



2019–2020 ANNUAL REPORT

ACCESSIBILITY

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This report is available on the Horsham Rural City Council website – www.hrcc.vic.gov.au

ACKNOWLEDGEMENT OF COUNTRY

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

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

GRAPHIC DESIGN & ILLUSTRATION:

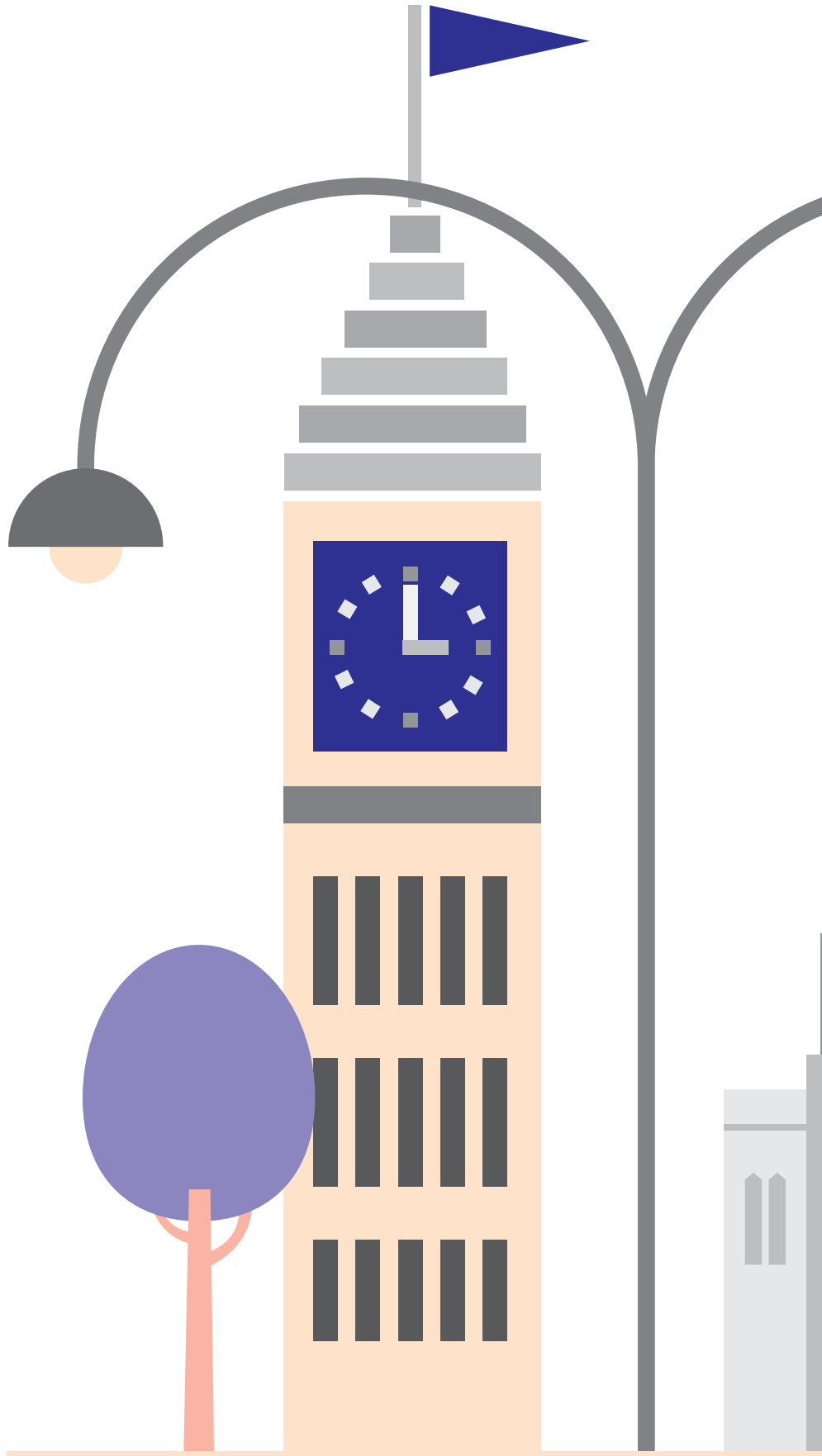
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Mark Radford, Chris O’Connell and Horsham Rural City Council staff.

Illustrations on the cover and throughout the document are of local iconic buildings and infrastructure.



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REPORT OF OPERATIONS

For the year ended 30 June 2020

INTRODUCTION

This Annual Report has been prepared in accordance with the requirements and guidelines of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014* and acknowledges the legal responsibility to comply with the *Charter of Human Rights and Responsibilities Act 2006* and the *Equal Opportunity Act 2010*.

The report details the achievements and performance of Horsham Rural City Council over the past year, along with the challenges presented, particularly in relation to COVID-19 (page 5–12).

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 2019–2023 Council

Plan to ensure that we deliver key outcomes for our community.

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2019–2020 is the primary means of advising the Horsham Rural City Council community about Council's operations and performance during the financial year.

COUNCIL SNAPSHOT

CITY PROFILE

Horsham Rural City Council is a regional city in the Wimmera Southern Mallee region of Western Victoria. The Wimmera Southern Mallee is unique in that it encompasses 20 percent of the area of Victoria and only 1 percent of the population. Located along the Wimmera River, Horsham is approximately 300 kilometres north-west of Melbourne. The municipality covers an area of 4,267 square kilometres and includes the major centres of Horsham and Natimuk, and the localities of:

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

Horsham is a hub in the Wimmera for health care, niche retail, community services and arts and culture opportunities. A dryland and broadacre agricultural municipality, Horsham is home to the Grains Innovation Park (a nationally acclaimed agricultural research centre) and quality educational facilities including

private and public secondary colleges, a university and an agricultural college. The municipality also has a rich indigenous history and an abundance of diverse natural assets including recreational lakes, wetlands, the Wimmera River, Mount Arapiles (widely regarded as Australia's best rock climbing area) and Wartook Valley and the Grampians National Park is nearby.

Horsham Rural City Council has an estimated residential population of 19,921¹ people (2019), a number expected to reach 20,600 by 2036². Approximately three quarters of residents live within the urban area of Horsham.

At the 2016 Census³, Aboriginal and/or Torres Strait Islander people made up 1.5 percent of the population and 87.7 percent were born in Australia. Of those born outside Australia, England, India, Philippines, New Zealand and Italy were the most common countries of birth.

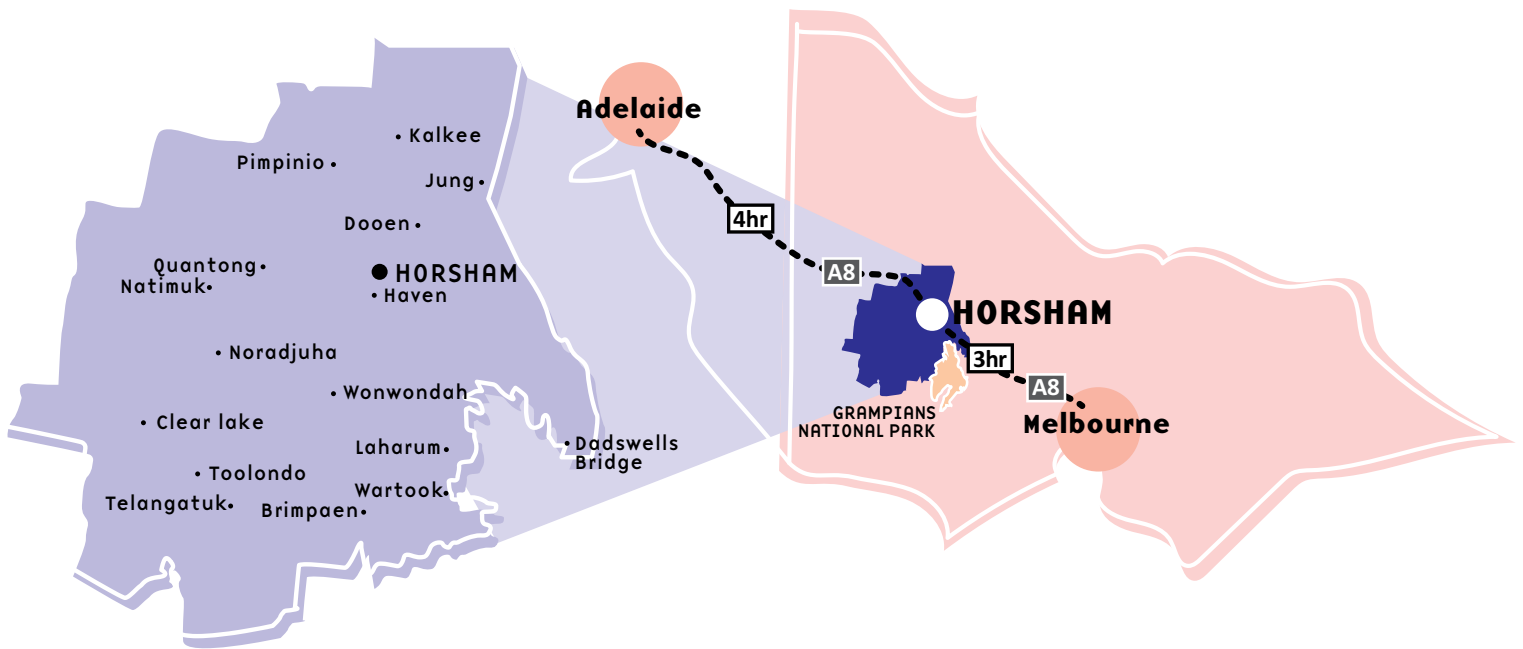
Also in 2016, 9,584 people in Horsham were working, with 55.1 percent employed full-time, 33.9 percent in part-time jobs and 4.9 percent unemployed. People aged 65 years and over made up 20.2 percent of population, a figure projected to increase by 2036. This will have implications for demand and accessibility of housing, infrastructure, services and amenities.

Horsham Rural City Council is committed to working with the community to develop the municipality through strong leadership, vision, good governance, responsive services and quality infrastructure, whilst enhancing our liveability and natural environment. The 2019–2023 Council Plan, associated Strategic Resource Plan and 2019–20 Budget, set the strategic direction for Council and management and include the indicators that Council uses to deliver key outcomes.

¹ Remplan – www.remplan.com.au

² Victoria in Future 2019 – Population Projections 2016 to 2056 – www.planning.vic.gov.au

³ ABS 2016 Census QuickStats - www.quickstats.censusdata.abs.gov.au



POPULATION:	19,921
AREA:	4,267 square kilometres
NUMBER OF COUNCIL EMPLOYEES:	204.6 (FTE)
NUMBER OF COUNCILLORS:	7
RATES AND CHARGES REVENUE:	\$24,198,000
<small>(EXCLUDES GARBAGE CHARGES AND REVENUE IN LIEU OF RATES)</small>	
TOTAL REVENUE (INCLUDING GRANTS):	\$53,395,000
MUNICIPAL CHARGE:	\$280

GARBAGE CHARGE:	\$228/\$372
MAJOR EMPLOYMENT SECTORS:	
	Health and Social Assistance
	Retail
	Construction
	Agriculture, Forestry and Fishing
	Education and Training
	Accommodation and Food Services
	Public Administration and Safety

VISION

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

MISSION

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

VALUES

Caring	Honest	Passionate
Fair	Inclusive	Progressive
Flexible	Innovative	Reliable
Friendly	Open	

FAST FACTS



12,545
rateable properties



6,093 tonnes
of waste and 1,570 tonnes
of recycling collected from
kerbside bins



\$369,078
in grants and donations
provided to not-for-profit
groups



2,977
kilometres
of roads maintained



6,391
online service requests
responded to



5,430
trees planted



2,302
footpath and road
issues resolved



650 kilometres
of grading works
completed



100 percent
early childhood
immunisation rates for
12 to 15 month age group

MAYOR'S MESSAGE

I am happy to present the Horsham Rural City Council 2019-2020 Annual Report for your consideration.

For our world, our nation, our state and our community ... we are at a significant point of time in history.

The coronavirus global pandemic (COVID-19) is affecting us all.

This Annual Report provides a snapshot of the activities, initiatives and finances of our growing regional municipality.

The challenges in the latter half of the financial year have impacted local businesses and local families in many ways.

Council has had to respond to COVID-19 restrictions in the "now" and with our planning for the future (pages 5–12).

A theme in the document is the wonderful work done by dedicated community groups and volunteers and I express my appreciation and encouragement to everyone who makes our municipality what it is today.

Under the leadership of Mr Bhalla, the Council staff are working well and serving the community, noting that some staff members have been redeployed into new roles due to COVID-19.

I take this opportunity to acknowledge the long and faithful service of Director Ms Angela Murphy who resigned from Council this year.

I also thank my fellow Councillors for their support. Your commitment and dedication throughout your Council term is appreciated. I also acknowledge the extended years of Council service by retiring Councillors, Pamela Clarke and David Grimble, both whom have served Mayoral terms. Well done!

As a community during these testing times, we need to be patiently following the advice of those making decisions on our behalf. We will get through this challenging period. Compliance by our community of the regulations and restrictions has been commented on by our local Police – we are doing a great job.

Finally, through this report there is a theme of looking to the future. Whether it be the provision of services or building of infrastructure.

Council will continue to work with the community to ensure that Horsham Rural City is a vibrant, inclusive community to live, work, play and invest!

"It's all happening in Horsham!"



Cr Mark Radford
Mayor



CHIEF EXECUTIVE OFFICER'S MESSAGE

Welcome to the Horsham Rural City Council 2019-2020 Annual Report.

This report provides an overview of the work undertaken by Council and demonstrates key highlights and achievements throughout the year.

There have been some significant challenges for Council and our community this year, most notably, the coronavirus pandemic (COVID-19). Responding to COVID-19 is affecting communities, organisations and individuals across our region, state, nation and the world. In a very short time, Council has responded swiftly and efficiently to State Chief Health Officer directives to ensure essential services are maintained and our staff and community are safe.

COVID-19 will be with us for some time to come, and it is critical that Council continues to support our community every way we can. Our staff, Councillors, volunteers, businesses and community have shown incredible flexibility, resilience and adaptability, and I sincerely thank everyone for their support and co-operation as we work our way through the challenges that COVID-19 continues to present to us (pages 5–12).

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

Council's operations are large and complex and we are committed to providing accurate, quality and timely information to the community in relation to our performance. Quarterly Performance Reports were introduced this year, bringing together a range of reports into one document, providing an overview on key strategic items in a clear and concise way that is readable and informative. These reports are available on the Horsham Rural City Council website.

The Rural Councils Corporate Collaboration Project is progressing well. This 24-month project is a joint partnership between Horsham Rural City Council and the Buloke, Hindmarsh, Loddon, Yarriambiack and West Wimmera Shire Councils. The project will undertake a major update to core business systems, with the ultimate aim of generating efficiencies through shared service delivery. It is funded by a \$5 million grant from the Victorian State Government (page 53).

Planning for Horsham's future is a key priority for Council, and work has commenced on the Riverfront Activation Project. This project is the first stage of the City to River Masterplan, also adopted this

year. The Wimmera River is a significant natural, social and cultural asset and the Riverfront Activation Project will build on and improve access and use of existing open space and recreational assets. It will also explore new active recreation spaces. A Community Reference Group has been formed to guide effective engagement for the project and we look forward to further progress during the coming year (pages 41–42).

Open space plays an important role in our society, and as our communities grow and change, planning open spaces to ensure they meet current and future needs is critical. Council adopted an Open Space Strategy this year, providing a framework for more people to be more active, more often (page 40).

The Horsham Urban Transport Plan is another important plan that was adopted this year. A key action of the plan is the identification and development of an alternative truck route to address a number of specific objectives such as creating a more active and vibrant CBD and river precinct, removal of trucks from the CBD and river precinct and linking highways to economic activities (page 46).

This year has seen the completion of some significant capital works projects including upgrades to the Horsham War Memorial Swimming Pool (page 46) and facilities at Dudley Cornell Park, construction of an E-waste facility at the Horsham Transfer Station (page 56) and solar energy installations on several Council properties (page 55). Works on the Horsham Regional Livestock Exchange roof (page 43) and the Wimmera Intermodal Freight Terminal precinct (page 44) are also almost complete. A full list of major capital works completed this year is provided on page 13.

As part of the budget process, Council allocates funding to support community and sporting groups each year. The Community Grants and Donations program gives not-for-profit groups the opportunity to apply for grants up to \$10,000 to improve community facilities. This year Council provided Community Grants and Donations totaling \$369,078 to more than 100 groups (pages 29–32).

The new *Local Government Act 2020* received Royal Assent in March and will come into operation progressively over the next two years. This is significant for the local government sector and a detailed implementation action plan has been developed to ensure that correct processes are followed, implemented and communicated throughout this process (page 48).

Advocating on behalf of the Horsham and wider Wimmera community to progress key projects and priorities is an important role for Council and I thank the state and federal governments for supporting many of our projects and initiatives this year. A report on advocacy priorities that have progressed this year is provided on pages 49–50.

After 19 years at Council and 35 years in Local Government, Angela Murphy announced her resignation in April. Angela was appointed as Director Community Services in 2001, Director Planning and Economic Services in 2016 and Director Development Services in 2018.

During her time at Council, Angela led numerous projects and strategic developments, including the Horsham Town Hall development and the City to River Vision and Masterplan. Angela was a valued member of the Executive Management Team and I sincerely thank her for the significant contribution she has made to local government and the Horsham community.

Volunteers play an important role in supporting and enhancing Council services and programs, and I take this opportunity to thank each and every one of our volunteers for the important contribution they make. Unfortunately, many of our volunteer programs have been placed on hold due to COVID-19 restrictions, however, we look forward to welcoming back our volunteers as soon as it is safe to do so (page 7).

The current Council term is coming to an end in October. I express my appreciation to the Mayor and Councillors for their support this year and wish them well for the future.

Finally, I wish to thank our dedicated staff who have worked extremely hard during very challenging and unprecedented times to ensure that Council continues to be a progressive and innovative organisation that delivers high quality and sustainable services to our community.



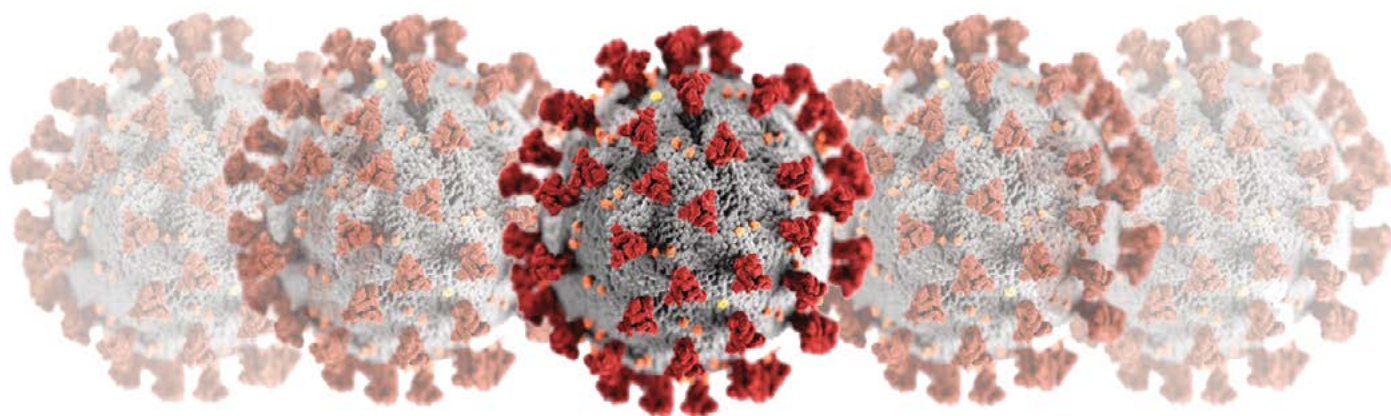
Sunil Bhalla
Chief Executive Officer

DESCRIPTION OF OPERATIONS

Horsham Rural City Council is responsible for more than 70 services to the community ranging from emergency, community, arts, culture and recreation to matters concerning economic development, governance and finance. We deliver a comprehensive range of building, planning and regulatory services, along with providing and maintaining important infrastructure such as buildings, roads, drains and parks.

Council's vision and four year outcomes and priorities to further improve services and facilities are described in the 2019-2023 Council Plan and associated 2019-2020 budget, and reported upon in the Performance section of this document (pages 57–70).

The delivery of services, facilities, support and advocacy to achieve the Strategic Objectives is measured by a set of service performance indicators and measures (page 83). Council also has a wide range of responsibilities under the Victorian and Australian legislations.



ECONOMIC FACTORS... THE CORONAVIRUS PANDEMIC

The coronavirus (COVID-19) emergency has been, by far, the most significant economic factor faced by Horsham Rural City Council this year. COVID-19 has presented significant challenges for Council, businesses and organisations within our local community and across the world.

In a very short period, Council has closed some services, moved operations to be home based wherever possible, and supported the community and staff to stay safe. Staff, Councillors, businesses and organisations have made significant changes to the way they operate to ensure continuity of services and the safety of our community.

It has also been necessary to be mindful of the role that Council plays in looking after the vulnerable members of our community and sustaining economic activity during these challenging times. Maintaining “business as usual” as much as is physically possible has been critical in these difficult times.

This section provides a summary of how Council is responding to COVID-19 and supporting staff and our community.

COVID-19 RELIEF AGENCIES GROUP

Council's Municipal Recovery Manager has been convening fortnightly meetings of relief agencies since late March 2020. This group meets to discuss the food, shelter and mental health needs of our community arising from the COVID-19 emergency. An early action was the establishment of a 1800 telephone number to triage community inquiries. The Relief Agencies Group also supports the work of the Community Activation and Social Isolation initiative, which is being rolled out for Council by Uniting Wimmera. This initiative supports individuals and families with a diversity of needs including those who are feeling lonely or have lost their regular networks during COVID-19.



Local COVID-19 Agencies Meetings commenced in March

WORKING FOR VICTORIA

Council successfully applied for a grant for 28 positions across a range of areas on a six-month full-time basis under the Working for Victoria scheme, a Victorian Government initiative that helps Victorian jobseekers find work and employers find workers due to the impacts of COVID-19 (page 23).

COVID-19 AGENCIES MEETINGS

Over 40 government agencies, organisations and local businesses have been meeting frequently since late March 2020 to co-ordinate our local response to COVID-19. The forum has been important in providing up-to-date information from agencies including the Department of Health and Human Services, Wimmera Health Care Group, VicPol, Department of Education and Training, Wimmera Development Association, local government and response and relief agencies. It has also been a forum to advocate on a range of emerging issues.

FINANCIAL HARDSHIP CO-ORDINATOR

In April 2020, a Financial Hardship Co-ordinator was appointed to help customers, community groups and businesses experiencing hardship during COVID-19. This position provides a single contact point for anyone who needs more time to settle Council rates and other charges.

Customers experiencing hardship with their rates have the option of establishing an interest-free payment plan or deferment to assist in meeting their financial obligations. Community groups have had their rent waived for a 12-month period and commercial tenants have access to reduced rental charges or deferrals. Businesses have access to hardship assistance with footpath trading permit fees waived and health registration charges either waived or reduced.

For the three-month period to 30 June 2020, 73 requests for hardship were received, with cases assessed individually and outcomes tailored according to need.

BUSINESS CONTINUITY PLAN

On 20 March 2020, Council’s Business Continuity Plan (BCP) was activated by the Chief Executive Officer in response to COVID-19.

Since then, the BCP Team has been meeting two to three times a week in response to the quickly changing government imposed restrictions affecting the community and Council as a business.

The BCP Team is the central point for decisions in relation to business functions, internal and external communications and health and safety, providing the ability to respond to the ever-changing COVID-19 environment.

A separate Pandemic Response Committee has been formed, reporting directly to the BCP Team. The focus of this committee is to address the direct health and wellbeing impacts of COVID-19 faced by the broader community. The committee works closely with key external agencies, providing a uniformed and guided approach to the pandemic.

Over the past four months, the BCP Team has developed a COVIDSafe Plan and COVIDSafe Policy. The team has also implemented working from home arrangements for all staff who can do so, as well as providing a COVIDSafe environment for those staff who need to remain working onsite or out in the community.

The BCP Team have made key decisions around the business functions of Council’s most impacted services including the Horsham Town Hall, Horsham Regional Art Gallery, Aquatic Centre and Visitor Information Centre.

Face masks and hand sanitiser have been provided for all staff whilst at work, and restrictions on the number of staff in vehicles introduced.

Externally, the BCP Team has ensured that all community facilities including parks, skate parks and barbecues were closed in line with government restrictions, and that Council’s social media, website and newspaper communications were kept up to date, providing as much information as possible to the public on the changes taking place due to COVID-19.

Looking forward, the BCP Team will play a key role in returning Council back to the “new normal” environment as soon as it is safe to do so.

ECONOMIC FACTORS... THE CORONAVIRUS PANDEMIC



STAFF REDEPLOYMENT

Permanent staff from areas hit hardest by the State Government closures and social isolation requirements due to COVID-19, have been successfully redeployed to other meaningful funded roles in the organisation, without the need for stand downs (page 23).

PARKING METER FEES WAIVED

All parking fees have been waived for the period from mid March to December 2020 and parking meters have been covered. Council has still enforced signed time limits in order to keep the community moving and not restrict important access to businesses that have still been trading.

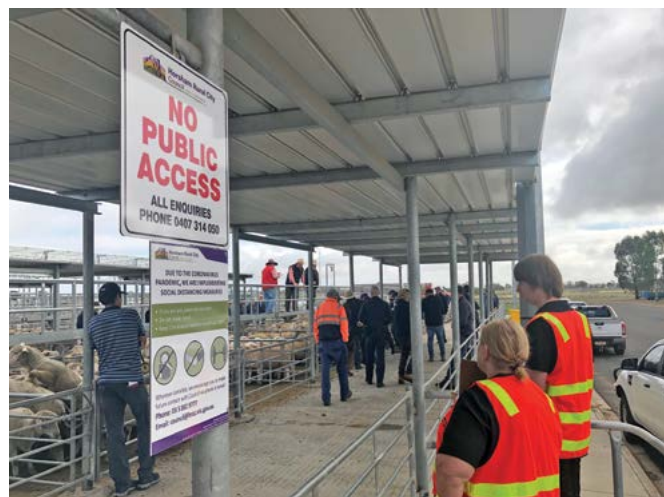
VOLUNTEERS

Volunteers support and enhance a range of Council services and programs including Meals on Wheels, the Horsham and Grampians Visitor Information Centre, Horsham Town Hall and Regional Art Gallery and the Multiple Birth Families Support Program. A number of advisory committees also rely on the support of volunteers.

COVID-19 restrictions have made it necessary to place many of Council's volunteer programs on hold for the last quarter of this financial year.

During National Volunteers Week in May 2020, volunteers were able to redeem a free thank you coffee or tea from local cafes across Horsham, which was appreciated by those who participated. Handwritten postcards were also sent to Meals on Wheels volunteers thanking them for their ongoing support of the program.

Council looks forward to welcoming back its valued volunteers once COVID-19 restrictions have been eased.



COMMUNITY SAFETY

The Community Safety Unit has been proactive in their response to a range of issues arising within the community as a result of COVID-19.

Due to charity shops not accepting second hand goods, the Community Safety Unit has seen a sharp increase in illegal dumping and residences accumulating rubbish, resulting in complaints from the public. The majority of these dumpings have been successfully investigated by the team and they are currently working on a program to assist vulnerable households manage their rubbish.

There has been an increase in complaints regarding dogs at large and dog attacks due to stay at home restrictions and more people walking their animals. The team has taken a preventative educative approach, staggering patrol shifts out of business hours and asking people to place their dogs on leads.

The Community Safety Unit has been responsive to nuisance complaints such as barking dogs and neighbourhood complaints. As people are remaining home due to COVID-19 restrictions, they are becoming increasingly aware of nuisances and want them resolved.

Animal rehoming groups have been busy, and the team has been working closely with these groups to rehome as many animals as possible. As with Horsham Pound operations, animal rehoming groups have adapted to COVID-19 social distancing requirements by finding novel ways of introducing animals to their new owners.



OUTDOOR OPERATIONS

Council's outdoor operations crews have been impacted by COVID-19 and its restrictions in a number of ways.

The following outdoor operations have continued to be provided at near-normal levels during this time:

- Garbage collection, landfill and transfer station operations
- Road construction and maintenance
- Parks and gardens preparation and maintenance
- Operation of the Horsham Regional Livestock Exchange.

Council has introduced a range of measures to manage COVID-19 including:

- An increased cleaning and sanitisation program including "high-touch" facilities such as benches and tables in Horsham's central business district, along walking tracks and in Natimuk and Jung. This program also includes playgrounds, with the exception of when they have been closed.
- Installation and removal of signage restrictions at different facilities as restrictions varied.
- Safe working plans to manage physical distancing of work crews, including in vehicles.
- Introduction of attendance limits at the Horsham Regional Livestock Exchange, including bans on all personnel not required to be present at the site on sale days. With the meat processing industry experiencing a number of COVID-19 hotspots across the state, safe practices at the livestock exchange have been vital in helping to ensure that food supply has been maintained.

