

Annual Report

2016-2017



Horsham Rural City
Council urban rural balance

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

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About This Report

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

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

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

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

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

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



Designed and Illustrated By: Adelle Rohrsheim | www.argraphicdesign.com.au

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Images: courtesy of Council staff, Jane Murray, Mark Radford, The Wimmera Mail-Times and The Weekly Advertiser.

INTRODUCTION

Welcome to the Annual Report 2016–2017.

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2016-2017 is the primary means of advising the Horsham Rural City Council community about Council's operations and performance during the financial year.

Our Vision

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

Our Mission

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

Values – we will be...



SNAPSHOT OF OUR COUNCIL

Horsham Rural City is a vibrant, diverse community situated approximately 300 kilometres north-west of Melbourne and north of the Grampians National Park, in the heart of the Wimmera region of Victoria. Horsham Rural City Council has a population of 19,801 and covers an area of 4,267 square kilometres. Almost three quarters of residents live in the urban area of Horsham.

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

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

Horsham Rural City Council provides more than 70 services to the community ranging from waste management, emergency and fleet management to community and human service programs. We deliver a comprehensive range of building, planning and regulatory services, along with providing and maintaining important infrastructure such as buildings, roads, drains and parks.

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 2017-2021 Council Plan, associated Strategic Resource Plan and the 2016-2017 Budget set the strategic direction for Council over the next four years. These documents provide direction to management and include the key indicators that Council will use deliver key outcomes.

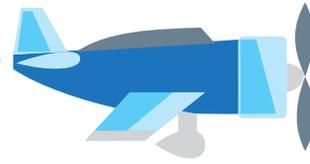


AT A GLANCE

Population	19,801
Road Length	2,976 kilometres
Number of Council Employees	184.7 (FTE)
Number of Councillors	7
Rateable Properties	12,276
Rates and Charges Revenue	\$22,080,000
Total Revenue (including grants)	\$55,547,000
Municipal Charge	\$276
Garbage Charge	\$218/\$355
Major Employment Sector in Municipality	Agriculture, Retail, Health Care and Social Assistance



THE YEAR IN REVIEW



Mayor's Message

Congratulations to each of our seven Councillors on being elected to represent our community for the next four years. It is my privilege and honour to be elected as the first Mayor of our new Council.

As you read through this report, you will see that it has been another busy year for the Horsham Rural City and there have been many achievements. The Horsham Town Hall and Regional Art Gallery is operating well (see page 23), construction of the Kalkee Road Children's and Community Hub has commenced (see page 24) and we have started planning for a new indoor sports stadium, just to name a few.

We are pleased that we have been able to maintain rates within the State Government imposed rate cap of 2% in the 2017-2018 budget. Careful financial management will ensure that we can continue to maintain efficient and effective services and invest funds into renewing our ageing infrastructure such as roads and buildings.

As Councillors, it is important that we meet with our local community groups and organisations and listen to their issues, concerns and suggestions. It is important that we recognise the excellent work, particularly by volunteer groups, to improve our community. This year, we have held more than 20 Council briefing meetings including sessions at Taylors Lake, Pimpinio, Quantong, Natimuk, Toolondo and Mitre. Councillors have also participated in rural and urban tours of our municipality and monthly Councillor listening posts in the central business district have commenced, providing residents with an opportunity to speak with us face-to-face (see page 25).

Advocacy on behalf of our community is an important role for Council and I am proud to represent Horsham and the wider Wimmera community at regional, state and national forums. The five Wimmera Councils visited Canberra in March to meet with Federal Government ministers and staff and opposition parties to discuss a range of local issues. Return of passenger rail, total mobile phone coverage, retention of recreational lakes and water facilities, early years development, duplication of the Western Highway to Stawell and the Western Highway bypass are just some of projects that Council has advocated for this year (see page 32).

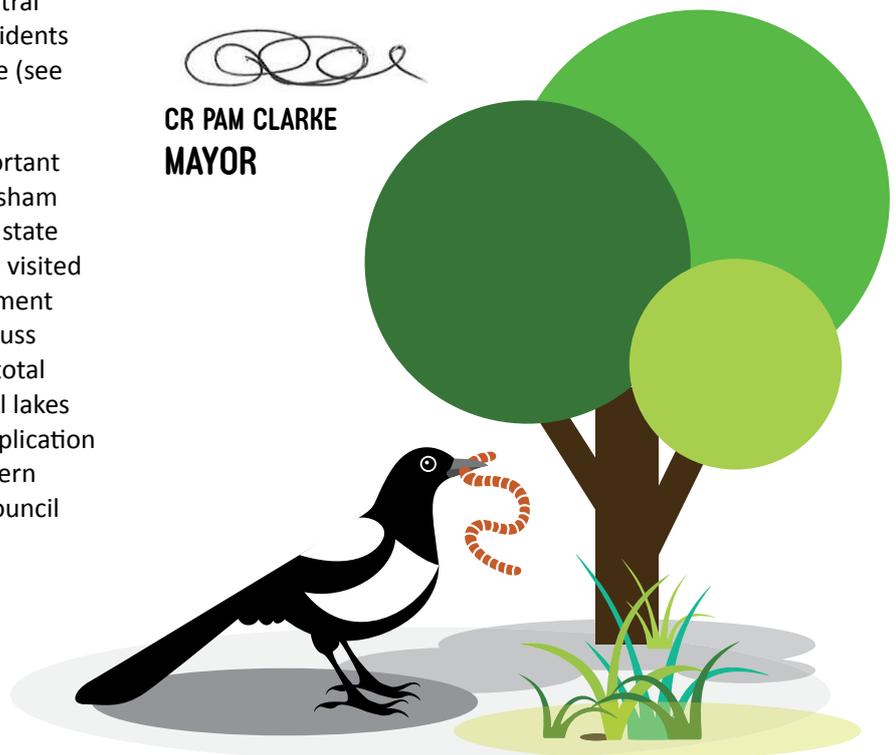


Peter Brown, Cr Pam Clarke and Aunty Hazel McDonald at a special afternoon tea to celebrate National Reconciliation Week in May.

