

ANNUAL REPORT 2020–2021



Horsham Rural City
Council urban rural balance.



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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.

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Cover image: *Nurrabiel* 2021 by local artist Stacey Rees is an acrylic paint on brick mural located in Jos Lane in Horsham's central activity district. The mural was commissioned through the Horsham Rural City Council Public Art Advisory Committee. For the full story see page 42.

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Report of Operations

For the year ended 30 June 2021

Introduction

This Annual Report has been prepared in accordance with the requirements and guidelines of the *Local Government Act 1989*, the *Local Government Act 2020* 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 the ongoing COVID-19 pandemic (page 6-11).

It is an important document that provides a transparent record of Council's activities in meeting its strategic goals and objectives as set out in the Council Plan to ensure that we deliver key outcomes for our community.

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2020-21 is the primary means of advising the Horsham Rural City community about Council's operations and performance during the financial year.

Council Snapshot

City Profile

Horsham Rural City 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. Horsham Rural City has an estimated residential population of 20,018¹ people (2020), a number expected to reach 20,599 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 of the population were born in 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 on demand and accessibility of housing, infrastructure, services and amenities.

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

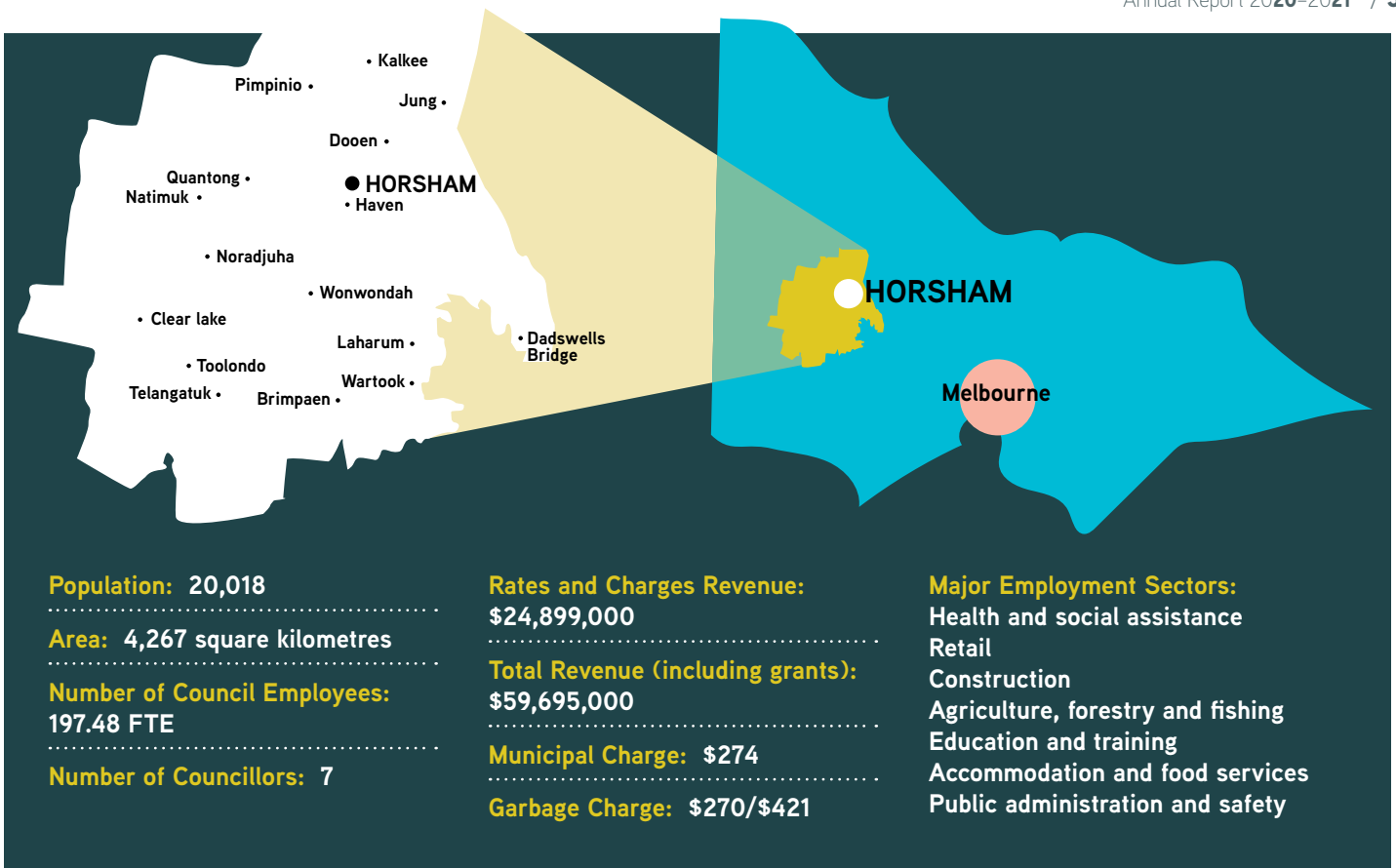
Horsham is a hub in the Wimmera for health care, niche retail, community services and arts and cultural opportunities. A dryland and broadacre agricultural municipality, Horsham is home to the Grains Innovation Park (a nationally acclaimed agricultural research centre) and quality educational facilities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

Horsham Rural City Council is committed to working with the community to develop the municipality through strong leadership, vision, good governance, responsive services and quality infrastructure, whilst enhancing our liveability and natural environment. The 2020-24 Council Plan, associated Strategic Resource Plan and 2020-21 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



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



12,642
rateable properties



7,753 tonnes of waste and **1,544 tonnes** of recycling collected from kerbside bins



2,989
footpath and road issues resolved



98.25 percent
early childhood immunisation rates for 12 to 15 month age group (figure at 31 March 2021)



\$358,820
in grants and donations provided to not-for-profit groups



2,977 kilometres
of roads maintained



6,109 online service requests responded to



1,700
trees planted



157 animals
rehomed

Mayor's Message

On behalf of fellow Councillors and staff, I am pleased to present Horsham Rural City Council's 2020-21 Annual Report.

Of course, the effects of the COVID-19 pandemic have been profound. Council's office and outdoor staff made unprecedented changes to the way we operate to ensure continuity of services while ensuring the safety of other staff and the community at large.

There has been plenty to learn in the first year of our new Councillor group.

Virtual Council Meetings were held online for the first time ever, a significant shift in meeting procedure but also opening up the meetings to a greater audience with the ability to view the meetings remotely but possibly at the same time disconnecting with some others.

It's been a year where we've had to take the good with the bad, and remain thankful for the lifestyle that's on offer in our region.

Pandemic response

Parts of our community have been affected by the restrictions more than others. Some businesses and individuals have thrived, while others have had it tough. It was terrific to see businesses hit hardest by lockdowns given financial and logistical support (pages 10, 34-35).

An example was the ongoing rollout of outdoor dining infrastructure for hospitality businesses. Council managed more than 30 projects with funding sourced from the Victorian Government and Council's own COVID-19 support program, with a combined total in excess of \$1 million.

Among the permanent installations were wind barriers, planter boxes, shade structures, street furniture and servery windows across Horsham, Natimuk, Wartook and Dadswells Bridge.

A staple of the Council Budget is our Community Development Grants Program. This year \$359,000 was delivered into the local community and economy. The local expenditure resulting from this Council support will provide a timely stimulus to our not-for-profit sector (pages 30-33).

Horsham Talks

A major strategic highlight for the year was the ongoing development of the 2041 Community Vision (pages 58-59). The Community Vision reflects the community's hopes, aspirations and priorities for the next 20 years, directly informing Council's other strategic documents including the Council Plan, Health and Wellbeing Plan, Asset Plan and Long-term Financial Plan.

The Vision was created not by Council, but an independent Community Panel. An invitation to join the Panel was sent to every household across the municipality and more than 90 expressions of interest were received.

From these, 36 participants were selected by independent consultancy firm i.e. Community, which ensured the demographics were evenly represented. The number of participants reduced to 26 when meetings were rescheduled due to pandemic restrictions.

The Panel nevertheless managed to hold its face-to-face sessions over three Sundays at Horsham Town Hall.

To inform the Panel's deliberations, wider public engagement was undertaken between February and May to gather feedback from the community under the banner of Horsham Talks. This involved online engagement, face to face pop-up sessions, surveys and community conversations, with 937 responses received.

All involved must be commended for taking a proactive role in shaping our future.

Strategic milestones

It was very much a year for long-term planning. We also adopted a new Community Engagement Policy and a new Parking Management Plan was developed to modernise and enhance the way we access Horsham's central activity district (page 44). Much work was also done in capturing the community's feedback on the proposed redevelopment of the City Oval and Sawyer Park precinct (page 50).

Thank you

I would like to thank all residents for their enthusiasm for our many engagement projects, patience, kindness and willingness to comply with state and federal directions during the COVID-19 pandemic.

As restrictions ease, we will have to adjust to a new way of living, working and communicating.

Thank you and well done to our 273 staff for providing essential services to our communities during the COVID-19 pandemic.

I have enjoyed working with fellow Councillors and staff at Horsham Rural City Council, and it has been a real privilege to serve the community.



Cr Robyn Gulline

Mayor

Chief Executive Officer's Message

It has been another busy year with staff working hard to deliver services to ensure our communities are supported in all areas of their lives, especially in the face of COVID-19.

In 2020-21, we delivered an operating surplus of \$3.1 million, against a predicted deficit of \$1.25 million. There were no new borrowings and we secured \$22.1 million in grants and invested \$15.2 million in capital works.

COVID-19

For the second consecutive year, COVID-19 certainly threw challenges in our direction. The main task was keeping up with advice, which was changing daily as the risk of COVID-19 repeatedly eased and then escalated in Victoria. I am proud of the way our organisation adapted to change and was able to lead by example and support others in the community. Staff have risen to the challenge and embraced new ways of working, communicating and staying connected (pages 6-11).

An integral part of our year was the addition of 28 staff under the Working for Victoria program. This is a Victorian Government initiative in which organisations may apply for funding to hire staff to fulfil roles that directly or indirectly contribute to the State's ability to address the pandemic. We thank our Working for Victoria staff for their contributions to our community.

Council Election

A highlight of the year was the Horsham Rural City Council elections. We had six new Councillors and one returning elected member. The new Councillors hit the ground running with several complex decisions coming before them in the first few weeks of their election (page 14).

Operations

A significant challenge faced by the community was December's tornado which damaged about 100 houses in Horsham's North with winds reaching 177 kilometres an hour. Council was a part of the prompt and unified emergency response with clean-up of fallen trees and extra kerbside collections taking place. Council's building inspectors also played a part with assessments of the damage (page 60).

Another major challenge was a fire at the Dooen Landfill in December which forced the closing of public access to the site for the rest of the year (page 62).

During May, Horsham welcomed Deputy Prime Minister Michael McCormack who turned the first sod to start construction on the widening and sealing of shared pathways along the city's riverfront. This was the first of the much-anticipated City to River projects to get underway (pages 50, 56).

Another operational highlight was the beginning of construction on the Wimmera Agricultural and Logistics HUB. More businesses are looking to start up or expand in the Wimmera. To help meet the demand, we are developing an industrial park close to the Dooen freight terminal. With infrastructure such as heavy vehicle roads and site works taking shape, blocks of land are already attracting interest from the market (page 49).

Another operational achievement happened on rural roads at Lower Norton and Bungallally where Otta Seals – a revolutionary method of sealing gravel roads was successfully piloted. The ongoing success of these trials will allow for more low traffic volume roads to be upgraded.

While most of our office based staff have continued working from home for the majority of the past year, our operations team has been diligently getting on with essential construction, maintenance and waste management tasks to maintain the amenity and safety of our community (page 11).

I am also proud of the health and wellbeing services delivered under challenging circumstances. The Kalkee Road Children's and Community Hub went above and beyond to continue providing the quality early years and immunisation services our community requires (page 8).

Local Government Act

We welcome changes to the local government sector that strengthen transparency and accountability. As an organisation, a lot of work and training is done to communicate the importance of acting ethically, responsibly, and with integrity in the workplace.

The new *Local Government Act 2020* has co-existed with many of the provisions within the former Local Government Act across the past 12 months and will continue to do so into 2022. I thank all who have contributed to the ongoing transition to the new Act (pages 52-54).

Community relations

Council continues to provide information across a range of channels and platforms, both traditional and digital. Multimedia and video output increased during 2020-21, and an email newsletter was launched, providing news on Council's services, activities and events.

Results from the yearly Community Satisfaction Survey show Council improved in all core measures. This was a welcome change in trend and I look forward to seeing the improvement continue (page 84).

Thank you

I wish to thank our Councillors for their leadership, respect and professionalism. I'd especially like to acknowledge their work to implement changes to Council policies and plans to comply with the new Act.

I also thank all our staff for going above and beyond in 2020-21. It has been an honour to lead this organisation and see our workforce adapt in such a positive and proactive manner. I thank everyone for their valuable contribution.



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 2020-24 Council Plan and associated 2020-21 budget, and reported upon in the Performance section of this document (page 64).

The delivery of services, facilities, support and advocacy to achieve the Strategic Objectives is measured by a set of service performance indicators and measures (pages 64-79). Council also has a wide range of responsibilities under Victorian and Australian legislation.

Economic factors... the coronavirus pandemic

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

Throughout 2020-21, Council continued to close some services during periods of lockdown and staff who could work remotely continued to do so. Staff, Councillors, businesses and organisations had previously made significant changes to the way they operated which ensured continuity of services and the safety of our community remained.

Council continued to be mindful of the role it plays in looking after vulnerable members of the community and in sustaining economic activity by maintaining "business as usual" as much as was physically possible.

This section provides a summary of how Council continued to respond to COVID-19 during 2020-21.

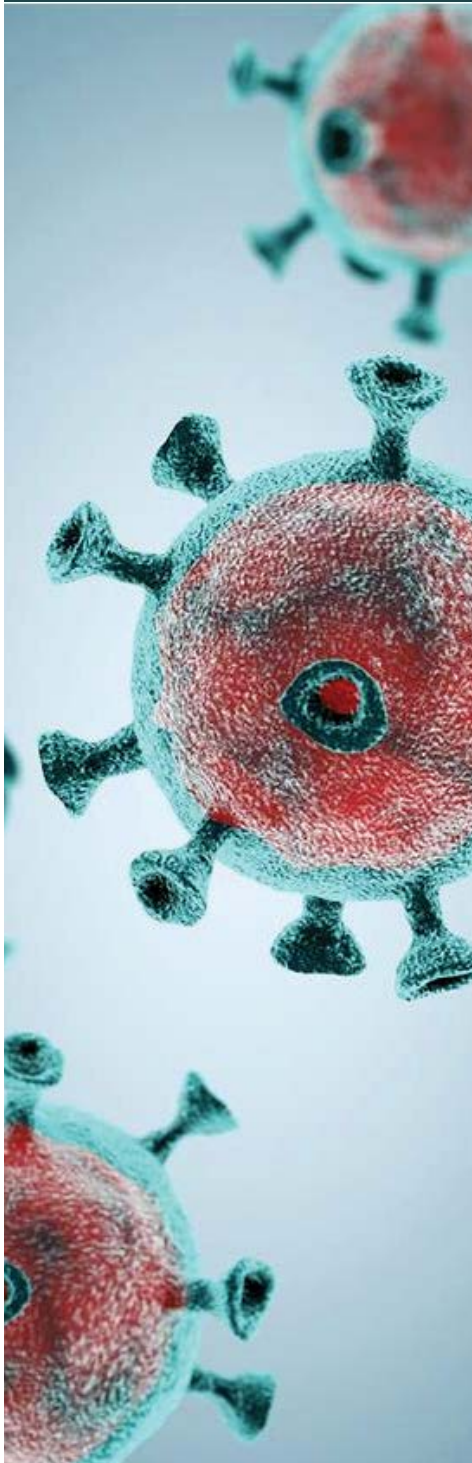
Business Continuity Plan

Council's Business Continuity Plan has continued to be activated by the Chief Executive Officer this year in response to the COVID-19 pandemic.

The Business Continuity 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.

As restrictions change, the Business Continuity Team continues to meet to ensure that Council not only maintains a COVIDSafe workplace, but also to ensure that community facilities such as parks, playgrounds, skate parks and barbecues are closed and opened in line with restrictions, and that Council's social media, website and newspaper communications are kept up to date with the latest information.

The Business Continuity Team will continue to monitor the ever-changing restrictions and react as necessary until we reach a "COVID-normal" state.



Employment Impacts

The COVID-19 environment and a series of associated restrictions and lockdowns, of varying length, continued to present Horsham Rural City Council with challenges throughout 2020–21. Management worked carefully to ensure that no paid staff were stood down, doing this in a cautious and economically responsible manner. Those staff whose work was most directly impacted by the pandemic were able to be redeployed into roles that were currently vacant or would otherwise have been undertaken by external contractors and consultants. Some also utilised outstanding leave balances.

Turnover and recruitment of staff continued without interruption throughout the various lockdowns, and grew exponentially with the implementation of the State Government Working for Victoria program, in which 28 fixed-term six-month positions were filled. Working for Victoria was created with a focus on creating additional employment opportunities for people who had lost their jobs, or been significantly impacted by the pandemic.

In most instances, interview and selection processes moved smoothly online. The greatest challenge associated with recruitment was ensuring that effective workplace induction occurred, given many new recruits were required to work at home from the time of commencement and to be supervised by colleagues also working from home. Despite some Working for Victoria employees working as little as two to three days from the office, the program has been a great success with many high quality staff employed, making significant contributions to the work of the organisation.

Council has been very conscious of the mental health and associated impacts on staff due to COVID-19. While outdoor staff continued to largely work as usual, they were placed under increased scrutiny by the public, careful to observe if relevant restrictions and requirements were being upheld.

Some staff were also anxious about continuing to work alongside others and being in the public domain and therefore potentially at higher risk of contracting COVID-19. Most indoor staff had to adjust to working from home, new technology, physical isolation from colleagues, balancing/separating work and family life, and other issues.

Special efforts were made to engage/connect with staff in the early period of the pandemic and also as they transitioned to new (and unfamiliar) workplace arrangements. The services of the Employee Assistance Program (EAP) were heavily promoted throughout the year, although they too were greatly impacted by the COVID-19 restrictions, and on-site and face-to-face counselling services were unable to take place for much of the year. The EAP provider, Converge International, provided a range of high-quality print resources, some of which were distributed with the monthly staff newsletter, along with some webinar opportunities focusing on various coping strategies. The counsellor engaged to provide the service remained on-call and accessible by telephone and also utilised time to make proactive introductory calls to new staff.

The impacts and interruptions of the COVID-19 pandemic remain ongoing and continue to challenge staff. Indoor staff have had the opportunity to consider how they might like to continue working in the future, with a high proportion of applications for continuing work from home arrangements (of varying degrees). The re-introduction of restrictions on workplace attendance numbers towards the end of the reporting period has, however, over-ridden those local arrangements for the time being.

It appears that 2021–22 will be another challenging year in the workplace, however, the successful pandemic-related learnings from the experience of 2020–21 places the organisation in a strong position to cope and to continue providing a high level of service delivery to the community.

COVID-19 Support Package

The table below provides a summary of the COVID-19 Support Package provided by Council.

COVID-19 Recovery/Summary Strategy	Actual Support Allocated 2020–21 \$
Discover Your Own Backyard	25,000
Digital Horsham	6,500
Love Your Community	74,500
Conferences Marketing Package	20,000
Grampians Resident Attraction Strategy	10,000
Business Sustainability	20,000
Community Health and Wellbeing	13,000
Stronger Business Grants*	83,098
Arts and Events Activation*	85,790
Recreation and Community Recovery*	75,800
Community Grant Additional Allocation	50,000
Health and Wellbeing Grant Stream*	20,877
Business Fronts Grants	86,418
Total	570,983

*Specific grant details are provided on pages 34–35.

Economic factors... the coronavirus pandemic



Occupational Health and Safety

Throughout 2020-21, Occupational Health and Safety (OHS) staff have played an active and ongoing role in ensuring staff compliance with COVID-19 restrictions and associated requirements and workplace adjustments. This has been particularly critical in relation to those staff in the Operations Department, who continued their forward-facing and onsite duties throughout the pandemic. It was necessary to oversee many adjustments and provide ongoing advice and support to ensure staff compliance, and this has occupied a considerable amount of OHS staff time. Similarly, the many internal/indoor staff who were required to work from home throughout much of 2020-21 needed considerable support for the adjustment and other advice and assistance. The OHS implications of COVID-19 have been managed well and this is apparent through the smooth and uninterrupted provision of works and services throughout the challenging 2020-21 period, and the absence of any workplace-initiated pandemic-related personal health and wellbeing issues for staff or Council stakeholders.

Community Safety

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

An educative approach, along with following up on registration compliance, has resulted in a reduced number of complaints regarding dogs at large and dog attacks compared to last year at the beginning of the pandemic.

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

Partnership agreements are now in place with three animal rehoming groups which have been able to increase rehoming numbers and reduce domestic animal euthanasia rates.

Early Years Programs

Continuing COVID-19 regulation changes have delivered many challenges for our family centered services. Much of the work of the maternal and child health, immunisation and 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.

The Maternal and Child Health new parents group has moved in and out of virtual platforms this year.

Initiatives such as online immunisation bookings have been well received and we plan to continue to offer this service in the future.

The supported playgroup has been delivered in a variety of methods over the past year including virtually. The playgroup page on the Council website has been updated to include clear information for families in relation to playgroup and activity options.

We look forward to welcoming families back to the Kalkee Road Children's and Community Hub when it is safe to do so.



Horsham Town Hall

Restrictions on gatherings, travel bans and closure of venues due to COVID-19 have had a major impact on the operations of the Horsham Town Hall over the past 12 months. The pandemic continues to have a devastating impact on the performing arts industry, however, planning is well underway for new and innovative programming as we contemplate recovery, and staff have worked hard behind the scenes to advocate for support across the sector.

The venue was closed to the public for approximately five months in 2020, requiring venue staff to be redeployed to other programs within Council. The Horsham Town Hall team returned to the venue in December 2020 and although the task to re-program, re-schedule and promote in an environment of uncertainty was challenging, the public confidently and enthusiastically embraced and attended the shows on offer.

Horsham Regional Art Gallery

The past 12 months have again seen a disrupted program delivered through the Horsham Regional Art Gallery due to the ongoing impacts and closures to the venue as a result of COVID-19. Despite this, staff have successfully managed to pivot some elements of the programming to online. This has worked particularly well for our education programs such as the Arts Club, After School and School Holiday Programs.

Some online delivery will continue to feature in the education program to extend access and reach into the future.

Further details in relation to education programs and exhibitions conducted in the past 12 months can be found on page 41.

Volunteers

Council relies on volunteers to support and enhance a range of services and programs. Whilst COVID-19 restrictions made it necessary to place many of our volunteer programs on hold, we are pleased to report that volunteers have returned in a limited capacity at the Horsham Regional Art Gallery, Horsham Town Hall and the Multiple Birth Families Support Program.

At the end of 2020, we said goodbye to our valued Meals on Wheels volunteers and this volunteering option can now be accessed through the Centre for Participation.

Council looks forward to welcoming back more of its valued volunteers once COVID-19 restrictions have been further eased, and we encourage those who might be interested to register through the Council online volunteering portal or by contacting Council on email council@hrcc.vic.gov.au or telephone (03) 5382 9777.

Financial Hardship Support

Council has adopted a COVID-19 Rates and Charges Financial Hardship Policy. The purpose of the policy is to provide guidance for the collection of rates and charges where an individual or business is experiencing genuine financial hardship due to COVID-19.

Customers experiencing hardship in paying their rates have the option of establishing an interest-free payment plan or deferment to assist in meeting their financial obligations.

In addition to this policy, Council appointed a Financial Hardship Officer in April 2020 for a period of nine months. The position ceased in December 2020.

The Financial Hardship Officer provided assistance to customers, community groups and businesses experiencing hardship during COVID-19. It was a single contact point for anyone needing more time to settle Council rates and other charges including animal and health registrations, infringements and commercial leases.

During the nine month period that the Financial Hardship Officer position was in place, 128 requests for hardship were received, with each case individually assessed and the outcome tailored according to need.

The COVID-19 Rates and Charges Financial Hardship Policy 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.

Economic factors... the coronavirus pandemic



Business Development and Tourism Support

The Business and Community COVID-19 Support Package delivered projects that made up Council's direct financial contribution of \$484,000. Further projects were also developed to support businesses through the Local Council's Outdoor Eating and Entertaining program (\$600,000). Highlights from these two programs are provided below.

Stronger Business – Love Your City

The "Love Your City" banner project was developed in response to local photographer Rachel Deckert (Bella Madre) and her callout on social media to families, individuals and pets to be photographed during the first stage of the pandemic lockdown.

In partnership with Rachel, Council sought permission to display these images in the Central Activity District. With solid enthusiasm and excitement, 38 flags were commissioned. The participants' demographic included local Wotjobaluk and culturally diverse families aged from six months to 80+ years.

With the purpose to encourage the statement "Together We Are Stronger" these flags are a reminder of our community's resilience during 2020 and beyond.

Stronger Business Outdoor Dining – Proposals

Many businesses have benefited from permanent and non-permanent infrastructure such as tables, bench seats, wind barriers, umbrellas, planter boxes, heating and awnings installed within the Central Activity District and outlying hospitality businesses in the municipality.

Council's Building Services and Project Manager worked closely with businesses who required permits to ensure this process was fast-tracked.

Other initiatives facilitated by Council which provided direct support to businesses this year were:

- Stronger Business Fronts Submissions
- Business Fronts Upgrade Grant Stream
- Arts and Events Activation Grant Stream
- Recreation and Community Recovery Grant Stream
- Health and Wellbeing Grant Stream
- Business Newsletter.

The Stronger Business Fronts Upgrades grant stream was fully expended in support of improvement to the business visual appeal such as signage, landscaping and merchandising.

Funding was very much welcomed by the businesses involved and they appreciated Council support towards improving their business appearance.

Virtual Council Meetings

In response to the COVID-19 pandemic, temporary provisions were inserted in the *Local Government Act 2020* to allow Councils to conduct their meetings virtually.

Council welcomed these changes and the first online Council meeting 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.

These provisions have been extended twice by Parliament and will expire on 27 April 2022. There has since been support for virtual meetings to be made permanent by Councils, after having experienced the flexibility these temporary provisions provide.

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.

Over the last financial year, there were 16 Council meetings held (including one statutory meeting and several additional Council meetings) with five successful online Council meetings conducted.



Due to COVID-19 restriction requirements, public attendance was not permitted at seven Council meetings, however, a public gallery was able to attend three meetings with numbers limited in line with COVIDSafe Guidelines.

This year, Council meetings have been livestreamed on the internet with a link provided on the Horsham Rural City Council website. This was enabled by Council's Information Technology team who have continued to support the many changing requirements of Victoria's lockdowns and restrictions, enabling professional recordings to be streamed live to the public. It is pleasing to report there has been a continued 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.

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.

Outdoor Operations

Council's outdoor operations crews have generally operated consistent with normal practice, with relatively minor changes due to COVID-19 and its restrictions.

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, although the level of service was reduced during periods that sportsgrounds were unable to be used, for example, mowing frequency reduced
- Horsham Regional Livestock Exchange operations.

A key limitation with the Livestock Exchange has been a restriction on members of the public and store buyers to attend sales. Whilst restriction levels have varied in accordance with the prevailing rules, general public access was precluded for most of the year. This was especially challenging as many farmers wanted to take the opportunity to experience the sales under the new roof with its improved conditions. It is important to note that, whilst the public will be able to attend sales whenever possible, there is a heightened risk of COVID-19 impacts due to the importance of maintaining throughput of animals for the meat processing industry.

Other measures Council has continued to operate during the COVID-19 pandemic have included:

- Increased cleaning and sanitisation program introduced in 2020 has been continued at priority sites.
- 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.

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

Major Capital Works

This year, Horsham Rural City Council spent **\$15,225,020** on capital works throughout the municipality. The table below provides details of some of the capital works projects that Council funded during 2020-21.

Road Infrastructure Construction	Amount (\$)
Horsham	1,660,440
Rural	2,541,441
Roads to Recovery Program – Rural bridges	55,452
Roads to Recovery Program – Rural roads	1,023,176
Roads to Recovery Program – Urban roads	295,468
Other	
Aerodrome Runway Improvements	87,358
Aquatic Centre Indoor Pool Concourse Replacement	179,480
Aquatic Centre Entrance Ramp	98,904
Art Purchases	29,012
Basketball Building Kitchen Works	35,251
Botanical Gardens Pathways	80,753
Civic Centre Improvements	121,720
Community Halls Solar Roofing	51,198
Horsham College Rosebrook Sports Pavilion Painting External Infrastructure	26,200
Horsham Community Sports Pavilion Drainage Construction	28,731
Horsham Regional Livestock Exchange Completion Solar Roofing	583,623
Horsham Regional Livestock Exchange Effluent Disposal System	11,197
Horsham Town Hall Air Conditioning Works	58,724
Horsham Town Hall Fly Lines	112,818
Horsham Town Hall Gallery Reveal Room External Door	29,670
Horsham Town Hall Lighting	39,863
Horsham Town Hall Vic Digital Resources Fixed	54,443
Miscellaneous Buildings Works	38,289
Miscellaneous Recreation Works	13,636
Mitre Hall Kitchen Painting and Improvements	45,277
Natimuk Memorial Hall Cladding Replacement Infrastructure	26,116
Natimuk Preschool Foundation Slab and Plumbing	20,031
Nexus The Station Refurbishment	51,198
Off Street Car Parks	23,345
Plant and Equipment Replacements	2,133,275
Playgrounds Refurbishment	29,801
River Crossing Improvements	85,682
Rural Parks Improvements	14,521
Sporting Facilities Refurbishments	61,578
Taylors Lake Hall Ceiling, Painting and Improvements	18,740
Walking Paths Lighting	223,474
Works in Progress (projects under construction)	4,719,085
Other Works	516,050
Total	15,225,020



Major Changes

COVID-19

Throughout 2020–21, Council continued to close some services during periods of lockdown and staff who could work remotely continued to do so. Staff, Councillors, businesses and organisations had previously made significant changes to the way they operated which ensured continuity of services and the safety of our community remained (pages 6–11).