A range of contractors provide assistance with Council's operations programs. These contractors are required to have COVID-19 measures in their OHS plans. This is especially important for works undertaken by contractors from Melbourne and other COVID-19 hotspots.



ECONOMIC FACTORS... THE CORONAVIRUS PANDEMIC

BUSINESS SUPPORT

The Business Development and Tourism team has focused on communications and assistance with business across retail, tourism, events, construction, agriculture and hospitality to give local businesses the best opportunity to respond to the challenges of COVID-19.

A strong focus has been on the #togetherwearestronger campaign using social media and a newsletter distributed directly to businesses with eight editions issued so far. Topics covered include:

- Financial Hardship Co-ordinator
- Rural Financial Counselling
- Commercial Leases
- Going Digital
- JobKeeper Grants
- Wellbeing and Support
- Business Recovery
- Business Impact Survey
- Business and Community Support Package
- Discover Your Own Backyard
- Business Horsham.

This newsletter is a key method of getting accurate and up to date information directly to businesses, and it is intended to continue on a monthly basis as we respond and recover from the impact of COVID-19.

Many COVID-19 affected businesses can access up to \$10,000 from the Victorian Government, along with the Commonwealth Government's JobKeeper payments. The Business Development and Tourism Team have been available to support business owners in understanding the government support packages available and applying for government grants.

When the restrictions eased in May 2020, the team's focus was on talking to hospitality and tourism businesses to help them understand COVIDSafe planning, including hygiene practices, occupancy calculations, signage and record keeping. Many businesses highlighted a difficulty in managing customers and social distancing requirements. In response, Council developed the "Give me 1.5" campaign, providing badges promoting the 1.5 metre social distancing message to businesses and the community.



TOURISM AND EVENTS

The Business Development and Tourism team have worked closely with event organisers to work through cancellations and commence the recovery process with the support of Business Assistance Grants and JobKeeper.

CLEANING BLITZ

During May and June 2020, Council's cleaning and disinfecting regimes were boosted, thanks to a state government program provided to Council as part of the Working for Victoria initiative.

The four-week blitz to help slow the spread of COVID-19 and support jobs, provided additional cleaning and disinfecting to high foot-traffic areas throughout the municipality including shopping precincts, parks and open public spaces. Crew members provided cleansing services to traffic light buttons and poles, signs, street and park benches and handrails on the exterior of public buildings and along paths.

Council has worked hard to ensure that public spaces are cleaned each day to keep our municipality clean and safe and this program was a great support.



VIRTUAL COUNCIL MEETINGS

In response to COVID-19, a new Bill was passed in the Victorian Parliament in April 2020 to allow Councils to conduct their meetings via virtual means. The *COVID-19 Omnibus (Emergency Measures) Act 2020*, introduced into the *Local Government Act 2020*, enables the new measures to be in place from 1 May to 1 November 2020.

Horsham Rural City Council welcomed these changes and the first online meeting of Council was held on 11 May 2020.

At that meeting, Council adopted the Temporary Measures for Conduct of Virtual Council Meetings Procedure, allowing Council to continue to represent the community and make critical decisions by providing guidance to Councillors and Council staff in accordance with the new legislation.

Councillors and Council staff are required to continue to act in accordance with the Councillors Code of Conduct, *Local Government Act 1989*, *Local Government Act 2020*, Local Law No 1 Governance (2016) Meeting Procedure and other Acts and policies.

As at 30 June 2020, three successful online Council meetings have been held. These meetings were livestreamed on the internet with a link provided on the Horsham Rural City Council website. It is pleasing to report there has been an increased level of attendance at Council meetings via these means by community members and staff.

Public Question Time has continued throughout this period, with the Chairperson reading the questions submitted and responses provided by the Chief Executive Officer or another delegated person.

Councillors, staff and the community have adapted well to the move to online Council meetings.

Council meeting details are available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.

HRCC | LOCAL BUSINESS SUPPORT

BUSINESS GRANT

Has your business been impacted by the Victoria's Non-Essential activity directions?

You employ staff?
Have turnover of more than \$75,000?
Have payroll of less than \$650,000?

Grants of \$10,000 are available through an online grant process. Closes June 1, 2020

for more information visit our website

53
DAYS
LEFT!

#togetherwearestronger

COVID-19 BUSINESS SUPPORT PACKAGE

A COVID-19 support package will be included in the 2020-2021 Council Budget. The Business and Community Assistance Program will provide funding and Officer support to existing and new businesses in the municipality. The program will support business skills development, provision of professional services, support through the regulatory processes and other one-to-one in-kind support.

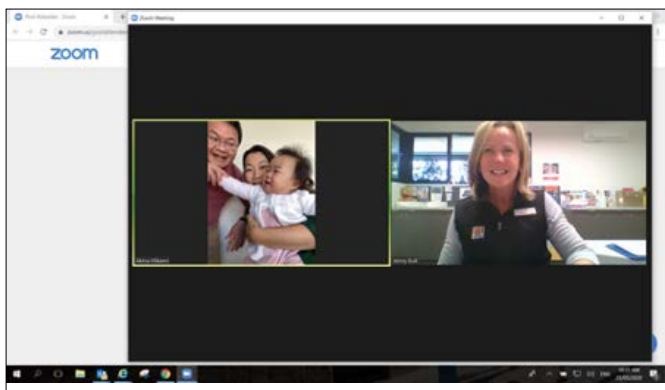
THERMOMETERS

Council distributed a limited number of infrared thermometers free of charge to businesses and organisations with shared communal facilities such as toilets or kitchens, enabling them to take their customers' temperature on check-in. This allows them to operate with the knowledge that their customers are not presenting with a fever, a common symptom of COVID-19. The infrared thermometers were provided to Council by Regional Development Victoria.

Together
we are
stronger



ECONOMIC FACTORS... THE CORONAVIRUS PANDEMIC



Chloe and her parents Josh and Akina participate in an online consultation with Maternal and Child Health Nurse, Jenny

EARLY YEARS PROGRAMS

The unprecedented arrival and ongoing threat of COVID-19 has delivered many challenges and ongoing changes for our family centered services. Much of the work of the maternal and child health, immunisation and the supported playgroup teams rely on face-to-face contact with parents, carers and children on a daily basis.

Immunisation is an essential service and our program has been adapted to provide a COVIDSafe environment. An online booking service has been implemented, where families can book an appointment time. In addition to maintaining our high level of scheduled vaccinations, influenza vaccinations have also been administered to two-thirds of eligible children aged between six months and four years in the municipality. All families are screened on arrival, and parents are now offered the ability to weigh their children at the immunisation session.

Maternal and child health services have moved to a telehealth consultation followed by a short 15-minute physical check of the younger babies. Some parents have elected to Zoom with their nurse, and this platform has also been used for additional breastfeeding consultations where it is essential for the nurse to see the mother and baby.

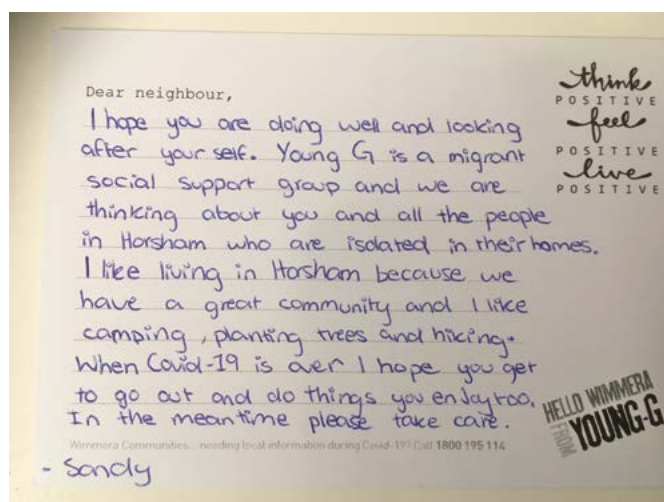
The new parents group has moved to a virtual platform and we offer four Zoom sessions for these families. We hope to arrange a Zoom CPR session for these families in the near future also.

The supported playgroup team have also commenced delivering playgroup virtually. Weekly playgroup sessions on YouTube and Facebook have been filmed for families to watch, and accompanying activity packs have been delivered to interested families.

We look forward to welcoming families back to the Kalkee Road Children's and Community Hub when it is safe to do so. Initiatives such as online immunisation bookings have been well received and we plan to continue to offer this service in the future.



Young G Migrant Youth Group members created postcards for those in the neighbourhood who might need cheering up



Playgroup activity packs were delivered to interested families this year



The Gallery's retail outlet "Shop Art" moved online this year

HORSHAM REGIONAL ART GALLERY

With the closure of Horsham Regional Art Gallery due to State Government restrictions, staff brought exhibitions to the public through virtual tours in the "Behind Closed Doors" initiative. The exhibitions "Minstrel Kuik: She who has no self" and "Rediscovered from the Collection" developed by the Gallery and "Peter Milne: Juvenilia" from M.33, were viewed by the public via the Gallery website and Facebook page. The Gallery's retail outlet "SHOP ART" was placed online to continue supporting local artists through the sale of their work.

Staff were also able to continue digitising the permanent collection with the support of Creative Victoria.

Further information is available on the Horsham Regional Art Gallery website – www.horshamtownhall.com.au or by contacting the gallery on email hrag@hrcc.vic.gov.au or telephone 03 5382 9575.

HORSHAM TOWN HALL

Horsham Town Hall has always been focused on creativity, vibrancy and financial sustainability. The impacts of COVID-19 have devastated the performing arts sector and reduced opportunities for people to come together and connect socially through the arts.

Despite these challenges, the Horsham Town Hall has been supporting the business, economic and events teams at Council to deliver programs for our community. Staff have stayed connected with performing arts companies, musicians and artists with a plan for the return of programming in late 2020 and early 2021. The Horsham Town Hall team acknowledges their volunteers and casual staff who have been seriously impacted by the closure of the venue.

The team looks forward to providing a program that once again engages, entertains and excites our local and visiting audiences in potentially new ways as we recover from COVID-19.



Veronica, Marg and Payton-Rose were week 1 winners in the isolation Bin-Spiration competition

ISOLATION BIN-SPIRATION

Council's Public Arts Advisory Group invited residents to take their art out with the trash throughout June 2020.

Incentives were awarded weekly with a grand prize awarded at the end of the competition.

There were two categories – best individual bins and best cluster of bins. Prizes included vouchers to local businesses and eateries, worm farms, compost kits and other delights. The judging team included waste truck drivers.

"OVER THE FENCE" AWARDS

Many people have had extra time to maintain and improve their homes and gardens during COVID-19. Throughout May 2020, Council and the Horsham Tidy Towns Committee joined forces to celebrate this work with the "Over the Fence" Front Yard Awards.

Neighbours were encouraged to identify friends in their street who had made improvements to their front yards, and nominate them for the award. Winners received a plaque for their letterbox, certificate and local media acknowledgement.



"Over the Fence" winning plaque

MAJOR CAPITAL WORKS

This year, Horsham Rural City Council spent \$16,331,440 on capital works throughout the municipality. The table below provides details of some of the capital works projects that Council funded during 2019-2020.

ROAD INFRASTRUCTURE CONSTRUCTION	AMOUNT (\$)
Horsham	2,129,297
Rural	3,019,880
Rural Bridges	262,995
Roads to Recovery Program – Rural bridges	105,758
Roads to Recovery Program – Rural roads	1,126,070
OTHER	
Kindergarten refurbishments	9,905
Horsham North Children’s and Community Hub	6,412
Dudley Cornell Park Clubroom refurbishment	257,614
Basketball Stadium Indoor refurbishment	47,456
Aquatic Centre Indoor refurbishment	31,435
Building solar projects	255,357
E-waste facility	338,207
Horsham Town Hall performing arts project	19,232
Other facility refurbishments	92,222
Hall refurbishments	12,582
May Park refurbishment	17,136
Outdoor pool refurbishment	1,309,987
Fishing pontoons and jetties	110,500
Off-street carparks	98,157
Works in progress (includes road reconstructions, WIFT roadworks and drainage and HRLE roof)	5,164,553
Plant and equipment replacements	1,561,723
Other works	354,962
Total	16,331,440



MAJOR CHANGES

COVID-19

Due to COVID-19, Council has closed some services, moved operations to be home based wherever possible, and supported the community and staff to stay safe throughout the last quarter of this financial year. The organisation has made significant changes to its operations to ensure continuity of services and the safety of staff and our community during a challenging time (pages 5–12).

Home Support Services

In January 2020, Council made the in-principle decision to exit Home Support Services, resolving to seek expression of interests from agencies to deliver services that Council currently provides (Home and Community Care Program for Younger People and Commonwealth Home Support Programme), before making a final decision. The Expression of Interest process was completed in May 2020.



Major Achievements

- Successfully responded to the challenges of COVID-19 to ensure continuity of Council business operations and the safety of staff and the community (pages 5–12)
- Established the Horsham Youth Council (pages 37–38)
- Commenced the Wimmera Riverfront Activation Project including establishment of a Community Reference Group (pages 41–42)
- Adopted an integrated Open Space Strategy (page 40)
- Completed a cycling path on the south side of the Wimmera River linking with existing tracks to provide a full loop of the river from the Anzac Centenary Bridge to the Horsham weir (page 40)
- Commenced construction of a new roof on the Horsham Regional Livestock Exchange (page 43)
- Completed a \$1.5 million refurbishment of the Horsham Outdoor Swimming Pool (page 46)
- Commenced lighting works along Wimmera River walking/cycling tracks (page 45)
- Adopted the Horsham Urban Transport Plan (page 46)
- Commenced the Rural Councils Corporate Collaboration Project to undertake a major update of core business systems (page 53)
- Completed a number of solar saving initiatives across Council properties to reduce carbon emissions (page 55)
- Successfully processed all collected recycled materials (page 55)
- Introduced new Organisational Quarterly Performance Report to the community
- Commenced implementation of new *Local Government Act 2020* (page 48).



OUR COUNCIL

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 22 October 2016.

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

The seven Councillors are the elected representatives of all residents and ratepayers across the municipality. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation. The Councillors are listed below.

COUNCILLORS



CR MARK RADFORD

Mayor

First elected: 29 November 2008

Re-elected: 27 October 2012,
22 October 2016



CR PAM CLARKE

First elected: March 2003,
November 2008

Re-elected: 27 October 2012,
22 October 2016



CR DAVID GRIMBLE

First elected: 29 November 2008

Re-elected: 27 October 2012,
22 October 2016



CR ALETHEA GULVIN

First elected: 22 October 2016



CR JOSH KOENIG

First elected: 22 October 2016



CR LES POWER

First elected: 22 October 2016



CR JOHN ROBINSON

BM OAM

First elected: 22 October 2016

MEETINGS OF COUNCIL

Council conducts open public meetings on the fourth Monday of each month (third Monday in December) at 5.30pm in the Council Chamber at the Civic Centre in Horsham. Members of the community are welcome to attend these meetings and observe from the gallery.

The purpose of Council meetings is to enable elected members to make critical decisions about the future of our municipality on behalf the community. Council meetings also provide an opportunity for community members to raise questions during Public Question Time. Public questions must be submitted in writing by 5pm on Fridays prior to Council meetings.

While Council meetings have traditionally been held in the Council Chamber, with members of the community welcome to attend and observe from the gallery, the onset of the Coronavirus pandemic and introduction of social distancing rules has made it necessary to make some significant changes to Council meetings this year.

In May 2020, Council meetings moved to an online platform, with meetings streamed live on the Council website www.hrcc.vic.gov.au and an audio recording made available following the meeting (page 10).

Council meetings have continued to operate effectively and efficiently during this period. Public question time has also continued. It is pleasing to note that there has been an increase in Council meeting attendance via electronic means by community members and staff.

In 2019-2020, Horsham Rural City Council held 14 Council meetings. This included 11 face-to-face meetings in the Council Chamber and three online Council meetings.

During this period, 42 questions were submitted to Public Question Time.

The following table provides a summary of Councillor attendance at Council meetings for the 2019-2020 financial year.

COUNCILLOR	COUNCIL MEETING ATTENDANCE	SPECIAL COUNCIL MEETINGS ATTENDANCE	TOTAL
Cr Pam Clarke	11	2	13
Cr David Grimble	10	2	12
Cr Alethea Gulvin	9	1	10
Cr Josh Koenig	10	2	12
Cr Les Power	12	2	14
Cr Mark Radford	12	2	14
Cr John Robinson	10	1	11

COUNCIL BRIEFING MEETINGS

Council Briefing Meetings are generally held on the first and second Monday of each month, excluding January. These meetings provide an opportunity for Councillors to consider, discuss and provide feedback on reports prepared by Council Officers prior to them being finalised and presented to a formal Council meeting.

These meetings are closed to the public, however, time is allocated at each meeting for community groups to meet with Councillors and senior staff to discuss their issues and concerns.

During the last quarter of the financial year, Council Briefing Meetings were held online.

In 2019-2020, there were 33 Council Briefing Meetings held, including 24 face-to-face meetings and nine online meetings.

The following table provides a summary of Councillor attendance at Council Briefing Meetings for the 2019-2020 financial year.

COUNCILLOR	COUNCIL BRIEFING MEETING ATTENDANCE
Cr Pam Clarke	28
Cr David Grimble	24
Cr Alethea Gulvin	26
Cr Josh Koenig	22
Cr Les Power	30
Cr Mark Radford	32
Cr John Robinson	19

COUNCILLOR COMMITTEES

Councillors participate on a range of committees. A full list of Councillor committees is provided on page 73.

OUR COUNCIL

CODE OF CONDUCT

The *Local Government Act 1989*, section 76C requires each Council to review and adopt a Councillor Code of Conduct within four months after a general election. Horsham Rural City Council adopted a revised Councillor Code of Conduct on 6 February 2017. Councillors must observe principles of good governance including:

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

Specific principles include the obligation to:

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

The Code of Conduct sets out how Councillors will display these attributes. It also provides guidelines on ethical decision making, expectations and obligations of Councillors and Officers, prohibited conduct, media obligations and other statutory and general obligations.

The Code of Conduct for Councillors is available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.

CONFLICT OF INTEREST

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

A conflict of interest exists when a personal or private interest may compromise the ability to act in the interests of the public. A conflict of interest exists even if no improper act results from it. *The Local Government Act 1989* defines the specific circumstances that give rise to a conflict of interest and describes the actions that must be taken when a conflict arises.

Declaration of a conflict of interest is a standard agenda item for all Council meetings and Councillors are encouraged to complete and submit the Conflict of Interest Declaration Form to the Chief Executive Officer upon receipt of their agenda documentation prior to the meeting. Alternatively, they may declare their Conflict of Interest at the meeting.

Council has a comprehensive procedure in place to ensure that Officers fully and properly declare all actual, potential and perceived conflicts of interest also and this has been promoted widely across the organisation throughout the past year. While procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from exercising a public duty.

The minutes of Council meetings record all disclosed conflicts of interests, and a register is maintained.

During 2019-2020, there were 26 conflicts of interest declared at Council meetings.

COUNCILLOR ALLOWANCES

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

The state government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. In this instance, Horsham Rural City Council is recognised as a Category 2 Council.

The following table contains details of current allowances fixed for the Mayor and Councillors during the year.

COUNCILLOR	ALLOWANCE PAYABLE \$	AMOUNT SURRENDERED FOR COVID-19 SUPPORT \$
Cr Mark Radford (Mayor)*	68,295.25	3,000.00
Cr Pam Clarke	22,859.62	-
Cr David Grimble*	22,859.62	5,761.98
Cr Alethea Gulvin	22,859.62	-
Cr Josh Koenig	22,859.62	-
Cr Les Power*	22,859.62	3,841.32
Cr John Robinson*	22,859.62	2,236.78

*These Councillors made a decision to surrender a portion of their Councillor Allowance to assist Council to provide specific hardship assistance for businesses impacted by COVID-19.

COUNCILLOR EXPENSES

In accordance with Section 75 of the *Local Government Act 1989*, Council is required to reimburse a Councillor for expenses incurred whilst performing their duties as a Councillor. Council must also adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties.

The Council Expenses policy is available on the Horsham Rural City Council website www.hrcc.vic.gov.au or by contacting Council by email council@hrcc.vic.gov.au or telephone 03 5382 9777.

Details of Councillor expenses for the 2019-2020 year are set out in the following table.

EXPENSE CATEGORY	CR MARK RADFORD (MAYOR) \$	CR PAM CLARKE \$	CR DAVID GRIMBLE \$	CR ALETHEA GULVIN \$	CR JOSH KOENIG \$	CR LES POWER \$	CR JOHN ROBINSON \$	TOTAL \$
Child Care	-	-	-	-	-	-	-	-
Communications	1,176.76	216.35	216.35	216.35	216.35	216.35	216.35	2,474.86
Conferences and Seminars	318.18	-	-	-	-	-	-	318.18
Development and Training	285.74	285.71	285.71	285.71	285.71	285.71	285.71	2,000.00
Entertainment	77.80	77.79	77.79	77.79	77.79	77.79	77.79	544.54
Memberships	-	-	-	-	-	-	-	-
IT Equipment	1,737.00	-	1,737.00	1,737.00	1,737.00	1,737.00	-	8,685.00
Transportation	12,900.00	-	3,371.62	-	-	-	-	16,271.62
Travel and Accommodation	139.00	218.64	967.07	-	-	-	-	1,324.71
Other Costs	151.31	28.57	28.57	42.21	28.57	28.57	28.57	336.37
Total \$	16,785.79	827.06	6,684.11	2,359.06	2,345.42	2,345.42	608.42	31,955.28

Note:

- Figures in this table may include expenses that were processed but not incurred in the reporting period
- No reimbursements for expenses to members of Council committees were paid by Council during 2019-2020

Child Care – Expenses incurred for dependent care or child care.

Communications – Monthly fees and usage costs associated with Councillor mobile phone and computer equipment. Any costs associated with personal use are to be reimbursed by the Councillor.

Conferences and Seminars – Registration fees and costs associated with Councillor attendance at local, interstate or overseas conferences and seminars.

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

Entertainment – Expenses incurred for snacks, meals and beverages while performing Councillor duties (excludes Council and Committee meetings which extend through normal meal times and where Council provides suitable meals and refreshments served on the premises).

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

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

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

Other Costs – Other incidental expenditure incurred by Councillors in performing their Councillor role.

OUR PEOPLE

ORGANISATIONAL STRUCTURE

Council is the governing body that appoints a Chief Executive Officer. The Chief Executive Officer has responsibility for the day-to-day management of operations in accordance with the strategic directions of the Council Plan. The Directors and the Chief Executive Officer form the Executive Management Team and lead the organisation. Details of the Chief Executive Officer and senior officers reporting directly to the Chief Executive Officer are set out to the right.

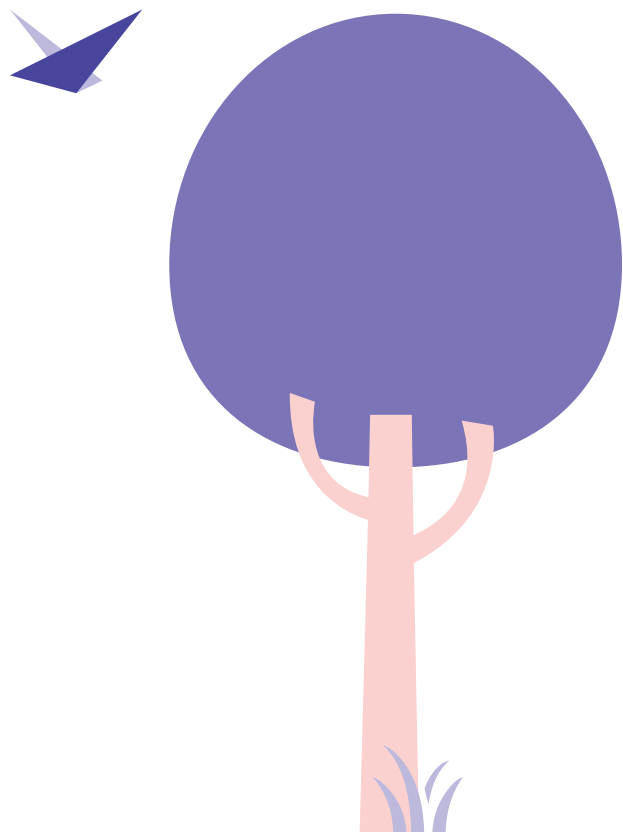


CHIEF EXECUTIVE OFFICER

Sunil Bhalla

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

- Management and performance of all Council operations including \$54 million budget
- Ensure that day-to-day management of Council's operations are in accordance with the *Local Government Act 1989* and align with the 2019-2023 Council Plan
- Provide advice and support to Council
- Direct responsibility for Council's Directors



SENIOR OFFICERS REPORTING DIRECTLY TO THE CHIEF EXECUTIVE OFFICER



DIRECTOR COMMUNITY WELLBEING

(to 27 April 2020)

DIRECTOR COMMUNITIES AND PLACE

(from 27 April 2020)

Kevin O'Brien

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

Arts, Culture and Recreation

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

Community Safety and Environmental Health*

- Community Safety
- Environmental Health

Community Services and Emergency

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

Investment Attraction and Growth*

- Business Development and Tourism
- Statutory Planning and Building Services
- Strategic Planning

DIRECTOR CORPORATE SERVICES

Graeme Harrison

B Econ, Dip GAICD, CPA

Finance

- General Accounting
- Revenue

Governance and Information

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

People and Culture

- Business Efficiency
- Human Resources Lead
- Risk/Occupational Health and Safety

DIRECTOR DEVELOPMENT SERVICES

(to 25 April 2020)

Angela Murphy

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

Economic Development

- Commercial Enterprises
- Business Development and Tourism
- Strategic Planning

Regulatory Services

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

DIRECTOR INFRASTRUCTURE SERVICES

John Martin

BE (Agric)

Engineering Services

- Engineering Design
- Facilities Management
- Project Office

Operations

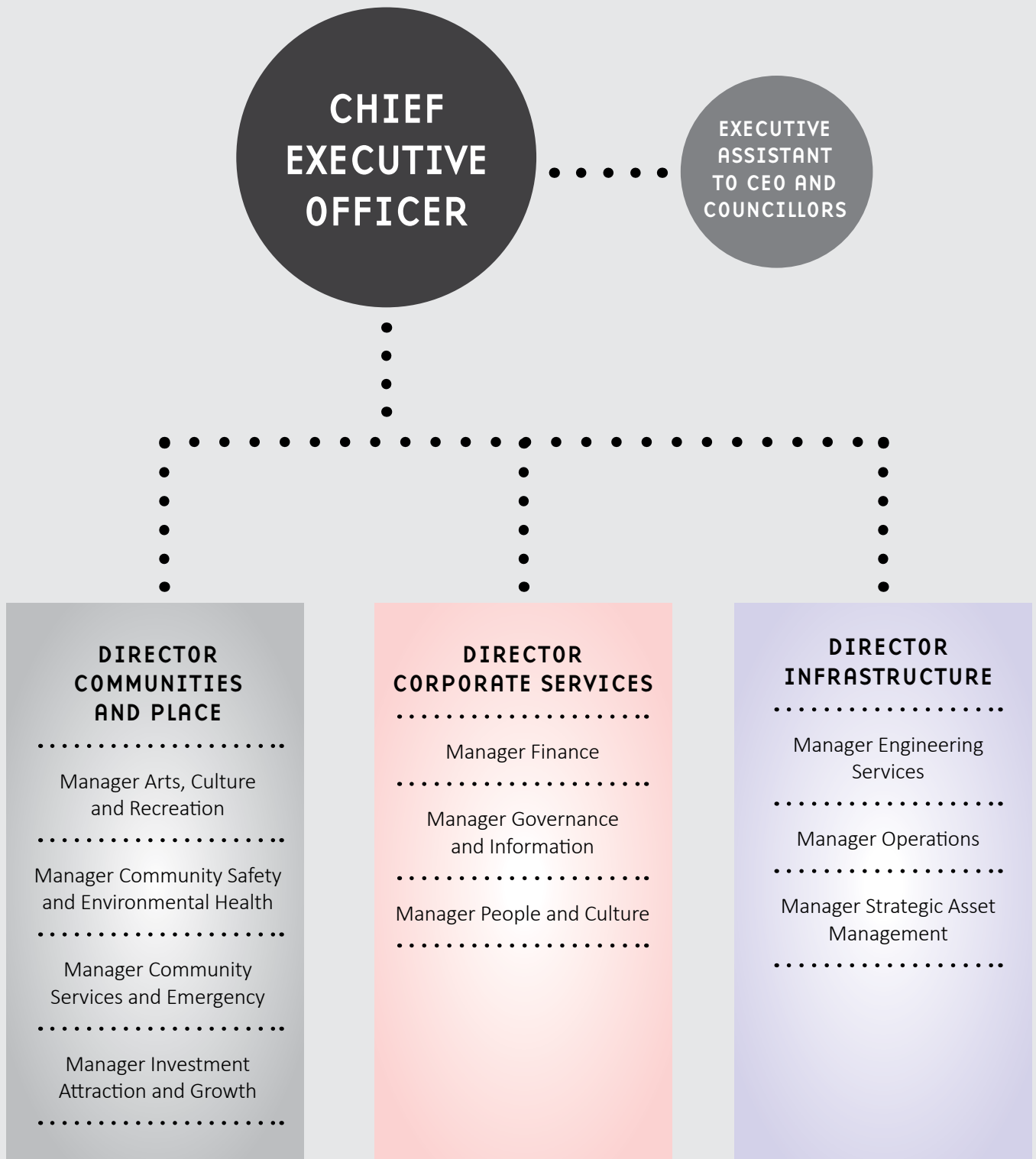
- Civic Works
- Horsham Regional Livestock Exchange Operations*
- Parks and Gardens
- Waste Operations

