John commenced with Horsham Rural City Council in March 2012. He has 30 years experience in all aspects of engineering including infrastructure development, management of major projects and natural resource management. Prior to joining Council, John was responsible for managing multi-million dollar water infrastructure assets for GWMWater.

Areas of Responsibility: Technical Services is responsible for managing, maintaining and enhancing Council's infrastructure assets including roads, drains, footpaths and parks. This department is also responsible for waste, emergency and fleet management, along with some enterprise services.

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

Highlights/Achievements:

- > 160 kilometres of urban roads maintained
- > 2,746.8 kilometres of rural roads maintained
- > 234.5 kilometres of kerbs and channels maintained
- > 173.2 kilometres of footpaths maintained
- > 60.6 kilometres of bicycle tracks maintained
- > \$2.331 million road construction program
- > \$975,300 resealing program
- > Drainage system maintenance including 126.46 kilometres of pipes and 4,139 drainage pits
- > Maintenance and management of 447 items of plant and equipment
- > Maintenance and management of 71 Council vehicles
- > 35 plans, designs and specifications for infrastructure projects developed
- > 15,982 tonnes of household waste collected from 8,405 residential and 220 commercial properties
- > 1,673 tonnes of recycling material recovered
- > 27 public conveniences maintained (see page 45)
- > 565,167 sheep and 1,556 cattle throughput at Horsham Regional Livestock Exchange
- > Commencement of stormwater pit cleanouts in Horsham as part of a three-year rolling program
- > Commencement of Horsham Town Hall and Regional Art Gallery Redevelopment Project (see page 30)
- > Drainage capacity in Pynsent Street upgraded and replaced overhead power lines with underground power – these latter works are part of a Putting Locals First grant made available through Regional Development Victoria
- > Computer modelling conducted for the Horsham East flood study to assess the impact of removal of irrigation channels in the broader Drung – Riverside area
- > Significant progress made on Mt William Creek flood study and incorporated into an updated flood response plan
- > Design of Wimmera River Pedestrian Bridge significantly advanced during 2013-2014 including adoption of Apex Island site as preferred site for the bridge location – this was determined after significant community consultation



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Bridgework and Drainage Works

- > Major culverts near the Wimmera River Bridge on Polkemmet Road at Duchembegarra upgraded
- > Major culvert on Barrs Road, Lower Norton, replaced
- > Bridge repairs completed on Riverside Bridge crossheads
- > Misery Bridge at Longerenong finalised and guardrails installed
- > Major culvert on Telangatuk East Rocklands over Mt Byron Creek replaced
- > Guardrails on Potters Creek on Wonwondah Dadswells Bridge Road, and various major culverts replaced or renewed
- > Table drains in Noradjuha reformed

Roadworks

- > College Drive (2.6 km long) in the Longerenong College grounds completely reconstructed and sealed sections extended to service the new seed trial facility for Bayer
- > 2 km of Longerenong Road reconstructed and widened to service larger traffic demands
- > Sealed road network extended by 1.2 km in the Grampians as part of the greater Grampians Way project to improve access in and around the Grampians

2013-2014 Large Replacement Program

- > 1 x new John Deere 6150M Tractor
- > 1 x new Fuso Truck with Vemco EWP (Cherry Picker)
- > 1 x new Iveco/Superior Pak Garbage Truck
- > Upgrade 2 x Water Tankers Plant Numbers 1808/1809
- > 1 x Trimax Stealth 3ptl Mower
- > Changeover of 10 Cars and Utilities
- > Various Minor Plant Items

Horsham Rural City Council maintains 126.46 kilometres of pipes and 4,139 drainage pits.



A SNAPSHOT OF OUR YEAR

July 2013

- > A community consultation and briefing meeting is held in Laharum where a variety of issues such as waste management, road maintenance, etc, are discussed with local residents.
- > The 2013-2016 Domestic Animal Management Plan, encouraging safe and responsible pet ownership, is adopted by Council.
- > The Environmental Management Plan, providing a framework for Council and contracted staff to minimise environmental impacts whilst undertaking roads construction and maintenance activities, is adopted by Council.
- > The 2013-2015 Roadside Weeds and Pests Program Implementation Strategy is adopted by Council. The strategy aims to control/eradicate rabbits and regionally controlled and prohibited weeds, and protect high value environmental economic assets within the municipality.
- > The 2013 Municipal Emergency Management Plan, addressing the prevention of, response to, and recovery from, emergencies within the municipality, is adopted by Council.

August 2013

- > A proposed Cultural Education Exchange program between Nuijiang College in the People's Republic of China and Horsham College receives the formal support of Council (see page 48).
- > Nine community members attend a community consultation and briefing meeting in Mitre, where various issues are discussed including the fire services levy, roads, 150th anniversary of Lost in the Bush and the centenary of the Mitre Hall in 2015.
- > Regional Development Victoria approves a \$160,000 Putting Locals First grant application for the Green Lake Facilities Enhancement Project which includes improvements to the foreshore picnic area and redevelopment of the Yacht Club facilities.
- > The 2013-2018 Public Art Policy, which relates to all permanent, integrated or ephemeral public art work in public spaces commissioned by, or in partnership with, Horsham Rural City Council, is endorsed.

- > Councillors and senior officers participate in a rural tour of the municipality to gain a greater insight into matters affecting our rural communities.
- > A Digital Community Strategy, aimed at ensuring that all members of the community will have the opportunity to engage with technology if they wish to do so, is adopted by Council (see page 41).

September 2013

- > Approximately 400 people attend a special event at Zumsteins in the Grampians National Park to celebrate completion of significant restoration works and the recreation area's 100th birthday.
- > Horsham Golf Club's new state-of-the-art \$5.2 million clubhouse, is officially opened to the public.
- > Councillors and senior officers participate in an urban tour where they gain a greater understanding of key Horsham issues.
- > The Horsham North Urban Design Framework, a strategic planning tool setting out an integrated design vision for the desired future development of Horsham North, is adopted by Council.

October 2013

- > A delegation from Horsham Rural City Council and Horsham College, travel to Nuijiang Lisu Autonomous Prefecture in the Peoples' Republic of China, where agreement is reached to provide a cultural education exchange program between the two schools (see page 48).
- > The Green Lake Committee's "Let the Clean Up Begin", and Wimmera Health Care Group's "Blue Frog" sustainability program win category awards, and the Tidy Town's litter campaign receives a high commendation, at the Victorian Tidy Towns Sustainably Awards ceremony in Wycheproof (see page 40).
- > Council hosts a range of activities to celebrate Seniors Week throughout the municipality.
- > Nuseed, Australia's leading canola seed company, officially open their \$7 million innovation centre in Horsham, bringing together business services, logistics, sales, marketing, research and breeding activities.



Hugh Delahunty, Member for Lowan, David Grimble, Mayor and Peter Mann, Kane Constructions, turn the first sod for the Horsham Town Hall and Art Gallery Redevelopment.

November 2013

- > A five year Sport and Recreation Strategy, which identifies priority projects to support and respond to changing community needs, and increase participation in sport and recreation activities for all members of the community, is adopted by Council.
- > Council adopts the 2013-2017 Health and Wellbeing Plan aiming to protect, improve and promote public health and wellbeing within the municipality.
- > Cr David Grimble is formally elected as Mayor of Horsham Rural City Council for a second 12-month term.

December 2013

- > The Horsham Framework for Managing Growth Part D Framework Plan is adopted by Council. This plan will guide the future growth, development and change of Horsham over the next 20-30 years.
- > A new Horsham Rural City Council Facebook page is launched, providing information on Council initiatives, events programs and news (see page 48).
- > Over 50 volunteers attend a special morning tea at the Civic Centre to celebrate International Volunteer Day.
- > Works commence on Horsham Town Hall and Regional Art Gallery Redevelopment Project (see page 30).

January 2014

- > Council's Emergency Response, Relief and Recovery teams, swing into action to support the communities of Wartook, Roses Gap, Brimpaen, Laharum, St Helens Plains and Dadswells Bridge as they suffer the devastating effects of the 55,100 hectare Grampians Northern Complex Fire (see page 37).
- > Australia Day is celebrated throughout the municipality with special events in Horsham, Natimuk and Dadswells Bridge (see page 34).
- > The Hon Hugh Delahunty, MP, Member for Lowan, Cr David Grimble, Mayor and Mr Peter Mann, Kane Construction, conduct an official "sod turning" ceremony to celebrate commencement of the \$17.5 million Horsham Town Hall and Regional Art Gallery Redevelopment Project (see page 30).

February 2014

- > The 2013 Road Management Plan, describing how road assets will be managed to comply with legislation, is adopted by Council (see page 45).
- > BlazeAid volunteers from across Australia set up their base camp at the Laharum Recreation Reserve to start work on clearing and rebuilding fencing destroyed during the Grampians Northern Complex Fire (see page 39).
- > Guidelines for Dwellings on Small Lots in the Farming Zone are adopted by Council. These guidelines will assist the Planning Committee when assessing applications and provide applicants with guidance on matters that may be considered in assessing applications.



David Grimble, Mayor, James Merlino, Deputy Opposition Leader, Pat McNamara, Victorian Bushfire Appeal Fund, Hugh Delahunty, Minister for Sport and Recreation, Iain McNee, Golf Club President, and Bob Hayes, Building Committee Chairman, celebrate the opening of the new clubhouse at Horsham Golf Club.

March 2014

- > The Hon Hugh Delahunty, MP, Member for Lowan, officially opens the refurbished Natimuk Kindergarten. The \$195,000 development includes a new foyer, new office, a universal access toilet, redevelopments to the bathroom amenities and additional storage.
- > Five community members attend Council's community consultation and briefing meeting in Dadswells Bridge where a number of issues are discussed including the Mt William Flood Study, fire recovery, waste management and roads.
- > His Excellency, the Honourable Alex Chernov AC QC, Governor of Victoria, officially opens the Natimuk Men's Shed at a special event at the Natimuk Showgrounds.
- > A new \$6 million national seed bank is opened at the Grains Innovation Park in Horsham.

April 2014

- > Council welcomes a visit to the municipality by Australia's Governor-General Sir Peter Cosgrove and Lady Lynne Cosgrove (see page 49).
- > A Civic Reception to thank the many volunteers and Service Clubs who assisted BlazeAid in helping to rebuild the communities of Wartook, Roses Gap, Brimpaen, Laharum, St Helens Plans and Dadswells Bridge following the Grampians Northern Complex Fire, is held at the Civic Centre in Horsham (see page 39).
- > Council adopts a five year Arts and Cultural Plan. The plan aims to promote arts activity to reflect, celebrate, express and inform the values, priorities and cultural awareness of the community to increase the liveability of the municipality.

- > A Code of Conduct for staff, outlining the standards and behaviour expected of all staff in the organisation, is approved by the Executive Management Group.
- > In conjunction with Wimmera Development Association and the five regional Councils, Horsham Rural City Council hosts an information display at the third annual Regional Living Expo in Melbourne (see page 41).

May 2014

- > Ten community members attend a community consultation and briefing meeting at the Sailors Home Hall in Kalkee, where a number of issues are discussed including wind farms, culverts, recycling services, cemetery maintenance, road maintenance, the Council budget process, the Council Plan, the proposed Horsham bypass and Town Hall redevelopment.
- > Councillors and senior officers travel to Melbourne to gain a greater insight into the operations of a number of key organisations including SCT Logistics, the Port of Melbourne, Community Chef, AgriBio (La Trobe University) and the Newport Gardens Early Learning Centre.
- > Council endorses the draft master plan for the Grampians Peak Trail, an iconic 144 kilometre walk that will stretch the length of the Grampians National Park.
- > Representatives from Longerenong College and Lijiang Teachers College in China's Yunnan Province, sign an agreement for co-operation to commence an agricultural education exchange program which is scheduled to commence in 2015 (see page 48).

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June 2014

- > Councillors and senior officers from Horsham Rural City Council and Southern Grampians Shire Council hold a joint meeting in Cavendish to discuss matters of mutual interest.
- > Extensive renovation works commence at the Mibus Memorial Cultural Centre including installation of a lift, entrance and toilet upgrades and a new air-conditioning system. Until these works are completed, the Wimmera Regional Library Corporation's Horsham Branch will operate from the Gateway Centre, and the Makers Studio will relocate to Federation University.
- > Horsham Rural City Council adopts a resource manual and policy for Section 86 Committees, to guide them in their operations, and provide general direction in establishing or renewing agreements and guiding principles when determining appropriate charges for use of Council facilities.
- > Following an extensive consultation process, the 2014-2015 Budget, 2014-2015 Rating Strategy and 2014-2018 Council Plan and Strategic Resource Plan are adopted by Council.
- > A very successful Art Is ... Layers of Time festival is held in Horsham. The annual festival aims to engage the community in high quality art experiences.
- > The Mayor and Chief Executive attend the Australian Local Government Association National Conference in Canberra, where a number of significant regional issues were presented to the Government and Opposition including settlement services for the Karen community, the Western Highway duplication, agricultural competitiveness and early years programs.

Police Inspector Trevor Ashton, DEPI Land and Fire Manager Russell Manning and CFA District 17 Operations Manager Dale Russell provide an overview of the Grampians Northern Complex Fire to Governor-General Sir Peter Cosgrove and Lady Lynne Cosgrove.





The Meals on Wheels service delivers approximately 400 meals to 100 recipients in our municipality every week.

A TO Z OF COUNCIL SERVICES

SERVICE	CONTACT	LOCATION	PHONE NUMBER	EMAIL
Aged and Disability Services	Mary-Anne Duke	Civic Centre, 18 Roberts Ave	5382 9715	mary-anne.duke@hrcc.vic.gov.au
Animal Control and Rehousing	Nick Meagher/ Wayne Lane	Civic Centre, 18 Roberts Ave	0409 944 033 0417 517 048	nick.meagher@hrcc.vic.gov.au wayne.lane@hrcc.vic.gov.au
Art Is ... Festival		43 Firebrace St	5381 0297	artis@wimmera.com.au
Building Services	John Griffiths	Civic Centre, 18 Roberts Ave	5382 9728	john.griffiths@hrcc.vic.gov.au
Chief Executive	Fiona O'Brien	Civic Centre, 18 Roberts Ave	5382 9725	fiona.obrien@hrcc.vic.gov.au
Community Development	Melissa Morris	43 Firebrace St	5382 9591	melissa.morris@hrcc.vic.gov.au
Contract Management	Michelle Plain	Civic Centre, 18 Roberts Ave	5382 9745	michelle.plain@hrcc.vic.gov.au
Cultural Development	Jillian Pearce	43 Firebrace St	5382 9594	jillian.pearce@hrcc.vic.gov.au
Customer Service / General Enquiries	Andrea Hogan	Civic Centre, 18 Roberts Ave	5382 9777	council@hrcc.vic.gov.au
Drainage Management – Maintenance	Martin Duke	Depot, Selkirk Dr	5382 9610	martin.duke@hrcc.vic.gov.au
Economic Development	Colin Kemp	Civic Centre, 18 Roberts Ave	5382 9783	colin.kemp@hrcc.vic.gov.au
Emergency Management	Rob Moir	Civic Centre, 18 Roberts Ave	5382 9739	rob.moir@hrcc.vic.gov.au
Emergency Recovery	Melissa Morris	43 Firebrace St	5382 9591	melissa.morris@hrcc.vic.gov.au
Environmental Health Officer	Luke Mitton	Civic Centre, 18 Roberts Ave	5382 9768	luke.mitton@hrcc.vic.gov.au
Financial Services	Heather Proctor	Civic Centre, 18 Roberts Ave	5382 9721	heather.proctor@hrcc.vic.gov.au
Fleet Management	Warren Kennedy	Depot, Selkirk Dr	5382 9608	warren.kennedy@hrcc.vic.gov.au
Grants	Susan SurrIDGE	Civic Centre, 18 Roberts Ave	5382 9776	susan.surrIDGE@hrcc.vic.gov.au
Gravel Pits	John Klemm	Depot, Selkirk Dr	0418 134 478	john.klemm@hrcc.vic.gov.au
Horsham Aerodrome	Martin Duke	Geodetic Road	5382 9610	martin.duke@hrcc.vic.gov.au
Horsham and Grampians Visitor Centre	Debra Shipway	20 O'Callaghans Pde	5382 1832	tourism@hrcc.vic.gov.au

SERVICE	CONTACT	LOCATION	PHONE NUMBER	EMAIL
Horsham Aquatic Centre	Stephen Clark	53 Hamilton St	5382 2576	
Horsham Caravan Park	Vin and Shirley Mellington	190 Firebrace St	5382 3476	
Horsham Town Hall	Joy Cowie	43 Firebrace St	5382 9592	joy.cowie@hrcc.vic.gov.au
Horsham Regional Art Gallery	Adam Harding	Jubilee Hall, 21 Roberts Ave	5362 2888	hrag@hrcc.vic.gov.au
Horsham Regional Livestock Exchange	Paul Christopher	Burnt Creek Complex	5382 1542	hrle@hrcc.vic.gov.au
Horsham Transfer Station	The Manager	Kenny Rd	5382 4512	
Information Technology	Vincent Liao	Civic Centre, 18 Roberts Ave	5382 9755	it@hrcc.vic.gov.au
Local Laws	Maurice Rudolph	Civic Centre, 18 Roberts Ave	5382 9767	maurice.rudolph@hrcc.vic.gov.au
Makers Gallery and Studio	Co-ordinator	28 McLachlan St	5381 0928	
Maternal and Child Health	Jo Devereaux	1J Bennett Rd, 13 Robin Street	5382 9747	jo.devereaux@hrcc.vic.gov.au
Mayor and Councillors	Sue Frankham	Civic Centre, 18 Roberts Ave	5382 9732	mayor@hrcc.vic.gov.au
Meals on Wheels	Jackie Bennett	Civic Centre, 18 Roberts Ave	5382 9741	jackie.bennett@hrcc.vic.gov.au
Media Services	Lise Eagan Bales	Civic Centre, 18 Roberts Ave	5382 9763	media@hrcc.vic.gov.au
Migrant Playgroup	Cindy Francis	Civic Centre, 18 Roberts Ave	5382 9214	cindy.francis@hrcc.vic.gov.au
Multiple Birth Group	Cindy Francis	Civic Centre, 18 Roberts Ave	5382 9214	cindy.francis@hrcc.vic.gov.au
Natimuk Community Centre – General Enquiries	Martin Bride	62 Main St, Natimuk	5382 9759	martin.bride@hrcc.vic.gov.au
Natimuk Community Centre – Meeting Room Bookings	Natimuk Post Office	62 Main St, Natimuk	5387 1210	
Nexus Youth Centre	Alois Kneibiess	14-16 Pynsent St	5362 1500	
Organisational Development Unit	Tony Schneider	Civic Centre, 18 Roberts Ave	5382 9707	tony.schneider@hrcc.vic.gov.au
Planning Services	Adam Moar Nicholas Carey	Civic Centre, 18 Roberts Ave	5382 9762 5382 9701	adam.moar@hrcc.vic.gov.au nicholas.carey@hrcc.vic.gov.au
Playgroup	Cindy Francis	Civic Centre, 18 Roberts Ave	5382 9214	cindy.francis@hrcc.vic.gov.au
Ranger	Nick Meagher Wayne Lane	Civic Centre, 18 Roberts Ave	0409 944 033 0417 517 048	nick.meagher@hrcc.vic.gov.au wayne.lane@hrcc.vic.gov.au
Rates	Kerrie Bell	Civic Centre, 18 Roberts Ave	5382 9716	kerrie.bell@hrcc.vic.gov.au
Records Management	Catheryn Allen	Civic Centre, 18 Roberts Ave	5382 9730	records@hrcc.vic.gov.au
Risk Management	Diana McDonald	Civic Centre, 18 Roberts Ave	5382 9778	diana.mcdonald@hrcc.vic.gov.au
Roads, Streets and Bridges Construction and Maintenance – Planning and Design	Priyan Wijeyeratne	Civic Centre, 18 Roberts Ave	5382 9734	priyan.wijeyeratne@hrcc.vic.gov.au
Roads, Streets and Bridges Construction and Maintenance – Works	Martin Duke	Depot, Selkirk Dr	5382 9610	martin.duke@hrcc.vic.gov.au
Rural Access	Wendy Lynch	Jubilee Hall, 21 Roberts Ave	5382 9585	wendy.lynch@hrcc.vic.gov.au
Senior Citizens	Jo Devereaux	Horsham and Natimuk	5382 9747	jo.devereaux@hrcc.vic.gov.au
Sustainability & Environment Manager	Rob Moir	Civic Centre, 18 Roberts Ave	5382 9739	rob.moir@hrcc.vic.gov.au
Tourism and Major Events Marketing	Chris McClure	Civic Centre, 18 Roberts Ave	5382 9702	chris.mcclure@hrcc.vic.gov.au
Traffic Management	Garry Kennett	Civic Centre, 18 Roberts Ave	0409 310 391	garry.kennett@hrcc.vic.gov.au
Wesley Performing Arts Centre	Joy Cowie	43 Firebrace St	5382 9592	joy.cowie@hrcc.vic.gov.au
Wimmera Business Centre	Rachel Hateley	62 Darlot St	5381 0300	info@wimmerabusinesscentre.com.au
Wimmera Development Association	Jo Bourke	62 Darlot St	5381 6501	jbourke@wda.org.au
Wimmera Intermodal Freight Terminal	Tony Bawden	Freight Terminal Rd, Dooen	5382 9717 5384 7217	tony.bawden@hrcc.vic.gov.au
Wimmera Intermodal Freight Terminal – Operator	Alistair Boyce	Freight Terminal Rd, Dooen	5384 7217	aboyce@wcl.com.au
Wimmera Regional Library Service	Paula Clark	28 McLachlan Street	5382 5707	library@wrlc.org.au

COUNCIL PLAN

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

The 2014-2018 Council Plan sets the strategic direction of Council over the next four years, linking the community's vision to long-term community goals, four-year outcomes and four-year priorities for Horsham Rural City Council. The Council Plan provides direction to management and includes the indicators that Council will use to deliver key outcomes.

The following pages provide a summary of Horsham Rural City Council's performance against the outcomes and priorities contained in the Council Plan.

For a full copy of the Horsham Rural City Council Plan, please contact Council on telephone (03) 5382 9777 or call into the Municipal Offices, Civic Centre, 18 Roberts Avenue, Horsham.

The Council Plan is also available on the Horsham Rural City Council website – www.hrcc.vic.gov.au





A great place to live - vibrant, inclusive, welcoming...

➤ **GOAL 1** COMMUNITY AND CULTURAL DEVELOPMENT

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

Nine exhibitions and 65 educational programs were
delivered at the Horsham Regional Art Gallery this year.



Artist impressions of the Horsham Town Hall and Regional Art Gallery Complex which is due to be completed in the second half of 2015.

Horsham Town Hall and Regional Art Gallery Redevelopment Project

In November 2013, Horsham Rural City Council voted to approve an increased budget and appoint a lead contractor to redevelop the Horsham Town Hall and Regional Art Gallery, and construct a performing arts centre. The budget increase ensures that the project will meet community needs and expectations through delivering long-term economic benefits such as opportunities to host major conferences, attracting more tourists and making Horsham more attractive to new and existing residents.

Construction of the redevelopment commenced in January 2014, with the appointed lead contractors, Kane Constructions, engaging quite a few local sub-contractors. The short-term effect for local tradespeople has been positive and the flow on effects of a large number of people working on the site, up to 60 at peak times, has been enjoyed by local businesses, such as cafes and take away food outlets.

In the long-term, the whole community will enjoy the benefits of having access to world-class professional facilities in which to perform, hold conferences and functions, or enjoy a concert or play.

The Regional Art Gallery, also experiencing a facelift, will, for the first-time, have proper storage for its valuable collection and a dedicated education space for its extensive schools program.

Key features of the redevelopment will include:

- > Refurbishment of the heritage listed Town Hall and Regional Art Gallery
- > Heritage features such as the façade, foyer, terazzo seal, box office, stair case and the hall itself will all be carefully retained.
- > The Gallery, Town Hall, Auditorium, entries and backstage facilities will be fully accessible for people of all abilities
- > Wilson and Pynsent Streets will be connected by a foyer running the length of the building
- > Construction of a 500 seat auditorium

Auditorium

The new part of the project will be the construction of an auditorium behind the current building, facing Pynsent Street.

Key features:

- > A 500 seat auditorium with the capacity to remove some seats to accommodate up to 24 wheelchairs
- > A 10 metre stage with 5 metre backstage area either side
- > The latest sound and lighting technology
- > A 17 metre fly tower for scenery changes
- > Five dressing rooms accessible for people of all abilities
- > A green room for performers to gather before performances
- > A lift and stairs to the first floor
- > Toilets and laundry facilities

Delays in the on-site works occurred over parts of April and May due to wet weather, investigating design issues with the existing building, and the detection of contaminated soil on the site.