Home Support Services

In January 2020, Council made the in principle decision to exit Home Support Services, resolving to seek expressions of interests from agencies to deliver services that Council was delivering (HACC PYP and Commonwealth Home Support Programme), before making a final decision. The Expression of Interest process was completed in May 2020, and with Grampians Community Health recommended to be the new contractor, Council resolved to exit the service. The service with Grampians Community Health commenced as a provider on 1 January 2021 and all clients and staff who were interested in moving to the new service were able to do so.

Major Achievements

- Implementation of the *Local Government Act 2020* including adoption of Governance Rules, Public Transparency Policy, Community Engagement Policy, Gifts, Benefits and Hospitality Policy and Revenue and Rating Plan (pages 52–54).
- Election of new Council including candidate training, adoption of Councillor Code of Conduct (page 16) and Councillor induction processes
- Comprehensive review of Community Local Law 2011 (No 3 and the amendment No 4) (page 87)
- Development and deployment of new intranet and Councillor portal (page 57)
- Progression of Rural Councils Corporate Collaboration Project in procurement processes (page 57)
- Refurbishment of Civic Centre Customer Service foyer (page 51)
- Development of plans (concept and schematic) for the City to River Stage 1 (Riverfront Activation) (page 50)
- Consolidation of Visitor Information Services with Horsham Town Hall (page 45)
- Decision in relation to Future model for Aged and Disability Services (see Home Support Services on this page)
- Delivery of \$484,000 COVID-19 Support Package and \$600,00 Outdoor Dining Program (pages 10, 34–35)
- Successful response to COVID-19 challenges to ensure continuity of Council business operations and the safety of staff and the community (pages 6–11)
- Completion of indoor and outdoor works at The Station (formerly Nexus) to activate this important youth facility (page 43)
- Preparation of draft Asset Plan as part of deliberative engagement with the Community Panel
- Preparation of a draft 10-year Capital Works Plan to inform Council's Long Term Financial Plan
- Completion of asset data capture and modelling of long term asset renewals requirement to inform the Asset Plan and Long Term Capital Plan
- Completion of roofing project at the Horsham Regional Livestock Exchange providing many benefits, especially in relation to animal welfare and increased sale values (further details in 2019–20 Annual Report)
- Adoption of Zero Carbon Plan (Zero Net Emissions Plan) (pages 55, 61)
- Community consultation on the Rural Road Network Plan (page 48)
- Adoption of Social Infrastructure Framework (page 48)
- Implementation of Horsham Urban Transport Plan (page 48)



Mayor Cr Robyn Gulline
First elected: 24 October 2020
 0437 941 806
robyn.gulline@hrcc.vic.gov.au



Cr Di Bell
First elected: 24 October 2020
 0437 949 186
di.bell@hrcc.vic.gov.au



Cr David Bowe
First elected: 24 October 2020
 0437 894 605
david.bowe@hrcc.vic.gov.au

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 24 October 2020.

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.



Cr Penny Flynn
First elected: 24 October 2020
 0437 929 678
penny.flynn@hrcc.vic.gov.au



Cr Claudia Haenel
First elected: 24 October 2020
 0437 972 592
claudia.haenel@hrcc.vic.gov.au



Cr Les Power
First elected: 22 October 2016
Re-elected: 24 October 2020
 0419 922 687
les.power@hrcc.vic.gov.au



Cr Ian Ross
First elected: 24 October 2020
 0409 330 603
ian.ross@hrcc.vic.gov.au

Meetings of Council

Council conducts open public meetings on the fourth Monday of each month (third Monday in December) at the Civic Centre at 5.30pm. 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 of 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.

Traditionally, Council meetings have been held in the Council Chamber, with members of the community welcome to attend and observe from the gallery. With the continuation of lockdowns in 2020-21 due to COVID-19, Council meetings were once more a combination of face-to-face and online meetings.

In 2020-21, Horsham Rural City Council held 16 Council meetings. This included 11 face-to-face meetings in the Council Chamber and five online Council meetings streamed live on the Council website www.hrcc.vic.gov.au. Audio recordings were made available following all meetings (pages 10-11).

During this period, 24 questions were submitted to Public Question Time.

The following table provides a summary of Councillor attendance at Council meetings for the 2020-21 financial year.

Councillor	Scheduled Council Meeting Attendance	Additional Council Meetings Attendance	Total
Cr Pam Clarke (2020)	4	1	5
Cr David Grimble (2020)	4	1	5
Cr Alethea Gulvin (2020)	4	1	5
Cr Josh Koenig (2020)	4	0	4
Cr Mark Radford (2020)	4	1	5
Cr John Robinson (2020)	4	1	5
Cr Di Bell (2021)	7	3	10
Cr David Bowe (2021)	8	3	11
Cr Penny Flynn (2021)	8	3	11
Cr Robyn Gulline (2021)	8	3	11
Cr Claudia Haenel (2021)	8	2	10
Cr Les Power (2020 and 2021)	12	4	16
Cr Ian Ross (2021)	8	2	10

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.

In 2020-21, 32 Council Briefing meetings were held, including 15 face-to-face meetings and seven online meetings.

The following table provides a summary of Councillor attendance at Council Briefing Meetings for the 2020-21 financial year.

Councillor	Council Briefing Meeting Attendance	Councillor	Council Briefing Meeting Attendance
Cr Pam Clarke (2020)	9	Cr Di Bell (2021)	23
Cr David Grimble (2020)	7	Cr David Bowe (2021)	23
Cr Alethea Gulvin (2020)	5	Cr Penny Flynn (2021)	23
Cr Josh Koenig (2020)	6	Cr Robyn Gulline (2021)	23
Cr Mark Radford (2020)	9	Cr Claudia Haenel (2021)	22
Cr John Robinson (2020)	5	Cr Les Power (2020 and 2021)	31
		Cr Ian Ross (2021)	18

Our Council

Councillor Code of Conduct

The *Local Government Act 2020*, section 139 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 22 February 2021.

A Councillor Code of Conduct, under the 2020 Act, must include the standards of conduct expected to be observed by Councillors. A Council may review or amend the Councillor Code of Conduct at any other time, but it must be by a formal resolution of Council.

The *Local Government Act 2020*, section 139(2) states:

The purpose of the Councillor Code of Conduct is to include the standards of conduct expected to be observed by Councillors in the course of performing their duties and functions as Councillors, including prohibiting discrimination, harassment (including sexual harassment) and vilification.

Council is required to approve a Councillor Code of Conduct that incorporates the requirements under the new *Local Government Act 2020*, including the overarching governance principles and Local Government (Governance and Integrity) Regulations 2020. The regulations address the governance and integrity components of the new Act which commenced operation on 24 October 2020.

It is important for Councillors to be aware of how the standards of conduct fit within the overall Councillor Conduct framework, as a breach of the standards of conduct will constitute misconduct and be subject to sanctioning by an arbiter. It is therefore critical for all Councillors to be familiar with the standards of conduct and the distinction between the standards and the rest of the Councillor Code of Conduct.

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, statutory and general obligations and Standards of Conduct.

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 interest of the public. A conflict of interest exists even if no improper act results from it.

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 also has a comprehensive Conflict of Interest Procedure and Declaration Form in place to ensure that staff fully and properly declare all general and material conflicts of interest 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 and published on the Horsham Rural City Council website – www.hrcc.vic.gov.au

During 2020-21, there were 37 conflicts of interest declared at Council meetings.

Councillor Allowances

In accordance with Section 39 of the *Local Government Act 2020*, 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	Applicable Timeframe	Allowance \$	Amount Surrendered for COVID-19 Support \$
Cr Mark Radford (Mayor)*	01/07/2020 until 23/10/2020	21,553.44	1,000.00
Cr Pam Clarke	01/07/2020 until 23/10/2020	7,214.31	
Cr David Grimble*	01/07/2020 until 23/10/2020	7,214.31	7,214.31
Cr Althea Gulvin	01/07/2020 until 23/10/2020	7,214.31	
Cr Josh Koenig	01/07/2020 until 23/10/2020	7,214.31	
Cr John Robinson*	01/07/2020 until 23/10/2020	7,214.31	7,214.31
Cr Les Power*	01/07/2020 until 30/06/2021	23,615.12	7,214.31
Cr Robyn Gulline (Mayor)	24/10/2020 until 30/06/2021	49,836.77	
Cr Di Bell	24/10/2020 until 30/06/2021	16,400.81	
Cr David Bowe	24/10/2020 until 30/06/2021	16,400.81	
Cr Penny Flynn	24/10/2020 until 30/06/2021	16,400.81	
Cr Claudia Haenel	24/10/2020 until 30/06/2021	16,400.81	
Cr Ian Ross	24/10/2020 until 30/06/2021	16,400.81	

*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 the COVID-19 pandemic.

Our Council

Councillor Expenses

In accordance with Section 40 of the *Local Government Act 2020*, Council is required to reimburse a Councillor for expenses incurred whilst performing their duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment

of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. The Council Expenses Policy was reviewed this year in accordance with the *Local Government Act 2020* and subsequently adopted by Council.

The Council Expenses Policy 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.

Details of Councillor expenses for the 2020-21 year are set out in the following table.

Expense Category	Cr Robyn Gulline* (Mayor) \$	Cr Di Bell* \$	Cr David Bowe* \$	Cr Penny Flynn* \$	Cr Claudia Haenel* \$	Cr Les Power \$	Cr Ian Ross* \$
Child Care							
Communications	1,262.15	1,209.45	1,207.73	1,207.73	1,430.71	543.39	1,257.03
Conferences and Seminars	1,058.18	609.99		455.00	1,064.08	1,058.18	
Development and Training	3,117.59	3,117.57	3,117.57	3,517.57	3,517.57	3,117.57	3,117.58
Entertainment							
Memberships	85.00			85.00	85.00		
IT Equipment	2,069.00	2,069.00	2,069.00	2,069.00	2,294.00	2,069.00	2,294.00
Transportation	6,916.00				4,136.10		6,346.33
Travel and Accommodation	816.51			400.91	1,266.72	772.45	
Other Costs	155.83	155.83	155.83	155.83	155.83	100.00	683.38
Total \$	15,480.26	7,161.84	6,550.13	7,891.04	13,950.01	7,660.59	13,698.32

*24 October 2020 to 30 June 2021

**1 July 2020 to 23 October 2020

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 2020-21



Details of Councillor expenses for the 2020-21 year are set out in the following table... *continued*

Expense Category	Cr Mark Radford** \$	Cr Pam Clarke** \$	Cr David Grimble** \$	Cr Althea Gulvin** \$	Cr Josh Koenig** \$	Cr John Robinson** \$	Total \$
Child Care							
Communications	259.81	70.91	70.92	70.94	70.92	141.82	8,803.51
Conferences and Seminars							4,245.43
Development and Training							22,623.00
Entertainment							
Memberships							255.00
IT Equipment							14,933.00
Transportation	5,434.00						22,832.43
Travel and Accommodation							3,256.59
Other Costs							1,562.55
Total \$	5,693.81	70.91	70.92	70.94	70.92	141.82	78,511.51

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 provided to the right.



Chief Executive Officer

Sunil Bhalla

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

- Management and performance of all Council operations including \$60 million budget
- Ensure that day-to-day management of Council's operations are in accordance with the *Local Government Act 2020* and align with the Council Plan
- Provide advice and support to Council
- Direct responsibility for Council's Directors

Senior Officers Reporting Directly to the Chief Executive Officer



Director Communities and Place

Kevin O'Brien

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

Arts, Culture and Recreation

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

Community Services and Safety

- Community Inclusion
- Community Safety
- Environmental Health
- Miscellaneous Projects
- Municipal Emergency Recovery
- Wimmera Emergency Management Project
- Youth and Early Years

Investment Attraction and Growth

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



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
- Property Management

People and Culture

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



Director Infrastructure Services

John Martin

BE (Agric)

Engineering Services

- Engineering Design
- Facilities management
- Project Office

Operations

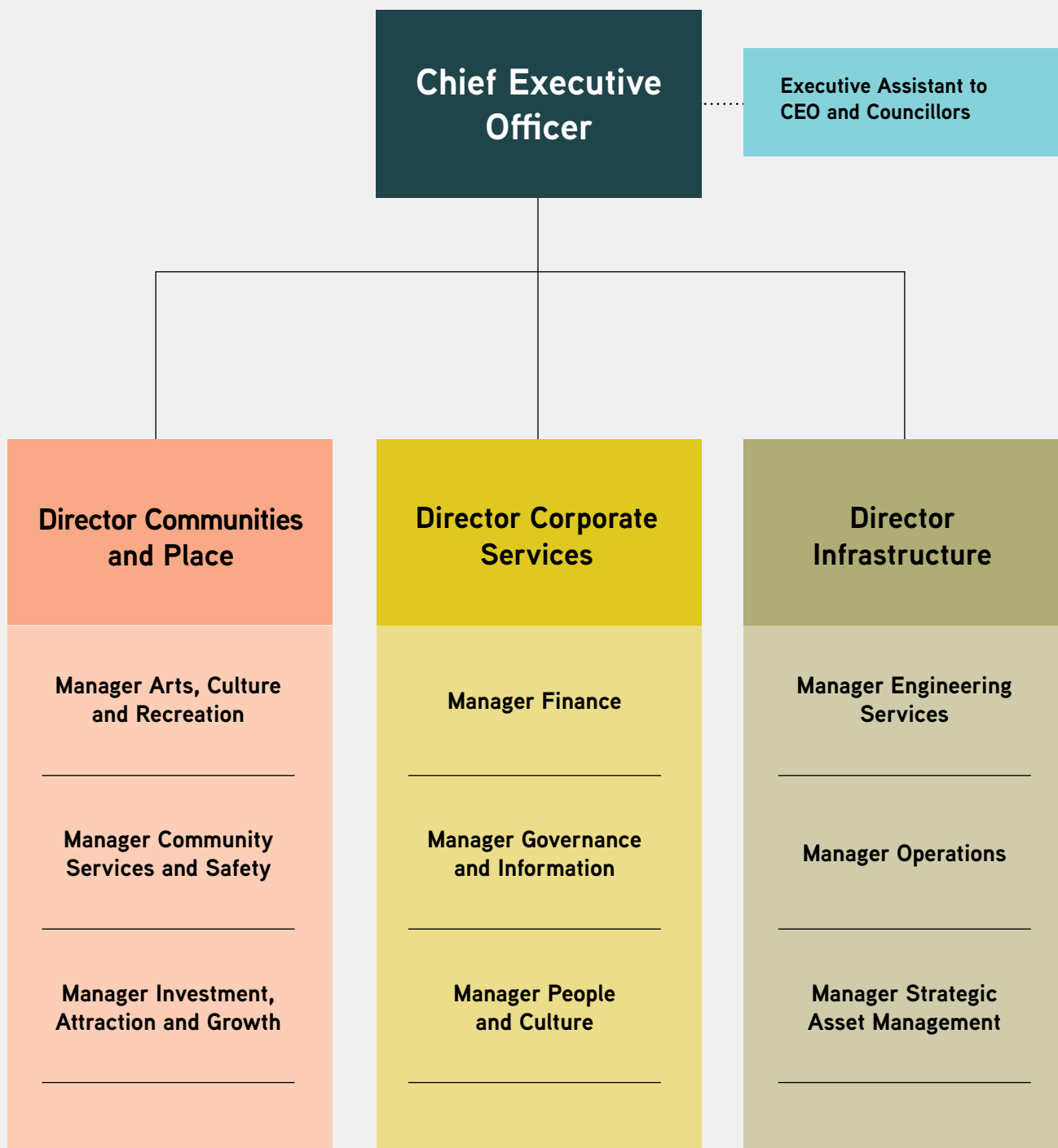
- Civil Works
- Horsham Rural Livestock Exchange
- Parks and Gardens
- Waste Operations

Strategic Asset Management

- Assets
- Fleet
- Waste and Sustainability

Our People

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



A



I



R

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

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

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

RESPECT

We value diversity
and appreciate others
and will not tolerate
sexual or other forms
of harassment

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

Equal Employment Opportunity

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

Council's equal opportunity program ensures there is no discrimination relating to the characteristics listed under the *Equal Opportunity Act 2010* such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious

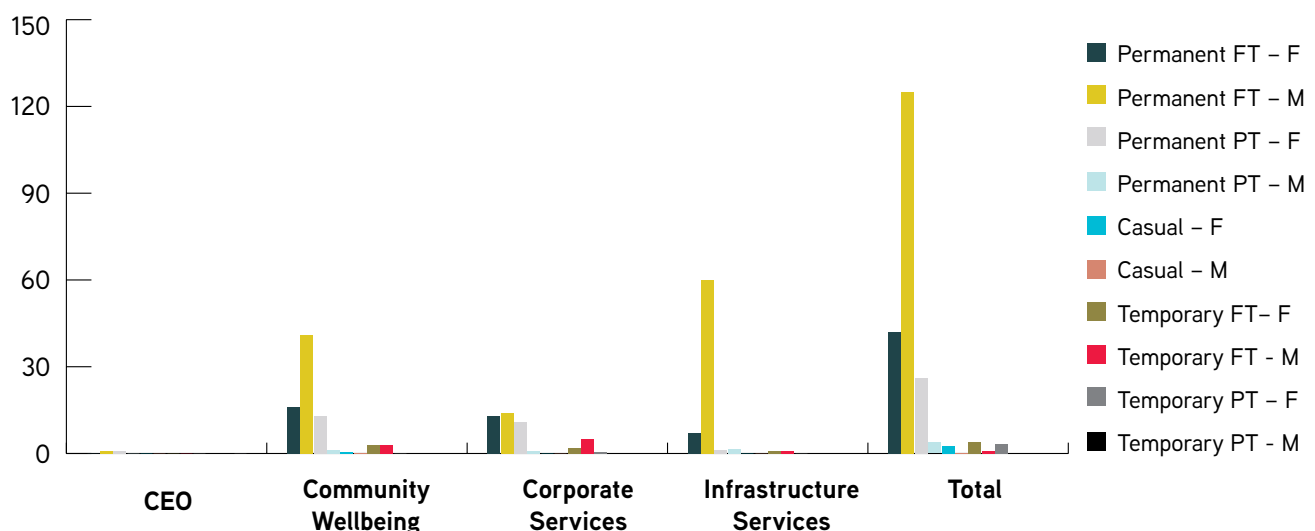
or political affiliation, gender identity and sexual orientation. Further objectives include ensuring the workplace is free from bullying and harassment.

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 in relation to equal opportunity.

Throughout the year, no formal Equal Opportunity complaints were received, and overall, it is considered that Horsham Rural City Council exercised its duties and responsibilities in suitable accordance with the requirements and obligations of the *Equal Opportunity Act 2010*.

Number of Staff (FTE) 2020/2021

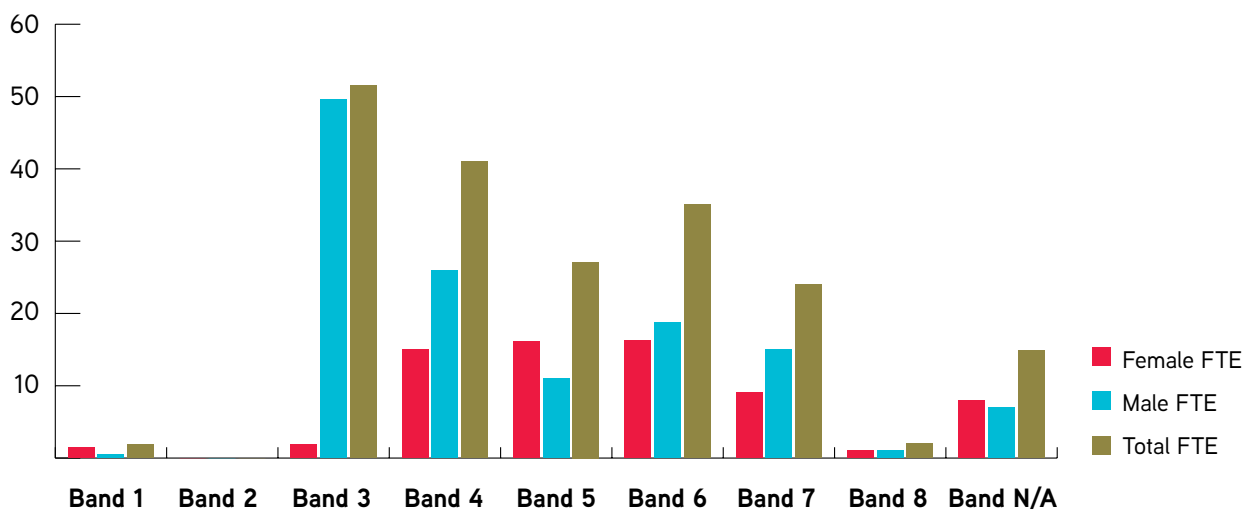
A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender is set out below.



Employee type/gender	CEO FTE	Community Wellbeing FTE	Corporate Services FTE	Infrastructure Services FTE	Total FTE
Permanent FT - F	0.00	16.00	13.00	7.00	36.00
Permanent FT - M	1.00	41.00	14.00	60.00	116.00
Permanent PT - F	0.80	13.07	10.29	1.21	25.37
Permanent PT - M	0.00	1.34	0.80	1.66	3.80
Casual - F	0.00	0.64	0.00	0.00	0.64
Casual - M	0.00	0.05	0.00	0.00	0.05
Temporary FT - F	0.00	3.00	2.00	1.00	6.00
Temporary FT - M	0.00	3.00	5.00	1.00	9.00
Temporary PT - F	0.00	0.00	0.62	0.00	0.62
Temporary PT - M	0.00	0.00	0.00	0.00	0.00
Total	1.80	78.10	45.71	71.87	197.48

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	1.41	0.47	1.88
Band 2	0.00	0.00	0.00
Band 3	1.93	49.61	51.54
Band 4	14.97	26.00	40.97
Band 5	16.12	11.00	27.12
Band 6	16.24	18.80	35.04
Band 7	9.04	15.00	24.04
Band 8	1.00	1.00	2.00
Band not applicable	7.92	6.97	14.89
Total	68.63	128.85	197.48

Staff Profile



Professional Development

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

During 2020-21, 23 Council staff were undertaking the following:

- Master of Infrastructure Engineering and Management
- Master of Natural Resources and Management
- Bachelor Civil Engineering
- Bachelor Management and Human Resource Management
- Bachelor Urban, Rural and Environmental Planning
- Advanced Diploma Public Safety (Emergency Management)
- Diploma of Risk Management and Business Continuity
- Diploma of Project Management
- Certificate IV Leadership and Management (11 staff)

Two staff also completed the Leadership Wimmera Program and a further four staff commenced the program during 2020-21.

Throughout the COVID-19 pandemic, it has been necessary to cancel or delay some of Council's training due to lockdowns and restrictions. Council has, however, continued to provide a comprehensive corporate learning program that supports a broad range of staff development needs, including an online training system that covers off on many levels of compliance training. This is developed in alignment with strategic priorities and 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 2020-21 was on developing a base level of skills for staff in Team Leader and Co-ordinator roles through the study of 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 the aim to have an injury-free workplace for all our employees. The Occupational Health and Safety (OHS) Committee remains active, meets monthly, and plays a key role in a co-operative organisational approach to OHS awareness, improvement and compliance.

In 2020-21, Council continued to be a member of the Municipal Association of Victoria (MAV) self-insurance workers' compensation scheme, MAV WorkCare, involving ongoing compliance and improvement efforts to ensure continued registration of the scheme by WorkSafe Victoria.

It was ultimately determined that MAV WorkCare would not be re-licensed from 1 July 2021, and that member Councils would be redirected back into the WorkCover scheme. Horsham Rural City Council was subsequently allocated a new insurance agent selected by WorkSafe from its panel of

accredited agents and we will become a client of Xchanging on 1 July 2021.

Despite this change, Council's OHS direction will continue to focus on:

- 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.

2020-21 OHS Snapshot

- A focus on encouragement and assistance for staff to report safety-related issues continued this year resulting in:
 - 124 incidents reported across all work areas
 - 35 plant/vehicle incidents reported
 - 60 personal incidents reported.
 The incident reporting system also provides the mechanism for staff to report on property damage incidents, hazards, near misses and security incidents.
- 15 WorkCover claims were accepted by the insurer this year, compared with eight in 2019-20 (10 of these claims were closed within the reporting period).
- Initial five-day OHS training completed by two staff in support of their roles as Designated Work Group Representatives.



- A formal report on the implementation of the OHS Management Plan was provided to the Executive Management Team in February 2021.
- Comprehensive audits, inspections and follow-up briefings in relation to four operations-focused business units were conducted by the OHS Officer in conjunction with managers, supervisors and staff responsible for road maintenance, road construction, waste management and community safety.
- Monthly reporting from the Chief Executive Officer via the weekly Tuesday Topics email on OHS Committee and related OHS activities.

Enterprise Bargaining Agreement

Enterprise Agreement Number Nine, which commenced on 5 February 2020, remained applicable throughout the reporting period. It has a nominal expiry date of 30 June 2022. The second of three 2.1% (or \$28 per week) increases under the agreement was applied in July 2020. Some preliminary internal work on preparations for Enterprise Agreement Number 10 commenced prior to 30 June 2021, in accordance with a commitment for the consolidation of the current document which comprises three parts that need to be read together:

- Part A** – Horsham Rural City Council local provisions
- Part B** – Victorian Local Authorities Award 2001
- Part C** – Nurses (ANF – Victorian Local Government) Award 2015.

Consolidation of these three parts will facilitate reading and understanding of the Enterprise Agreement and help to avoid confusion and misinterpretation that sometimes occurs when staff reference the existing complex agreement.

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 10,000 of population was 50% more than the Victorian LGA average and Horsham has consistently had the highest rate of family violence incidences in the Grampians Region (2014-2019). Since 2014, 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 2020-24 Council Plan lists four priorities, one advocacy action and two external factors that inform the plan in relation to violence, and the 2017-21 Municipal Public Health and Wellbeing Plan includes a section on preventing family violence. Council supports a range of initiatives to prevent violence.

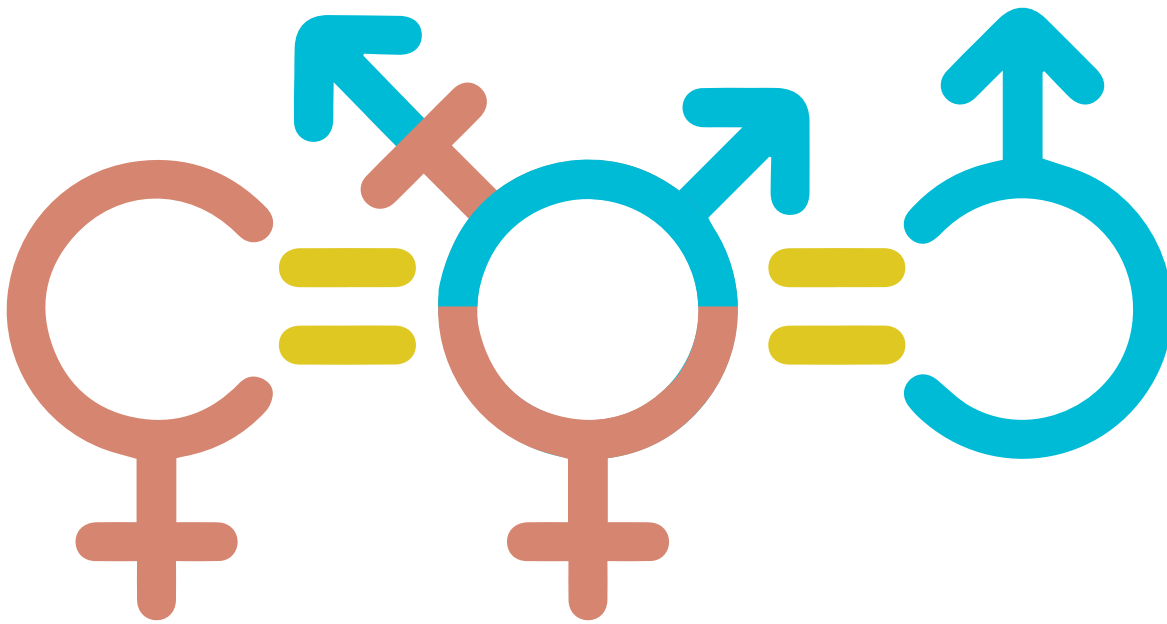
Council's Gender Equality Action Plan will include strategies and measures to address the gender equality indicators stated in the *Gender Equality Act 2020*, including levels of sexual harassment in the workplace and the availability and utilisation of terms, conditions and



practices relating to family violence leave. Council will also complete Gender Impact Assessments when developing or reviewing any policy, program or service that has a direct and significant impact on the public, in order to meet the individual needs and safety requirements of people of different genders.