Strategic Asset Management

- Assets
- Fleet
- Waste and Sustainability

**From 27 April 2020*

ORGANISATIONAL STRUCTURE



ORGANISATIONAL VISION, VALUES AND BEHAVIOURS STATEMENT

Our Organisational VISION

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

Our Organisational VALUES



F

WE VALUE

FLEXIBILITY

We are adaptable to changing circumstances

MY BEHAVIOUR

- I am willing to embrace new ideas and ways of doing things
- I am committed to finding a way to make it happen
- I seek opportunities for ongoing learning and continuous improvement
- I am willing to compromise for a better outcome



A

ACCOUNTABILITY

We are responsible for our behaviour and actions

MY BEHAVIOUR

- I lead by example
- I take ownership of my actions and decisions
- I perform my role with pride
- I deliver what I promise



I

INTEGRITY

We are ethical, transparent and honest in our conduct

MY BEHAVIOUR

- I do the right thing
- I always bring my best self to work
- I communicate openly and directly
- I act in the best interests of the community



R

RESPECT

We value diversity and appreciate others

MY BEHAVIOUR

- I treat others the way I expect to be treated
- I care for the people I work with
- I am inclusive and treat everyone equally
- I consider other views to gain a shared understanding



Horsham Rural City
Council urban rural balance

STAFF PROFILE

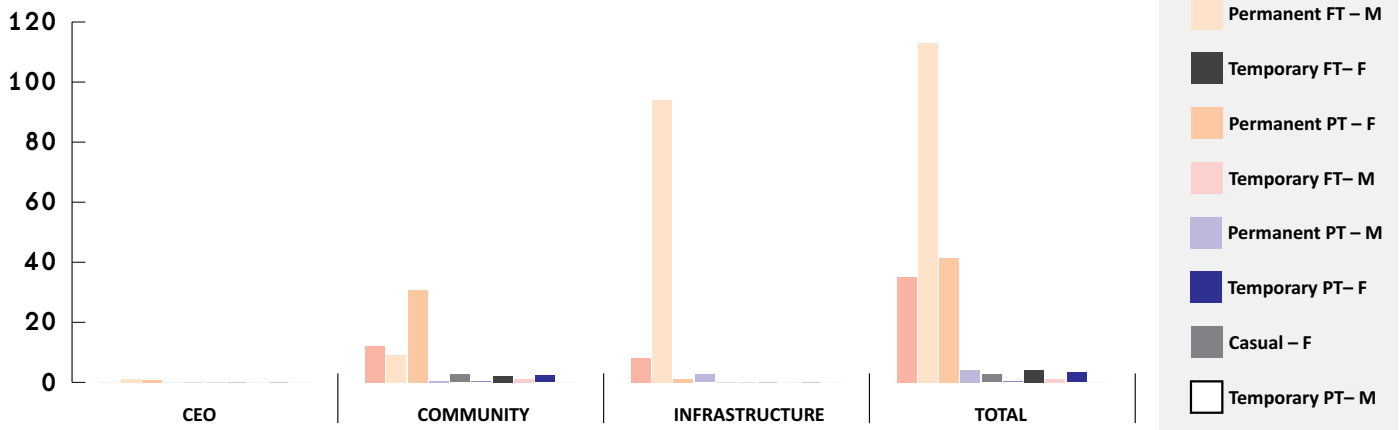
COVID-19 EMPLOYMENT IMPACTS

The COVID-19 environment has presented challenges for Council, as it has for many employers. Local government staff are not eligible for JobKeeper payments from the state or commonwealth governments.

Council has proactively managed its vacancies, with staff impacted by the service closures mostly being redeployed to other roles and projects which would otherwise have been undertaken by external contractors and consultants. Some staff have also taken the opportunity to avail their leave entitlements.

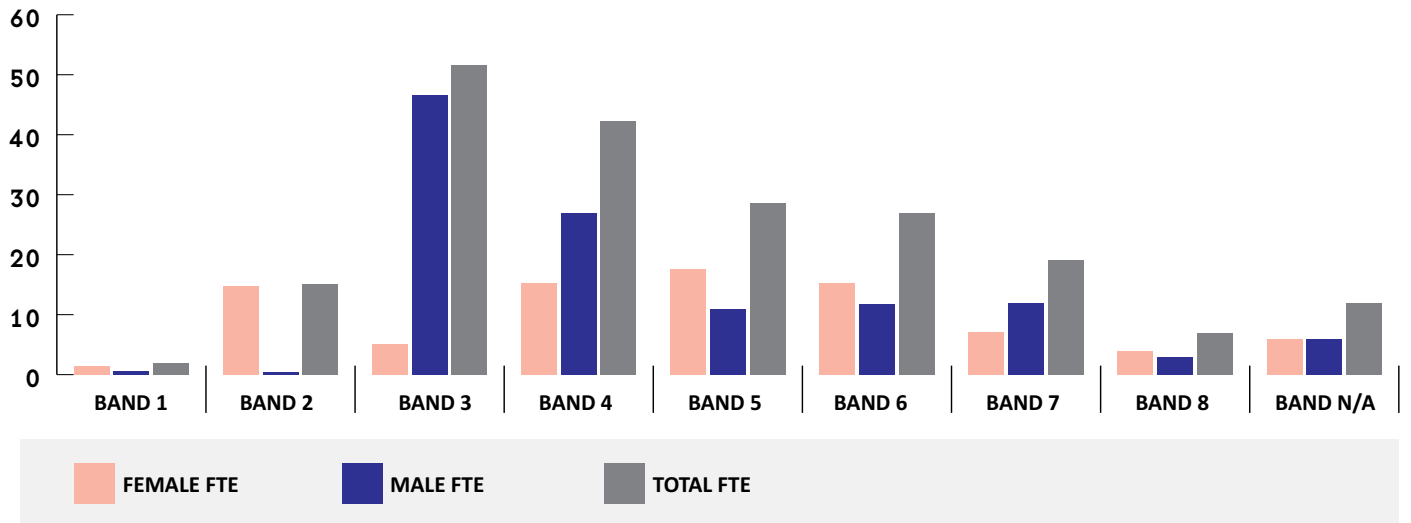
Whilst it has been challenging to make these adjustments, impacted staff have successfully been redeployed into meaningful roles, without the need for any stand downs.

See pages 5–12 for further details on Council’s response to COVID-19.



EMPLOYEE TYPE/ GENDER	CEO FTE	COMMUNITY WELLBEING FTE	CORPORATE SERVICES FTE	INFRASTRUCTURE SERVICES FTE	TOTAL FTE
Permanent FT – F	0	12.0	15.0	8.0	35.0
Permanent FT – M	1.0	9.0	9.0	94.0	113.0
Permanent PT – F	0.8	30.66	8.8	1.07	41.33
Permanent PT – M	0	0.57	0.8	2.63	4.0
Casual – F	0	2.65	0	0	2.65
Casual – M	0	0.32	0	0	0.32
Temporary FT – F	0	2.0	2.0	0	4.0
Temporary FT – M	0	1.0	0	0	1.0
Temporary PT – F	0	2.29	1.01	0	3.3
Temporary PT – M	0	0	0	0	0
Total	1.8	60.49	36.61	105.7	204.6

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



NUMBER OF STAFF (FTE) BY EMPLOYMENT CLASSIFICATION

EMPLOYMENT CLASSIFICATION	FEMALE FTE	MALE FTE	TOTAL FTE
Band 1	1.45	0.55	2.0
Band 2	14.73	0.38	15.11
Band 3	5.06	46.59	51.65
Band 4	15.21	27.0	42.21
Band 5	17.6	11.0	28.6
Band 6	15.18	11.8	26.98
Band 7	7.12	12.0	19.12
Band 8	4.00	3.00	7.0
Band not applicable	5.93	6.0	11.93
Total	86.28	118.32	204.60

EQUAL EMPLOYMENT OPPORTUNITY

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

Council's equal opportunity program ensures there is no discrimination relating to the characteristics listed under the *Equal Opportunity Act 2010* such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. Further objectives include ensuring the workplace is free from bullying and harassment.

As part of Council's online learning suite, equal opportunity is a unit that must be completed by all staff. Offering training in this way allows easier tracking to ensure that all staff are aware of their obligations regarding equal opportunity.

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

STAFF PROFILE



PROFESSIONAL DEVELOPMENT

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

During 2019-2020, 23 Council staff undertook the following:

- Master of Infrastructure Engineering and Management
- Master of Letters
- Master of Natural Resources and Management
- Bachelor of Civil Engineering
- Bachelor of Management and Human Resource Management
- Bachelor of Urban, Rural and Environmental Planning
- Advanced Diploma of Public Safety (Emergency Management)
- Diploma of Project Management
- Certified Practising Accountant
- Certificate IV in Leadership and Management (11 staff).

Two staff completed the Leadership Wimmera Program and a further three staff commenced the program during 2019-2020.

Council also provides a comprehensive corporate learning program that supports a broad range of staff development needs. This is developed in alignment with strategic priorities as well as in response to needs identified through performance and development plans. A variety of learning methodologies are used including e-learning, facilitated workshops, personal coaching and internal and external training providers. A focus for 2019-2020 was on developing a base level of skills for staff in Team Leader and Co-ordinator roles through study of a Certificate IV Leadership and Management.



OCCUPATIONAL HEALTH AND SAFETY

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

2019-2020 Snapshot of Activities:

- 123 incidents reported across all work areas
- 50 plant/vehicle incidents
- 36 personal incidents
- Eight WorkCare claims accepted by the insurer (compared with 16 in 2018-2019)
- Development and adoption of an organisational OHS Management Plan. This framework for improvement demonstrates Council's commitment to provide a safe work environment. The plan is built around four cornerstones that work towards achieving zero harm:
 - Establishing a systematic approach to managing OHS
 - Building a positive OHS culture across the organisation
 - Demonstrating active and visible OHS leadership
 - Providing safe workplaces and equipment.
- Completion of the initial five-day OHS training by four staff in support of their roles as Designated Work Group Representatives
- Presentation by a staff group on behalf of the OHS Committee, to a regional shared learning seminar via Zoom, connecting with over 50 people from Councils across Victoria, as part of Council's involvement with the Municipal Association of Victoria OHS WorkCare self-insurance scheme.
- Extensive policy/procedure development and implementation in accordance with the Municipal Association of Victoria OHS WorkCare self-insurance scheme requirements.

ENTERPRISE BARGAINING AGREEMENT

Enterprise Agreement Number Nine was officially endorsed by the Fair Work Commission and came into effect on 5 February 2020. The agreement will run for three years and has a nominal expiry date of 30 June 2022. A 2.1% (or \$28 per week) increase for each year of the agreement was proposed by Council and adopted by staff at a secret ballot conducted in November 2019. The rate of increase was almost identical to that agreed in the previous agreement and was also influenced by rate capping and the current rates of inflation and wages growth. The agreement included the introduction of a superannuation "soft compulsion" provision at the instigation of the Australian Services Union, designed to promote increased personal contributions by staff towards retirement savings.



GENDER EQUITY

LEADERSHIP STATEMENT

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

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

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

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

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

PREVENTING VIOLENCE AGAINST WOMEN

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

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



Council once again supported the Walk Against Violence in November as part of the 16 Days of Activism Against Gender Based Violence

This year, Council partnered with Horsham cafes for the 16 Days of Activism Against Gender Based Violence campaign. The 16-day campaign ran from 25 November 2019 (International Day for the Elimination of Violence Against Women) until 10 December 2019 (International Human Rights Day). During this time, Café Jas, Café Red Cherry, Cheeky Fox, Laneway Café and The Fig Tree Café used takeaway coffee cups featuring the "Call it Out" logo which aims to start conversations about the prevention of violence against women. The campaign encourages people to intervene when they witness sexual harassment and gender inequality – drivers that can lead to family violence and violence against women.

CoRE: Council is a member of the CoRE (Communities of Respect and Equality) Alliance and supports the framework developed to prevent violence against women and their children. CoRE is for those who believe that our communities can be better places to live if we take action together to promote change. The 2016-2020 CoRE Plan aims to prevent violence against women and their children in the Grampians Region.

Act@Work: Council is committed to ensuring our workplaces set high standards for equality and respect for all staff, and that we have welcoming environments that are supportive of women. In 2017, the Act@Work program was introduced across the organisation and an action plan developed as part of a region-wide strategy.

Act@Work is a comprehensive, organisation-wide cultural change program challenging sexism, discrimination and violence against women. It addresses workplace leadership, policies and procedures and promotes partnerships and links to the community to encourage workplaces to contribute to safer and more respectful communities.



Local cafés served takeaway coffee in cups featuring the “call it out” logo during the 16 Days of Activism Against Gender Based Violence campaign

Gender Equity in Community Engagement: The Gender Equity in Community Engagement project was completed this year. This 12-month joint project between Horsham Rural City, Hindmarsh, West Wimmera and Yarriambiack Shire Councils was funded by the Victorian State Government.

The project aims were to increase participation of women in community engagement by ensuring all policies, procedures and practices support gender equity.

Key outcomes include:

- Analysis of gender equality within Council’s community engagement processes and a number of recommendations made
- Gender lens applied to Council’s Community Engagement policy and procedure to be incorporated into future policy and procedure development
- Development and promotion of a Gender Equity Community Engagement Audit Toolkit
- Gender equity training provided to 21 staff and advisory committee members
- Gender lens applied to Advisory Committee Terms of Reference template and Expression of Interest form developed
- Pathway identifying support options for those experiencing domestic and family violence developed.

GENDER AND DISASTER

There are significant differences in the way men and women experience and recover from disasters, and it is important to understand and address these differences.

Over two days in October 2019, a number of events linked together by the theme Gender and Disaster, were supported by Council with the help of a micro grant from the Office of Women.

The project supported the CoRE Leading Change Lunch, focusing on gender and disaster management with guest speakers from the Gender and Disaster Pod, Australasian Women in Emergencies (AWE) Network and Victoria Police.

There was also an AWE Networking Dinner with guest speaker Amanda Lamont (AWE Vice President), and a “Lessons in Disaster” training package delivered, exploring how girls and boys are raised to take on different roles in society, and how this creates different risks for men and women during and after disasters.

GENDER IMAGE AUDIT

In partnership with Women’s Health Grampians, a gender image audit for Horsham Rural City Council was undertaken this year. The audit focused on publications, plans, community newsletters, social media channels and various Horsham-based websites.

The image audit recommended that Council:

- Include more images in publications – to help shift perceptions and instill the vision, mission and values of Horsham Rural City Council
- Challenge Gender Roles – as gender inequality is the key driver of violence against women
- Highlight Diversity – show LGBTIQ people, Indigenous people, multicultural people and people with a disability living, working and playing in the community, highlighting the Horsham Rural City Council values of being inclusive, open and friendly
- Let the Community Help – create a campaign asking the community to share a story about someone they know.

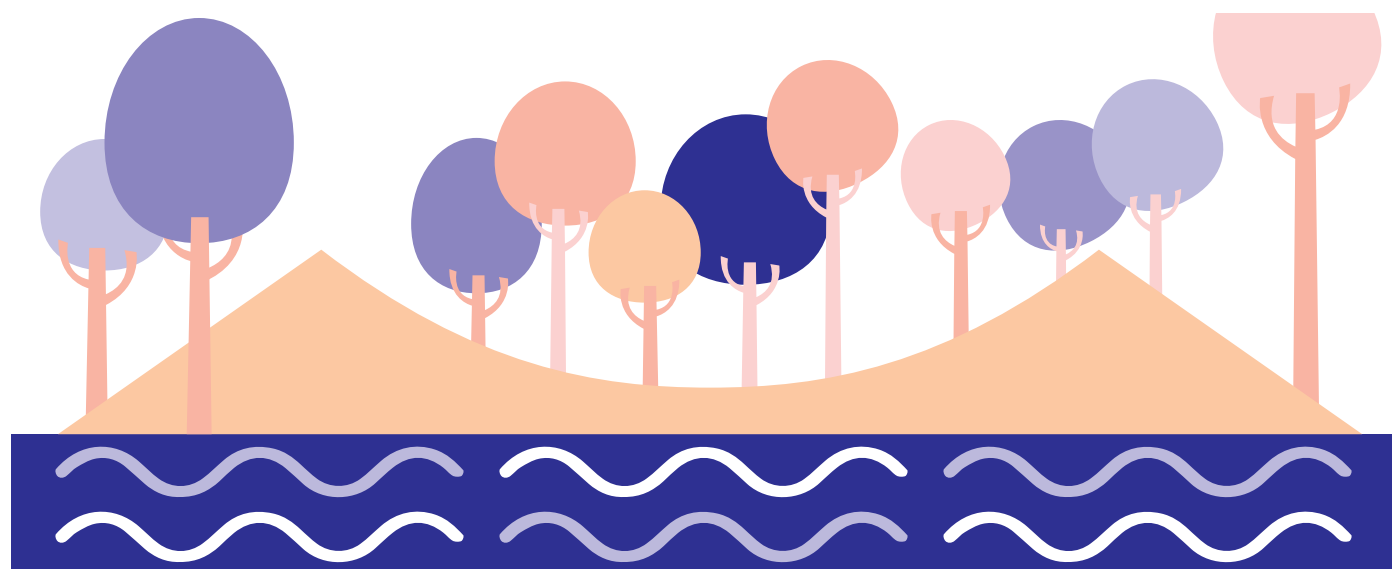
It is recognised that people have pre-conceived ideas about the type of place Horsham is, and Council is committed to changing these perceptions by showing images that challenge peoples perceptions. Every photo is an opportunity to make someone feel like they want to connect with Horsham Rural City Council.

Further information, including the 2017-2021 Health and Wellbeing Plan and 2016-2020 CoRE Plan are available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.

COMMUNITY DEVELOPMENT GRANTS AND DONATIONS

Council's Community Development Grants and Donations program allocates funding to local not-for-profit organisations, groups and associations every year. The program helps groups in the Horsham and district community to improve community facilities and events, and work together for more engaged and healthy communities. Council provided a total of \$369,078 in Community Grants and Donations this financial year. Details of Community Development Grants and Donations funded by Council in 2019-2020 are provided below.

SPORT AND RECREATION	\$
AFL Wimmera Mallee – fitness equipment for umpires	425
Central Wimmera Clay Target Club – kitchen upgrade	3,000
Coughlin Park Bowls Club – synthetic bowling green	10,000
Drung Golf Club – upgrade 18 sandscrapes	700
Future application funding	5,000
Horsham and District Equestrian Sports Club – indoor equestrian surface	5,000
Horsham Basketball Stadium – lease	15,500
Horsham Flying Club – oxygen equipment	1,758
Horsham Golf Bowls Club – three additional toilets	7,000
Horsham Lawn Tennis Club – irrigation system	3,000
Horsham Little Athletics Centre – hurdles upgrade	4,980
Horsham Motorsports Club – transponder race timing equipment and software	4,830
Horsham Table Tennis Association – building repairs and kitchen appliances	3,000
Horsham West Bowling Club – replace kitchen carpet with vinyl	750
Kalimna Park Croquet Club – Learn to Play Croquet program	750
Laharum Sports Inc – resurface two netball/tennis courts	9,500
Moor Park Golf Club – installation solar panels	2,100
Natimuk and District Field and Game – two replacement traps	4,500
Natimuk Golf Club – upgrade and irrigation of trees	2,000
Noradjuha Recreation Reserve Committee – improve irrigation of oval for cricket	5,590
Pimpinio Recreation Reserve – safety fencing and bollards	3,008
Quantong Recreation Reserve Committee – oval upgrade to irrigation and topsoil	2,244
Riding for the Disabled – four mounting ramps	720
Riverside Recreation Reserve – pressure pump to water arena	2,000
Toolondo Golf Club – fuel trailer and tanks	2,500



COMMUNITY MAINTAINED RECREATION RESERVE MAINTENANCE ALLOCATION	\$
Clear Lake	510
Dock Lake	12,100
Dooen Recreation Reserve	510
Laharum	12,100
Kalkee	6,050
Pimpinio	6,050
Quantong	12,100
Riverside – equestrian outdoor surface	510
Noradjuha	3,000
Natimuk Showgrounds	6,050
Toolondo	510
Coughlin Park (HRCC allocation of outdoor staff resources)	12,100
Total – Sport and Recreation Community Grants	171,455

HALLS INFRASTRUCTURE	\$
Dooen Public Hall – replace doors and new enclosed foyer space	5,500
Laharum Hall – internal blinds	500
Mitre Public Hall – ingredients for community meals	1,200
Taylors Lake Hall – speakers and security system	1,899
Telangatuk East Hall – lighting external toilets	1,078
Insurance levy for public halls – Brimpaen, Clear Lake School, Dadswells Bridge, Dooen, Hamilton Lamb, Haven, Jung, Kanagulk, Laharum, Mitre, Natimuk, Noradjuha, Riverside, Sailors Home, Taylors Lake, Telangatuk, Toolondo, Wonwondah	11,131
Total – Halls	21,308

KINDERGARTENS	\$
Bennett Road Kindergarten – five raised garden beds	2,249
Green Park Casuarina Kindergarten – veggie garden	2,150
Natimuk Pre School – veggie garden	3,140
Maintenance grants – \$850 each for Council’s six kindergartens	5,100
Total – Kindergartens	12,639

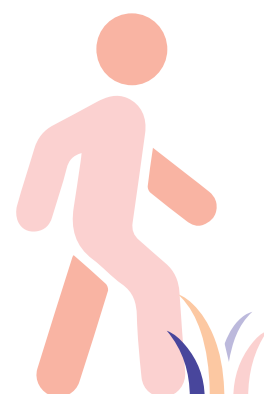
GENERAL WELFARE AND COMMUNITY SERVICES	\$
Christian Emergency Food Centre Inc – food hampers	2,290
Horsham College Chaplaincy Committee	5,600
Wimmera River Improvement Committee	8,200
Wimmera River Improvement Committee Police Paddock	2,400
Wimmera Toy Library – replacement toys	990
Total – General Welfare and Community Services	19,480

COMMUNITY DEVELOPMENT GRANTS AND DONATIONS

ORGANISATIONS	\$
Charitable Organisations – refund of rates	8,457
3 rd Horsham Brownie Guides – upgrade hall garden	848
Arapiles Historical Society – main entrance restoration/repainting	2,250
Centre for Participation – defibrillator	1,500
Centre for Participation – Sons and Daughters West Program	10,000
Dadswells Bridge Country Fire Authority – two folding tables	150
Dadswells Bridge Hall – newsletter	260
Federation University Horsham Campus – Nursing Award	300
Haven Bush Playgroup – play equipment	960
Haven Community Enterprise – road base to improve parking area	2,000
Holy Trinity Lutheran College – Senior Achievement Award	200
Horsham Arthritis Support Group – interactive seminar and workshop	900
Horsham Arts Council – air conditioner for foyer	2,521
Horsham City Pipe Band – support of Council events	1,710
Horsham College – Alternative Pathways Achievement Award	200
Horsham College – Senior Achievement Award	200
Horsham Dog Obedience Club – dog agility/dog sport workshop	800
Horsham East Landcare Agricultural Group – bird sign at Taylors Lake	2,000
Horsham Fire Brigade – shutters to Park Drive external windows	3,411
Horsham Lions Club – switchboard upgrade	2,500
Horsham Mens Shed – solar panels	1,950
Horsham Patchwork Quilters Inc – Accuquilt fabric cutter	500
Horsham PAWS microchip reader	900
Horsham Rural City Brass Band – support of Council events	1,710
Longerenong College – Citizenship Prize	300
Natimuk and District Progress Association – monthly newsletter	1,550
Natimuk Brass Band – support of Council events	1,710
Natimuk Community Energy – initial phase grid connection study	9,361
Natimuk Mens Shed – concrete flooring, lighting improvements	1,000
Natimuk Showgrounds Management Committee – air conditioning for pavilion	2,000
North West Grampians Lions Club of Horsham – Green Lake Driver Reviver Stop seating	2,500
North West Grampians Newsletter – monthly newsletter	1,550
OASIS Wimmera – support activities, Jubilee Hall	2,000
Rural toilet allocation	515
St Brigid’s College – Senior Achievement Award	200
Salvation Army – shade cover and paths for community garden	2,440
U3A Horsham and District Inc – support of tai chi program	1,000
Uniting Victoria and Tasmania – Tri-State Games uniform, Council logo	800
Voices of the Wimmera – uniforms and headset system	910

ORGANISATIONS	\$
Wimmera Association for Genealogy – annual support	320
Wimmera Filipino-Australian Club Inc – Zumba classes	1,000
Wimmera Mobility Group – group excursion support	750
Wimmera Parent Support Network – resilience and mental health guest speaker	2,663
Wimmera Southern Mallee LLEN – Lets Read program	2,000
Wonwondah Fire Brigade – road base and gravel, McKenzie Creek	2,412
Wonwondah North Hall – newsletter	260
Total – Organisations	83,468

EVENTS	\$
Arapiles Community Theatre – biennial Nati Frinj	6,500
Art Is ... Festival – event support	6,900
Horsham Calisthenics College – annual calisthenics competition	1,100
Horsham Christian Ministers Association – Carols by Candlelight	3,600
Horsham Country Music Festival – event support	5,000
Horsham Fishing Competition Inc – support of fishing competition	5,000
Horsham Mother's Day Classic – Mother's Day Classic event support	1,000
Horsham Rockers – Rockers event, band hire	2,400
Horsham Urban Landcare – event and workshops at The Patch	2,000
Kannamaroo Committee of Management – Friday/Saturday evenings	5,500
Natimuk Agricultural and Pastoral Society – family entertainment Natimuk Show	1,000
North West Grampians Lions Club of Horsham – Christine Middleton performance	800
Operation 19:14 Action Team – children's activities	3,465
Rotary Club of Horsham East – Wimmera Science and Engineering support	6,000
Volleyball Horsham – annual volleyball competition	900
Wimmera and Southern Mallee Careers Expo – marquee hire, health industry focus	2,500
Wimmera Croquet Association – Regionals 2020 event	800
Wimmera Machinery Field Days – President's luncheon	2,273
Wimmera Music Eisteddfod – annual eisteddfod event	4,000
Total – Events	60,738
TOTAL COMMUNITY GRANTS AND DONATIONS FUNDED	369,078





COUNCIL PLAN

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

The Council Plan 2019-2023 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 for monitoring strategic objectives and a Strategic Resource Plan. The Horsham Rural City Council Plan contains five long-term community goals (listed below).

The following pages provide details of some of the highlights achieved this year. Further information in relation to outcomes and priorities contained in the Council Plan are provided in the Performance section (pages 57–70).

The Council Plan is available on the Horsham Rural City Council website – www.hrcc.vic.gov.au, or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.



GOAL 1 | COMMUNITY AND CULTURAL DEVELOPMENT

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

.....



GOAL 2 | SUSTAINING THE ECONOMY

Lead in sustainable growth and economic development

.....



GOAL 3 | ASSET MANAGEMENT

Meet community and service needs through provision and maintenance of infrastructure

.....



GOAL 4 | GOVERNANCE AND BUSINESS EXCELLENCE

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

.....



GOAL 5 | NATURAL AND BUILT ENVIRONMENTS

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

.....



GOAL 1 | COMMUNITY AND CULTURAL DEVELOPMENT

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

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



Award recipients Lauren Matheson, Simon Risson, Andrea Cross, Zach Currie and new Australian citizen Thandi Eltze (second left) at Horsham's Australia Day celebrations

AUSTRALIA DAY CELEBRATIONS

Australia Day is a day to reflect on what it means to be Australian, to celebrate contemporary Australia, and to acknowledge our history.

This year, approximately 250 community members came together at Horsham's Sawyer Park to celebrate our national day on 26 January.

The event started with a free barbecue breakfast provided by Council and supported by the Combined Service Clubs of Horsham.