Despite these delays, work has progressed and the first major concrete pour occurred in late May. Significant off-site fabrication of structural steel and concrete pre-cast panels is also well underway.

The Horsham Town Hall and Regional Art Gallery redevelopment is due for completion in the second half of 2015.

VOLUNTEERS – CELEBRATE THE POWER OF VOLUNTEERING!

Over six million Australians contribute their time, energy and expertise to volunteering each year, giving many hours of unpaid work, contributing approximately \$200 billion to the Australian economy.

Volunteers play an important role in supporting and enhancing the services provided by Horsham Rural City Council. Some of the areas supported by volunteers are outlined below.

Meals on Wheels

Meals on Wheels provides nutritional meals to people who are frail, aged and disabled in our community. Not only is this service about delivering meals, it is also about providing recipients with the comfort of knowing that someone will be dropping by to say hello and see how they are going.

Horsham Rural City Council's Meals on Wheels service relies on the valuable support of volunteers who use their own vehicles to deliver meals to people in Horsham and Natimuk. Every week, 60 volunteers contribute 60 hours of service delivering approximately 400 meals to 100 recipients in our municipality.

Supported Playgroups

Horsham Rural City Council co-ordinates three supported playgroups including a migrant playgroup. Sessions run throughout school terms and their success is reliant upon the

support of volunteers who assist the co-ordinator to deliver these important programs to the community. Over the past year, six volunteers provided approximately 60 hours of volunteer support.

Multiple Birth Families Support Program

The Multiple Birth Families Support program assists families at home after a multiple birth for up to 12 months. Volunteers support this program by assisting with feeding, bathing, nappy changes, hanging out washing and playing with siblings. In 2013-2014, two volunteers provided over 200 hours of assistance to two families with twins in this important program.

Community Arts

Council's community arts area is supported by a team of volunteers who assist with poster distribution, show promotions and general administration.

Committees

Horsham Rural City Council has over 30 management committees that oversee the operations of public facilities such as recreation reserves, halls and the arts throughout the municipality. There are also several advisory committees in operation. Over 250 community members volunteer their valuable time and expertise on these committees and we sincerely thank them for their important contribution.

Horsham and Grampians Visitor Information Centre

The Horsham and Grampians Visitor Information is situated in O'Callaghan's Parade, Horsham. The centre provides tourist information, an accommodation booking service and publications promoting local events. The Horsham and Grampians Visitor Information Centre is supported by a team of 16 volunteers who contributed almost 1,456 hours of volunteering this year. For further information about the Horsham and Grampians Visitor Information Centre, refer to page 40.

Horsham Regional Art Gallery

The Horsham Regional Art Gallery provides an important visual art resource for the local community and visitors to Horsham. During the past year, the gallery was supported by 23 volunteers who provided 323 hours of volunteering.



Jo Devereaux, Human Services Manager, chats with volunteer Ron Eldridge at a special morning tea to celebrate International Volunteers Day.



Eight citizenship ceremonies were conducted for 73 candidates this year.

Portsea Camp

In January 2014, Home and Community Care staff member, Mel Bottoms, was privileged to attend the Portsea Camp as a Children's Facilitator, making the seven hour bus journey with over 40 extremely energetic and eager children. Sixteen of the 40 children, aged between 9 and 12 years, were from Horsham Rural City, whilst the rest of the children were from surrounding shires.

The Portsea Camp is one of Australia's premier children's camps that aims to provide a safe, caring, healthy, educational and recreational environment for the children of Victoria and New South Wales, with a major focus on those who are from a low socio economic background or have special needs. Horsham Rural City Council is proud to provide ongoing support to the Portsea Camp Organisation for families and children who need a break without spending a great deal of money.

Numerous hours are spent obtaining expressions of interest for the camp, circulating detailed information and application forms, finding volunteers to assist getting the children to and from the camp, and making sure all the children are ready and raring to go on time. Communication was very important in both planning the trip and during the camp. Regular phone calls and emails to the camp to confirm every detail was correct, circulating numerous letters to families to ensure they have all the information they need, and preparing a budget to cover costs of financial assistance for families that need help.

Mel's role as Children's Facilitator included waking the children in the morning, making sure they were appropriately dressed including hats and sunscreen, table supervision during meal times, supervising a wide variety of activities, being on a rotating roster to sleep in the children's dormitories overnight, and most importantly to have fun!

The Portsea Camp offers a wide range of activities for the children to participate in, including arts and crafts for those that want to escape the heat, flying fox, giant swing and high

ropes for the thrill seekers, dancing and singing for the party goers along with snorkelling, fishing, canoeing and jetty jumping for the water babies.

The Portsea Camp is a fantastic way of meeting new people, stepping out of your comfort zone, and increasing awareness particularly with basic life skills.

Horsham Rural City Council looks forward to continuing our relationship with Portsea Camp for many years to come.

Australian Citizenship Ceremonies

Horsham Rural City Council is very proud and honoured to conduct Australian Citizenship Ceremonies on behalf of the Department of Immigration and Border Protection.

Citizenship ceremonies are special events and provide an important opportunity to officially welcome new citizens as full members of the Australian community. They are often an emotional experience for the new citizen, as well as their host and guests.

Horsham Rural City Council has introduced a new format to the Citizenship Ceremony program, making the experience of becoming a new Australian citizen a very special occasion. The new format includes singing of the Australian National Anthem by the Sing Australia Group at the conclusion of the ceremony.

During the 2013-2014 financial year, Council has conducted eight citizenship ceremonies to naturalise 73 candidates to become Australian citizens. The 73 candidates came from 11 different countries: Philippines, Pakistan, Myanmar, India, Thailand, Burma, New Zealand, Sri Lanka, Nigeria, Zimbabwe and Bangladesh.

A great place to live - vibrant, inclusive, welcoming...



Home Care and Meals on Wheels are important services delivered by Horsham Rural City Council.

Disability Access and Action Plan

Council's Disability Access and Action Plan, 2013-2016 was adopted on 15 July 2013. The Disability Access and Action Plan identifies goals and actions to reduce barriers created by attitudes, practices and structures, to ensure that all people can participate equally in the life of our community. The vision states that "everyone has a responsibility and role to play in enabling people of all abilities to fully participate in the life of the community". The plan contains 68 actions which are to be implemented over the life of the Plan. The following summarises some of the actions that have been taken over the last year to implement the Plan:

> **Goal One** – Social Connection (8 actions). Work has occurred in four areas including the 2013 celebrations of International Day for People with a Disability, funding for festivals and events, including the Art Is festival who partnered with the Awakenings Festival, to host the Festival Family Fun Day, and holding Council meetings in accessible venues.

> **Goal Two** – Information on Services (7 actions). Within this area, work has occurred in providing Council publications in different formats, promotion of Council news or events via print, radio and online formats, and research into an information directory on disability services.

> **Goal Three** – Education and Awareness (14 actions).

Work has occurred in eight of these actions, for instance, training has been offered for Council staff and other agencies in use of the National Relay Service. Council continues to participate in the Wimmera Disability Access Forum, protecting and promoting human rights is identified as a guiding principle in the Council Plan, and work is occurring by Rural Access Wimmera on an "Open for Business" project.

> **Goal Four** – Employment (5 actions). All position descriptions indicate that Council is an Equal Opportunity Employer.

> **Goal Five** – Built Environment (24 actions). Work has occurred in nine key areas including audits of Council owned public toilets in the municipality, installation of a lift at the Mibus centre, access audit training for building and outdoor staff, investigations into the establishment of, and seeking funding for, a Changing Places facility, investigations into options to improve the accessible change and hoist facilities at the Horsham Aquatic Centre, improvements to pedestrian crossings and access around the Wimmera Base Hospital, and supporting scooter safety awareness initiatives.

> **Goal Six** – Transport (6 actions). Public transport is an area that Council does not have a direct role in providing, but we continue to advocate for public transport improvements. Council continues to provide funding in its operating budget to improve bus shelters and continue to respond to any access issues identified at the Horsham aerodrome.

> **Goal Seven** – Housing and Living at Home (4 actions). Within this area Council continues to provide the home care and meals on wheels service.

Australia Day Celebrations

Every year on Australia Day we come together as a nation to celebrate the good things about Australia and being Australian. It provides us with an opportunity to reflect on what we have achieved and what we can be proud of in our great nation.

This year, Australia Day celebrations were held in Horsham, Natimuk and Dadswells Bridge.

Approximately 400 people attended Horsham's Australia Day celebrations at Sawyer Park where the 2014 Australia Day Awards were presented to:

- > Mr James Heard – Citizen Award
- > Mr Matthew Bray – Young Citizen Award
- > Wimmera Machinery Field Days – Community Event of the Year Award

Elder and member of the Barengi Gadjin Land Council, Jennifer Beer, presented a Welcome to Country. Horsham Rural City Council provided a free barbeque breakfast with assistance from the Combined Service Clubs of Horsham. Attendees were entertained by the Horsham Brass Band, Pipe Band, Sing Australia Choir and Horsham School of Dance.

An Australian children's story "There was an Old Lady that Swallowed a Mozzie" was read by Mary Dagleish from the Wimmera Regional Library Corporation, entertaining the children and adults alike.

Racing identity and Australia Day Ambassador, Tony Cavanagh gave the Australia Day address at Horsham and Natimuk. Tony is a man of many passions with an interesting and varied career, spanning several decades in the Racing Industry, Australian Art and the music industry.

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Australia Day Award Recipients: Andrew Bell, President Field Days Committee, James Heard, Matthew Bray and Murray Wilson, Manager Field Days Committee.





GOAL 2 SUSTAINING OUR ECONOMY AND ENVIRONMENT

Lead in sustainable development
and enhance the environment





Governor-General Sir Peter Cosgrove and Lady Lynne Cosgrove called into the Horsham PAWS charity shop during their visit to Horsham.

Animal Rehousing

Horsham Rural City Council has a strong commitment to animal rehousing ensuring more stray or surrendered animals are given a second chance at life as opposed to being euthanised.

Lost, abandoned and surrendered pets within the municipality are assessed for rehousing suitability, and if the criteria is met, are de-sexed, micro chipped, vaccinated, wormed and registered.

In recent years, Council has partnered with Horsham PAWS (People for Animal Welfare and Support), a community based association, and works collaboratively to establish good rehousing and promote responsible pet ownership within the municipality. Council has also entered into a formal agreement with Horsham PAWS members, to enable the fostering of cats and dogs awaiting adoption.

In 2012, Council agreed to lease one of their shop fronts in the central business district to Horsham PAWS where a charity shop was set up to promote and support the welfare of companion animals in the community. Part of the fundraising from this initiative has been donated to Council for the past two years with \$15,390 (plus rent) donated during this financial year towards Council's rehousing program.

These funds, along with a contribution from Council helped to rehouse 69 dogs and 173 cats in the 2013-2014 financial year.

The success of the rehousing program is a wonderful joint effort, not only between Council and Horsham PAWS, but with local company PETstock who arrange showing days for animals awaiting adoption. Social media, specifically Facebook, has also accelerated rehousing with many animals being adopted by families not only from the Horsham municipality but Victoria wide.



69 dogs and 173 cats were rehoused this year.

The Grampians Northern Complex Fire

Lightning strikes in the Grampians National Park on 15 January 2014 ignited more than 14 fires in the Wimmera Fire District, with several of these fires joining into one large fire, impacting on the communities of Wartook, Roses Gap, Brimpaen, Laharum, St Helens Plains and Dadswells Bridge. This fire, known as the Grampians Northern Complex Fire burnt over 55,000 hectares of land and had a significant impact on our municipality and the Northern Grampians Shire.

Over 135 structures were lost in the areas of Wartook, Brimpaen, Laharum, Dadswells Bridge and St Helens Plains, including 32 dwellings, 19 of which were primary places of residence. The fire burnt through many farms with extensive damage to paddocks, fences and stock. Council acknowledges those that have experienced significant loss to their home, business or livelihood during the fire. The fire had a significant impact on local businesses with 29 tourism, accommodation and intensive agricultural enterprises in fire affected area and many more in the surrounding area. Sadly, the fire resulted in the loss of a member of our community. On behalf of Council, we offer our sympathy to the many people saddened by the loss of Barbara Pleasance.

At its peak, there were over 500 personnel from the Department of Environment and Primary Industries, Parks Victoria, Country Fire Authority, Local Government, Victoria Police, Ambulance Victoria, Vic Roads, Telstra, Powercor, GWMWater, Department of Human Services, State Emergency Services, Wimmera UnitingCare and health service agencies working together to protect our communities. There were 81 tankers, 38 slip-on units, seven dozers, four fixed wing aircraft, six helicopters, graders, excavators and support vehicles, with over 1,500 meals being provided to our fire fighters each day.

We congratulate the staff and volunteers of all our emergency service agencies for the efficient manner in which they carried out their duties during the fire. We also acknowledge the efforts of our own Council staff. Staff worked hard on graders and water trucks, filling water tankers, creating fire breaks, tree clearances and road closures. Our staff also supported the Municipal Emergency Control Centre and Relief and Recovery Centre operations to ensure that these services ran as smoothly as possible.

Council's focus over the past five months has been on the recovery process. The recovery effort to date has truly been a combined community and agency recovery, with considerable support from service clubs, the Red Cross, local community groups, the Laharum Primary School, BlazeAid volunteers and residents from the fire affected area and beyond, as well as agencies including Wimmera UnitingCare, Department of Human Services and the emergency services.

Initially in the recovery, Council's efforts focused on helping residents return to their properties assisting, with Wimmera UnitingCare, in finding temporary housing for those who lost homes, making roads safe and reopening roads so people could return home, assessing the safety of homes and structures, clearing trees from fence lines, assisting with stock disposal, placing skip bins in areas to assist with disposal of waste materials and extending the operating hours of the Mt Zero waste transfer station. The co-ordination of hay, agistment and other donations was also extremely well managed by local farmers and farming organisations such as the Victorian Farmers Federation. Council co-ordinated a Recovery Centre initially in Horsham and later at Laharum Hall, staffed by representatives from Horsham Rural City Council, Department of Human Services and Wimmera UnitingCare. This centre provided services to affected residents and was a central point to help identify community needs.

There have been many events held within the area including barbeques, morning teas, film nights, working bees, speakers and music events, all aimed at providing an opportunity for people to come together to share their experiences and feelings.

Helping tourism businesses and working with groups such as the Wartook Promotions Group and Grampians Tourism has been a key part of the recovery process.

Council worked closely with the Desert Frinj Waste Management Group who have co-ordinated the pickup of metal and fencing material from properties. Proceeds from these activities were distributed to the three local fire brigades – Brimpaen, Dadswells Bridge and Laharum and also to BlazeAid. Wimmera UnitingCare co-ordinated a Bushfire Appeal and the proceeds have been distributed to affected families.

Council has appointed a Fire Recovery Officer who will continue to work with the communities in our municipality and those within Northern Grampians Shire.



The Grampians Northern Complex Fire burnt over 55,000 hectares of land destroying 135 structures and significant damage to paddocks, fences and stock.

The Incident Control Centre's Public Information Team – Tanya Barnes, Jenny McGennisken, Robyn Hobbs and Christine Dudley with Denis Naphine, Premier of Victoria, during the Grampians Northern Complex Fire.





Above: Blaze Aid volunteers cleared 214 kilometres of fences, completed 174 kilometres of fences and worked on 69 properties after the Grampians Northern Complex Fire.

Left: Governor of Victoria, the Hon Alex Chernov AC QC and Mrs Elizabeth Chernov meet with representatives from BlazeAid.

> BlazeAid

BlazeAid is a volunteer-based organisation that works with families and individuals in rural Australia after natural disasters. Volunteers work alongside rural families helping to rebuild fences that have been damaged or destroyed. In the 79 days that BlazeAid volunteers worked in the area, 214 kilometres of fences were cleared, 174 kilometres of fences completed and 69 properties worked on. In total, 308 volunteers worked through the camp and 2,462 meals were served and prepared by locals. This outstanding effort has played a critical role in both physical and social recovery. At the conclusion of their time in the area, Council hosted a Civic Reception for BlazeAid volunteers and the local organisations and service clubs that supported their stay with volunteer assistance and catering.

Impact summary:

- > 55,000 ha in total - 6,000 ha+ private land impacted
- > Over 150 properties affected
- > Over 135 structures affected (including Northern Grampians Shire) - 43 building orders in Horsham Rural City Council (most now completed)
- > 32 dwellings – 19 in total - 16 primary residences lost (in Horsham Rural City Council)
- > Loss of one community member
- > 38 tourism, accommodation and intensive agricultural enterprises – 29 in fire affected area, 9 surrounding area
- > Impact on wildlife, Grampians National Park and visitor facilities
- > Over 5,000 sheep dead, 2,000 hectares of pasture, 400 tonnes of hay/silage
- > Approximately 320 kilometres of fencing
- > 109 hectares of olives affected
- > Native flower farms

Victorian Tidy Towns Sustainable Community Awards

The Keep Australia Beautiful Victoria Tidy Towns Sustainable Communities Awards recognise positive actions taken by communities in rural and regional areas to protect and enhance their local environments. They encompass initiatives as diverse as litter prevention, recycling, protection of the environment, preserving heritage, community action and leadership and environmental sustainability programs.

Horsham has had ongoing successes at these awards over many years and we are the only Victorian town to win the Tidy Town of the Year award five times.

Six Horsham-based entries were finalists in this year's Victorian Tidy Towns Sustainable Communities awards, with the winners announced at a major awards event in Wycheproof in October.

The Green Lake Foreshore Committee won the Clean Beach Award for their "Let the Clean Up Begin" project. The committee organised working bees at the lake to clean debris including pine tree branches, which had built up during the drought.

Wimmera Health Care Group won the Resource Recovery and Waste Management award for their "Blue Frog" initiative, which encourages people to recycle and save power.

The Horsham Tidy Towns committee received a high commendation for its "Don't Rubbish Horsham" litter prevention campaign.

The Haven Recreation Reserve Committee was a finalist in the Community Partnerships category, the Horsham Skate Park development a finalist in the Young Leaders award, and Yurunga Brush a finalist in the Cultural Heritage category.

Congratulations to the Tidy Towns committee and our award winners on their continued success at these prestigious award.

Peter Brown, Chief Executive, shows off the Nujiang display at the Horsham and Grampians Visitor Information Centre.

Horsham and Grampians Visitor Information Centre

The Horsham and Grampians Visitor Information Centre is located centrally in Horsham at 20 O'Callaghan's Parade. The centre is open from 9 am to 5 pm seven days a week (excluding Christmas Day). A full-time co-ordinator and three part-time administration staff are employed at the centre and they are supported by a dedicated team of 16 volunteers.

The Visitor Information Centre provides a comprehensive range of up-to-date information on Tourism Victoria and South Australia products, especially in relation to the Wimmera region. A booking service for local accommodation providers and internet access is available. They also stock a large range of products for sale including local produce, books, maps and souvenirs at reasonable prices.

A recent new addition to the centre is an interactive display on Nujiang Lisu Autonomous Prefecture. Horsham Rural City Council has a Sister City Friendship Agreement with Nujiang, one of eight autonomous prefectures in the Yunnan Province in south-west China (see page 48). The display includes videos, books, images and flyers containing colourful images of Nujiang's unique culture and natural environment.

In 2013-2014, assistance was provided to 14,994 walk in visitors, 1,723 phone calls and 505 email enquires to the Horsham and Grampians Visitor Information Centre.



Regional Victoria Living Expo

Horsham Rural City Council was represented at the Regional Victoria Living Expo at the Melbourne Convention Centre from 11 to 13 April 2014. This is the third year Council has participated at the expo.

The Regional Victoria Living Expo was introduced in 2011 by the former State Government as a core component of their Regional Victoria Marketing Campaign, designed to entice Melbournians to relocate to regional Victoria. Council received a grant from the Victorian State Government to participate.

Approximately 147 exhibitors, including all 48 regional Councils, participated in the event, which is free for the general public to attend. Horsham Rural City Council provided two case studies of families that have moved to the municipality after attending earlier expo events, and these case studies were used as part of the media campaign, through radio, television and press promoting the event.

There was a record crowd of 9,638 attending across the three days at this year's event. Once again, the expo had a mixture of genuine people looking for a better lifestyle in regional Victoria, skilled migrants keen to move to the country and some people looking for information to help plan their next holiday.

During the Regional Victoria Living Expo, 62 active enquiries were logged from a broad range of people looking to move to our area. Since the expo, a number of families have visited Horsham looking at relocating to the Wimmera.

Digital Community Strategy

In 2013, Horsham Rural City Council adopted a Digital Community Strategy. The purpose of the Digital Community Strategy is to ensure that all members of the community have the opportunity to engage with technology if they wish to do so. The strategy contains a number of objectives to create a digitally inclusive community, taking into consideration the following key factors:

- > Access – barriers to internet connection due to availability or cost
- > Equipment – barriers in access to modern equipment at a suitable cost
- > Skill – improving capacity of community members to use equipment
- > Attitude – overcoming fear and mistrust of digital services

As the first step in implementing the Digital Community Strategy, it is proposed to offer free community Wi-Fi in a number of public open spaces in Horsham's central business district and Council will invite expressions of interest for the design, supply, training, documentation and implementation of an Enterprise Public Wi-Fi system in July/August 2014.

Provision of free Wi-Fi in public open spaces will allow visitors and locals to instantly check emails and log into their Facebook, Twitter and Instagram accounts and post photos and comments about our city. Most international tourists do not have 3G coverage, and access to free Wi-Fi will enable them to Facebook, Tweet, Instagram and email their experience in the Wimmera to the world.

There are a number of other key strategies contained in the Digital Community Strategy which will be further explored during the coming year.



Colin Kemp, Rachel Hateley and Peter Brown at the Regional Victoria Living Expo in Melbourne.

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The new Solar collectors at the Horsham Caravan Park.

Sustainable Living Horsham Caravan Park Solar Hot Water

Council has installed eight solar collectors on two new villas and the main amenities block at the Horsham Caravan Park, saving up to 75% in energy usage costs.

This project was made possible with funding through the Department of Industry's Local Government Energy Efficiency Grant.

According to the Australian Government, water heating is the largest single source of greenhouse gas emissions from the average Australian home, accounting for around 28% of home energy use, excluding the family car.

With solar hot water, Council will not only save money, but also help the environment.



GOAL 3 MAINTAINING OUR ASSETS

Meet community and service needs through provision and maintenance of infrastructure

Horsham Rural City Council Maintains 173.2 kilometres of footpaths throughout the municipality.



Roadworks

Horsham Rural City Council services 2,974 kilometres of roads. Of these roads, 946 kilometres are sealed roads and 947 kilometres are unsealed roads.

Below is a description of roadworks completed in 2013-2014.

Work Description	LENGTH (kilometres)	AREA (square metres)
Road construction New Urban	-	-
Road construction New Rural	1.35	10,000
Road reconstruction Urban	0.99	8,567
Road reconstruction Rural	6.18	54,270
New sealed road construction subdivisions	0.59	4,778
Rural reseals	28.28	149,251
Urban reseals	6.35	51,355
Sealed road shoulder re-sheeting	14.50	29,000
Gravel road re-sheeting	43.80	192,600
Footpaths new	1.00	1,396
Footpaths Renew	1.12	2,200
Kerb and channels new	0.99	
Kerbs and channels renew	2.378	
Bridge and Major Culverts		
4 cell 1,650 dia culvert at Polkemmet Road	1.00	
3 cell 1,650 dia culvert at Polkemmet Road	1.00	
1,200x900 box at Barrs Road	1.00	
2x1,200x900 box culverts in Plush Hannans Road	1.00	

Capital Works

This year, Horsham Rural City Council spent \$11,103,000 on capital works throughout the municipality.

The table below provides details of some of the capital works projects that Council funded during 2013-2014.

	Amount (\$)
Road Construction	
> Horsham	999,696
> Rural	2,767,185
> Country Roads and Bridges Program	1,202,390
> Roads to Recovery	1,263,661
Horsham Regional Livestock Exchange Loading Ramps	77,194
Kindergarten Refurbishments	188,558
Flood Recovery	
> Roads	102,000
> Buildings	311,306
> Environment and Recreation	178,828
Other Works (including plant purchases and works in progress)	4,012,182
Total	\$11,103,000

Waste Management - Landfill

Landfills are an important part of Victoria's waste management infrastructure. Choosing appropriate sites, the ongoing supervision of the landfill, and finally, rehabilitation of the land, requires a high level of design, management, and funding to ensure that the environment is protected and community aspirations are met.

Whilst recycling is the preferred option for waste, landfills are still required to manage those wastes that cannot be practically removed from the waste stream.

As part of their approach to training new and existing staff in the waste management procedures, Horsham Rural City Council conducts tours of the current landfill site showing the processes that occur for storage of putrescible waste and land rehabilitation.

Each putrescible waste hole (cell) takes many years from its inception to rehabilitation and involves leasing land from farmers, building the cell, running operations, maintenance and equipment. With each new cell costing \$1 million just to build the hole, let alone other costs, managing waste is expensive.