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 2021-25 Strategy has been developed to help guide and direct individual and collective work in building communities of respect and equality, and preventing violence against women before it occurs.

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



Gender Equality Act 2020

The *Gender Equality Act* commenced on 31 March 2021 and is the first of its kind in Australia. It requires Victorian public sector agencies such as local Councils to measure, report on, plan for and progress gender equality in their organisations. Importantly, the *Gender Equality Act 2020* requires Councils to consider gender equality, not only in their workforce, but in the policies, programs and services that they deliver.

Over the years, Horsham Rural City Council has shown its commitment to advancing gender equality and reducing levels of violence against women through its involvement in the Grampians based Communities of Respect and Equality Alliance (CoRE Alliance) (page 28). The *Gender Equality Act 2020* extends this commitment, with obligations that are ongoing and actioned through two separate pieces of work.

The Gender Equality Action Plan is currently being developed. It is internally focused and includes a workplace gender audit which establishes baseline organisational data against workplace gender equality indicators⁴.

Employee experience data gathered through the People Matters Survey, which Council staff participated in early 2021, supports the de-identified workforce data which was collected as part of the gender audit. Combined data will support evidence-based strategies and measures that underpin our Gender Equality Action Plan, which is due for submission on 1 December 2021.

The second area of work, the Gender Impact Assessment, is focused on outcomes for the public and considers how organisational policies, programs and services will meet the needs of women, men and gender diverse people. Gender Impact Assessments are more external in focus and aim to create better and fairer outcomes, and ensure all people have equal access to opportunities and resources. Gender Impact Assessments are everyone's responsibility, and all activity and actions will be recorded and collated for reporting over the next two years. Training opportunities and workshops will be provided to Council staff to help them understand and complete Gender Impact Assessments.

Horsham Rural City Council acknowledges that gender equality is a human right and precondition to social justice, improves economic, social and health benefits for Victoria and is a precondition for the prevention of family violence and other forms of violence against females. Through meeting and exceeding its expectations under the Act, Council aims to advance gender equality in the workplace and the community.

⁴The workplace gender equality indicators are:

- Gender pay equity
- Gender composition at all levels of the workforce
- Gender composition of governing bodies
- Workplace sexual harassment
- Recruitment and promotion
- Gendered work segregation
- Leave and flexibility.

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 municipality to improve community facilities and events, and work together for more engaged and healthy communities. Council provided a total of \$358,820 in Community Grants and Donations this year. Details are provided below.

Sport and Recreation	\$
AFL Wimmera Mallee - health and fitness equipment	750
Annual allocation to assist funding applications	15,000
Haven Tennis Club - temporary lighting - junior tournament	2,640
Horsham Flying Club - portable toilets for competitions	1,750
Horsham Golf Club - sprinklers	2,000
Horsham Little Athletics Centre - upgrade PA system (portable)	1,556
Horsham Pony Club - custom made covered trailer	4,500
Horsham Saints Football Netball Club - Coughlin Park playground equipment	5,000
Horsham Squash Club - lighting equipment for courts 3 and 4	2,500
Horsham Swimming Club - coaching stopwatches and speaker system	1,787
Jung Tigers Cricket Club - display cabinets for three user clubs	1,000
Laharum Sports Incorporated - digital netball scoreboard	2,750
Natimuk and District Field and Game - installation of solar power/battery	8,000
Natimuk and District Gymnastic Club - little Aussie ninja course and equipment purchase	2,500
Natimuk Bowling Club - replace toilets and plumbing	3,000
Natimuk Golf Club - ride on mower	2,500
Quantong Football Netball Club - new oven to support catering	2,000
Riverside Recreation Reserve - watering system main oval project	4,767
Specific Donation - Horsham Basketball Stadium (lease)	15,500
Toolondo Golf Club - replace boundary fencing	1,000
Community maintained Recreation Reserve maintenance allocation	\$
Clear Lake	520
Coughlin Park (Council allocation of outdoor staff resources)	12,340
Dock Lake	12,340
Dooen Recreation Reserve	520
Kalkee	6,170
Laharum	12,340
Natimuk Showgrounds	6,170
Noradjuha	3,060
Pimpinio	6,170
Quantong	12,340
Riverside - equestrian outdoor surface	520
Toolondo	520
Total – Sport and Recreation	153,510

Halls Infrastructure	\$
Brimpaen Reserve Committee of Management - Brimpaen Hall door replacement	1,044
Hamilton Lamb Hall Committee - gas heater replacement	1,627
Insurance levy for public halls	12,174
Insurance levy for other community facilities	9,107
Laharum Public Hall - paint interior	4,000
Taylors Lake Hall - installation security system	995
Wonwondah Hall Volunteer Group - new swing for playground area	4,000
Total – Halls	32,947
Kindergartens	\$
Green Park Kindergarten - foyer upgrade	2,000
Maintenance grants - \$870 each for Council's four kindergartens	3,480
Natimuk Road Kindergarten - outdoor space upgrade and improvements	3,460
Total – Kindergartens	8,940
General Welfare and Community Services	\$
Christian Emergency Food Centre - Christmas hampers	5,000
Horsham College Chaplaincy Committee	5,710
Wimmera River Improvement Committee	8,360
Wimmera River Improvement Committee Police Paddock	2,450
Wimmera Toy Library - educational toys	980
Total – General Welfare and Community Services	22,500

Community Development Grants and Donations

Organisations	\$
3 rd Horsham Brownies and Guides (Horsham Girl Guides) - Guide Hall improvements	964
Arapiles Historical Society - digitisation equipment	5,000
Charitable Organisations - refund of rates	6,783
Dadswells Bridge Newsletter	270
Federation University Horsham Campus Nursing Award	300
Gariwerd Wimmera Reconciliation Network - support for network establishment and education	3,660
Haven Bush Playgroup - toy upgrade	950
Holy Trinity Lutheran College Senior Achievement Award	200
Horsham Arts Council - defibrillator, microphones and speakers	2,800
Horsham City Pipe Band	1,740
Horsham City Pipe Band - defibrillator	1,000
Horsham College - Alternate Pathways Achievement Award	200
Horsham College Senior Achievement Award	200
Horsham and District Community FM Radio - outside broadcast upgrade, sound system	1,863
Horsham Historical Society - audio visual upgrade and improvements	3,000
Horsham Lions Club - air conditioner	3,000
Horsham Men's Shed - roof extraction fan	2,558
Horsham RSL Sub-Branch - support new WW2 memorial, DVA Grant	8,000
Horsham Rural City Brass Band	1,740
Horsham Urban Landcare - Horsham Repair Café (upcycling)	1,300
Lions Club of City of Horsham - electrical switchboard and kitchen upgrade	2,000
Longerenong Citizenship Award	300
Natimuk Brass Band	1,740
Natimuk and District Progress Association	1,580
Natimuk Urban Landcare - NC ² garden rejuvenation	3,670
North West Grampians Newsletter	1,580
Oasis Wimmera - support of group activities	2,500
Sing Australia Horsham - Singing with Seniors	430
St Brigid's College Senior Achievement Award	200
The Patch at the Salvation Army Horsham - cubby house at community garden	5,000
U3A Horsham and District - tai chi for seniors	1,000
Wimmera Association for Genealogy	330
Wimmera Mobility Group - group activities support	600

Organisations	\$
Wonwondah North Hall Newsletter	270
Wimmera Poultry Club (Horsham Agricultural Society) - safety upgrade of show shed including power and doorways	4,500
Wimmera Pride Project - support of pride night event	2,500
Wimmera Southern Mallee LLEN - Let's Read Horsham	1,500
Wimmera Woodturners Guild - defibrillator	1,000
Total – Organisations	76,228

Events	\$
Art Is Festival	7,000
Beyond Community Inclusion - disability fashion parade roadshow	5,000
Business Horsham - managing mental health in the workplace*	900
Horsham and District Orchid Society - 2020 Spring show*	900
Horsham Agricultural Society - Farmer Bob Buchanan entertainment*	1,500
Horsham Christian Ministers Association - Horsham Carols by Candlelight 2020*	4,000
Horsham Fishing Competition - Horsham fishing competition event support	5,000
Horsham Karen Community Group - Karen new year celebrations (January 2021)*	6,000
Horsham Mother's Day Classic - raise funds and awareness breast cancer research	500
Horsham Motorcycle Club - portable crowd barriers to support future events	2,195
Horsham Rockers - Rockin' at the Races (Horsham Rockers annual dance)*	2,500
Horsham Spring Garden Festival - power supply upgrade	1,000
Kannamaroo Committee of Management - 2020 Kannamaroo festival*	5,800
Makers Gallery and Studio - Makers Christmas market, marketing support*	400
Natimuk A & P Society - family entertainment, 129 th Natimuk show	1,000
Horsham East Landcare Group - On the Brink music festival*	4,000
Rotary Club of Horsham East - Wimmera science and engineering challenge	6,000
Rotary District 978 - Defying the Drift event	1,500
Wimmera and Southern Mallee Careers Association - Western Victorian Careers Expo, guest speaker*	3,500
Wimmera Music Eisteddfod - Wimmera Music Eisteddfod 2020 – hire of Horsham Town Hall*	6,000
Total – Events	64,695
Total Community Grants and Donations Funded	358,820

*Funding allocated, however, event impacted by COVID-19

Business and Community COVID-19 Support Grants

This year, Council allocated grants for individuals, businesses and community organisations to help prepare, respond and build resilience to face the challenging situations that have arisen during the COVID-19 pandemic. Restrictions have had a significant economic impact on local arts, events, recreation, hospitality, tourism, retail and community groups.

This grants program provided support to affected people and groups located in the Horsham municipality through the following streams:

- Stronger Business
- Health and Wellbeing
- Recreation and Community Recovery
- Business Front Upgrades
- Arts and Events Activation.

	\$
Stronger Business	83,098
Aldo's Joinery	2,000
Best Westlander Motor Inn	2,750
Brown's Video Photography	2,800
Bunjil's Collective	600
Café Jas	4,000
Cat Nap Boarding	1,200
Cooks Manchester	1,000
Earle's Horsham	1,500
Farmgirl Produce	800
Fred and Hilda Kids	1,000
Gateway West Tours	2,000
Grampians Edge Caravan Park	1,000
Grampians Organics	800
Hoof Print Products	1,500
Horsham Autoglass	1,000
Horsham and District Racing	3,500
Horsham Martial Arts	2,500
Horsham School of Dance	2,000
I Do Events Planning and Management	1,500
Imelda Shoes and Accessories	1,091
Kellie McAlpine Remedial Massage	1,000
Lattanzio's	3,000
Mackay's Leading Edge Jewellers	2,000
May Park Executive Apartments	4,900
Menco Hair	1,800
Meringa Springs	2,000
MJM Heave Equipment Repair	3,000
Nourish'd Eatery	2,063
Olde Horsham Motor Inn	4,724
Patchwork Jungle	570
Planet Feelgood	2,600
Royal Hotel	4,200
Sassi Beauty Bar and Hair Design	3,000
Simply Skin and Body	1,510

	\$
Stronger Business <i>continued</i>	
Smart Fit Tailoring and Alterations	3,500
Thai Basil	500
Thea Jane Media	2,249
Wimmera Celebrant	1,091
Wimmera Trophies and Gifts	4,850
	\$
Arts and Events Activation	85,790
ACT Natimuk	5,000
Art is... festival	1,000
Boarding House Studios	3,000
Haven Market	5,000
Horsham Agricultural Society	5,000
Horsham Agricultural Society - 150km Feast	5,000
Horsham College Production	2,500
Horsham Combined Churches	5,000
Horsham Fishing Competition	5,000
Horsham Motorcycle Club	5,000
Horsham Volleyball Association	5,000
Kannamaroo Committee	5,000
Mary French	1,000
Natimuk Agricultural Society	5,000
Redrock Books and Gallery	2,992
Rotary Art Fair	1,000
St Brigid's College Production	5,000
Silo Art Project	10,000
Summer Brushes	5,000
Wimmera Music Eisteddfod	3,298
Wimmera Rockers	1,000
	\$
Health and Wellbeing Grant Stream	20,877
Lets Read	10,000
Natimuk Connections	2,877
Planet Feelgood	3,000
Rural Outreach Program	5,000

	\$
Business Fronts Grants	86,418
Cooks Manchester and Lingerie	3,000
Dooen Road Milk Bar	3,000
Earles Horsham	3,000
East Coast Interstate Removals	2,000
GK Autos and Hire	3,000
Grampians Olive Co	3,000
Gypsy Willow	2,450
Horsham Charcoal Chickens	3,000
Horsham Family Footwear	1,840
Horsham Undercover	1,595
I Do Events Planning	1,650
JNF Freight	1,250
Lattanzio's	3,000
Macchia Jewellery	1,980
Maria's Barber Shop	698
Mick Harrison signs	3,000
Miss Horsham	1,968
Moes Mexican Bar and Grill	2,662
Natimuk Arapiles Shop	1,210
Natimuk Café	5,000
Natimuk Post and Pharmacy	1,200
Norton Estate	2,000
Nourish'd Eatery	2,453
Olde Horsham Motor Inn	3,000
Onya Back Bedding and Furniture	3,000
Patchwork Jungle	1,322
Ploughmans Motor Inn	3,000
Redrock Books and Gallery	2,520
Rick Smith Motors	3,000
Royal Hotel	2,220
Sassi Beauty Bar and Hair Design	3,000
Seers Smokehouse	3,000
Tint - A – Rama	2,400
Wimmera Denture Clinic	3,000
Wimmera Meat Market	3,000

	\$
Recreation and Community Recovery	75,800
Central Park Tennis Club	1,500
Colts Cricket Club	2,000
Coughlin Park Bowls Club	2,000
Haven Tennis Club	1,500
Homers Sporting Club	2,000
Horsham Basketball Association	1,000
Horsham and District Community FM Radio	2,000
Horsham and District Soccer Club	2,000
Horsham Angling Club	2,000

	\$
Recreation and Community Recovery <i>continued</i>	
Horsham Agricultural Society	2,000
Horsham Calisthenics Club	1,500
Horsham City Bowling Club	1,500
Horsham City Netball	1,500
Horsham Croquet Club	1,000
Horsham Demons Football and Netball Club	2,000
Horsham Dog Obedience Club	1,500
Horsham Girl Guides	1,500
Horsham Historical Society	200
Horsham Hockey Club	1,200
Horsham Motorcycle Club	1,500
Horsham Motor Sports Club	1,500
Horsham People for Animal Welfare and Support	1,500
Horsham Pony Club	900
Horsham Saints Football and Netball Club	2,000
Horsham Spring Garden Festival	700
Horsham Squash Club	1,200
Horsham Swimming Club	1,500
Horsham Table Tennis Association	1,500
Horsham West Bowling Club	1,000
Horsham Volleyball Association	2,000
Jung Tigers Cricket Club	1,500
Kalimna Park Croquet Club	500
Kalkee Football and Netball Club	1,500
Kanagulk Memorial Reserve	1,000
Laharum Cricket Club	1,500
Laharum Hall Committee	1,000
Mitre Hall Committee of Management	900
Natimuk and District Gymnastics Club	2,000
Natimuk Bowling Club	1,500
Natimuk Farmers' Market Plus	1,500
Natimuk Soldiers Memorial Hall	500
Quantong Recreation Reserve	1,500
Rotary Club of Horsham	1,500
Sailors Home Hall Committee of Management	500
Sunnyside (Horsham) Sporting Club	1,500
Telangatuk East Hall Committee	600
Vic No-Till Farmers	2,000
Wimmera and District Umpires Group	1,000
Wimmera Equestrian Club	1,500
Wimmera Girls Cricket	1,500
Wimmera Hearing Society	2,000
Wimmera Mallee Historical Vehicle Society	1,500
Wimmera Model Aircraft	1,500
Wonwondah Hall	600



Council Plan

The *Local Government Act 2020* requires all Victorian Councils to prepare and adopt a Council Plan for a period of at least the next four financial years after a general election.

The Council Plan 2020–24 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 64–79).

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.

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, the Australia Day ceremony was conducted at the Horsham Town Hall and livestreamed via the Horsham Rural City Council website and Facebook page to celebrate our national day on 26 January.

The ceremony started with a welcome speech by Master of Ceremonies, Simon Risson.

The event included a flag raising ceremony conducted by the Horsham Girl Guides and Scouts, welcome address by Cr Robyn Gulline, Mayor, and Ester Fry from the Horsham Arts Council singing the National Anthem. An Ambassador address via video by Tim Conolan, AM, Founder of TLC for Kids was presented at the ceremony.

This year's Horsham Rural City Council Australia Day Award recipients were:

• **Citizen of the Year – Colin Puls**

In addition to running a successful business in Horsham, Colin has been the driver behind the Sunnyside Lutheran Retirement Village aged care facility for 38 years. His skill to seek out and assist with successful funding applications has allowed the centre to prosper.



Emma Kealy (left) and Cr Robyn Gulline, Mayor (right) congratulate award recipients Bart Turgoose, Robbie Millar and Colin Puls at the Australia Day ceremony in Horsham.

• **Young Citizen of the Year – Bart Turgoose**

In 2018 at the age of 13, Bart commenced volunteering at the Horsham Agricultural Society to begin his Duke of Edinburgh Award for one hour a week, and quickly progressed into volunteering at major events. He is a member of the Natimuk Field and Game and volunteers his time on the committee at working bees and selling merchandise at competitions.

• **Community Event of the Year – 60 Years of Community Rock**

60 Years of Wimmera Rock was a three-day community event which saw Wimmera band members reunite. This reunion was enjoyed by thousands of former and current Horsham residents, along with band members returning to Horsham to perform. Current local bands were also included in three concerts over two nights across the city from Maydale Pavilion at the Showgrounds, to the Town Hall Theatre and Heritage Hall.

The event was challenged by inclement weather and scheduled concerts at the Soundshell were relocated to the Heritage Hall and the Exchange Hotel at short notice.

Australia Day celebrations were also held in Natimuk, Dadswells Bridge and Brimpaen as COVIDSafe outdoor gatherings.

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 phone (03) 5382 9777.



Emma Kealy, Member for Lowan (left) and Cr Robyn Gulline, Mayor (right) provide a warm welcome to Vic Tan and Moyosore Kalopo at the Australian Citizenship Ceremony in Horsham.



WSM Early Years Project

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.

In 2020-21, Horsham Rural City Council conducted only one Australian Citizenship Ceremony due to COVID-19 restrictions. Four candidates were welcomed into Horsham Rural City from India, Spain and Romania.

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 phone (03) 5382 9777.

Award Winning Paediatric Health Initiative

The Wimmera Southern Mallee's "By Five" Specialist Paediatric Support Partnership was awarded winner of the Creating Collaborative Community Partnerships category at the 2020 Victorian Early Years Awards in November.

The award recognises initiatives promoting collaborative practices to support and demonstrate positive outcomes for children and families.

"By Five" commenced as a response to the 2018 Australian Early Development Census that exposed a growing gap in the school-readiness of rural children compared with children living in urban areas.

Local Maternal Child Health providers and the Royal Children's Hospital created the research-based, shared care initiative to successfully connect specialist expertise with local primary health providers via digital health.

Previously, many rural children were being referred to specialist services in major cities for health and development issues that could be resolved locally. They can now receive that expertise through local primary care services that they trust and use every day.

"By Five" is a partnership between Horsham Rural City Council, Yarriambiack, West Wimmera and Buloke Shire Councils, Uniting Wimmera, Murdoch Children's Research Institute and the Royal Children's Hospital. It extends to over 50 health, education and family service providers working with children, together with the Department of Education and Training and the Department of Health and Human Services.

Goal 1 – Community and Cultural Development



The Sea of Hands event at May Park during National Reconciliation Week provided an opportunity to raise awareness and take a moment to reflect.



Innovate Reconciliation Action Plan

National Reconciliation Week 2021 saw a collaborative approach by a number of Wimmera organisations. The week launched with a morning tea and a symbolic sea of hands event in May Park. On the day, people collected large cut-out hands in the colours of black, yellow and red and planted them in the ground to form a large display. It provided an opportunity to raise awareness and also allow moments of reflection during the planting as to how to support the 2021 National Reconciliation Week theme *“More than a word - reconciliation takes action.”* The sea of hands event ran alongside a display of smaller hands at the Horsham Regional Art Gallery that had been decorated by children.

This year, work continued on the implementation of Horsham Rural City Council Innovate Reconciliation Action Plan supported by the collaboration with Council’s Aboriginal Advisory Committee and the Reconciliation Action Plan Internal Working Group. A key achievement was the development of the Horsham Rural City LGA Aboriginal and Torres Strait Islander Demographic Profile, co-owned with Barengi Gadjin Land Council and Goolum Goolum Aboriginal Co-operative, to assist in providing the data basis for future works.

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 phone (03) 5382 9777.

The Horsham Town Hall

The first months of 2021 opened with a sold out performance of The Travelling Wilbury sessions in February, followed by Rachel Beck and Michael Cormick in You and I, 50 Shades and the sell-out performances of Archie Roach and the Melbourne Comedy Festival in May.

In a venue first, it was a great privilege to host local presentations of Longerenong College 2020 Graduates and Holy Trinity Lutheran College Debutantes for 2020 and 2021. Both organisations are to be commended for their drive and determination in ensuring that students who missed these significant milestones in 2020 had their chance in 2021.

The venue also experienced a welcome increase in bookings from organisations during the first months of 2021 in presenting and holding training events, meetings and forums.

Additionally, the Visitor Services Team relocated to the venue in early December 2020. Trialling Visitor Services in the venue took place over the summer with discussion, planning and modifications to staffing, service and space made to accommodate and integrate the service into the facility with an even stronger focus on customer service and responsiveness (page 45).

COVID-19 will continue to have an impact on scheduling, revenue and access to the facility. For an institution dedicated to bringing people together, Horsham Town Hall’s response to continue on and look to the future is a demonstration of our commitment to civic principles and engendering community spirit. The absence of live performance, however temporary, is a stark reminder of the significance of the arts to our culture, providing hope in a time of crisis and leadership in a time of recovery.

We thank the entire Horsham Town Hall team for their outstanding efforts in the past year and we look forward with optimism and confidence towards welcoming audiences, artists and visitors back safely.





Astrid Barry, Collection Officer, and Ben Plunkett, Digitisation Project Support Officer, show off the Horsham Regional Art Gallery collection.

Horsham Regional Art Gallery

The Horsham Regional Art Gallery continued to deliver a significant exhibition and education program this year amongst the disruption and ongoing impacts due to the COVID-19 pandemic.

Public programs were heavily impacted during the year, however, despite the gallery being closed to the public from 1 July to 30 November 2020, a number of exhibitions were still able to be hung and shared publicly. The program featured the major solo exhibition *Unstable: Megan Evans* and a still life group exhibition *Still Now*, both curated by gallery staff. The Gallery also participated in *PHOTO2021 - International Festival of Photography*, with works by Michael Cook and presented two key touring exhibitions *FEM-aFFINITY* from Arts Project and *Body Language* from the National Gallery of Australia. The gallery's own Collection works featured in a number of exhibitions to create a greater awareness of the significance of the Collection.

Public program events in the gallery were most impacted this year, yet despite this, staff successfully pivoted their efforts toward providing numerous online events including exhibition artist talks, live Q&As, pre-recorded exhibition video bites and virtual tours on the gallery's website

and social media pages. Online live presenting worked particularly well for the Gallery Education programs - Arts Club and After School and School Holiday Programs with online delivery reaching out to kids in after school hours. Workshops were also delivered as face-to-face experiences including the ever popular Mini Markers monthly creative play sessions for children under five which began this year. The 2021 Education Calendar published in January successfully reached out to schools, with term two's program offering a combination of online and face-to-face workshops. The revamped Education Calendar and refreshed program increased interest overall.

From February to July 2021, the gallery engaged a Digitisation Project Support Officer whose role was funded through the Australian Museums and Galleries Association and part of the broader Working for Victoria program. Many of the scanned images from the gallery's collection have now been skilfully edited and have helped further progress moving the physical collection online to improve access.

Following the resignation of the Gallery Co-ordinator in February 2021, the team pulled together and worked hard to ensure the quality of programs, service and offerings were consistently delivered to a high standard.



A combination of online and face-to-face educational workshops were delivered by the Horsham Regional Art Gallery this year.



The Body Language exhibition from the National Gallery of Australia was one of two key touring exhibitions presented at the Horsham Regional Art Gallery this year.

Goal 1 – Community and Cultural Development



Lani and Freya Jones with Cr Robyn Gulline Mayor, in front of their artwork "Wimmera Garden".

New public art adds vibrancy to Horsham Streetscape

Council has installed two new public artworks on Firebrace Street this year. These works add vibrancy to Horsham's Central Activity District and celebrate the local landscape, its flora and fauna.

"Wimmera Garden" is situated on the corner of Firebrace and Pynsent Streets and was created by sisters Lani and Freya Jones. It depicts flora and native birds local to the region and was inspired by experiences walking and climbing in Gariwerd (Grampians) and Dyurrite (Mt Arapiles).

"Nurrabiel" by local artist Stacey Rees (featured on the front cover and below), is an acrylic paint on brick mural located on Jos Lane, adjacent to Firebrace Street. It is an abstract impression of the natural and abundantly rich swamplands of Nurrabiel, Telangatuk and Toolondo, located south of Horsham where Ms Rees grew up. "As a child, the beauty of the landscape often went unnoticed. Now, as an adult, I see it through a more mindful lens. It's a special place and a place which holds plenty of precious memories," she said.

The artists were chosen through a community expression of interest process run by Council's Public Art Advisory Committee in mid 2020.

Public art and street art have an increasingly important role to play in activating and enhancing the liveability and experience of our natural and urban environments. Council acknowledges Powercor and local businesses at the top end of Firebrace Street for their support of the installation of these new public artworks.



Cr Robyn Gulline, Mayor and artist Stacey Rees at the official opening of the Jos Lane mural "Nurrabiel".



Horsham Youth Council

The inaugural Horsham Youth Council was formed in July 2019, following a recommendation from the 2018 Horsham Youth Strategy to establish a representative group of young people to respond to and advocate for issues relevant to young people and to support Council's engagement with them. They have had a challenging but successful term, ending in June 2021.

We are proud of the first Horsham Youth Council's achievements, especially as the majority of their term involved being creative during COVID-19 lockdowns and proactive between lockdowns.

The Youth Council has been instrumental in activating the reimaged building now known as The Station in Pynsent Street, Horsham, actioning the following four key areas:

Interior

In partnership with "90 Degrees Art", the Horsham Youth Council installed a mural inside the building. They chose a bright and friendly mural design, inclusive of all users within the space. It is a fantastic addition, making the space energetic and lively.

Due to COVID-19 restrictions, Youth Council monthly meetings were attended via the Zoom online platform. The Youth Council took to interior design and were a voice for the installation of technology in The Station to be used for events.





The Horsham Youth Council played a key role in activating The Station in Horsham's Pynsent Street this year.

Furniture was also part of the decision-making. They chose pieces that were versatile and could be re-arranged to suit the multi-purpose space. The different configurations have created a very dynamic space.

Exterior

In addition to the inside mural “90 Degrees Art”, the Youth Council co-ordinated the painting of the contest winning logo for The Station. The logo has attracted street-side appeal and attention for the utilisation of the space.

Stage 1 of the landscape redevelopment of The Station, funded by the Local Roads and Community Infrastructure Funding Scheme, commenced in May 2021. The Youth Council are in the planning stage for an official opening and outdoor events once works have been completed. They are eager to hand over to the new Youth Council which will commence in July 2021 to carry on the implementation of the plans.

Events

Between COVID-19 lockdowns, the Youth Council successfully hosted three indoor events in the newly renovated space, attracting 132 young people within the community at The Station since May 2021. This was possible due to the Engage! funding and a successful Youth Week 2021 grant.

Young people were also able to socially connect for two huge gamer events. Gaming can be a very isolating hobby, but at The Station



they were able to come together and enjoy their hobby. Youth in the community also attended a Design Your Own Hoodie workshop, where they learnt various design and printing skills.

Projects

Horsham Rural City Council, in partnership with Uniting Wimmera, secured funding for a Social Enterprise project and the Youth Council brainstormed a pop up café at The Station for “Youth Drop in Nights”. The new Youth Council will inherit this project for delivery.

The Horsham Youth Council was also a voice for Horsham Rural City Talks and hosted a Youth Voice event to provide feedback to Horsham Rural City Council.

Applications were open in June 2021 for the recruitment of a new Youth Council to be formed in July 2021. Council looks forward



to another diverse and productive Youth Council that will continue to deliver on priority issues for young people in the community, and will participate in leadership opportunities and training.



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.

Parking Management Plan

Council adopted a new Parking Management Plan in June. The new plan is designed to help make it easier for people to shop, visit and do business in central Horsham.

Some of the changes include an extension of one-hour parking to two hours, while some four-hour zones on the fringe of the city will become two-hour bays. All short term parking will become a uniform half hour across the central activity district, and restrictions will now end at 5pm instead of 5.30pm. Twenty new Disability Discrimination Act compliant carparks were also added to assist people with disabilities to enjoy the central activity district experience.