Horsham Rural City Council is an active member of Regional Cities Victoria which comprises the 10 largest cities in regional Victoria. The group meets every second month and is committed to improving the infrastructure and liveability of regional Victoria through policy development and active implementation of those policies. Discussions have been held with the State Government in relation to access to cheaper finance to fund infrastructure for Regional Cities and the ongoing role that our Regional Cities can play in population growth and relieving pressure on Melbourne.

In closing, I would like to thank my fellow Councillors for their support this year and to all Council staff for their efforts in maintaining excellent facilities and delivering quality services in our municipality. Horsham Rural City is a vibrant and diverse community for which we should all be proud!

**CR PAM CLARKE
MAYOR**



Chief Executive's Message

Welcome to our 2016-2017 Annual Report. It has been a busy year for the Horsham Rural City and there have been a number of significant achievements.

Once again, we have finished the year in a sound financial position. Careful financial management, monitoring and due diligence processes have contributed to this result.

Our Corporate Services area has developed a modern reporting framework, which is delivered to Council and the executive team each month. The Finance and Performance Committee of Council ensures that we are reporting on accounting and performance issues to enable timely decisions about our budgetary position and overall performance to be made. The first stage was implemented this year, with further reporting of performance metrics to be improved in 2017-2018.

Council determined not to apply for a rate rise above the rate cap in 2017-2018. Instead, a decision was made to add a further 1% to the asset renewal reserve funded by budget savings. Renewing infrastructure such as roads and buildings is vitally important and Council contributes over \$2 million into a fund each year towards this purpose.

Negotiations for a new Enterprise Agreement were completed this year. The introduction of rate capping and falling inflation rates influenced negotiations, with an annual wage rise in the order of 2.1% per year for the next three years. Council staff should be complemented on the restraint they have shown in their negotiations to achieve this outcome (see page 19).

Shared services provide a way for Councils to assist each other to provide services that they might otherwise not be able to provide. They can also assist in reducing the overall costs for the Councils involved. For some time, we have been considering ways in which we can work with other local Councils to deliver shared services in the region. The West Wimmera Shire Council does not have a dedicated Human Resource Management department and we have entered into an agreement to provide this service for them during 2017-2018. We look forward to working collaboratively with the West Wimmera Shire Council to deliver this important service (see page 30).

The redeveloped Horsham Town Hall and Regional Art Gallery has grown from strength to strength. This year, 61,595 patrons attended 196 events at the Horsham Town Hall, with 34% of ticket sales coming from outside the municipality. This state-of-the-art facility is continuing to attract people to Horsham and provides a major economic boost to our municipality (see page 23).

After almost a decade of planning and lobbying, construction of the Kalkee Road Children's and Community Hub is now underway with completion expected in early 2018. The new facility will provide a range of services under one roof including Maternal and Child Health, three and four-year-old kindergarten and after kinder care (see page 24).

Over the last 18 months, Council has been working closely with our Aboriginal community to gain a better understanding and respect for their culture and ensure that they have a greater input into Council decision making and practices. This year, 30 staff have completed cultural awareness training, three Aboriginal trainees have been employed by Council and a Reconciliation Action Plan is in its final stages of completion (see page 21).

It is disappointing that construction of the Wimmera River Pedestrian Bridge has been much slower than expected. The contractor has gone into liquidation and we are likely to face cost overruns to ensure its completion. Local sub-contractors working on the final stages of the project have been well supported by Council and we are confident that the bridge will provide enormous benefits to Horsham residents and visitors (see page 29).

The Civic Centre municipal offices in Horsham, which were built in the 1970s, are gradually being renovated to maximise use of available space and meet the needs of modern work practice. This year has seen a refurbishment of the reception area and Council chamber, with further renovations to occur during 2017-2018 (see page 28).

Council continues to work through various issues in relation to a proposed Western Highway bypass of Horsham. It is anticipated that Council will have a clear position on the bypass in 2017-2018. It is fair to say that the different views held by Councillors represent the general uncertainty in the community as to the best outcome for our community.

In closing, I express my appreciation to staff and Councillors for their co-operation and support this year.



PETER F BROWN
CHIEF EXECUTIVE



OUR COUNCIL

Our Profile

Horsham Rural City Council provides more than 70 services to the community ranging from waste management, emergency and fleet management to community and human service programs. We deliver a comprehensive range of building, planning and regulatory services, along with providing and maintaining important infrastructure such as buildings, roads, drains and parks.

Council 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 2017-2021 Council Plan and the associated Strategic Resource Plan and 2016-2017 Budget set the strategic direction for Council over the next four years. These documents provide direction to management and include the key indicators that Council will use to deliver key outcomes (see Our Performance, pages 35-50)

ECONOMIC FACTORS

- A major flood event in September 2016 brought some damage to community infrastructure in low lying parts of the municipality
- The contractor constructing the new Pedestrian Bridge across the Wimmera River in Horsham went into administration and Council staff took on the work to finish the project (see page 29)
- State Government's introduction of requirement for electronic identification for sheep movements (see page 42)
- Council received a major input from the State Government of \$900,000 to add to the \$2.6m already received from the Federal Government to help towards funding of the Horsham North Children's Hub (see page 24)
- State Government Rate Capping legislation was in its second year of operation and continues to limit the revenue raising capacity of Council, and the Federal Financial Assistance Grants had their third year in a row of no increases to indexation
- Some significant results for the farm sector of the community with good prices and an excellent growing season leading to good returns for this sector in 2016, flowing on to many others within the community

MAJOR CHANGES

- Council elections took place in October 2016 which saw four new Councillors elected for the community
- Construction of NBN in Horsham – commenced during the year and is expected to come online in 2018-2019

MAJOR ACHIEVEMENTS

- The Performing Arts Centre at the new Horsham Town Hall completed its first year of operation with revenue exceeding expectations and delivering a new and vibrant facility for the community (see page 23)
- A feasibility study for a new Indoor Sports Stadium was completed and will now move into the next phase of detailed planning and costing
- Council was again awarded Victoria's Tidiest Town having also won the title in 2015
- Council installed 99kW of solar panels on the roof of the Civic Centre in Roberts Avenue, greatly contributing towards a reduction in energy use at the centre (see page 27)
- The Greenlight System for building and planning permits was implemented and commenced operations
- Internationally acclaimed Nitro Circus event was held in Horsham (see page 27)
- Completion of Volunteer Framework
- Completion of Wimmera Home Support Project
- Establishment of Aboriginal Advisory Committee (see page 21)
- Commencement of Aquatic Centre Master Plan development
- Introduction of the Act@Work program to assist staff in providing appropriate support to women experiencing violence and prevent it occurring in the workplace and broader community (see page 18)



OUR COUNCIL

Councillors

Horsham Rural City Council has seven Councillors elected every four years by the residents of the municipality. Voting is conducted via postal vote with the most recent election held on 22 October 2016.