Council's current putrescible waste hole will hold 54,000 cubic metres of waste. It will be filled within 18 months to 2 years, at which time, rehabilitation of the land occurs.

Each load of waste taken to landfill is covered with 300mm of sandstone, helping to combat rodents and the spread of waste.

Once landfill is ready for rehabilitation, the area is covered with a further 500mm of clay, 700mm of sandstone, and a further 500mm of top soil, ensuring the land is restored to its original condition for cropping or tree planting.



Road Management Plan

The Road Management Plan is a document which describes the maintenance systems in place for the safety of the travelling public.

Key parts of the plans include:

- > A system for inspection of roads, footpaths and related assets at intervals that take into account the relative priority of different classes of roads
- > The standards which define when defects are to be repaired
- > The time in which repair is to be made

Council's first Road Management Plan was completed in 2005, and an update was finalised in February 2014. The outcome of the Road Management Plan will not generally result in any change or reduction in the maintenance level of roads, as the level of service being applied previously was deemed to be appropriate.

It is important to note that the Road Management Plan does not address the construction standards of roads. Across the municipality there are often calls for certain roads to be upgraded, and this is constrained by the amount of funding available. Instead, the purpose of the Road Management Plan is to ensure that roads are maintained to a level reflecting their standard of construction.

Public Conveniences

Horsham Rural City Council maintains 27 public conveniences throughout the municipality. During 2013-2014, the following improvement works were undertaken:

- > Bennett Road – internal and external painting, new door jams fitted and minor plumbing works
- > Dudley Cornell Park – pipe works replaced due to vandalism
- > Roberts Avenue – skylights installed
- > May Park – lift off hinges installed and associated works undertaken to make facilities more accessible
- > Skate Park – sensor lights installed
- > Cemetery – wall painted to cover graffiti
- > Police Paddock – new toilet ordered to replace toilet that was burnt – due to arrive by September 2014

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The Dooen Landfill –
15,982 tonnes of household
waste was collected from 8,405
residential and 220 commercial
properties this year.





GOAL 4 GOVERNANCE AND BUSINESS EXCELLENCE

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



Strengthening our Relationship with China

Nujiang

During the past 12 months there have been some significant developments with Nujiang Lisu Autonomous Prefecture, our Chinese Sister City. Nujiang is situated in the north west area of Yunnan Province.

In October 2013, a delegation from Horsham travelled to China to facilitate an agreement between Horsham College and the Nujiang National Middle School to commence a cultural education exchange program between the two schools. Horsham Rural City Council was represented by Cr David and Mrs Jenny Grimble (Mayor and Mayoress) and Mr Peter Brown (Chief Executive), whilst Horsham College was represented by Mr Frank Spiel (Principal) and Ms Brandi Galpin (Leading Teacher).

During the visit, formal agreement was reached that annual reciprocal visits by students from years 9 and/or 10 would commence in 2014. The first group of 10 students from Horsham College will visit China for two weeks from 12 to 26 September 2014. The students will spend one week at the Nujiang National Middle School, where they will attend classes and stay with host families organised by the school. The remainder of their trip will be spent sightseeing in Dali, Liuku, Lijiang, Xian and Beijing. Horsham College will welcome students from Nujiang National Middle School in February/March 2015.

During the Nujiang visit, our delegation was able to provide information on the Grampians National Park, written in Mandarin. This information is on display and will hopefully attract Chinese visitors to our region. Council has also set up an interactive display of Nujiang's unique natural environment in the Horsham and Grampians Visitor Information Centre (see page 40).

Lijiang

An Agreement for Co-operation to run an Agricultural Education Exchange Program between Longerenong College and Lijiang Teachers College in Yunnan Province was signed in May 2014. Lijiang Prefecture is situated in the north-west of China's Yunnan Province.

The Agricultural Education Exchange Program will be similar to the Cultural Education Exchange Program established between Horsham College and Nujiang National Middle School. It is expected that this program will commence in 2015.

Social Media

Horsham Rural City Council is entering into a new level of community engagement with the expansion into social networking. Social media has fast become one of the most popular ways to communicate, not just with our youth, but across all age groups.

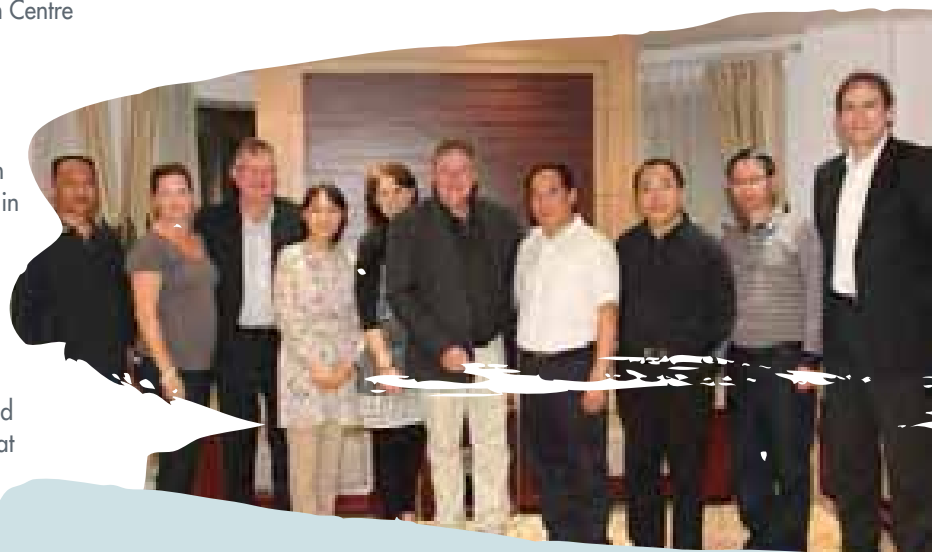
In 2013, Council formally launched a Facebook page as another way to communicate and connect with their community, and in 2014 added Twitter and Pinterest to their social media platforms.

Council now uses social media channels as a means of providing information to the community on events, services, initiatives, and emergency management, whilst continuing to provide information by traditional means.

Horsham Rural City Council will continue to take an innovative approach to social media.



The Horsham Rural City Council Facebook page is proving to be a popular communication tool.



Representatives from Horsham Rural City Council and Horsham College travelled to China to facilitate an agreement between Horsham College and Nujiang National Middle School in October.

Governor-General's Visit

On Wednesday 23 April 2014, we welcomed Governor-General Sir Peter Cosgrove and Lady Lynne Cosgrove to our municipality. It was one of the Governor-General's first engagements since being sworn into the role in March.

They visited the communities of Laharum and Wartook, where they talked to locals and witnessed the devastation of the Grampians Northern Complex Fire first-hand. The Governor-General also addressed a crowd at Horsham RSL, toured Axis Worx, University of the Third Age and the Horsham Regional Livestock Exchange, visited the cenotaph and made a surprise visit to some shops in the central business district.

We appreciate Sir Peter and Lady Lynne Cosgrove taking time out of their busy schedules to visit our municipality to show their support at a very hectic time, just two days before ANZAC Day and during the Royal Tour.



Governor-General Sir Peter Cosgrove, Mayoress, Jenny Grumble, Lady Lynne Cosgrove and Mayor, David Grumble at Wartook.



Horsham Rural City Council will continue to lobby for improved rail freight and passenger services for the region.

Advocacy

There are 15 key advocacy issues listed in the Council Plan. We have continued to work hard on these issues on behalf of the Horsham and the wider Wimmera and Southern Mallee communities over the past year.

Council has advocated for the retention of recreational lakes with the purpose of securing water based recreational opportunities. Green Lake has now been included in GWMWater's draft bulk water entitlement plan, a very pleasing result.

The rebuilding of Horsham College has been our most important local advocacy issue over the last few years, and every opportunity has been taken to raise this matter with visiting Ministers and Senior Public Servants from the State Government and Members of the Opposition. Council is pleased to note that an allocation of \$10 million for Horsham College has been made in the 2014-2015 Victorian State Budget. These funds will cover the cost of stage one of this \$20 million project.

Council believes there is significant potential for rail passenger services connecting a shuttle service from the Wimmera to connect with the Ararat to Melbourne service. A funding application supported by eight regional Councils has been submitted to conduct a study into rail passenger services to Western Victoria.

Through the Wimmera Development Association, we have worked actively to promote regional issues such as better weather forecasting, duplication of the Western Highway to Stawell and improved mobile phone coverage across the region. These issues have been raised through the Australian Local Government Association in Canberra and to appropriate Commonwealth and State Government Ministers and Members of the Opposition.

Staff profile

Full Time	Number of Staff	EFT
Male	113	113
Female	36	36
Part Time	Number of Staff	EFT
Male	7	3.09
Female	97	46.23
Total	253	198.32

25 Years Service

This year Council acknowledged three staff who had completed 25 years of service with either a gold watch or a donation to their chosen charity. This year's recipients were:

Shirley Brown – Planning & Economic Department

Shirley first started with Horsham City Council on 12 September 1988 as an Inspectorial Receptionist Typist and on 30 August 1995 (amalgamation) was appointed Executive Assistant for the Planning and Economic Development Department. Shirley maintains a strong interest in the Building Department and has a wealth of experience she brings to that area.

Denise Lawson – Home Care

Denise commenced with Horsham City Council in 1988.

Denise is a consistent worker and still has clients who, when they initially came to the Home Care service, became Denise's clients and still are today. Denise is a dedicated employee who cares for her clients and their needs.

Catheryn Allen – Records Department

Catheryn is a committed and dedicated employee who effectively and efficiently manages the Records Department providing a solid base to the organisation's corporate activities.

The number and complexity of Freedom of Information requests to Council have increased greatly in recent years and Catheryn handles these often difficult requests with professionalism and good judgement.

We sincerely thank Shirley, Denise and Catheryn for their important contribution to Council over the past 25 years.

Staff Awards

In early 2013, Council launched a monthly Staff Excellence Award scheme to reward staff who have gone above and beyond in their day-to-day job. Awardees are nominated by their co-workers. The purpose of the program is to recognise outstanding full-time, part-time and casual staff who embody Council's standards for excellence and customer service based on values including collaboration, accountability, responsiveness and efficiency.

In addition to these values, the awards recognise those employees who show exemplary individual achievement, contribution, and performance in their jobs and other related duties beyond their own, in an effort to make the workplace more efficient and welcoming to co-workers and customers.

Council also seeks to acknowledge those whose efforts have inspired and supported the performance and achievement of others.

During the past year, the following people have been presented with staff awards.

Month	Name	Department
July 2013	Michael Mackley	Operations
August 2013	Karen Telfer	Rates
September 2013	Rob Miles	Building
October 2013	Kaylee Scott	Depot
November 2013	Chris McClure	Tourism
December 2013	Christine O'Conner	Corporate Services
February 2014	Mark Schirmer	Waste Management
March 2014	Lynne Dale	Aged & Disability
April 2014	Kirsten Miller	Planning
May 2014	Mal Carter	Waste Management
June 2014	Fiona O'Brien	Governance & Communications

Workplace Health and Safety Recognition Awards

These awards acknowledge a staff member or team for positive and safe behaviours in conducting their business for Horsham Rural City Council. The following awards were presented by the Executive Management Group in 2013-2014:

- > Workshop Team - Andrew Shultz, Tim Winfield, Tyson Osborne, Warren Kennedy, Kevin Ball, Geoff Maxfield for their support during the Grampians Northern Complex Fire.
- > Rod Boyd and David Puls for their quick response to a safety incident in Darlot Street, Horsham.
- > Wendy Davies for her work in gaining a new emergency evacuation PA sound system for the Civic Centre.

Mayor's Christmas Party Awards

Community Services Outstanding Achievement Award

This award was presented to Sally Pymer, Community Development Worker, in recognition of her contribution as an active member of the Community and Cultural Development Team and the broader Community Services Department, along with her involvement in projects including Youth Matters, Walk to School and Graffiti Prevention – a project at the Skate Park.

During the year, Sally was also involved in the development of the Health and Wellbeing Plan, the Horsham Community Plan, the Arapiles bike trail interpretive signage, brochure and website and the Skate Park competition. Sally contributes to broader Council initiatives such as the Wimmera Machinery Field Days display and Volunteer Day celebrations.

Open communication, following things through, timeliness and working as a team, are some of the values and behaviours that Sally displays regularly.

Sally is enthusiastic and willing to give things a go, including wearing a gorilla suit to promote the Horsham Community Plan and a large Mad Hatter's hat to encourage young people to complete the Youth Matters survey.

Corporate Services Outstanding Achievement Award

This award was presented to Vincent Liao in recognition of the excellent work and helpful and friendly way in which he does his job as ICT Co-ordinator with Council. Since he commenced in September 2012, Vincent has worked extremely hard and done a great job to gain an excellent understanding of the technical aspects of Councils' systems, however, it is the way Vincent interacts with both internal and external customers of Council that impresses most. At all times he is friendly, helpful, open, approachable and obliging. Vincent is an excellent role model for his team. He has interactions with staff across all areas of Council and will always do his best to respond to all requests.

Cross Functional Team Award

This award was presented to the Immunisation Team – Luke Mitton, Melanie Wade, Carolyn Baird, Virginia Butcher, Judy Harrington, Jennifer Wilcox, Brooke Delahunty, Julie-Anne McCauley, Shirley Brown and Catheryn Allen. The Immunisation Team achieved the highest immunisation coverage rate in eligible LGAs in Victoria in infants 12

to <15 months (98.55%), and the second highest overall immunisation rate in Victoria (81.79%), a very impressive result compared to the average rate of 42.47%. The team also now delivers staff immunisations against Hepatitis B, Diphtheria and Tetanus as well as influenza.

Planning and Promotion Services Outstanding Achievement Award

This award was presented to Adam Moar, Statutory Planning Officer, in recognition of the professional, consistent and thoughtful way in which he goes about his role as a Statutory Planner with Council, together with his excellent working relationships with customers, Council and staff. The Planning Department had a significant change of personnel and structure during the year and Adam acquitted himself very well to this, contributing greatly to achieve high service standards. This is reflected in State Government activity reporting which reveals that Horsham Rural City Council has exceeded both Rural and Regional City performance levels. Adam's friendly and obliging approach is appreciated by his colleagues and customers.

Ian Maria Customer Service Award

This award honours the memory of the late Ian Maria, Cadet Building Inspector, who passed away suddenly in January 2012. Ian was well known and highly regarded within the organisation and the community for his professionalism, enthusiasm and commitment to duties. He prided himself on attention-to-detail and responsive customer service. This award is made annually in memory of Ian and to promote the admirable manner in which he served the Horsham Rural City Council and its customers.

This year, the Ian Maria Customer Service Award was presented to Keith Emerson, Infrastructure Services Supervisor. Keith provides excellent interaction with all customers, internal and external. He shows a very professional image, is most helpful to all people, and has a winning way with the people comes in contact with.

Robert (Rob) Jory Operations Depot Staff Employee of the Year

This award honours the memory of the late Mr Robert Jory, Council's Operations and Services Engineer from 1996 to 2006. The award is made to a staff member who has shown exemplary performance in work ethics of: pride, corporate image, customer service, leadership, attitude, initiative, reliability, teamwork and workplace safety. This year, the Robert Jory award was presented to Chris Mackley, Sweeper Operator.

These colourful poles, designed by students from Horsham College and Horsham Primary School Rassmussen Road Campus, were launched at the North Foundary Park this year.

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REPORTING

Local Government Performance Reporting Framework

Effective reporting by Councils, on the spending of public money to deliver services and infrastructure, is essential for ensuring transparency and accountability to the community and other levels of government.

To strengthen transparency, remove duplication and modernise existing practices, The Victorian Government made a number of changes to the planning and reporting requirements for Local Government resulting in *The Local Government Amendment (Performance Reporting and Accountability) Act 2014* (the Act). The Act was given Royal Assent on 11 February 2014 and sets out the new financial planning and reporting framework for Local Government, commencing in the 2014-2015 financial year.

As part of these changes, a new Performance Reporting Framework has been created after wide-ranging consultation was undertaken with over 1,000 participants including mayors, councillors, senior staff and other relevant stakeholders.

Horsham Rural City Council was involved in the consultation, completing the year-long pilot scheme as well as attending Local Government workshops.

Features of the new framework include:

- > **Comprehensive picture of performance:** a combination of financial and non-financial output and outcome indicators will be used to measure effectiveness and efficiency.
- > **Meaningful comparisons and benchmarking:** a standardised set of indicators will be used.
- > **Proven conceptual framework:** performance indicators and measures are underpinned by a robust model, which also has the capacity for progressive refinements.
- > **Independent audit:** the Victorian Auditor-General will issue an audit opinion on the performance statement.
- > **Identified performance trends:** historical, actual and forecast results can be monitored.
- > **Tailored reporting:** each Council will be required to include a narrative about the municipal characteristics and explanation of results.

Although a comprehensive range of service areas were initially considered, through the pilot and consultation process, the service areas were refined to 11 common Local Government services.

- > Governance
- > Statutory Planning
- > Economic Development
- > Roads
- > Libraries
- > Waste Collection
- > Aquatic Facilities
- > Food Safety
- > Animal Management
- > Home and Community Care
- > Maternal and Child Health

Horsham Rural City Council looks forward to reporting on these common Local Government services in 2015.



Students from Ss Michael and John's Primary School learn about Council during a tour of the Council Chambers.

The Horsham Regional Livestock Exchange is the fourth largest in Victoria. The exchange had a throughout of 565,167 sheep and 1,556 cattle this year.



REVIEWS

Rates Review

Council has undertaken an extensive review of its rating strategy during 2013-2014. The review looked in depth at the various elements of its current rating package with the objective being to consider ways in which these could be varied to “more equitably and efficiently distribute the rates burden in the municipality”. As part of the review, Council looked at its services to determine if they should be funded by specific charges or through rates. Most services were considered as part of the rates, as they were identified as public services which provide a broad benefit to the community, rather than a particular benefit to individuals or groups. As such, it is difficult or impractical to exclude non-payers from the benefits, or to attribute costs. Council’s only specific charge is for the garbage collection service, in which the revenue from charges for household garbage services are set to meet the total cost of all waste services, including collection, treatment and disposal. At the same time, small scale services, or those where it would be difficult to attribute costs or collect fees, have been funded through rates. Council also undertook extensive modelling analysis to look at alternative rating structures and what the impacts may be for all sectors within the community.

The final Rates Strategy adopted, balances the need to fund the various Council services available to ratepayers, with the need to consider equity in the levying of rates and services provided. During the review, Council was careful to consider the key equity principles applicable to consideration of taxation matters, horizontal equity, vertical equity, the benefit principle, capacity to pay and simplicity. Council also gave consideration to the 2013 Ministerial Guidelines for the Use of Differential Rates. The final strategy sees rates that are levied based on property capital improved values, with consideration of a differential for the farming sector (this was increased from 10% to 20%), a flat municipal charge, and user charges for garbage services. Council called for submissions from the public at various stages during the review, and submissions received through the process were considered in the drafting of the final strategy, as was the 2014 Revaluation information.

Council’s final adopted Rating Strategy balances the need to maintain stability in the rate burden with the key equity principles, and Council’s overall objective, to be more equitable and efficient in the distribution of the rates burden.

Section 86 Committees Review

Council has undertaken a review of its Section 86 Committees to make recommendations as to preferred governance arrangements, and to update the current Instruments of Delegation. The review was in response to the Local Government Investigations and Compliance Inspectorate audit in January 2012, which found some areas of non-compliance by committees not having appropriate administrative processes in place, and also suggesting that Council had too many Section 86 Committees.

A Review Committee was established that looked at the functions and objectives of each committee and has made recommendations to Council as to a preferred governance structure moving forward.

The next stage to be completed in 2015-2016, is to engage with each committee and explain the obligations associated with being a Section 86 Special Committee, discuss alternative governance arrangements, make plans to transition to those arrangements where necessary, and establish appropriate agreements.

To assist with improved governance of all Section 86 Committees, a Resource Manual has been produced and a Council Policy – “Agreements for use of Council Facilities” developed. The policy provides general directions to follow in establishing or renewing agreements and the guiding principles to be used when determining appropriate charges. The Resource Manual guides Section 86 Committees in their day-to-day operations, and provides them with resources and tools to operate effectively.

Council values and requires the engagement of community groups in the day-to-day management of community facilities. Throughout the review process it recognises the enormous effort that volunteers put in to assist in the running of the community and every effort is made to keep them engaged in this valuable work. This, however, needs to be balanced with good risk management, compliance and minimisation of red tape.

AUDIT COMMITTEE

Role

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

Responsibilities

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

Key responsibilities of the Audit Committee include a range of functional areas:

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

Composition

- > Chair/independent member – Geoff Price
- > Independent members – Roy Henwood, Robin Webb (until 12/09/13) and Pina Walls (from 20/03/14)
- > Council representatives – Cr David Grimble, Cr Sue Exell

Ex-officio members -

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

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

Internal Audit

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

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

- > Building Maintenance - Essential Safety Measures (ESM)
- > IT Data Management and System Security Review

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

External Audit

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



Aged and Disability Services Audit

In February 2014, the Community Care Common Standards (CCCS) Review (Audit) took place for all Home and Community Care (HACC) services. This review looked at Council's governance processes, the processes of the HACC Living at Home Assessments/Service Specific Assessment and Review Assessments, and the evidence of the client directed services with goals. Further, the audit checked that clients have signed off consent for services and that all staff and volunteers have been police checked.

The CCCS was an opportunity to review our service with the contracted agency, Australian Healthcare Associates, with the final report highlighting a number of improvements and opportunities which are currently being processed. The next review will take place in three years.

The CCCS Audit was followed with a review of the Active Service Model and finally by the reassessment of the HACC Diversity Plan 2012-2015.

The goal of the Active Service Model is for people in the HACC target group to live in the community as independently and autonomously as possible, therefore the review of our work practices surrounding the process of reablement of clients was a priority.

The priorities to review in the HACC Diversity Plan 2012-2015 were aligned with the State priorities of the Victorian Department of Health Diversity Plan. The Diversity Plan priorities surround Dementia, Mental Health, Aboriginal and Torres Strait Islanders, Rural Remote clients, the financially disadvantaged, the Cultural and Linguistically Diverse, and Access Barriers for Special Needs Groups.

Moving forward, the HACC Program is going through changes that will impact on all persons over 65 year in the next few years, with funding being transitioned back to the Commonwealth on 1 July 2015. Horsham Rural City Council are to receive funding for the three years following 1 July 2015, and are currently working with the Municipal Association of Victoria to try to maintain the strengths in training, planning and supporting persons who are eligible for the HACC program, that Victoria is known for.

RISK MANAGEMENT

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

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

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

Council's Risk Management Strategy for 2014-2015 demonstrates the commitment to risk management, and to foster a continuous improvement philosophy to risk analysis and statistical reporting. The key strategies for risk management are to further embed a culture of risk management at both the strategic and operational level.

Our level of risk maturity continues to develop and over the last 12 months Council has further monitored and implemented risk management in its activities and business processes.

Outcomes achieved include:

- Risk Management Committee Meetings Conducted – Four (August 2013, November 2013, March 2014 and May 2014)
- Risk Management Committee merged with Executive Management Group – August 2013
- Risk Management Strategy Reviewed – May 2014
- Definition of Risk Appetite Statement Reviewed – May 2014
- Business Continuity Plan Reviewed – June 2014
- Business Continuity Policy developed – June 2014
- Trialling of new CAMBRON Risk Management System – June 2014
- Introduction of a new Risk Management system will provide further refinements and analysis of Risk Management reporting which will continue to strengthen the management of risk at Horsham Rural City Council.

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Councillors and senior officers toured SCT Logistics in Melbourne this year to learn more about how they move freight around the country.

COMPETITIVE TENDERING

In 2013-2014, Council submitted 36 projects to competitive tender to a total value of \$26,775,645.23. Twenty four (24) annual supply tenders were let equating to an annual spend for these contracts of \$5,005,487.

An additional 51 quotations were sought for procurement of works, goods or services in compliance with Council's Procurement Policy and obligations under Section 186 of the *Local Government Act 1989*, totalling \$1,002,247.31.

Combined competitive procurement for this financial year is \$32,783,379.

ORGANISATIONAL PLANS, POLICIES AND STRATEGIES

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

- > Agreements for the Use of Council Facilities or Land Policy
- > Business Continuity Plan
- > Central Activities District Strategy
- > Code of Conduct
- > Community Development Grants Policy
- > Community Donations Policy
- > Council Plan
- > Council Procurement Card Use Policy
- > Councillor Expense Reimbursement and Support Policy
- > Digital Community Strategy
- > Disability Access and Action Plan
- > Domestic Animal Management Plan
- > Employment-Related Staff Expenses and Reimbursement Policy
- > Framework for Managing Growth
- > Fraud and Corruption Control Policy
- > Gifts and Hospitality Policy
- > Health and Wellbeing Plan
- > Management of Protected Disclosures
- > Mobile Food Vehicle Policy
- > Public Art Policy
- > Procurement Policy
- > Risk Management Policy
- > Road Management Plan
- > Sports and Recreation Strategy
- > Thermal Comfort Policy

COMMUNITY SATISFACTION SURVEY

Although the mandatory requirement for Councils to participate in the Community Satisfaction Survey was discontinued in 2012, Horsham Rural City Council has continued participating optionally in the base level survey. The main objectives of the Community Satisfaction Survey are to assess Council's performance across a range of measures and to seek insight into ways to provide improved or more effective service delivery.