It was identified that for many people, one hour is not long enough to complete their shopping, while two hours is sufficient. The changes will allow shoppers time to complete their visit to the central activity district without needing to continuously top up their meter or move to another location.

Considerable effort was made to ensure the public had extensive input into the new plan and a community-based Project Reference Group was established to provide local knowledge and guidance about parking issues in Horsham's commercial precinct. The draft was open to public feedback for five weeks and all parties impacted were consulted.

The new plan will be rolled out in 2022 following the purchase of new meters, re-signing and marking of additional disabled parking bay and long vehicle places and removal of on-street permit parking.

The Parking Management 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.

Open Space Strategy 2019–29

Our vision is that we will be:

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

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

Important principles that underpin our delivery of open space throughout our municipality are that public open spaces will:

- Be equitably distributed
- Be accessible and safe
- Increase and enhance opportunities for participation
- Be sustainable, with future growth embedded in planning.

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

The objectives of the strategy are to:

- Establish a vision for Council for the provision of open space
- Establish an agreed hierarchy and definition of open space and play spaces to be applied to the municipality
- Establish benchmarks for Horsham Rural City Council.

The Strategy has been developed and endorsed by Council and work is currently occurring to develop an implementation plan so actions can be delivered.

Together, we are working to encourage 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.



Cr Robyn Gulline, Mayor (left) and Sunil Bhalla, CEO (right) with Commissioner Judy O'Connell (centre) at the special Small Business Friendly Council Initiative breakfast event at Horsham Golf Club.



Andrea Hogan (left) and Fiona Gormann (right) at the Horsham Visitor Hub.



The pop-up park in Roberts Place (above and below) has received great community feedback.

Small Business Friendly Council Initiative

Council signed up to the Small Business Friendly Council Initiative in March 2021, at a special breakfast event at the Horsham Golf Club.

The initiative is co-ordinated by the Small Business Commission, in partnership with local Councils.

By signing up to the initiative, Council commits to:

- Paying small business supplier invoices promptly
- Supporting new local business networks to get started and existing ones to grow
- Helping manage disruption to small business trade caused by Council infrastructure works
- Promoting ways the Victorian Small Business Commission can help, including in response to the COVID-19 pandemic.

Local small businesses are the backbone of our community and making the small business friendly pledge reinforces Council's commitment to supporting these businesses in any way we can.

Relocation of Visitor Information Services

Horsham's visitor information services relocated from O'Callaghan's Parade to a new hub at the Horsham Town Hall in late 2020.

Relocation of visitor information services is part of the vision to see the Horsham Town Hall become a local and visitor hub that provides a range of commercial and community uses, while providing a welcoming and engaging entry point to visitors to the municipality.

The co-designed space will work to further develop exciting contemporary tourism products that will entice our visitors to explore our municipality and everything it has to offer, while taking advantage of the beautiful space at the heart of the city.

Pop-up Park in Central Activity District

A new pop-up park was constructed in Roberts Place this year, providing an urban oasis for residents and visitors. The park features natural lawn, flower boxes and fixed seating made from recycled materials.

The pop-up park is an attractive space for people to socialise, relax and enjoy a picnic or takeaway food.





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.

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 and 1,007 kilometres are formed only (dirt) roads.

During 2020-21, Council was fortunate to receive significant funding from the Victorian Government through its Agrilinks Upgrade, and the Australian Government through its Heavy Vehicle Safety and Productivity Program (HVSP) and Bridges Renewal Program to upgrade several roads and a bridge in the municipality. Funding was

also received from the Australian Government through its Roads to Recovery program, the Financial Assistance Grants and Council rates revenue, including additional funding committed to reducing Council's infrastructure renewal gap.

The Agrilinks Upgrade, HVSP and Bridges Renewal programs enabled the following upgrades to proceed:

- Wail Nursery Road (completed)
- Drung Jung Road, stages 2 and 3 (in progress)
- Horsham Lubeck Road Bridge over Mt William Creek (contract awarded, works about to commence).

These works have been/will be conducted by contractors and Council staff.

The following projects were funded by the State Government's Fixing Country Roads program in the previous year but were not able to be completed due to weather impacts late in the construction season:

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

These projects were completed early in the 2020-21 construction season.

A description of all roadworks completed by Council this year is provided on page 47.



Works description	Length (kilometres)	Area (square metres)
Road reconstruction (Urban)	5.72	38,864
Road reconstruction (Rural)	10.32	63,972
Upgraded unseal gravel road to seal road	2.84	10,508
New sealed road construction (subdivision)	0.124	1,017
Rural reseals	15.10	93,615
Rural final seals	9.05	56,120
Urban final seals	1.86	12,663
Sealed shoulder re-sheeting	22.64	81,513
Gravel road re-sheeting	26	103,148
Footpaths new (subdivision)	0.492	984
Footpaths renew	1.94	2,709
Kerbs and channels new (subdivision)	0.424	-
Kerbs and channels renew	3.519	-
Kerbs and channels new	0.661	-
Footpaths new	2.22	3114.04
Urban reseal	1.00	6823.20

Note: Urban area average width 6.8 metres; Rural roads average width 6.2 metres.



Goal 3 – Asset Management



Industrial land at the Wimmera Agriculture and Logistic HUB will be market ready in the near future.

Rural Road Network Plan

Following completion of the Horsham Urban Transport Plan in early 2020, Council commenced work 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 community engagement. This was unable to proceed until May 2021 when a series of workshops were held around the municipality. Attendance at these workshops was good in some locations, but as it coincided with cropping, they were not so well attended in some locations. As a result, a second round of engagement on this plan has been scheduled for August 2021.

The Rural Road Network Plan seeks to review the classification of roads in the existing hierarchy, of link, collector, access and minor roads. The plan also includes three new road classifications being:

- Farm machinery – all weather roads separate from the main routes where possible, where there is wide clearance to cater to larger farm vehicles
- Heavy vehicle – preferred routes for heavy trucks within the municipality and connecting to routes in neighbouring municipalities

- Tourism – sealed routes to access key tourism destinations, to cater for hire cars, which in many cases are not able to travel off sealed roads.

After the second round of engagement, the Project Control Group will review the route recommendations to identify changes in the road classifications. As funding for roads is finite, some compromises may need to be made in relation to which routes can be upgraded, and the timing of these upgrades may need to be planned over several years, subject to the availability of funds.

Social Infrastructure Framework

The Social Infrastructure Framework was adopted by Council in December 2020. This is Council's first strategic document for delivering social infrastructure (focused primarily on "built infrastructure") and resets the approach from looking purely at the structural elements of an asset to also looking at the purpose of an asset and how it assists the community.

The Social Infrastructure Framework aims to provide a framework and vision for social infrastructure and to implement a fair, transparent and consistent approach to asset management. It will help to inform key decision-making by Council, along with other strategic documents and tools such as the Horsham Rural City Council Asset Management Tool to inform long-term planning and asset prioritisation.

Work has now commenced to develop a prioritised Social Infrastructure Action Plan which will involve comprehensive, targeted community engagement.

Horsham Urban Transport Plan

Council adopted the Horsham Urban Transport Plan in January 2020. During 2020-21, the following priorities have been progressed from that Plan:

- Council committed \$100,000 in the 2020-21 budget to commence investigations into an alternative truck route in partnership with the Department of Transport, pending its support for that project. The Department was able to secure Federal Government funding, which was announced in May 2021 to progress this work, which will commence in the 2021-22 financial year.
- Road safety audits were conducted on two key intersections, McPherson Street (Western Highway) and Hamilton Street, and Natimuk Road (Wimmera Highway) and Bennett Road. The Plan identified these as two of four priority intersections for significant upgrades. The audits will be used as the basis for further advocacy to Regional Roads Victoria during 2021-22.
- Planning for the Hamilton Street Pedestrian Bridge has advanced to be construction ready. This project is identified in a range of strategies, not just the Horsham Urban Transport Plan.



- Input was provided to Regional Roads Victoria on the concept design for the Stawell Road/Hamilton Road (Western Highway Henty Highway South) intersection.
- The Firebrace Street/Hamilton Street roundabout was upgraded to enhance cyclist safety.
- Planning has occurred in conjunction with Regional Roads Victoria for safer roundabouts in the CBD area. Engagement on this will occur through the CBD revitalisation planning during 2021–22.
- Planning has occurred to improve safety of the roundabout at the east end of Baillie Street in particular, to make it safer for children to cross this intersection, given its proximity to two schools. A grant application has been made for funding of these works.
- A Parking Management Plan was adopted (page 44).
- Priorities for upgrades to the cycling network were identified in close consultation with the Bicycle Advisory Committee. Its priority for 2020–21 was for bicycle lane marking in Darlot and Hamilton Streets. A grant application for these works was unsuccessful, but Council funding enabled these works to commence late in the financial year.
- Continued advocacy for the introduction of passenger rail services to Horsham.

The Social Infrastructure Framework, Rural Road Network Plan and Horsham Urban Transport 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.

Wimmera Agriculture and Logistic HUB (WAL HUB) formerly named WIFT

As a result of the COVID-19 pandemic and the increased demand for industrial land, Council has positioned itself to recover through making the following industrial land available:

- Wimmera Agriculture and Logistic HUB (WAL HUB) formerly named Wimmera Intermodal Freight Terminal (WIFT)
- Enterprise Industrial Estate
- Burnt Creek Industrial Estate.

Industry development will be the catalyst to keep people working, keep people in the region and attract people to the region, and as a result, will keep our economy and social well-being healthy.

It is important to note that the three industrial estates have different industry targets and each play a vital role in our region's economy and COVID-19 pandemic recovery.

WAL HUB, with substantial investment from Council and the State Government, will be Market

Ready with final valuations and price determination in the near future. This year has seen further development through a nine-lot subdivision, construction of roads and connection to power and water supplies.

The Enterprise Industrial Estate will require planning works to be undertaken prior to further land being opened up and ready for the market. This estate is ideal for smaller scale development such as trades, equipment storage, and start-up businesses.

The Burnt Creek Industrial Estate, through building on previous works, has commenced planning a four staged proposed subdivision. Council has also undertaken land valuations and a public notice of intent to sell industrial land within stage one of this four staged subdivision.

Goal 3 – Asset Management



The City to River project provides a suite of transformative projects that aim to improve, revitalise and link Horsham's Central Activity District, making Horsham a more attractive place to live, work, visit and invest.

City to River Works

The City to River Stage 1 Priority Works is a \$3.1 million portfolio of projects funded by Federal and State Government grants, together with a significant contribution from Council's 2020-21 budget:

- \$1,650,000 Community Development Grant (Federal)
- \$850,000 Horsham Rural City Council
- \$500,000 Regional Infrastructure Fund (State)
- \$104,510 Sustainable Infrastructure Fund (State).

All three funding programs have milestone requirements to be met, quite often varying significantly, for example, the Federal Community Development Grant requires 25% of the project complete by 30 November 2021, while the Regional Infrastructure Fund requires 50% of construction completed by 31 December 2021.

The individual construction projects to be delivered under this portfolio include:

- Riverfront pathways
- Dixon Drive civil works
- Public toilets and barbecue shelters
- Entrance pergola to the riverfront precinct and a pergola on the Horsham Angling Clubrooms
- Three riverfront nodes/decks
- Landscaping and lighting on the riverfront precinct.

During 2020-21, the following was achieved.

Riverfront Pathways

Council applied for a Sustainable Infrastructure grant to trial shared pathways utilising asphalt with a recycled rubber additive, as well as composite cellulose/plastic outdoor furniture and permeable paving. Although the grant required only 300 metres of pathway to utilise the recycled rubber additive, Council will treat the whole 1.1 kilometres of the riverfront pathways with this product. In addition, the shared pathways were widened to 3 metres along the entire length, to enable concurrent usage by pedestrians, cyclists and mobility scooters. The Pathways Project will also address access/gradient issues at both the Wimmera River Bridge and the Rowing Clubrooms.

Demolition Works

The new Sawyer Park public toilets will be located on the footprint of the existing toilets which will be demolished. The existing barbecue shelters and picnic settings will be removed and relocated to other parks. A contract was awarded for the works in June 2021 with demolition and removal of the structures scheduled to occur in August 2021.

The Langlands Track

Walkers, runners and cyclists can now enjoy more of the Wimmera River after a new track, known as the Langlands Track, was completed on the south side of the river in Horsham this year.

The new 2.1 kilometre sealed surface completes a loop between the Anzac Bridge and the Horsham Weir on both sides of the river.

The track is a completely sealed surface, meaning it is accessible for people in wheelchairs, mobility scooters and families with prams.

The south side of the track is on private land and we thank the Chempaka Group and the Langlands family for their generosity and community spirit in allowing the works to proceed, and for giving people the chance to enjoy more of the Wimmera River.

The project was supported by a number of Horsham organisations including the Wimmera Catchment Management Authority, Wimmera River Improvement Committee and Barengi Gadjin Land Council.



Council's frontline workers welcome residents with a friendly smile in the newly refurbished customer service area.



Additional lights were installed at the Roberts Avenue carpark this year.

Customer Service Facelift

An upgrade and extension to the Civic Centre customer service foyer was completed this year, providing greater accessibility for customers.

There are new private interview spaces to allow for confidential customer discussions, along with two large interactive screens, enabling customers to access important information on our website and the internet.

The upgrade has addressed major accessibility issues and brings the public areas of the building up to current standards for general accessibility and Disability Discrimination Act compliance.

These improvements enable Council to better respond to the needs of our residents by providing a more modern, accessible and convenient customer service area.

Horsham Aerodrome Upgrade

A minor upgrade to the Horsham Aerodrome has been completed this year to enhance safety at the aerodrome.

Works include pavement reconstruction of part of the north-south runway and the installation of a new backup power generator.

The pavement works have removed a high section in part of the runway which obscured the runway marker lights at its northern end.

A new generator has been installed which has sufficient capacity for both sets of runway lights and the Aeromedical Transfer Station, in the event of a power failure.

The upgrade will ensure that the aerodrome can continue to provide modern emergency services into the future.

The \$211,000 upgrade was jointly funded by Council and a Federal Government grant.

Roberts Avenue Carpark Lighting Upgrade

Council has upgraded lighting at the Roberts Avenue carpark, one of Horsham's busiest areas. With public toilets, Firebrace Street and the Horsham bus terminal nearby, the carpark experiences high traffic both during the day and at night. The new lights have increased safety and convenience for travellers, locals and pedestrians in the city.



An upgrade to the Horsham Aerodrome will ensure that modern emergency services can continue to be delivered in the future.



Goal 4 – Governance and Business Excellence

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

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

Local Government Act 2020 Implementation

The new *Local Government Act 2020* received Royal Assent on 24 March 2020 and marks the first comprehensive overhaul of local government in Victoria in over 30 years.

The 2020 Act replaces the *Local Government Act 1989* and seeks to simplify outdated local government processes. With over 400 provisions, the aim of the 2020 Act is to improve local government democracy, accountability and Council operations, including Council's ability to respond to emergencies such as the COVID-19 pandemic (pages 6-11).

The 2020 Act is being implemented in four transitional stages. Stages 1 to 3 have now been completed, with the final stage commencing on 1 July 2021. As the 2020 Act comes into operation progressively, the various provisions in the 1989 Act are repealed progressively. This means that for some time into the future the two acts will co-exist, with some provisions of the 1989 Act continuing indefinitely at this stage.

The 2020 Act is a principles-based Act, removing unnecessary regulatory and legislative prescription contained in the 1989 Act. The 2020 Act is guided by the following five principles:

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

These principles aim to actively support stronger accountability to ensure that Council meets its legislative and regulatory obligations.

There are a number of new or revised requirements under the 2020 Act. The table on page 53 lists the 2020-21 legislative requirements and their current status.





Date	Requirement	Status/Comments
1 September 2020	Governance Rules	Completed – Governance Rules adopted by Council on 24 August 2020
	Public Transparency Policy	Completed – Public Transparency Policy adopted by Council on 24 August 2020
	Delegated Committees and Asset Committees	Completed – Community Asset Committee and Community Halls Asset Committee endorsed by Council on 24 August 2020
	Audit and Risk Charter and Committee	Completed – Audit and Risk Charter adopted by Council on 24 August 2020
17 September 2020	Mandatory Candidate Training	Completed – All candidates completed mandatory training provided by Local Government Victoria prior to 24 October 2020 general election
January 2020	Councillor Code of Conduct	Completed – Councillor Code of Conduct adopted by Council on 22 February 2021
1 March 2021	Community Engagement Policy	Completed – Community Engagement Policy adopted by Council on 22 February 2021
30 April 2021	Gift Policy	Completed – Gifts, Benefits and Hospitality Policy adopted by Council on 22 March 2021
30 June 2021	Councillor Induction Training (to be completed within six months after Oath is taken)	Completed – Councillor Induction Training Declaration signed by all Councillors on 12 April 2021
	Annual budget	Completed – 2021-22 budget adopted by Council on 28 June 2021
	Revenue and Rating Plan	Completed – 2021-24 Revenue and Rating Plan adopted by Council on 28 June 2021

We are pleased to report that all the legislative requirements for 2020-21 were achieved within the required timeframe.

Goal 4 – Governance and Business Excellence



Remediation of contaminated land in the Horsham Rail Corridor is due to be completed by 2022.

Council will now concentrate on the next stage of implementation. Details are provided in the table below.

Date	Requirement	Comments
31 October 2021	Community Vision	Almost complete – has involved significant deliberative engagement and recruitment of a Community Panel, will go to Council for adoption on 26 July 2021
	Council Plan	Well underway – will involve significant deliberative engagement and Council has commenced a process with the Community Panel to ensure that the Community Vision informs the Council Plan. The Health and Wellbeing Plan will be incorporated into the Council Plan
	10 Year Financial Plan	Well underway – will involve significant deliberative engagement and Council has commenced a process with the Community Panel
	Annual Report	Some changes made to meet the requirements of the <i>Local Government Act 2020</i> – will be completed by the due date
1 January 2022	CEO Employment and Remuneration Policy	New requirement – will be completed by the due date
	Workforce Plan	New requirement – will be completed by the due date
	Recruitment Policy	New requirement – Council has a Recruitment Policy and Procedure in place
	Staff Code of Conduct	Review of existing Staff Code of Conduct will be completed by the due date
	Complaints Policy	Review of existing Complaints Policy will be completed by the due date
	Procurement Policy	Review of existing Procurement Policy will be completed by the due date
30 June 2022	Asset Management Plans	Review of existing Asset Management Plan will be completed by the due date

Whilst the legislative requirements of the 2020 Act have placed considerable demand on Council resources this year, we are pleased with our progress to date and look forward to working towards full implementation during the year ahead.

Copies of policies, plans and a range of other documents adopted by Council 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.



Council is committed to supporting the planning of an alternative truck route for Horsham.



Dr Anne Webster, Member for Mallee (centre) officially opened the \$3.5 million roof over the Horsham Regional Livestock Exchange in December 2020.

Advocacy

Advocating for and representing our residents, communities and businesses to 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. An important outcome of effective advocacy is funding support for new major projects and new municipal/regional services.

Throughout 2020-21, Council attracted specific project funding of \$4.6 million to undertake a range of infrastructure and service related projects. The highlight of this was the \$2.1 million funding allocation from Sport and Recreation Victoria for the Nature and Waterplay Park.

Details of advocacy priorities that have progressed during the past 12 months are provided below.

Advocacy – Priority projects for Government and Private-sector investment

To assist with Council's advocacy work, a new strategy was created providing details of priority projects requiring funding support from State and Federal Governments and/or the private sector. This document provides an overview of key priority

projects and the investment required under themes such as Future Horsham, Activating our Natural Assets and Making Connections.

The advocacy priorities can be found 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.

Zero Carbon Plan

The 2020-24 Council Plan includes Council's ongoing commitment to reduce its carbon footprint and lead through example with energy efficiency initiatives. In February 2021, Council adopted a Zero Net Emissions Action Plan to achieve this goal. This plan commits to a "Science derived emissions target" as its target for greenhouse emissions, and to reduce carbon emissions by 3.5% (221 tonnes of carbon dioxide equivalent) per year until 2050 representing a total reduction of 100% over that time (page 61).

Health care delivery in Horsham and the wider Wimmera region

In February 2021, Council made a written submission to Wimmera Health Care Group and Ballarat Health Services outlining concerns in relation to the proposed merger being explored by the two health services. Council also met with representatives of Health Care Group to discuss concerns.

It is noted that in early July 2021, the Wimmera Health Care Group Board announced their intention to form a new health service with

Ballarat Health Services, Edenhope and District Memorial Hospital and Stawell Regional Health.

Regional Tourism

Following a State Government review, all Regional Tourism Boards will transition over three years into Visitor Economy Partnerships, under the responsibility of the Department of Jobs, Planning and Regions.

In June 2021, Council agreed to continue as a member of Grampians Tourism and over the next three years transition to the Western Victoria Visitor Economy Partnership, which aligns with other municipalities surrounding the Grampians National Park. At the same time, Council will seek a partnership with the North West Victoria (Outback) Visitor Economy Partnership to support the tourism needs of the Wimmera Southern Mallee region.

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

In partnership with Grampians Tourism, Ararat Rural City, Northern Grampians Shire and Southern Grampians Shire Councils, Horsham Rural City Council completed a Grampians New Resident and Workforce Attraction Strategy and Action Plan, 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. The project was completed in May 2021 with the campaign website attracting over 24,000 visits during the project period.

Goal 4 – Governance and Business Excellence



Dr Anne Webster, Member for Mallee, Minister Michael McCormack, Deputy Prime Minister, Danielle Green, Member of the Legislative Assembly for Yan Yean, and Cr Robyn Gulline, Mayor, at the sod turning for the Riverfront Activation Project.

Roofing of the Horsham Regional Livestock Exchange

In December 2020, Dr Anne Webster, Member for Mallee, officially opened the \$3.5 million roof over the Horsham Regional Livestock Exchange at Burnt Creek. This was the culmination of planning and advocacy to attract funding for this important regional project. A full report on this project was provided in the 2019-20 Annual Report.

Regional liveability

Council has actively participated in Regional Cities Victoria, a regional leadership group comprising Mayors and Chief Executive Officers of the 10 largest cities in regional Victoria. Regional Cities Victoria is dedicated to building sustainable regions by providing strategic advice, co-ordination and advocacy to State and Federal governments. A highlight of this advocacy was the announcement of \$15 million for social housing development in Horsham.

Changes to the local government rating system

The State Government response to the Review of the Local Government Rating System was considered by Council and there were 10 specific recommendations that Horsham Rural City Council agreed to question further with the Minister. The most significant for Council were the continued exemption from paying rates that has been given to mining industries, the need to update the Ministerial Guidelines for the use of Differential Rates, rating of electricity generators and the use of a public

benefits test for determining and reviewing rate exemptions, plus a range of more administrative matters.

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

Runoff into the region's reservoirs were well below average in the 2020 winter-spring, meaning that GWMWater was unable to supply recreational water to Green Lake.

Commencement of Stage 1 of the Riverfront Activation project

In February 2021, Council received a grant allocation of \$104,000 from Sustainability Victoria to increase sustainability elements in the Stage 1 Wimmera Riverfront project, which now has a total budget of \$3.1 million. Works will commence on this project in July 2021 (page 50).

The Horsham Nature and Waterplay Park, a key element of Stage 1, has also been fully funded through a Sport and Recreation Victoria grant of \$2.1 million and a Federal Government contribution of \$350,000. Work on this exciting project will commence in late 2021 (page 50).

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

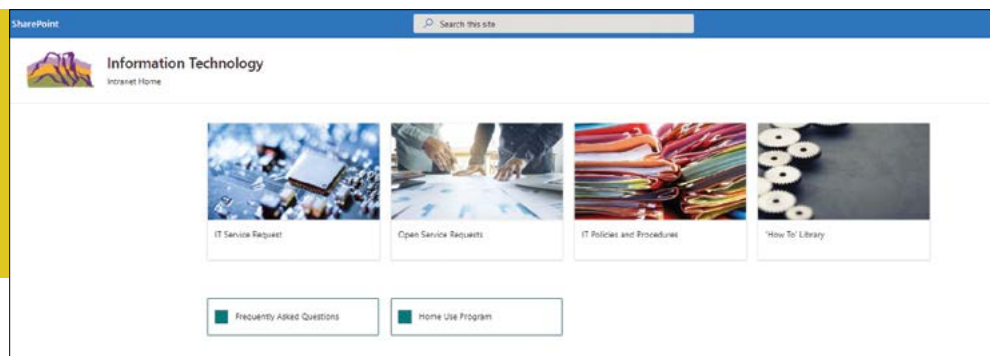
The Western Highway Action Committee, of which, Horsham and nine other Councils from Melton to the South Australian border are members, has continued to advocate

for resumption of the duplication of the Western Highway through to Stawell. Progress on this has been delayed due to a series of legal proceedings relating to the route alignment just east of Ararat. The Federal Government has made a continuing commitment to these works in its forward estimates, which should enable work to proceed once the legal aspects are resolved.

The continued advocacy of the Committee has contributed to the recent announcement by the Federal Government to fund the construction of a major roundabout to improve traffic flow at the key Western Highway/Henty Highway (south)/ Golf Course Road intersection. Regional Roads Victoria has developed a concept design for this, but a date for construction has not yet been confirmed.

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

Council committed \$100,000 in its 2020-21 budget to support the planning of an alternative truck route for Horsham. In May 2021, the Commonwealth Government announced further funding of \$105,000 to support Council and Regional Roads Victoria to plan for a second river crossing as part of an alternative truck route. This planning work will commence in late 2021.



Council launched a new Intranet this year.

Return of passenger rail to Horsham

During 2020–21, a working group of officers from several member Councils of the Western Rail Group and the Department of Transport developed a survey to gather data from users about their preferences/needs for transport services. This survey has been unable to be implemented due to the impact of COVID-19 on travel.

Horsham Rail Corridor

Council has been actively engaged with VicTrack to ensure remediation of contaminated land in the Horsham rail corridor is advanced. Although the remediation, which is due to be completed by 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, together with a range of other groups, has continued to advocate strongly for the continuation of the Overland passenger service. The Victorian State Government has committed funding to continue the Overland service for another three years until 30 June 2023. This limited, twice-weekly service, was historically also part funded by the South Australian Government.

Family violence support and safety hub in Horsham

Council has advocated strongly for a family violence support and safety hub in Horsham. Funding was secured and State Government agency Family Safety Victoria confirmed it would establish a new building at a Madden Street site in Horsham for a support and safety hub service. Construction of The Orange Door has commenced and will be completed by the end of 2021.

Wimmera service providers, Goolum Goolum Aboriginal Co-operative, Uniting Wimmera and Grampians Community Health will be partnering with The Orange Door to provide family-violence services from the hub.

Rural Councils Corporate Collaboration Project

Horsham Rural City Council has joined with three Councils in the Wimmera Southern Mallee local government region (Hindmarsh, Loddon 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 12 months including preparation of an expression of interest process followed by a selective tender and an evaluation process, in order to identify a successful vendor. System implementation is scheduled to commence in 2021–22.

Horsham Rural City Council is the lead Council in this project which is scheduled to be completed late in 2022.

Council launches new Intranet

Over the past several years, it was recognised that the Council Intranet was outdated, both in technology and the content hosted on the site. This year we were able to engage an employee through the Working for Victoria program to build a new site and load updated content, and construction of a new Intranet commenced in November 2020.

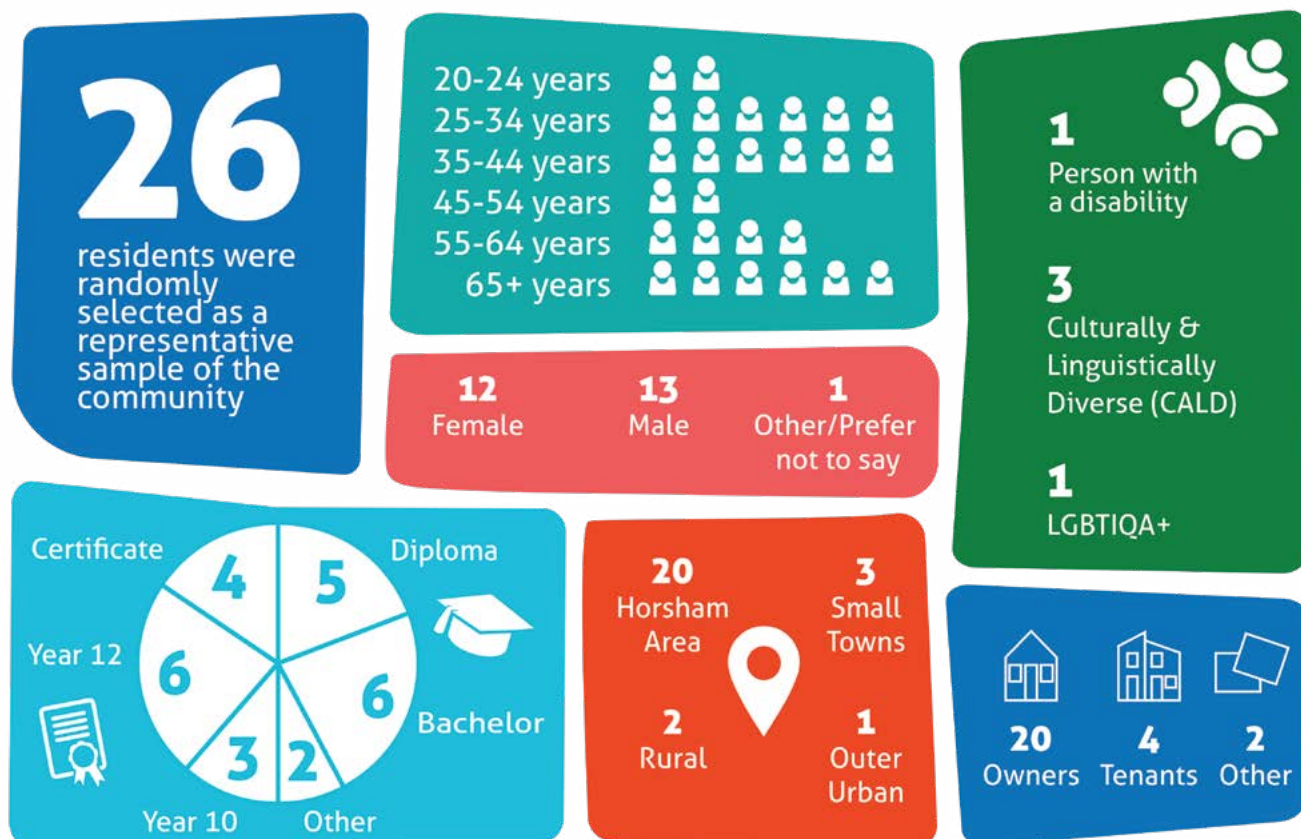
The new Intranet was launched in April 2021, and has been designed to share with fellow employees, information about the services and processes we offer as an organisation. Policies, procedures, meeting minutes, agendas, answers to frequently asked questions and common applications can all be accessed from the home page. This maximises staff efficiency and allows them to work smarter not harder, so that Council can in turn provide a high standard of customer service to our community.