Celebrations included a flag raising ceremony conducted by the Horsham Girl Guides and Scouts, Australia Day Reflection by Pastor Greg McKinnon from the Horsham Christian Ministers Association, children's story "Wombat Stew" read by Mary Dagleish and entertainment by the Horsham Pipe and Brass Bands and Emma Naylor and Tim O'Donnell from the Horsham Arts Council.

An address prepared by appointed ambassador Dr Bernard Jenner OAM, who was a late apology, was read at the ceremony also.

Australia Day Award presentations and an Australian Citizenship Ceremony were highlights of the day. This year's Horsham Rural City Council Australia Day Award recipients were:

- **Citizen of the Year – Simon Risson**

Simon has strong connections with the local community and is an unassuming achiever with time for those around him. Many Wimmera residents have been impacted and enriched by the faithful contribution Simon has made to the community.

- **Joint Young Citizens of the Year – Lauren Matheson and Zach Currie**

Lauren is passionate to help and assist others in the wider community. She volunteers on a number of organisations and is highly regarded by her peers. Zach has an interest in volunteering for the community in a range of ways. He demonstrates strong leadership skills and encourages others around him to do the same.

- **Community Event of the Year – 141st Horsham Show, Horsham Agricultural Society**

The Horsham Show has been a significant part of the Wimmera and its people. The 2019 Horsham Show has shown that there is a sustainable future, with a large number of volunteers, over 150 exhibitors and close to 100 sponsors, all contributing to the success of the event.

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

Further details about Australia Day awards are available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.



Horsham Rural City Council held six Australian Citizenship Ceremonies this year

AUSTRALIAN CITIZENSHIP CEREMONIES

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

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

This year, it was necessary to modify one citizenship ceremony to meet social distancing requirements due to COVID-19, however, the simplified ceremony ran smoothly and it was an enjoyable occasion for those involved.

In 2019-2020, Horsham Rural City Council conducted six Australian citizenship ceremonies welcoming 28 candidates from India, New Zealand, United States, Thailand, Indonesia, Sri Lanka, Philippines, Japan, Nepal, Turkey, Botswana, United Kingdom and Scotland.

Details about Australian Citizenship Ceremonies are available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.



The Combined Service Clubs of Horsham provided a free barbecue breakfast at the Australia Day ceremony in Horsham



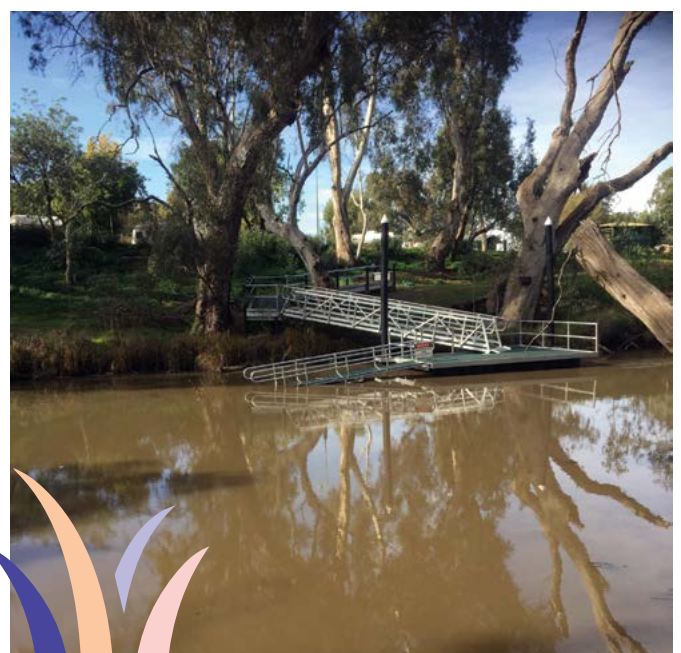
ACCESSIBLE WATER SPORTS PONTOON

An accessible water sports pontoon was installed on the Wimmera River in Horsham in June 2020. It is located on the eastern end of Baillie Street adjacent to the helipad area of the Wimmera River.

The accessible watercraft pontoon will provide safe and easy access to the water, support outdoor education programs and greater recreation and connectivity for local residents. It will encourage people of different ages, skills and abilities to enter the water and to participate in watercraft activity. The pontoon incorporates a wheelchair access platform, allowing a person easy and stable access to their watercraft.

The pontoon can accommodate up to 10 people, enabling carers, companions and multiple users to access it at the same time.

The \$80,000 project was jointly funded by Council (\$30,000), Wimmera Catchment Management Authority (\$30,000) and the Federal Government's Stronger Communities Grants Programme (\$20,000).



GOAL 1 | COMMUNITY AND CULTURAL DEVELOPMENT



Horsham Youth Councillors and the Young G Multicultural Youth Group learnt about the City to River project this year

HORSHAM YOUTH COUNCIL

The Horsham Youth Council formed in July 2019.

The Youth Councillors have established a plan of what they would like to achieve during their two-year term.

Key issues they have decided to focus on are:

- Environmental
- Alcohol and drug use
- Mental health and bullying
- Things to do in Horsham.

The Youth Councillors have formed small working groups to focus on four projects to raise awareness and try to address and combat some of the problems associated with these issues in our community.

The first project began in March 2020, in collaboration with the Art Is... Festival, focusing on environmental issues.

The Art Is... Future Surface project has incorporated story writing, art and animation workshops to develop a series of short animations about the impact of litter. These films are designed to educate people about what happens to different types of rubbish when it is thrown away, and what happens when different kinds of litter are placed in the wrong bins. These animations should be complete in September 2020 and will be accessible via a phone app, which augments drawings to become animations via scanning with your phone.

Due to COVID-19 restrictions, some of the activities that had been planned for the year were postponed and replaced with a series of online competitions that ran during April and May 2020. These included activities young people could do at home during Stage 3 restrictions that would appeal to a wide audience including cooking, dancing, singing, art, sports and scavenger hunts.

Throughout December 2019 and January 2020, the Youth Council had an opportunity to participate in some training and workshops.

The Wimmera Primary Care Partnership facilitated Teen Mental Health First Aid training for the Youth Councillors, with one person also participating in a two-day Youth Mental Health First Aid course designed for people aged over 18 years.

The Horsham Youth Council also had an opportunity to attend a leadership workshop organised by Wimmera Development Association, delivered by Leading Teams. This provided a fantastic opportunity for Youth Councillors, with those in attendance thoroughly engaged and learning a lot from the experience.

Congratulations to Miranda Rose and Zack Currie, who were recognised for their contribution to the community by being jointly awarded the Horsham Rural City Council Australia Day Young Citizen of the Year award (page 35). Miranda, a student at Longerenong College, was also awarded a You thrive Victoria Rural Chances Vocational Scholarship, designed to improve equity of access to post-school education for rural young people, and ensure the availability of qualified young people to deliver services, drive economic growth and lead their rural communities.

The Horsham Youth Council is currently working on a time capsule project, engaging young people in the region to write letters about the impact of COVID-19 on their wellbeing in the form of a letter to their future self, or a journal of how they felt throughout 2020. The Youth Councillors are hoping to install a time capsule at The Station (formerly NEXUS Youth Centre) with all letters placed inside the capsule to be opened in 10 years, when the letters will be returned to their owners.



Horsham Youth Councillors held their first meeting in July 2019

The reimagined building in Horsham’s Pynsent Street, now known as The Station, has undergone interior renovations to the hall and the Youth Council is currently running a logo competition. The winning artist will receive acknowledgement for their design, and their artwork will be installed on the front of the building.

Horsham and Hindmarsh Shire Youth Councillors had a planning day at The Station to run a joint Youth Week event that was scheduled for April 2020, however, it was necessary to cancel this event due to COVID-19.

In collaboration with Headspace Horsham and the Young G Multicultural Youth Group, the Youth Council participated in some engagement surrounding the City to River project. Participants walked from Headspace headquarters in Hamilton Street to the Wimmera River, along part of the proposed plan, so they could visualise the proposal and discuss their views. This feedback was submitted to Council.

The Horsham Youth Council is looking forward to a productive year ahead. The Pynsent Street facility will be reopened and Youth Councillors will participate in training and leadership opportunities which will, in turn, have an impact on priority issues for young people in the community.



Horsham Youth Councillors participated in Teen Mental Health training this year



Children participated in a hand tracing activity as part of National Reconciliation Week

INNOVATE RECONCILIATION ACTION PLAN

This year, Council’s Aboriginal Advisory Committee and Reconciliation Action Plan Internal Working Group continued working collaboratively with Barengi Gadjin Land Council and Goolum Goolum Aboriginal Co-operative, further strengthening these important relationships.

COVID-19 limited the customary public events to recognise National Reconciliation Week 2020, but presented opportunities for new innovative activities. National Reconciliation Week 2020 saw an outdoor projection of the Indigenous film “Marngrook”, onto the Horsham Town Hall and a double page reconciliation poster in The Weekly Advertiser, giving people the chance to trace their hand in the centre of the page to write or draw a message about what reconciliation means to them, before displaying it in a window.

There was also a virtual presentation of Megan Evans’ artwork “Proof” on the Horsham Regional Art Gallery website and on display in the gallery foyer for people to see as they passed by. “Proof” is a Victorian-era chaise lounge upholstered in white rabbit fur, with the legs replaced with shotguns and fencing posts that elevate it to eye level. On the back is an embroidered map of Victoria showing Indigenous massacre sites from the early 1880s. Shown in reverse, the map looks like it has seeped through from the front.

The Innovate Reconciliation Action Plan is available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.

GOAL 1 | COMMUNITY AND CULTURAL DEVELOPMENT



A community art exhibition during NADIOC Week included over 130 artworks by 68 artists

HORSHAM REGIONAL ART GALLERY

The Horsham Regional Art Gallery once again responded to community needs this year, adding two new exhibitions to its already full schedule.

The Gallery assisted Goolum Goolum Aboriginal Cooperative with a new initiative, a community art exhibition held during NAIDOC Week. This project supported individual artist's growth, unearthed new talent and brought the community together in cultural activity, teachings and celebrations. Gallery staff provided essential skills and experience to develop and present the diverse display of our local Indigenous community's creative skills. Over 130 artworks by 68 artists featured large community-led paintings and sculptures, story-telling images and personal reflections of life. With the amazing response from the community, the exhibition extended to spaces throughout the building, was extended from one week to seven weeks, and was seen by over 4,300 visitors.

The Horsham Regional Art Gallery also worked with Horsham College to present "Cream of the Crop", an exhibition showcasing the best in art and design from regional VCE students studying Art, Studio Art, Visual Communications, Textiles, Woodwork, Metal Work and Food Technology. For the past 12 years, Horsham College has organised and staged the exhibition, but it outgrew their resources and "Cream of the Crop" transferred to the Gallery.

This year's exhibition featured 47 students from Horsham College, St Brigid's College, Holy Trinity Lutheran College, Donald High School, Nhill College and Ararat's Marian College and received over 2,500 visitors in its 19 days on display.

The Gallery plans to extend the length of time the exhibition is shown to make it more accessible to visitors and upcoming VCE students.



Art Matters participants at the exhibition in Horsham this year

ART MATTERS

Art Matters is an arts support program that enables people living with a disability to build individual capacity through participation in a broad range of creative art projects. Art Matters entered the next chapter of its operation when the Centre for Participation took over from Council as the program's manager at the commencement of the 2020 program. There is a natural fit with the Centre for Participation, who have a history of strengthening the capacity of our community and changing lives. Council looks forward to the continued success of this important program.



Zoey shows off her artwork at the Art Matters exhibition



The "Cream of the Crop" exhibition featured art and design works by 47 VCE students from across the region



Upgrades to the cycling/walking path network continue to be a priority for Council

CYCLING AND WALKING TRAILS

Council's priorities for upgrades to the municipality's cycling/walking path network continue to be guided by the Bicycle Advisory Committee.

A major achievement this year has been the completion of the cycling path on the south side of the Wimmera River, west of the Anzac Centenary Bridge. Through co-operation with the Southbank developer and the Langlands family, Council has obtained licences to the river frontage in these areas, enabling formed paths to be established. In co-operation with the Wimmera Catchment Management Authority, additional works have included fencing of these areas. The Catchment Management Authority has also installed two new water regulating structures, which will manage water flow in the billabong section on the Langlands property. The seal over these structures was the last part of works to link this track with existing tracks, providing a full loop from the Anzac Centenary Bridge to the Horsham weir.

Council was also able to provide a riverfront linkage through a section of property at the east end of Baillie Street in Horsham. These works were enabled through the support of the Irwin family, who agreed to provide a licence to Council to access this frontage and the Wimmera Catchment Management Authority, which carried out some river protection works along this section.

Further information about cycling/walking trails in the municipality is available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.

OPEN SPACE STRATEGY

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

Horsham Rural City Council has developed an integrated Open Space Strategy to provide strategic directions and to determine priorities for the planning, provision and development of open space across the municipality.

The overarching vision for open space in Horsham is that we will become:

“A leading regional community with an open space network that provides positive health and wellbeing outcomes for everybody.”

The strategy is based on the following principles:

- Equity
- Accessibility
- Health and wellbeing
- Participation
- Sustainability
- Safety
- Adaptability
- Efficiency
- Environmental sustainability
- Biodiversity
- Design and placemaking.

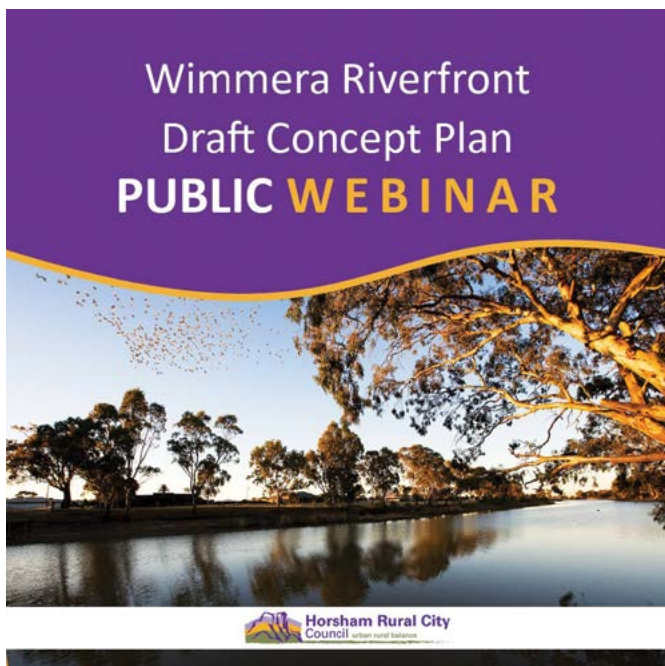
The Open Space Strategy adopted by Council in December 2019 provides a framework to:

- Increase connectivity
- Redefine the Wimmera River
- Improve open space
- Enhance collaboration
- Invest and plan for our future
- Colour and green our region
- Recognise and celebrate culture.

The Open Space Strategy provides a framework for more people to be more active, more often.

The Open Space Strategy is available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.

GOAL 1 | COMMUNITY AND CULTURAL DEVELOPMENT



WIMMERA RIVERFRONT ACTIVATION

The Wimmera Riverfront Activation Project is the first stage of the City to River Masterplan, a long-term 20 year plan which aims to enhance and activate the Wimmera River Precinct and improve its link to the Central Activity District of Horsham. The City to River project has been divided into sub-precincts to allow projects to proceed in a staged, prioritised manner.

The City to River Masterplan was developed in 2019, drawn from a large number of current Council strategies and plans, along with community input and engagement conducted throughout that year. The Masterplan was approved by Council in November 2019, with a number of amendments made. Council endorsed the development of detailed concept and schematic designs for the riverfront, including identifying the site for a café and waterplay area.

The riverfront precinct includes the area west of the Horsham Rowing Clubroom to east of the Wimmera Bridge. Assets located close to, or in the precinct include, Adventure Island and Apex Pump Track, botanical gardens playground, bike and walking tracks, rowing and angling clubrooms, miniature rail, the waterway, riverfront and caravan park.

The Wimmera River is one of Horsham's significant natural, social and cultural assets. The Wimmera Riverfront Activation Project has sought to build on this strength by exploring the creation of new active spaces for recreation, and build and improve access and use of existing open space and recreational assets.

Clear and direct community feedback provided through the 2019 City to River Master Planning process has informed how the Wimmera Riverfront Activation project evolved. A deliberate focus on improving engagement with the community to develop the Riverfront Concept Plan was established against the following objectives:

- Build relationships and trust with the community and key stakeholders
- Provide an opportunity for any member of the community to provide input
- Provide an open, transparent process so that the community understands and supports the process
- Gain diverse community input into a plan for making the riverfront more inviting
- Clearly communicate opportunities to be engaged.

A Community Reference Group (CRG) was formed in April 2020 to guide effective engagement for the project, taking on lessons learnt from the City to River Masterplan process, and to ensure the community's voice was heard and feedback acknowledged. The CRG worked closely with Council staff and the landscape architects "Tract", to develop the draft concept design for the riverfront. The CRG met 12 times via Zoom with one on-site meeting at the riverfront planned for July 2020.

The CRG included representatives of key stakeholders located in or adjacent to the riverfront precinct including the Aboriginal Advisory Committee, Barengi Gadjin Land Council, Horsham Angling Club, Horsham Caravan Park, Horsham City Rowing Club, Horsham Rural Ratepayers and Residents Inc, Horsham Youth Council, Wimmera River Improvement Committee and three community representatives.

The CRG has developed a detailed engagement plan for the riverfront precinct. They have spoken to the broader public, canvassed groups and liaised with the landscape architects to develop the draft Concept Plan. The plan was then taken out to the community to gather feedback and reflect the interests and needs of current and future residents and visitors to our region.

Key themes that emerged during this engagement were:

- Retain the natural amenity
- Improve connectivity and places to socially connect
- Promote broader community access and use
- Provide opportunities to tell our local indigenous stories.

The final plan proposes the following improvements: a civic gathering space (including siting/services for future café/restaurant), carpark amendments, public toilet upgrade, outdoor covered area at angling clubrooms, upgrade and widening of shared path across the precinct, river edge connections, outdoor seating/ additional picnic facilities, planting works signage and lighting upgrades, artworks and cultural/heritage interpretation.

The CRG recognises that one plan will not satisfy all needs and interests of the whole community, however, if the majority are served well and generally satisfied, and the feedback provided improves the process, approach and plan, the CRG and Council view this as a way forward to advance plans to the next stage.

Further details about the City to River Masterplan and Wimmera Riverfront Activation Project are available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.



The Horsham Town Hall was packed to capacity for 60 Years of Wimmera Rock in February

THE HORSHAM TOWN HALL

Despite the impact of COVID-19 on the arts sector across Australia and the subsequent closure of the Horsham Town Hall to the public in June 2020, the venue has delivered an exciting program across the past financial year.

In July 2019, the year started with an awe-inspiring NAIDOC week exhibition that spanned the full length of the venue from the Gallery through the Foyer and into the Heritage Hall. A diverse array of locally created paintings, photography and 3D installations were on show by local Aboriginal artists. The popular display ran until mid August 2019 (page 39).

Over 22 performances including dance, drama, live music and physical theatre were presented in the venue from July through to December 2019. They were all very well received by the audiences.

In February 2020, venue staff partnered with local musicians and performers to present 60 Years of Wimmera Rock – a massive three days of live music and celebration across three venues. Audiences revisited bands they grew up with in the pubs and clubs of the Wimmera. The event attracted over 2,500 people, with performers and audiences coming from Germany, the USA and a significant contingent from interstate.

From March 2020 onwards, adjusting to bans on mass gatherings and closures of indoor entertainment venues, forced many planned performances to be rescheduled, with many now moving to 2021. Horsham Town Hall staff were also redeployed into other business units because of the impacts of COVID-19 (page 23). This has been challenging and difficult for our highly trained staff and for local audiences.

We hope to see a reactivation of the performing arts sector in 2021 and the opportunity for people to visit the venue and enjoy the social and cultural benefits of attending live shows at the Horsham Town Hall.



GOAL 2 | SUSTAINING THE ECONOMY

Lead in sustainable growth and economic development

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



NEW ROOF FOR HORSHAM REGIONAL LIVESTOCK EXCHANGE

The journey leading to construction of the roof on the Horsham Regional Livestock Exchange (HRLE) commenced with preparation of a Master Plan for the site, which was adopted by Council in May 2018.

A business case was then prepared for the roofing project, which identified very large benefits in terms of animal welfare and increased value of sales as sheep would be presented in a better condition on sale days with the roof in place, reducing the stress associated with heat and cold or wet conditions. Additional benefits were identified including OHS for personnel on site and sustainability benefits through water harvesting and solar power generation.

The business case provided strong supporting evidence for a grant application through the Australian Government's Building Better Regions Fund, and Council was delighted with the announcement of a grant of \$1.49 million in March 2019. This grant, together with funding from Council, enabled the project to proceed to tender in mid 2019, leading to the contract for construction being awarded to MKM Constructions of Ballarat in September 2019, at a contract value of \$3.43 million. Significantly, the Council contribution to the

project will be repaid by dividends from HRLE operations over the coming years.

On-ground works started in late 2019, and it soon became evident that construction was running ahead of schedule, even with the extra measures put in place to ensure only minimal impact to sale days.

While initially planned to be completed by the end of September 2020, the main roof works will be completed by August 2020, and finishing touches by early November 2020.

A feature of the project has been the close co-operation between the builder, HRLE staff and all those involved in the conduct of sales, including the Horsham Stock Agents Association. Weekly updates were provided to stakeholders on progress with the works, and the sections of the saleyards that would be impacted each week. Staff attended monthly meetings of the Stock Agents Association to provide further updates and listen to any issues that were emerging during the works.

The formal opening of the new HLRE roof is planned for late 2020, subject to COVID-19 restrictions.



WIMMERA INTERMODAL FREIGHT TERMINAL PRECINCT

A series of infrastructure works were completed at the Wimmera Intermodal Freight Terminal Precinct this year to facilitate expansion of industry on this site including:

- A new power supply with capacity for significant processing in the precinct
- A water main, providing high pressure water from the Wimmera Mallee Pipeline along Freight Terminal Road
- A new roundabout at the intersection of Molyneux Road and Freight Terminal Road, designed for future longer vehicles including B-triple transport
- The first section of new road north along Molyneux Road
- Drainage works, including basins to provide retardation to manage stormwater runoff on the site.

These works have prepared the precinct for further development.

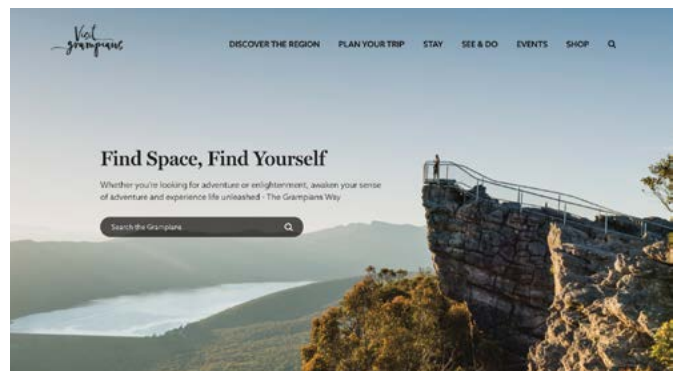
DIGITAL CONNECTIVITY

Spirit Telecom have completed Horsham’s connection to the 5G network, with five towers developed across five districts in Horsham to transmit Spirit’s internet. Transmission will be via the air and will cover a 10 kilometre radius from each tower throughout Horsham, including the Horsham central business district, Horsham Enterprise Park, aerodrome and freight terminal precincts. Horsham now has the latest technology to ensure new and existing business have access to the fastest technology available.



GRAMPIANS WAY

Grampians Tourism have successfully rolled out the Grampians Way marketing and branding to encourage visitation to and across the region. Profiling the southern, western, eastern and northern parts of the region, the campaign has been successful in increasing visitation in late 2019 and it is hoped the strong branding will help attract visitors back to the region once COVID-19 restrictions have eased.



GRAMPIANS PEAKS TRAIL

The Grampians Peaks Trail project is a 160 kilometre, world-class natural and cultural walking experience, scheduled to be completed next summer. The Grampians Peaks Trail will include 12 campsites (11 hike-in camps and one group camp) and be accessible for people to experience the Grampians National Park through day walks, overnight sections, or as one 13-day journey. Partnerships with tour operators and potential investment opportunities for communities close to the trail around Mt Zero and Wartook, have been developed this year.

Further information about the Grampians Way and Grampians Peaks Trail is available on the Visit Grampians website – www.visitgrampians.com.au



GOAL 3 | ASSET MANAGEMENT

Meet community and service needs through provision and maintenance of infrastructure.

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

LIGHTING HORSHAM’S RIVER TRACKS

Works to install lighting along Wimmera River walking/cycling tracks has commenced this year. The Safe River Linkages Project sees overhead LED lights added along the river between Menadue Street and the Anzac Centenary Pedestrian Bridge, including along Wotonga Basin. Local contractors have been engaged to install this lighting.

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

The project will also include pruning of low to mid-height shrubs along some sections of the track to improve visibility and enhance people’s perception of feeling safe. The Wimmera River Improvement Committee is involved in the landscaping works and the project has received support from other local groups such as Horsham Bicycle Advisory Committee, Horsham Parkrun Group, Horsham Running Group and Horsham Saints Football Netball Club.

The Safe River Linkages Project was funded through a \$173,000 grant from the Victorian Government’s Public Safety Infrastructure Fund and \$90,464 provided by Council.



MANAGING OUR ASSETS

Council has maintained detailed records on most of its asset base over many years. An intensive program was undertaken this year to ensure that all assets associated with buildings and open spaces were captured and up to date, including their condition. This information is important to understand the remaining lives of assets, and the cost to renew them over time.

An innovative approach has also been applied to roads. Previously, Council has maintained records of the condition of roads based on typically one kilometre segments in rural areas, and “block by block” in urban areas, but condition of roads can vary considerably over these distances.

In early 2020, detailed roughness information was captured for each 20-metre length of the road network. This will give much better information on the sections of road that need replacing, enabling more targeted works to be conducted, leading to better value in our road maintenance expenditure. Council will be able to conduct works on only those sections of roads that are in poor condition, rather than longer stretches which may only have a few rough sections.

The data captured in 2020 will lead to improvements in the reconstruction program in the years ahead.

RURAL ROAD NETWORK PLAN

Following completion of the Horsham Urban Transport Plan in early 2020 (page 46), work has commenced on the complementary Rural Road Network Plan for the remainder of the municipality. The objective of this plan is to review the priority of all roads in the rural network, guide Council on any plans to upgrade certain roads and ensure long-term maintenance of the network can be appropriately funded. A community-based Project Control Group was established in March 2020, however, the onset of COVID-19 led to restrictions in the ability to conduct consultation. The Project Control Group have continued to meet to prepare material to inform a consultation process with the community, but this has been deferred until early 2021 due to COVID-19 restrictions.

HORSHAM URBAN TRANSPORT PLAN

Following an extensive preparation and community consultation process, Council adopted the Horsham Urban Transport Plan in January 2020. The plan aims to address the following six specific objectives identified by Council:

- Creating a more active and vibrant CBD and river precinct
- That trucks which don't originate or terminate in the CBD be removed from the CBD and river precinct
- More active transport
- More river crossings
- Linking highways to economic activities
- Preference for use of existing road reserves for future development of the local and arterial roads.

The plan developed a number of strategies under each of the following six themes:

- Streets for people
- Local access movement
- Public transport (inner Horsham)
- Parking
- Cycling
- Regional links.

Some key outputs from the Horsham Urban Transport Plan include:

- Support for investigation of an alternative truck route around Horsham to help remove this traffic from Horsham's CBD – to be conducted with Regional Roads Victoria.
- Identification of a series of problem intersections including Natimuk/Bennett Road, Wilson/Darlot Street, McPherson/Hamilton Street and Stawell Road/Henty Highway – all require advocacy to Regional Roads Victoria to review.
- Importance of improving passenger rail services to Horsham.
- Community support for a crossing of the Wimmera River at Hamilton Street.

The Horsham Urban Transport Plan has been used to support a range of grants Council has applied for and the recommendations are being incorporated into Council's 10-year capital works program.

The Horsham Urban Transport Plan is available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.



A \$1.5 million refurbishment to the Horsham Aquatic Centre's outdoor pool was completed this year

OUTDOOR SWIMMING POOL UPGRADE

Horsham's War Memorial Swimming Pool has undergone a \$1.5 million refurbishment this year. The 50-metre outdoor pool is part of the Horsham Aquatic Centre complex. It was built in 1956 and in need of an upgrade to address issues including water losses and ineffective solar heating.

Changes include removal of hobs around the pool to provide a flat wet deck, adding an accessibility ramp, modification of pool depths to a maximum of two metres and a minimum of 1.1 metres, and improved filtration for water quality benefits.