Horsham Rural City Council's performance ratings on core measures have tended upwards in the past twelve months (by up to five index points depending on the measure).

Overall job performance ratings are positive, growing four points in the past 12 months, increasing from an index score of 61 to 65 and exceeding 2012 levels (index score of 62).

Perceptions of overall Council direction have remained constant since 2012 at an index score of 55 (2012), 54 (2013) and 55 (2014). Residents largely believe performance has held steady in the past year (67% stayed the same) but are twice as likely to describe council as having improved (19%) rather than having deteriorated (10%).

Ratings on core measures are highest when it comes to customer service (index score of 74), reflecting a slight increase of three index points in the past year. The State-wide and Regional Centres averages are consistent with this rating, with index scores of 72 and 73, respectively.

Horsham received identical ratings for the core measures of community consultation and advocacy (index score of 62). Ratings improved on both measures, although greater gains were made in the area of council advocacy (+5 index points since 2013) than community consultation (+2). Council significantly exceeds the State-wide and Regional Centres averages by five to six points on both of these measures.

Horsham outperforms both State and Group averages in a number of individual service areas as well as on core measures, including when it comes to enforcement of local laws, family and elderly support services, appearance of public areas, waste management, and business and community development. It performs behind State and Group averages in only a few areas – art centres and libraries, and planning and building permits.

The table below highlights Horsham Rural City Council's score on the core performance measures and how they compare with the State-wide average and the Rural Cities and Regional Centres Group average.

CORE PERFORMANCE MEASURE	SCORE		
	HORSHAM	STATE	RURAL
Customer Service	74	72	73
Community Consultation and Engagement	62	57	56
Advocacy	62	56	56
Overall Council Direction	55	53	53
Overall Performance	65	61	59

COMMUNITY CONSULTATIONS

Horsham Rural City Council continues to place a strong focus on community engagement and consultation and this is demonstrated in the excellent result achieved in the Community Satisfaction Survey.

Horsham's rating of 62 for community consultation and engagement, has improved by a further 2 points and significantly exceeds the State and regional averages by five to six points, respectively.

In addition to the fortnightly consultation evenings held to enable community members to meet with Council to discuss a variety of issues, we have continued with visits to rural communities, which over the last year have included Laharum, Mitre, Dadswells Bridge and Kalkee.

Extensive community consultation has occurred in relation to a broad range of Council projects that were adopted or under preparation in the past year including: the Horsham Town Hall/Art Gallery Redevelopment, Cultural Voice Project/Cultural Plan, Horsham North Urban Design Framework, Grampians Fires community debriefs, Council Rating Strategy and Budget, Early Years Infrastructure Study and Early Years Service Plan, Health and Wellbeing Plan, Framework for Managing Growth, Central Activities District Strategy, Infrastructure Design Manual, Council Plan, the Youth Matters Project, Framing the Wimmera public art project, Road Management Plan and the location and design of the seating at the Horsham Skate Park.

Consultations have taken place via a range of means including online surveys, face-to-face surveys, public meetings, focus groups, workshops, drop in sessions, one-on-one meetings and formal submission.

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CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES

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

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

- > 1. Your right to recognition and equality before the law
- > 2. Your right to life
- > 3. Your right to protection from torture and cruel, inhuman or degrading treatment
- > 4. Your right to freedom from forced work
- > 5. Your right to freedom of movement
- > 6. Your right to privacy and reputation

- > 7. Your right to freedom of thought, conscience, religion and belief
- > 8. Your right to freedom of expression
- > 9. Your right to peaceful assembly and freedom of association
- > 10. Your right to protection of families and children
- > 11. Your right to taking part in public life
- > 12. Cultural rights
- > 13. Property rights
- > 14. Your right to liberty and security of person
- > 15. Your right to humane treatment when deprived of liberty
- > 16. Rights of children in the criminal process
- > 17. Your right to a fair hearing
- > 18. Rights in criminal proceedings
- > 19. Right not to be tried or punished more than once
- > 20. Retrospective criminal laws

Horsham Rural City Council has an obligation to ensure that:

- > All Council decisions give proper considerations to human rights
- > All actions, policies and services are compatible with human rights
- > Local Laws are interpreted and applied consistently with human rights
- > People who work on our behalf do so in a way that respects human rights

Protecting and promoting human rights is identified as a guiding principle in the Council Plan. The following are some examples of where Council has played a role in building understanding and respect for human rights.

Community Consultation

Horsham Rural City Council continues to place a strong focus on ensuring that community engagement and consultation is undertaken in a way that respects human rights. During the past year, consultations have taken place via a range of means including online surveys, face-to-face surveys, public meetings, focus groups, workshops, drop in sessions, one-on-one meetings and via formal submission. For the full report, refer to page 58.

The Jellybeans Multi Cultural Playgroup provides an opportunity for children and parents from different cultures to come together on a regular basis.



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Local Laws

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

Horsham Rural City Council has the following Local Laws:

- > Meeting Procedures Local Law Number 1
- > Community Local Law Number 3
- > Community (Amendment) Local Law Number 4

Council is committed to ensuring that these Local Laws are interpreted and applied consistently with the 20 human rights contained in the Charter.

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

Customer Service Charter

Horsham Rural City Council has drafted a new Customer Service Charter and is in the process of reviewing the Staff Standards Procedure. Both the Charter and the Procedure set out the standards to ensure that customer service is provided in a way that respects human rights. Horsham Rural City Council is committed to providing professional and quality services to external and internal customers.

Training

During July and August 2013, a representative from the Victorian Equal Opportunity and Human Rights Commission introduced Horsham Rural City Council staff, management, and Councillors to sessions on Human Rights. Core content of the sessions included The Victorian Charter, The Equal Opportunity Act and Dispute Resolution options.

Eleven sessions were held for indoor and outdoor personnel, Home and Community Care staff, the Executive Management Group and Departmental Managers, plus an Executive Briefing for Councillors. Two hundred and twenty-six staff attended these sessions.

Settlement Program

Wimmera Development Association, the peak economic development organisation for the Wimmera Southern Mallee region is supported by Horsham Rural City Council. Wimmera Development Association runs a Settlement Program which provides assistance to eligible migrants in the Wimmera.

Jellybeans Multi Cultural Playgroup

Jellybeans is a multicultural playgroup that is run by Horsham Rural City Council. Jellybeans is supported by the Wimmera Settlement Program and a team of volunteers. Sessions are held fortnightly throughout school terms. Jellybeans offers an opportunity for children from different cultures to have fun, make new friends and develop new skills through informal play. It also provides a social opportunity for parents and carers.

Digital Community Strategy

In 2013, Horsham Rural City Council adopted a Digital Community Strategy. The purpose of the Digital Community Strategy is to ensure that all members of the community have the opportunity to engage with technology if they wish to do so. For the full report, refer to page 41.

OASIS Wimmera

Established in 2010, OASIS Wimmera is a multicultural social group that supports and assists overseas migrants to integrate into Australian society and understand the cultural transition between Australia and their country of origin. OASIS Wimmera organises regular social events, providing people with an opportunity to get to know each other and learn about the Australian culture.

Horsham Rural City Council was involved in the establishment of OASIS Wimmera and is an ongoing supporter of this important community group.

Disability Access and Action Plan

Council's Disability Access and Action Plan, 2013-2016 was adopted on 15 July 2013. The Disability Access and Action Plan identifies goals and actions to reduce barriers created by attitudes, practices and structures, to ensure that all people can participate equally in the life of our community. The vision states that "everyone has a responsibility and role to play in enabling people of all abilities to fully participate in the life of the community". The plan contains 68 actions which are to be implemented over the life of the Plan. For the full report, refer to page 33.

Portsea Camp

Horsham Rural City Council continues to support the Portsea Camp which aims to provide a safe, caring, healthy, educational and recreational environment for the children of Victoria and New South Wales, with a major focus on those who are from a low socio economic background or have special needs. This year, 16 children and one staff member from Horsham Rural City Council attended the camp. For the full report, refer to page 32.

Freedom of Information

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

Requests for access to documents under the Act should be made in writing specifying the information required. Freedom of Information request forms can be obtained from the Municipal Offices, Civic Centre, 18 Roberts Avenue, Horsham. The application fee during the 2013-2014 financial year was \$25.70 along with any access charges that may be levied in accordance with the Freedom of Information Regulations.

How many requests did Horsham Rural City Council receive?

Personal Requests	0
Non-Personal Requests	6

What happened?

Full access given	2
Part access given	1
Denied in full	0
On Hold	1
Released outside the Act	2

No internal reviews were conducted.

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

Applications

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

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

Legislative Objectives of Council

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

A Council consists of its Councillors who are democratically elected in accordance with this Act. The Act sets out the objectives of the Council which is to achieve the best outcomes for the local community, having regard for the long term and cumulative effects of decisions. In seeking to achieve its primary objective, a Council must have regard to the following facilitating objectives (Section 3C):

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

Equal Employment Opportunity Policy

Horsham Rural City Council is committed to providing a workplace free of discrimination, bullying and harassment. Our aim is to provide equal opportunity for all employees. This is achieved by mandating a work environment that provides for mutual respect and a professional approach to relationships at all levels.

Our policies and practices aim to ensure that there is no discrimination relating to the attributes listed under the *Equal Opportunity Act 2010* such as race, sex, marital status, parental status, physical or mental impairment, age, religious, disability or political affiliation.

Eight staff contact officers throughout the organisation receive ongoing training on Equal Employment Opportunity matters with assistance from the Victorian Human Rights and Equal Opportunity Commission, and other providers.

These contact officers are available to provide a first point of confidential contact and information for employees on equal opportunity issues.

Selection of individuals for employment, promotion or advancement, training and staff development, is on the basis of personal merit, in fair and open competition according to the skills, knowledge and efficiency relevant to the position involved. In the past year, steps have been taken to modify Council's recruitment and human resource processes to ensure that they are inclusive of all people. These steps formed part of Council's Disability Access and Action Plan adopted in July 2013. (see page 33).

Council's Equal Employment Opportunity policy reflects our desire to provide and enjoy a workplace free of discrimination, where each person has the opportunity to progress to the extent of their ability.

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

It has been determined that the role of Protected Disclosures Officer will be held by the Chief Executive, the Protected Disclosures Coordinator by the Director Corporate Services, and Welfare Manager by the Organisational Development Manager.

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

For the purposes of Section 69 (6) of the *Protected Disclosures Act 2012*, in the period to 30 June 2014, there were two disclosures. Both disclosures were referred to the Independent Broad-based Anti-corruption Commission (IBAC), which determined that the matters did not warrant investigation by IBAC.

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

Governor of Victoria The Hon Alex Chernov AC QC, officially opened the Natimuk Men's Shed in March.

Protected Disclosures

The *Protected Disclosures Act 2012 (PD Act)* replaced the *Whistleblowers Protection Act 2001* on 10 February, 2013. The purpose of the PD Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The PD Act provides protection from detrimental action to any person affected by a protected disclosure and establishes a system for the matters disclosed to be investigated and rectifying action to be taken. Under the PD Act, any person can be one who makes a disclosure, is a witness, or a person who is the subject of an investigation.





Community Grants

Sporting Clubs/Recreation Reserves – Minor Maintenance

	\$
Dock Lake	5,010
Dooen	820
Haven	820
Kalkee	5,010
Laharum	5,010
Natimuk Showgrounds	9,080
Noradjuha	2,480
Pimpinio	5,010
Quantong	5,010
Riverside	820
Toolondo	2,480
Total	41,550

Sport and Recreation Grants

	\$
College Oval Lights	30,000
Motorcycle Club	5,791
Total	35,791

Sporting Clubs/Recreation Reserves – Other Grants

	\$
Coughlin Park	10,907
Dock Lake Recreation Reserve	5,000
Horsham City Bowling Club	4,000
Horsham Hockey Club	2,125
Horsham Saints Cricket Club	2,910
Horsham Squash Club	4,000
Horsham Yacht Club	10,000
Natimuk Golf Club	2,000
Pimpinio Sports and Community Centre	4,500
Sport and Recreation Advisory Contingency	-
Total	45,442

Welfare and Health

	\$
Bennett Road Kindergarten	6,000
Horsham and District Kindergarten Association	700
Horsham North Kindergarten	3,600
Roberts Avenue Kindergarten	2,849
Maintenance Grants - \$700 each for Council's 7 kindergartens	5,145
Total	18,294

Halls

	\$
Capital Expenditure – Dadswells Bridge Hall	1,000
Capital Expenditure – Kanagulk Memorial Hall	2,275
Capital Expenditure – Taylors Lake Hall	700
Capital Expenditure – Wonwondah Hall	3,000
Insurance for all Council Public Halls	17,256
Total	24,231

General Welfare

	\$
Horsham College Chaplaincy Committee	5,500
Wimmera Toy Library	1,000
Total	6,500

Community Services

	\$
Horsham Christian Emergency Food Centre	2,000
Wimmera River Improvement Committee	7,600
Wimmera River Improvement Committee (Police Paddock)	2,200
Total	11,800

Organisations

	\$
Service Clubs – rate refunds (Lions Club of Horsham, Apex Club, Rotary Club of Horsham, Horsham East Rotary Club and Lions Club of City of Horsham Inc)	2,501



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Organisations Cont..	\$
Charitable organisations – rate refunds (Red Cross, St Vincent de Paul, Salvation Army, Axis Worx)	3,145
Arapiles Historical Society	200
Greyhounds Club	700
Harness Club	700
Horsham Calisthenics Group	700
Horsham City Brass Band Inc	1,550
Horsham City Brass Band Inc (Intensive Music Program Workshop)	2,500
Horsham City Pipe Band Inc	1,550
Horsham College Senior Achievement Award	200
Horsham Combined Pensioners and Superannuation Association	700
Horsham Fourth Scout Group	1,000
Horsham Mens Shed	1,750
Horsham Second Scout Group	1,000
Horsham Stroke Peer Support Group	700
Horsham Swimming Club	100
Longerenong College Graduation Prize	300
Makers Gallery	500
Move 4 Life	700
Natimuk and District Progress Press Association	1,100
Natimuk Brass Band	1,550
Natimuk Mens Shed	2,545
North West Grampians Newsletter	1,100
OASIS Wimmera	2,000
Probus Club of Horsham	400
Sailors Home Hall 90th Anniversary	400
St Brigids College Senior Achievement Award	200
University of Ballarat Horsham Campus Graduation Prize	300

Organisations Cont..	\$
Vectis Fire Brigade	5,000
Vista Community Services Sponsorship	200
Wimmera and Southern Mallee Careers Association	1,000
Wimmera Association for Genealogy Inc	300
Wimmera Eisteddfod	250
Wimmera Mobility Group	700
Total	37,541

Promotions, Festival and Culture	\$
Art Is Festival	5,500
Business Horsham	2,000
Carols by Candlelight	2,500
Horsham and District Orchid Society	600
Horsham Country Music Inc	2,000
Horsham Fishing Competition	5,500
Horsham Mothers Day Classic Family Fun Run	700
Horsham Regional Arts Association	2,454
Kannamaroo Festival Committee	4,000
Natimuk Frinj Festival	5,500
North Fest Family Fun Festival	3,000
Operation 19:14 Family Fun Day	2,000
Wimmera Rockers Danceworld	2,000
Wimmera Woodturners Guild	2,000
Total	39,754

Community Building Initiative Grants	\$
OASIS Wimmera	5,000
Pop Up Café	5,000
Total	10,000

Total **270,903**

Documents Available for Public Inspection

Part 5 – Information To Be Made Available To The Public

The *Local Government (General) Regulations 2004* set out the documents which a Council must make available for public inspection.

Section 11 Documents to be made available for public inspection

A Council must make available for public inspection documents containing the following prescribed matters -

- a) details of current allowances fixed for the Mayor, Lord Mayor (if any) and Councillors under section 74 or 74A of the Act;
- b) the total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states.
 - i. ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10,000; and
 - ii. the number of senior officers whose total annual remuneration falls within the ranges referred to in subparagraph (i);
- c) details of overseas or interstate travel (with the exception of interstate travel by land for less than 3 days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost to the Council of the overseas or interstate travel, including accommodation costs;
- d) names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;
- e) names of Councillors who submitted returns of interest during the financial year and the dates the returns were resubmitted;
- f) agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- g) a list of all special committees established by Council and the purpose for which each committee was established;
- h) a list of all special committees established by the Council which were abolished or ceased to function during the financial year;
- i) minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- j) a register of delegations kept under sections 87 and 98 of the Act, including the dates on which the last reviews under sections 86(6) and 98(6) of the Act took place;
- k) submissions received in accordance with section 223 of the Act during the previous 12 months;
- l) agreements to establish regional libraries under section 196 of the Act;
- m) details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease;
- n) a register of authorised officers appointed under section 224 of the Act;
- o) a list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant;
- p) a list of names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council;
- q) a list of contracts valued at \$100,000 (or such higher amount as is fixed from time to time under section 186(1) of the Act) or more -
 - i. which the Council entered into during the financial year without first engaging in a competitive process; and
 - ii. which are not contracts referred to in section 186(5) or (5A) of the Act.

The following information is available for public inspection at the Municipal Offices, Civic Centre, 18 Roberts Avenue, Horsham.

Section 222 for the *Local Government Act 1989* entitles any person to inspect and take copies (subject to any fee) prescribed documents under the Act.

Performance Statement

The Performance Statement for the year ended 30 June 2014 is provided in the Finance Section of this report on page 146. It outlines the performance targets and measures set in relation to the achievement of Council's Key Strategic Activities.

Horsham Rural City Council co-ordinates three supported playgroups which run throughout school terms.



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- vibrant, inclusive,
welcoming...

Local Government Indicators

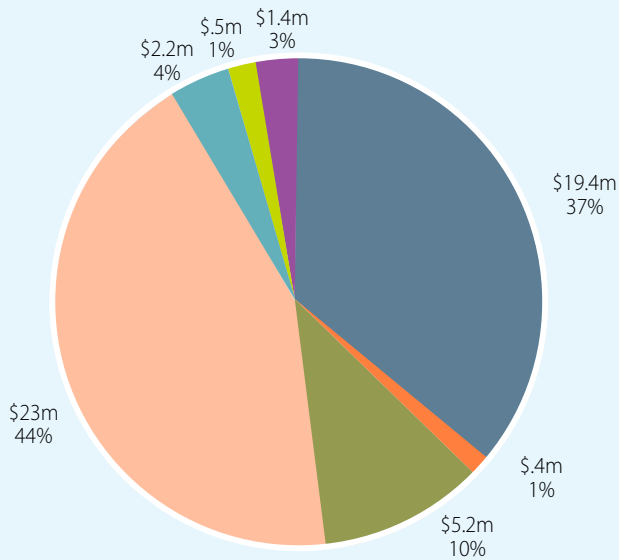
Local Government Indicators		Actual Result 2013-2014
Affordability/Cost of Governance		
LG 1	Average rates and charges per assessment	\$1,750.13
LG 2	Average rates and charges per assessment – residential	\$1,563.69
Sustainability		
LG 3	Average liabilities per assessment	\$1,217.49
LG 4	Operating result per assessment	\$227.66
Services		
LG 5	Average operating expenditure	\$3,479.19
LG 6	Community satisfaction rating for overall performance generally of Council	65
Infrastructure		
LG 7	Average capital expenditure per assessment	\$985.88
LG 8	Renewal Gap – ratio of current spending on renewal to the long term Average Annual Asset Consumption (AAAC)	66.7%
LG 9	Renewal and Maintenance Gap – ratio of current spending on renewal plus maintenance to AAAC	70.8%
LG 10	Community satisfaction rating for Council's advocacy and community representation on key local issues	62
LG 11	Community satisfaction rating for Council's engagement in decision making on key local issues	62

Council Memberships 2013-2014

Council Memberships 2013-2014	\$
AAA Tourism Pty Ltd	\$402
Australian Airports Association	\$520
Australian Made Campaign Ltd	\$1,500
Botanic Gardens Australia	\$190
Business Enterprise Centre Australia	\$2,700
Grampians Tourism Board	\$37,433
Housing Industry Association	\$618
Keep Australia Beautiful	\$500
Livestock Saleyards Association of Victoria	\$3,773
Local Government Professionals	\$1,076
Municipal Association of Victoria	\$22,077
Museums Australia	\$129
North West Municipalities Association	\$600
Regional Capitals Group	\$10,000
Victorian Local Governance Association	\$400
Victorian Tourism Industry Council	\$595
Volunteering Western Victoria	\$91
Wide Rural Road Group	\$455
Wimmera Development Association	\$185,820
Wimmera Hub	\$300
Wimmera Regional Library Corporation	\$439,646
Wimmera Regional Transport Group	\$5,016

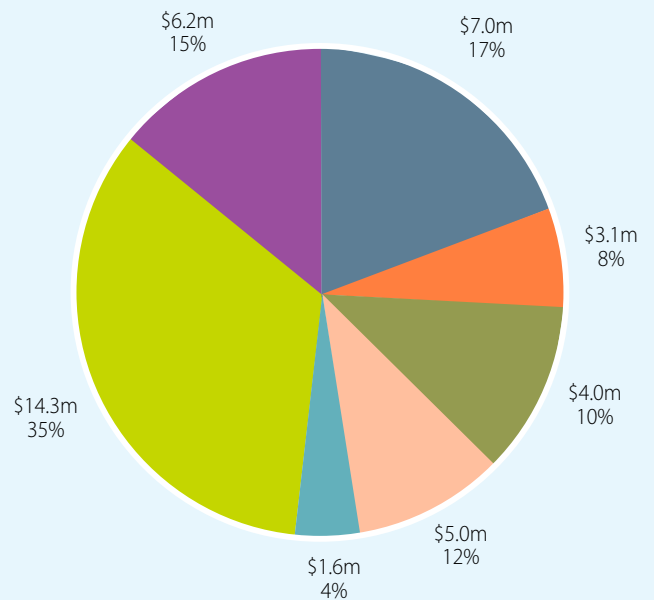
Where our money comes from – Where our money goes

Income



- Rates and garbage charge
- Statutory fees and fines
- User charges and other fines
- Grants all
- Contributions
- Reimbursements
- Other revenue

Operating Expenditure



- Management and Administration
- Regulatory Services
- Community Services
- Recreation, Culture and Leisure
- Economic Development
- Physical Services
- Environment

Ongoing works to the Natimuk Courthouse have occurred this year including foundation stabilisation with the view to making this historic building fit for occupancy.



VAGO

Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Horsham Rural City Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2014 of the Horsham Rural City Council which comprises comprehensive income statement, statement of financial position, statement of changes in equity, statement of cash flows, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2014 of Horsham Rural City Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statement have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

The Councillors of the Horsham Rural City Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

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

Independence

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

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Horsham Rural City Council as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements of the Horsham Rural City Council for the year ended 30 June 2014 included both in the Horsham Rural City Council's annual report and on the website. The Councillors of the Horsham Rural City Council are responsible for the integrity of the Horsham Rural City Council's website. I have not been engaged to report on the integrity of the Horsham Rural City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
16 September 2014


Dr Peter Frost
Acting Auditor-General

**HORSHAM RURAL CITY COUNCIL
STANDARD STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2014**

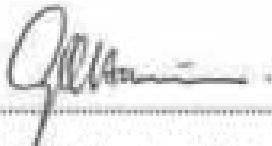
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**CERTIFICATION OF STANDARD STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2014**

In my opinion, the accompanying standard statements of Horsham Rural City Council have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.



Mr G.A. Harrison, B Econ, CPA, GAICD
Principal Accounting Officer
15 September 2014

Horsham

In our opinion, the accompanying standard statements of Horsham Rural City Council have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

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

We have been authorised by the Horsham Rural City Council on 15th September 2014 to certify the standard statements their final form.