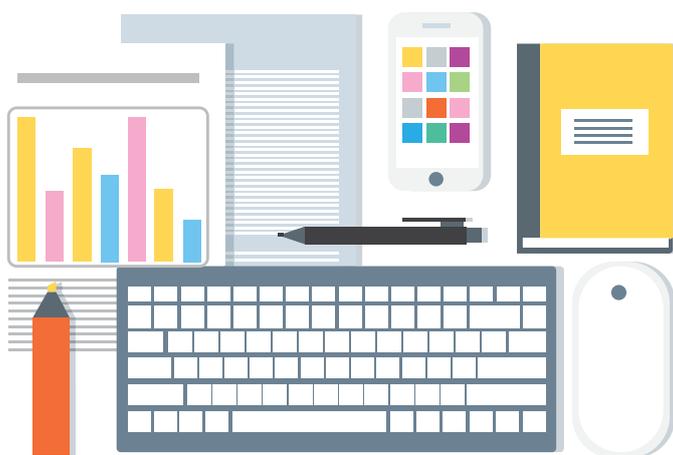
The Mayor is elected for a one year period each November and is voted in by the Councillors.

The seven Councillors are the elected representatives of all residents and ratepayers across the municipality. They have responsibility for setting the strategic direction for the Horsham Rural City Council, policy development, identifying service standards and monitoring performance across the organisation. Each Councillor has a portfolio of local committees that they attend, providing a valuable link between the community and Council.

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

Directors and Managers consult with Councillors and develop reports that are presented at Council meetings for deliberation and determination by Councillors.

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



COUNCILLORS



CR PAM CLARKE
Mayor

First elected:
November 2003 to
November 2008

Date re-elected:
27 October 2012,
22 October 2016



pam.clarke@hrcc.vic.gov.au



(03) 5382 9732
(0428) 303 681
(0439) 820 870

Cr Pam Clarke was first elected to Council in November 2003 to October 2008 and again from October 2012 to 2016. She is currently serving her second term as Mayor.

Cr Clarke has a strong background in disability and welfare services and was the Chief Executive Officer of a local disability service provider for 10 years. She was also Chairperson and committee member of many community and welfare organisations for over 35 years and a local business owner for more than 40 years.

Committees:

Aboriginal Advisory, Audit, Australia Day, Chief Executive Evaluation, Children's Hub Project Control Group, Early Years Planning, Finance Performance and Reporting, Horsham Performing Arts Company, Horsham Town Hall Fundraising, Municipal Association of Victoria, Tourism Advisory, North Western Municipalities Association, Public Art, Regional Cities Victoria, Seasonal Conditions, Victorian Local Governance Association and Wimmera Mallee Sustainability Alliance.



CR DAVID GRIMBLE

First elected:
29 November 2008

Date re-elected:
27 October 2012,
22 October 2016



david.grimble@hrcc.vic.gov.au



(03) 5383 6286
(0417) 528 636

Cr David Grimble has served as a Councillor since November 2008, including two terms as Mayor in 2012-2013 and 2013-2014.

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

Committees:

Audit, Chief Executive Evaluation, Finance Performance and Reporting, Grampians Central West Waste and Resource Recovery Group Forum, Greater Grampians Roundtable, Henty Highway Action, Horsham Racecourse Reserve Advisory, Horsham Regional Livestock Exchange Board of Management (Chair), Rail Freight Alliance, Wartook Valley Strategy Working Group, Western Highway Action, Wimmera Intermodal Freight Terminal (Chair) and Wimmera Southern Mallee Regional Transport Group.



CR JOSH KOENIG

Date Elected:
22 October 2016



josh.koenig@hrcc.vic.gov.au



(0413) 449 644

Cr Koenig is a Horsham local, having lived in the city for the entirety of his life. He is a family man, a proud husband and father.

He has worked in social welfare and disability services for the last 10 years, and is currently the Client Engagement and ChildFIRST Manager at Uniting Wimmera.

Cr Koenig is passionate about our community and wants to see it grow and develop, providing opportunities for all community members, living up to its title as The Capital of the Wimmera.

Committees:

Chief Executive Evaluation, Community Halls, Domestic Animal Management Advisory, Finance Performance and Reporting, Horsham Performing Arts Company, Kannamaroo Festival, Municipal Association of Victoria (sub), Victorian Local Governance Association (sub), Wimmera Business Centre Advisory Board, Wimmera Development Association, Wimmera Disability Access Forum and Wimmera Regional Library Corporation.



CR LES POWER

Date elected:
22 October 2016



les.power@hrcc.vic.gov.au



(03) 5382 4709
(0419) 922 687

Cr Les Power joined Horsham Rural City Council in October 2016 and is currently serving his first term.

He has been a Horsham resident for the past 40 years and a police officer for 14 years.

Cr Power is involved in many community groups including the Blue Ribbon Foundation, Horsham and District Football League, YMCA and Nexus. He is very supportive of the local Koori community.

Committees:

Aboriginal Advisory (sub), Chief Executive Evaluation, Children’s Hub Project Control Group, Finance Performance and Reporting, Local Advisory Fire Prevention, Horsham Aquatic Centre Advisory, Horsham Performing Arts Company, Municipal Fire Management Planning Committee, Parking Consultative and Advisory, Regional Recreation Water Users Group and Tidy Towns.



CR MARK RADFORD

Dip Local Government

First elected:
29 November 2008

Date re-elected:
27 October 2012,
22 October 2016



mark.radford@hrcc.vic.gov.au



(03) 5384 0324
(0427) 840 324

Cr Radford was first elected to Council in November 2008 and served one term as Mayor in 2014-2015.

Cr Radford is a self-employed electrical contractor, and a member of the Salvation Army, YMCA, Nutbush Horsham and Secretary for the Vectris Rural Fire Brigade.