Councillor Portal

To coincide with the commencement of the new Council, a new Councillor Portal was launched in October. The Councillor Portal provides a central point for Councillors to access and collaborate on important documents such as agendas, policies and procedures, forms and other resources.

Goal 4 – Governance and Business Excellence

HORSHAM RURAL CITY TALKS COMMUNITY PANEL



Horsham Rural City Talks Engagement Program

The Horsham Rural City Talks engagement process was primarily undertaken to meet the requirements of the *Local Government Act 2020* (the Act). Central to the new Act was the desire to increase community input into Council decisions. To achieve this, Victorian Councils were required to develop a Community Engagement Policy and undertake deliberative engagement to develop a Community Vision and provide community input into the Council Plan, Health and Wellbeing Plan, Financial Plan and Asset Plan.

The engagement process was co-designed with Councillors and Council Officers with many touch points from inception to conclusion. This included the broad engagement activities, recruitment of the Panel, developing the remits and design of the deliberative sessions.

Broad engagement with the Horsham Rural City community was conducted to gather data and information that would feed into the Community Panel process.

The Horsham Rural City Talks - Our Future 2041 community consultation ran from February to May 2021, providing opportunities for the community to have their say through a variety of channels, including:

- Online engagement on "Have Your Say" platform
- Random telephone surveys as part of the Community Satisfaction survey process
- Hosting a community conversation
- Providing feedback via a postcard distributed through Council and community facilities
- Listening posts held at Jung Market and the Horsham Plaza.

Across all activities, a total of 937 responses were received from 926 people and 11 groups. We heard from people of all ages and all areas of the municipality, including those who come for work or to visit. Questions were consistent across activities, allowing for collective analysis of results. The data was analysed using qualitative methods, to identify key themes as a starting point for deliberation by the Panel.

During the consultation period, two "What we've heard" reports were posted on Council's website, providing updates to the community on the responses heard to date. At the end of the consultation period, a final "What we heard" report was produced, as well as a comprehensive Engagement Findings report. These final reports were shared with the Community Panel so that they understood the aspirations of the broader community to inform their deliberations.

Horsham Rural City Talks

our future

Find out more online at hrcc.vic.gov.au/horshamtalks



What do you LOVE about Horsham?

What would make it even better?

Please register to join our community panel to help shape the future of our municipality. No experience/qualifications necessary, this invitation is open to all residents over the age of 15.

You will be paid for your time and travel.

Register now!



Recruitment of the Horsham Rural City Talks Community Panel was completed by consultants, working in partnership with Council. The Panel consisted of 26 members that were randomly selected to form a representative sample of the Horsham Rural City community. An invitation was sent out to every household across the Horsham Rural City municipality. These households were provided with the project background and the times and dates of workshops, and asked to register their interest online or via the phone. Respondents were asked to provide information on their age, gender, suburb, education, housing tenure and whether they were from a culturally and linguistically diverse (CALD) background. They were also asked if they identified as an Aboriginal and Torres Strait Islander, LGBTIQ+, or as having a disability.

Close to 100 registrations were received. From the pool of registrations, a stratified random sample was selected to broadly represent the Horsham Rural City community demographics. This included stratification by age, gender, education attainment, and location, with particular focus on ensuring a fair representation of urban and rural residents.

While the original target for the Panel was between 30 and 40 participants, due to the changing COVID-19 situation that brought Victoria into lockdown, it was necessary to change meeting dates, resulting in a number of applicants withdrawing from the process.

Through the Horsham Rural City Talks engagement program, Council has not only delivered on the requirements of the Act, it has empowered the community to work towards developing an informed vision for the future. It will also provide Council and the community with the opportunity to work together to implement recommendations from the Community Panel.





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.

Horsham Tornado

In the early hours of Monday, 7 December 2020, when most residents were sleeping, a mini tornado swept across the northern parts of Horsham.

The tornado damaged more than 100 houses, in some cases fully removing the roof, exposing sleeping residents to the night's sky. Damage also occurred to a range of public infrastructure including power lines and transformers and street trees.

A massive response from SES volunteers from Horsham and across large parts of the western half of Victoria provided assistance to residents to secure their houses in the short term. These SES volunteers were supported by CFA and other

emergency services, as well as Council staff, including many from the Operations Team. The considerable efforts of all of these volunteers is acknowledged by Council.

In the initial response, Council staff assisted with the removal of debris, such as roofing, fencing and vegetation. The Building Team also assisted with the assessment of houses for structural safety. Council's recovery team, in conjunction with other relief agencies, provided a range of support to affected residents in the days and weeks after the tornado and the Customer Service staff handled countless enquiries seeking a range of assistance.

Follow up activities included continuing recovery support and

some debris removal collections. For many residents, the temporary repairs had to last a long time while issues such as insurance and arranging builders were organised. In some cases this took many months.

The tornado struck a very narrow and straight path, affecting residents in a strip barely 100 metres wide, but stretching right across the northern parts of Horsham, from Florence Street in the north-west, through to Peppertree Lane in the north-east, along a near east-west path including Howard and Hennessy Streets.

Photos supplied by Council to the Bureau of Meteorology confirmed that the wind event was classed as a tornado.





Swirl marks in crops showing part of the impact of the Horsham tornado.



The Murra Warra Wind Farm is one of the renewable energy sources for the second stage of the renewable energy scheme.

Reducing our Carbon Footprint

Council adopted a Zero Net Emissions Action Plan in February 2021.

Council is committed to reducing its emissions by 100% over the next 30 years. The plan will see Council adopt a target to reduce emissions by 3.5% (221 tonnes of carbon dioxide equivalent) per year until the year 2050.

Council's largest sources of emissions are fuel used in transport, electricity and street lighting. Pathways to achieving emission reductions include implementing energy efficiency measures for Council buildings and facilities, transitioning to a lower emission (hybrid) vehicle fleet, rolling out more solar for Council buildings and facilities, and switching the municipality's streetlights to LED.

Council is well ahead of this initial target, in part due to signing up to 100% renewable energy use (refer to next story). Additional measures have included the installation of solar panels at three existing buildings, including the Horsham Town Hall, Aquatic Centre and Mibus Centre. The largest installation this year was 99 kW installation on the new roof on the Horsham Regional Livestock Exchange roof.

Reducing emissions at the Dooen landfill site is also a priority and will be addressed in a separate Waste Strategy.

Council signs up for renewable energy scheme

Horsham Rural City Council has joined a group of Victorian Councils switching to a new renewable energy scheme.

From July 2021, Council will power all of its electricity use with 100 percent renewable energy, including street lighting, Council buildings and sporting and other facilities.

Energy will come from the Dundonnell wind farm near Mortlake and the Murra Warra Wind Farm, when its second stage begins supplying the energy grid from June 2022.

Forty-six Victorian Councils have signed on to the Victorian Energy Collaboration, the largest ever emissions reduction project by local government in Australia.

Based on current costs, it is expected that Council will save up to \$100,000 on its annual electricity bill. The deal is for 240 GWh of electricity over a period of nine and half years.

Goal 5 – Natural and Built Environments



Council operates two cells at the Dooen Landfill site.



Sally Ison and Cr Robn Gulline, Mayor, at the Quantong community centre.

Energy Savings for Quantong Community Centre

Thanks to a \$25,000 grant from the Commonwealth Government's Local Roads and Community Infrastructure program, solar panels and new LED lights have been installed at the Quantong Community Centre.

The grant provided funding for a 10 kW solar energy system to be installed on the centre's roof and all internal and external lighting upgraded to energy efficient LEDs.

The installation of solar power and LED lights will reduce costs to the local community who pay for services to the centre.

Dooen Landfill Fire

Council operates two cells at its Dooen Landfill site, the main cell being for municipal waste, including material collected from residents' bins. The second site is known as the hard waste cell, more formally, the solid inert waste cell. This second cell is located on the south side of Ladlows Road, Dooen, and generally receives demolition material and other inert waste such as grain tarpaulins and old power poles.

In the early hours of 18 December 2020, a significant fire was observed in the hard waste cell. This triggered a major response from local CFA brigades and subsequently Fire Rescue Victoria.

The initial response focused on containing the active fire. This involved pumping huge volumes of water onto the active fire area and removing the wetted down burning material using excavators.

The fire was under the control of the CFA until 22 December 2020, and while essentially contained, there continued to be hotspots detected in the underlying waste mass.

Control of the fire continued under Council's responsibility, involving a continuation of the measures developed during the CFA control, including:

- Wetting and excavation of material in hotspots
- Continual application of water to the area using sprinklers.

This became a major task as the hotspots proved difficult to contain, in part due to the nature of the material in the hard waste cell, with power poles providing channels which spread the fire, and grain tarpaulins providing barriers which prevented water being applied from above dousing the hotspots below them. Controlling hotspots and excavating material from the cell continued through to the end of the financial year, in accordance with a plan developed in conjunction with the Environment Protection Authority. Efforts were focusing primarily on extinguishing the fire, but also on preventing a large quantity of tyres at the bottom of the cell from catching alight. Practically all waste material other than the tyres needed to be removed from the cell.

Due to the fire, the cell was closed through to June 2021, and is closed at the time of compiling this Annual Report. This has caused significant disruption to local waste contractors, as there has been insufficient room at the municipal waste cell to accommodate the hard waste material.

During 2021-22, it is planned to reinstate the cell, so that consideration can be given to it again being operational.

Council extends its thanks to the CFA volunteers and staff, including Fire Rescue Victoria personnel who provided the initial response to the fire.



Performance

Council's performance for 2020-21 has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2020-24 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	65%	Funding has been secured in the 2021-22 budget for landscape works in the rail corridor. Waiting on VicTrack to complete remediation works before consider advancing other rail corridor works. Other works occurring in Horsham North i.e. tree planting, urban construction works.
Review future use of all kindergartens and Maternal and Child Health, post the Horsham North Children's Hub	100%	All Maternal and Child Health staff based at the Kalkee Road Children's and Community Hub and former Bennett Road Maternal and Child Health site currently being used for supported playgroup activities. Two kindergartens no longer needed (Roberts Avenue and Robin Street).
Develop a master plan for Dudley Cornell Reserve following the construction of the Children's Hub	80%	Currently finalising a revised community engagement process prior to recommencing planning for the Dudley Cornell Reserve.
Implement recommendations from Innovate (Indigenous) Reconciliation Action Plan	95%	Majority of actions have been implemented.
Activate the Wimmera River Precinct for the community and visitors (including lights and greater presentation)	30%	Stage 1 City to River works are currently being implemented. Planning occurring for Stage 2 City Oval/ Sawyer Park Precinct.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2020-21 budget for the year.

Major Initiatives	Progress
Social Infrastructure Framework	Completed

Performance

The following statement provides information in relation to the services funded in the 2020-21 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:			
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.	-85	31	116
Social Infrastructure Support	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	678	42
Community Safety	This service deals with matters concerning Local Laws including permits and licences, enforcement and fines and fire hazard enforcement.	187	156	-31
Emergency Management	To prepare for and mitigate if possible the impacts of an emergency on HRCC and the community through good planning and interoperability with all agencies, includes the Wimmera Emergency Management Resource Sharing Partnership.	-216	13	229
Emergency Support	This service supports community health and wellbeing during times of an emergency and to support the community to recover from emergency events.	2	-	-2
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.	94	187	93
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.	-1,030	293	1,323
Library	Provides resources and programs aimed at meeting the information, creation, educational and cultural needs of the diverse community of Horsham in an equitable, effective, efficient, responsive and forward looking manner in accordance with the values and objectives of the Library Plan.	581	584	3
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.	426	421	-5
Performing Arts	This service encompasses the running of the Horsham Town Hall and Horsham Performing Arts Centre operations.	469	343	-126
Visual Arts	This service provides an important visual art resource for the local community and visitors to Horsham through the Horsham Regional Art Gallery.	307	279	-28
Youth and Early Years	This service provides support to families with parenting, health and development, promotion of health, wellbeing and safety, social supports, referrals and linking with local communities.	-302	714	1,016

Performance Goal 1: Community and Cultural Development

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

Results					
Service/Indicator/measure	2018	2019	2020	2021	Material Variations
Libraries Utilisation <i>Library collection usage</i> [Number of physical library collection item loans / Number of physical library collection items]	2.40	2.14	1.86	1.20	This indicator has decreased for the 2020-21 financial year with COVID-19 lockdowns, reducing opening hours and therefore impacting on the number of physical library loans for the year.
Resource standard <i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	46.14%	43.11%	45.82%	39.87%	The Library Corporation now consists of two member Councils, where previously there were five member Councils, which has reduced the funding available for library collection purchases.
Service cost <i>Cost of library service per population</i> [Direct cost of the library service / Population]	\$20.87	\$20.98	\$22.13	\$24.53	Increase in financial contribution to the Wimmera Regional Library Corporation, due to limited increases being received from operational grant funding, and economies of scale of business after the withdrawal of two member Councils at end of 2019-20.
Participation <i>Active library members</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	11.83%	11.06%	10.84%	9.08%	Reduction of 887 active library borrowers between 2018-19 and 2020-21, mainly due to COVID-19 stay at home lockdowns, where less borrowers have been able to physically access the library branch.
Maternal and Child Health Service 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	101.25%	100.41%	100.85%	101.44%	
Service cost <i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]	\$70.48	\$60.62	\$64.72	\$62.31	
<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	86.54%	95.51%	88.76%	97.30%	MCH staff have been working hard to improve outcomes for aboriginal families and this is reflected in our data.

Performance Goal 1: Community and Cultural Development

Service/Indicator/measure	Results				Material Variations
	2018	2019	2020	2021	
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	89.63%	90.16%	87.94%	91.31%	
Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	New in 2020	New in 2020	100.42%	96.65%	COVID-19 restrictions including lockdowns and stay at home orders have reduced the participation which has impacted this figure.
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]	4.67 days	3 days	2 days	1.25 days	
Service standard <i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100	112.50%	99.41%	90.80%	75.31%	As a result of the COVID-19 outbreak, inspections are lower than normal due to restrictions and increased outbreak workload.
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>]	\$666.84	\$650.59	\$767.58	\$569.69	17% increase (44) in critical non-compliance outcome notifications and major non-compliance outcome notifications in 2020. Reduction to the cost of Food Safety Services as an Environmental Health Officer had a six week secondment to a different function within Council.
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%	93.75%	75.86%	76.47%	

Performance Goal 1: Community and Cultural Development

Service/Indicator/measure	Results				Material Variations
	2018	2019	2020	2021	
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	1	Council conducted one health inspections during 2020-21. In previous years inspections were not annually required under the <i>Health Act 2008</i> .
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/Municipal population]	8.20	8.77	6.73	3.03	Utilisation of aquatic facilities has decreased due to the impacts of COVID-19 restrictions.
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]	\$3.10	\$4.31	\$5.69	\$13.30	Cost per visit at the Aquatic Centre had a 133% increase, the drivers of the increased cost per visit is the fall in facility utilisation by 55% and additional COVID-19 subsidy payments made to the contractor during 2020-21.
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]	1.01 days	1 day	1 day	1 day	
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed/ Number of animals collected] x100	45.31%	62.91%	53.10%	52.83%	
Service standard <i>Animals rehomed</i> [Number of animals rehomed/ Number of animals collected] x100	New in 2020	New in 2020	20.73%	28.70%	Improvements to animal management practices and an increase to the number of rehoming agencies partnering with Council has seen an increase to the number of animals rehomed.
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service/Population] x100	\$19.79	\$32.14	\$16.58	\$18.65	Extra costs incurred by housing the animals for a longer period has increased the cost of animal management services but has resulted in improved animal rehoming results.
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions/ Number of animal management prosecutions] x 100	New in 2020	New in 2020	0.00%	100.00%	Council made one animal management prosecution during 2020-21, which was successful. In 2019-20 there were zero animal management prosecutions.

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
1. Progress implementation of the Wimmera Intermodal Freight Terminal Precinct Plan	90%	1. First stage of works completed well under budget. Work has commenced on a new service road near the western end of the precinct, off Freight Terminal Road, to create “ready to occupy” lots. These works are due for completion by November 2021.
2. Encourage opportunities for the establishment of associated industries including the mining sector	95%	2. As a result of the COVID-19 pandemic and the increased demand for industrial land, Council has positioned itself to recover through making industrial land available.
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	100%	Enhanced 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)	60%	Routes of bus services in Horsham have been reviewed and changes have been made. There has been 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 staff 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)	75%	Rural Roads Network Plan progressed well, with a series of workshops across the municipality in May 2021 to gather feedback from the rural community. A second stage of engagement is planned for August 2021 for those who were unable to participate in the earlier engagement. The report is planned to be completed by December 2021.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2020-21 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. Funds allocated in the 2021-22 Budget so the program will now be advanced.
Parking and Traffic Management - Parking Plan	Parking Management Plan completed June 2021.

Performance Goal 2: Sustaining the Economy

The following statement provides information in relation to the services funded in the 2020-21 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:			
Business Development and Tourism	This service provides information and support to visitors accessing the Visitor Services. This area also covers tourism marketing and development as well as promotion for major events and festivals.	354	612	258
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.	174	750	576
Management and Administration	This service provides general administration for all areas of planning, building, tourism and economic services areas.	459	369	-90
Parking and Traffic Management	This service provides management of parking infringements, maintenance on parking meters, car parking fees, fines and associated costs.	95	110	15

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	100%	Long term financial modelling has been completed for all asset categories and used to develop the draft Asset Plan and Long Term Capex Plan.
Undertake master planning and major refurbishment of the Aquatic Centre	100%	Master plan was completed in 2017. Further projects are being included in annual capex programs, subject to availability of grant funding to facilitate works proceeding.
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	95%	Financial modelling and service level definition has been undertaken for all asset categories. The draft Asset Plan was subject to deliberative engagement through the Community Panel and will be presented for broader community feedback in the second half of 2021.
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 roofing project was completed in 2020-21.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2020-21 budget for the year.

Major Initiatives	Progress
Strategic Asset Management - Rural Road Network Plan	Work on the Rural Roads Network Plan has progressed well, with a series of workshops across the municipality in May 2021 to gather feedback from the rural community. A second stage of engagement is planned for August 2021 for those who were unable to participate in the earlier engagement. The report is planned to be completed by December 2021.
Strategic Asset Management - Asset Management System Rollout	Asset Management System is in place and all data has been reconciled with the financial system.
Strategic Asset Management - Disaster Asset Evidence Photography	Data collection process is complete. This has included capture of roughness data on all sealed roads which will improve the planning of Council's renewal works in coming years.

Performance Goal 3: Asset Management

The following statement provides information in relation to the services funded in the 2020-21 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	Management of the use of the Aquatic Centre, including major refurbishment and upgrades.	863	886	23
Commercial Activities	This service includes the contracted facilities such as the Caravan Park and the Wimmera Intermodal Freight Terminal.	45	86	41
Commercial Operations	This service includes the Horsham Regional 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. This service also includes the operations of the Horsham Aerodrome which provides a regional airport for commercial and private aircraft.	-482	-2	480
Engineering Services	Has overall responsibility for delivery of Council's capital works delivery and annual programming, traffic planning, waste planning, road, street and drain design and monitoring of standards adherence (quality assurance) for the infrastructure.	860	1,181	321
Infrastructure - Rural	This service is responsible for maintaining and constructing roads, bridges and related assets in all non-urban areas of Horsham and Natimuk. This includes the Rural Roads Victoria maintenance contract (which excludes major highways).	1,899	1,905	6
Infrastructure - Urban	This service provides maintenance and construction of roads, streets, bridges and related assets to the required standards within Horsham and Natimuk. This also includes maintenance of bicycle tracks, drainage, footpaths and off-street car parks.	-892	-641	251
Management and Administration	This service provides administration and support services for the Infrastructure Services department.	700	688	-12
Operations Management	This service includes management and administration of the Operations department to facilitate the delivery of core functions and capital programs.	131	152	21
Parks and Gardens	Provision of managed areas for sport, recreation and amenity – includes sports grounds, parks, gardens, the Botanic Gardens and playgrounds throughout the municipality.	2,573	2,378	-195
Sports and 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 user groups to increase participation.	724	732	8
Strategic Asset Management	Responsible for the strategic management of Council's Infrastructure, including the long term planning of asset renewal and capital works.	751	750	-1
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 fall within this service. This service also provides operations and maintenance of the public conveniences in Horsham, Natimuk and several rural facilities.	1,094	1,218	124

Performance Goal 3: Asset Management

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
	2018	2019	2020	2021	
Roads	12.22	10.72	9.80	10.76	
Satisfaction of use					
<i>Sealed local road requests</i>					
[Number of sealed local road requests / Kilometres of sealed local roads] x100					
Condition	99.30%	99.23%	96.62%	99.30%	
<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	\$50.11	\$30.86	\$30.73	\$36.62	Several of the sealed road reconstructions were on Council's strategic freight route, Council improved these roads by providing thicker gravel depth and several additional culverts for improved drainage, which has resulted in a higher per unit cost.
<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>	\$4.67	\$5.71	\$5.47	\$5.20	
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]					
Satisfaction	44	45	39	47	Council was successful in various grant funding in 2020-21 that enabled Council to reconstruct more sealed roads than in previous years.
<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 Local Government Act including seeking community ideas for prosperity.	100%	The new <i>Local Government Act 2020</i> requires deliberative processes to be defined in Council's Community Engagement Policy, a revised policy was adopted in March 2021 and a deliberative community engagement process was undertaken during the first half of 2021. An independent community panel was appointed to develop a Vision for the Community for 2041 and to provide recommendations to Council on the Council Plan, Asset Plan and Financial Plan. The panel was a great success and the input from the community was greatly valued and appreciated by Council even though COVID-19 did impact to some extent on the process.
Respond to emerging risks through the strategic risk register and internal audit	100%	Council has taken an active approach in the management of risk within the organisation. Reports from a range of authorities such as VAGO, the Ombudsman, the Local Government Inspectorate and others are assessed to identify any relevant issues and emerging risks for Council. These are then treated like findings from an independent audit report and responses are enacted to ensure processes are improved.
Manage the implementation of the major revision to the Local Government Act	50%	The new <i>Local Government Act 2020</i> was enacted during March and will be phased in over the period to 31 December 2021. A detailed implementation plan is being followed to ensure that all legislated requirements are complied with by the required due date. To date all requirements have been met.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2020-21 budget for the year.

Major Initiatives	Progress
Governance - Community Engagement Tools	The "OurSay" on-line engagement tools were purchased and have been used to support community engagement activities throughout 2020-21.
Governance - Horsham Municipality Community Plan	Plans to undertake a community planning exercise have been rescheduled and replaced with the development of a Community Vision 2041 which was undertaken by an independent Community Panel and will be finalised in early July 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 three 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.

Performance Goal 4: Governance and Business Excellence

The following statement provides information in relation to the services funded in the 2020-21 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, plus delivers external services in the form of information to government and the community and specific services to Wimmera Development Association and the Wimmera Regional Library Corporation.	932	931	-1
Community Relations and Advocacy	Responsible for three key areas: advocacy and grant seeking, media and communications and community engagement.	427	426	-1
General Revenue	Provides treasury management including additional borrowings and interest repayments.	-29,473	-28,688	785
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 also includes Customer Service, the management of Council's property portfolio (including Leases/Licenses and land sales/purchases), Records Management, the office of the Mayor and Councillors and the office of the Chief Executive.	1,580	1,674	94
Information and Technology	Provides IT hardware and 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.	1,012	1,005	-7
Management and Administration	This service provides management across the areas of finance, IT, rates and organisational development.	1,507	1,776	269
People and Culture	This service is responsible for human resources, payroll, OHS, risk management, industrial relations and organisational performance functions. Payroll also provides services to three separate Council related entities.	1,073	846	-227
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 and maintaining a strategically focused property management system.	312	347	35

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
	2018	2019	2020	2021	
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	10.95%	13.39%	18.44%	9.03%	During 2020-21 there was a decrease in resolutions made at meetings closed to the public.
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]	53	54	41	48	Satisfaction levels have improved post the Council Election.
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	87.58%	96.19%	87.76%	96.43%	
Service cost <i>Cost of elected representation</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$36,317.94	\$36,965.42	\$31,418.08	\$35,874.87	Additional training and development costs required in 2020-21 for first year of the Councillors new term.
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]	49	49	39	48	Satisfaction levels have improved post the Council Election.

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	95%	During 2020–21, Council developed a Zero Carbon Plan, which aims for zero carbon in its operations by 2050. A series of measures have been implemented which currently place Council ahead of that target. Including: <ul style="list-style-type: none"> • Solar panels on the new roof at Horsham Regional Livestock Exchange (100 kW) • Solar panels at 8 community halls across the municipality • Secured 100% green energy in its new electricity contract
Develop a Waste Management Strategy	85%	Detailed planning has occurred during 2020–21 to prepare for the implementation of a four-bin kerbside collection service, with separate bins for organics, glass, other recycled materials, and waste for landfill. This service will be complemented by an expansion of recycling and glass drop off facilities in regional areas. A community engagement process on this proposed service will be undertaken in the second half of 2021.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2020–21 budget for the year.

Major Initiatives	Progress
Waste Management Services - Dooen Landfill Master Plan	Two components of this have been completed. These are referred to as the Dooen Landfill Infrastructure Plan and the Operations Plan.
Sustainability - Waste Gasification Plant Investigation	The Waste Gasification Plant investigation has been deferred. Instead, Council is collaborating with the Regional Waste Group and GWMWater in consideration of options to provide some organics processing capacity, with the potential to provide some waste-to-energy capacity. These investigations are in an early stage.

Performance Goal 5: Natural and Built Environments

The following statement provides information in relation to the services funded in the 2020-21 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:			
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.	31	86	55
Strategic Planning Services	The function of strategic planning, which aims to strategically plan the municipality's needs is also included.	500	584	84
Statutory Planning and Regulations	This service provides statutory planning services such as planning permits, notice of applications, information certificates, scheme appeals, subdivision costs, administration of building control services including building approval, inspection fees, easement approval and State Government levies.	161	291	130
Sustainability	This service manages a range of sustainability related projects from Council's Sustainability Strategy. A reserve has been established to facilitate future energy and water deficiency projects.	204	175	-29
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 the urban and rural areas of the municipality.	-547	-	547

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
	2018	2019	2020	2021	
Statutory Planning Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	39.00	55.00	42.00	63.00	During 2020-21 there was a 37% increase in planning application decisions made, combined with some complex permits, leading to an increase in the median days taken to decide a planning application.
Service standard <i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	86.96%	76.72%	85.57%	78.49%	

Performance Goal 5: Natural and Built Environments

Service/Indicator/measure	Results				Material Variations
	2018	2019	2020	2021	
Service cost <i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$3,221.30	\$2,770.27	\$2,898.33	\$2,328.04	21% increase in planning applications received during 2020–21 resulting in a lower average cost.
Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	50.00%	0.00%	0.00%	There were no planning decisions taken to VCAT in 2020–21.
Waste Collection Satisfaction <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000	63.56	77.27	82.87	89.56	
Service standard <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	1.03	1.39	1.45	0.99	There were 39 less missed bin requests in 2020–21 as compared to 2019–20.
Service cost <i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$117.81	\$115.54	\$121.42	\$123.97	
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$43.61	\$61.67	\$61.64	\$68.42	The costs associated with processing of collected commingled recycling are increasing – this increase is reflective of the current state of the recycling processing industry in Victoria.
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	22.75%	22.13%	20.49%	19.91%	

Governance and Compliance

Governance

Horsham Rural City Council is constituted under the *Local Government Act 2020* to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.