Cr D.A. Grimble

15 September 2014


Horsham



Cr S.J. Exell

15 September 2014

Horsham



Mr G.A. Harrison, B Econ, CPA, GAICD
Acting Chief Executive

15 September 2014

Horsham

**STANDARD INCOME STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2014**

	Reference	Actuals	Budget	Variances	
		2014 \$'000	2014 \$'000	\$'000	%
Income					
Rates and garbage charge		20,875	20,852	23	0.1
Statutory fees and fines		429	413	16	3.9
User charges, other fines & rent		5,491	5,389	102	1.9
Grants Operating - recurrent	1	4,511	7,424	(2,913)	(39.2)
Grants Operating - non-recurrent	2	1,809	355	1,454	409.6
Grants Capital - recurrent		1,973	2,003	(30)	(1.5)
Grants Capital - non-recurrent	3	5,246	6,653	(1,407)	(21.1)
Contributions - Cash	4	886	14	872	6,228.6
Contributions - non monetary	5	601	200	401	200.5
Other revenue		2,113	2,267	(154)	(6.8)
Net gain on disposal of property, plant and equipment, infrastructure		(48)	(5)	(43)	860.0
Share of net profits of associates accounted for by the equity method		82	-	82	-
Fair value adjustments for investment property		77	-	77	-
Total Income		44,045	45,565	(1,520)	(3.3)
Expenses					
Employee expenses		(14,896)	(15,191)	(295)	1.9
Contract payments, materials and services	6	(14,500)	(15,126)	(626)	4.1
Bad and doubtful debts		(72)	(8)	64	(800.0)
Depreciation		(9,724)	(10,017)	(293)	2.9
Other expenses		(347)	(282)	65	(23.0)
Written down value of assets disposed	7	(1,543)	-	(1,543)	(100.0)
Financing costs		(255)	(272)	(17)	6.3
Total Expenses		(41,337)	(40,896)	441	(1.1)
Surplus for the year		2,708	4,669	(1,961)	(42.0)

**STANDARD INCOME STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2014****VARIANCE EXPLANATION REPORT****Ref. Item**

- 1 Government grants - operating recurrent
Actual income reflects the reduction of the Grants Commission payment received, an early 50% payment of the 2013/14 allocation was received 6th June 2013. The amount was \$2,870,000.
- 2 Government grants - operating non-recurrent
Council were involved in emergency disaster works in January with the Wartook fires. Funding of \$712,000 will be received as a recoupment of expenses incurred. Further funding was gained for emergency management planning \$221,000 and extra funding for local roadworks of \$200,000 was also received as a one off grant.
- 3 Government grants - capital non-recurrent
It was expected that an additional \$3m would have been received for completed works on the Town Hall Refurbishment project. Due to delays in commencing the project, the grant funding has also been delayed until 2014/15.
- 4 Contributions - cash
Contributions of \$480,000 were received from community and sporting groups to match grant funding received. Also an additional contribution of \$241,000 was received for a private street scheme development.
- 5 Contributions - non monetary
Increased urban development saw road and land infrastructure assets valued at \$506,000 provided to Council, exceeding the \$200,000 budget expectation.
- 6 Contract payments, materials and services
Several operating grants with a value of approx. \$400,000 including grants for community and disability services, outdoor recreation and environment grants had not been expended at 30th June 2014.
- 7 Written down value of assets disposed
Part of the Town Hall building complex \$1,068,000 and two investment property buildings \$175,000 were demolished during the year, both were not budgeted for.

**STANDARD BALANCE SHEET
AS AT 30 JUNE 2014**

	Reference	Actuals	Budget	Variances	
		2014 \$'000	2014 \$'000	\$'000	%
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	19,195	13,383	5,812	43.4
Trade and other receivables		2,885	2,600	285	11.0
Financial assets	8	3,000	-	3,000	3,000.0
Other assets	9	1,405	700	705	100.7
Inventories - consumables		618	470	148	31.5
Non current asset held for sale		-	138	(138)	(100.0)
Total Current Assets		27,103	17,291	9,812	56.7
NON-CURRENT ASSETS					
Trade and other receivables		213	251	(38)	(15.1)
Investments in associates		1,095	900	195	21.7
Property, infrastructure, plant & equipment	10	415,015	422,937	(6,922)	(1.6)
Investment property		2,490	2,636	(146)	(5.5)
Total Non-Current Assets		418,813	426,724	(7,911)	(1.9)
Total Assets		445,916	444,015	1,901	0.4
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	11	4,568	3,978	590	14.8
Provisions	12	4,793	3,791	1,002	26.4
Interest-bearing loans and borrowings		561	700	(139)	(19.9)
Total Current Liabilities		9,922	8,469	1,453	17.2
NON-CURRENT LIABILITIES					
Provisions	13	2,283	1,644	639	38.9
Interest-bearing loans and borrowings		2,931	2,965	(34)	(1.1)
Total Non-Current Liabilities		5,214	4,609	605	37.7
Total Liabilities		15,136	13,078	2,058	15.7
NET ASSETS		430,780	430,937	(157)	(0.0)
EQUITY					
Accumulated surplus	14	217,619	236,061	(18,442)	(7.8)
Reserves - asset replacement	15	14,552	7,754	6,798	87.7
Reserves - asset revaluation	16	198,609	187,122	11,487	6.1
TOTAL EQUITY		430,780	430,937	(157)	(0.0)

**STANDARD BALANCE SHEET
AS AT 30 JUNE 2014**

VARIANCE EXPLANATION REPORT

Ref. Item

- 8 Cash assets and financial assets
Grant funding received during the year for the Town Hall Refurbishment project and unspent at 30th June was \$3m. Other unspent grants at 30th June contributed approx. \$1m to the extra cash held. Additional cash was also held at 30th June due to delays in commencing the Town Hall Refurbishment project. The budget showed \$8m was the forecast expenditure on this project for 2013/14 year. At balance date only \$2.3m had been expended on the project.
- 9 Other assets
Reimbursement of \$700,000 for emergency restoration works for Wartook Fire Recovery was recognised as well as an additional \$300,000 for asset restoration works associated with the Wartook fires were also recognised at 30th June 2014.
- 10 Property, infrastructure, plant & equipment
Delays in the Town Hall Refurbishment project has seen only \$2.3m expended during the year, whereas the budget showed \$8m to be expended.
- 11 Trade and other payables
Payables at 30th June were higher than budget expectations, with a large payment of \$1m due for the Town Hall refurbishment project being outstanding at 30th June.
- 12 Provisions current
A contract valued at \$959,000 has been let for the restoration works of the petruscible area of Ladlows landfill. It is expected the restoration works will be completed by 30th June 2015.
- 13 Provisions non-current
A large restoration provision was booked at 30th June 2013, which was not known when the 2013/14 budget was adopted. This has caused the large variance this year.
- 14 Accumulated surplus
As part of the budget it was anticipated that \$7m would be transferred from the asset replacement reserves to accumulated surplus. As the capital works were not completed this did not occur.
- 15 Reserves - asset replacement
Unexpended capital works at 30th June relating to town hall redevelopment has increased balances held in the CBD/car parking reserve and the town hall redevelopment reserve.
- 16 Reserves - asset revaluation
Three classes of assets were revalued at 30th June 2014, generating a higher than expected increase in valuations.

**STANDARD CASH FLOW STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2014**

	Reference	Actuals	Budget	Variances	
		2014 \$'000	2014 \$'000	\$'000	%
Cash Flows from operating activities					
Receipts					
Rates and garbage charge		20,818	20,777	41	0.2
Statutory fees & fines		404	373	31	8.3
User charges		5,191	4,989	202	4.0
Contributions - Cash	17	886	14	872	6,228.6
Other revenue	18	2,628	3,705	(1,077)	(29.1)
Interest		552	427	125	29.3
Government grants operating	19	6,952	7,379	(427)	(5.8)
Government grants capital	20	8,219	8,656	(437)	(5.0)
		45,650	46,320	(670)	(1.4)
Payments					
Employee costs		(14,501)	(14,691)	(190)	1.3
Material and consumables		(15,443)	(15,726)	(283)	1.8
Other expenses	21	(1,546)	(1,982)	(436)	22.0
		(31,490)	(32,399)	909	(2.8)
Net cash provided by operating activities		14,160	13,921	239	1.7
Cash flows from investing activities					
Payments for financial assets	22	(3,000)	-	(3,000)	(3,000.0)
Payments for property, infrastructure, plant and equipment	23	(11,103)	(16,495)	5,392	(32.7)
Proceeds from sale of property, infrastructure, plant and equipment		209	443	(234)	(52.8)
Payments for investment property improvements		(23)	-	(23)	(23.0)
Net cash provided by (used in) investing activities		(13,917)	(16,052)	2,135	(13.3)
Cash flows from financing activities					
Finance Costs		(255)	(272)	17	(6.3)
Repayment of borrowings		(777)	(776)	(1)	0.1
Proceeds from new borrowing		-	200	200	-
Net cash provided by (used in) financing activities		(1,032)	(848)	(184)	21.7
Net increase/(decrease) in cash and cash equivalents		(789)	(2,979)	2,190	(73.5)
Cash and cash equivalents at the beginning of the financial year		19,984	16,362	3,915	23.9
Cash and cash equivalent at the end of the financial year		19,195	13,383	5,812	43.4

**STANDARD CASH FLOW STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2014****VARIANCE EXPLANATION REPORT****Ref. Item**

- 17 Contributions
Refer to variance note 4.
- 18 Other revenue
Decreased cash flow occurred with the reduction of net GST refund of \$600k
- 19 Government grants operating
Refer to variance note 1.
- 20 Government grants capital
Refer to variance note 3.
- 21 Other Expenses
Other expenses include GST paid on capital projects. Less GST was incurred during 2013/14 as only \$11m of capital works were expended. The 2013/14 capital budget was \$18m.
- 22 Payments for financial assets
Term deposits with a maturity term of greater than three months are classified as financial assets, Council had two longer term deposits at 30th June 2014.
- 23 Payments for property, infrastructure, plant and equipment.
The capital budget included \$8m to be expended on the Town Hall Refurbishment Project. At balance date only \$2.3m had been expended on the project.

**STANDARD CAPITAL WORKS STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2014**

Reference	Actuals	Budget	Variances	
	2014 \$'000	2014 \$'000	\$'000	%
Capital Works Areas				
Land	52	-	52	-
Land Under Roads (includes donated assets)	55	-	55	-
Road Assets (includes donated assets)	24 6,287	6,892	(605)	(8.8)
Land Improvements	59	195	(136)	(69.7)
Buildings	25 461	8,218	(7,757)	(94.4)
Other Structures	26 186	1,377	(1,191)	(86.5)
Plant, equipment & other	1,285	1,418	(133)	(9.4)
Furniture & Fittings	41	45	(4)	(8.9)
Works of Art (includes donated assets)	71	-	71	-
Works in Progress	27 3,208	-	3,208	-
Total Capital Works	11,705	18,145	(6,440)	(35.5)
Represented by				
Asset Renewal	7,100	8,892	(1,792)	(20.2)
New Upgrade	2,111	4,948	(2,837)	(57.3)
New Assets	2,494	4,305	(1,811)	(42.1)
Total Capital Works	11,705	18,145	(6,440)	(35.5)

**RECONCILIATION OF NET MOVEMENT IN
PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED 30th JUNE, 2014**

Total capital works (includes donated assets)	11,705	18,145	(6,440)	(35.5)
Asset revaluation movement (less land held for resale Revaluation reserve)	8,475	6,000	2,475	41.3
Depreciation	(9,724)	(10,017)	293	(2.9)
Written down value of assets sold	(1,625)	(448)	(1,177)	262.7
Transfer from Land held for sale	138	-	138	-
Transfer from Investment Properties Held	430	-	430	-
Net movement in property, plant & equipment	9,399	13,680	(4,281)	(31.3)

**STANDARD CAPITAL WORKS STATEMENT
COMPARISON REPORT
FOR THE YEAR ENDED 30th JUNE, 2014**

VARIANCE EXPLANATION REPORT

Ref.

24 Road Assets

Six road projects with a completed value of \$450,000 were listed as works in progress at 30th June 2014. Projects were delayed due to resources focussing on Wartook Fire recovery which occurred in January 2014.

25 Buildings

Delays in the commencement of the Town Hall Refurbishment is reflected in the decrease in the building asset capitalisation.

26 Other Structures

Delays in commencing the construction of the new hardwaste cell at the Transfer station valued at \$600,000, is reflected in the decrease in the other structures capitalisation.

27 Works in Progress

Road capital projects of \$450,000 were delayed due to the Wartook Fire. The Town Hall Refurbishment project was also delayed, added \$2,450,000 to works in progress at 30th June 2014.

NOTES TO THE STANDARD STATEMENTS

1. Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required - Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement, and a Standard Capital Works Statement, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on an accounting basis consistent with those used for the General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative pronouncements.

The Standard Statements compare council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. A materiality threshold of 10 per cent and a positive or negative dollar variance of \$300,000. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Standard Statements are those adopted by Council on 17th June 2013. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements. The detailed budget can be obtained by council or through council's website. The Standard Statements must be read with reference to these documents.

**HORSHAM RURAL CITY COUNCIL
FINANCIAL & PERFORMANCE STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2014**

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**CERTIFICATION OF FINANCIAL STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2014**

In my opinion, the accompanying financial statements have been prepared in accordance with the Local Government Act 1989, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards, and other mandatory professional reporting requirements.



Mr G.A. Harrison, B Econ, CPA, GAICD
Principal Accounting Officer
15 September 2014

Horsham

In our opinion, the accompanying financial statements present fairly the financial transactions of the Horsham Rural City Council for the year ended 30th June 2014, 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 on 15th September 2014 to certify the financial statements in their final form.



Cr D.A. Grimble

15 September 2014

Horsham



Cr S.J. Exell

15 September 2014

Horsham



Mr G.A. Harrison, B Econ, CPA, GAICD
Acting Chief Executive

15 September 2014

Horsham

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**COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2014**

	Notes	2014 \$'000	2013 \$'000
INCOME			
Rates and charges	2	20,875	19,377
Statutory fees and fines	3	429	414
User fees	4	5,491	5,210
Grants - operating recurrent	5	4,511	7,173
Grants - operating non-recurrent	5	1,809	1,273
Grants - capital recurrent	5	1,973	2,034
Grants - capital non-recurrent	5	5,246	12,525
Contributions - cash	6 (a)	886	459
Contributions - non-monetary assets	6 (b)	601	1,734
Reimbursements	7	618	500
Other income	8	1,495	1,662
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	9	(48)	(425)
Share of net profits of associates accounted for by the equity method	16	82	47
Fair value adjustments for investment property	22	77	179
		-----	-----
Total Income		44,045	52,162
		=====	=====
EXPENSES			
Employee costs	10	(14,896)	(13,521)
Materials and services	11	(14,500)	(18,257)
Bad and doubtful debts	12	(72)	(46)
Depreciation	13	(9,724)	(9,566)
Other expenses	14	(347)	(346)
Written down value of assets disposed	9	(1,543)	(2,923)
Borrowing costs	15	(255)	(303)
		-----	-----
Total Expenses		(41,337)	(44,962)
		=====	=====
		-----	-----
Surplus/(deficit) for the year		2,708	7,200
		=====	=====
OTHER COMPREHENSIVE INCOME			
Net asset revaluation increment	28	8,475	8,013
		-----	-----
Total comprehensive result		11,183	15,213
		=====	=====

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

HORSHAM RURAL CITY COUNCIL

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**BALANCE SHEET
AS AT 30th JUNE, 2014**

	Notes	2014 \$'000	2013 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	17	19,195	19,985
Trade and other receivables	18	2,885	3,196
Financial assets	19	3,000	-
Accrued income		1,164	1,522
Prepayments		241	243
Inventories		618	486
Non current assets classified as held for sale	20	-	138
Total current assets		27,103	25,570
NON-CURRENT ASSETS			
Trade and other receivables	18	213	227
Investments in associates accounted for using the equity method	16	1,095	1,013
Property, infrastructure, plant & equipment	21	415,015	405,616
Investment property	22	2,490	2,995
Total non-current assets		418,813	409,851
Total Assets		445,916	435,421
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	23	3,914	4,225
Trust funds and deposits	24	654	700
Provisions	25	4,793	3,630
Interest-bearing loans and borrowings	26	561	778
Total current liabilities		9,922	9,333
NON-CURRENT LIABILITIES			
Provisions	25	2,283	3,000
Interest-bearing loans and borrowings	26	2,931	3,491
Total non-current liabilities		5,214	6,491
Total Liabilities		15,136	15,824
NET ASSETS		430,780	419,597
EQUITY			
Accumulated surplus		217,619	217,607
Reserves - asset replacement	27	14,552	11,856
Reserves - asset revaluation	28	198,609	190,134
TOTAL EQUITY		430,780	419,597

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th JUNE, 2014**

	Notes	Accumulated Surplus 2014 \$'000	Asset Replacement Reserves 2014 \$'000	Asset Revaluation Reserves 2014 \$'000	TOTAL 2014 \$'000
Balance at the beginning of the financial year		217,607	11,856	190,134	419,597
Comprehensive result		2,708	-	8,475	11,183
Transfers to reserve	27	(4,376)	4,376	-	-
Transfers from reserve	27	1,680	(1,680)	-	-
Balance at the end of the financial year	27/28	217,619	14,552	198,609	430,780

		Accumulated Surplus 2013 \$'000	Asset Replacement Reserves 2013 \$'000	Asset Revaluation Reserves 2013 \$'000	TOTAL 2013 \$'000
Balance at the beginning of the financial year		213,550	8,713	182,121	404,384
Comprehensive result		7,200	-	8,013	15,213
Transfers to reserve	27	(5,215)	5,215	-	-
Transfers from reserve	27	2,072	(2,072)	-	-
Balance at the end of the financial year	27/28	217,607	11,856	190,134	419,597

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

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30th JUNE, 2014**

	Notes	2014 Inflows (Outflows) \$'000	2013 Inflows (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		20,818	19,313
Statutory fees and fines		404	393
User charges		5,191	4,049
Grants - operating		6,952	9,290
Grants - capital		8,219	18,072
Contributions		886	459
Reimbursements		680	550
Interest		552	529
Rent		240	247
Other receipts		118	1,677
Net GST refund		1,590	2,174
Employees costs		(14,501)	(16,350)
Material and services		(15,443)	(16,887)
Other payments		(1,546)	(1,922)
Net cash provided by (used in) operating activities	29	14,160	21,594
Cash flows from investing activities			
Payments for finance assets		(3,000)	-
Payments for property, infrastructure, plant and equipment		(11,103)	(16,926)
Proceeds from sale of property, infrastructure, plant and equipment		209	2,050
Payments for investment properties		(23)	(206)
Net cash provided by (used in) investing activities		(13,917)	(15,082)
Cash flows from financing activities			
Finance costs		(255)	(303)
Repayment of borrowings		(766)	(725)
Repayment of finance lease		(11)	(11)
Net cash provided by (used in) financing activities		(1,032)	(1,039)
Net increase/(decrease) in cash and cash equivalents		(789)	5,473
Cash and cash equivalents at the beginning of the financial year		19,984	14,511
Cash and cash equivalents at the end of the financial year	17	19,195	19,984
Financing Arrangements	30		
Restrictions on cash assets	31		

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE, 2014

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.

The purpose of the Council is to work with the community to grow and develop the municipality through strong leadership, vision, good governance, responsive services and quality infrastructure, whilst enhancing the liveability and natural environment.

These financial statements of Horsham Rural City Council are general purpose financial statements that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general purpose financial statements comply with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the Local Government (Finance and Reporting) Regulations 2004.

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(h), 1(k), 1(r), 1(s), and 1(t).

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

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full. Details of entities not included in this financial report are detailed in Note 40.

There have been no changes in accounting policies during the financial year.

(b) Change in Accounting Policies

AASB 13 Fair Value Measurement

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair trade (eg net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes.)

AASB13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Change in Accounting Policies (cont.)

AASB 13 Fair Value Measurement (cont).

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard.

In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2012 comparative period (please see note 21).

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

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

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

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

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

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

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

AASB 19 Employee benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Councils measurement of the annual leave provision.

(c) Revenue Recognition

Rates, grants and contributions

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

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

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Revenue Recognition (cont.)

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

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

User fees and fines

User 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.

A provision for doubtful debts is recognised when collection in full is no longer probable.

Sale of property, infrastructure, plant and equipment

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

Rental

Rents are recognised as revenue when a payment is due or is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

Interest

Interest is recognised as it is earned.

Other Income

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

(d) Trade and other receivables and Inventories

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

Inventories

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

(e) Depreciation of Property, Infrastructure, Plant and Equipment

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

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

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.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Depreciation of Property, Infrastructure, Plant and Equipment (cont.)

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

Road Assets	
Pavement	12 - 60 years
Footpaths	40 - 50 years
Kerb and Channel	50 - 55 years
Drainage	100 years
Bridges	100 years
Bike Tracks	30 years
Land Improvements	10 - 100 years
Buildings	20 - 143 years
Other Structures	10 - 100 years
Plant & Equipment	1 - 30 years
Furniture & Fittings	3 - 20 years

(f) 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.

(g) Borrowing Costs

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

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

(h) Recognition and Measurement of Assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the 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.

The following classes of assets have been recognised in note 21. In accordance with Council's policy, the threshold limits detailed below have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

Class of asset	Threshold Limit
	\$
Land	1,000
Land Under Road Reserves	1,000
Buildings	5,000
Road Assets	
Pavement	5,000
Footpaths	5,000
Kerb and Channel	5,000
Drainage	5,000
Bridges	5,000
Bike Tracks	5,000

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Recognition and Measurement of Assets (cont.)

Class of asset	Threshold Limit
	\$
Other Land Improvements	5,000
Other Structures	5,000
Plant & Equipment	5,000
Furniture & Fittings	1,000
Artworks	50

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. Infrastructure assets are measured at fair value based on the depreciated current replacement cost at the date of revaluation. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 21 Property Plant and Equipment.

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

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

Land under Roads

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

(i) Cash and Cash Equivalents

For the purposes of the statement of cash flow, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(j) Investments

Investments, other than investments in associates, are measured at cost.

(k) Accounting for Investments in Associates

Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entities. The Council's share of the financial result of the entities is recognised in the comprehensive income statement.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Trust Funds and Other Deposits

Horsham Rural City Council has received monies as agent for the following: Art Gallery Trust Fund, Mack Jost Trust Fund, Con Kroker Trust Fund, Wimmera Regional Library Corporation, Wimmera Development Association, Horsham Cemetery Trust, Grampians Regional Waste Management Group and Desert Fringe Regional Waste Management Group. 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.

(m) Employee Benefits

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

(i) Wages and salaries, and annual leave

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

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

(ii) 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 settled within 12 months.
- nominal value - component that is expected to be settled within 12 months.

Non-current - conditional LSL representing less than 7 years is disclosed as a non-current liability.

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

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow.

(iii) Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by Council to the relevant superannuation plans in respect of the services of Horsham Rural City Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that council is required to comply with.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014****1 SIGNIFICANT ACCOUNTING POLICIES (continued)****(n) Leases****Finance Leases**

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

Operating Leases

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

(o) Allocation Between Current and Non-Current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Council's operational cycle or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(p) Agreements Equally Proportionately Unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the balance sheet. Such agreements are recognised on an "as incurred" basis.

(q) Web Site Costs

Costs in relation to websites are charged as an expense in the period in which they are incurred.

(r) Goods and Service Tax (GST)

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

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

(s) Impairment of Assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed in 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.

(t) Non-current assets held for sale

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

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Investment property

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

(v) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 24).

(w) Rounding

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

(x) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

Pronouncement	Summary	Application date	Impact on Council
AASB 9 Financial Instruments	<p>AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas. AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value- the 'available for sale' and 'held- to maturity' categories no longer exists. AASB 9 also simplified requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.</p> <p>The new categories of financial assets are:</p> <ul style="list-style-type: none"> - Amortised cost – those assets with 'basic' loan features'. - Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable). - Fair Value through profit and Loss - everything that does not fall into the above two categories. 	1 July 2015	The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities. This will also create a requirement to measure some instruments annually that has not previously existed.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Pending Accounting Standards (cont.)

Pronouncement	Summary	Application date	Impact on Council
AASB 9 Financial Instruments (cont.)	<p>The following changes also apply:</p> <ul style="list-style-type: none"> · Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value. · There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal. · Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity. 		
AASB 10 Consolidated Financial Statements	<p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p> <p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p>	1 Jul 2014	The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Pending Accounting Standards (cont.)

Pronouncement	Summary	Application date	Impact on Council
AASB 11 Joint Arrangements	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1 Jul 2014	The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.
AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures. The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.	1 Jul 2014	Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 Jul 2014	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 Jul 2014	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements	These standards set out the tiers of financial reporting and the reduced disclosure framework.	1 Jul 2014	Council has yet to determine the impact of this standard

(y) Contingent assets and contingent liabilities and commitments

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

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

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

2 RATES AND GARBAGE CHARGES	2014 \$'000	2013 \$'000
Residential	9,143	8,508
Commercial	1,305	1,200
Industrial	706	620
Farm/Rural	4,457	4,219
Cultural	45	36
Municipal Charge	2,872	2,677
Garbage Charges	2,347	2,117
	-----	-----
	20,875	19,377
	=====	=====

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

The valuation base used to calculate general, cultural and farm rates for 2013/14 was \$3,108,657,000 (2012/13 \$ 3,047,787,000).

The 2013/14 General rate in the CIV dollar was .5196 cents. (2012/13 .4909 cents).