He is committed to working for the community, with a passion for improving services for our young people.

Committees:

Chief Executive Evaluation, Drug and Alcohol Taskforce, Finance Performance and Reporting, Haven Recreation Reserve, Horsham Basketball Stadium, Horsham Community and Police Consultative, Horsham Town Hall Fundraising, North Western Municipalities Association (sub), Sport and Recreation Advisory, Tourism Advisory (sub) and Wimmera River Improvement.



CR JOHN ROBINSON, BM OAM

Date elected:
22 October 2016



john.robinson@hrcc.vic.gov.au



(0429) 644 477

Cr Robinson has a local farming background and 39 years community leadership and service with Victoria Police, retiring as a Chief Inspector. He has been a commercial pilot and has also worked in the energy sector and earthmoving industry.

He is a life member of Brophy Family and Youth Services and founder and Chairman of the Australian Bravery Foundation. Cr Robinson and his wife were founders of the Helicopter Rescue Service based in Warrnambool that supports this region and they also initiated the Koori Court of Victoria.

He is currently the District Support Co-ordinator for the Country Fire Authority (CFA) in the Wimmera and has been a CFA volunteer for 40 years. He established and leads the CFA District 17 Aviation Support Unit.

Cr Robinson was awarded an OAM in the 2017 Australia Day honours list for services to the Victorian community and was awarded the Bravery Medal in 1999.



CR ALETHEA SEDGMAN

Date elected:
22 October 2016



alethea.sedgman@hrcc.vic.gov.au



(0490) 203 625

Cr Sedgman was elected to Council in October 2016. At 23, she is Horsham Rural City Council’s youngest Councillor.

Cr Sedgman is a qualified teacher and currently teaches at the Holy Trinity Lutheran School in Horsham. She has lived and studied locally throughout her entire education.

Cr Sedgman has represented Australia in sport on numerous occasions and joined Local Government because she wants to give back to her community.

Committees:

Australia Day, Chief Executive Evaluation, Finance Performance and Reporting, Horsham Basketball Stadium (sub), Horsham College/Community Oval, Horsham Recreation Reserve, Horsham Regional Art Gallery, Sport and Recreation Advisory, Sunnyside Recreation Reserve Advisory, Wimmera Mallee Sustainability Alliance (sub) and Wimmera Southern Mallee LLEN.

OUR PEOPLE

Organisational Structure

Council is the governing body that appoints a Chief Executive. The Chief Executive has responsibility for the day-to-day management of operations in accordance with the strategic directions of the Council Plan. Four Directors and the Chief Executive form the Executive Management Group which leads the organisation. Details of the Executive Management Group are set out below.



PETER BROWN
Chief Executive

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

Areas of Responsibility:

- > Management and Performance of all Council operations including \$53 million budget
- > Ensuring that the day-to-day management of Council's operations are in accordance with the *Local Government Act* and align with the Council Plan
- > Provision of advice and support to Council
- > Director responsibility for Council's four Directors and the Governance and Communications Unit

SENIOR OFFICERS

Reporting
Directly to the
Chief Executive



KEVIN O'BRIEN
Director Community Services

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

Areas of Responsibility:

- > Aged and Disability Services
- > Community Development
- > Cultural Development
- > Emergency Recovery
- > Environmental Health Officer
- > Horsham Aquatic Centre
- > Horsham Regional Art Gallery
- > Immunisations
- > Maternal and Child Health
- > Multiple Birth Support Program
- > Playgroups
- > Rural Access
- > Senior Citizens
- > Theatre and Venue Management
- > Wimmera Regional Library Service
- > Youth Services



GRAEME HARRISON
Director Corporate Services

B Econ, Dip GAICD, CPA

Areas of Responsibility:

- > Customer Services
- > Financial Services
- > Human Resources
- > Information and Communications Technology
- > Organisational Performance
- > Payroll
- > Property Management
- > Rate Collection
- > Records Management
- > Risk Management
- > Treasury



ANGELA MURPHY
Director Planning and Economic Services

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

Areas of Responsibility:

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



JOHN MARTIN
Director Technical Services

BE (Agric)

Areas of Responsibility:

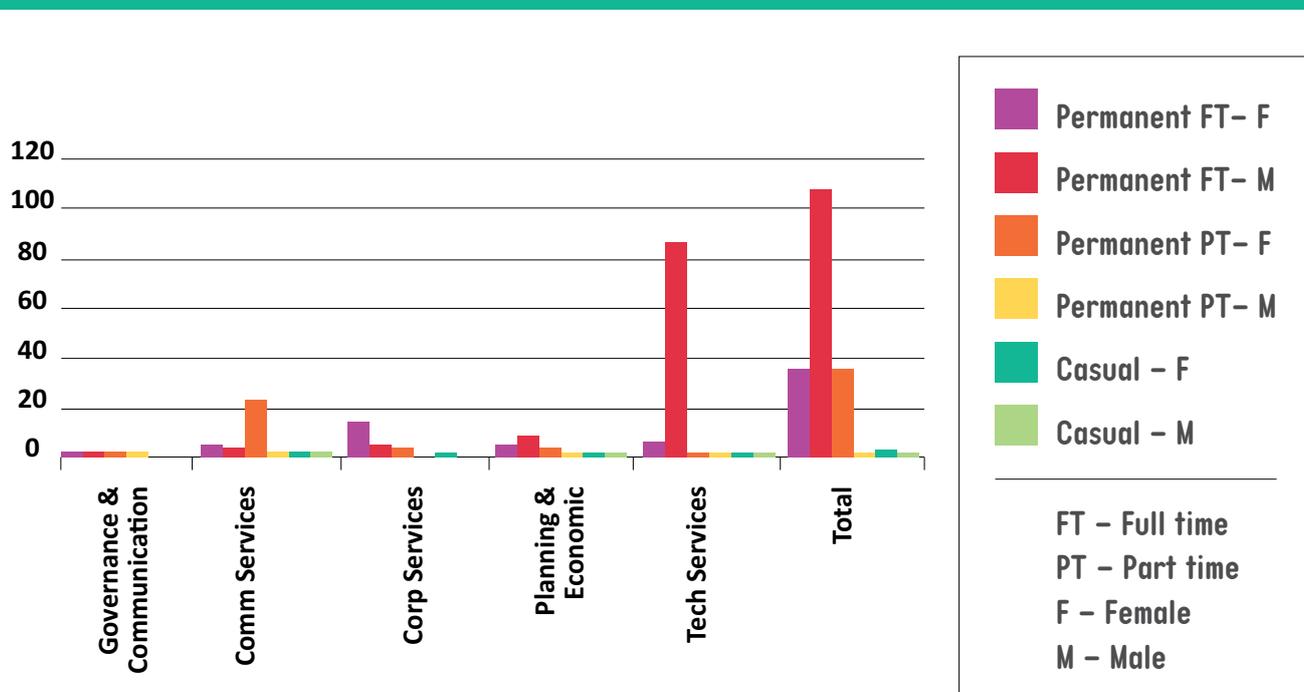
- > Drainage Maintenance
- > Emergency Management
- > Engineering and Design
- > Environmental Management
- > Fleet
- > Horsham Aerodrome
- > Horsham Regional Livestock Exchange
- > Roads, Streets and Bridges Construction and Maintenance
- > Sports and Recreation
- > Waste Management