Section 9 of the 2020 Act states that Council must, in the performance of its role, give effect to the following overarching governance principles:

- (a) Council decisions are to be made and actions taken in accordance with the relevant law
- (b) Priority is to be given to achieving the best outcomes for the municipal community, including future generations
- (c) The economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted
- (d) The municipal community is to be engaged in strategic planning and strategic decision making
- (e) Innovation and continuous improvement is to be pursued
- (f) Collaboration with other Councils and Governments and statutory bodies is to be sought
- (g) The ongoing financial viability of the Council is to be ensured
- (h) Regional, state and national plans and policies are to be taken into account in strategic planning and decision making
- (i) The transparency of Council decisions, actions and information is to be ensured.

In giving effect to the overarching governance principles, Council must take into account the following supporting principles:

- (a) The community engagement principles
- (b) The public transparency principles
- (c) The strategic planning principles
- (d) The financial management principles
- (e) The service performance principles.

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 engagement, public forums and the ability to make submissions to 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, including project funding sources (where available), so people can contribute in a meaningful way including clearly defining negotiable and non-negotiable elements of any subject of engagement and an explanation of why elements are non-negotiable
- 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
- Inform 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. 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 2020* 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 90-91. The following items have been highlighted as important components of the management framework.

Committee Structure Review

Changes to the Victorian Local Government Act provide the opportunity to review committee structures within Victorian local government areas. Under the new *Local Government Act 2020*, there are now only two formal types of committees:

- **Community Asset Committees** for the purpose of managing a community asset
- **Delegated Committees** where specific powers of Council are delegated to the committee.

Other types of committees (often known as Advisory Committees) do not have decision-making authority and are not recognised by the Act.

The *Local Government Act 2020* requires Council to review its current committee structure to ensure we are operating in accordance with the legislation. This is timely because Council's committee structure has evolved over time without regular review leading to a broad and inconsistent suite of committees.

The aim of the review is to streamline Council's committee structure, whilst ensuring effective strategic advice is provided to Council to assist in their governance and decision-making. The proposed

methodology for completing the review will provide a transparent and open consultative process that will ensure all views are understood and fed into the Council's decision-making process.

Council commenced a review of its committee structure in January 2021 and activities to date include:

- Desktop review of the activities of the committees to identify the status and level of activity of each committee
- Benchmarking exercise with similar sized Councils
- Survey of all members of the various committees
- Development of a draft Committee Framework Policy.

Next steps:

In 2021-22 there will be further engagement with current committees and finalisation of the Committee Policy and structure.

Community Halls' Asset Committee

On 4 September 2017, a unique governance arrangement for 10 community halls was created that saw the establishment of a Community Halls' Committee of Management. This governance structure was possible under Section 86 of the *Local Government Act 1989*.

The structure provided an effective framework for each of the community halls to maintain their independence in providing an essential community service – a meeting place for individuals and community groups. The structure also provided support for the hall committees and volunteer members and ensured compliance with the requirements of the 1989 Act.

As a result of a new *Local Government Act 2020*, Section 86 arrangements were repealed (1 May 2020) with existing delegations remaining until 1 September 2020.

Following a review of the effectiveness of the governance arrangement for community halls and as part of a separate project within Council to review all committees managed by Council, a Community Asset Committee was established and a new Instrument of Delegation from the CEO was formalised by Council Resolution on 3 August 2020.

The 10 community halls within the Community Asset Committee are:

- Dadswell's Bridge Community Hall
- Hamilton Lamb Memorial Hall
- Jung Hall
- Laharum Hall
- Mitre Hall
- Natimuk Community Centre (NC²)
- Natimuk Solders' Memorial Hall
- Sailor's Home Memorial Hall
- Taylor's Lake Hall
- Telangatuk East Hall.

One representative from each of the community halls meet at least once each year to share information and provide formal advice in relation to the operation of the hall, usage and activities, promotion, challenges and opportunities.

Under the requirements of the *Local Government Act 2020*, section 47(6), the CEO is required to provide an annual report to Council on the Activities and Performance of Community Asset Committees. Following the Annual Meeting of the Community Asset Committee scheduled for November 2021, the Annual Report to Council on the Activities and Performance of Community Asset Committees will be provided to Council and included in the 2021-22 Annual Report.

Council is appreciative of the partnership with, and ongoing support of, community volunteers and committees who manage a range of community facilities across our municipality.

Organisational Plans, Policies, Procedures and Strategies

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

Audit and Risk Committee Charter
Communications Policy
Communications Plan
Community Development Grants Policy
Community Donations Policy
Community Engagement Policy
Council Election Period Policy
Council Expenses Policy
Councillor and Staff Interaction Policy
Councillor Code of Conduct
Councillor Media Policy
Council Plan 2020-24
COVID-19 Rates and Charges
Financial Hardship Policy
Fit for Work Policy
Fit for Work Procedure
Gifts, Benefits and Hospitality Policy
Governance Rules
Information Privacy Policy
Parking Management Plan
Policy Development, Implementation, Review and Approval Policy
Procedure Development, Implementation, Review, and Approval Procedure
Procurement Policy
Public Transparency Policy
Rates and Charges Debt Collection Policy
Rates and Charges Financial Hardship Policy
Revenue and Rating Plan 2021-24
Risk Appetite Strategy
Risk Management Framework
Risk Management Policy
Stage 1 Riverfront Activation Concept Plan
Strategic Resource Plan 2020-24
Temporary Measures for Conduct of Virtual Council Meetings Procedure
Working from Home Procedure
Zero Net Emissions Action Plan

Governance and Compliance

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*, Section 139, and more recently, the *Local Government Act 2020*, Sections 53 and 54.

Sections 53 and 54 of the 2020 Act have expanded the scope of the Audit Committee required by Section 139 of the 1989 Act, introducing the requirement for an Audit and Risk Committee with a Charter. These new arrangements cover both the structure and function of the committee and effectively mandate the requirement for an internal audit function.

Council established the first Audit and Risk Committee of the new *Local Government Act 2020*, in accordance with Division 8, Sections 53 and 54, on 24 August 2020. This was one of several key deliverables under the requirements of this part of the new legislation.

The Audit and Risk Committee Charter, which sets out the committee's objectives, authority, composition and tenure, roles and responsibilities and reporting, administrative and governance arrangements, was endorsed at the Special Audit and Risk Committee meeting on 30 July 2020, and formally adopted by Council on 24 August 2020.

The committee's objective is to provide appropriate independent advice and recommendations to Council on matters relevant to the committee's charter in order to facilitate decision-making by Council in relation to the discharge of Council's accountability requirements.

The Audit and Risk Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and is therefore independent of management.

Responsibilities

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

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.

The Audit and Risk Committee provides oversight and guidance on the following matters:

- Council's financial performance reporting
- Compliance of Council's policies and procedures with the *Local Government Act 2020*, particularly the governance principles
- The effectiveness of the management and reporting of Council's risk management and fraud and corruption prevention
- The effectiveness of Council's system of internal controls
- The effectiveness of the internal and external audit functions
- The provision of an effective means of communication between the external auditor, internal audit, management and the Council.

The Audit and Risk Committee has an established Annual Work Program to enable it to discharge its responsibilities effectively, in accordance with the requirements of the Audit and Risk Committee Charter. The Annual Work Program is reviewed at least annually.

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 past 12 months were:

- Richard Trigg – Chair/ Independent member
- Vito Giudice – Independent member
- Mark Knights – Independent member
- Cr Mark Radford – Councillor representative/Mayor (final meeting September 2020, end of Councillor term)
- Cr David Grimble – Councillor representative (final meeting September 2020, end of Councillor term)
- Cr Robyn Gulline – Councillor representative/Mayor (first meeting December 2020, start of Councillor term)
- Cr Ian Ross – Councillor representative (first Meeting December 2020, start of Councillor term)

Ex-officio members:

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

Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the operations of Council. RSD Audit have been Council's Internal auditors since November 2019.

RSD Audit conducted a review of Council's Strategic Risk Register and Business Continuity Plan, and completed an audit on Waste Management – Landfill and Transfer Station Operations.

An additional audit was completed by consultant CT Management – Review of the Road Management Plan.

The Audit and Risk Committee also receives regular status reports in relation to recommendations from previous audits to ensure that these are adequately addressed.

Additional to the RSD Audits, Council's Governance Unit undertakes its own internal assessments of relevant reports when they are released from entities such as Victorian Auditor General's Office (VAGO), Independent Broad-Based Anti-Corruption Commission (IBAC), Office of the Victorian Information Commissioner (OVIC), the Ombudsman and the Local Government Inspectorate. Any applicable actions are identified and these are then tracked like any other internal audit undertaken, thus leading to significant continual improvement. Council considers this to be best practice and is leading the sector with this approach.

External Audit

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

Achievements 2020-21

- Five meetings conducted (30 July 2020⁵, 17 September 2020, 17 December 2020, 18 March 2021, 10 June 2021)
- Annual Self-Assessment of Performance against Audit and Risk Committee Charter
- Further development of the Organisational Quarterly Performance Report to the community

- Development of inaugural Audit and Risk Committee Biannual Report in accordance with requirements of the *Local Government Act 2020*
- Council's Governance Unit undertook its own internal assessment of the following reports from relevant external Integrity body reports:
 - Victorian Ombudsman's Investigation of Alleged Improper Conduct by Executive Officers at Ballarat City Council
 - IBAC Unauthorised Access and Disclosure of Information held by Local Government
 - VAGO Sexual Harassment in Local Government
 - Victorian Ombudsman's Investigation into How Councils Respond to Ratepayers in Financial Hardship
 - Victorian Ombudsman's Investigation into Corporate Credit Card Misuse at Warrnambool City Council
- Comprehensive review of Audit and Risk Committee Charter and Annual Work Plan in accordance with new *Local Government Act 2020*, Division 8 requirements
- Re-establishment of the Audit and Risk Committee in accordance with new *Local Government Act 2020*, Division 8 requirements
- Governance Compliance Framework – biannual updates presented to Council:
 - September 2020
 - March 2021
- Review of Audit and Risk Committee Member Allowances
- Development of Committee Membership Guide
- Introduction of closed session at beginning of each meeting (committee without Officers present).

Challenges

- The COVID-19 pandemic has impacted the capacity of staff to address some outstanding audit actions
- Implementation and requirements of the *Local Government Act 2020*.

Focus for 2021-22

- Inclusion of Audit and Risk Committee Independent Members on the Horsham Rural City Council website
- Preparation of a biannual Audit and Risk Report for Council
- Completion of all key deliverables as required under the *Local Government Act 2020*.

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.

As the COVID-19 pandemic has continued, risk management and business continuity have continued to be at the forefront of Council's operations.

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

Achievements 2020-21

- Two meetings conducted (7 December 2020, 28 May 2021)
- Risk Appetite Statement adopted
- Risk Framework adopted.

Focus for 2021-22

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

⁵Additional meeting held to address requirements of the new LGA2020.

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. 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 2021. 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 performance 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 2021	Horsham 2020	Regional Centres 2021	State-wide 2021		
Overall performance	54	45	60	61	Aged 18-34 years	Rural Area residents
Value for money	50	New Measure	55	54	Aged 65+ years	Rural Area residents
Overall Council direction	47	35	54	53	Women	Rural Area residents
Customer service	68	61	71	70	Women	Men
Waste management	70	New Measure	69	69	Aged 65+ years, Horsham Area residents, Women	Aged 50-64 years
Community decisions	48	39	54	56	Aged 18-34 years	Rural Area residents
Consultation and engagement	48	41	54	56	Aged 35-49 years, Women	Rural Area residents
Sealed local roads	47	39	60	57	Aged 65+ years	Rural Area residents

Promisingly, performance ratings have improved this year across all individual service areas – significantly so on most.

Customer service received the highest score of 68 which was a 7 point improvement from last year. Council's overall performance index score of 54 was a 9 point increase from 2020 and this reflects a strong turnaround in perceptions of Council since the new Council term commenced in November 2020.

Council is very aware of the need to improve its performance, particularly around community engagement, and is actively working to achieve improvements in this space moving forward. 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 2020-21 financial year was \$29.60 plus any access charges that may be levied in accordance with the Freedom of Information Regulations.

In 2020-21, the number of valid requests increased due to topical issues in the municipality. In one case, Council was able to supply documents outside of the Freedom of Information process, and two were withdrawn as applicant did not go ahead with the request or re-submitted as a different request.

How many requests did Horsham Rural City Council receive?

Personal Requests	0
Non-Personal Requests	9

- Six application fees of \$29.60 were paid – total \$177.60
- 2020-21 total charges – \$551.04

What happened?

Part access given	1
Full access given	5
Unclear request, no further correspondence received	0
Withdrawn by applicant	2
Information provided outside FOI process	1
Lapsed after 28 days due to applicant fee not paid	0

No internal reviews were conducted.

Review Applications to OVIC and VCAT

Section 51 (1) review of a decision (OVIC)	3
Section 50 (2) applications to the Victorian Civil and Administrative Tribunal (VCAT)	1
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.

Procurement Activity

In 2020-21, Council submitted 39 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 108 of the *Local Government Act 2020* totalling \$9,499,684.

81 annual supply tenders were maintained, equating to an annual spend for these contracts of \$6,568,165.

An additional 81 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 108 of the *Local Government Act 2020*, totalling \$2,914,474.

Combined competitive procurement for 2020-21 is \$18,982,323.00.

Contracts

1. Minister for Local Government, Shaun Leane, approved the arrangements for the purposes of section 186(5)(c) of the *Local Government Act 1989*, for Horsham Rural City Council to contract directly with Victorian YMCA Community Programming Pty Ltd (ACN 092 818 445) for the management and operation of the Horsham Aquatic Centre for the period 1 July 2021 to 30 June 2022 (inclusive).
2. Horsham Rural City Council was one of 41 Councils across Victoria that received a Ministerial Exemption under section 186 of the *Local Government Act 1989*, in May 2021, for the provision of recycling services through to 30 June 2022, to facilitate transition arrangements relating to implementation of the Government's new policy "Recycling Victoria, A New Economy 2020". Council extended its recycling contract with Wheelie Waste at its June 2021 meeting on the basis of this exemption.

Statutory Information

Documents Available for Public Inspection

In line with public transparency principles, Council makes the following documents available for public inspection. Most of these documents are available on the Horsham Rural City Council website – www.hrcc.vic.gov.au – alternatively, please contact Council on email council@hrcc.vic.gov.au or telephone (03) 5382 9777 to arrange an inspection.

Overseas and Interstate Travel

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

- Name of the Councillor or member of Council staff
- 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, Council meetings held in the previous 12 months which are kept in accordance with the Horsham Rural City Council Governance Rules, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 66 of the *Local Government Act 2020* and contain confidential information within the meaning of sections 3(1) and 125 of the Act.

Community Asset and Delegated Committee Minutes

The minutes of meetings of Community Asset and Delegated Committees established under the *Local Government Act 2020*.

Note: Horsham Rural City Council's committee structure is currently under review (pages 80-81).

Delegations

A register of delegations kept under sections 11 and 47 of the Act, including the date on which the last review took place.

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 of Authorised Officers, including the date on which the last review took place.

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.

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 Government departments, Local Government 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 2020* and federal legislation.

Promote and protect human rights is identified as a Guiding Principle in the 2020-24 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.

This report contains a section on Preventing Violence Against Women including information on the Communities of Respect and Equality (CoRE) Alliance, Act@Work and the *Gender Equality Act 2020* (pages 28-29). 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.

Due to the sun-setting of Community Local Law 2011 (Number 3 and the amendment Number 4), a comprehensive review was undertaken in 2021. Information was gathered from similar Councils, in particular those that had recently updated their Local Law and key elements were noted in relation to consistency for the type of trading activities that may occur on Council controlled land, and changes for the management of areas of complaint such as motor bike noise and the new provisions of the *Environmental Protection Act*. The review identified changes that would better protect the community and enhance amenity. The draft replacement Local Law was presented to Council on 28 June 2021 for approval for public notice. Council commenced community engagement and invited submissions about the replacement local law.

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.

Collaboration with external agencies and improved processes have led to a 50 percent decrease in euthanizing of animals, and a 70 percent increase from last financial year of adoptable animals being rehomed.

Council now has agreements with three rehome groups supporting the placement of unwanted animals in the municipality. These include Horsham PAWS, Phoenix Animal Rescue and Catnap Kitten Rescue.

We have continued our series of media releases encouraging the responsible ownership of domestic animals and key updates to Council's website to fill identified information gaps. Proactive work with pet owners has led to a large reduction in the numbers of animals being impounded. An electronic option to receive pet registration renewals in the form of an eNotice is now available, giving customers the choice to renew online.

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.

2019–22 Community Inclusion Plan

Council adopted the 2019–22 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. 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. Council plays a key leadership role in building a more accessible community and reducing barriers to inclusion experienced by people with a disability.

Statutory Information

2019-22 Community Inclusion Plan *continued*

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 year include:

- The Employment of a Community Inclusion Officer
- Council publications available in alternative formats
- Collaborative planning for acknowledgement and celebration of Seniors Week 2021
- Inclusion of comprehensive information on disability services and accessible facilities in the Horsham Community Directory
- Disability Awareness Training for Councillors
- Improved access to Horsham Aquatic Centre with the completion of compliant/accessible ramp
- Incorporation of Universal Design Guidelines into Council processes such as master planning, scoping of capital works, engineering design and Capital Works Project Office processes.

The 2019-22 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.

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 2020-21 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 remains committed to providing and promoting a child safe environment. Council has zero tolerance to child abuse and constantly endeavours to maintain a child safe and child friendly environment where children are 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 culturally and linguistically diverse backgrounds, and children with a disability.

The Child Safe Standards originally formed part of the Victorian Government's response to the Betrayal of Trust inquiry. While Victorian organisations that provide services to children are required under the *Child Safety and Wellbeing Act 2005* to ensure that they have compulsory child safe

standards to protect children from harm, over-and-above this, Council considers child safety as an integral component of normal business and part of its fundamental moral obligation to provide services in a way that protects the health and wellbeing of the entire community.

Council's Child Safe Policy and Reporting a Child Safety Concern Procedure are key documents in respect of child safety and can be found 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.

These resources will be reviewed throughout 2021-22 in response to the Victorian Government's adoption of new Child Safe Standards, to be introduced on 1 July 2022. Impacted organisations have 12 months to transition to the new Standards, which come into effect on 1 July 2022. Until then, the current Standards continue to apply.

Legislative Objectives of Council

The purpose and objectives of the Horsham Rural City Council are defined in the *Local Government Act 2020*. The purpose of this Act is to give effect to section 74A(1) of the *Constitution Act 1975* which provides that local government is a distinct and essential tier of government consisting of democratically elected Councils having the functions and powers that the Parliament considers are necessary to ensure the peace, order and good government of each municipal district.

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.4).

- (a) Local government continues to be constituted as a democratically elected tier of Government in Victoria
- (b) Councils are constituted as representative bodies that are accountable, transparent, collaborative, efficient and engaged with their communities
- (c) Councils have the functions and powers necessary to enable Councils to perform their role.

Public Interest Disclosures

Horsham Rural City Council is a public body subject to the *Public Interest 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 2021, no disclosures were notified to Council officers appointed to receive disclosures, or to the Independent Broad-based Anti-corruption Commission (IBAC).

Council's Public Interest Disclosure Procedure (2020), provides details of Council's system for reporting disclosures of improper conduct, serious professional misconduct, detrimental action or misdirected disclosures by Councillors or employees.

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 under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date of adoption: 22 February 2021
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines 15 February 2016
3. Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date of adoption: To be adopted prior to 31 October 2021 in accordance with the Act
4. Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act Date of adoption: General: 21 December 2015 Roads: 21 December 2015
5. Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act Date of adoption: 28 June 2021
6. Annual budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act Date of adoption: 28 June 2021
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of commencement of current policy: 1 June 2021
8. Fraud policy (policy outlining Council's commitment and management controls)	Policy Date of commencement 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 mitigation, 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 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	Adopted in accordance with section 108 of the Act Date of adoption: 26 April 2021
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 2018
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 29 June 2015
13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of commencement of current framework: 1 June 2021
14. Audit and Risk Committee (see sections 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date of re-establishment: 24 August 2020

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 <i>Local Government Act 1989</i>)	Framework Date of operation of current framework: 24 June 2019
17. Council Plan report (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: 14 December 2020, 22 February 2021, 26 April 2021
18. Financial reporting (quarterly statements to the Council under section 138(1) of the <i>Local Government Act 1989</i> , comparing actual and budgeted results and an explanation of any material variations)	Reports presented to the Council in accordance with section 138(1) of the <i>Local Government Act 1989</i> Date reports presented: 14 December 2020, 22 February 2021, 28 June 2021
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: 17 September 2020, 17 December 2020, 18 March 2021, 10 June 2021
20. Performance reporting (six-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the <i>Local Government Act 1989</i>)	Reports Date of reports: 14 December 2020, 22 February 2021, 26 April 2021
21. Annual report (annual report under sections 131, 132 and 133 of the <i>Local Government Act 1989</i> containing a report of operations and audited financial and performance statements) 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)	Presented at a meeting of the Council in accordance with section 134 of the Act Date statements presented: 30 November 2020
22. Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act Date reviewed: 22 February 2021
23. Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of review: 24 August 2020
24. Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules adopted: 24 August 2020

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



Sunil Bhalla
Chief Executive Officer
Dated: 28 September 2021



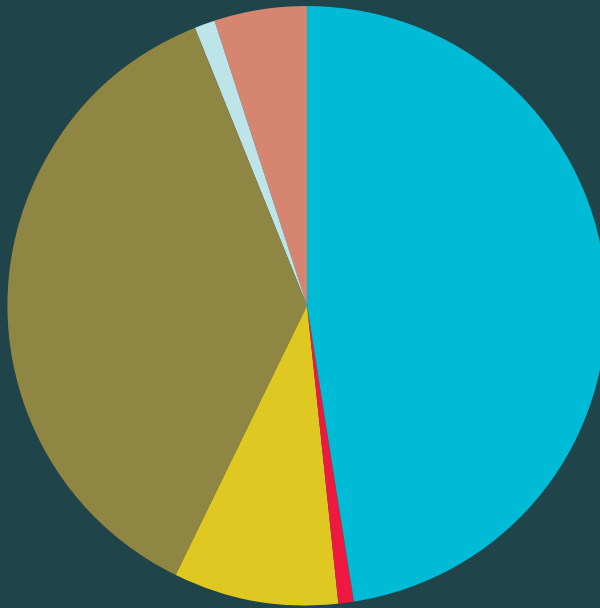
Cr Robyn Gulline
Mayor
Dated: 28 September 2021

Victorian Local Government Indicators

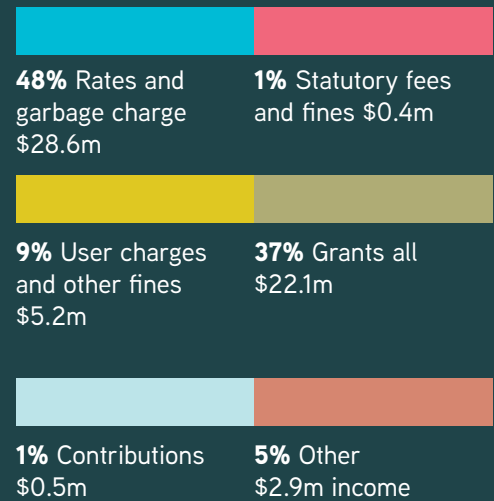
These indicators provide information regarding expenditure, cost of services and infrastructure provision, customer satisfaction and governance.

Indicator		Calculation	2020-21	2019-20	2018-19	2017-18
1.	Average rates and charges per assessment	Total rates and charges receivable at beginning of year/Number of assessments in the adopted budget	\$2,245.00	\$2,195.79	\$2,147.94	\$2,080.48
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	\$2,012.08	\$1,971.56	\$1,867.56	\$1,855.91
3.	Average liabilities per assessment	Total liabilities/Number of assessments in the adopted budget	\$2,107.21	\$2,065.27	\$1,469.24	\$1,524.76
4.	Operating result per assessment	Net surplus/Number of assessments in the adopted budget	\$246.23	(33.00)	\$434.11	\$512.42
5.	Average operating expenditure per assessment	Operating expenditure/ Number of assessments in adopted budget	\$4,505.78	\$4,305.02	\$4,357.62	\$4,065.66
6.	Community satisfaction rating for overall performance generally of Council	Result from the Annual Local Government Community Satisfaction Survey	54	45	55	54
7.	Average capital expenditure per assessment	Capital expenditure/ Number of assessments in the adopted budget	\$1,224.79	\$1,344.12	\$872.59	\$1,387.02
8.	Renewal gap	Capital renewal/Average annual asset consumption	86.8%	71.9%	50.1%	78.8%
9.	Renewal and maintenance gap	Capital renewal and maintenance/Average annual asset consumption plus planned maintenance	86.1%	77.1%	59.6%	81.9%
10.	Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the Annual Local Government Community Satisfaction Survey	No longer available	44	54	52
11.	Community satisfaction rating for Council's engagement in decision making on key local issues	Result from the Annual Local Government Community Satisfaction Survey	48	39	49	49

Where Our Money Comes From



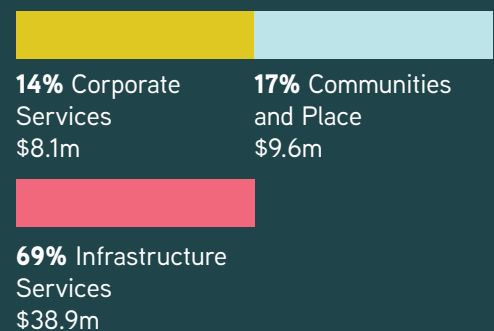
Income



Where Our Money Goes



Expenditure



Performance Statement

For the year ended 30 June 2021



Description of municipality

Horsham Rural City 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. Horsham Rural City has an estimated residential population of 20,018 people (2020), a number expected to reach 20,599 by 2036. Approximately three quarters of residents live within the urban area of Horsham.

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

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 the Wartook Valley with the Grampians National Park nearby.

Sustainable Capacity Indicators

For the year ended 30 June 2021

Indicator / measure	Results				Comments
	2018	2019	2020	2021	
Population Expenses per head of municipal population [Total expenses / Municipal population]	\$2,524	\$2,706	\$2,710	\$2,828	
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$21,267	\$22,479	\$22,523	\$24,433	Large increases to the value of infrastructure assets held has occurred after the 2020-21 revaluation, which has resulted in a significant increase to this ratio.
Population density per length of road [Municipal population / Kilometres of local roads]	6.66	6.68	6.70	6.86	
Own-source revenue Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,808	\$1,785	\$1,877	\$1,853	
Recurrent grants Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$540	\$500	\$496	\$526	
Disadvantage Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	4	4	4	4	
Workforce turnover Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11.5%	13.7%	10.1%	24.8%	Council withdrew from providing home care services on 31 December 2020 resulting in 34 staff terminations, representing 11% of the increase in the ratio.

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 2021

Service/ <i>indicator/measure</i>	Results				Comments
	2018	2019	2020	2021	
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	8.20	8.77	6.73	3.03	Utilisation of aquatic facilities has decreased due to the impacts of COVID-19 restrictions.
Animal Management					
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	0%	100%	Council made one animal management prosecution during 2020-21, which was successful. In 2019-20 there were zero animal management prosecutions.
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%	93.75%	75.86%	76.47%	
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]	49.00	49.00	39.00	48.00	Satisfaction levels have improved post the Council Election.
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	11.83%	11.06%	10.84%	9.08%	Reduction of 887 active library borrowers between 2018-19 and 2020-21, mainly due to COVID-19 stay at home lockdowns, where less borrowers have been able to physically access the library branch.
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	89.63%	90.16%	87.94%	91.31%	

Service/ <i>indicator</i> /measure	Results				Comments
	2018	2019	2020	2021	
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	86.54%	94.12%	88.76%	97.30%	MCH staff have been working hard to improve outcomes for aboriginal families and this is reflected in the data.
Roads					
Satisfaction					
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	44.00	45.00	39.00	47.00	Council's success in grant funding in 2020-21 enabled Council to reconstruct more sealed roads than in previous years.
Statutory Planning					
Decision making					
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	50.00%	0.00%	0.00%	There were no planning decisions taken to VCAT in 2020-21.
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	22.75%	22.13%	20.49%	19.91%	

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 section 98 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

Financial Performance Indicators

For the year ended 30 June 2021

Results											Forecasts			
Dimension / indicator / measure		2018	2019	2020	2021	2022	2023	2024	2025	Material Variations				
Efficiency														
Expenditure level														
Expenses per property assessment [Total expenses / Number of property assessments]		\$4,172	\$4,483	\$4,499	\$4,354	\$4,146	\$4,062	\$4,164	\$4,270					
Revenue level														
Average rate per property assessment [General rates and Municipal charges / Number of property assessments]		New in 2020	New in 2020	\$2,015	\$1,914	\$1,957	\$1,983	\$2,034	\$2,086					
Liquidity														
Working capital														
Current assets compared to current liabilities [Current assets / Current liabilities] x100		338%	423%	219%	220%	244%	246%	255%	200%					
Unrestricted cash														
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100		11%	-32%	-18%	-46%	-40%	-25%	-7%	6%	Taking advantage of longer term deposits directly affects unrestricted cash held. This ratio only measures term deposits held for less than three months.				
Obligations														
Loans and borrowings														
Loans and borrowings compared to rates [Interest and principle repayments on Interest bearing loans and borrowings / Rate revenue] x100		23%	20%	18%	15%	15%	22%	31%	28%	Council did not draw down any new loans during 2021 financial year which has resulted in a decreased ratio and favourable variance. This trend will continue until Council increases its external loan borrowings.				
Loans and borrowings														
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100		3%	3%	3%	2%	1%	1%	1%	3%	In line with loan repayment schedules, Council has been reducing reliance on borrowings over the past three years. Council has some long term plans for large capital projects in future years which may require extra funding, which will increase the ratio.				