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2012 and the valuation first applied in the rating year commencing 1 July 2012.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2010 and the valuation first applied in the rating year commencing 1 July 2010.

3 STATUTORY FEES AND FINES

Infringements and costs	155	161
Perin court recoveries	34	32
Issue of certificates	16	15
Local laws - permits & licences	38	26
Town planning	93	99
Health registrations	93	81
	-----	-----
	429	414
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

4 USER FEES	2014 \$'000	2013 \$'000
Administration charges	278	144
Animal control	320	299
Building fees & other charges	110	106
Fees - parking meters	430	442
Immunisations	5	4
Home based welfare services	908	873
Lord Mayors Camp	4	2
Other swimming income	1	1
Natimuk Rural Transaction Centre charges	-	1
Halls income	1	12
Performance ticket sales	75	64
Sporting and recreation facilities	73	68
Sports marketing	-	5
Freight Hub user charge	64	51
Supervision of private subdivisions	22	44
Private streets administration	16	4
Plan checking fees	7	36
Aerodrome	32	30
Saleyards	521	439
Caravan park	402	397
Wimmera Business Centre income	140	167
Rural revegetation scheme	9	9
Garbage charges	5	5
Garbage disposal	661	716
Transfer station	264	265
Waste management fees	1,142	1,022
Fire hazards grass removal	1	4
	-----	-----
	5,491	5,210
	=====	=====

Aging Analysis of contractual receivables

Please refer to table in Note 36 (e) entitled Ageing of Trade and other receivables for the ageing analysis of contractual receivables.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

5 GOVERNMENT GRANT REVENUES	2014 \$'000	2013 \$'000
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	2,009	2,564
State funded grants	11,530	20,441
Total	13,539	23,005
Operating Recurrent		
Commonwealth Government family and children	36	30
Victorian Grants Commission - general purpose	1,744	3,561
Victorian Grants Commission - local roads	999	1,957
School crossing supervisors	23	23
Community services	13	12
Maternal and child health	315	258
Senior citizens centres	14	21
Food services	53	32
Home and community care	864	821
Disability services	121	115
Library	162	160
Arts and art gallery	117	120
Environmental and landcare grants	50	63
Total Operating Recurrent	4,511	7,173
Capital Recurrent		
Commonwealth Government roads to recovery funding	973	1,034
Country roads and bridges	1,000	1,000
Total Capital Recurrent	1,973	2,034
Total Recurrent Grants	6,484	9,207
Operating Non-recurrent		
Regulatory services	-	95
Community services	72	73
Family and children	21	14
Public and community health	8	6
Community facilities	3	-
Disability services	-	16
Youth services	3	72
Outdoor recreation	93	139
Indoor recreation	0	16
Arts and art gallery	63	70
Emergency management planning	221	219
Economic development	123	2
Local roads & ancillary assets	193	152
Environmental and landcare grants	210	326
Recycling and waste grants	45	-
Tourism promotion	10	10
Flood recovery grants	32	63
Fire recovery grants	712	-
Total operating non-recurrent	1,809	1,273

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

5 GOVERNMENT GRANT REVENUES (cont.)	2014 \$'000	2013 \$'000
Capital non-recurrent		
Community services	23	10
Family and children	311	656
Home and community care	13	50
Community facilities	-	150
Outdoor recreation	561	383
Halls, historic buildings & monuments	3,043	3,009
Economic development	30	4,130
Local roads & ancillary assets	680	918
Livestock Exchange	62	-
Caravan Park	21	-
Public convenience grants	60	-
Flood recovery grants	112	3,219
Fire recovery grants	330	-
Total capital non-recurrent	<u>5,246</u>	<u>12,525</u>
Total non-recurrent	<u>7,055</u>	<u>13,798</u>
Total grants	<u>13,539</u>	<u>23,005</u>
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:		
Flood recovery grants - council assets	-	102
Town planning studies	-	70
Family and children	321	140
Community facilities	-	16
Community services	63	51
Kindergarten specific grants	-	11
Home and community care	-	35
Youth services	6	27
Rural disability access grant	114	75
Disability services	-	16
Outdoor recreation	126	124
Halls, historic buildings & monuments	3,001	2,748
Arts and arts gallery	23	30
Economic growth	80	73
Environmental	116	72
Waste management	10	-
Road & streets infrastructure	65	362
Roads to recovery	-	291
Country roads and bridges	1,000	1,000
	<u>4,925</u>	<u>5,243</u>

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

5 GOVERNMENT GRANT REVENUES (cont.)	2014 \$'000	2013 \$'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:		
Flood recovery grants	(102)	(4,480)
Town planning heritage study	(70)	-
Town planning freight precinct plan	-	(31)
Family and children	-	(196)
Community facilities	(16)	-
Community services	(51)	(77)
Kindergarten specific grants	(11)	(10)
Home and community care	(35)	-
Youth services	(24)	(8)
Flood recovery grant	-	(607)
Rural disability access grant	(75)	(54)
Outdoor recreation	(66)	(107)
Halls, historic buildings & monuments	(3)	(12)
Arts and arts gallery	(30)	(36)
Economic growth	(73)	(23)
Road & streets infrastructure	(210)	-
Roads to recovery	(291)	(112)
Country roads and bridges	(1,000)	(1,000)
Environmental	(72)	(17)
	-----	-----
	(2,129)	(6,770)
	=====	=====
Net increase/(decrease) in restricted assets resulting from grant revenues for the year:	2,796	(1,527)
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

6 CONTRIBUTIONS	2014	2013
(a) Cash	\$'000	\$'000
Road Assets	398	225
Recreational, leisure and community facilities	385	163
Recreational, leisure and community services	103	71
	-----	-----
	886	459
	=====	=====
(b) Non-Monetary		
Assets contributed by developers		
Land public open space	23	-
Land under roads	55	28
Road Assets	481	1,364
Assets contributed by others		
Artworks	42	20
Other Land Improvements - recreational facilities	-	322
	-----	-----
	601	1,734
	=====	=====
Total	-----	-----
	1,487	2,193
	=====	=====
7 REIMBURSEMENTS		
Road maintenance/works	6	3
Main roads maintenance Vicroads	612	497
	-----	-----
	618	500
	=====	=====
8 OTHER INCOME		
Interest	539	449
Interest on Rates	35	80
External works	379	572
Pre-school income	5	4
Other welfare receipts	13	3
Youth resource centre income	60	60
Community workshop income	2	3
Art gallery	32	31
Information office	35	34
Quarry restoration Income	35	24
Theatre rent	7	6
Mibus centre rent	9	8
Industrial estate	24	21
Commercial properties rent	179	191
Other	141	176
	-----	-----
	1,495	1,662
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

9 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT	2014 \$'000	2013 \$'000
Sale of developed land		
Proceeds from sales of developed land	-	1,242
Less: Cost of developed land sold	-	(1,600)
Profit/(loss) on sale of developed land	-	(358)
Plant and Equipment		
Proceeds from sale of assets	200	527
Written down value of assets sold	(247)	(585)
(Loss) on sale of plant and equipment	(47)	(58)
Furniture and Equipment		
Proceeds from sale of assets	4	1
Written down value of assets sold	(6)	(4)
Profit/(loss) on sale of furniture and equipment	(2)	(3)
Sale of land and buildings		
Proceeds from sale of assets	5	280
Written down value of assets sold	(4)	(286)
Profit/(loss) on sale of land and buildings	1	(6)
Summary		
Total proceeds from sale of assets	209	2,050
Written down value of assets sold	(257)	(2,475)
Profit/(loss) on sale of assets	(48)	(425)
Disposal of council investment properties		
Written down value of assets written off	(175)	-
Disposal of other land improvements		
Written down value of assets written off	-	(107)
Disposal of council buildings		
Written down value of assets written off	(1,068)	(31)
Disposal of road infrastructure assets		
Written down value of assets written off	(299)	(458)
Disposal of other structures		
Written down value of assets disposed	(1)	(2,327)
Total Written down value of assets disposed	(1,543)	(2,923)

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

10 EMPLOYEE COSTS	2014 \$'000	2013 \$'000
Wages and salaries	14,298	13,210
Workcover	219	190
Superannuation	1,204	1,103
Superannuation - additional call*	-	(137)
Less: Amounts capitalised in non-current assets constructed by the Council	(825)	(845)
	-----	-----
	14,896	13,521
	=====	=====

* during the period prior (2012) Council was required to make an additional contribution to Vision Super to meet our obligations in relation to members of the defined benefit plan. This amount represents an early repayment discount accounted for in the 2012/13 year. Please refer to note 32.

11 MATERIALS & SERVICES

Contract payments		
Valuation services	169	60
Provision of meals for meals on wheels	176	212
Management youth centre	134	120
Management aquatic centre	101	116
Waste management contracts	669	647
Contract cleaning	337	353
Strategies	77	342
Council election contract	-	105
Contracts less than \$100,000	605	832
Materials and services		
Sporting group projects	176	443
Library	440	436
Caravan park management	229	176
Road maintenance contracts	339	222
Performing Events expenses	67	71
General materials	607	435
Road maintenance materials	792	696
Waste management expenses	1,437	1,608
Other Materials & services less than \$100,000	3,023	2,941
Other		
Insurances	465	484
Plant operating costs	1,137	1,205
Computer expenditure	352	373
Power, Light & Heating	680	692
Advertising	124	204
Telephone	204	188
External salaries	504	534
External plant hire	165	483
Donations	261	134
Wimmera Development Association membership	186	182
Water rates	201	214
Community engagement projects	-	29
Sustainability projects	354	134
Flood and fire emergency response works and projects	489	3,586
	-----	-----
	14,500	18,257
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

12 BAD AND DOUBTFUL DEBTS	2014 \$'000	2013 \$'000
Other debtors	24	(2)
Parking fine debtors	33	30
Animal fine debtors	15	18
	-----	-----
	72	46
	=====	=====
 13 DEPRECIATION		
Furniture and fittings	158	171
Plant and equipment	908	822
Roads	4,938	4,952
Kerb and channel	471	465
Drainage	352	344
Footpaths and cycleways	523	506
Bridges	191	-
Other land improvements	398	342
Buildings	703	686
Other structures	1,082	1,278
	-----	-----
	9,724	9,566
	=====	=====
 14 OTHER EXPENSES		
Audit fee to conduct external audit - Victorian Auditor-General	44	42
Fees for other services provided by other auditors	38	15
Councillor & mayoral allowances	179	175
Operating lease rentals	86	114
	-----	-----
	347	346
	=====	=====
 15 FINANCE COSTS		
Interest - borrowings	255	303
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

16 INVESTMENTS IN ASSOCIATES	2014 \$'000	2013 \$'000

Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting. Refer note 1(k).		
Council's interest in equity	30.50%	30.73%
Equity in Wimmera Regional Library Corporation - at valuation	913	821
	-----	-----
	913	821
	=====	=====
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	405	390
Change in equity share apportionment	(3)	6
Reported surplus for year	26	13
Transfers to/(from) reserves	(7)	(4)
	-----	-----
Council's share of accumulated surplus at end of year	421	405
	=====	=====
Council's share of reserves		
Council's share of reserves at start of year	416	406
Change in equity share apportionment	(3)	6
Transfers to/(from) reserves	7	4
Share of asset revaluation	72	-
	-----	-----
Council's share of reserves at end of year	492	416
	=====	=====
Movement in carrying value of specific investment		
Carrying value of investment at start of year	821	796
Change in equity share apportionment	(6)	12
Share of Asset Revaluation	72	-
Share of surplus for year	26	13
	-----	-----
Carrying value of investment at end of year	913	821
	=====	=====
Council's share of expenditure commitments	Nil	Nil
Council's share of contingent liabilities and contingent assets	Nil	Nil

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

16 INVESTMENTS IN ASSOCIATES (cont.)	2014 \$'000	2013 \$'000
Council's investment in the Wimmera Development Association is based on the equity method of accounting. Refer note 1(k).		
Council's interest in equity	48.14%	53.54%
Equity in Wimmera Development Association - at valuation	182	192
	-----	-----
	182	192
	=====	=====
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	142	136
Change in equity share apportionment	-	(14)
Reported surplus for year	(10)	39
Transfers to/(from) reserves	(11)	(19)
	-----	-----
Council's share of accumulated surplus at end of year	121	142
	=====	=====
Council's share of reserves		
Council's share of reserves at start of year	50	35
Change in equity share apportionment	-	(4)
Transfers to/(from) reserves	11	19
	-----	-----
Council's share of reserves at end of year	61	50
	=====	=====
Movement in carrying value of specific investment		
Carrying value of investment at start of year	192	171
Change in equity share apportionment	-	(18)
Share of surplus for year	(10)	39
	-----	-----
Carrying value of investment at end of year	182	192
	=====	=====
Council's share of expenditure commitments	Nil	
Council's share of contingent liabilities and contingent assets	Nil	

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

17 CASH AND CASH EQUIVALENTS

	2014 \$'000	2013 \$'000
Cash on hand	3	3
Cash at bank	2,146	112
Overnight cash at 11 am call	1,470	744
Short term deposits	15,576	19,126
	-----	-----
	19,195	19,985
	=====	=====
Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
- Reserve funds allocated to specific future purposes (Note 27)	231	219
- Trust funds and deposits (Note 24)	654	700
- Unexpended grants (Note 5)	4,925	5,243
	-----	-----
Restricted Funds	5,810	6,162
	-----	-----
Financial assets (Note 19)	3,000	-
	-----	-----
Total unrestricted cash and cash equivalents	16,385	13,823
	=====	=====

18 TRADE AND OTHER RECEIVABLES

Current		
Rates debtors	361	304
Sundry debtors	1,987	2,290
Less doubtful debt provision - Sundry debtors	(22)	(5)
Parking infringement debtors	85	91
Less doubtful debt provision - Parking infringements	(28)	(32)
Other infringement debtors	93	66
Loans & advances to community organisations	47	37
Net GST receivable	362	445
	-----	-----
	2,885	3,196
	=====	=====
Non-current		
Sundry debtors	18	34
Loans & advances to community organisations	157	164
Deferred rates receivable	38	29
	-----	-----
	213	227
	=====	=====
Total Trade & Other Receivables	3,098	3,423
	=====	=====

19 FINANCIAL ASSETS

Term deposits	3,000	-
	=====	=====

20 NON CURRENT ASSETS HELD FOR SALE

Industrial land held for resale - at cost	-	138
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

21 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT	2014 \$'000	2013 \$'000
Property		
Land - at cost	-	517
Land - at fair value 2012	-	32,369
Land - at fair value 2014	38,604	-
	-----	-----
	38,604	32,886
	=====	=====
Land under roads - at cost	382	327
	-----	-----
	382	327
	=====	=====
Land improvements - at cost	-	9,324
Less: accumulated depreciation	-	(941)
Land improvements - at fair value 2001	-	5,860
Less: accumulated depreciation	-	(3,543)
Land improvements - at fair value 2014	16,315	-
Less: accumulated depreciation	(4,437)	-
	-----	-----
	11,878	10,700
	=====	=====
Total Land	50,864	43,913
	-----	-----
	=====	=====
Buildings - at cost	-	2,343
Less: accumulated depreciation	-	(20)
Buildings - at fair value 2012	-	61,588
Less: accumulated depreciation	-	(28,621)
Buildings - at fair value 2014	65,633	-
Less: accumulated depreciation	(29,196)	-
	-----	-----
	36,437	35,290
	=====	=====
Other structures - at cost	360	-
Less: accumulated depreciation	(38)	-
Other structures - at fair value 2013	35,814	37,879
Less: accumulated depreciation	(9,033)	(9,541)
	-----	-----
	27,103	28,338
	=====	=====
Total Buildings	63,540	63,628
	-----	-----
	=====	=====
Total Property	114,404	107,541
	-----	-----
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

21 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level3 \$ '000
Land	-	-	38,604
Land improvements	-	-	11,878
Buildings	-	-	36,437
Other structures	-	-	26,781
	-----	-----	-----
Total	-	-	113,700
	=====	=====	=====

No transfers between levels occurred during the year.

	2014 \$'000	2013 \$'000
	-----	-----
Road Infrastructure		
Road assets - at cost	11,942	6,820
Less: accumulated depreciation	(214)	(57)
Road assets - at fair value 2012	299,481	300,713
Less: accumulated depreciation	(94,073)	(90,620)
	-----	-----
	217,136	216,856
	=====	=====
Kerb and channel - at cost	1,121	763
Less: accumulated depreciation	(26)	(7)
Kerb and channel - at fair value 2012	24,870	25,053
Less: accumulated depreciation	(10,585)	(10,292)
	-----	-----
	15,380	15,517
	=====	=====
Drainage - at cost	2,913	2,451
Less: accumulated depreciation	(52)	(25)
Drainage - at fair value 2009	32,471	32,471
Less: accumulated depreciation	(8,594)	(8,269)
	-----	-----
	26,738	26,628
	=====	=====
Footpaths and cycleways - at cost	1,641	1,111
Less: accumulated depreciation	(48)	(14)
Footpaths and cycleways - at fair value 2012	23,707	23,707
Less: accumulated depreciation	(12,026)	(11,537)
	-----	-----
	13,274	13,267
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

21 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (cont.)	2014 \$'000	2013 \$'000
Bridges - at cost	646	-
Less: accumulated depreciation	(3)	-
Bridges - at fair value 2013	17,680	17,797
Less: accumulated depreciation	(7,885)	(7,757)
	-----	-----
	10,438	10,040
	=====	=====
Total road infrastructure	282,966	282,308
	=====	=====

Fair Value assessments have been performed at 30 June 2014 for Infrastructure. This assessment demonstrated that fair value was materially similar to carrying value, and therefore a full revaluation was not required this year. The next scheduled full revaluation for this purpose will be conducted in 2014 - 2015.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000
Roads	-	-	205,408
Kerb and channel	-	-	14,285
Drainage	-	-	23,877
Footpaths and cycleway	-	-	11,681
Bridges	-	-	9,795
	-----	-----	-----
Total	-	-	265,046
	=====	=====	=====

No transfers between levels occurred during the year.

	2014 \$'000	2013 \$'000
Plant and equipment - at cost	13,232	12,819
Less: accumulated depreciation	(4,864)	(4,581)
	-----	-----
	8,368	8,238
	=====	=====
Furniture and fittings - at cost	1,721	1,732
Less: accumulated depreciation	(1,340)	(1,239)
Furniture and fittings - leased	57	57
Less: accumulated depreciation	(38)	(27)
	-----	-----
	400	523
	=====	=====
Works of art - at cost	208	137
Works of art - at fair value as at 30 June 2010	2,729	2,729
	-----	-----
	2,937	2,866
	=====	=====

Paintings and works on paper have been valued at current market cost (\$1,412,450) by Ms Elizabeth Arthur, Approved Valuer. Photographs have been valued at current market cost (\$990,305) by Ms Helen Frajman, Approved Valuer. The balance of the collection has been valued at estimated market value at the time of acquisition (\$325,659) by Mr Adam Harding, Art Gallery Director, Horsham Regional Art Gallery.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

21 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (cont.)	2014 \$'000	2013 \$'000
Works in progress - at cost		
Road Assets	536	922
Other land improvements	136	-
Buildings	4,861	2,814
Other structures	178	175
Furniture and equipment	229	229
	-----	-----
	5,940	4,140
	=====	=====
Total property, infrastructure, plant & equipment	415,015	405,616
	=====	=====
Summary of property, infrastructure, plant & equipment		
Summary		
Assets at cost	40,163	42,541
Less accumulated depreciation	(6,623)	(6,911)
	-----	-----
	33,540	35,630
	=====	=====
Assets at fair value	557,304	540,166
Less accumulated depreciation	(175,829)	(170,180)
	-----	-----
	381,475	369,986
	=====	=====
Total assets held	597,467	582,707
Total accumulated depreciation	(182,452)	(177,091)
	-----	-----
Total property, infrastructure, plant & equipment	415,015	405,616
	=====	=====

Valuation basis

Specialised land and specialised buildings

The market based direct comparison method is also used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

An independent valuation of Council's specialised land and buildings was performed by Wigg & Partners. The valuation was performed using either the market based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the valuation is 30 June 2014.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

21 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (cont.)

Land under roads

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

Road Infrastructure

Infrastructure is valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable. Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

The valuation of road infrastructure assets has been determined in accordance with an independent valuation undertaken by Mr Peter Moloney, Dip CE. CE. EWS. MIEAust, Moloney Asset Management Services. The valuation of road assets is at fair value based on the depreciated current replacement cost at the date of valuation.

There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured in fair value, the current use is considered the highest an best use.

Reconciliation of Level 3 fair value

2014	Specialised Land and Land Improvements \$'000	Specialised Buildings and Other Structures \$'000	Infrastructure \$'000
	-----	-----	-----
Opening Balance	34,686	61,305	271,266
Depreciation	(318)	(1,696)	(6,033)
Impairment Loss	-	-	(198)
Revaluation	5,961	1,856	-
Disposals	(4)	(1,069)	(299)
	-----	-----	-----
Closing Balance	40,325	60,396	264,736
	=====	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

21 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (cont.)

Description of significant unobservable inputs into Level 3 valuations

	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Specialised Land and Land Improvements	Market based direct comparison approach (refer above)	Extent and Impact of restriction of use	\$1 - \$815/m2 (\$75)	Increase or decrease in the extent of restriction would result in a significantly higher or lower fair value.
Specialised Buildings	Depreciated Replacement Cost	Direct cost per square metre. Useful life of specialised buildings.	\$200 - \$300/m2 (\$250) 50 years	Increase or decrease in the direct cost per square metre adjustment would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value
Roads	Depreciated Replacement Cost	Cost per unit. Useful life of infrastructure	\$3 - \$197 (\$41) 10 - 70 years	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value
Kerb and Channel	Depreciated Replacement Cost	Cost per unit. Useful life of infrastructure	\$40 - \$100 (\$69) 10 - 70 years	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value
Drainage	Depreciated Replacement Cost	Cost per unit. Useful life of infrastructure	\$30 - \$200 (\$165) 30 - 200 years	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value
Footpaths	Depreciated Replacement Cost	Cost per unit. Useful life of infrastructure	\$12 - \$102 (\$82) 15 - 70 years	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value
Bridges	Depreciated Replacement Cost	Cost per unit. Useful life of infrastructure	\$2,300 - \$2,500 (\$2,400) 50 - 100 years	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014

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

Summary of Movements in Infrastructure Assets

2014	Balance at beginning of financial year	Acquisition of assets	Contributions by developers	Contributions by Others	Transfers	Transfer from Land Held for sale & from invest prop	WDV of disposals	Revaluation Increment	Impairment Adjustments Recognised in Revaluation Reserve	Depreciation (note 13)	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property											
Land	32,886	29	23	-	-	468	(4)	5,202	-	-	38,604
Land Under Roads	327	-	55	-	-	-	-	-	-	-	382
Land Improvements	10,700	59	-	-	-	-	-	1,517	-	(398)	11,878
Total land	43,913	88	78	-	-	468	(4)	6,719	-	(398)	50,864
Buildings	35,290	461	-	-	403	100	(1,068)	1,954	-	(703)	36,437
Other Structures	28,338	186	-	-	(338)	-	(1)	-	-	(1,082)	27,103
Total buildings	63,628	647	-	-	65	100	(1,069)	1,954	-	(1,785)	63,540
Total property	107,541	735	78	-	65	568	(1,073)	8,673	-	(2,183)	114,404
Road Infrastructure											
Roads	216,856	4,146	161	-	1,327	-	(218)	-	(198)	(4,938)	217,136
Kerb and Channel	15,517	260	98	-	-	-	(24)	-	-	(471)	15,380
Drainage	26,628	335	119	-	8	-	-	-	-	(352)	26,738
Footpaths and cycleways	13,267	419	103	-	8	-	-	-	-	(523)	13,274
Bridges	10,040	646	-	-	-	-	(57)	-	-	(191)	10,438
Total infrastructure	282,308	5,806	481	-	1,343	-	(299)	-	(198)	(6,475)	282,966
Plant and Equipment and Other											
Plant and Equipment	8,238	1,285	-	-	-	-	(247)	-	-	(908)	8,368
Furniture and Fittings	523	41	-	-	-	-	(6)	-	-	(158)	400
Works of Art	2,866	29	-	42	-	-	-	-	-	-	2,937
Total Plant and Equipment and Other	11,627	1,355	42	42	-	-	(253)	-	-	(1,066)	11,705
Works in Progress											
Road assets	922	445	-	-	(831)	-	-	-	-	-	536
Other Land improvements	0	136	-	-	0	-	-	-	-	-	136
Buildings	2,814	2,450	-	-	(403)	-	-	-	-	-	4,861
Other Structures	175	177	-	-	(174)	-	-	-	-	-	178
Furniture and equipment	229	-	-	-	-	-	-	-	-	-	229
Total works in progress	4,140	3,208	-	-	(1,408)	-	-	-	-	-	5,940
Total property, plant and equipment, infrastructure	405,616	11,104	559	42	-	568	(1,625)	8,673	(198)	(9,724)	415,015

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014

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

2013	Balance at beginning of financial year	Acquisition of assets	Contributions by developers	Contributions by Others	Transfers	Transfer to Land Held for sale	WDV of disposals	Revaluation Increment	Impairment Losses Recognised in Revaluation Reserve	Depreciation (note 13)	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property Land	33,319	195	322	-	-	(138)	(812)	-	-	-	32,886
Land Under Roads	228	-	99	-	-	-	-	-	-	-	327
Land Improvements	6,416	4,335	-	-	474	-	(561)	-	378	(342)	10,700
Total land	39,963	4,530	421	-	474	(138)	(1,373)	-	378	(342)	43,913
Buildings	33,658	1,133	-	-	1,211	-	(165)	-	139	(686)	35,290
Other Structures	19,724	2,655	-	-	6,012	-	(2,327)	3,394	80	(1,200)	28,338
Total buildings	53,382	3,788	-	-	7,223	-	(2,492)	3,394	219	(1,886)	63,628
Total property	93,345	8,318	421	-	7,697	(138)	(3,865)	3,394	597	(2,228)	107,541
Road Infrastructure	214,402	3,887	540	-	2,393	-	(317)	-	903	(4,952)	216,856
Roads	15,294	306	186	-	271	-	(75)	-	-	(465)	15,517
Kerb and Channel	25,904	236	404	-	381	-	-	-	47	(344)	26,628
Footpaths and cycleways	12,479	735	163	-	212	-	(65)	-	249	(506)	13,267
Bridges	-	-	-	-	7,295	-	-	2,823	-	(78)	10,040
Total infrastructure	268,079	5,164	1,293	-	10,552	-	(457)	2,823	1,199	(6,345)	282,308
Plant and Equipment and Other	8,006	1,639	-	-	-	-	(585)	-	-	(822)	8,238
Plant and Equipment	619	79	-	-	-	-	(4)	-	-	(171)	523
Furniture and Fittings	2,821	25	-	20	-	-	-	-	-	-	2,866
Works of Art	-	-	-	-	-	-	-	-	-	-	-
Total Plant and Equipment and Other	11,446	1,743	-	20	-	-	(589)	-	-	(993)	11,627
Works in Progress	20,687	1,702	-	-	(18,249)	-	-	-	-	-	4,140
Totals	393,557	16,927	1,714	20	-	(138)	(4,911)	6,217	1,796	(9,566)	405,616

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

22 INVESTMENT PROPERTY

	2014 \$'000	2013 \$'000
Balance at beginning of financial year	2,995	2,610
Acquisitions	23	206
Demolition of buildings	(175)	-
Transfer land value to land assets	(330)	-
Transfer building value to building assets	(100)	-
Fair value adjustments	77	179
Balance at end of financial year	2,490	2,995

The valuations for the investment property were performed by an independent valuer, Wigg & Partners. The valuation of buildings is at fair value based on the depreciated current replacement cost at the date of valuation. The valuation of land is a level two, meaning it is based on quoted prices for similar assets in an active market.