OUR STAFF

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

NUMBER OF STAFF (FTE)

EMPLOYEE TYPE/GENDER	GOVERNANCE AND COMMUNICATIONS	COMMUNITY SERVICES	CORPORATE SERVICES	PLANNING AND ECONOMIC	TECHNICAL SERVICES	TOTAL FTE
	FTE	FTE	FTE	FTE	FTE	
Permanent FT – F	2.00	6.00	15.00	6.00	7.00	36.00
Permanent FT – M	1.00	4.00	6.00	10.00	86.00	107.00
Permanent PT – F	0.92	23.85	4.64	3.94	2.19	35.54
Permanent PT – M	0.00	1.06	0.00	0.12	0.71	1.89
Casual – F	0.00	2.02	1.06	0.05	0.00	3.13
Casual - M	0.00	1.11	0.00	0.00	0.00	1.11
TOTAL	3.92	38.04	26.70	20.11	95.90	184.67

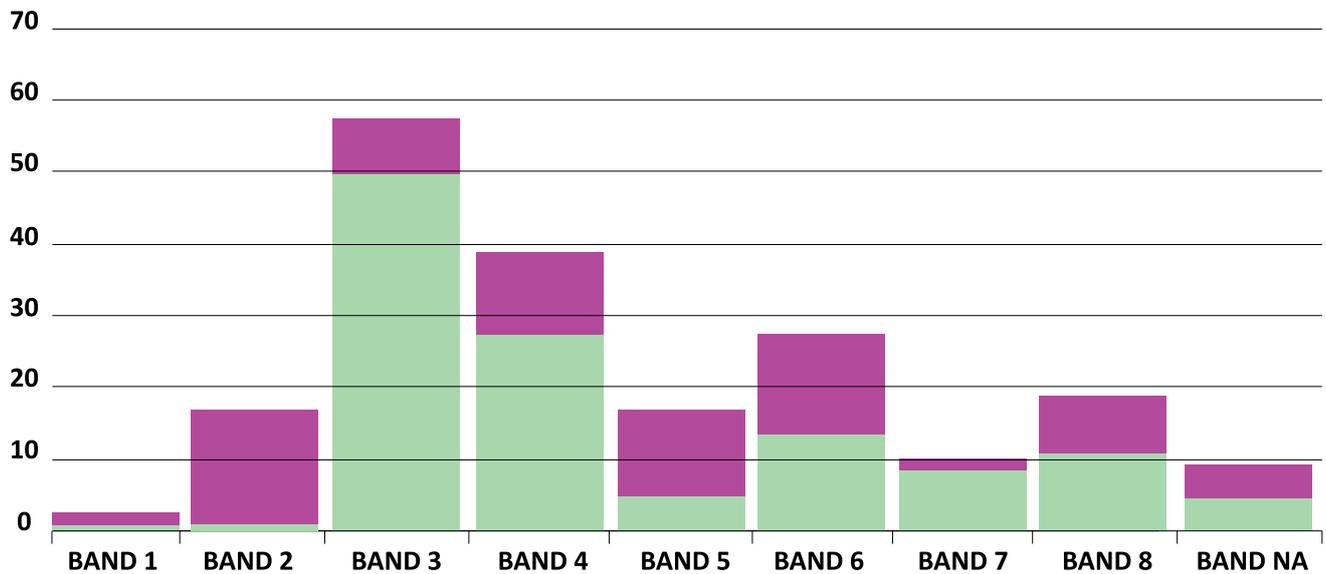


OUR STAFF

EMPLOYMENT CLASSIFICATION	FEMALE FTE	MALE FTE	TOTAL FTE
Band 1	0.83	0.38	1.21
Band 2	15.52	0.26	15.78
Band 3	7.67	49.56	57.23
Band 4	11.65	27	38.65
Band 5	12.82	4	16.82
Band 6	13.57	13	26.57
Band 7	1.26	7	8.26
Band 8	6.8	4.8	11.6
Band not applicable	4.55	4	8.55
TOTAL	74.67	110	184.67

NUMBER OF STAFF (FTE)

■ FEMALE
■ MALE



ORGANISATIONAL STRUCTURE

COUNCIL

Chief Executive Peter Brown

Organisational Level Designation	Community Services Kevin O'Brien	Corporate Services Graeme Harrison	Planning & Economic Angela Murphy	Technical Services John Martin
GROUP	<ul style="list-style-type: none"> • Aged & Disability Services • Community Development • Cultural Development • Emergency Recovery • Environmental Health Officer • Horsham Aquatic Centre • Horsham Regional Art Gallery • Immunisation • Maternal & Child Health • Multiple Birth Support Program • Playgroups • Rural Access • Senior Citizens • Theatre & Venue Management • Wimmera Regional Library Corporation • Youth Services 	<ul style="list-style-type: none"> • Customer Services • Financial Services • Human Resources • Information & Communications Technology • Organisational Performance • Payroll • Property Management • Rate Collection Services • Records Management • Risk Management • Treasury 	<ul style="list-style-type: none"> • Animal Management • Building & Maintenance Services • Caravan Park • Economic Development • Industrial Estate • Local Laws • Planning Services • Tourism, Major Events & Marketing Services • Traffic Management • Visitor Information Centre • Wimmera Business Centre 	<ul style="list-style-type: none"> • Drainage Maintenance • Emergency Management • Engineering & Design Services • Environmental Management • Fleet • Horsham Aerodrome • Horsham Regional Livestock Exchange • Roads, Streets & Bridges Construction & Maintenance • Parks, Sports & Recreation • Waste Management
Department MANAGER	<ul style="list-style-type: none"> • Acting Community Development Martin Bride • Human Services Mandi Stewart 	<ul style="list-style-type: none"> • Finance Heather Proctor • Rates & Information Services Kerrie Bell • Organisational Development Tony Schneider 	<ul style="list-style-type: none"> • Business & Economic Development Matthew Gould • Regulatory Services Lauren Coman 	<ul style="list-style-type: none"> • Infrastructure Development Martin Duke • Recreation & Sustainability Rhonda McNeil • Operations Rob Moir

EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

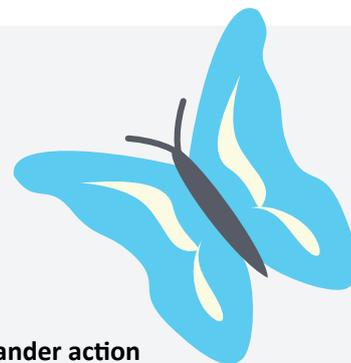
A Council with 40 or more members of staff must have developed and implemented an equal opportunity program. The objective of Council's equal employment opportunity program is to ensure there is no discrimination relating to the characteristics listed under the *Equal Opportunity Act 2010* such as race, 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.

Horsham Rural City Council commits itself in a variety of ways to the elimination of discrimination against, and the promotion of, equal opportunity for women, and all other people in relation to employment matters. This commitment is supported by the activities of seven designated 'contact officers', which represents one contact officer for every 35 employees. Every two years, an external provider is engaged to deliver equal opportunity refresher training and we have found that this reaches 80% of staff. On commencement, all staff are made aware of Council's commitment to equal opportunity and they are reminded of the expectations and obligations employees owe to themselves, their colleagues, Council and the community.

Council's commitment to equal opportunity is generally reviewed by the Staff Consultative Committee, which meets regularly to promote employee and management awareness, consider relevant issues, and contribute to resolution and advice. Overall, throughout the last year, it is generally agreed that there were no breaches of the *Equal Opportunity Act 2010*.



OTHER STAFF MATTERS



Prevention of Violence Against Women

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 culture and social norms through our interaction with individuals, families, organisations and community to eliminate attitudes that support violence. Our leadership and participation in this work is critical to ensuring safe, inclusive and respectful communities.

Horsham Rural City Council is committed to supporting initiatives relating to family violence prevention along with incorporating behaviours that reinforce respect and equality for all members of the community. The 2017-2021 Council Plan lists three priorities and one advocacy action whilst the 2013-2017 Municipal Public Health and Wellbeing Plan has one action surrounding these initiatives.

Council supports a range of projects to prevent violence against women including White Ribbon Day and International Women's Day.

Council is a member of the Grampians Communities of Respect and Equality (CoRE) alliance and is committed to working towards the vision of the CoRE Plan. An initiative introduced to Council in late 2016 is the Act@Work program designed and piloted by Women's Health Grampians. The program aims to enable Council staff to be able to provide appropriate support to women experiencing violence, whilst also addressing the underlying causes of violence to prevent it occurring both in the workplace and in our broader community. Further, it aims to promote equal and respectful relationships between women and men.

Preventing violence against women requires changing cultural beliefs and attitudes that support it such as gender inequality, rigid gender roles and stereotypes, sexism and discrimination.

The Municipal Association of Victoria has provided funding for Women's Health Grampians to deliver Act@Work across the four Wimmera Councils – Horsham Rural City, Yarriambiack, Hindmarsh and West Wimmera Shire Councils.

ACT@WORK HAS TWO CORE COMPONENTS: An organisation-wide strategy to support sustainable changes in the workplace.

It involves:

- Engaging management in the program
- Appointing an internal action group to lead change
- Conducting an organisation assessment
- Developing an action plan
- Overseeing implement of the action plan

Training for staff on bystander action and community responsibility.

This training involves male and female facilitators with extensive experience in violence against women and who model healthy, respectful and equal relationships between men and women.

It aims to:

- Increase knowledge of the prevalence and costs of violence against women in the community
- Challenge the attitudes that contribute to a culture where violence against women occurs
- Increase skills in contributing to a community and workplace culture where healthy and respectful relationships are encouraged

Act@Work is now well underway at Horsham Rural City Council and the following actions have occurred:

- Internal action group formed – February 2017
- Baseline survey conducted – February 2017
- Active bystander and intensive bystander training delivered – April 2017
- Commencement of development of action plan – April 2017

Professional Development

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

This year, one staff member is continuing studies towards a Masters of Infrastructure Engineering and Management whilst other staff continue a variety of higher level studies including a Bachelor Civil Engineering, and Diploma Risk Management and Business Continuity. Locally, two staff completed the Leadership Wimmera Community program in 2016 and another three commenced the program in 2017.

Council also provides a comprehensive corporate learning program that supports a broad range of staff development needs. This is developed in alignment with strategic priorities as well as in response to needs identified through performance and development plans. A variety of learning methodologies are used including e-learning, facilitated workshops, personal coaching, internal and external training providers.

Enterprise Agreement

The current Enterprise Agreement nominally expired on 30 June 2016. Negotiations for a new Enterprise Agreement were completed throughout the year. Enterprise Agreement Number Eight was officially endorsed by the Fair Work Commission on 12 January 2017. The introduction of rate capping and falling rates of inflation influenced negotiations and an annual wage rise in the order of 2.1% was agreed upon for each year of the three year agreement.

Occupational Health and Safety

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

2016–2017 ACHIEVEMENTS:

- New online Incident Reporting System (Health Safety Works) and training was rolled out in November to all staff
- Introduction of a new Inspection Template for site visits, which provides the ability to add photos to the inspection report
- Comprehensive training for all emergency wardens
- Increased incident and near miss reporting from all sectors of Council



Horsham Rural City Council has an OHS committee that meets on a monthly basis

The Horsham Rural City Council 2017-2018 Safety Strategy demonstrates Council's commitment to provide a safe work environment.