The wet deck provides a seamless edge to the pool and replaces an older style of guttering system. It is slip resistant, making it much easier to enter the water.

Shade structures with seating and landscaping have also been completed.

Sport and Recreation Victoria contributed \$200,000 towards the project for inclusion of the wet deck around the outside of the pool.

GOAL 3 | ASSET MANAGEMENT

ROAD WORKS

Providing suitable roads is one of Council's key services. Horsham Rural City Council services 2,977 kilometres of roads. Of these roads, 991 kilometres are sealed roads, 974 kilometres are unsealed roads, 1,007 kilometres are formed only (dirt) roads and 5 kilometres are bike tracks, crossings, etc.

During 2019-2020, Council was fortunate to receive significant funding from the Victorian Government through the Fixing Country Roads program to upgrade several roads in the municipality. Funding was also received from the Australian Government through the Roads to Recovery program, Financial Assistance Grants and Council rates revenue, including additional funding committed to reducing Council's infrastructure renewal gap.

The Fixing Country Roads program enabled the following upgrades to proceed:

- Wail Kalkee Road, two sections near Wail
- Sections of Green Lake Road, south of Green Lake
- Longerenong Road near Wimmera Machinery Field Days site.

These works were conducted by contractors and Council staff.

The following projects were not completed due to weather impacts late in the construction season:

- Widening part of Drung Jung Road, Longerenong
- Gravelling of Emmersons Road, Clear Lake.

These works will be completed early in the 2020-2021 construction season.



Below is a description of all road works completed by Council this year.

WORKS DESCRIPTION	LENGTH (KILOMETRES)	AREA (SQUARE METRES)
Road construction New Urban	-	-
Road construction New Rural	-	-
Carpark construction New Rural	0.088	2,089
Carpark construction New Urban	-	-
Road reconstruction Urban	1.755	18,661
Road reconstruction Rural	11.01	65,449
Upgraded formed only road to unseal gravel road	0.88	10,449
Upgraded unseal gravel road to seal road	3.37	8,720
New sealed road construction (subdivision)	0.313	2,596
Rural reseals	16.482	92,174
Rural finalseals	20.112	127,297
Urban finalseals	1.223	11,508
Sealed shoulder re-sheeting	20.128	80,512
Gravel road re-sheeting	38.532	169,415
Footpaths new (subdivision)	0.5271	738
Footpaths renew	1.807	2,547
Kerb and channels new (subdivision)	0.488	-
Kerbs and channels renew	4.221	-



GOAL 4 | GOVERNANCE AND BUSINESS EXCELLENCE

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

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

NEW LOCAL GOVERNMENT ACT 2020

The new *Local Government Act 2020* (Act) is a significant piece of legislation and is the most ambitious and comprehensive reform of local government in Victoria for 30 years. It is anticipated that the Act will improve local government democracy, accountability and service delivery for all Victorians.

The Act received Royal Assent on 24 March 2020, and is being proclaimed in four stages, with the first of these reforms proclaimed on 6 April 2020. With nearly 400 provisions, a number of these provisions are now in force.

The staged commencement dates are 6 April 2020, 1 May 2020, 24 October 2020 and 1 July 2021.

The Act comes into operation progressively, and at the same time various provisions in the *Local Government Act 1989* are repealed progressively, so the two Acts will co-exist for some time into the future.

The new Act replaces the *Local Government Act 1989* and will deliver on the Victorian Government’s commitment to modernise how local government operates. It is a principles-based Act, removing unnecessary regulatory and legislative prescription.

To achieve this, the following five primary principles have guided the development of the Act:

1. Community Engagement
2. Strategic Planning
3. Financial Management
4. Public Transparency
5. Service Performance.

Key dates for document deliverables to address the legislative requirements of the new Act are as follows:

1 September 2020

Governance Rules, Public Transparency Policy, Expense Policy, Delegated Committees and Asset Committees

17 September 2020

Mandatory Candidate Training

January 2020

Councillor Code of Conduct

1 March 2021

Community Engagement Policy

30 April 2021

Gift Policy

30 June 2021

Councillor Induction Training, Annual Budget, Revenue and Rating Plan

31 October 2021

Financial Plan, Council Plan, Community Vision, Annual Report

1 January 2022

CEO Employment and Remuneration Policy, Workforce Plan, Recruitment Policy, Staff Code of Conduct, Complaints Policy, Procurement Policy

30 June 2022

Asset Management Plans

Council is liaising closely with Local Government Victoria (LGV), Maddocks Lawyers, Local Government Professionals (LGPro) and other local government Councils and organisations, to ensure correct processes are followed, implemented and communicated, and a detailed Implementation Action Plan for communication with Council’s Leadership Team and key stakeholders has been developed.

Final adoption of the relevant documents will be made by Council and available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.

GOAL 4 | GOVERNANCE AND BUSINESS EXCELLENCE

ADVOCACY

Advocating for and representing our residents, communities and businesses in state and federal government is a key function of local government and one Horsham Rural City Council takes seriously.

During the past year, lobbying and advocacy was undertaken through local, state and federal politicians. This process also involves collaboration with other key stakeholders to progress key projects and priorities for the Wimmera-Southern Mallee and Grampians regions.

Details of advocacy priorities that have progressed this year are provided below.

Develop incentives program to attract in-demand skills to the region

Horsham Rural City Council, in partnership with Grampians Tourism, Ararat Rural City, Northern Grampians Shire and Southern Grampians Shire Councils is undertaking a collaborative project to address a key economic and social challenge facing the region – the poor retention and lack of growth in new residents and workforce. With funding provided through Regional Development Victoria, project partners have commenced work on a co-ordinated and consistent marketing campaign and development of a Grampians New Resident and Workforce Attraction Strategy and Action Plan.

The project, which is expected to be completed by November 2020, includes the commissioning of market research to understand the priorities of potential new residents, what liveability gains they may value, especially in rural centres, and how to best market these.

Regional liveability

Council continues to advocate on the important role of regional cities.

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

In September 2019, a submission was made to the Senate Enquiry on Jobs for the Future in Regional Areas focused on new industries and employment opportunities that can be created in the regions, and the importance of appropriate community infrastructure to attract investment and job creation.

Changes to the local government rating system

Council's submission to the State Government Review of Local Government Rating System in November 2019 advocated on a range of rating issues faced by rural and regional Councils, including the high value of farm land and relative share of rates paid by farming enterprises, inequities between urban and rural Councils, significant impact of road construction and maintenance costs, and the role of a regional city.

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

Council's ongoing negotiations with GWMWater enabled the supply of approximately 1,300 ML into Green Lake to boost its level heading into the 2019-2020 summer period, given its role as the primary recreation lake in the municipality. Council is continuing to seek an ongoing water supply to Green Lake.

Small Business Friendly Charter

The Small Business Friendly Charter is an initiative to increase communication and positive interactions between local government and small business. Council has committed to implementing the following key elements of the charter over a 12-month period:

- Work with small businesses disrupted by infrastructure projects
- Support the creation of small business networks across Victoria
- Faster permit approvals processes for small businesses
- Prompt payment to small businesses
- Easy to read, easy to understand, information for Victorian small businesses
- Open channels of communication between the Victorian Small Business Commission and local Councils.

Improvements to the Horsham central business district and Wimmera River precinct

Council has continued to work with our community on progressing the Wimmera Riverfront Activation Project and advocating to state and federal governments for funding. This has included securing a \$1.65 million 2019 election promise from the federal government and a \$500,000 funding commitment from the state government to commence Stage 1 works. The project is currently at detailed Concept Design Stage (page 41).

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

The Western Highway Action Committee, of which Horsham and nine other Councils from Melton to the South Australian border are members, has continued to advocate for resumption of the duplication of the Western Highway through to Stawell. During the year, the committee made submissions to the Federal Environment Minister who was considering an application to protect an area including some potentially significant trees near Ararat. The committee's submission focused primarily on the need to improve safety on the Western Highway, the second busiest inter-capital freight route in Australia.

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

During 2020, Council adopted the Horsham Urban Transport Plan (page 46). One of the actions in the plan was to work with Regional Roads Victoria on the identification of an alternative truck route around Horsham. Council has committed \$100,000 in its 2020-2021 budget to support this initiative, and is seeking Regional Roads Victoria to at least match this funding for the project.

Council also made submissions to Regional Roads Victoria in relation to other priority issues in the Horsham Urban Transport Plan including problematic intersections at Natimuk/Bennett Road, Wilson/Darlot Street and McPherson/Hamilton Street.

Return of passenger rail to Horsham

Council has continued advocacy work with other regional Councils to improve regional public transport services. The main focus this financial year was agreement to work with Officers from the Department of Transport to develop a survey to gather data from users about their preferences/needs for transport services. This work has been delayed due to the impact of COVID-19 on public transport services.



Horsham rail corridor

Council has been actively working with VicTrack for the remediation of contaminated land in the Horsham rail corridor. Although the remediation, which is due to be completed by June 2022, will open up the opportunity for the development of land for community use, the extent of land which will be available for development will be influenced by the decision in relation to return of passenger rail to Horsham.

Retention of the Overland passenger train between Melbourne and Adelaide

Horsham Rural City Council has continued to advocate strongly for the continuation of the Overland passenger service. In April 2020, Melissa Horne, Minister for Public Transport, wrote to Council stating that the Victorian government will financially support the Overland until 30 June 2020, however, following continued advocacy from a range of groups, the Victorian government has committed funding to continue the Overland service for another three years.

Family violence support and safety hub in Horsham

Advocacy has continued for a family support and safety hub (Orange Door) for Horsham this year. Discussions have been held with Family Safety Victoria in relation to the need for a hub in Horsham and potential site considerations.

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

The state government's \$5 million Rural Council Transformation Program for the Wimmera Southern Mallee region has progressed during 2019-2020, with the submission of a successful business case addendum. A transformative suite of core business systems will now be rolled out across participating Councils over the next two years (page 53).

Horsham Rural City Council

Customer Commitment Charter



CUSTOMER SERVICE STANDARDS

Council is committed to providing the highest possible level of service to our community and customers, and a revised Customer Commitment Charter and Customer Service Standards Procedure were adopted this year.

The Customer Commitment Charter aligns with Council's organisational values and behaviours (page 22). It provides simple, easy to follow instructions for service requests, feedback and complaints.

The Customer Service Standards Procedure includes service commitments across a range of identified services which will be monitored and reported back to Council and the community.

The Customer Commitment Charter and Customer Services Standards Procedure are available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.

GOVERNOR'S VIRTUAL VISIT TO HORSHAM

On Friday 8 May 2020, Council was delighted to host a virtual visit to the municipality by the Hon Linda Dessau AC, Governor of Victoria.

The tour began with a briefing on the impact COVID-19 has had on the region's residents and businesses and the ways in which the community is adapting to the circumstances. The virtual tour then followed with visits to Sunnyside Lutheran Retirement Village and Wimmera Health Care Group.

COUNCIL ELECTIONS

In conjunction with the Victorian Local Governance Association, Council has co-ordinated a series of workshops to support potential candidates in the upcoming Council elections. A pre-candidate information session was held in May via the Zoom online platform, which was well attended. Council has also promoted "Local Government 101" a series of online workshops designed exclusively for women. The workshops answered questions that potential candidates may have, including how to become a candidate and run a successful campaign.

GOVERNANCE

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

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

Achievements 2019-2020:

- Governance intranet site with resources for staff developed
- Mini governance training workshops conducted across a range of governance functions
- 21 policies/procedures reviewed
- 20 policies/procedures written
- Staff Conflict of Interest Declaration Form developed
- Governance and Transparency platform on Council website improved – www.hrcc.vic.gov.au
- Implementation of requirements for new *Local Government Act 2020* commenced
- Governance Rules (including new Council Meeting Procedures) developed
- Four audit analysis and assessments conducted, following integrity body findings
- New Audit and Risk Charter and annual work program adopted
- Review of Section 86 Committees, to move to Asset Committees in line with new *Local Government Act 2020*
- Freedom of Information Part II Statement developed
- Office of the Victorian Information Commissioner (OVIC) Protective Data Security Plan (PDSP) and development of Data Protection Continuous Improvement Action Plan completed.

Focus for 2020-2021:

- Continued roll-out of the legislative requirements of the new *Local Government Act 2020*
- Council elections – October 2020
- Councillor induction training
- Develop a 10-Year Community Vision
- Review Council's Complaint Policy
- Develop an Organisational Performance Reporting Dashboard (strategic and operational)
- Implement Council Agenda preparation software and paperless Council Agenda.



Cameron and Kerrie were available to provide information and answer questions at Council's display at the Wimmera Machinery Field Days

WIMMERA MACHINERY FIELD DAYS

Following positive engagement at the Wimmera Machinery Field Days in 2018 and 2019, the Executive Management Team made a decision to have a site at the 2020 Wimmera Machinery Field Days and continue to provide sponsorship for the official president's luncheon at the event.

Sixteen staff covered shifts at the site over three days from 3 to 5 March 2020. The Chief Executive Officer, Councillors and consultants working on the Horsham Rural Transport Network Plan also attended.

This year's focus was to engage with the public on a range of Council topics and key projects including:

- Business Assistance Program
- City to River Masterplan
- Community Map
- Corella Management Plan
- Horsham Rural Transport Network Plan
- Horsham South Structure Plan.

The display included a 43-inch monitor, allowing people to access Community Map, which included new layers showing bike racks and drinking fountains. There was also information available in relation to potential changes to Home Care services (page 14), photographs showing progress of the Horsham Regional Livestock Exchange roof (page 43) and information on works at the Wimmera Intermodal Freight Terminal (page 44).

Seventy-one community engagements were noted and there were several service requests and follow-up emails from these interactions. The most popular topics included roads, the Transforming Horsham project and Horsham Urban Transport Study.

GOAL 4 | GOVERNANCE AND BUSINESS EXCELLENCE



RURAL COUNCILS CORPORATE COLLABORATION PROJECT

Horsham Rural City Council has joined with five Councils in the Wimmera Southern Mallee local government region (Buloke, Hindmarsh, Loddon, Yarriambiack and West Wimmera) to undertake a major update to the core business systems (finance, payroll, revenue management, procurement and regulatory) of these Councils. The project is funded by a grant of \$5 million from the Victorian state government.

Significant progress has been made during the past six months including preparations of business cases for submission to the state government in support of the grant. The state government in turn has accepted the business cases and the project is scheduled to proceed through two major stages – procurement of the best solution that will provide an integrated shared suite of systems, and the implementation of these systems across Council and the region.

Horsham Rural City Council is the lead Council in this 24-month project and will be recruiting and engaging a strong and experienced team to undertake and deliver these systems.

COMMUNITY ENGAGEMENT

At the end of 2019, Council began using the “Our Say” online portal to promote and deliver engagement. This has centralised information on Council’s engagements and provides us with on-line tools to use. The tools available through the portal include a variety of survey and polling functions and forums. The portal will assist us to engage with our community during COVID-19.

Council is conducting ongoing engagement on the Wimmera Riverfront Activation Project (page 41). This involves the development of concept and schematic plans for the riverfront area west of the Horsham Rowing Clubrooms to east of the Wimmera Bridge. A key part of this engagement has been the formation of a Community Reference Group which includes representatives of key stakeholders located in or adjacent to the riverfront precinct, as well as three community representatives. This group was formed in April 2020 to guide effective engagement for the project, taking on lessons learnt from the City to River Masterplan process, to ensure the community’s voice has been heard and feedback is acknowledged. At the end of June, the Community Reference Group had met six times and will continue through to September 2020.

A dedicated “Have Your Say” page on the Horsham Rural City Council website – www.hrcc.vic.gov.au provides details of all current engagement projects.







GOAL 5 | NATURAL AND BUILT ENVIRONMENTS

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

Encourage and increase awareness of environmental responsibilities within Council and the community, whilst planning for a growing municipality, and implement practices that minimise our environmental footprint and contribute to a sustainable future.

SOLAR SAVING INITIATIVES

A number of Council buildings have benefited from solar installations or LED lighting upgrades this year.

A 70-kilowatt solar energy system was installed on the roof of Horsham Town Hall, a 28-kilowatt solar system and 12-kilowatt LED lighting system at the Mibus Centre Library complex, and a 100-kilowatt array on the roof of the Horsham Aquatic Centre.

Community halls at Dadswells Bridge, Mitre and Taylors Lake also benefited from the initiative, jointly funded by Horsham Rural City Council and Sustainability Victoria. These buildings were chosen following an audit of Council facilities with high energy use.

Local contractors were engaged to carry out installations at all six sites.

Council is committed to reducing its carbon emissions. These initiatives will not only assist in reducing costs, but also in managing energy use more efficiently.

WASTE MANAGEMENT

The waste and recycling industry has been rapidly changing since the China Sword Policy led to significant restrictions on the ability to export recycled materials from 2018.

This resulted in increased costs for Horsham Rural City Council to process recyclable materials, however, these costs have remained lower than disposing to landfill, and all collected recycled materials have been processed and not sent to landfill during this time.

The higher costs of recycling processing has led to an increase in bin service charges for residents in urban areas in the municipality. To partly offset this, a single voucher was provided to these residents for a free trailer load of material to transfer stations. This voucher has been well received, and Council has continued to make it available to residents.

Council has been planning a green waste kerbside collection service in Horsham, aiming to introduce a garden organics only service by July 2020, and an expression of interest process was conducted to identify processors able to receive the collected material.

As part of the planning process, Council collaborated with other Councils in the Grampians Central West Waste and Resource Recovery Group area, in relation to procurement options for collection and processing services. In late 2019, the Victorian Government announced that it would soon release its new waste/recycling policy, and it was considered prudent to defer this collaborative program until the new policy was available.

In February 2020, the Government released its new policy "Recycling Victoria – A new Economy". A key part of this is plans to introduce a four-bin system for kerbside collections, with separate bins for glass, organics, other commingled recyclables and general waste. A benefit of this policy is that there would be a uniform approach to collection services, with public education and advertising campaigns to support this, and our neighbouring Councils providing the same service.

The launch of this policy has led to a review in Horsham Rural City Council's positioning on a green waste collection service, and work is currently underway on the detailed planning of how these new services will be introduced. Questions/issues being considered include:

- Will the new organics collection be garden organics only or will it also include food waste?
- Will there be local capacity to process waste streams rather than having to send it to Melbourne or other remote locations?
- When will the various services be introduced?

It is expected that consultation on this planning will occur in early 2021.

PERFORMANCE

Council's performance for the 2019-2020 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2019-2023 Council Plan. Performance has been measured as follows:

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

GOAL 1: COMMUNITY AND CULTURAL DEVELOPMENT

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

MEASURE	RESULT	COMMENTS
Pursue funding for implementation of the Horsham North Urban Design Framework and Railway Corridor Master Plan	60%	GHD Consulting have been appointed to undertake assessments on parcels of land within the Rail Corridor to assess risk and remediation for future open space use.
Review future use of all kindergartens and Maternal & Child Health, post the Horsham North Children's Hub	90%	Work continues with DET and service providers to plan for 3 year old kindergarten introduction in 2022 in Horsham Rural City Council.
Develop a master plan for Dudley Cornell Reserve following the construction of the Children's Hub	95%	Initial planning commenced in 2018 but was placed on hold pending the development of various strategies: Open Space Strategy and completion of the Sporting Facilities Study. Currently finalising a revised community engagement process prior to recommending planning for the Dudley Cornell Reserve.
Implement recommendations from Innovate (Indigenous) Reconciliation Action Plan	75%	Actions are currently being implemented.
Activate the Wimmera River Precinct for the community and visitors (including lights and greater presentation)	90%	City to River strategic planning completed. The masterplan identified a range of projects including the Wimmera Riverfront Activation Project which has been successfully funded and will be implemented.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2019-2020 budget for the year.

MAJOR INITIATIVES	PROGRESS
Social Infrastructure Framework	CDM Smith has completed a framework for Council to use as the basis for its future actions in relation to Social Infrastructure Planning.



Council constructed an E-waste shed at the Horsham Transfer station this year, providing a safe collection point and compliance with new regulatory requirements

PERFORMANCE

GOAL 1: COMMUNITY AND CULTURAL DEVELOPMENT

The following statement provides information in relation to the services funded in the 2019-2020 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST \$'000		
		Actual	Budget	Variance
Service	Provision of the following to support Council's direct service delivery areas:			
Animal Management	This service provides animal management through implementation of appropriate rules and regulations in relation to keeping of cats, dogs and other animals and livestock within the municipality to minimise disturbance to residents and the community, and ensure public safety. It also includes the operation of Council's dog and cat rehoming program.	60	-10	-70
Community Municipality's Development	This service provides maintenance, insurance and other ongoing costs for the municipality's recreation groups and clubs including community halls, the cenotaph and war memorials, brass and pipe bands and Sawyer Park Soundshell.	636	640	4
Community Safety	This service deals with matters concerning Local Laws including permits and licences, enforcement and fines and fire hazard enforcement.	169	100	-69
Emergency Management	To prepare for and mitigate if possible the impacts of an emergency on HRCC and community.	-24	13	37
Emergency Support	To support the community pre, during and post any emergency events.	9	-	-9
Environmental Health	This service provides health administration, health vending machines and other preventative measures under the health plan including needle exchange, Tobacco Act reforms and mosquito monitoring. A variety of legislative based services and functions around environmental health issues are also provided.	108	141	33
Home Support	This service provides care to frail aged and disabled persons with home care, personal care, respite care along with property maintenance services and disabled parking permits.	202	286	84
Library	This service provides community development and education to enhance the capacity and strength of communities in the municipality by developing community plans that build on strengths and assets and acting as a resource to communities.	587	586	-1
Management and Administration	This service provides local and regional facilitation and leadership for planning, developing and delivering community services to meet the needs of the community.	452	407	-45
Performing Arts	This service surrounds the running of public halls, the Hamilton Lamb Hall and Horsham Town Hall and new Performing Arts Centre operations.	598	503	-95
Visual Arts	This service provides an important visual art resource for the local community and visitors to Horsham through the Horsham Regional Art Gallery.	478	451	-27
Youth and Early Years	This service provides support to families with parenting, health and development, immunisation, promotion of health, wellbeing and safety, social supports, referrals and linking with local communities.	444	605	161

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

<i>Service/Indicator/measure</i>	RESULTS				Material Variations
	2017	2018	2019	2020	
Libraries	2.60	2.40	2.14	1.86	This indicator has decreased for the 2019-2020 financial year with COVID-19 impacting the number of physical library loans for the year.
Utilisation					
<i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]					
Resource standard	48.70%	46.14%	43.11%	45.82	
<i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100					
Service cost	\$20.31	\$20.87	\$20.98	\$22.13	
<i>Cost of library service per population</i> [Direct cost of the library service / Municipal population] x100					
Participation	12.38%	11.83%	11.06%	10.84%	
<i>Active library members</i> [Number of active library members / Municipal population] x100					
Maternal and Child Health (MCH)	100.43%	101.25%	100.41%	100.85%	
Service standard					
<i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100					
Service cost	\$63.95	\$70.48	\$60.62	\$64.72	
<i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	83.67%	89.63%	90.16%	87.94%	
<i>Participation in the MCH service by Aboriginal children</i> [Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	75.00%	86.54%	94.12%	88.76%	

PERFORMANCE

GOAL 1: COMMUNITY AND CULTURAL DEVELOPMENT

Service/Indicator/measure	RESULTS				Material Variations
	2017	2018	2019	2020	
Food Safety Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	3 days	4.67 days	3 days	2 days	Council gave food complaints a priority to ensure minimal time to action.
Service standard <i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	77.71%	112.50%	99.41%	90.80%	Due to COVID-19 response, slightly fewer inspections have been conducted during March – June 2020.
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$573.99	\$666.84	\$650.59	\$767.58	During the year there were quite a few premises closed, which has caused an increase in food safety costs per premises.
Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises] x100	0.00%	0.00%	93.75%	75.86%	Follow-up notifications down as one of the premises closed plus other delays including insurance issues.
Aquatic Facilities Service standard <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0	0	0	0	No health inspections were conducted as they are not required by the <i>Health Act 2008</i> .

Service/Indicator/measure	RESULTS				Material Variations
	2017	2018	2019	2020	
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	6.39	8.20	8.77	6.73	Utilisation of aquatic facilities has decreased due to the impacts of COVID-19 restrictions. The facility was closed from 23 March 2020.
Service cost <i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$3.92	\$3.10	\$4.31	\$5.69	Utilisation of aquatic facilities has decreased due to the impacts of COVID-19 restrictions. The facility was closed from 23 March 2020.
Animal Management Timeliness <i>Time taken to action animal requests</i> [Number of days between receipt and first response action for all animal management requests/Number of animal management requests]	1 day	1.01 days	1 day	1 day	
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected]	55.81%	45.31%	62.91%	53.10%	With the introduction of the “animals rehomed” measure below, animals adopted are no longer included in this measure.
Service standard <i>Animals rehomed</i>	-	-	-	20.73%	
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service / Municipal population] x100	\$18.63	\$19.79	\$32.14	16.58	Cost of animal management services has returned to a more normal range. Cost for the services increased in 2018-2019 as a result of staff turnover and increased use of casual and contract labour.
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	1	0	1	Retired in 2020	Zero prosecutions due to COVID-19 – all court matters delayed for several months.

PERFORMANCE

GOAL 2: SUSTAINING THE ECONOMY

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

MEASURES	RESULT	COMMENTS
Progress implementation of the Wimmera Intermodal Freight Terminal Precinct Plan and encourage opportunities for the establishment of associated industries including the mining sector	80%	Completion of infrastructure works in progress. Prospectus and pricing policy in development to progress negotiations with developers.
Work with the economic and community sectors to maximise opportunities arising from the national broadband rollout, including training and awareness of on-line retail business opportunities	90%	Enhance broadband project established and operational. Renewed marketing and training required to promote digital connectivity as part of Business and Community Support Package for COVID-19 response.
Explore, with reference to current planning activities being undertaken, opportunities for improved timetabling and passenger rail and bus services to Horsham from outside and within the region (including Horsham to Halls Gap, Melbourne and Adelaide)	50%	Bus services in Horsham had a major overhaul recently. Ongoing advocacy for return of passenger rail through meetings with State Ministers and elected members. Working group established including senior Council Officers and Department of Transport bureaucrats to further investigate feasibility of return of passenger rail service to Horsham.
Conduct a review of the roads service to encompass levels of service, construction and maintenance methods (including cost efficiency)	25%	Rural Roads Network Plan advancing, but slowly due to COVID-19 limiting consultation. Preliminary draft framework for rural road service levels developed.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2019-2020 budget for the year.

MAJOR INITIATIVES	PROGRESS
Economic Development – Small Business Assistance Program	Endorsed by Council in January 2020 but put on hold due to COVID-19. The program has been temporarily replaced by Council’s Business and Community COVID-19 Grant program.
Parking and Traffic Management – Parking Plan	A Project Control Group has been formed, Councillors have been briefed on preliminary findings by the consultants and a Stakeholder Reference Group has been established as the first step in community consultation, which is currently underway. Consultation is impacted by COVID-19.

The following statement provides information in relation to the services funded in the 2019-2020 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST \$'000		
		Actual	Budget	Variance
Business Development and Tourism	This service provides information and support to visitors accessing the Visitor Information Centre. This area also covers tourism marketing and development as well as promotion for major events and festivals.	507	642	135
Economic Development	This service provides support to the Wimmera Development Association, maintenance and administration for the Wimmera Business Centre and general economic development and promotion for the municipality. Land sales and acquisitions, tree plantation and land management costs for the Burnt Creek and Enterprise Industrial estates and Wimmera Intermodal Freight Terminal, are also provided under this service.	121	272	151
Management and Administration	This service provides general administration for all areas of planning, building, tourism and economic services areas.	437	590	153
Parking and Traffic Management	This service provides management of parking infringements, maintenance on parking meters, car parking fees, fines and associated costs.	-121	-92	29

PERFORMANCE

GOAL 3: ASSET MANAGEMENT

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

MEASURES	RESULT	COMMENTS
Undertake a review of Council infrastructure asset holdings to ensure they meet future community needs and longer term implications of ownership	90%	The review and associated financial modelling has been substantively completed.
Undertake master planning and major refurbishment of the Aquatic Centre	90%	Wet deck works which include a new pool shell and concourse have been completed. Ramp works are soon to commence.
Develop and implement asset management plans for all nominated asset groups to assist with long term financial and asset management planning and legislative requirements – involve the community in the process	90%	Council has maintained detailed records on most of its asset base over many years. During 2019-2020, an intensive program was undertaken to ensure that all of the assets associated with buildings and open spaces were captured and up to date, including their condition. This information is important to understand the remaining lives of assets, and how much it will cost to renew them over time.
Master plan preparation for the Livestock Exchange including potential items such as: roofing to cover yards, electronic ramps to replace manual ramps, compost turner and Radio Frequency Identification (RFID), solar panels and water capture	100%	The master plan for the Livestock Exchange has been adopted. The actions are now being implemented with roofing the highest priority.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2019-2020 budget for the year.