There have been not transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2014. For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

Fair Value Hierarchy

	Carrying amount as at 30 June 2014 \$ '000	Fair Value measurement at end of reporting period:		
		Level 1 \$ '000	Level 2 \$ '000	Level3 \$ '000
Investment Property	2,490	-	2,490	-

23 TRADE AND OTHER PAYABLES

Current		
Trade payables	3,801	4,122
Accrued expenditure	7	9
PAYG creditor	106	94
	3,914	4,225

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

24 TRUST FUNDS AND DEPOSITS

	2014 \$'000	2013 \$'000
Refundable building deposits	71	59
Refundable contract deposits	66	123
Refundable security deposits	366	406
Refundable retention amounts	13	13
Refundable miscellaneous trusts	138	99
	-----	-----
	654	700
	=====	=====

Refundable building deposits are held against incomplete building works. If footpaths and site are left in original condition the deposit is returned in full to developer/builder. If Council is required to rehabilitate the site the deposit is forfeited.

Refundable contract and retention deposits are held against incomplete contract works. If the works are not completed to Council's standard, the deposit can be redeemed by Council to complete the works. The security deposits are held as assurance against defects liability for 12 months from practical completion of works.

Refundable miscellaneous trusts are monies payable to community groups if certain criteria are met. If the criteria is not met, the trust amount is forfeited by the group.

25 PROVISIONS

	Annual & Other Leave \$'000	Long Service Leave \$'000	Quarry Restoration \$'000	Landfill Restoration \$'000	Total \$'000
2014					
Balance at the beginning of the financial year	1,361	2,510	190	2,569	6,630
Additional provisions	1,267	420	9	46	1,742
Amounts used	(1,183)	(96)	(17)	-	(1,296)
	-----	-----	-----	-----	-----
Balance at the end of the financial year	1,445	2,834	182	2,615	7,076
	=====	=====	=====	=====	=====
2013					
Balance at the beginning of the financial year	1,270	2,432	189	1,236	5,124
Additional provisions	1,182	366	9	1,333	2,890
Amounts used	(1,091)	(288)	(5)	-	(1,384)
	-----	-----	-----	-----	-----
Balance at the end of the financial year	1,361	2,510	190	2,569	6,630
	=====	=====	=====	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

25 PROVISIONS (cont.)	2014	2013
(a) Employee benefits	\$'000	\$'000
Current provisions expected to be settled within 12 months		
Annual leave	1,021	928
Other	-	7
Long service leave	109	244
	-----	-----
	1,130	1,179
	=====	=====
Current provisions expected to be settled after 12 months		
Annual leave	424	426
Long service leave	2,246	1,841
	-----	-----
	2,670	2,267
	=====	=====
Total Current Provisions	-----	-----
	3,800	3,446
	=====	=====
Non-current		
Long service leave	479	425
	-----	-----
	479	425
	=====	=====
The following assumptions were adopted in measuring the present value of employee benefits.	2014	2013
Weighted average increase in employee costs	4.44%	4.5%
Weighted average discount rates	3.13 %	3.27 %
Weighted average settlement period	6 years	6 years
(b) Restoration Provisions		
Quarry restoration provision		
Current	34	34
Non-current	148	156
	-----	-----
	182	190
	=====	=====
Landfill restoration provision		
Current	959	150
Non-current	1,656	2,419
	-----	-----
	2,615	2,569
	=====	=====

Landfill restoration provision note

Under EPA requirement Council is obligated to restore Dooen Landfill site to a particular standard. Part of the Dooen Landfill site (Ladlows) ceased operation in 2012/13 and restoration works commenced in May 2014. The forecast life of the landfill site is based on 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. Council does not expect to receive reimbursement from a third party.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

25 PROVISIONS (cont.)

Quarry restoration provision note

Council has an obligation to rehabilitate and restore two quarry sites. The provision 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 the current understanding of work required to reinstate the site to a suitable standard. The estimate of the provision is dependent on the accuracy of the forecast timing of the work, work required and related costs.

26 INTEREST BEARING LOANS AND BORROWINGS

	2014 \$'000	2013 \$'000
Current Loans - secured	549	766
Non-current Loans - secured	2,923	3,472
Security for Borrowings		
The bank loans and overdraft are secured over the general rates of Council.		
The Maturity profile for Council's borrowings is:		
Not later than one year	549	766
Later than one year and not later than five years	1,837	1,905
Later than five years	1,086	1,567
	3,472	4,238
Finance Leases		
Council has the following obligations under finance leases for the lease of equipment (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):		
Not later than one year	12	12
Later than one year and not later than five years	8	19
	20	31
Current Leases	12	12
Non-current Leases	8	19
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	561	778
Non-current	2,931	3,491
	3,492	4,269

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

27 EQUITY - ASSET REPLACEMENT RESERVES

	2013 \$'000	Transfer to \$'000	Transfer from \$'000	2014 \$'000
Car park development	1,163	430	84	1,509
Office equipment replacement	147	123	16	254
Plant replacement	1,847	1,512	1,067	2,292
Recreation contribution	219	12	-	231
Waste management replacement	1,096	722	255	1,563
Contingency & redundancy	83	58	41	100
Firebrace St properties	392	54	23	423
Major capital projects	68	-	34	34
Aquatic centre replacement reserve	344	115	44	415
Aerodrome reseal	73	46	8	111
Industrial estate	4,062	3	5	4,060
Library asset replacement reserve	68	6	12	62
Livestock exchange	82	149	21	210
Loan funds	162	-	-	162
Quarry & road rehabilitation reserve	52	9	-	61
Road construction	32	-	-	32
Town Hall redevelopment reserve	1,606	893	5	2,494
Headworks drainage reserve	187	62	65	184
Unfunded superannuation reserve	100	100	-	200
Wimmera Business Centre reserve	40	25	-	65
Wimmera Freight Terminal	33	57	-	90
	11,856	4,376	1,680	14,552

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.

Asset replacement reserves	2012 \$'000	Transfer to \$'000	Transfer from \$'000	2013 \$'000
Car park development	770	452	59	1,163
Office equipment replacement	40	170	63	147
Plant replacement	1,518	1,453	1,124	1,847
Recreation contribution	89	130	-	219
Waste management replacement	1,069	206	179	1,096
Contingency & redundancy	120	22	59	83
Firebrace St properties	339	53	-	392
Major capital projects	16	127	75	68
Aquatic centre replacement reserve	294	58	8	344
Aerodrome reseal	34	39	-	73
Industrial estate	2,769	1,476	183	4,062
Library asset replacement reserve	78	-	10	68
Livestock exchange	188	61	167	82
Loan funds	162	-	-	162
Quarry & road rehabilitation reserve	42	10	-	52
Road construction	32	-	-	32
Town Hall redevelopment reserve	1,067	683	144	1,606
Headworks drainage reserve	61	126	-	187
Unfunded superannuation reserve	-	100	-	100
Wimmera Business Centre reserve	25	15	-	40
Wimmera Freight Terminal	-	34	1	33
	8,713	5,215	2,072	11,856

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

28 EQUITY - ASSET REVALUATION RESERVES

2014	Balance at beginning of reporting period \$'000	Impairments \$'000	Revaluation increment \$'000	Balance at end of reporting period \$'000
Works of art	763	-	-	763
Roads	104,833	(198)	-	104,635
Kerb and channel	9,383	-	-	9,383
Drainage	15,884	-	-	15,884
Footpaths and cycleways	8,330	-	-	8,330
Bridges	2,823	-	-	2,823
Other land improvements	1,458	-	1,517	2,975
Other structures	7,595	-	-	7,595
Land	23,281	-	5,202	28,483
Buildings	14,709	-	1,954	16,663
Land held for resale	1,075	-	-	1,075
	190,134	(198)	8,673	198,609
2013				
Works of art	763	-	-	763
Roads	103,930	903	-	104,833
Kerb and channel	9,383	-	-	9,383
Drainage	15,837	47	-	15,884
Footpaths and cycleways	8,081	249	-	8,330
Bridges	-	-	2,823	2,823
Other land improvements	1,080	378	-	1,458
Other structures	4,121	80	3,394	7,595
Land	23,281	-	-	23,281
Buildings	14,570	139	-	14,709
Land held for resale	1,075	-	-	1,075
	182,121	1,796	6,217	190,134

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

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

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

	2014 \$'000	2013 \$'000
Surplus/(Deficit) for the year	2,708	7,200
Depreciation	9,724	9,566
(Profit)/Loss on disposal of property, infrastructure, plant and equipment	1,591	3,348
Contributions - Non-monetary assets	(601)	(1,734)
Share of (profits) of associates	(82)	(47)
Fair value (increment) adjustments for Investment property	(77)	(179)
Financing Costs	255	303
Change in assets and liabilities:		
Increase/(Decrease) in employee benefits	409	170
Increase in quarry provision	(8)	3
Increase in landfill provision	46	1,333
Increase in non-current sundry creditors	0	(2,972)
(Increase)/Decrease in prepaid expenses	2	(62)
Increase/(Decrease) in accounts payable	(356)	886
Increase/(Decrease) in accrued expenditure	(2)	(2)
(Increase) in inventories	(132)	(51)
(Increase)/Decrease in accounts receivable	325	(161)
(Increase)/Decrease in accrued income	358	3,994
Net cash provided by/(used in) operating activities	14,160	21,595

30 FINANCING ARRANGEMENTS

Financing

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

Total Facilities		
Bank overdraft	1,000	1,000
Used at reporting date	-	-
Unused at reporting date	1,000	1,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Interest rates on all facilities are at the variable indicator lending rate.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

31 RESTRICTED ASSETS

	2014 \$'000	2013 \$'000
Council has cash and cash equivalents (note 17) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to reserve funds (Recreational Lands Reserves).		
Recreation reserve (note 27)	231	219
Trust funds and deposits (Note 24)	654	700
Unexpended grants (note 5)	4,925	5,243
	-----	-----
	5,810	6,162
	=====	=====

32 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. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Horsham Rural City Council and the Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Operating Statement when they are 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 2014, this was 9.25% required under Superannuation Guarantee Legislation).

Our commitment to defined contributions plans is limited to making contributions in accordance with our minimum statutory requirements.

No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of net assets of the Fund.

Effective from 1 July 2014, the Superannuation Guarantee contribution rate will increase to 9.5%, and will progressively increase to 12% by 2019. Based on announcements included in the May 2014 Federal Budget, this progressive increase to 12% will be delayed until 2022.

Defined Benefit

As provided under Paragraph 34 of AASB 119, 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 multi-employer sponsored plan.

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the Council in the Fund cannot be measured as a percentage compared with other participating employer. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, There is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocated benefit liabilities, assets and costs between employers for the purposes of AASB 119.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014****32 . SUPERANNUATION (cont.)****Funding Arrangements**

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

The Fund's employer funding arrangements comprise of three components (which are detailed below) are:

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners.
2. Funding calls - which are contributions in respect of each participating employer's share of any funding shortfalls arise; and
3. Retrenchment increments - which are additional contributions to cover the increase in liability arising from retrenchments.

Horsham Rural City Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

Employer Contributions**Regular contributions**

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2011, 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 2014, this rate was 9.25% of members' salaries. This rate increased to 9.5% on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee contribution rate.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

Funding Calls

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standards SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation; or
- a fund's VBI is below its shortfall limit at a time other than at the date of the actuarial investigations.

If either of the above occur, the fund has a shortfall for the purposes of SPS 160 and fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

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. The methodology used to allocate the shortfall was agreed to 1997 to fairly and reasonably apportion the shortfall between the participating employers.

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.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

32 . SUPERANNUATION (cont.)

The pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund are based on:

- The service periods of all active members split between the active members pre-1 July 1993 and post-30 June 1993 service period;
- The service periods of all deferred members split between the deferred members pre-1 July 1993 and post-30 June 1993 service period; and
- The pensioner (including fixed term pension) liabilities which are allocated to the pre-1993 period.

The pre-1 July 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at 30 June 1993.

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and the Fund includes lifetime pensioners and their reversionary beneficiaries, it is likely that the Fund will be wound up. In the unlikely event that the Fund is wound up and there is a surplus in the Fund, the surplus cannot be applied for the benefit of the defined employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined obligations (including the lifetime pension obligations) of the Fund.

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.

Differences between calculations

The Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculated required contributions), for the calculation of accrued benefits as required in AAS 25 and for the values needed for the AASB 119 disclosure in the Horsham Rural City Council's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

Retrenchment increments

During 2013/14, Council was not required to make payments to the Fund in respect of retrenchment increments (\$nil in 2012/13). Council's liability to the Fund as at 30 June 2014, for retrenchment increments, accrued interest and tax is \$nil. (\$nil in 2012/13).

Shortfall amounts

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Council is a contributing employer. Council was made aware of the expected shortfall during the 2011/12 year and was informed of its share of the shortfall on 2 August 2012. Council has not been advised of any further adjustments.

Council's share of the shortfall amounted to \$2,611,105 (excluding contributions tax) was accounted for in the 2011/12 Comprehensive Operating Statement within Employee Benefits (see Note 10) and in the Balance Sheet in Current and Non-Current Payables (see note 22).

No further amount has been accounted for in the 2013/14 Comprehensive Operating Statement within Employee benefits (see note 10) and in the Balance Sheet in Current Liabilities Provisions (see note 22), \$137,000 in the 2012/13 Comprehensive Operating Statement with Employee Benefits and \$0 in the 2012/13 Balance Sheet in Current Liabilities Provisions.

For the 2012/13 year, Council received a early payment discount of \$137,431 which has been accounted for in the 2012/13 Comprehensive Operating Statement within Employee Benefits (see Note 10) and in the Balance Sheet in Current and Non-Current Payables (see note 22).

There is no unpaid shortfall at 30 June 2013.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

32 . SUPERANNUATION (cont.)

Accrued benefits

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

	31-Dec-11 \$'000
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	(326,809)
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	4,838,503

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	7.5% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014.

Superannuation Contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2014 are detailed below:

Scheme	Type of scheme	Rate	2014 \$'000	2013 \$'000
Vision Super	Defined benefits	9.25%	186	190
Vision Super	Accumulation plan	9.25%	1,017	913

There were \$77,000 contributions outstanding and (\$nil) loans issued from or to the above schemes as at 30 June 2014. The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2015 is \$193,000.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

33 COMMITMENTS

The Council has entered into the following commitments

2014	Not Later Than 1 Year \$'000	Later Than 1 Year and Not Later Than 2 years \$'000	Later Than 2 Years and Not Later Than 5 years \$'000	TOTAL \$'000
Operating				
Waste Collection Recycling	263	258	-	521
Various Studies	112	-	-	112
Telephone Lease	26	26	-	52
Youth Services	120	-	-	120
Building Surveyor Services	157	161	-	318
Capital				
Roadworks	279	-	-	279
Town Hall Refurbishment	14,029	-	-	14,029
Waste Facilities	395	-	-	395
Other Buildings Refurbishment	156	-	-	156
Recreation Facilities	92	-	-	92
Plant	225	-	-	225
Total	15,854	445	-	16,299

2013	Not Later Than 1 Year \$'000	Later Than 1 Year and Not Later Than 2 years \$'000	Later Than 2 Years and Not Later Than 5 years \$'000	TOTAL \$'000
Operating				
Waste Collection Recycling	258	263	258	779
Various Studies	39	-	-	39
Telephone Lease	26	26	26	78
Valuation Services	157	17	-	174
Youth Services	120	120	-	240
Private Works	208	-	-	208
Capital				
Roadworks	855	-	-	855
Town Hall Refurbishment	142	-	-	142
Safety Camera Installations	173	-	-	173
Other Halls Refurbishment	153	-	-	153
Recreation Facilities	89	-	-	89
Plant	532	-	-	532
Total	2,752	426	284	3,462

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

34 OPERATING LEASE COMMITMENTS

(a) Operating lease commitments

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

	2014 \$'000	2013 \$'000
Not later than one year	74	75
Later than one year and not later than 2 years	73	74
Later than 2 years and not later than 5 years	12	85
	159	234
	159	234

(b) Operating lease receivables

At the reporting date, Horsham Rural City Council had entered into commercial property leases on its investment property, consisting of surplus freehold shop complexes. These properties held under operating leases have remaining cancellable lease terms of between 1 and 5 years. All leases include a CPI based revision of the rental charge annually.

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

Not later than one year	127	118
Later than one year and not later than 2 years	126	83
Later than 2 years and not later than 5 years	56	77
	309	278
	309	278

35 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At balance date, the Council's exposure as a result of bank guarantees is:

	\$'000
Department of Natural Resources - Arnotts Quarry	32
Department of Natural Resources - Courtneys Quarry	12
Minister for Agriculture and Resources	12
Minister for Energy and Resources	5
Environment Protection Authority	625

Finance Assurance for Dooen Landfill

Council has a responsibility under the Environment and Protection Act 1970, for remedial action and site aftercare at the Dooen Landfill. Council progressively rehabilitates the John's site each year.

Council has obligations under a defined superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

A contingent asset exists in relation to class action re damages incurred to council assets, in February 2009 Horsham bushfire. A settlement agreement has been entered into with the defendant but has not yet been finalised through the courts. It is reasonable to expect that some compensatory payment would eventuate in 2014/15.

Contingent liabilities

The Council is presently involved in a confidential legal matter, which are being conducted through Council's solicitors.

As this matter is yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for this contingency has been made in the financial statements.

HORSHAM RURAL CITY COUNCIL

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NOTES TO THE FINANCIAL STATEMENT (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014

36 FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT

(a) Accounting Policy, Terms and Conditions

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash and cash equivalents	17	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues.	On call deposits returned floating interest rate returns of 2.25% - 2.50% in 2013/14 (2.5% - 3.25% in 2012/13). The interest rate at balance date was 2.25%.
Financial Assets	19	Investments and Bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.	(2.5% in 2012/13). Term deposits and bank bills returned fixed interest rate returns between 2.84% and 4.1%. The rates at balance date were between 2.9% and 3.65%.
Other Debtors	18	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue amounts is assessed on an ongoing basis.	General Debtors are unsecured and interest free. Credit terms are usually 30 days.
Financial Liabilities			
Payables	23	Liabilities are recognised for amounts to be paid in the future for goods received and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest bearing loans and borrowings	26	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables. Finance leases are accounted for at their principle amount with lease payments discounted to present value using the interest rates implicit in the leases.	Bank loans are secured by way of mortgages over the general rates of Council. The interest rate for individual bank loans is fixed for the period of the loan. Bank loans are repayable in equal instalments comprising principal and interest. Interest is payable in arrears. The weighted average on borrowings is 6.55% during 2013/14 (6.56% in 2012/13). As at balance date, the Council had finance leases with an average lease term of 2 years
Bank Overdraft		Overdrafts are recorded at their principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. Interest rates on utilised overdraft was 7.01 - 8.08 % during 2013/2014 (8.71 - 9.81% during 2012/13). The interest rate as at balance date was 7.01%.

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENT (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014

36 FINANCIAL INSTRUMENTS (Cont.)

(b) Interest Rate Risk

The Council's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

	Floating Interest Rate		Fixed Interest maturing In								Non Interest Bearing		Total Carrying Amount		Weighted Average Interest Rate							
			1 Year or Less		Over 1 to 5 Years		Over 5 Years		2014								2013		2014		2013	
			2014	2013	2014	2013	2014	2013	2014	2013							2014	2013	2014	2013	2014	2013
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%						
Financial Assets																						
Cash & Cash Equivalents	1,470	744	15,576	19,126	-	-	-	-	-	-	2,149	115	19,195	19,985	3.18	4.36						
Trade & Other Receivables	-	-	-	-	-	-	-	-	-	-	2,375	2,674	2,375	2,674	10.50	10.50						
Financial Assets	-	-	3,000	-	-	-	-	-	-	-	-	-	3,000	-	3.25	-						
Accrued Income	-	-	-	-	-	-	-	-	-	-	1,164	1,522	1,164	1,522	-	-						
Total financial assets	1,470	744	18,576	19,126	-	-	-	-	-	-	5,688	4,311	25,734	24,181	-	-						
Financial Liabilities																						
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-	3,914	4,225	3,914	4,225	-	-						
Trust Funds and deposits	-	-	-	-	-	-	-	-	-	-	654	700	654	700	-	-						
Interest Bearing Liabilities	-	-	561	778	1,845	1,924	1,086	1,567	1,567	-	-	-	3,492	4,269	6.55	6.56						
Total financial liabilities	-	-	561	778	1,845	1,924	1,086	1,567	1,567	4,568	4,925	8,060	8,060	9,194	-	-						
Net Financial Assets/(Liabilities)	1,470	744	18,015	18,348	(1,845)	(1,924)	(1,086)	(1,567)	(1,567)	1,120	(614)	17,674	14,987									

(c) Net Fair Value

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

	Total Carrying Amount as per Balance Sheet			Aggregate Net Fair Value		
	2014	2013	2013	2014	2013	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Instruments						
1) Financial assets						
Cash and Cash Equivalents	19,195	19,985	19,985	19,195	19,985	19,985
Trade and Other Receivables	2,375	2,674	2,265	2,197	2,265	2,265
Financial Assets	3,000	-	-	3,000	-	-
Accrued Income	1,164	1,522	1,522	1,164	1,522	1,522
Total Financial Assets	25,734	24,181	25,556	25,556	23,772	23,772
2) Financial liabilities						
Trade and Other Payables	3,914	4,225	4,225	3,914	4,225	4,225
Trust Funds and deposits	654	700	700	654	700	700
Interest Bearing Liabilities	3,492	4,269	4,269	3,492	4,269	4,269
Total Financial Liabilities	8,060	9,194	8,060	8,060	9,194	9,194

(d) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENT (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

33 FINANCIAL INSTRUMENTS (Cont.)

(e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market risk

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

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. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. We manage interest rate risk by ensuring:

- conformity with State and Federal regulations and standards,
- appropriate liquidity,
- diversification of financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered for interest rate variations and to minimise interest rate risk.