This strategy outlines Council's key focus areas for the 2017-2018 period to support the achievement of our OHS policy and OHS strategic objectives and the continued development of our safety management system in all operational areas.

STRATEGY 1: Health and Safety Leadership

STRATEGY 2: Risk Management

STRATEGY 3: OHS Management and Performance

STRATEGY 4: Health and Wellbeing

2017–2018 FOCUS:

- **Health and Wellbeing initiatives for staff:**
 - **Skin Smart**
 - Information session for Depot staff
 - Skin assessment checks for staff working in the outdoor environment
 - **Mental Health**
 - Awareness session at Horsham Town Hall
 - Safety in Action conference presentation on Mental Health and Wellbeing
 - Information as part of WorkSafe month presentations
- **Health Safety Representative (HSR) training** for all new designated work group representatives and refresher training for current HSRs
- **Continued promotion of safety messages** for all Council staff to ensure everyone is complying with OHS legislation

MAV WORKCARE SCHEME:

The introduction of the Municipal Association of Victoria (MAV) WorkCare Self-Insurance Scheme was approved by the Victorian WorkCover Authority (VWA) on 3 May 2017. MAV WorkCare will commence covering 31 Victorian authorities from 1 November 2017. Jardine Lloyd Thompson Pty Ltd (JLT) has been appointed to administer the scheme on behalf of the MAV.

There will be a requirement for all Member Councils to be fully compliant with the National Audit Tool (NAT) and once achieved, to be maintained. The registration of self-insurance schemes is regularly tested by the VWA against financial viability and safety system measures, with NAT compliance across scheme members being their main measure of OHS management and performance.

Implementation of the self-insurance scheme offers a range of significant benefits.

Of particular note are that:

- It will remove the need for additional WorkCover contributions when a defined benefit superannuation liability call is made on Councils
- A forecast premium saving of a total of 15% over the first three years of scheme operation (based on the 2016-2017 premium payable by Council)

OUR COUNCIL PLAN

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

The 2017-2021 Council Plan sets the strategic direction of Council over the next four years, linking the community's vision to long-term community goals and four year outcomes and priorities for Horsham Rural City Council. The Council Plan provides direction to management and includes the indicators that Council will use to deliver key outcomes.

The following pages provide details of some of the highlights achieved this year. Further information in relation to outcomes and priorities contained in the Council Plan are provided in Our Performance (see pages 35-50).

For a full copy of the Horsham Rural City Council Plan, please contact Council on telephone (03) 5382 9777 or call into the Municipal Offices, Civic Centre, 18 Roberts Avenue, Horsham. It is also available on the Horsham Rural City Council website – www.hrcc.vic.gov.au.



GOAL 1

COMMUNITY AND CULTURAL DEVELOPMENT

We support our diverse community by developing an environment that aims to cater to the shifting needs of our residents. We support innovation and encourage artistic and cultural expression to develop our municipality as a great place to live – See section on Our Performance for more details (pages 35-40).

AUSTRALIA DAY CELEBRATIONS



2017 Young Citizen of the Year Kara Johnson and Citizen of the Year Kingsley Dagleish with their award certificates at the Australia Day ceremony in Horsham

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

Horsham Rural City Council hosted a very successful Australia Day event on the banks of the Wimmera River at Sawyer Park in Horsham this year. The celebration attracted around 400 people who, prior to the official ceremony, enjoyed a free barbecue breakfast provided by the Combined Service Clubs of Horsham.

Elder and Barengi Gadjin Land Council member Jennifer Beer presented the Welcome to Country. Entertainment was provided by the Horsham City Pipe and Brass Bands, Sing Australia Choir and Claudia Lopez-O'Donnell and Bonnie Mellor from the Horsham Arts Council. Children's story "Edwin the Emu" was read by Mary Dagleish and a flag raising ceremony was performed by the Horsham

Guides and Scouts. Australia Day Ambassadors Mark Stone, AM and Diane James, AM also addressed the crowd.

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

This year's Australia Day Award recipients were:

- ▶ Kingsley Dagleish, Citizen of the Year
- ▶ Kara Johnson, Youth Citizen of the Year
- ▶ Horsham Arts Council for the production of their 50th Anniversary Spectacular – Community Event of the Year

Mayor, Cr Pam Clarke conducted the Australian Citizenship Ceremony where three community members from United States of America, India and England pledged their commitment to our great nation.

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



Lucy and Charli get into the spirit of Australia Day at the Horsham ceremony

ABORIGINAL ADVISORY COMMITTEE

Horsham Rural City Council has established an Aboriginal Advisory Committee. Membership of this committee comprises representatives from Barengi Gadjin Land Council, Goolum Goolum Aboriginal Co-operative, the community and Council.

The purpose of the Aboriginal Advisory Committee is to provide strategic advice and guidance on the development of policies, plans and projects that integrate reconciliation processes into our business, services and programs. This committee provides a platform for ongoing engagement between Council and Aboriginal communities across a broad range of issues.

Objectives of the Aboriginal Advisory Committee are to:

- Establish ways of working together that support respectful and robust dialogue between Council, local Aboriginal and non-Aboriginal communities
- Provide input into the development, implementation and review of the first Reconciliation Action Plan
- Advise Council on programs, services, events, projects, activities and facilities that support reconciliation

- Support planning and development of events that have significance for the journey towards reconciliation including Australia Day, Reconciliation Week and NAIDOC Week
- Strengthen community awareness of reconciliation issues in Horsham Rural City Council



A smoking ceremony was conducted at a special afternoon tea to celebrate National Reconciliation Week in May

The Aboriginal Advisory Committee has been working very effectively and a number of achievements have been made as outlined below.