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Indebtedness									
Non-current liabilities compared to own source revenue	26%	25%	23%	23%	28%	37%	43%	28%	
[Non-current liabilities / Own source revenue] x100									
Asset renewal and upgrade									
Asset renewal and upgrade compared to depreciation	New in 2020	New in 2020	89%	108%	106%	108%	99%	62%	Council intends to continue its focus on asset renewal over the longer term.
[Asset renewal and upgrade expense / Asset depreciation] x100									
Operating position									
Adjusted underlying result									
Adjusted underlying surplus (or deficit)	-3%	-3%	-9%	-1%	-7%	-7%	-7%	-8%	During 2021 financial year, additional COVID-19 grants were received improving the ratio.
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100									
Stability									
Rates concentration									
Rates compared to adjusted underlying revenue	53%	51%	56%	51%	60%	62%	62%	62%	
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
Rates compared to property values	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	
[Rate revenue / Capital improved value of rateable properties in the municipality] 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 above

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

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

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

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

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

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

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

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

"**population**" means the resident population estimated by council

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

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

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

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

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

Other Information

For the year ended 30 June 2021

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 in the results. 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. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by Council in the Horsham Rural City Council Budget 2021-22 on 28 June 2021. The budget 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.

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 continued to have an impact on HRCC operations in the 2020-21 financial year in the following areas:

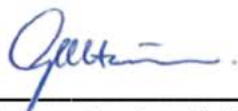
Several community facilities have been closed, including: performing arts centre, aquatic centre, visitor information centre, library and community centres and staff impacted were redeployed to other funded and vacant roles. The majority of office staff have been working remotely from their own homes from 1 July 2020 to mid to late March 2021 and then again for a short period in June 2021.

Financial impacts include: Reduction in rental receipts, footpath trading permit fees, health registration fees, parking fees/fines collected and financial hardship policy including interest free terms and rate deferrals. There has also been increased operational costs to continue providing services to the community with a COVID-19 restricted environment.

Council adopted its 2020-21 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 2020-21 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* and the Local Government (Planning and Reporting) Regulations 2014.



Graeme Harrison B. Econ, CPA, GAICD

Principal Accounting Officer

Dated: 27th September 2021

In our opinion, the accompanying performance statement of the Horsham Rural City Council for the year ended 30 June 2021 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

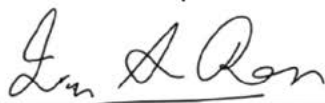
We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.



Robyn Gulline

Councillor

Dated: 27th September 2021



Ian Ross

Councillor

Dated: 27th September 2021



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

Chief Executive Officer

Dated: 27th September 2021

Independent Auditor's Report

To the Councillors of Horsham Rural City Council

Opinion	<p>I have audited the accompanying performance statement of Horsham Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of the municipality for the year ended 30 June 2021 • sustainable capacity indicators for the year ended 30 June 2021 • service performance indicators for the year ended 30 June 2021 • financial performance indicators for the year ended 30 June 2021 • other information and • 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 2021 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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>
Councillors' responsibilities for the performance statement	<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>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance 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
28 September 2021



Sahchu Chummar

as delegate for the Auditor-General of Victoria

Annual Financial Report

For the year ended 30 June 2021

HORSHAM RURAL CITY COUNCIL

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**HORSHAM RURAL CITY COUNCIL
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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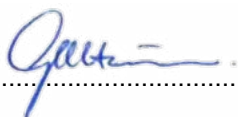
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**CERTIFICATION OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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
27th September 2021

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 2021, and the financial position of the Council as at that date.

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 R. Gulline

27th September 2021

Horsham



Cr I. Ross

27th September 2021

Horsham



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

27th September 2021

Horsham

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 2021 • 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 2021 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' 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	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
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MELBOURNE
28 September 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

HORSHAM RURAL CITY COUNCIL

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COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$'000	2020 \$'000
INCOME			
Rates and charges	3.1	28,627	27,631
Statutory fees and fines	3.2	359	409
User fees	3.3	5,204	6,716
Grants - operating	3.4 (a)	17,012	10,705
Grants - capital	3.4 (b)	5,111	4,348
Contributions - monetary	3.5 (a)	358	736
Contributions - non-monetary	3.5 (b)	121	405
Other income	3.7	2,242	2,400
Share of net profits/(loss) of associates	6.3	522	45
Fair value adjustments for investment property	6.4	58	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	3.6	81	187
Total Income		59,695	53,582
EXPENSES			
Employee costs	4.1	(20,689)	(20,502)
Materials and services	4.2	(21,572)	(19,373)
Depreciation	4.3	(11,715)	(12,076)
Amortisation - intangible assets	4.4	(233)	(224)
Amortisation - right of use assets	4.5	(55)	(55)
Bad and doubtful debts	4.6	(106)	(68)
Borrowing costs	4.7	(207)	(234)
Finance costs - leases	4.8	(15)	(14)
Other expenses	4.9	(324)	(267)
Written down value of assets disposed	3.6	(1,690)	(1,180)
Total Expenses		(56,606)	(53,993)
Surplus/(Deficit) for the year		3,089	(411)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	9.1	45,406	265
Total comprehensive result		48,495	(146)

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

HORSHAM RURAL CITY COUNCIL

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BALANCE SHEET
AS AT 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5.1 (a)	5,392	6,921
Trade and other receivables	5.1 (c)	1,272	1,382
Other financial assets	5.1 (b)	32,000	29,200
Inventories	5.2 (a)	240	548
Non current assets classified as held for sale	6.1	229	-
Other assets	5.2 (b)	1,593	547
Total current assets		40,726	38,598
NON-CURRENT ASSETS			
Trade and other receivables	5.1 (c)	385	357
Investments in associates	6.3	1,985	1,463
Property, infrastructure, plant & equipment	6.2	534,822	488,017
Investment property	6.4	2,520	2,450
Intangible assets	5.2 (c)	233	447
Right-of-use assets	5.8	383	438
Total non-current assets		540,328	493,172
Total Assets		581,054	531,770
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5.3 (a)	3,352	3,838
Trust funds and deposits	5.3 (b)	586	509
Unearned income	5.3 (c)	8,335	5,190
Provisions	5.5	6,033	7,591
Interest-bearing liabilities	5.4	128	477
Lease liabilities	5.8	51	50
Total current liabilities		18,485	17,655
NON-CURRENT LIABILITIES			
Provisions	5.5	3,888	3,749
Interest-bearing liabilities	5.4	4,305	4,433
Lease liabilities	5.8	343	395
Total non-current liabilities		8,536	8,577
Total Liabilities		27,021	26,232
NET ASSETS		554,033	505,538
EQUITY			
Accumulated surplus		239,537	232,042
Reserves - asset replacement	9.1 (a)	18,153	22,559
Reserves - asset revaluation	9.1 (b)	296,343	250,937
TOTAL EQUITY		554,033	505,538

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

HORSHAM RURAL CITY COUNCIL

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

2021	Notes	TOTAL \$'000	Accumulated Surplus \$'000	Asset Replacement Reserve \$'000	Asset Revaluation Reserve \$'000
Balance at the beginning of the financial year		505,538	232,042	22,559	250,937
Surplus for the year		3,089	3,089	-	-
Net asset revaluation increment		45,406	-	-	45,406
Transfers to other reserves	9.1 (a)	-	(4,606)	4,606	-
Transfers from other reserves	9.1 (a)	-	9,012	(9,012)	-
Balance at the end of the financial year		554,033	239,537	18,153	296,343
		=====	=====	=====	=====
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		(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
		=====	=====	=====	=====

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

HORSHAM RURAL CITY COUNCIL

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 Inflows (Outflows) \$'000	2020 Inflows (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		28,930	27,419
Statutory fees and fines		341	408
User fees		3,692	8,086
Grants - operating		16,589	10,492
Grants - capital		5,246	3,444
Contributions - monetary		358	736
Interest received		409	669
Rent		275	219
Other receipts		1,849	1,819
Net GST refund		2,110	2,125
Employees costs		(22,474)	(18,915)
Materials and services		(19,139)	(19,813)
Other payments		(1,317)	(1,311)
Net cash provided by/(used in) operating activities	9.2	16,869	15,378
Cash flows from investing activities			
Proceeds from sale of investments		(2,800)	(5,300)
Payments for property, infrastructure, plant and equipment		(15,230)	(16,336)
Proceeds from sale of property, infrastructure, plant and equipment		393	749
Payments for investment properties		(12)	-
Net cash provided by/(used in) investing activities		(17,649)	(20,887)
Cash flows from financing activities			
Finance costs		(207)	(234)
Repayment of borrowings		(477)	(481)
Interest paid - lease liability		(15)	(14)
Repayment of lease liability		(50)	(48)
Net cash provided by/(used in) financing activities		(749)	(777)
Net increase/(decrease) in cash and cash equivalents		(1,529)	(6,286)
Cash and cash equivalents at the beginning of the financial year		6,921	13,207
Cash and cash equivalents at the end of the financial year	5.1 (a)	5,392	6,921
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

HORSHAM RURAL CITY COUNCIL

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STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$'000	2020 \$'000
Property		
Land Under Roads	-	15
Total land	-	15
Buildings	816	1,088
Works in progress	300	67
Total buildings	1,116	1,155
Total property	1,116	1,170
Plant and equipment		
Plant, machinery and equipment	2,133	1,562
Office furniture and equipment	395	157
Art purchases	16	27
Public art purchases	13	15
Works in progress	37	-
Total plant and equipment	2,594	1,761
Infrastructure		
Roads	4,700	5,308
Bridges	55	369
Footpaths and cycleways	218	312
Drainage	603	655
Recreation, leisure and community facilities	174	1,310
Waste management	122	91
Parks, open space and streetscapes	556	50
Aerodromes	87	-
Off street car parks	23	-
Other infrastructure	595	110
Works in progress	4,382	5,098
Total infrastructure	11,515	13,303
Total capital works expenditure	15,225	16,234
Represented by:		
New asset expenditure	2,566	5,429
Asset renewal expenditure	11,547	9,523
Asset upgrade expenditure	1,112	1,282
Total capital works expenditure	15,225	16,234

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 2021

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 (refer to note 3)
- 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)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable (refer to Note 8.2)
- 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 and disclosure has been made of any material changes to comparatives.

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021****SIGNIFICANT ACCOUNTING POLICIES (Cont.)****(b) Impact of COVID-19**

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020-21 year, Council has noted the following significant impacts on its financial operations:

Council received unexpected grant funding of \$1m to assist social and economic recovery. At 30th June Council had expended \$500k, the remainder to be spent during 2021/22 year.

Council budgetted and implemented a series of business and community support items to assist the municipality during 2020-21 year.

Items included: reduction in parking fees, commercial and community rent waivers, street trading permit waivers, health registration fee relief, and a specific community and business support package.

Council also lost interest earned, and budgetted for a reduction in ticket sales for Horsham Performing Arts, as well as increasing the provision for bad debts. Additional expenditure was incurred with employees working from home and other covid cost items including a specific role for managing financial hardship applications with Council. Staff working in service areas directly impacted by lockdowns were reallocated to productive roles and vacant positions.

Measures put in place to compensate for above items included: reductions in service delivery, capital programs and operational initiatives.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	2021 %
INCOME					
Rates and charges		28,517	28,627	110	0.4
Statutory fees and fines		310	359	49	15.8
User fees		5,581	5,204	(377)	(6.8)
Grants - operating		17,221	17,012	(209)	(1.2)
Grants - capital	1	2,645	5,111	2,466	93.2
Contributions - monetary		596	358	(238)	(39.9)
Contributions - non-monetary	2	1,300	121	(1,179)	(90.7)
Fair value adjustments for investment property		10	58	48	480.0
Other income		1,958	2,242	284	14.5
Net gain/(loss) on disposal of pr infrastructure, plant and equipment	3	570	81	(489)	(85.8)
Share of net profits of associate	4	30	522	492	1,640.0
Total Income		58,738	59,695	957	1.6
EXPENSES					
Employee costs		(20,890)	(20,689)	201	(1.0)
Materials and services	5	(24,947)	(21,572)	3,375	(13.5)
Depreciation and amortisation	6	(12,412)	(11,715)	697	(5.6)
Amortisation - intangible assets		(203)	(233)	(30)	14.8
Amortisation - right of use assets		(48)	(55)	(7)	14.6
Bad and doubtful debts		(183)	(106)	77	(42.1)
Borrowing costs		(200)	(207)	(7)	3.5
Finance costs - leases		(11)	(15)	(4)	36.4
Other expenses		(294)	(324)	(30)	10.2
Written down value of assets disposed	7	(800)	(1,690)	(890)	111.3
Total Expenses		(59,988)	(56,606)	3,382	(5.6)
Surplus for the year		(1,250)	3,089	4,339	(347.1)

HORSHAM RURAL CITY COUNCIL**Page 14****NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021****1.1 INCOME AND EXPENDITURE (Cont.)****(i) Explanation of material variations****1. Grants - capital**

The completion of the Horsham Livestock Exchange roof and solar panels saw final grant payment of \$1.34m being received. Council also received \$1.085m funding for Local Roads and Community Infrastructure and an extra \$385k for other road and footpath projects.

2. Contributions - non-monetary assets

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

3. Net gain/(loss) on disposal of property, infrastructure, plant and equipment

It was anticipated that sales of industrial land would occur during 2020/21 with the completion of the industrial estate at Dooen. Infrastructure works were incomplete at 30th June and sales of adjoining land have not occurred.

4. Share of net profits of associates

Wimmera Development Association received many large grants during 2020/21 which were unspent at 30th June 2021, increasing Council's equity in that associate.

5. Materials and services

The materials budget included expenditure of \$3.413m for Rural Council Corporate Collaboration (RCCC) project. The project has continued more slowly than expected, with total expenditure of \$438k occurring during the year. Many of the initiative projects did not commence during the year, expenditure incurred was \$951k from a \$2.33m initiative budget. Precedence was given to covid related grant funded projects.

6. Depreciation

Several large projects were treated as works in progress at 30th June, valued at \$4.7m, these works will not attract depreciation until the projects are complete, hence a reduction in depreciation expense as compared to budget.

7. Written down value of assets disposed

Earlier intervention of renewal of road infrastructure assets has resulted in additional carrying amount of these assets being written off during the year, including roads \$1.045m, footpaths \$172k and kerb \$60k.

HORSHAM RURAL CITY COUNCIL

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

1.2 CAPITAL WORKS	Ref	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	2021 %
Property					
Buildings	1	1,349	816	(533)	(39.5)
Works in Progress		-	300	300	100.0
Total buildings		1,349	1,116	(233)	(17.3)
Total property		1,349	1,116	(233)	82.7
Plant and equipment					
Plant, machinery and equipment	2	2,772	2,133	(639)	(23.1)
Office furniture and equipment		266	395	129	48.5
Art purchases		-	16	16	100.0
Public art purchases		-	13	13	100.0
Works in Progress		-	37	37	100.0
Total plant and equipment		3,038	2,594	(444)	(14.6)
Infrastructure					
Roads	3	5,736	4,700	(1,036)	(18.1)
Bridges		184	55	(129)	(70.1)
Footpaths and cycleways		529	218	(311)	(58.8)
Drainage	4	40	603	563	100.0
Recreation, leisure and community facilities	5	1,557	174	(1,383)	(88.8)
Waste Management	6	3,255	122	(3,133)	(96.3)
Parks, open space and streetscapes	7	30	556	526	1,753.3
Aerodromes		-	87	87	100.0
Off street car parks		42	23	(19)	(45.2)
Other infrastructure		281	595	314	111.7
Works in Progress	8	-	4,382	4,382	100.0
Total infrastructure		11,654	11,515	(139)	(1.2)
Total capital works expenditure		16,041	15,225	(816)	(5.1)
Represented by:					
Asset renewal expenditure		11,901	11,547	(354)	(3.0)
Asset upgrade expenditure		1,243	1,112	(131)	(10.5)
New asset expenditure		2,897	2,566	(331)	(11.4)
Total capital works expenditure		16,041	15,225	(816)	(5.1)

HORSHAM RURAL CITY COUNCIL**Page 16****NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021****1.2 CAPITAL WORKS (cont.)****(i) Explanation of material variations****1. Buildings**

The budget included one large project for renewal of Wesley Performing Arts Centre \$545k, this project has commenced with \$76k expenditure in 2020/21.

2. Plant, machinery and equipment

Nine items of plant were ordered during the year valued at \$1.2m, manufacturing and delivery delays due to Covid, have these items outstanding at 30th June.

3. Roads

Contract works valued at \$547k were outstanding for one urban and one rural road reconstruction at year end. Another urban road reconstruction project \$290k had not commenced at year end.

4. Drainage

Road reconstruction budget estimates included in current year, did not recognise the drainage cost as a separate component. Completed road drainage projects were valued at \$600k.

5. Recreation, leisure and community facilities

The budget included the Wimmera river activation stage 1 project valued at \$1.448m, the project commenced in first half of 2021 with \$434k being expended as at 30th June, with the whole project being captured as works in progress at year end.

6. Waste Management

The budget included two reconstruction projects at Dooen Landfill, hardwaste cell \$840k, and putrescible cell \$2.4m. Contract works were well advanced at 30th June for the putrescible cell, which is recognised as works in progress at year end. The hardwaste rehabilitation had not commenced at year end.

7. Parks, open space and streetscapes

Unexpected grants received assisted in additional expenditure in this area. Including expenditure on lighting pathways \$223k, Pop up garden works \$110k, and other pathway works \$164k.

8. Works in Progress

Two large road infrastructure projects being carried out by contractors were incomplete at end of year, the value of the works incurred at 30th June was \$759k. Another significant project outstanding is the Dooen Landfill putrescible cell renewal where \$2.9m was expended. \$576k was captured as works in progress for river activation and design works for the new pedestrian bridge.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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
2021	\$'000	\$'000	\$'000	\$'000	\$'000
Communities and Place	6,467	(9,600)	(3,133)	4,506	78,745
Corporate Services	31,732	(8,134)	23,598	5,079	52,297
Infrastructure Services	21,496	(38,872)	(17,376)	12,538	450,012
	59,695	(56,606)	3,089	22,123	581,054
	=====	=====	=====	=====	=====

	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
	=====	=====	=====	=====	=====

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 RATES AND CHARGES

2021	2020
\$'000	\$'000

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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 2020/21 was \$4,716,117,000 (2019/20 \$ 4,569,123,000).

Residential	13,182	12,765
Commercial	1,684	1,637
Industrial	866	848
Farm/rural	6,045	5,778
Cultural	16	16
Municipal charge	3,106	3,154
Garbage charges	3,470	3,287
Revenue in lieu of rates	258	146
	-----	-----
Total rates and charges	28,627	27,631
	=====	=====

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020 and the valuation first applied in the rating year commencing 1 July 2020.

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	53	92
Perin court recoveries	11	33
Issue of certificates	28	20
Local laws - permits & licences	9	27
Town planning fees	153	126
Health registrations	105	111
	-----	-----
Total statutory fees and fines	359	409
	=====	=====

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.

HORSHAM RURAL CITY COUNCIL

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3.3 USER FEES

	2021 \$'000	2020 \$'000
Administration charges	109	118
Animal control	458	373
Building fees & other charges	207	163
Fees - parking meters	117	294
Home based welfare services	366	755
Other swimming income	-	1
Performance ticket sales	156	922
Sporting and recreation facilities	69	94
Freight Hub user charge	80	80
Supervision of private subdivisions	28	47
Plan checking fees	-	2
Aerodrome	36	35
Saleyards	601	592
Wimmera business centre income	97	117
Rural revegetation scheme	8	18
Garbage charges	3	2
Garbage disposal	937	855
Transfer station	446	380
Waste management fees	1,395	1,751
Other user fees	94	117
Total user fees	5,204	6,716
	=====	=====
User fees by timing of revenue recognition		
User fees recognised over time	4,666	6,263
User fees recognised at a point in time	538	453
Total user fees	5,204	6,716
	=====	=====

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.

HORSHAM RURAL CITY COUNCIL

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT

	2021 \$'000	2020 \$'000

Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	15,087	9,551
State funded grants	7,036	5,502
	-----	-----
Total grants received	22,123	15,053
	=====	=====
(a) Operating Grants		
Recurrent - Commonwealth Government		
Commonwealth Government family and children	40	35
Financial Assistance Grant - general purpose	4,588	4,009
Financial Assistance Grant - local roads	2,231	2,268
General Home Care	335	702
Recurrent - State Government		
School crossing supervisors	36	37
Community services	533	240
Maternal and child health	619	512
Senior citizens centres	14	16
Food services	53	99
Home and community care	66	154
Youth services	28	33
Library	190	185
Arts and art gallery	202	183
Environmental and landcare grants	75	75
	-----	-----
Total recurrent operating grants	9,010	8,548
	=====	=====
Non-recurrent - Commonwealth Government		
Outdoor recreation	5,000	1,200
Non-recurrent - State Government		
Regional Council Corporate Collobration project	470	66
Australia Day grants	21	-
Regulatory services	30	70
Community services	78	87
Family and children	1	36
Public and community health	7	6
Youth services	4	-
Outdoor recreation	250	221
Indoor recreation	27	-
Arts and art gallery	29	11
Economic development	5	169
Environmental and landcare grants	58	64
Employment schemes	12	3
Covid 19 grants	2,000	224
Other	10	-
	-----	-----
Total non-recurrent operating grants	8,002	2,157
	=====	=====
	-----	-----
Total operating grants	17,012	10,705
	=====	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT (Cont.)

	2021 \$'000	2020 \$'000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery funding	1,520	1,337
Total recurrent capital grants	1,520	1,337
Capital non-recurrent		
Non-recurrent - Commonwealth Government		
Community Infrastructure	1,373	-
Livestock Exchange	1,351	-
Non-Recurrent State Government		
Outdoor recreation	231	130
Economic development	166	922
Local roads & ancillary assets	398	1,569
Aerodrome	65	-
Livestock exchange	-	189
Caravan Park	2	-
Sustainability grants	5	101
Recycling grants	-	100
Total non-recurrent capital grants	3,591	3,011
Total capital grants	5,111	4,348
Total grants	22,123	15,053
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	3,537	3,245
Covid 19 grants	644	197
Town planning studies	30	70
Family and children	20	10
Community services	585	131
Kindergarten specific grants	-	35
Youth services	-	25
Disability grants	-	29
Outdoor recreation	-	54
Indoor recreation	21	-
Arts and arts gallery	66	10
Economic growth	-	116
Environmental	72	10
Road & street infrastructure	89	113
	5,064	4,045

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT (Cont.)

	2021 \$'000	2020 \$'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	(3,245)	(3,412)
Corporate services	(197)	(66)
Community services	(131)	(203)
Youth services	(25)	(10)
Disability grants	(29)	(15)
Outdoor recreation	(54)	(216)
Arts and arts gallery	(10)	(87)
Economic growth	(116)	(1,011)
Environmental	(10)	(14)
Road & street infrastructure	(22)	(994)
Roads to recovery	(91)	-
	(3,930)	(6,028)

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

Operating		
Balance at start of year	8,958	8,887
Received during the financial year and remained unspent at balance date	4,975	3,878
Received in prior years and spent during the financial year	(3,647)	(3,807)
Balance at year end	10,286	8,958
Capital		
Balance at start of year	493	2,547
Received during the financial year and remained unspent at balance date	89	167
Received in prior years and spent during the financial year	(283)	(2,221)
Balance at year end	299	493

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 2021**

3.5 CONTRIBUTIONS

(a) Monetary

	2021 \$'000	2020 \$'000
Road assets	61	447
Recreational, leisure and community facilities	178	250
Recreational, leisure and community services	119	39
	358	736
	=====	=====

(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
Land under roads	-	26
Road and bridge assets	82	363
Assets contributed by others		
Artworks and public art	39	-
	121	405
	=====	=====
Total contributions	479	1,141
	=====	=====

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

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

	2021 \$'000	2020 \$'000
Plant and Equipment		
Proceeds from sale of assets	392	412
Written down value of assets sold	(312)	(363)
Profit/(Loss) on sale of plant and equipment	80	49
Furniture and Equipment		
Proceeds from sale of assets	1	-
Written down value of assets sold	-	-
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
Summary		
Total proceeds from sale of assets	393	749
Written down value of assets sold	(312)	(562)
Total net gain/(loss) on disposal of property, plant and equipment	81	187
Disposal of council buildings		
Written down value of assets written off	(399)	(38)
Disposal of road infrastructure assets		
Written down value of assets written off	(1,291)	(790)
Disposal of other structures		
Written down value of assets disposed	-	(352)
Total written down value of assets disposed	(1,690)	(1,180)

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 2021**

3.7 OTHER INCOME

	2021 \$'000	2020 \$'000
Interest	355	612
Interest on rates	19	27
External works	303	256
Road maintenance/works	4	10
Main roads maintenance Vicroads	926	701
Pre-school income	9	15
Other welfare receipts	2	5
Community workshop income	-	3
Art gallery	20	27
Information office	15	31
Childrens hub rent	58	60
Theatre rent	2	3
Mibus centre rent	12	11
Commercial properties rent	236	185
Caravan park rent	57	65
Other	224	389
Total other income	2,242	2,400

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.

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 4 THE COST OF DELIVERING SERVICES

4.1 (a) EMPLOYEE COSTS

	2021 \$'000	2020 \$'000
Wages and salaries	19,292	17,947
Workcover	429	403
Superannuation	1,586	1,580
Fringe Benefits Tax	108	92
Home care staff redundancy provision	(178)	1,133
Less: Amounts capitalised in non-current assets constructed by the Council	(548)	(653)
Total employee costs	20,689	20,502

(b) SUPERANNUATION

Council made contributions to the following funds

Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super) & other funds	130	140
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super) & other funds	1,546	1,440
	1,676	1,580
Employer contributions payable at reporting date	167	71

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 2021**

4.2 MATERIALS & SERVICES

	2021 \$'000	2020 \$'000
Contract payments		
Valuation services	195	152
Provision of meals for meals on wheels	86	154
Management youth centre	26	42
Management aquatic centre	375	263
Waste management contracts	1,676	1,412
Contract cleaning	296	281
Building service contractors	378	326
Strategies	117	254
Election	119	-
Sporting group projects	362	661
Community facilities projects	5,000	1,200
Covid operating costs	160	129
Rural Council Corporate Collaboration Project	122	66
Contracts less than \$100,000	1,087	1,041
Materials and services		
Sporting group projects	47	37
Library	569	518
Road maintenance contracts	299	457
Performing events expenses	144	737
General materials	705	530
Road maintenance materials	567	827
Waste management expenses	2,049	2,040
Other materials & services less than \$100,000	2,021	2,623
Other		
Insurances	550	517
Plant operating costs	1,151	1,367
Computer expenditure	509	486
Power, light & heating	713	806
Advertising	231	236
Telephone	133	154
Contract salaries	789	940
External plant hire	41	20
Legal costs	115	120
Printing and stationery	57	84
Donations	343	360
Wimmera Development Association membership	207	207
Water rates	236	251
Community engagement projects	43	39
Emergency management	54	36
Total materials and services	21,572	19,373

HORSHAM RURAL CITY COUNCIL

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4.3 DEPRECIATION

	2021 \$'000	2020 \$'000
Furniture and fittings	221	177
Plant and equipment	1,107	1,038
Roads	5,436	5,687
Kerb and channel	472	470
Footpaths and cycleways	562	560
Bridges	316	314
Drainage	470	461
Other land improvements	-	42
Buildings	1,290	1,641
Other structures	1,841	1,686
Total depreciation	11,715	12,076

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	233	224
Total amortisation - intangible assets	233	224

4.5 AMORTISATION - RIGHT OF USE ASSETS

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

4.6 BAD AND DOUBTFUL DEBTS

Other debtors	17	-
Parking fine debtors	19	35
Animal fine debtors	70	33
Total bad and doubtful debts	106	68
Movement in provision for doubtful debts		
Balance at the beginning of the year	285	248
New provisions recognised during the year	60	61
Amounts already provided for and written off as uncollectable	(1)	(13)
Amounts provided for but recovered during the year	(2)	(11)
Balance at end of year	342	285

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 2021**

4.7 BORROWING COSTS

	2021 \$'000	2020 \$'000
Interest - borrowings	197	229
Finance costs airspace	10	5
Total Borrowing Costs	207	234

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	15	14
Total Finance Costs	15	14

4.9 OTHER EXPENSES

Auditors' remuneration - VAGO audit of financial statements, performance statement and grant acquittals	54	52
Auditors' remuneration internal	19	10
Councillor & mayoral expenses	251	205
Total other expenses	324	267

NOTE 5 OUR FINANCIAL POSITION

5.1 FINANCIAL ASSETS

(a) CASH AND CASH EQUIVALENTS

Cash on hand	5	3
Cash at bank	847	216
Overnight cash at 11am call	4,540	6,702
Total cash and cash equivalents	5,392	6,921

HORSHAM RURAL CITY COUNCIL

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

5.1 FINANCIAL ASSETS (Cont.)

(b) OTHER FINANCIAL ASSETS

	2021 \$'000	2020 \$'000
Term deposits - current	32,000	29,200
Total other financial assets	32,000	29,200
	=====	=====
Total financial assets	37,392	36,121
	=====	=====
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)	586	509
- Unexpended grants	10,585	9,451
- Reserve funds allocated to specific future purposes	300	300
Total restricted funds	11,471	10,260
	=====	=====
Total unrestricted cash and cash equivalents	(6,079)	(3,339)
	=====	=====

Intended allocations

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

- Cash held to fund carried forward capital works	4,652	3,146
- Cash from Financial Assistance held to fund 20/21 programs	-	3,245
- Cash from Financial Assistance held to fund 21/22 programs	3,245	-
Total funds subject to intended allocations	7,897	6,391
	=====	=====

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 2021**

5.1 FINANCIAL ASSETS (Cont.)

(c) TRADE AND OTHER RECEIVABLES	2021 \$'000	2020 \$'000
Current		
Statutory receivables		
Rates debtors	107	410
Parking infringement debtors	144	129
Other infringement debtors	255	196
Less doubtful debt provision - All infringements	(317)	(261)
Net GST receivable	268	281
Non-statutory receivables		
Sundry debtors	806	637
Less doubtful debt provision - Sundry debtors	(25)	(24)
Loans & advances to community organisations	34	14
Total current trade & other receivables	1,272	1,382
Non-current		
Non-statutory		
Sundry debtors	-	9
Loans & advances to community organisations	351	311
Deferred property debts receivable	34	37
Total non current trade & other receivables	385	357
Total trade & other receivables	1,657	1,739

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:

	2021 \$'000	2020 \$'000
Current (not yet overdue)	727	260
Past due by up to 30 days	47	148
Past due between 31 and 180 days	57	71
Past due between 181 and 365 days	10	172
Total trade and other receivables	841	651
Non-current (not yet overdue)	385	357

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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 \$342k, (2020 \$285k) were impaired. The amount of the provision raised against these debtors was \$342k, (2020 \$285k). 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:

	2021 \$'000	2020 \$'000
Past due between 31 and 180 days	42	11
Past due between 181 and 365 days	16	1
Past due by more than 1 year	284	273
Total trade and other receivables	342	285

5.2 NON-FINANCIAL ASSETS

(a) INVENTORIES

Inventories held for distribution	218	530
Inventories held for sale	22	18
Total inventories	240	548

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	358	241
Accrued income	1,235	306
Total other assets	1,593	547

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

5.2 NON-FINANCIAL ASSETS (Cont.)

(c) INTANGIBLE ASSETS

	2021 \$'000	2020 \$'000
Landfill air space	447	608
add additions	19	63
less amortisation	(233)	(224)
Total intangible assets	233	447
	=====	=====
		Landfill \$'000
Gross carrying amount		
Balance at 1 July 2020		874
Additions from internal developments		19

Balance at 30 June 2021		893
		=====
Accumulated amortisation and impairment		
Balance at 1 July 2020		(427)
Amortisation expense		(233)

Balance at 30 June 2021		(660)
		=====
Net book value at 30 June 2020		447
		=====
Net book value at 30 June 2021		233
		=====

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	3,163	3,510
Fire services levy	44	181
Accrued expenditure	3	4
PAYG payable	142	143
	-----	-----
Total trade and other payables	3,352	3,838
	=====	=====

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.