MAJOR INITIATIVES	PROGRESS
Strategic Asset Management – Rural Road Network Plan	Consultant now appointed and preparation work for a public consultation process is well advanced. COVID-19 has impacted this initiative with consultation now scheduled to occur in early 2021.
Strategic Asset Management – Asset Management System Rollout	Asset Management System is in place and is being used in preparation of information to support preparation of the Long Term Capex Plan and Long Term Financial Plan.
Strategic Asset Management – Disaster Asset Evidence Photography	Capture on sealed roads is complete. Overall, project is 60% complete.



Wimmera River Improvement Committee volunteers support Council's tree planting program – this year Council planted 5,430 trees



Street tree maintenance is an important priority for Council

PERFORMANCE

GOAL 3: ASSET MANAGEMENT

The following statement provides information in relation to the services funded in the 2019-2020 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST \$'000		
		Actual	Budget	Variance
	Provision of the following to support Council's direct service delivery areas:			
Aquatic Recreation	Provision and maintenance of outdoor and indoor sport and recreation facilities throughout the municipality including the Horsham Aquatic Centre. Also works with community groups and usage groups to increase participation.	700	792	92
Commercial Activities	This service includes the Livestock Exchange, which provides weekly sheep sales at the Burnt Creek Drive facility servicing primary industry across the Wimmera. Horsham Regional Livestock Exchange is the fourth largest sheep selling centre in Victoria. It also includes the operations of the Aerodrome which provides a regional airport for commercial and private aircraft.	-278	-125	153
Engineering Services	Building Asset Management oversees the facilities management and maintenance of Council's buildings, including compliance and safety services (such as asbestos management and essential safety measures management).	847	760	-87
Infrastructure – Rural	This service is responsible for maintaining and constructing roads, streets, bridges and related assets in all non-urban areas of Horsham and Natimuk. This includes the Vic Roads maintenance contract (which excludes major highways) and Quarry operations.	1,498	1,842	344
Infrastructure – Urban	This service provides maintenance and construction of roads, streets, bridges and related assets to the required standards. Maintenance for bicycle tracks, drainage, footpaths and off street car parks.	-758	-675	83
Management and Administration	This service provides administration and support services for the Technical Services department.	749	681	-68
Operations Management	This service includes management and administration of the Operations department to facilitate the delivery of core functions and capital programs.	295	126	-169
Parks and Gardens	Provision of managed areas for sport, recreation and amenity – includes sportsgrounds, parks, gardens, botanical gardens and playgrounds throughout the municipality.	2,433	2,462	29
Sports and Recreation	Provision and maintenance of outdoor and indoor sport and recreation facilities throughout the municipality. Also works with community groups and usage groups to increase participation.	977	686	-291
Strategic Asset Management	This service ensures assets are managed in a responsible and cost efficient way to ensure best value for money.	635	881	246
Streetscapes and Public Conveniences	This service provides street tree maintenance, tree planting and removal, along with city centre maintenance on lighting, signage and street furniture, and street cleaning. Climate change initiatives such as environmental footprint reduction program also fall within this service. This service also provides operations and maintenance of the six public conveniences in Horsham, one in Natimuk and several rural facilities.	1,106	1,220	114

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

Service/Indicator/ measure	RESULTS				Material Variations
	2017	2018	2019	2020	
Roads	6.33	12.22	10.72	9.80	
Satisfaction of use					
<i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100					
Condition	99.29%	99.30%	99.23%	96.62%	
<i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100					
Service cost	\$52.67	\$50.11	\$30.86	\$30.73	
<i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]					
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.66	\$4.67	\$5.71	\$5.47	
Satisfaction	44	44	45	39	Council continues to increase expenditure on local sealed roads but there is much confusion in the community re what roads Council is responsible for and what is the responsibility of Regional Roads Victoria (formerly VicRoads). 78% of all roads identified in the 2019-2020 survey were Regional Roads Victoria roads. Council will continue to promote the difference between a local road and a Regional Roads Victoria road to all in the community.
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]					

PERFORMANCE

GOAL 4: GOVERNANCE AND BUSINESS EXCELLENCE

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

MEASURES	RESULT	COMMENTS
Prepare for a more deliberative approach to community engagement following the adoption of the major revisions to the <i>Local Government Act</i> including seeking community ideas for prosperity.	50%	The “OurSay” package of products has been purchased which has provided a range of new engagement tools that are being utilised to facilitate more enhance on-line community engagement. COVID-19 is impacting on how community engagement can occur. The new <i>Local Government Act 2020</i> requires deliberative processes to be defined in Council’s Community Engagement Policy. A revised policy will need to be in place by 31 March 2021.
Respond to emerging risks through the strategic risk register and internal audit.	100%	Strategic Risk Register reviewed quarterly and presented to the Risk Committee for update and then to the Audit and Risk Committee. This regular process ensures an opportunity for changing/developing/emerging risks to be considered and revised/added/deleted, etc.
Manage the implementation of the major revision to the <i>Local Government Act</i> .	20%	The new <i>Local Government Act 2020</i> was enacted during March and will be phased in over the period to 31 June 2021. The Governance Team is working on the development of a detailed implementation project plan to ensure that all legislative requirement are met within the specified timeframes.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2019-2020 budget for the year.

MAJOR INITIATIVES	PROGRESS
Governance-Community Engagement Tools	The “OurSay” on-line engagement tools have been purchased and used for the 2020-2021 Budget Engagement and some other project activities during the year.
Governance-Horsham Municipality Community Plan	Plans to undertake a community planning exercise have been rescheduled and replaced with the development of a Community Vision which is a requirement of the new <i>Local Government Act 2020</i> , with the work scheduled to take place early in 2021.
Governance-Replacement Electronic Document Records Management System (EDRMS)	Council was successful in receiving some funding to replace its core finance, payroll and rates systems through the Rural Councils Corporate Collaboration Project which is a joint project with six neighbouring Councils in a shared service approach. As a result it was decided to delay any replacement of the records system until such time as the new finance system is known and thus save cost and expense on integration of systems.

The following statement provides information in relation to the services funded in the 2019-2020 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST \$'000		
		Actual	Budget	Variance
	Provision of the following to support Council's direct service delivery areas:			
Accounting Services	Provides financial services internally to all staff, department managers, project leaders, Council etc plus deliver external services in the form of information to government and the community and specific services to Wimmera Development Association and the Wimmera Regional Library Board.	738	771	33
Community Relations and Advocacy	This service includes co-ordination of Council grant seeking and advocacy to State and Federal Governments for funding of major projects.	409	433	24
General Revenue	Provides treasury management including additional borrowings and interest repayments.	-28,788	-29,000	-212
Governance and Leadership	This service manages and facilitates Council's governance services, the implementation of Council decisions and policies, and compliance with legislative requirements. This service also includes the office of the Mayor and Councillors, the Chief Executive and media.	1,482	1,761	279
Information and Technology	Provides IT hardware and IT software systems, IT support services to staff, customer services at Horsham and Natimuk and the Council's Records Management service. The goal of this service is to provide efficient and effective access to the information needs of staff and the community, and the management of systems that support this, whilst at all times keeping secure Council's information assets from accidental or malicious access, modification or destruction.	673	819	146
Management and Administration	This service contains a variety of organisational services that are provided both internally within Council but also to ratepayers. It includes salaries for rates and property services, financial services, customer service and the general support for the Corporate Services group.	1,430	1,673	243
People and Culture	This service is responsible for human resources, payroll, OHS, risk management and organisational performance functions. The Payroll Co-ordinator is also responsible for processing the payroll for three separate Council related entities, including the Wimmera Regional Library Corporation, Horsham Public Cemetery and Wimmera Development Association.	632	736	104
Rates and Property Services	Rate collection services encompasses collection of Council rateable income which ensures consistency in debt management, general rate, municipal and garbage charges. Property services encompasses, collection of property valuations, maintaining a strategically focused property management system and management of Council leases and licences.	399	401	2

PERFORMANCE

GOAL 4: GOVERNANCE AND BUSINESS EXCELLENCE

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

Service/Indicator/measure	RESULTS				Material Variations
	2017	2018	2019	2020	
Governance Transparency <i>Council resolutions at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	8.21%	10.95%	13.39%	18.44%	There has been an increase in resolutions made at meetings closed to the public during the 2020 financial year. Closed decisions were for various contractual, personal, or hardship matters.
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	57	53	54	41	Leading up to and during the survey period Council was listening and responding to a number of contentious issues, both within the Council Chamber and in the community.
Attendance <i>Council attendance at Council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x100	89.44%	87.58%	96.19%	87.76%	This indicator has decreased for the 2020 financial year with some Councillors missing the occasional meeting. In addition, the March meeting was cancelled due to COVID-19, which means each missed meeting has had a bigger impact on the overall indicator.
Service cost <i>Cost of governance</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$37,546.00	\$36,317.94	\$36,965.42	\$31,418.08	Direct costs have decreased as there was less demand for training, travel and accommodation.
Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	58	49	49	39	Council has many commitments to deliver on and our community is demanding we do better in a number of areas.

PERFORMANCE

GOAL 5: NATURAL AND BUILT ENVIRONMENTS

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

MEASURES	RESULT	COMMENTS
Investigate opportunities for the use of renewable energy for Council facilities including implementing a biomass boiler system at the Aquatic Centre and solar panels where feasible on Council buildings and facilities	85%	The Zero Carbon Plan identifies additional measures for the use of renewable energy at Council facilities. These extend beyond the many solar panel installations this year.
Develop a Waste Management Strategy	75%	Planning has been delayed while waiting for release of the new Government Policy. Details of this are slowly being released and will lead to more work in months ahead.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2019-2020 budget for the year.

MAJOR INITIATIVES	PROGRESS
Waste Management Services – Doon Landfill Master Plan	Operational plan completed. Design for next cells nearing completion based on new long-term Master Plan for best use of available land at site.
Sustainability – Waste Gasification Plant Investigation	Initiative on hold for now, but working with Wimmera Development Association and Regional Development Victoria on opportunities for Waste to Energy. No progress on this in 2019-2020. An option for advancing this is emerging in the early part of 2020-2021 financial year.
Sustainability – Street Lighting – Lighting Regions Stage 2	No suitable funding became available in 2019-2020. This project is on hold awaiting suitable funding.



Solar panels were installed on the roof of the Horsham Aquatic Centre and several other Council buildings this year (page 55)

PERFORMANCE

GOAL 5: NATURAL AND BUILT ENVIRONMENTS

The following statement provides information in relation to the services funded in the 2019-2020 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST \$'000		
		Actual	Budget	Variance
	Provision of the following to support Council's direct service delivery areas:			
Strategic Planning Services	This service provides statutory planning services such as planning permits, notice of applications, information certificates, scheme appeals and subdivision costs. The function of strategic planning, which aims to strategically plan the municipality's needs is also included.	674	522	-152
Natural Resource Management	This service provides a mix of environmental services covering fire hazards, fire disaster clean up, grass removal, fire plugs, their replacement and markers, footpath cleaning in the CBD and weir operations.	58	84	26
Statutory Planning and Regulations	This service provides statutory planning services such as planning permits, notice of applications, information certificates, scheme appeals and subdivision costs. The function of strategic planning, which aims to strategically plan the municipality's needs is also included. This service provides matters relating to the administration of building control including building approval, inspection fees, easement approval and State Government levies.	73	184	111
Sustainability	This service manages a range of sustainability related projects from Council's Sustainability Strategy. A reserve is being established to facilitate future energy and water efficiency projects.	198	584	386
Waste Management Services	This service manages the Dooen Landfill sites, Kenny Road Transfer Station and rural transfer stations along with waste collection and recyclables collection across both the urban and rural areas of the municipality.	-1,276	-204	1,072

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

Service/Indicator/measure	RESULTS				Material Variations
	2017	2018	2019	2020	
Statutory Planning Timeliness	50.00	39.00	55.00	42.00	Council has been successful in employing and retaining suitably qualified and experienced Statutory Planning staff. The result is the reduced time taken to decide planning applications.
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]					
Service standard	65.76%	86.96%	76.72%	85.57%	Council has been successful in employing and retaining suitably qualified and experienced Statutory Planning staff. The result is the reduced time taken to decide planning applications.
<i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100					

<i>Service/Indicator/measure</i>	RESULTS				Material Variations
	2017	2018	2019	2020	
Service cost	\$2,456.04	\$3,221.30	\$2,702.15	\$2,898.33	
<i>Cost of statutory planning service</i> [Direct cost of statutory planning service / Number of planning applications received]					
Decision making	0.00%	0.00%	50%	0.00%	There were zero planning decisions taken to VCAT during the 2020 financial year.
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100					
Waste Collection	66.66	63.56	77.27	82.87	
Satisfaction					
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000					
Service standard	1.07	1.03	1.39	1.45	
<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000					
Service cost	\$115.94	\$117.81	\$115.54	\$121.42	
<i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]					
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$36.71	\$43.61	\$61.67	\$61.64	
Waste Diversion	24.16%	22.75%	22.13%	20.49%	
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

GOVERNANCE AND COMPLIANCE

GOVERNANCE

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

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

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community consultation, public forums and the ability to make submissions to Special Committees of Council.

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

- Provide a genuine opportunity for the community to have input and an influence on decisions that are the subject of the engagement
- Actively seek out and encourage contributions from people who may be affected by or interested in a decision
- Provide relevant, timely and balanced information so people can contribute in a meaningful way including clearly defining negotiable and non negotiable elements of any subject of engagement
- Provide a variety of appropriate and accessible ways for people to have their say and to speak honestly
- Actively listen so that people's ideas and input assist in making the final decision
- Consider the needs and interests of all people in the decision-making process
- Tell the community about the final decision and how their input was considered
- Effectively record engagement plans, methodologies, community responses, outcomes and evaluations.

Council's formal decision-making processes are conducted through Council meetings and Special Committees of Council. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies.

MANAGEMENT

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks lead to better decision making by Council. The *Local Government Act 1989* requires Council to undertake an assessment against the prescribed Governance and Management Checklist and include this in its Report of Operations. Council's Governance and Management Checklist results are set out on pages 81–82. The following items have been highlighted as important components of the management framework.

AUDIT AND RISK COMMITTEE

Role of the Audit and Risk Committee

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

Responsibilities of the Audit and Risk Committee

The responsibilities and Terms of Reference of the Audit and Risk Committee are clearly defined in Council's Audit and Risk Committee Charter, which is renewed annually and formally approved by Council.

The Audit and Risk Committee Charter is available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.

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

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

Membership

The Audit and Risk Committee comprises two appointed Councillors (one of whom is the Mayor) and three independent members with technical expertise and industry experience.

Members over the 12 months were:

- Geoff Price – Chair/Independent member (final meeting – November 2019)
- Richard Trigg – Chair/Independent member (appointed as Chair – 16 December 2019)
- Vito Giudice – Independent member
- Mark Knights – Independent member (commenced – 16 December 2019)
- Cr Mark Radford – Councillor representative/Mayor
- Cr David Grimble – Councillor representative.

Ex-officio members:

- Horsham Rural City Council – Sunil Bhalla (Chief Executive Officer), Graeme Harrison (Director Corporate Services), Heather Proctor (Finance Manager) and Diana McDonald (Co-ordinator Governance)
- Internal Auditor – RSD Audit (contractor)
- Auditor General’s agent, McLaren Hunt Financial Group, attends meetings to report matters of significance in relation to the Financial Statements.

Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the operations of Council. The contract with Crowe Horwarth, Council’s previous internal auditor, expired and Council tendered for a new internal auditor contract. RSD Audit were successful and attended their first meeting in November 2019.

RSD Audit conducted an initial organisational Risk Review and Audit Plan leading to the development of the new Strategic Internal Audit Plan.

The new internal auditors also commenced a review of Council’s Strategic Risk Register and Business Continuity Plan and completed an audit on the Governance processes of Council’s City to River project.

The Audit and Risk Committee receives update reports in relation to any previous matters raised by the internal auditors to ensure that these are adequately addressed.

External Audit

Council’s external auditor is the Victorian Auditor General’s Office (VAGO) who have appointed McLaren Hunt Financial group for an initial three-year period (until 30 June 2021) to conduct the annual statutory financial statement audit.

The Audit and Risk Committee also reviews recommendations from matters raised by other compliance entities including VAGO, Independent Broad-Based Anti-Corruption Commission (IBAC) and Office of the Victorian Information Commissioner (OVIC).

Achievements 2019-2020:

- Four meetings conducted (11 September 2019, 21 November 2019, 19 March 2020, 11 June 2020)
- New Strategic Internal Audit Plan
- Annual Self-Assessment of Performance against Audit and Risk Committee Charter
- Inaugural 2018-2019 Audit and Risk Committee Annual Report presented to Council
- Inclusion of Chief Executive Officer’s report in the Audit and Risk Committee meeting agenda
- Introduction of new Organisational Quarterly Performance Report to Council and the community
- Council staff undertake regular internal analysis and develop recommendations for action in relation to relevant external integrity body reports and four such reviews were undertaken this financial year:
 - VAGO Fraud and Corruption Control Review – Horsham Rural City Council Analysis and Recommendations for Action (August 2019)
 - IBAC Report on Corruption Risks Associated with Procurement in Local Government (September 2019)
 - Local Government Inspectorate Protecting Integrity – Yarriambiack Shire Council (November 2019)
 - Ombudsman’s Investigation of Alleged Improper Conduct by Executive Officers at City of Ballarat (May 2020).

Focus for 2020-2021:

- Review of Audit and Risk Charter in line with the requirements of the new *Local Government Act 2020*
- Reappointment of Audit and Risk Committee following implementation of the new *Local Government Act 2020*
- Review of Audit and Risk Committee Annual Work Program addressing requirements of the new Charter and *Local Government Act 2020*
- Inclusion of Audit and Risk Committee Independent Members on Council’s website
- Preparation of a biannual Audit and Risk Report for Council.

GOVERNANCE AND COMPLIANCE

Risk Management

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

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

More than ever, risk management has been at the forefront of Council's business operations with COVID-19 requiring Council to implement its Business Continuity

Plan (page 6), and address risks corresponding directly to the Council Plan.

Horsham Rural City Council has a Risk Management Framework in place. The framework includes Council's Risk Management Strategy which aligns directly with the International Standards AS/NZS ISO 31000:2018.

Achievements 2019-2020:

- Meetings conducted – Three (3 September 2019, 19 November 2019, 3 March 2020 and 25 May 2020)
- Meetings focused on updating the Business Continuity Plan and working towards updating the strategic risks and Strategic Risk Register.

Focus for 2020-2021:

- Review Business Continuity Plan
- Finalise and update strategic risks
- Review operational risks.

Special Committees

The *Local Government Act 1989* allows Councils to establish one or more special committees consisting of Councillors, Council staff, other persons, or a combination of these.

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

COMMITTEE	PURPOSE	NUMBER OF COUNCILLORS	NUMBER OF COUNCIL STAFF	NUMBER OF COMMUNITY MEMBERS
Community Halls Committee of Management	To co-ordinate and manage the 10 Council-owned community halls identified within the Instrument of Delegation	1	1	10
Kannamaroo Festival Committee of Management	To arrange and stage the annual Kannamaroo Festival in Horsham	1	1	8

COUNCILLOR COMMITTEES

Aboriginal Advisory Committee	Horsham Aquatic Centre Advisory Committee	Municipal Fire Management Planning Committee	Western Rail Lobby Group
Aerodrome Users Group	Horsham College/Community Oval	North Western Municipalities Association	Wimmera Business Centre Advisory Board
Audit and Risk Committee	Horsham Performing Arts Company	Public Art Advisory Committee	Wimmera Development Association
Australia Day Committee	Horsham Police and Community Consultative Committee	Rail Freight Alliance	Wimmera Drug and Alcohol Taskforce
Bicycle Advisory Committee	Horsham Racecourse Reserve Advisory Committee	Regional Cities Victoria	Wimmera Intermodal Freight Terminal Advisory Committee
Community Halls Committee of Management	Horsham Recreation Reserve (City Oval) Advisory Committee	Regional Mayors Roundtable	Wimmera Mallee Sustainability Alliance
Domestic Animal Management Advisory Group	Horsham Regional Art Gallery Advisory Committee	Sport and Recreation Advisory Committee	Wimmera Regional Library Corporation
Dudley Cornell Park Advisory Committee	Horsham Regional Livestock Exchange Advisory Board	Seasonal Conditions Committee	Wimmera River Improvement Committee
Grampians Central West Waste and Resource Recovery Group Forum	Local Advisory Fire Prevention	Sunnyside Park Advisory Committee	Wimmera Southern Mallee LLEN
Green Lake Advisory Committee	Municipal Association of Victoria	Tidy Towns Advisory Committee	Wimmera Southern Mallee Regional Transport Group
GWMWater Regional Recreation Water Users Group	Municipal Emergency Management Committee	Victorian Local Governance Association	
Haven Recreation Reserve Advisory Committee		Waste Strategy	
		Western Highway Action Committee	

ORGANISATIONAL PLANS, POLICIES, PROCEDURES AND STRATEGIES

The following plans, policies, procedures and strategies have been developed and/or reviewed this financial year:

Asset Location Tracking and GPS Policy	Equal Opportunity Policy	OHS Working in Extreme Heat and Cold Procedure
Business Assistance Program Policy	Equal Opportunity Procedure	OHS Working Alone or in Isolation Procedure
City to River Masterplan	Fit for Work Policy	Onboarding Policy
Community Development Grants Policy	Fit for Work Procedure	Onboarding Procedure
Community Inclusion Plan 2019-2022	Graffiti Policy	Open Space Strategy
Complaint Resolution Policy	Horsham Urban Transport Plan	Procurement Policy
Conflict of Interest Procedure (Staff)	Investment Attraction Policy	Procurement Procedure
Complaint Resolution Procedure	Location Based Asset Tracking – GPS Administrative Procedure	Property Strategy
Council Election Period Policy	Municipal Early Years Plan 2019-2023	Public Interest Disclosures Procedure
Council Plan	OHS Confined Space Entry Procedure	Rates and Charges Financial Hardship Policy
Council Property Strategy	OHS Health Monitoring Procedure	Recruitment Policy
Customer Service Standards Procedure	OHS Height Safety Procedure	Recruitment Procedure
Creditor Management Policy	OHS Infection Control Procedure	Records Disposal and Retention Policy
Disciplinary (including Managing Underperformance) Procedure	OHS Management Plan	Records Disposal and Retention Procedure
Domestic Animal Management Plan 2017-2021	OHS Materials, Transport, Handling and Storage Procedure	Sun Protection Policy
Drone Policy	OHS Noise Management Procedure	Temporary Measures for Conduct of Virtual Council Meetings Procedure
Equal Opportunity (Discrimination and Harassment) Policy	OHS Safety in Design Procedure	
	OHS Safety Signage Procedure	
	OHS Traffic Management Procedure	



GOVERNANCE AND COMPLIANCE

COMMUNITY SATISFACTION SURVEY

Horsham Rural City Council participated in the Local Government Community Satisfaction Survey again this year. Residents are surveyed annually to check their satisfaction with Council’s performance and services, and participation is optional.

The Community Satisfaction Survey is co-ordinated by the Department of Environment, Land, Water and Planning on behalf of Victorian Councils. For the purposes of the survey, Horsham is classified as a Regional Centre, which includes Bendigo, Geelong, Latrobe, Mildura, Wangaratta, Warrnambool and Wodonga.

An independent research company conducted the survey during February and March 2020. Four hundred

residents aged 18 years and over, targeting the gender and age profile of the community were randomly selected over the telephone. The survey included compulsory questions, along with two additional free text questions and one tailored question in relation to sealed local roads.

The main objective of the Community Satisfaction Survey is to assess the performance of Council across a range of core measures, and to seek insight into ways to provide improved or more effective service delivery. It helps Council to identify the services and activities that need improvement.

Council’s core measures compared to the previous year, Regional Centres and state-wide averages are shown in the table below:

CORE PERFORMANCE MEASURE	SCORE				HIGHEST SCORE	LOWEST SCORE
	HORSHAM 2020	HORSHAM 2019	REGIONAL CENTRES	STATE-WIDE 2020		
Overall performance	45	55	56	58	Women	Men
Overall Council direction	35	47	50	51	Aged 18-34 years	Rural area residents
Customer service	61	61	70	70	Aged 65+ years, aged 35-49 years	Rural area residents, men, aged 50-64 years, aged 18-34 years
Lobbying	44	54	52	53	Women, aged 65+ years	Men
Consultation and engagement	41	54	51	55	Women, aged 18-34 years	Rural area residents
Community decisions	39	49	50	53	Women, aged 18-34 years	Aged 35-49 years
Sealed local roads	39	45	55	54	Aged 65+ years	Rural area residents

The survey shows a decline in six of the seven core performance measures, highlighting a number of areas for improvement across Council. Customer service received a score of 61, the same as last year. Council’s overall performance index score of 45 has declined 10 points from 2019, continuing a trend of deteriorating results each year since 2016 when the score was 63.

Council has many commitments to deliver on and the community is demanding improvement across a number of areas. Council is committed to making changes to meet the evolving expectations of the community.

Information about the Community Satisfaction Survey and performance of Councils across Victoria can be found on the Know Your Council website – www.knowyourcouncil.vic.gov.au

STATUTORY INFORMATION

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

FREEDOM OF INFORMATION

The *Freedom of Information Act 1982* (the Act) gives individuals and organisations a general right of access to documents held by Council. The Act also provides rights of appeal if access to information through a Freedom of Information (FOI) request is not granted.

Requests for access to documents under the Act should be made by:

- Completing the Online FOI Request Form on Council's website – www.hrcc.vic.gov.au
- Writing to Horsham Rural City Council, PO Box 511, Horsham 3402
- Sending an email to council@hrcc.vic.gov.au

Before submitting a request, people should telephone the FOI Officer on 03 5382 9777, or email council@hrcc.vic.gov.au to clarify the information they are seeking, how they want to receive it, fees and charges, timelines, consultation with third parties and documents that may be exempt. The application fee during the 2019-2020 financial year was \$29.60 plus any access charges that may be levied in accordance with the Freedom of Information Regulations.

In 2019-2020, the number of valid requests increased due to topical issues in the municipality. In three cases, Council was able to supply documents outside of Freedom of Information process.

How many requests did Horsham Rural City Council receive?

Personal Requests	0
Non-Personal Requests	8

Of the eight applications received:

- Seven application fees were not paid
- One application fee of \$29.60 was paid
- 2019-2020 total charges – \$167.65.

What happened?

PART ACCESS GIVEN	1 (held over from previous year)
Full access given	1
Unclear request, no further correspondence received	1
Withdrawn by applicant	1
Information provided outside FOI process	3
Lapsed after 28 days due to applicant fee not paid	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

Council's Principal Officer is Sunil Bhalla, Chief Executive Officer, however, under current Council delegations the Officers with authority to make a decision in relation to a request under the *Freedom of Information Act 1982* are: Director Corporate Services and Team Leader Information and Knowledge. They can be contacted by email council@hrcc.vic.gov.au or telephone 03 5382 9777.

CONTRACTS

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

**Local Government Act 1989*, Section 186(5) This section does not apply if –
 (a) the Council resolves that the contract must be entered into because of an emergency
 (c) the contract is entered into in accordance with arrangements approved by the Minister for the purposes of this subsection.

STATUTORY INFORMATION

PROCUREMENT ACTIVITY

In 2019-2020, Council submitted 51 projects through a competitive tender process for the procurement of works, goods and services in compliance with Council's Procurement Policy and obligations under Section 186 of the *Local Government Act 1989* totaling \$11,997,180. One Expression of Interest was put to the market.

Sixty-seven annual supply tenders were maintained, equating to an annual spend for these contracts of \$4,440,578.

An additional 82 formal requests for quotation were sought and awarded for procurement of works, goods and services, in compliance with Council's Procurement Policy and obligations under Section 186 of the *Local Government Act 1989*, totaling \$2,271,548.

Combined competitive procurement for 2019-2020 is \$18,709,306.

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:

- Your right to recognition and equality before the law
- Your right to life
- Your right to protection from torture and cruel, inhuman or degrading treatment
- Your right to freedom from forced work
- Your right to freedom of movement
- Your right to privacy and reputation
- Your right to freedom of thought, conscience, religion and belief
- Your right to freedom of expression
- Your right to peaceful assembly and freedom of association
- Your right to protection of families and children
- Your right to taking part in public life
- Cultural rights
- Property rights
- Your right to liberty and security of person

- Your right to humane treatment when deprived of liberty
- Rights of children in the criminal process
- Your right to a fair hearing
- Rights in criminal proceedings
- Right not to be tried or punished more than once
- Retrospective criminal laws.

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

Promote and protect human rights is identified as a Guiding Principle in the 2019-2023 Council Plan. Council's adoption of a Human Rights Policy in June 2015 embeds the Council's corporate responsibility to respect human rights in all operations.