Credit risk

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

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

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal, as we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

**NOTES TO THE FINANCIAL STATEMENT (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

33 FINANCIAL INSTRUMENTS (Cont.)

(e) Risks and mitigation (cont.)

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 35.

Movement in Provision for Doubtful Debts	2014 \$'000	2013 \$'000
Balance at the beginning of the year	37	63
New Provisions recognised during the year	14	1
Amounts already provided for and written off as uncollectable	(1)	(26)
Amounts provided for but recovered during the year	-	(1)
Balance at end of year	50	37

Aging of trade and other receivables

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

	2014 \$'000	2013 \$'000
Current (not yet overdue)	2,170	1,444
Past due by up to 30 days	123	1,256
Past due between 31 and 180 days	112	101
Past due between 181 and 365 days	396	374
Past due by more than 1 year	79	21
Total Receivables	2,880	3,196
Non Current (not yet overdue)	(22)	(5)

Aging of individually impaired trade and other receivables

At balance date, other debtors representing financial assets with a nominal value of \$50k, (2013 \$37k) were impaired. The amount of the provision raised against these debtors was \$50k, (2013 \$37k). The individually impaired debtors relate to general and sundry debtors, and parking 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.

**NOTES TO THE FINANCIAL STATEMENT (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

33 FINANCIAL INSTRUMENTS (Cont.)

(e) Risks and mitigation (cont.)

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

	2014 \$'000	2013 \$'000
Past due between 31 and 180 days	32	-
Past due by more than 1 year	18	37
Total Receivables	50	37

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

To help reduce these risks we:

- 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.

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for Council's Financial Liabilities.

These amounts represent undiscounted gross payments including both principal and interest amounts.

2014	6 mths or less \$ '000	Between 6 - 12 mths \$ '000	Between 1 - 2 years \$ '000	Between 2 - 5 years \$ '000	Over 5 years \$ '000	Contracted Cash Flows \$ '000	Carrying Amount \$ '000
Trade and other payables	3,914	-	-	-	-	3,914	3,914
Trust funds and deposits	654	-	-	-	-	654	654
Interest-bearing loans and liabilities	427	366	647	1,729	1,243	4,412	3,492
Total financial liabilities	4,995	366	647	1,729	1,243	8,980	8,060

2013	6 mths or less \$ '000	Between 6 - 12 mths \$ '000	Between 1 - 2 years \$ '000	Between 2 - 5 years \$ '000	Over 5 years \$ '000	Contracted Cash Flows \$ '000	Carrying Amount \$ '000
Trade and other payables	4,225	-	-	-	-	4,225	4,225
Trust funds and deposits	700	-	-	-	-	700	700
Interest-bearing loans and liabilities	530	500	1,023	1,996	2,313	6,362	4,269
Total financial liabilities	5,455	500	1,023	1,996	2,313	11,287	9,194

**NOTES TO THE FINANCIAL STATEMENT (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

33 FINANCIAL INSTRUMENTS (Cont.)

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of +1% and -2% in market interest rates (AUD) from year end rates of 4.4%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year-end, if the above movements were to occur.

Market risk exposure	Carrying Amount	Interest rate risk			
		-2%		+ 1%	
		- 200 basis points Profit	Equity	+ 100 basis points Profit	Equity
2014	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Cash Equivalents	17,046	(341)	(341)	170	170
Trade & Other Receivables	2,375	-	-	-	-
Financial Assets	3,000	(60)	(60)	30	30
Financial Liabilities					
Interest Bearing Liabilities	3,492	70	70	(35)	(35)

Market risk exposure	Carrying Amount	Interest rate risk			
		-2%		+ 1%	
		- 200 basis points Profit	Equity	+ 100 basis points Profit	Equity
2013	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Cash Equivalents	19,870	(397)	(397)	199	199
Trade & Other Receivables	2,674	-	-	-	-
Financial Assets	-	-	-	-	-
Financial Liabilities					
Interest Bearing Liabilities	4,269	85	85	(43)	(43)

(g) Fair value hierarchy

All financial assets carried at fair value are measured at quoted prices in active markets for identical assets or liabilities.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

37 RELATED PARTIES TRANSACTIONS

(i) Names of persons holding the position of a Responsible Person at the Horsham Rural City Council during the reporting year are:
Councillors

Cr D.A. Grimble	Returned to office on 1/11/12.
Cr R.L. Barber	Duly elected to office on 1/11/12.
Cr P.N. Clarke	Duly elected to office on 1/11/12.
Cr S.J. Exell	Duly elected to office on 1/11/12.
Cr A.J. Phelan	Duly elected to office on 1/11/12.
Cr H.R. Phillips	Duly elected to office on 1/11/12.
Cr M.A. Radford	Returned to office on 1/11/12.
Cr M.J. Stewart	Mayor 1/12/11 to 1/11/12 Retired from office on 1/11/12.
Cr G.J. Bird	Retired from office on 1/11/12.
Cr B.A. Gross	Retired from office on 1/11/12.
Cr L.J. Muller	Retired from office on 1/11/12.
Cr M.W. Ryan	Retired from office on 1/11/12.

Chief Executive Officer P.F. Brown Commenced 1/11/10

(ii) Remuneration of Responsible Persons

The number of responsible officers, whose total remuneration from council falls within the following bands:

	2014 No.	2013 No.
\$ 1,000 - \$9,999	-	4
\$10,000 - \$19,999	3	5
\$20,000 - \$29,999	1	2
\$30,000 - \$39,999	2	-
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	1	-
\$240,000 - \$249,999	1	1
	-----	-----
	8	13
	=====	=====
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above, amounted to	453	439

(iii) No retirement benefits have been made by the Council to a Responsible Person (2013, nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2013, nil).

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

37 RELATED PARTIES DISCLOSURE (cont.)

(v) Other Transactions

Cr Robin Barber is a joint owner of the firm Robin L. Barber Design. Council entered into the provision of design services on normal commercial terms and conditions. The total value of design services provided by Robin L. Barber Design during the 2013/2014 financial year was \$ 9,013. (2012/2013, \$10,967).

Cr Pam Clarke is a part of the family owned firm, Kimpton Builders Pty Ltd. Council entered into the provision of building services on normal commercial terms and conditions. The total value of building services provided by Kimpton Builders Pty Ltd during the 2013/2014 financial year was \$ 700. (2012/2013, \$650).

Cr Sue Exell is a joint owner of the firm Exell Plumbing Pty Ltd. Council entered into the provision of plumbing services on normal commercial terms and conditions. The total value of building services provided by Exell Plumbing Pty Ltd during the 2013/2014 financial year was \$ 5,396. (2012/2013, \$7,242).

Cr Heather Phillips is the sole owner of the firm Wimmera Ecosystems. Council entered into the provision of accommodation services on normal commercial terms and conditions. The total value of accommodation services provided by Wimmera Ecosystems during the 2013/2014 financial year was nil. (2012/2013, \$360).

Cr Mark Radford is a joint owner of the firm Mark Radford Electrician. Council entered into the provision of electrical services on normal commercial terms and conditions. The total value of electrical services provided by Mark Radford Electrician during the 2013/2014 financial year was \$3,875. (2012/2013, \$2,851).

The Council has entered into the above transactions with Responsible Persons and Responsible Person related parties within normal customer or employee relationships on terms and conditions no more favourable than those available in similar arm's length dealings.

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council, who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$133,000.

The number of senior officers other than the Responsible Persons, are shown below in their relevant income bands.

	2014 No.	2013 No.
Income Range:		
\$90,000 - \$99,999	-	1
\$160,000 - \$169,999	3	3
\$180,000 - \$189,999	-	1
\$190,000 - \$199,999	1	-
	-----	-----
	4	5
	=====	=====
Total Remuneration for the reporting year for Senior Officers included above, amounted to	\$'000 701	\$'000 764

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014

38 FUNCTIONS/ACTIVITIES OF THE MUNICIPALITY

(a) Expenses, revenues and assets have been attributed to the following functions/activities, descriptions of which are set out in note 38(b).

	2014	2014	2014	2014	2014	2013	2013	2013	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Revenues	Expenses	Net Revenues (Costs)	Assets	Revenues	Expenses	Net Revenues (Costs)	Assets	
Management & Admin.	25,151	7,041	18,110	41,926	25,830	6,759	19,071	39,076	
Regulatory Services	1,311	3,147	(1,836)	303	1,381	2,745	(1,364)	351	
Community Services	3,346	4,022	(676)	4,468	3,666	4,256	(590)	4,118	
Recreat., Cult. & Leisure	4,551	5,002	(451)	60,669	4,430	5,556	(1,126)	56,895	
Economic Development	458	1,582	(1,124)	17,579	5,742	5,283	459	17,084	
Physical Services	6,836	14,331	(7,495)	311,928	8,393	13,219	(4,826)	309,078	
Environmental Services	2,392	6,212	(3,820)	9,043	2,720	7,144	(4,424)	8,819	
	44,045	41,337	2,708	445,916	52,162	44,962	7,200	435,421	

Increase/(Decrease) in net assets from operations 2,708

7,200

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014****38 FUNCTIONS/ACTIVITIES OF THE MUNICIPALITY**

(b) The activities of the municipality are categorised into the following broad functions :

Management & Administration

General administration and management of the municipality including finance and administration services.

Regulatory Services

Animal control, local laws, building control, town planning, health registrations, school crossing supervision and parking control.

Community Services

Maternal and child health, preventative health services, senior citizens centre, home help, meals on wheels, home handyman, senior citizens housing, youth resource centre and other community services.

Recreation, Culture & Leisure

Town and rural halls, aquatic centre, parks and gardens, sports complexes indoor and outdoor, other recreation groups and clubs, cultural centre, art gallery and theatre complex.

Economic Development

Economic promotion, tourism, information centre, Rural City Pride promotion, industrial estate, regional intermodal freight hub and Wimmera Business Centre.

Physical Services

Administration by engineering services, construction and maintenance of roads, bike tracks, footpaths, kerb and channel and drainage. Off street carparks, aerodrome, saleyards, regional livestock exchange, caravan park, public conveniences and works depot.

Environmental Services

Street beautification, signage and lighting, garbage services, street cleaning, recycling, transfer station and landfills, river management and fire protection.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

39 FINANCIAL RATIOS (PERFORMANCE INDICATORS)

	2014	2013	2012
a) Debt servicing ratio To identify the capacity of Council to service its outstanding debt	0.58%	0.58%	0.55%
<u>Debt servicing costs</u> Total revenue	<u>255</u> 44,045	<u>303</u> 52,162	<u>289</u> 52,406
Debt servicing costs refer to the payment of interest on loan borrowings, finance lease and bank overdraft. The ratio expresses the amount of interest paid as a percentage of Council's total revenue.			
b) Debt commitment ratio To identify Council's debt redemption strategy	5.57%	6.03%	4.95%
<u>Debt servicing and redemption costs</u> Rate revenue	<u>1,032</u> 18,528	<u>1,040</u> 17,260	<u>789</u> 15,924
The strategy involves the payment of loan principal and interest, finance lease principal and interest. The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.			
c) Revenue ratio To identify a Council's dependence on non-rate income	42.07%	33.09%	30.39%
<u>Rate revenue</u> Total revenue	<u>18,528</u> 44,045	<u>17,260</u> 52,162	<u>15,924</u> 52,406
The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.			

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

39 FINANCIAL RATIOS (PERFORMANCE INDICATORS) (cont.)

	2014	2013	2012
d) Debt exposure ratio To identify Council's exposure to debt	11.77%	13.49%	13.70%
<u>Total indebtedness</u>	<u>15,136</u>	<u>15,824</u>	<u>17,143</u>
Total realisable assets	128,560	117,273	125,127

For the purpose of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (note 31) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:
Restricted assets; roads; footpaths; kerb and channel;
drains; bridges; land under roads and Council's investment in associates.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets.

e) Working capital ratio To assess Council's ability to meet current commitments	273.16%	273.97%	291.78%
<u>Current assets</u>	<u>27,103</u>	<u>25,570</u>	<u>24,273</u>
Current liabilities	9,922	9,333	8,319

The ratio expresses the level of current assets the Council has available to meet its current liabilities

f) Adjusted Working capital ratio To assess Council's ability to meet current commitments	358.17%	352.79%	385.41%
<u>Current assets</u>	<u>27,103</u>	<u>25,570</u>	<u>24,273</u>
Current liabilities	7,567	7,248	6,298

The ratio expresses the level of current assets the Council has available to meet its current liabilities

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

40 SPECIAL COMMITTEES

Council has many committees of management, many of which provide a management/advisory role only and do not have any financial assets or liabilities.
Other Committees of Management (as listed below), have limited financial assets and have been excluded from Council's financial report for materiality reasons.

Art Craft Workshop Committee of Management
Camerons Oval Committee of Management
Dadswells Bridge Hall Committee of Management
Finance & Audit Committee of Management
Green Lake Committee of Management
Hamilton Lamb Hall Committee of Management
Haven Recreation Reserve Committee of Management
Horsham Basketball Stadium Committee of Management
Horsham Racecourse Reserve Committee of Management
Horsham Recreation Reserve Committee of Management
Horsham Regional Art Gallery Committee of Management
Horsham Regional Livestock Exchange Board of Management
Horsham Rural City Tourism Advisory Committee
Horsham Rural City Pride Committee of Management
Jung Hall Committee of Management
Jung Community Group
Kannamaroo Festival Committee of Management
Laharum Hall Committee of Management
Mitre Public Hall
Natimuk and District Soldiers Memorial Hall Committee of Management
Natimuk Community Centre (NC2) Committee of Management
Nexus Committee of Management
Dudley W Cornell Committee of Management
Quantong Recreation Reserve Committee of Management
Sailors Home Hall Committee of Management
Sunnyside Park Committee of Management
Taylors Lake Hall Committee of Management
Telangatuk East Hall Committee of Management
Wimmera Intermodal Freight Terminal (WIFT) Committee of Management
Wimmera Business Centre Committee of Management
Wimmera River Improvement Committee of Management

41 EVENTS OCCURRING AFTER BALANCE DATE

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

42 AUDITORS REMUNERATION

	2014 \$'000	2013 \$'000
Audit fee to conduct external audit - Victorian Auditor General	44	42
Internal audit fees - Crowe Howarth	34	11
Fees for other services provided by other auditors	4	4
	-----	-----
	82	57
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2014**

43 CAPITAL EXPENDITURE

	2014 \$'000	2013 \$'000
Land	52	517
Land Under Roads	55	99
Roads Infrastructure	6,287	6,457
Land Improvements	59	4,335
Buildings	461	1,133
Other structures	186	2,655
Plant and equipment	1,285	1,639
Furniture and equipment	41	79
Works of Art	71	45
Works in Progress	3,208	1,702
Total capital works	11,705	18,661
Represented by:		
Renewal of infrastructure	7,100	10,839
Upgrade of infrastructure	2,111	3,904
New infrastructure	2,494	3,918
Total capital works	11,705	18,661

Property, plant and equipment, infrastructure movement

The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:

Total capital works		11,705	18,661
Asset revaluation movement			
(less land held for resale Revaluation reserve)	27(b)	8,475	8,013
Depreciation/amortisation	13	(9,724)	(9,566)
Written down value of assets sold	9	(1,625)	(4,911)
Transfer to Land held for sale		-	(138)
Transfer from Land held for sale		138	-
Transfer from Investment Properties Held		430	-
Net movement in property, plant and equipment, infrastructure		9,399	12,059

(a) Asset Renewal Expenditure

Expenditure on an existing asset or on replacing an existing asset, which returns the service potential or the life of the asset up to that which it had originally. Asset renewal expenditure reinstates existing assets, existing assets, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

(b) Asset Upgrade Expenditure

Expenditure which enhances an existing asset to provide a higher level of service or that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base.

(c) New Asset Expenditure

Expenditure which creates a new asset that provides a new service that did not previously exist. New asset expenditure does not have any element of renewal, expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for council and will result in an additional burden for future operation, maintenance and capital renewal.

COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT

In our opinion the accompanying performance statement of the Horsham Rural City Council in respect of 2013/2014 financial year is presented fairly in accordance with the Local Government Act 1989.

The statement outlines the performance targets and measures set out in relation to the achievement of the key strategic activities in respect of that year described in Council's budget and describes the extent to which the budget was met in that year having regard to those targets and measures.

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



Cr D.A. Grimble



Cr S.J. Exall

15 September 2014

Horsham

15 September 2014

Horsham

**PERFORMANCE STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2014**

STRATEGIC ACTIVITY		
1 Support sporting and community groups		
Performance Measure		
A	Complete the Sport and Recreation study and report to Council by 30/9/13	<i>Not Achieved</i>
Comments		
<i>Draft Sport and Recreation Study released for public comment on 2 September 2013. After reviewing submissions the Sport and Recreation Study was adopted as a reference document on 18 November 2013.</i>		
STRATEGIC ACTIVITY		
2 Community Development		
Performance Measure		
A	Undertake a review of the Health & Wellbeing Plan by 31/12/13	<i>Achieved</i>
Comments		
<i>Review was undertaken, with Council adopting 2013-2017 Health and Wellbeing plan on 18 November 2013.</i>		
STRATEGIC ACTIVITY		
3 Build cultural activities		
Performance Measure		
A	Award contract and commence construction of Horsham Town Hall redevelopment by 31/12/13	<i>Not Achieved</i>
Comments		
<i>On November 2013, Council adopted a recommendation to appoint a preferred tenderer. On 17 February 2014 Council awarded the construction contract with construction starting immediately.</i>		
STRATEGIC ACTIVITY		
4 Increase visitors to the municipality		
Performance Measure		
A	Complete the Caravan Park strategic plan by 30/06/14	<i>Achieved</i>
Comments		
<i>On 4th November 2013 the recommendation to accept the Development Vision Plan for the Horsham Caravan Park was adopted.</i>		
STRATEGIC ACTIVITY		
5 Promote industrial development		
Performance Measure		
A	Sale of 2 industrial blocks	<i>Not Achieved</i>
Comments		
<i>Currently Council has a minimal number of blocks for sale and has not actively pursued sales during 2013/2014, the result being sales did not occur during 13/14.</i>		

**PERFORMANCE STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2014 (cont.)**

STRATEGIC ACTIVITY		
6 Manage assets		
Performance Measure		
A	Achieve 100% building condition assessments for buildings valued at over \$20,000	<i>Achieved</i>
Comments		
<i>Detailed documentation is now held for each building.</i>		
STRATEGIC ACTIVITY		
7 Planning Compliance		
Performance Measure		
A	Attain a greater than 90% target of planning permits issued within the 60 day statutory period	<i>Achieved</i>
Comments		
<i>Statistics lodged with Department Planning Community Development show 93% of planning permits completed within sixty days for 2013/14 financial year.</i>		
STRATEGIC ACTIVITY		
8 Maintain Assets		
Performance Measure		
A	Achieve 70% renewal of above Condition 8 assets committed in the budget expenditure	<i>Achieved</i>
Comments		
<i>88% of budget has been achieved on condition 8 and above assets.</i>		
STRATEGIC ACTIVITY		
9 Complete Capital Works		
Performance Measure		
A	Complete 90% of capital works projects within allocated budget	<i>Not Achieved</i>
Comments		
<i>68% of budgeted capital works were completed at 30 June 2014. A further 3% of works were in progress but not complete. A combination of insufficient contractors and timing delays contributed to the lower %.</i>		
STRATEGIC ACTIVITY		
10 Effective Operation of Council's Audit Committee		
Performance Measure		
A	Conduct 2 internal audits	<i>Achieved</i>
Comments		
<i>The Internal Auditors conducted two audits through the financial year, IT Data Management System Security Review and Building Maintenance Essential safety Measures.</i>		

**PERFORMANCE STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2014 (cont.)**

STRATEGIC ACTIVITY		
11 Improvements in the Standards of Service		
Performance Measure		
A	Develop agreed service standards for two services within each of the Council Directors areas of responsibility by 30/06/14	<i>Not Achieved</i>
Comments		
<i>Service reviews were commenced in a number of areas under each of the Directors, however none of these were finalised as of the 30th June 2014.</i>		
STRATEGIC ACTIVITY		
12 Improvements in Customer Service Standards		
Performance Measure		
A	Achieve an average of less than 10 seconds in time to answer telephone call enquires	<i>Not Achieved</i>
Comments		
<i>This measure has been unable to be reported on due to a failure with the phone system that has meant that this data is not available for the 2013-14 financial year.</i>		

VAGO

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Horsham Rural City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2014 of the Horsham Rural City Council which comprises the statement, the related notes and the Council approval of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Independence

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

Independent Auditor's Report (continued)


Auditor's Opinion

In my opinion, the performance statement of the Horsham Rural City Council in respect of the 30 June 2014 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Horsham Rural City Council for the year ended 30 June 2014 included both in the Horsham Rural City Council's annual report and on the website. The Councillors of the Horsham Rural City Council are responsible for the integrity of the Horsham Rural City Council's website. I have not been engaged to report on the integrity of the Horsham Rural City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
16 September 2014


Dr Peter Frost
Acting Auditor-General

Notes

Notes

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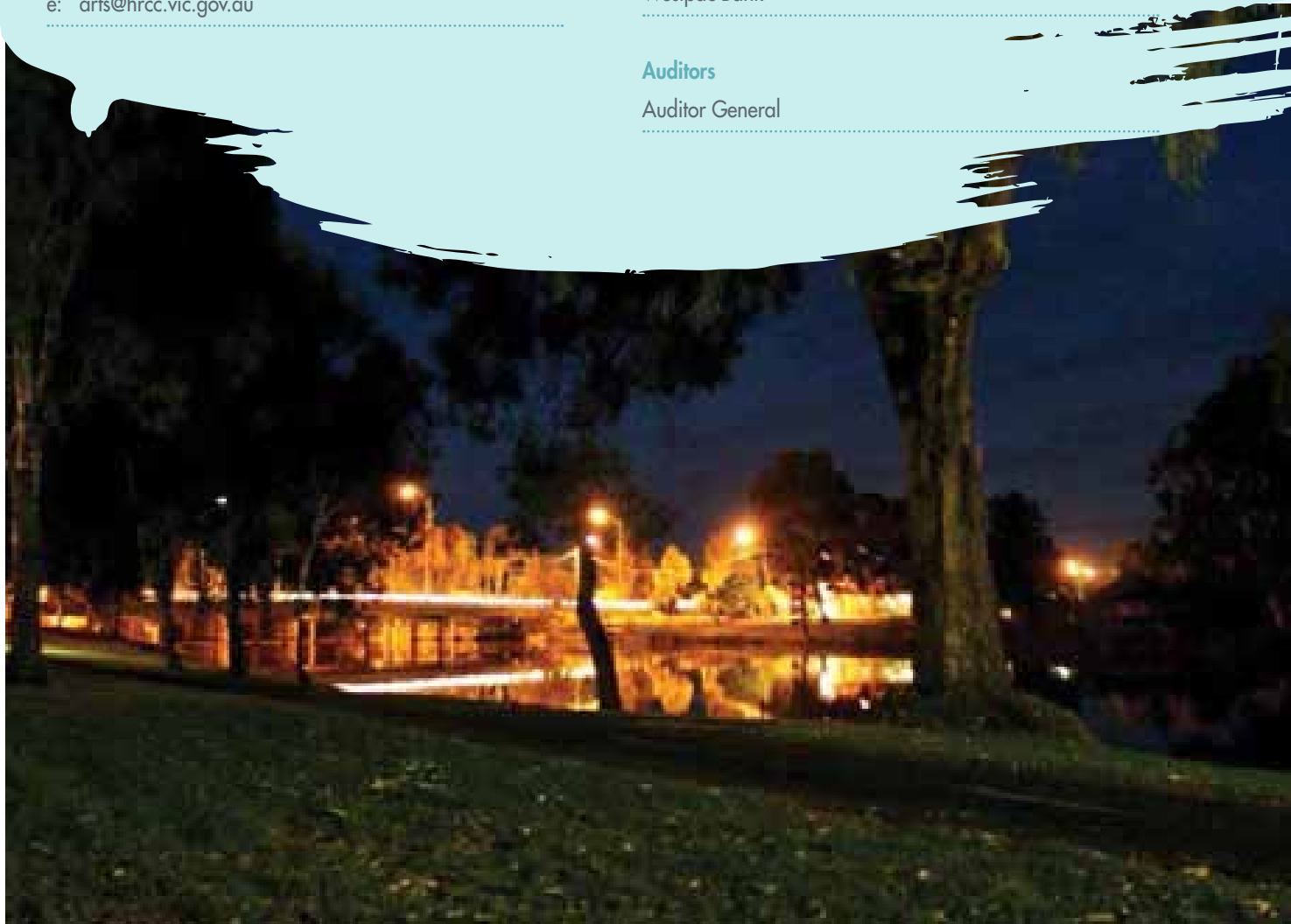
Power and Bennett, Horsham
Maddocks, Melbourne

Bankers

Westpac Bank

Auditors

Auditor General





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