HORSHAM RURAL CITY COUNCIL

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

5.3 PAYABLES (Cont.)

(b) TRUST FUNDS AND DEPOSITS

	2021 \$'000	2020 \$'000
Refundable building deposits	81	61
Refundable contract deposits	72	62
Refundable security deposits	182	201
Other refundable deposits	251	185
Total trust funds and deposits	586	509

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	4,528	5,079
Grants received in advance - capital	3,807	111
Total unearned income	8,335	5,190

5.4 INTEREST-BEARING LOANS AND BORROWINGS

Current		
Borrowings - secured	128	477
	128	477
Non-current		
Borrowings - secured	4,305	4,433
	4,305	4,433
Total	4,433	4,910

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

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

5.4 INTEREST BEARING LOANS AND BORROWINGS (Cont.)

	2021 \$'000	2020 \$'000
The maturity profile for Council's borrowings is:		
Not later than one year	128	477
Later than one year and not later than five years	4,305	4,433
	<u>4,433</u>	<u>4,910</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
2021				
Balance at the beginning of the financial year	7,289	-	4,051	11,340
Additional provisions	1,843	-	427	2,270
Amounts used	(3,461)	-	(11)	(3,472)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	<u>(128)</u>	<u>-</u>	<u>(89)</u>	<u>(217)</u>
Balance at the end of the financial year	<u>5,543</u>	<u>-</u>	<u>4,378</u>	<u>9,921</u>
	=====	=====	=====	=====
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	<u>48</u>	<u>-</u>	<u>63</u>	<u>111</u>
Balance at the end of the financial year	<u>7,289</u>	<u>-</u>	<u>4,051</u>	<u>11,340</u>
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

5.5 PROVISIONS (cont.)

	2021 \$'000	2020 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,413	1,431
Long service leave	415	402
Sick leave gratuity	42	23
Home care staff redundancies	-	1,133
	1,870	2,989
Current provisions expected to be wholly settled after 12 months		
Annual leave	405	319
Long service leave	2,453	2,898
Sick leave gratuity	212	401
	3,070	3,618
Total current employee provisions	4,940	6,607
Non-current		
Long service leave	412	447
Sick leave gratuity	191	235
Total non current employee provisions	603	682
Aggregate carrying amount of employee provisions		
Current	4,940	6,607
Non-current	603	682
Total aggregate carrying amount of employee provisions	5,543	7,289

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 actual 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 2021

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	2021	2020
- Wage inflation rate	2.950%	4.250%
- Oncost rate	11.500%	11.500%
- Discount rate	1.491%	0.872%

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

Quarry restoration provision

The provision for quarry restoration was removed in 2019/20 due to the sale of the quarry, Council does not have any future liabilities/commitments for restoration.

HORSHAM RURAL CITY COUNCIL

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

5.5 PROVISIONS (cont.)

	2021 \$'000	2020 \$'000
(c) Landfill restoration provision		
Current	1,093	984
Non-current	3,285	3,067
	<u>4,378</u>	<u>4,051</u>
	=====	=====

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	2021	2020
- discount rate	1.491%	0.872%
- inflation rate	1.890%	1.870%

5.6 FINANCING ARRANGEMENTS

The Council has the following funding arrangements in place.

	2021 \$'000	2020 \$'000
Bank overdraft	1,000	1,000
Credit card facilities	350	350
Other facilities	4,433	4,910
Total facilities	<u>5,783</u>	<u>6,260</u>
	=====	=====
Used facilities	4,480	4,946
Unused facilities	1,303	1,314

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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.

2021	Not Later Than 1 Year \$'000	Later Than 1 Year and Not Later Than 2 years \$'000	Later Than 2 Years and Not Later Than 5 years \$'000	TOTAL \$'000
Operating				
Building Surveyor Services	238	144	-	382
Management of Facilities	495	-	-	495
Road maintenance	263	-	-	263
Building maintenance	252	-	-	252
Depot maintenance	42	-	-	42
Waste management	84	-	-	84
Studies and Plans	183	-	-	183
Covid grants	202	-	-	202
Information Technology	145	-	-	145
Capital				
Roadworks	1,346	-	-	1,346
Recreation	705	-	-	705
Building projects	268	-	-	268
Plant	1,234	-	-	1,234
Waste	1,016	-	-	1,016
Industrial Estate development	83	-	-	83
Total	6,556	144	-	6,700

2020	Not Later Than 1 Year \$'000	Later Than 1 Year and Not Later Than 2 years \$'000	Later Than 2 Years and Not Later Than 5 years \$'000	TOTAL \$'000
Operating				
Building Surveyor Services	225	238	144	607
Management of Facilities	260	-	-	260
Road maintenance	150	-	-	150
Building maintenance	185	-	-	185
Parks and gardens maintenance	80	-	-	80
Depot maintenance	192	-	-	192
Waste management	41	-	-	41
Studies and Plans	372	-	-	372
Grampians Peak Trail	6,600	-	-	6,600
Capital				
Roadworks	1,510	-	-	1,510
Recreation	416	-	-	416
Building projects	742	-	-	742
Plant	478	-	-	478
Total	11,251	238	144	11,633

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

5.8 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.

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 commencement 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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

5.8 LEASES (cont.)

Council has elected to apply the temporary option available under AASB 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	
	=====	
Balance at 1 July 2020	438	
Amortisation charge	(55)	

Balance at 30 June 2021	383	
	=====	
Lease Liabilities	2021	2020
Maturity analysis - contractual undiscounted cash flows	\$'000	\$'000
Less than one year	51	50
One to five years	314	314
More than five years	138	201
	-----	-----
Total undiscounted lease liabilities as at 30 June:	503	565
	=====	=====
Lease liabilities included in the Balance Sheet at 30 June:		
Current	51	50
Non-current	343	395
	-----	-----
Total lease liabilities	394	445
	=====	=====

NOTE 6 ASSETS WE MANAGE

6.1 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Industrial land held for sale - at fair value	229	-
	=====	=====

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

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

6.2 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2020	Additions	Contributions	Revaluations	Transfers	Depreciation	Disposal	Write Off	At Fair Value 30 June 2021
Land	39,345	-	-	7,064	(684)	-	-	-	45,725
Buildings	61,498	816	-	10,447	(684)	(1,290)	-	(399)	70,388
Plant and equipment	13,928	2,557	39	-	-	(1,328)	(312)	-	14,884
Infrastructure	367,824	7,133	82	27,884	6,493	(9,097)	-	(1,291)	399,028
Work in progress	5,422	4,719	-	-	(5,344)	-	-	-	4,797
	488,017	15,225	121	45,395	(219)	(11,715)	(312)	(1,690)	534,822

Summary of Works in Progress

	Opening WIP	Additions	Transfers	Closing WIP
Land and buildings	67	300	(67)	300
Plant and equipment	-	37	-	37
Infrastructure	5,355	4,382	(5,277)	4,460
	5,422	4,719	(5,344)	4,797

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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

2021 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 2020	838	38,042	992	39,872	95,607	95,607	67	135,546
Accumulated depreciation at 1 July 2020	-	-	(527)	(527)	(34,109)	(34,109)	-	(34,636)
	838	38,042	465	39,345	61,498	61,498	67	100,910
Movements in fair value								
Additions	-	-	-	-	816	816	300	1,116
Revaluation increments/decrements	-	7,064	-	7,064	1,886	1,886	-	8,950
Disposal	-	-	-	-	(630)	(630)	-	(630)
Assets transferred to held for sale	-	(219)	-	(219)	-	-	-	(219)
Transfers	-	-	-	-	67	67	(67)	-
Transfers (to)/from other asset classes	-	-	(992)	(992)	(1,500)	(1,500)	-	(2,492)
	-	6,845	(992)	5,853	639	639	233	6,725
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	-	(1,290)	(1,290)	-	(1,290)
Accumulated depreciation of disposals	-	-	-	-	231	231	-	231
Revaluation increments/decrements	-	-	-	-	8,561	8,561	-	8,561
Transfers (to)/from other asset classes	-	-	527	527	749	749	-	1,276
	-	-	527	527	8,251	8,251	-	8,778
At fair value 30 June 2021	838	44,887	-	45,725	96,246	96,246	300	142,271
Accumulated depreciation at 30 June 2021	-	-	-	-	(25,858)	(25,858)	-	(25,858)
	838	44,887	-	45,725	70,388	70,388	300	116,413

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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

2021	Plant Machinery Office Furniture & Equipment \$'000	Plant & 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 2020	16,293	2,308	3,808	308	22,717	-	22,717
Accumulated depreciation at 1 July 2020	(7,074)	(1,715)	-	-	(8,789)	-	(8,789)
	9,219	593	3,808	308	13,928	-	13,928
Movements in fair value							
Additions	2,133	395	16	13	2,557	37	2,594
Contributions by developers and others	-	-	39	-	39	-	39
Disposal	(1,011)	(5)	-	-	(1,016)	-	(1,016)
	1,122	390	55	13	1,580	37	1,617
Movements in accumulated depreciation							
Depreciation and amortisation	(1,107)	(221)	-	-	(1,328)	-	(1,328)
Accumulated depreciation of disposals	699	5	-	-	704	-	704
	(408)	(216)	-	-	(624)	-	(624)
At fair value 30 June 2021	17,415	2,698	3,863	321	24,297	37	24,334
Accumulated depreciation at 30 June 2021	(7,482)	(1,931)	-	-	(9,413)	-	(9,413)
	9,933	767	3,863	321	14,884	37	14,921

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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

2021 Infrastructure	Roads	Bridges	Footpaths & cycleways	Drainage	Recreational, leisure and community	Waste management	Parks open spaces and streetscapes	Aerodrome	Off street car parks	Other infrastructure	Works in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	392,946	30,873	27,552	45,303	11,821	7,549	3,863	3,289	4,877	24,863	5,355	558,291
Accumulated depreciation at 1 July 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	5,355	373,179
Movements in fair value												
Additions	4,700	55	218	603	174	122	556	87	23	595	4,382	11,515
Contributions by developers and others	24	-	10	48	-	-	-	-	-	-	-	82
Revaluation increments/(decrements)	-	-	-	9,594	342	(2,880)	6,505	(168)	-	20,588	-	33,981
Disposal	(4,595)	-	(367)	(11)	-	-	(4)	-	(9)	-	-	(4,986)
Transfers	1,737	-	227	227	-	-	86	-	-	3,000	(5,277)	-
Transfers to/from other asset classes	218	-	-	(218)	646	-	1,739	-	-	107	-	2,492
	2,084	55	88	10,243	1,162	(2,758)	8,882	(81)	14	24,290	(895)	43,084
Movements in accumulated depreciation												
Depreciation and amortisation	(5,908)	(316)	(562)	(470)	(315)	(545)	(216)	(100)	(69)	(596)	-	(9,097)
Accumulated depreciation of disposals	3,489	-	195	3	-	-	3	-	5	-	-	3,695
Revaluation (increment)/decrement	-	-	-	(2,560)	(170)	1,738	(1,119)	417	-	(4,403)	-	(6,097)
Transfers to/from other asset classes	-	-	-	-	(550)	-	(680)	-	-	(46)	-	(1,276)
	(2,419)	(316)	(367)	(3,027)	(1,035)	1,193	(2,012)	317	(64)	(5,045)	-	(12,775)
At fair value 30 June 2021	395,030	30,928	27,640	55,546	12,983	4,791	12,745	3,208	4,891	49,153	4,460	601,375
Accumulated depreciation at 30 June 2021	(130,511)	(13,086)	(13,447)	(13,528)	(4,286)	(2,697)	(3,986)	(1,248)	(2,499)	(12,599)	-	(197,887)
	264,519	17,842	14,193	42,018	8,697	2,094	8,759	1,960	2,392	36,554	4,460	403,488

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

6.2 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 2021****6.2 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 buildings

Valuation of buildings were undertaken by a qualified independent company, AGIS Australian Geographic Information Systems. The valuation of 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.

Valuation of land

Valuation of land was undertaken by a qualified independent valuer, Ben Sawyer, Certified Practicing Valuer of Preston Rowe Paterson Reg No. 63163. The valuation of land 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.

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

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

An indexed based revaluation was conducted in the current year on non-specialised land, this valuation was based on the Valuer-General Victoria vacant land indexation factors for 2020-2021 at an indexation rate of 1.20.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	Date of valuation
Non specialised land	-	44,887	-	June 2021
Specialised land	-	-	838	n/a
Non specialised buildings	-	-	70,388	July 2020
	-----	-----	-----	
Total	-	44,887	71,226	
	=====	=====	=====	

Valuation of infrastructure

Valuation of road and road associated 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.

Valuation of other infrastructure classes were undertaken by a qualified independent company, AGIS Australian Geographic Information Systems.

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 2021 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	Date of valuation
Roads	-	-	264,519	July 2018
Bridges	-	-	17,842	July 2018
Footpaths and cycleways	-	-	14,193	July 2018
Drainage	-	-	42,018	July 2021
Recreation & leisure facilities	-	-	8,697	June 2021
Waste management	-	-	2,094	June 2021
Parks, open space/streetscapes	-	-	8,759	June 2021
Aerodromes	-	-	1,960	June 2021
Off street car parks	-	-	2,392	July 2018
Other infrastructure	-	-	36,554	June 2021
	-----	-----	-----	
Total	-	-	399,028	
	=====	=====	=====	

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

6.2 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 are 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 assets 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.

	2021 \$'000	2020 \$'000
Reconciliation of specialised land		
Land under roads	838	838
Total specialised land	838	838

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

6.3 INVESTMENTS IN ASSOCIATES

	2021 \$'000	2020 \$'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%	72.67%
Equity in Wimmera Regional Library Corporation - at valuation	993	992
	993	992
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	615	285
Change in equity share apportionment	55	(10)
Reported surplus/(loss) for year	11	345
Transfers to/(from) reserves	(31)	(5)
Council's share of accumulated surplus at end of year	650	615
Council's share of reserves		
Council's share of reserves at start of year	377	678
Change in equity share apportionment	(65)	(306)
Transfers to/(from) reserves	31	5
Council's share of reserves at end of year	343	377
Movement in carrying value of specific investment		
Carrying value of investment at start of year	992	963
Change in equity share apportionment	(10)	(316)
Share of surplus/(loss) for year	11	345
Carrying value of investment at end of year	993	992
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 2021**

6.3 INVESTMENTS IN ASSOCIATES (cont.)

	2021 \$'000	2020 \$'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	992	471
	992	471
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	222	239
Reported surplus/(loss) for year	521	16
Transfers to/(from) reserves	(1)	(33)
Council's share of accumulated surplus at end of year	742	222
Council's share of reserves		
Council's share of reserves at start of year	249	216
Transfers to/(from) reserves	1	33
Council's share of reserves at end of year	250	249
Movement in carrying value of specific investment		
Carrying value of investment at start of year	471	455
Share of surplus/(loss) for year	521	16
Carrying value of investment at end of year	992	471
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 2021, 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.

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**
6.3 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.

Horsham Performing Arts Company was wound up on 22nd December 2020, with assets being transferred to Horsham Rural City Council at that date.

Summarised financial information
Summarised statement of comprehensive income

	2021 \$'000	2020 \$'000
Total income	-	-
Total expenses	-	-
	-----	-----
Surplus/(Deficit) for year	-	-
	=====	=====
Total comprehensive result	-	-
	=====	=====

Summarised balance sheet

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

Summarised statement of cash flows

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

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 2021**

6.4 INVESTMENT PROPERTY

	2021 \$'000	2020 \$'000
Balance at beginning of financial year	2,450	2,450
Additions	12	-
Fair value adjustments	58	-
	-----	-----
Balance at end of financial year	2,520	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. R. Gulline	Mayor Duly elected to office 10/11/20
Cr. C. Haenel	Duly elected to office 10/11/20
Cr. P. Flynn	Duly elected to office 10/11/20
Cr. D. Bowe	Duly elected to office 10/11/20
Cr. D. Bell	Duly elected to office 10/11/20
Cr. I. Ross	Duly elected to office 10/11/20
Cr L.V. Power	Duly elected to office 10/11/20
Cr M.A. Radford	Mayor Retired from office on 10/11/20
Cr P.N. Clarke	Retired from office on 10/11/20
Cr A.D. Grimble	Retired from office on 10/11/20
Cr J.T. Koenig	Retired from office on 10/11/20
Cr J.T. Robinson	Retired from office on 10/11/20
Cr A.N. Gulvin	Retired from office on 10/11/20
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 to Oct 2020
Mr J. Martin	Director Infrastructure

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

7.1 COUNCIL AND KEY MANAGEMENT REMUNERATION (Cont.)

(b) Key management personnel (Cont.)	2021 No.	2020 No.
Total number of councillors	13	7
Total of chief executive and other key management personnel	5	5
Total number of key management personnel	18	12

(c) Remuneration of key management personnel	2021 \$'000	2020 \$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,156	1,198
Long-term benefits	22	24
Post-employment benefits	94	91
Total	1,272	1,313

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

	No.	No.
\$ 1,000 - \$ 9,999	5	-
\$ 10,000 - \$ 19,999	5	-
\$ 20,000 - \$ 29,999	2	6
\$ 40,000 - \$ 49,999	1	-
\$ 60,000 - \$ 69,999	-	1
\$ 90,000 - \$ 99,999	1	-
\$180,000 - \$189,999	-	1
\$209,000 - \$219,999	1	2
\$220,000 - \$229,999	1	1
\$240,000 - \$249,999	1	-
\$260,000 - \$269,999	-	1
\$280,000 - \$289,999	1	-
	18	12

(d) Senior officer remuneration

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

- has management responsibilities and reports directly to the Chief Executive Officer; or
- 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. (2019/20 nil).

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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, (2019/20 nil).

Fees and charges charged to entities controlled by key management personnel is nil. (2019/20 nil).

Infrastructure contributions from entities controlled by key management personnel is nil. (2019/20 nil).

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 2 member councils that contributed to Wimmera Regional Library Corporation in 2020/21.

Council contributed \$568,654 in 2020/21 and \$518,473 in 2019/20.

Council is a one of 2 member councils that contribute to Wimmera Regional Development Association.

Council contributed \$207,483 in 2020/21 and \$207,483 in 2019/20.

(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 (2019/20 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, (2019/20 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, (2019/20 nil).

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:

	2021 \$'000	2020 \$'000
Not later than one year	139	239
Later than one year and not later than 5 years	249	370
Later than 5 years	1,080	1,236
	1,468	1,845
	=====	=====

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

8.1 CONTINGENT ASSETS AND LIABILITIES

(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 20/21 or 19/20. There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021. The expected contributions paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 will be approx. \$92k.

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.

Reinstatement of Ladlow's hard waste cell – Dooen Landfill

A fire occurred in Ladlow's hard waste site in December 2020. Since that time Council has worked with the EPA to reduce the effect on the environment and the site. Costs were incurred for removing material stored in the cell, and auditing and monitoring the site. Further costs will be incurred during 2021/22 financial year with the reinstatement of those removed materials back into the cell (approx. \$350,000), as well as ongoing auditing and monitoring of the site, all undertaken in conjunction with EPA. Other than reinstatement and monitoring, it is not expected there will be any further costs to comply with EPA requirements for this event. Once reinstated, the cell will continue to be used with solid inert materials being deposited for a further 2 years.

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 2021

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

In November 2017, the Victorian WorkCover Authority (the Authority) granted the Municipal Association of Victoria (MAV) a three-year self-insurance licence allowing it to provide workers' compensation insurance to Victorian councils. When the MAV WorkCare Scheme commenced, there were 31 inaugural members, including the MAV.

In accordance with the Authority's decision not to review the MAV's self-insurance licence, the MAV WorkCare Scheme ceased operation on 30 June 2021. The MAV is continuing to support the orderly transition of claims management responsibilities to the Authority.

Council was a participant of the MAV WorkCare Scheme.

The MAV WorkCare Scheme participation agreement stated that each participant would 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 would continue whether or not the participant remains a participant in future insurance years.

The net financial impact on Council is a result of the cessation of the MAV WorkCare Scheme for the year 2020/21 financial year is yet to be determined. Any obligation is dependent upon the Authority's initial actuarial assessment of the tail claims liabilities of the MAV WorkCare Scheme.

In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six-year liability period following the cessation of the MAV WorkCare Scheme. During the liability period, adjustment payments may be required (or received) by Council. The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by the Authority.

8.2 CHANGE IN ACCOUNTING STANDARDS

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

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.

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

8.3 FINANCIAL INSTRUMENTS (cont.)

(b) Market risk (cont.)

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 exposure to market risk is 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.

(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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

8.3 FINANCIAL INSTRUMENTS (cont.)

(d) Liquidity risk

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

To help reduce these risks Council:

- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(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.

(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.

HORSHAM RURAL CITY COUNCIL**Page 60****NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021****8.4 FAIR VALUE MEASUREMENT (Cont.)**

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset.

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

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

Impairment of assets

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

8.5 EVENTS OCCURRING AFTER BALANCE DATE

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

NOTE 9 OTHER MATTERS

9.1 RESERVES

(A) ASSET REPLACEMENT RESERVES

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2021				
Central Activity District development	2,839	54	154	2,739
Office equipment replacement	640	298	243	695
Plant replacement	3,460	1,540	3,838	1,162
Recreation contribution	501	-	-	501
Waste management replacement	4,323	1,603	3,965	1,961
Contingency funding - capital	567	194	253	508
Firebrace St properties	634	-	12	622
Major capital projects	803	-	171	632
Aquatic centre replacement	198	42	83	157
Aerodrome reseal	484	83	-	567
Industrial estate	3,257	16	-	3,273
Library asset replacement	32	9	40	1
Livestock exchange	409	38	90	357
Loan funded capital projects	2,031	423	-	2,454
Quarry & road rehabilitation	292	-	111	181
Road construction	32	-	-	32
Headworks drainage	397	45	-	442
Unfunded superannuation	600	-	-	600
Wimmera Business Centre	135	16	-	151
Wimmera Freight Terminal	660	99	-	759
Infrastructure gap	27	-	-	27
Sustainability capital projects	238	146	52	332
Total other reserves	22,559	4,606	9,012	18,153

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

9.1 RESERVES (Cont.)

(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 development	2,817	251	229	2,839
Office equipment replacement	563	279	202	640
Plant replacement	4,915	1,386	2,841	3,460
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
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

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.

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 2021**

9.1 ASSET REVALUATION RESERVES

2021	Balance at beginning of reporting period \$'000	Impairments and reversals \$'000	Revaluation increment \$'000	Balance at end of reporting period \$'000
Property				
Land	25,184	-	7,064	32,248
Other land improvements	2,975	-	-	2,975
Buildings	20,425	-	10,448	30,873
Total property	48,584	-	17,512	66,096
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	-	27,883	35,950
Total Infrastructure	199,948	-	27,883	227,831
Other				
Land held for sale	1,075	-	11	1,086
Total asset revaluation reserve	250,937	-	45,406	296,343
2020				
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

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

HORSHAM RURAL CITY COUNCIL

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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

	2021 \$'000	2020 \$'000
Surplus/(Deficit) for the year	3,089	(411)
Depreciation and amortisation	11,770	12,355
Loss on disposal of property, infrastructure, plant and equipment	1,609	993
Contributions - Non-monetary assets	(121)	(405)
Share of (profits)/loss of associates	(522)	(45)
Fair value (increment) adjustments for Investment property	(58)	-
Financing Costs	222	248
Change in Accounting Policy - Govt Grants	-	(1,733)
Change in assets and liabilities:		
Increase/(decrease) in provisions	(1,418)	1,596
(Increase)/decrease in intangible assets	214	(63)
(Increase)/decrease in right-of-use assets	55	(438)
Increase/(decrease) in lease liabilities	(51)	445
(Increase) in prepayments	(117)	(6)
Increase in trade and other payables and other liabilities	2,736	789
Decrease/(increase) in inventories	308	(175)
Decrease in trade and other receivable	82	1,595
(Increase)/decrease in accrued income	(929)	633
Net cash provided by/(used in) operating activities	16,869	15,378

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

Council makes both employer and employee contributions to 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 2021, 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 Employee Benefits.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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 for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020.

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%.

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

Net Investment Return	5.60% p.a.
Salary Information	2.5% pa for two years and 2.75% pa thereafter
Price Inflation (CPI)	2.00% p.a.

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefits Category.

Vision Super has advised that the VBI at 30 June 2021 was 109.7%. The financial assumptions used to calculate this VBI were:

Net investment returns	4.8% p.a.
Salary information	2.75% p.a.
Price Inflation (CPI)	2.25% p.a.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 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 2020 triennial 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 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate is expected to increase in line with any increases in the SG contribution rate and was 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.

HORSHAM RURAL CITY COUNCIL

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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

9.3 SUPERANNUATION (Cont.)

Funding Calls cont.

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.

The 2020 triennial 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. A full investigation was conducted as at 30 June 2020.

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

	2020 (Triennial)	2019 (Interim)
	\$m	\$m
A VBI Surplus	\$100.0	\$151.3
A total service liability surplus	\$200.0	\$233.4
A discounted accrued benefits surplus	\$217.80	\$256.7

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 2020.

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 2020.

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 2020.

Horsham Rural City Council was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

The 2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021. as the Fund provides lifetime pensions in the Defined Benefits category. It is anticipated that this actuarial investigation will be completed by October 2021.

Horsham Rural City Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

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 2021 are detailed below:

Scheme	Type of Scheme	Rate	2021 \$'000	2020 \$'000
Vision Super	Defined benefits	9.5%	130	140
Vision Super and other funds	Accumulation funds	9.5%	1,546	1,440

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021****9.3 SUPERANNUATION (Cont.)**

Council has not paid any unfunded liability payments to Vision Super in 2020/21 or in 2019/20.

There were \$167,000 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ended 30 June 2022 is \$92,000.

10.0 CHANGE IN ACCOUNTING POLICY

Council has adopted AASB 1059 Service Concession Arrangements : Grantors, from 1 July 2020. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

AASB 2018 -7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/2 for LG Sector).

Council has adopted AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material from 1 July 2020.

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

Council has adopted AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework from 1 July 2020.

It is not expected that these standards will have any significant impact on council.



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