Council adopted an Open Space Strategy this year (page 40) and an accessible Water Sports Pontoon was installed on the Wimmera River encouraging people of different ages, skills and abilities to enter the water and participate in watercraft activity (page 36).

This report contains a section on Preventing Violence Against Women including information on the Communities of Respect and Equality (CoRE) Alliance, Act@Work, Gender Equity in Community Engagement project, Gender and Disaster and Gender Image Audit (pages 27–28). There is also a section on Equal Employment Opportunity (page 24).

Below are further examples of where Council has played a role in building understanding and respect for human rights.

Local Laws

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

Horsham Rural City Council has the following Local Laws:

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

Local Laws are available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.

Domestic Animal Management Plan

Under the *Domestic Animals Act 1994* (the Act), Council is required to prepare and implement a Domestic Animal Management Plan every four years. This plan sets out a program of actions, which aim to ensure compliance with statutory requirements, and to implement the vision and strategic objectives identified for effective animal management control in the Horsham Rural City Council municipality.

Council adopted the Domestic Animal Management Plan 2017-2021 in December 2019. The plan was prepared in consultation with the Domestic Animal Management Advisory Group, in accordance with the requirements and responsibilities under Section 68A of the Act and with reference to the Council Plan and Council Local Laws.

The Domestic Animal Management Plan:

- Documents Council's current animal management processes and practices
- Evaluates whether animal control services provided by Council meet strategic objectives, as set by the legislature and community standards
- Sets out a program of action Council intends to pursue to meet those strategic objectives
- Provides a benchmark against which progress in meeting the strategic objectives can be evaluated
- Provides for a review of existing orders made by Council under the Act and Local Laws regarding the management of dogs and cats in the municipality.

There have been some significant achievements this year. The Community Safety Unit now has a trained prosecutor, allowing for investigation and enforcement of the Act. This has been balanced by a series of media releases encouraging the responsible ownership of domestic animals and key updates to Council's website to fill identified information gaps. An electronic option to receive pet registration renewals in the form of an eNotice was also rolled out, giving customers the choice to renew online.

Council has once again worked closely with long-term partner Horsham PAWS (People for Animal Welfare and Support) to rehome animals in the municipality, along with developing a new partnership with Phoenix Animal Rescue. These relationships are key to reducing euthanasia rates in the municipality.

The Domestic Animal Management Plan 2017-2021 is available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.

2019-2022 Community Inclusion Plan

Council adopted the 2019-2022 Community Inclusion Plan in January 2020, in accordance with Section 38 of the *Disability Act 2006*.

The Community Inclusion 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.

Council has a critical role in increasing access and inclusion for Horsham in its role as a civic leader, community planner, infrastructure builder, policy leader and service provider and while Council has a key role in developing this plan, it is everybody's responsibility.

It is estimated that there are approximately 4,000 Horsham residents living with a disability, of whom, 1,333 are thought to have a severe or profound disability. As a primary provider of local services, Council plays a key role in building a more accessible community and reducing barriers to inclusion experienced by people with a disability.

As the population increases and the proportion of older people in the population increases, the level of disability in the community is likely to increase significantly, making it vitally important that the access and inclusion of people with a disability into the wider Horsham community is well considered and planned for.

Key outcomes and achievements of the Community Inclusion Plan this financial year include:

- Council's Community Development Grant Guidelines updated to include improving access as a key outcome
- Council's public meetings now held in accessible venues wherever possible
- Desktop hearing shuttles located at the Customer Service Centre, Horsham Town Hall and Visitor Information Centre, making it easier for those that are hard of hearing to communicate
- Council publications available in alternative formats
- Acknowledgement and celebration of Seniors Week, International Day for People with a Disability and Mental Health Week
- Inclusion of comprehensive information on disability services and accessible facilities in the Horsham Community Directory
- Disability Awareness Training conducted for staff, volunteers and Councillors
- Improved access to Jubilee Hall (automatic doors and ramp)
- Completion of design works for a compliant accessible ramp to the Horsham Aquatic Centre
- Incorporation of Universal Design Guidelines into processes such as master planning, scoping of capital works, engineering design and Capital Works Project Office processes.

The 2019-2022 Community Inclusion Plan is available on the Horsham Rural City Council website www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.

STATUTORY INFORMATION

DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

Section 12 of the Local Government (General) Regulations 2015 states that a Council must make the following documents available for public inspection. All documents may be inspected at Horsham Rural City Council, 18 Roberts Avenue, Horsham. Some documents are also accessible on the Council website – www.hrcc.vic.gov.au

It is advisable to make an appointment to arrange an inspection of a document by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777. In some instances, requests may need to be made in writing or on a specific form.

Overseas and Interstate Travel

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

- Name of the Councillor or member of Council staff
- Dates on which the travel began and ended
- Destination of the travel
- Purpose of the travel
- Total cost to the Council of the travel, including accommodation costs.

Council Agendas and Minutes

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

Special Committee Minutes

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

Delegations

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

Leases

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

Authorised Officers

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

Donations and Grants

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

FOOD ACT MINISTERIAL DIRECTIONS

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

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

ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

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

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

INFRASTRUCTURE AND DEVELOPMENT CONTRIBUTIONS

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

For the 2019-2020 year, Council had no infrastructure or development contributions.

CARER'S RECOGNITION ACT 2012

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

VICTORIA'S COMPULSORY CHILD SAFE STANDARDS

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

The Child Safe Standards form part of the Victorian Government's response to the Betrayal of Trust inquiry. Victorian organisations that provide services to children are required under the *Child Safety and Wellbeing Act 2005* to ensure that they implement compulsory child safe standards to protect children from harm.

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

LEGISLATIVE OBJECTIVES OF COUNCIL

The purpose and objectives of the Horsham Rural City Council are defined in the *Local Government Act 1989*. The Local Government Charter section of the Act (Part 1A) states that the purpose of Local Government is to provide a system under which Councils perform the functions and exercise the powers conferred by or under this Act and any other Act for the peace, order and good government of their municipal districts (S.3A).

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

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

PUBLIC INTEREST DISCLOSURES

Horsham Rural City Council is a public body subject to the *Public Disclosures Act 2012* (Vic) (the Act).

The purpose of the Act is to encourage and facilitate disclosures of improper conduct by public officers, public bodies and other persons, and detrimental action taken in reprisal for a person making a disclosure under the Act.

The *Public Interest Disclosures Act 2012* provides protection to persons who make disclosures or who may suffer detrimental action in reprisal for those disclosures. The Act ensures any disclosures are properly assessed and, where necessary, investigated, and provides confidentiality of the content of disclosures and the identity of people who make them. Under the Act, any person or group of individuals can make a disclosure, be a witness, or be the subject of an investigation.

Council is committed to the aims and objectives of the *Public Interest Disclosures Act 2012* and 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.

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, conduct involving a substantial risk to public health and safety or the environment, misconduct in public office or serious professional misconduct.

The role of the Public Interest Disclosures Co-ordinator is held by the Chief Executive Officer, the Public Interest Disclosures Officer by the Director Corporate Services, and Welfare Manager by the Manager People and Culture.

For the purposes of Section 69 (1) (b) of the *Public Interest Disclosures Act 2012*, in the period to 30 June 2020, no disclosures were notified to Council Officers appointed to receive disclosures, or to the Independent Broad-based Anti-corruption Commission (IBAC).

The Public Interest Disclosure Procedure provides details of Council's system for reporting disclosures of improper conduct, serious professional misconduct, detrimental action or misdirected disclosures by Councillors or employees. This procedure was reviewed and adopted on 4 February 2020 to include updates to the *Public Interest Disclosures Act 2012*.

Further information about Public Interest Disclosures, including the Public Interest Disclosure Procedure can be found on Council's website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone 03 5382 9777.

GOVERNANCE AND MANAGEMENT CHECKLIST

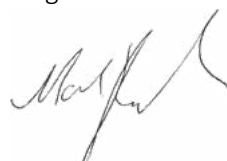
GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT
1. Community Engagement Policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 15 June 2015
2. Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines 15 February 2016
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 27 July 2020
4. Annual Budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 27 July 2020
5. Asset Management Plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Date of operation of current plans: Asset Management Plan – General: 21 December 2015 Asset Management Plan – Roads: 21 December 2015
6. Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 23 April 2019
7. Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 14 March 2017
8. Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 9 December 2013
9. Municipal Emergency Management Plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 4 December 2017
10. Procurement Policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 11 May 2020
11. Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan: 26 March 2019
12. Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 29 June 2015
13. Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 14 August 2017
14. Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: 1 March 2014

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT
15. Internal Audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider: 23 September 2019
16. Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework Date of operation of current framework: 27 July 2020
17. Council Plan Reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Report Date of reports: 24 February 2020, 11 May 2020
18. Financial Reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act Date statements presented: 28 October 2019, 24 February 2020, 11 May 2020
19. Risk Reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 23 September 2019, 16 December 2019, 11 May 2020
20. Performance Reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports Date of reports: 23 September 2019, 24 February 2020, 11 May 2020
21. Annual Report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of Council in accordance with section 134 of the Act Date statements presented: 28 October 2019
22. Councillor Code of Conduct (code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act Date reviewed: 6 February 2017
23. Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: 11 May 2020, 1 June 2020
24. Meeting Procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 24 August 2018

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



Sunil Bhalla
Chief Executive Officer
Dated: 28 September 2020



Cr Mark Radford
Mayor
Dated: 28 September 2020

VICTORIAN LOCAL GOVERNMENT INDICATORS

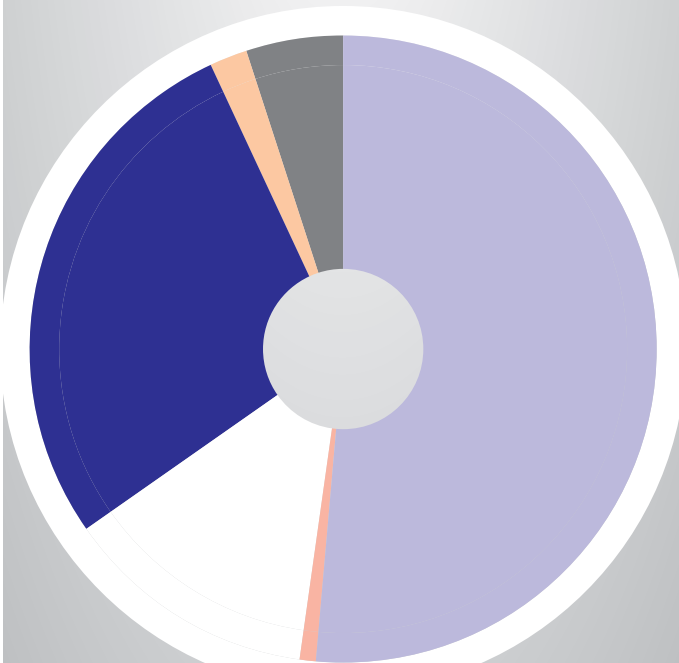
These indicators provide information regarding expenditure, cost of services and infrastructure provision, customer satisfaction and governance.

INDICATOR	CALCULATION	2019-2020	2018-2019	2017-2018	2016-2017
1. Average rates and charges per assessment	Total rates and charges receivable at beginning of year/Number of assessments in the adopted budget	2,195.79	\$2,147.94	\$2,080.48	\$2,033.53
2. Average residential rates and charges per assessment	Rates and charges declared for residential assessments receivable at beginning of year/Number of residential assessments in the adopted budget	1,971.56	\$1,867.56	\$1,855.91	\$1,812.14
3. Average liabilities per assessment	Total liabilities/Number of assessments in the adopted budget	2,065.27	\$1,469.24	\$1,524.76	\$1,631.24
4. Operating result per assessment	Net surplus/Number of assessments in the adopted budget	(33.00)	\$434.11	\$512.42	\$682.08
5. Average operating expenditure per assessment	Operating expenditure/Number of assessments in adopted budget	\$4,305.02	\$4,357.62	\$4,065.66	\$3,896.11
6. Community satisfaction rating for overall performance generally of Council	Result from the Annual Local Government Community Satisfaction Survey	45	55	54	60
7. Average capital expenditure per assessment	Capital expenditure/ Number of assessments in the adopted budget	\$1,344.12	\$872.59	\$1,387.02	\$1,137.70
8. Renewal gap	Capital renewal/Average annual asset consumption	71.9%	50.1%	78.8%	73.4%
9. Renewal and maintenance gap	Capital renewal and maintenance/Average annual asset consumption plus planned maintenance	77.1%	59.6%	81.9%	74.5%
10. Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the Annual Local Government Community Satisfaction Survey	44	54	52	56
11. Community satisfaction rating for Council's engagement in decision making on key local issues	Result from the Annual Local Government Community Satisfaction Survey	39	49	49	58

WHERE OUR MONEY COMES FROM

INCOME

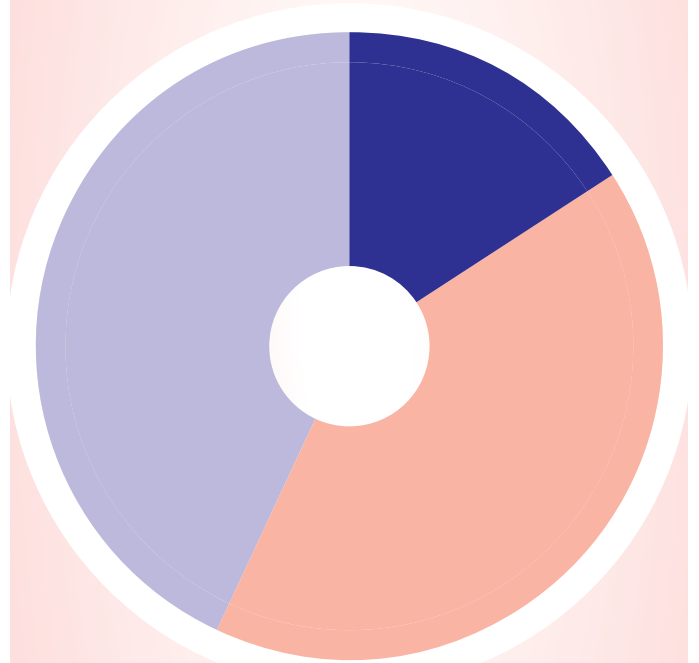
52%	Rates and garbage charge	\$27.6m
1%	Statutory fees and fines	\$.4m
12%	User charges and other fines	\$6.7m
28%	Grants all	\$15.1m
2%	Contributions	\$1.1m
5%	Other revenue	\$2.5m



WHERE OUR MONEY GOES

EXPENDITURE

16%	Corporate Services	\$8.5m
41%	Communities and Place	\$21.9m
43%	Infrastructure Services	\$23.4m



PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020



DESCRIPTION OF MUNICIPALITY

Horsham Rural City is a vibrant community situated in the heart of the Wimmera region of Victoria approximately 300 kilometres north-west of Melbourne. The municipality has a population of 19,921, covering an area of 4,267 square kilometres, with approximately three quarters of residents living within the urban area of Horsham.

Horsham is the major provider of retail, community and government services in the Wimmera, with dryland and broadacre agriculture being our major industry.

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

The municipality has a diverse array of natural assets including recreational lakes, wetlands, the Wimmera River, Mount Arapiles, the Wartook Valley, and the Grampians National Park is nearby.

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

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

SUSTAINABLE CAPACITY INDICATORS

For the year ended 30 June 2020

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

Definitions

"adjusted underlying revenue" means total income other than—
(a) non-recurrent grants used to fund capital expenditure; and
(b) non-monetary asset contributions; and
(c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

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

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

"population" means the resident population estimated by Council

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

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

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

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

SERVICE PERFORMANCE INDICATORS

For the year ended 30 June 2020

Service / indicator / measure	RESULTS				Comments
	2017	2018	2019	2020	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	6.39	8.20	8.77	6.73	Utilisation of aquatic facilities has decreased due to the impacts of COVID-19 restrictions. The facility was closed from 23 March 2020.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	0%	Zero prosecutions due to COVID-19. All court matters delayed for several months.
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non- compliance notifications about a food premises] x100	0.00%	0.00%	93.75%	75.86%	Follow up of notifications down as one of the premises closed along with other delays.
Governance Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	58.00	49.00	49.00	39.00	Council has many commitments to deliver on and our community is demanding we do better in a number of areas.
Libraries Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	12.38%	11.83%	11.06%	10.84%	
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	83.67%	89.63%	90.16%	87.94%	
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	75.00%	86.54%	94.12%	88.76%	

SERVICE PERFORMANCE INDICATORS

For the year ended 30 June 2020

Service / indicator / measure	RESULTS				Comments
	2017	2018	2019	2020	
Roads	44.00	44.00	45.00	39.00	Council continues to increase expenditure on local sealed roads but there is much confusion in the community re what roads Council is responsible for and what is the responsibility of Regional Roads Victoria (formerly VicRoads). 78% of all roads identified in the 2019-2020 survey were Regional Roads Victoria roads. Council will continue to promote the difference between a local road and a Regional Roads Victoria to all in the community.
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]					
Statutory Planning	0.00%	0.00%	50.00%	0.00%	There were zero planning decisions taken to VCAT in 2020FY.
Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100					
Waste Collection	24.16%	22.75%	22.13%	20.49%	
Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

Definitions

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

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by Council

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

FINANCIAL PERFORMANCE INDICATORS

For the year ended 30 June 2020

Dimension / indicator /measure	RESULTS					FORECASTS				
	2017	2018	2019	2020	2021	2022	2023	2024	Material Variations	
Operating position	6%	-3%	-3%	-9%	-8%	-5%	-6%	-4%		
Adjusted underlying result									A large one-off grant of \$5m was recognised in 2019FY accounts resulting in a significant improved result for that year. From 2021FY onwards the adjusted deficit will remain around-6 percent.	
<i>Adjusted underlying surplus (or deficit) / Adjusted underlying revenue] x100</i>										
Liquidity	298%	338%	423%	218%	280%	270%	283%	266%	Changes in accounting standards requires Council to recognise some grants received in advance as unearned income. This increased current liabilities by \$5m resulting in an unfavourable variance.	
Working capital										
<i>Current assets compared to current liabilities [Current assets / Current liabilities] x100</i>										
Unrestricted cash	36%	11%	-32%	-18%	18%	35%	36%	30%	Taking advantage of longer term deposits directly affects unrestricted cash held, this is reflected in year-end figures where high levels of long term deposits are held. Forecast figures reflect a return to a more consistent unrestricted cash balance.	
<i>Unrestricted cash compared to current liabilities</i>										
<i>[Unrestricted cash / Current liabilities] x100</i>										
Obligations	25%	23%	20%	18%	16%	15%	22%	37%	Council did not draw down any new loans during 2020FY which has resulted in a decreased ratio and favourable variance. This trend will continue until Council increases its external loan borrowings.	
Loans and borrowings										
<i>Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100</i>										
<i>Loans and borrowings repayments compared to rates</i>	3%	3%	3%	3%	2%	1%	1%	1%	This trend is the result of continued repayment of existing loans, until such time as Council increases its external loan borrowings.	
<i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>										
Indebtedness	28%	26%	25%	23%	23%	26%	27%	35%	This trend is the result of continued repayment of exiting loans, until such time as Council increases its external loan borrowings.	
<i>Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100</i>										

FINANCIAL PERFORMANCE INDICATORS

For the year ended 30 June 2020

Dimension / indicator /measure	RESULTS					FORECASTS				
	2017	2018	2019	2020	2021	2022	2023	2024	Material Variations	
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation	New in 2020	New in 2020	New in 2020	89%	106%	88%	90%	123%	Council intends to continue its focus on asset renewal over the longer term.	
[Asset renewal and asset upgrade expense / Asset depreciation] x100										
Efficiency	\$3,813	\$4,172	\$4,483	\$4,499	\$4,614	\$4,201	\$4,202	\$4,203		
Expenditure level Expenses per property assessment										
[Total expenses / Number of property assessments]										
Revenue level Average rate per property assessment	New in 2020	New in 2020	New in 2020	\$2,015	\$1,901	\$1,946	\$1,993	\$2,042		
[General rates and Municipal charges / Number of property assessments]										
Stability	51%	53%	51%	56%	51%	57%	59%	59%	Significant capital grant funding is budgeted in 2021FY.	
Rates concentration Rates compared to adjusted underlying revenue										
[Rate revenue / Adjusted underlying revenue] x100	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	Rates compared to property values.	
Rates effort [Rate revenue / Capital improved value of rateable properties in the municipality] x100										
Definitions	<p>“adjusted underlying revenue” means total income other than — (a) non-recurrent grants used to fund capital expenditure; and (b) non-monetary asset contributions; and (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)</p> <p>“adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure</p> <p>“asset renewal expenditure” means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability</p> <p>“current assets” has the same meaning as in the AAS</p>									
	<p>“current liabilities” has the same meaning as in the AAS</p> <p>“non-current assets” means all assets other than current assets</p> <p>“non-current liabilities” means all liabilities other than current liabilities</p> <p>“non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a Council’s Strategic Resource Plan</p> <p>“own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of Council (including government grants)</p> <p>“population” means the resident population estimated by Council</p> <p>“rate revenue” means revenue from general rates, municipal charges, service rates and service charges</p>									
	<p>“recurrent grant” means a grant other than a non-recurrent grant</p> <p>“residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties</p> <p>“restricted cash” means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year</p> <p>“unrestricted cash” means all cash and cash equivalents other than restricted cash.</p>									

FINANCIAL PERFORMANCE INDICATORS

For the year ended 30 June 2020

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

Definitions

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

“rate revenue” means revenue from general rates, municipal charges, service rates and service charges

“residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties.



OTHER INFORMATION

For the year ended 30 June 2020

1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 24 June 2019 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting Council or via Council's website www.hrcc.vic.gov.au incorporated within the Council Plan.

2. Impact of COVID-19 pandemic on Horsham Rural City Council

On 30 January 2020, COVID-19 was declared as a global pandemic by the World Health Organisation. Since then, various measures have been taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis has had an impact on HRCC operations in the 2019-2020 financial year in the following areas:

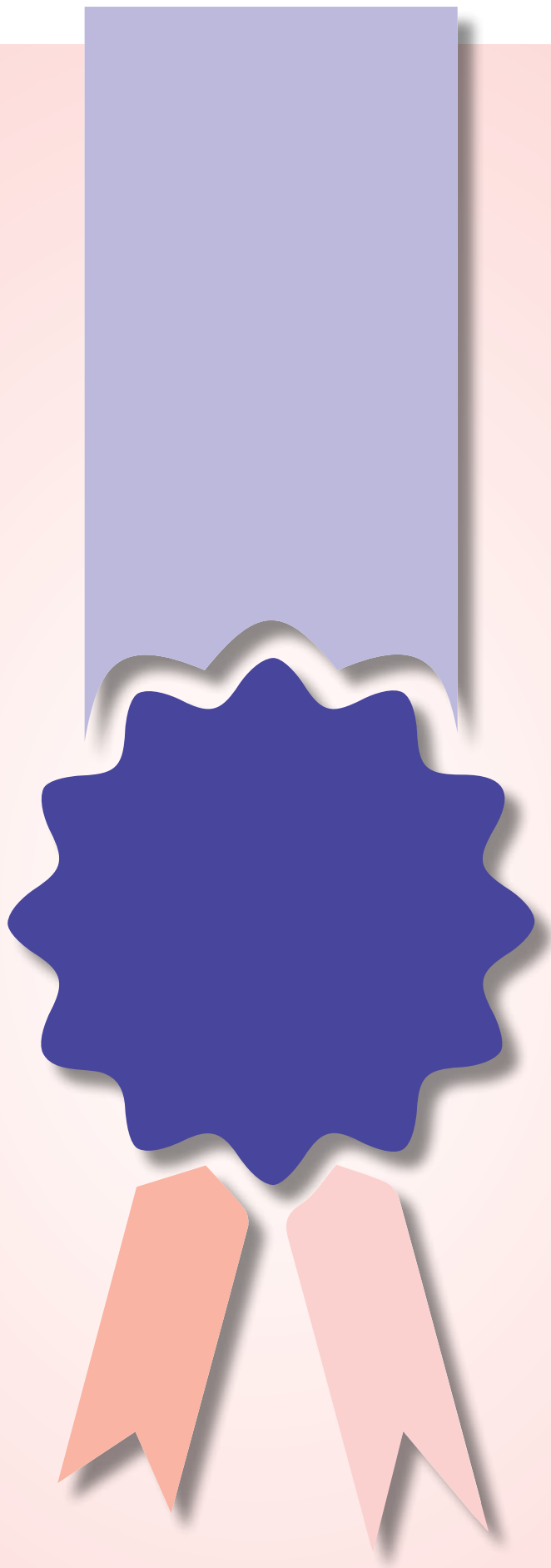
Several community facilities have been closed, including: performing arts centre, aquatic centre, visitor information centre, library and community centres. The majority of office staff have been working remotely from their own homes.

Financial impacts include:

Reduction in commercial rental receipts, financial hardship policy including interest free terms, reduction in parking fee/fine revenues and increased operational costs to continue providing services to the community.

Council adopted its 2020-2021 budget on 27 July 2020, being very mindful of the impact of the COVID-19 pandemic, but also of the need for Council to play a role in the economic stimulus of the local community.

The budget reflected decreases in service delivery for 2020-2021 particularly for performing arts and recreation and increased costs for social and business recovery. The budget adopted included a minor cash surplus and did not include any new borrowings.



CERTIFICATION OF THE PERFORMANCE STATEMENT

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989*, *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2014.



Graeme Harrison B. Econ, CPA, GAICD

Principal Accounting Officer

Dated: 28th September 2020

In our opinion, the accompanying performance statement of the Horsham Rural City Council for the year ended 30 June 2020 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989*, *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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



Mark Radford

Councillor

Dated: 28th September 2020



David Grimble

Councillor

Dated: 28th September 2020



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

Chief Executive Officer

Dated: 28th September 2020

Independent Auditor's Report

To the Councillors of Horsham Rural City Council

<p>Opinion</p>	<p>I have audited the accompanying performance statement of Horsham Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2020 • sustainable capacity indicators for the year ended 30 June 2020 • service performance indicators for the year ended 30 June 2020 • financial performance indicators for the year ended 30 June 2020 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Councillors' responsibilities for the performance statement</p>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<p>Auditor's responsibilities for the audit of the performance statement</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
2 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Independent Auditor's Report

To the Councillors of Horsham Rural City Council

Opinion	<p>I have audited the financial report of Horsham Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors's responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
2 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020



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

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

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



.....
Mr G.A. Harrison, B Econ, CPA, GAICD
Principal Accounting Officer
28th September 2020

Horsham

In our opinion, the accompanying financial statements present fairly the financial transactions of the Horsham Rural City Council for the year ended 30 June 2020, and the financial position of the Council as at that date.

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

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



.....
Cr M.A. Radford

28th September 2020

Horsham



.....
Cr A.D. Grimble

28th September 2020

Horsham



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

28th September 2020

Horsham

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

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

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

**BALANCE SHEET
AS AT 30 JUNE 2020**

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

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

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

2020	Notes	TOTAL \$'000	Accumulated Surplus \$'000	Asset Replacement Reserve \$'000	Asset Revaluation Reserve \$'000
Balance at the beginning of the financial year		512,608	237,910	24,026	250,672
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers	10	(5,176)	(5,176)	-	-
Impact of change in accounting policy - AASB 1058 Income of Not-for-Profit Entities	10	(1,748)	(1,748)	-	-
Adjusted opening balance		505,684	230,986	24,026	250,672
(Deficit) for the year		(411)	(411)	-	-
Net asset revaluation increment		265	-	-	265
Transfers to other reserves	9.1 (a)	-	(5,272)	5,272	-
Transfers from other reserves	9.1 (a)	-	6,739	(6,739)	-
Balance at the end of the financial year		505,538	232,042	22,559	250,937
2019	Notes	TOTAL \$'000	Accumulated Surplus \$'000	Asset Replacement Reserve \$'000	Asset Revaluation Reserve \$'000
Balance at the beginning of the financial year		479,232	235,295	21,278	222,659
Surplus for the year		5,363	5,363	-	-
Net asset revaluation increment		28,013	-	-	28,013
Transfers to other reserves	9.1 (a)	-	(5,194)	5,194	-
Transfers from other reserves	9.1 (a)	-	2,446	(2,446)	-
Balance at the end of the financial year		512,608	237,910	24,026	250,672

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

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

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

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

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

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

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

OVERVIEW

Introduction

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

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

Statement of compliance

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

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of employee provisions (refer to note 5.5)
- the determination of landfill provisions (refer to note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional requirements of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives

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

NOTE 1 PERFORMANCE AGAINST BUDGET

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

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

1.1 INCOME AND EXPENDITURE

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

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

1.1 INCOME AND EXPENDITURE (Cont.)

(i) Explanation of material variations

1. User fees

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

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

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

2. Grants - income

The budget included grant payments for 2 stages of the Grampians Peak Trail project, due to delays in meeting project timelines only one funding payment was received resulting in a short fall in this project of \$4.48m.

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

3. Grants - capital

Changes in accounting standards has resulted in \$1.7m of capital assets received in 2018/19 being reinstated as grant revenue in current year. This comprised of \$920k for new industrial precinct, \$790k for fixing country roads program.

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

Two works in progress, Drung Jung Rd Rehabilitation and Livestock Exchange Roofing project will see the grant funding outstanding of \$1.641m received in 2020/21 financial year, upon completion of the projects. Council had included grant income for the following projects: Central Business Revitalisation \$740k, street lighting changeover \$200 and fire access grants \$120k, however these applications were unsuccessful.

4. Contributions - monetary assets

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

5. Contributions - non-monetary assets

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

6. Employee costs

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

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

7. Materials and services

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

8. Depreciation

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

9. Written down value of assets disposed

Increased written down values of \$350k for aquatic centre outdoor pool was originally budgeted in prior year where actual replacement and write off occurred during 2019/20 financial year.

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

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

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

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

2. Plant, machinery and equipment

Seven items of plant were ordered during the year valued at \$478k, these items had not been delivered before year end.

3. Roads

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

4. Footpaths and cycleways

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

5. Drainage

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

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

6. Recreation, leisure and community facilities

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

7. Waste Management

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

8. Other infrastructure

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

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

9. Works in Progress

Several road infrastructure projects being carried out by contractors were incomplete at end of year, the value of works incurred as at 30th June was \$1.89m. The other significant project outstanding is livestock roofing project with works in progress value of \$2.96m at year end.

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

2.0 ANALYSIS OF COUNCIL RESULTS BY PROGRAM

Council delivers its functions and activities through the following programs.

(a) Communities and Place Directorate

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

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

Corporate Services Directorate

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

Infrastructure Services Directorate

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

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

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

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

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

NOTE 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 RATES AND CHARGES

2020	2019
\$'000	\$'000

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

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

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

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

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

3.2 STATUTORY FEES AND FINES

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

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

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

3.3 USER FEES	2020 \$'000	2019 \$'000
Administration charges	118	163
Animal control	373	359
Building fees & other charges	163	116
Fees - parking meters	294	384
Immunisations	-	2
Home based welfare services	755	712
Other swimming income	1	1
Performance ticket sales	922	1,120
Sporting and recreation facilities	94	116
Freight Hub user charge	80	136
Supervision of private subdivisions	47	33
Plan checking fees	2	1
Aerodrome	35	39
Saleyards	592	586
Wimmera business centre income	117	147
Rural revegetation scheme	18	4
Garbage charges	2	8
Garbage disposal	855	768
Transfer station	380	308
Waste management fees	1,751	1,165
Other user fees	117	104
	-----	-----
Total user fees	6,716	6,272
	=====	=====
User fees by timing of revenue recognition		
User fees recognised over time	6,266	5,777
User fees recognised at a point in time	453	495
	-----	-----
Total user fees	6,719	6,272
	=====	=====

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

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

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

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

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT (Cont.)

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

Conditions on grants

Grants recognised as revenue during the year that were obtained on the condition that they be expended in a specified manner that had not occurred at balance date were:

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

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

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT (Cont.)

	2020	2019
	\$'000	\$'000

Conditions on grants

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

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

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

Operating

Balance at start of year	8,887	3,864
Received during the financial year and remained unspent at balance date	3,878	8,785
Received in prior years and spent during the financial year	(3,807)	(3,762)
	-----	-----
Balance at year end	8,958	8,887
	=====	=====

Capital

Balance at start of year	2,547	869
Received during the financial year and remained unspent at balance date	167	2,258
Received in prior years and spent during the financial year	(2,221)	(580)
	-----	-----
Balance at year end	493	2,547
	=====	=====

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

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

3.5 CONTRIBUTIONS

(a) Monetary

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

(b) Non-Monetary

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

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

Total contributions

1,141	2,451
1,141	2,451

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

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

3.6 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT	2020 \$'000	2019 \$'000
Plant and Equipment		
Proceeds from sale of assets	412	243
Written down value of assets sold	(363)	(273)
Profit/(Loss) on sale of plant and equipment	49	(30)
Furniture and Equipment		
Proceeds from sale of assets	-	2
Written down value of assets sold	-	(1)
Profit on sale of furniture and equipment	-	1
Sale of land and buildings		
Proceeds from sale of assets	337	-
Written down value of assets sold	(199)	-
Profit on sale of land and buildings	138	-
Sale of other infrastructure		
Proceeds from sale of assets	-	8
Written down value of assets sold	-	(20)
Profit/(loss) on sale of land and buildings	-	(12)
Summary		
Total proceeds from sale of assets	749	253
Written down value of assets sold	(562)	(294)
Total net gain/(loss) on disposal of property, plant and equip	187	(41)
Disposal of council buildings		
Written down value of assets written off	(38)	(34)
Disposal of road infrastructure assets		
Written down value of assets written off	(790)	(796)
Disposal of other structures		
Written down value of assets disposed	(352)	(111)
Total written down value of assets disposed	(1,180)	(941)

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

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

3.7 OTHER INCOME

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

Interest is recognised as it is earned.

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

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

NOTE 4 THE COST OF DELIVERING SERVICES

4.1 (a) EMPLOYEE COSTS

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

(b) SUPERANNUATION

Council made contributions to the following funds

Defined benefit fund

Employer contributions to Local Authorities

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

Employer contributions to Local Authorities

Superannuation Fund (Vision Super) & other funds	1,440	1,301
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1,580	1,450
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Employer contributions payable at reporting date

71	70
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Refer to note 9.3 for further information relating to Council's superannuation obligations.

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

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

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

4.3 DEPRECIATION

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

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

4.4 AMORTISATION - INTANGIBLE ASSETS

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

4.5 AMORTISATION - RIGHT OF USE ASSETS

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

4.6 BAD AND DOUBTFUL DEBTS

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

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

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

4.7 BORROWING COSTS

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

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

4.8 FINANCE COSTS - LEASES

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

4.9 OTHER EXPENSES

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

NOTE 5 OUR FINANCIAL POSITION

5.1 FINANCIAL ASSETS

(a) CASH AND CASH EQUIVALENTS

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

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

5.1 FINANCIAL ASSETS (Cont.)

(b) OTHER FINANCIAL ASSETS	2020 \$'000	2019 \$'000
Term deposits - current	29,200	23,900
Total other financial assets	29,200	23,900
Total financial assets	36,121	37,107
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary or future use. These include:		
- Trust funds and deposits (Note 5.3b)	509	541
- Unexpended grants	9,451	11,434
- Reserve funds allocated to specific future purposes	300	300
Total restricted funds	10,260	12,275
Total unrestricted cash and cash equivalents	(3,339)	932
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council		
- Cash held to fund carried forward capital works	3,146	4,657
- Cash from Financial Assistance held to fund 19/20 programs	-	3,412
- Cash from Financial Assistance held to fund 20/21 programs	3,245	-
Total funds subject to intended allocations	6,391	8,069

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

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

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

5.1 FINANCIAL ASSETS (Cont.)

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

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

(d) AGEING OF RECEIVABLES

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

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

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

5.1 TRADE AND OTHER RECEIVABLES (Cont.)

(e) AGEING OF INDIVIDUALLY IMPAIRED TRADE AND OTHER RECEIVABLES

At balance date, other debtors representing financial assets with a nominal value of \$285k, (2019 \$248k) were impaired. The amount of the provision raised against these debtors was \$285k, (2018 \$248k). They individually have been impaired as a result of their doubtful collection. The individually impaired debtors relate to general and sundry debtors, parking and animal infringement debtors and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors, or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

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

5.2 NON-FINANCIAL ASSETS

(a) INVENTORIES

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

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

(b) OTHER ASSETS

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

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

5.2 NON-FINANCIAL ASSETS (Cont.)

(c) INTANGIBLE ASSETS

	2020 \$'000	2019 \$'000
Landfill air space	608	811
add additions	63	-
less amortisation	(224)	(203)
Total intangible assets	447	608

	Landfill \$'000
Gross carrying amount	
Balance at 1 July 2019	811
Additions from internal developments	63
Balance at 30 June 2020	874
Accumulated amortisation and impairment	
Balance at 1 July 2019	(203)
Amortisation expense	(224)
Balance at 30 June 2020	(427)
Net book value at 30 June 2019	608
Net book value at 30 June 2020	447

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

5.3 PAYABLES

(a) TRADE AND OTHER PAYABLES

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

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

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

5.3 PAYABLES (Cont.)

(b) TRUST FUNDS AND DEPOSITS

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

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned, transferred in accordance with the purpose of the receipt or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and Nature of Items

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

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

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

(c) UNEARNED INCOME

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

5.4 INTEREST-BEARING LOANS AND BORROWINGS

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

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

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

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

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

5.5 PROVISIONS	Employee \$'000	Quarry Restoration \$'000	Landfill Restoration \$'000	Total \$'000
2020				
Balance at the beginning of the financial year	5,748	176	3,819	9,743
Additional provisions	3,409	-	224	3,633
Amounts used	(1,916)	(176)	(55)	(2,147)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	48	-	63	111
	<u>7,289</u>	<u>-</u>	<u>4,051</u>	<u>11,340</u>
	=====	=====	=====	=====
2019				
Balance at the beginning of the financial year	5,649	173	3,749	9,571
Additional provisions	1,922	-	110	2,032
Amounts used	(2,025)	-	-	(2,025)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	202	3	(40)	165
	<u>5,748</u>	<u>176</u>	<u>3,819</u>	<u>9,743</u>
	=====	=====	=====	=====

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

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

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

Wages and salaries, and annual leave

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

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

Annual leave and sick leave gratuity: based on the trend of actually usage in preceding 12 months.

Long service leave: based on usage average over the last 5 years.

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

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

5.5 PROVISIONS (cont.)

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

Long service leave

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

The components of this current liability are measured at:

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

Classification of employee costs

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

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

Key Assumptions	2020	2019
- Wage inflation rate	4.250%	4.313%
- Oncost rate	11.500%	11.500%
- Discount rate	0.872%	1.324%

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

(b) Restoration Provisions

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

Key Assumptions

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

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

The provision for quarry restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the sites to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

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

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

5.5 PROVISIONS (cont.)

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

Landfill rehabilitation provision

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

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

5.6 FINANCING ARRANGEMENTS

The Council has the following funding arrangements in place.

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

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

5.7 COMMITMENTS

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

2020	Not Later Than 1 Year	Later Than 1 Year and Not Later Than 2 years	Later Than 2 Years and Not Later Than 5 years	TOTAL
	\$'000	\$'000	\$'000	\$'000
Operating				
Building Surveyor Services	225	238	144	607
Management of Facilities	260	-	-	260
Road maintenance	150	-	-	150
Building maintenance	185	-	-	185
Parks and gardens maintenance	80	-	-	80
Depot maintenance	192	-	-	192
Waste management	41	-	-	41
Studies and Plans	372	-	-	372
Grampians Peak Trail	6,600	-	-	6,600
Capital				
Roadworks	1,510	-	-	1,510
Recreation	416	-	-	416
Building projects	742	-	-	742
Plant	478	-	-	478
Total	11,251	238	144	11,633

2019	Not Later Than 1 Year	Later Than 1 Year and Not Later Than 2 years	Later Than 2 Years and Not Later Than 5 years	TOTAL
	\$'000	\$'000	\$'000	\$'000
Operating				
Building Surveyor Services	92	225	383	700
Management of Facilities	255	260	-	515
Road maintenance	26	-	-	26
Building maintenance	190	-	-	190
Parks and gardens maintenance	62	-	-	62
Software maintenance	87	-	-	87
Waste management	115	-	-	115
Studies	296	-	-	296
Capital				
Roadworks	2,553	-	-	2,553
Recreation facility renewal	1,571	-	-	1,571
Building projects	298	-	-	298
Plant	235	-	-	235
Total	5,780	485	383	6,648

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

5.8 LEASES

Policy applicable before 1 July 2019

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

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

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

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

Policy applicable after 1 July 2019

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

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

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

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

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

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

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

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

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

5.8 LEASES (cont.)

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

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

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

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

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

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

Balance at 30 June 2020	438
	=====
 Lease Liabilities	 2020
Maturity analysis - contractual undiscounted cash flows	\$'000
Less than one year	50
One to five years	314
More than five years	201

Total undiscounted lease liabilities as at 30 June:	568
	=====
 Lease liabilities included in the Balance Sheet at 30 June:	
Current	50
Non-current	395

Total lease liabilities	445
	=====

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

5.8 LEASES (cont.)

i. Leases classified as operating leases under AASB 117 Leases

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

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

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

Impact on financial statements

On transition to AASB 16 Leases, Council recognised an additional \$493,337 of right-of-use assets and \$493,337 of lease liabilities, recognising the difference in retained earnings. When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 3%.

	2019
	\$'000
Lease Liabilities	
Lease liabilities recognised as at 1 July 2019	493
Discount using the incremental borrowing rate	(34)

Finance lease liability recognised at 30 June 2020	459
	=====

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

NOTE 6 ASSETS WE MANAGE

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

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

Summary of Works in Progress

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

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

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

2020 Property	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total Land \$'000	Buildings -non specialised \$'000	Total Buildings \$'000	Works in Progress \$'000	Total Property \$'000
At fair value 1 July 2019	797	37,960	992	39,749	94,486	94,486	162	134,397
Accumulated depreciation at 1 July 2019	-	-	(485)	(485)	(32,478)	(32,478)	-	(32,963)
	797	37,960	507	39,264	62,008	62,008	162	101,434
Movements in fair value								
Additions	15	-	-	15	1,088	1,088	67	1,170
Contributions by developers and others	26	16	-	42	-	-	-	42
Revaluation increments/decrements	-	265	-	265	-	-	-	265
Disposal	-	(199)	-	(199)	(48)	(48)	-	(247)
Transfers	-	-	-	-	81	81	(81)	-
	41	82	-	123	1,121	1,121	(14)	1,230
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	(42)	(42)	(1,641)	(1,641)	-	(1,683)
Accumulated depreciation of disposals	-	-	-	-	10	10	-	10
	-	-	(42)	(42)	(1,631)	(1,631)	-	(1,673)
At fair value 30 June 2020	838	38,042	992	39,872	95,607	95,607	148	135,627
Accumulated depreciation at 30 June 2020	-	-	(527)	(527)	(34,109)	(34,109)	-	(34,636)
	838	38,042	465	39,345	61,498	61,498	148	100,991

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

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

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

HORSHAM RURAL CITY COUNCIL

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

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

2020 Infrastructure	Roads \$'000	Bridges \$'000	Footpaths & cycleways \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Waste management \$'000	Parks open spaces and streetscapes \$'000	Aerodromes \$'000	Off street car parks \$'000	Other Infrastructure \$'000	Works in Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2019	389,326	30,504	27,238	44,510	11,343	7,458	3,827	3,289	4,779	24,753	916	547,943
Accumulated depreciation at 1 July 2019	(123,417)	(12,456)	(12,572)	(10,040)	(3,760)	(3,337)	(1,833)	(1,466)	(2,360)	(7,046)	-	(178,287)
	265,909	18,048	14,666	34,470	7,583	4,121	1,994	1,823	2,419	17,707	916	369,656
Movements in fair value												
Additions	5,308	369	312	655	1,310	91	50	-	98	110	5,098	13,401
Contributions by developers and others	248	-	53	61	-	-	-	-	-	-	-	362
Disposal	(2,237)	-	(88)	-	(1,157)	-	(14)	-	-	-	-	(3,496)
Transfers	301	-	37	77	325	-	-	-	-	-	(740)	-
	3,620	369	314	793	478	91	36	-	98	110	4,358	10,267
Movements in accumulated depreciation Depreciation and amortisation	(6,157)	(314)	(560)	(461)	(296)	(553)	(155)	(99)	(75)	(508)	-	(9,178)
Accumulated depreciation of disposals	1,482	-	52	-	805	-	14	-	-	-	-	2,353
	(4,675)	(314)	(508)	(461)	509	(553)	(141)	(99)	(75)	(508)	-	(6,825)
At fair value 30 June 2020	392,946	30,873	27,552	45,303	11,821	7,549	3,863	3,289	4,877	24,863	5,274	558,210
Accumulated depreciation at 30 June 2020	(128,092)	(12,770)	(13,080)	(10,501)	(3,251)	(3,890)	(1,974)	(1,565)	(2,435)	(7,554)	-	(185,112)
	264,854	18,103	14,472	34,802	8,570	3,659	1,889	1,724	2,442	17,309	5,274	373,098

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

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

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods	Depreciation Period	Threshold Limit \$'000
Property		
Land		1,000
Land improvements	10 - 100 years	5,000
Buildings	15 - 100 years	5,000
Plant, machinery and equipment		
Plant, machinery and equipment	1 - 30 years	5,000
Office furniture and equipment	3 - 20 years	1,000
Art purchases		50
Infrastructure		
Road pavements and seals	13 - 60 years	5,000
Road formation and earthworks	100 years	5,000
Road kerb, channel and minor culverts	50 - 55 years	5,000
Bridges substructure	110 years	5,000
Footpaths and cycleways	40 - 50 years	5,000
Drainage	100 years	5,000
Recreation, leisure and community facilities	10 - 100 years	5,000
Waste management	3 - 50 years	5,000
Parks, open space and streetscapes	10 - 75 years	5,000
Aerodromes	10 - 100 years	5,000
Off street car parks	45 - 90 years	5,000
Intangible assets		
Landfill air space	4 years	5,000

Land under roads

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020****6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (Cont.)****Depreciation of property, infrastructure, plant and equipment**

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

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

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

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

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

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, Ben Sawyer, Certified Practising Valuer of Preston Rowe Paterson Reg No. 63163. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows:

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

Valuation of infrastructure

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

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2020 are as follows:

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

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

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

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$625 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$353 to \$7,070 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 15 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

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

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

6.2 INVESTMENTS IN ASSOCIATES

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

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

6.2 INVESTMENTS IN ASSOCIATES (cont.)	2020 \$'000	2019 \$'000
	-----	-----
Council's investment in the Wimmera Development Association is based on the equity method of accounting.		
Council's interest in equity	48.14%	48.14%
Equity in Wimmera Development Association - at valuation	471	455
	-----	-----
	471	455
	=====	=====
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	239	333
Reported surplus/(loss) for year	16	(18)
Transfers to/(from) reserves	(33)	(76)
	-----	-----
Council's share of accumulated surplus at end of year	222	239
	=====	=====
Council's share of reserves		
Council's share of reserves at start of year	216	140
Transfers to/(from) reserves	33	76
	-----	-----
Council's share of reserves at end of year	249	216
	=====	=====
Movement in carrying value of specific investment		
Carrying value of investment at start of year	455	473
Share of surplus/(loss) for year	16	(18)
	-----	-----
Carrying value of investment at end of year	471	455
	=====	=====
Council's share of expenditure commitments	Nil	
Council's share of contingent liabilities and contingent assets	Nil	

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

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2020, and their income and expenses for that part of the reporting period in which control existed.

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

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

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

6.2 INVESTMENTS IN ASSOCIATES (cont.)

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

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

Summarised financial information

Summarised statement of comprehensive income

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

Summarised balance sheet

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

Summarised statement of cash flows

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

Committees of Management

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

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

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

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

Valuation of investment property

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

NOTE 7 PEOPLE AND RELATIONSHIPS

7.1 COUNCIL AND KEY MANAGEMENT REMUNERATION

(a) Related parties

Parent Entity
Horsham Rural City Council is the parent entity.

Subsidiaries and associates

Interests in subsidiaries and associates are detailed in note 6.2.

(b) Key management personnel

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

Cr M.A. Radford	Returned to office on 10/11/16.
Cr P.N. Clarke	Returned to office on 10/11/16.
Cr A.D. Grimble	Returned to office on 10/11/16.
Cr J.T. Koenig	Duly elected to office 10/11/16.
Cr L.V. Power	Duly elected to office 10/11/16.
Cr J.T. Robinson	Duly elected to office 10/11/16.
Cr A.N. Gulvin	Duly elected to office 10/11/16.
Mr S. Bhalla	Chief Executive Officer
Mr K. O'Brien	Director Communities and Place
Mr G.A. Harrison	Director Corporate Services
Ms A. Murphy	Director Development Services
Mr J. Martin	Director Infrastructure
	2020
	2019
	No.
	No.
Total number of councillors	7
Total of chief executive and other key management personnel	5

Total number of key management personnel	12
	=====

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

7.1 COUNCIL AND KEY MANAGEMENT REMUNERATION (Cont.)

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

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

	No.	No.
\$ 20,000 - \$ 29,999	6	5
\$ 30,000 - \$ 39,999	-	1
\$ 50,000 - \$ 59,999	-	1
\$ 60,000 - \$ 69,999	1	-
\$180,000 - \$189,999	1	-
\$200,000 - \$209,999	-	3
\$209,000 - \$219,999	2	-
\$220,000 - \$229,999	1	1
\$260,000 - \$269,999	1	-
\$280,000 - \$289,999	-	1
	-----	-----
	12	12
	=====	=====

(d) Senior officer remuneration

A senior officer is an officer of Council, other than key management personnel, who:
a) has management responsibilities and reports directly to the Chief Executive Officer; or
b) whose total annual remuneration exceeds \$151,000.

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020****7.2 RELATED PARTY DISCLOSURES****(a) Transactions with related parties**

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

Fees and charges charged to associates is nil, (2018/19 nil).

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

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

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

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

Purchase of materials and services from associates by key management personnel is as follows:
Council is one of 5 member councils that contributed to Wimmera Regional Library Corporation in 2019/20. Council contributed \$518,473 in 2019/20 and \$494,675 in 2018/19.

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

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties is nil (2018/19 nil).

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party is nil, (2018/19 nil).

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party is nil, (2018/19 nil).

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

NOTE 8 MANAGING UNCERTAINTIES

8.1 CONTINGENT ASSETS AND LIABILITIES

(a) CONTINGENT ASSETS

Operating lease receivables

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

Council has also entered into a long term lease of the Horsham Caravan Park. The 21 year lease includes an annual CPI increase on the rental charge.

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

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

(b) CONTINGENT LIABILITIES

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

Superannuation

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

Future superannuation contributions

In addition to the disclosed contributions, Horsham Rural City Council has not paid any unfunded liability payments to Vision Super during 19/20 or 18/19. There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019. The expected contributions paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 will be approx. \$129k.

Landfills

Finance Assurance for Dooen Landfill

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

Bank Guarantees

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

	\$'000

Minister for Agriculture and Resources	12
Minister for Energy and Resources	5
Environment Protection Authority	625

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

8.1 CONTINGENT ASSETS AND LIABILITIES

(b) CONTINGENT LIABILITIES (cont.)

Liability Mutual Insurance

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

MAV Workcare

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

8.2 CHANGE IN ACCOUNTING STANDARDS

The following new AAS'S have been issued that are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

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

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

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

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

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

8.2 CHANGE IN ACCOUNTING STANDARDS (cont.)

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

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

8.3 FINANCIAL INSTRUMENTS

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables, (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020****8.3 FINANCIAL INSTRUMENTS (cont.)****(c) Credit risk**

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- Council only invest surplus funds with financial institutions that conform with State and Federal regulations and standards.

Receivables consist of a large number of customers, spread across the ratepayer, consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal, because the main debtor is secured by a charge over the rateable property.

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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

There has been no significant change in Council's exposure, to its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

Details of the maturity profile for borrowings are disclosed at note 5.4.

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020****8.3 FINANCIAL INSTRUMENTS (cont.)****(e) Sensitivity disclosure analysis**

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

- A parallel shift of +0.25% and -0.25% in market interest rates (AUD) from year end rates of 1.67%.

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

8.4 FAIR VALUE MEASUREMENT**Fair value hierarchy**

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

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

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset.

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

8.4 FAIR VALUE MEASUREMENT (cont.)

Revaluation (cont.)

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

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

Impairment of assets

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

8.5 IMPACT OF COVID-19

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

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

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

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

8.6 EVENTS OCCURRING AFTER BALANCE DATE

Covid-19

To assist in containing Covid-19, the Victorian Government enacted a State of Emergency from 16th August 2020 through to 11th October 2020.

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

Council adopted its 20/21 budget on 27th July 2020, being very mindful of the impact of the Covid-19 pandemic, but also of the need for council to play a role in the economic stimulus of the local community.

The budget reflecting decreases in service delivery particularly for performing arts and recreation and increased costs for social and business recovery. The budget adopted included a minor cash surplus and did not include any new borrowings.

NOTE 9 OTHER MATTERS

9.1 RESERVES

(A) ASSET REPLACEMENT RESERVES

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

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

9.1 RESERVES (Cont.)

(A) ASSET REPLACEMENT RESERVES

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

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

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

The capital projects internal loans reserve represents cash used for replacement and expansion of assets.

Unfunded superannuation reserve is an appropriation of funds for future call on the defined benefits superannuation scheme.

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

9.1 ASSET REVALUATION RESERVES

2020	Balance at beginning of reporting period \$'000	Impairments and reversals \$'000	Revaluation increment \$'000	Balance at end of reporting period \$'000
Property				
Land	24,919	-	265	25,184
Other land improvements	2,975	-	-	2,975
Buildings	20,425	-	-	20,425
Total property	48,319	-	265	48,584
Plant and equipment				
Works of art	1,330	-	-	1,330
Total plant and equipment	1,330	-	-	1,330
Infrastructure				
Roads	146,562	-	-	146,562
Kerb and channel	11,351	-	-	11,351
Drainage	15,884	-	-	15,884
Footpaths and cycleways	10,857	-	-	10,857
Bridges	7,227	-	-	7,227
Other infrastructures	8,067	-	-	8,067
Total Infrastructure	199,948	-	-	199,948
Other				
Land held for sale	1,075	-	-	1,075
Total asset revaluation reserve	250,672	-	265	250,937
2019				
Property				
Land	24,919	-	-	24,919
Other land improvements	2,975	-	-	2,975
Buildings	20,425	-	-	20,425
Total property	48,319	-	-	48,319
Plant and equipment				
Works of art	1,330	-	-	1,330
Total plant and equipment	1,330	-	-	1,330
Infrastructure				
Roads	127,920	1,212	17,430	146,562
Kerb and channel	9,383	-	1,968	11,351
Drainage	15,884	-	-	15,884
Footpaths and cycleways	8,330	-	2,527	10,857
Bridges	2,823	-	4,404	7,227
Other infrastructures	7,595	-	472	8,067
Total Infrastructure	171,935	1,212	26,801	199,948
Other				
Land held for sale	1,075	-	-	1,075
Total asset revaluation reserve	222,659	1,212	26,801	250,672

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

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

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

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

9.3 SUPERANNUATION

Horsham Rural City Council makes all of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision My Super/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings, (for the year ended 30 June 2020, this was 9.5% as required under Superannuation Guarantee (SG) Legislation).

Defined Benefit

Horsham Rural City Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Horsham Rural City Council in the fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purpose of AASB 119.

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

9.3 SUPERANNUATION (Cont.)

Funding Arrangements

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

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

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

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

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

Vision Super has advised that the actual VBI at quarter ended 30 June 2020 was 104.6%. The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2017 full actuarial investigation conducted by the Fund's actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases to the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding Calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of the SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Horsham Rural City Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date of the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

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

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

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

9.3 SUPERANNUATION (Cont.)

The 2019 Interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and the last full actuarial investigation was conducted as at 30 June 2017.

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

	2019	2017
	\$m	\$m
A VBI Surplus	\$151.3	\$69.8
A total service liability surplus	\$233.4	\$193.5
A discounted accrued benefits surplus	\$256.7	\$228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2019.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2019.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2019.

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

The 2020 triennial actuarial investigation

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

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

Superannuation contributions

Contributions by Horsham Rural City Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

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

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

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

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

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

10.0 CHANGE IN ACCOUNTING POLICY

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

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

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

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

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

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

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

(b) AASB 16 Leases

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

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

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

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

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

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

10.0 CHANGE IN ACCOUNTING POLICY (Cont.)

(d) Transition Impacts

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

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

Retained earnings at 1 July 2019	230,986
	=====

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

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

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



COUNCIL OFFICES

Horsham:

Civic Centre, 18 Roberts Avenue,
Horsham 3400
P · 03 5382 9777
F · 03 5382 1111
E · council@hrcc.vic.gov.au
W · www.hrcc.vic.gov.au

Monday to Friday
– 8.30am to 5.00pm

Depot:

Selkirk Drive, Horsham 3400
P · 03 5382 9600
F · 03 5382 5358

Monday to Friday
– 7.30am to 4.30pm

Natimuk:

Natimuk Community Centre
62 Main Street, Natimuk 3402
P · 03 5387 1304

Thursdays only
– 9am to 12pm

Postal Address:
PO Box 511, Horsham 3402