Action	Progress
Employment Provide employment opportunities within Council (traineeships), developing better pathways and looking more broadly across Council	Three trainees commenced in the 2016-2017 financial year: David Parkin and Tamika Chester (Parks and Gardens) Beau Brown (Records/Customer Service).
Cultural Awareness Provide cultural awareness training to Councillors and staff	Approximately 30 people have completed cultural awareness training this year. Further sessions will be held during the coming year.
Horsham North Children's Hub Support the project	Barengi Gadjin Land Council and Goolum Goolum Aboriginal Cooperative have developed Aboriginal artwork, which has been incorporated into the floor tiles of the children's hub. Discussions to commence with Goolum Goolum Aboriginal Co-operative in relation to the possible relocation of the Black Cockatoos Playgroup to the new children's hub.
Reconciliation Action Plan Development of REFLECT Reconciliation Action Plan	Consultancy works were awarded with a draft plan under development.
Events Support planning and development of events for Australia Day, Reconciliation Week and NAIDOC Week	A very successful afternoon tea was hosted by the Mayor at the Wesley Performing Arts Centre during National Reconciliation Week.

AUSTRALIAN CITIZENSHIP CEREMONIES



This year, Horsham Rural City Council conducted eight Australian Citizenship Ceremonies, welcoming 71 new Australian citizens to our municipality

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

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

This year, Horsham Rural City Council conducted eight Australian Citizenship Ceremonies welcoming 71 candidates from Burma, Cambodia, China, Germany, Hong Kong, India, Ireland, Lebanon, Myanmar, Netherlands, New Zealand, Papua New Guinea, Philippines, South Africa, Sri Lanka, Thailand, United Kingdom and Vietnam.

CIVIC RECEPTIONS

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

This year, the following Civic Receptions were hosted by Horsham Rural City Council:

- 16 August 2016 – Acknowledgement of the 50th Anniversary of the Battle of Long Tan
- 23 November 2016 – Special afternoon tea to celebrate the success of the 2016 Tri State Games in Horsham
- 20 February 2017 – special afternoon tea to welcome the Western Bulldogs Football Club to Horsham
- 1 June 2017 – Special afternoon tea to celebrate National Reconciliation Week
- 3 June 2017 – International Lions Club 100, Years of Service

NATIONAL DISABILITY INSURANCE SCHEME

The National Disability Insurance Scheme (NDIS) is the new way of providing support for Australians with disability, their families and carers. It will provide eligible people, under the age of 65, a flexible, whole-of-life approach to the support needed to pursue their goals and aspirations and participate in daily life.

The NDIS is due to be rolled out across the Wimmera South West from 1 October 2017. A person may meet the access requirements to become a participant of the NDIS up to 6 months prior to this date.

Council's Rural Access worker has been working with NDIS and NDS (National Disability Services) to make certain they understand the issues in rural areas and ensure they provide our region with engagement and readiness sessions.

In 2015, a gap analysis report was presented to the NDIS regarding the 'Implications for the rollout of the NDIS' for the region. At the end of 2016, a further gap analysis report 'Public Access, Technology and the Digital Divide in the Wimmera' was presented to Council and sent to the NDIS, NDS and other state and regional networks.

Further actions that have taken place by Council's Rural Access worker in readiness for the rollout are:

- Meetings with the NDIS to discuss key rural issues
- Attended forums in other rollout areas to engage with service providers, families and people with life experience of a disability
- Acted as a conduit for information for the first readiness sessions in our regions
- Arranged one to one sessions with NDS for service providers in our region existing and new
- Looked at the gaps in our region and report on those gaps



Local Vietnam Veterans at a Civic Reception hosted by Council to commemorate the 50th anniversary of the Battle of Long Tan



During 2016-2017, over 61,595 patrons were welcomed to the Horsham Town Hall for 196 events

Horsham Town Hall and Regional Art Gallery

Horsham Town Hall and Horsham Regional Art Gallery are focused on creativity, vibrancy and financial sustainability. They recognise that the arts play a key role in driving change and prosperity across the region with cultural assets and associated activities playing a critical role in determining the Wimmera's liveability and attractiveness.

During the last financial year, over 61,595 patrons have been welcomed into the venue for 196 events, including 16 art exhibitions, and worked with 124 artists, 84 of whom were from our region. The venue had ticket sales of \$843,093, with 66% of sales within the municipality and 34% from outside, with patrons travelling from Adelaide, Newcastle and Melbourne to enjoy performances.

There is a huge focus on ensuring children are actively engaged with the arts. With support from the Department of Education and Training Victoria, 130 skill based workshops have been delivered to our region's youth and 206 public programs and workshops for adults and our regions educators. The demand for the venue's program is going from strength to strength, with strong ties with Marion College Ararat, Minyip Primary School, Horsham College, St Brigid's College, Kaniva College, Dimboola Memorial Secondary College, Warracknabeal Primary and Secondary College, Casuarina Kindergarten, Holy Trinity Lutheran School, St Michael's & Johns Primary School.

Over the first full year of operation, a diverse range of acts have appeared with performers such as Carl Barron, Kitty Flanagan, Anh Do, Melbourne Comedy Festival, Justice Crew and Play School. The patron support has been nothing short of amazing which has provided a stronger demand from our national promoters (The Harbour Agency, A-List entertainment, ATA All-stars and Artist Network) for available future dates, with the likes of the Melbourne Symphony Orchestra, Australian Ballet, Kasey Chambers and many more.

We were also privileged to be presented with some fantastic performances from highly talented local community groups. Horsham College who presented Hairspray and about to launch Legally Blonde, and St Brigid's College with their first performance of Grease were both a huge hit with our patrons. At the Wesley Performing Arts Centre we saw the Horsham Primary School perform the Puny Pirates of Ponky Island and the Horsham West Primary School with their annual performance. It is fantastic to see that the arts both on the stage and in the fine arts is an integral part of our local schools. Horsham Arts Council deserves a special mention in both its outstanding productions of the Wedding Singer and a total sell-out season of Annie.

There is huge appreciation for all the venue staff and volunteers who keep the many aspects of the building running smoothly. Without their dedication, passion and humour, the venue would not be receiving such high levels of patron and hirer satisfaction. Special mention to our volunteers who have put in excess of 2,000 hours in the first year of operation. They are an integral part of the venue's team and without them we would be lost.

The Horsham Regional Art Gallery would like to acknowledge the work of the voluntary Committee of Management and the contribution of their outgoing Chair of the Horsham Regional Art Gallery Committee of Management, Mandi Stewart.

During this financial year, the gallery received a grant from the Robert Salzer Foundation for the purchase of the video static No 21 (Double Helix) by Daniel Crooks, Australia's leading video artist.

In March 2017, we welcomed baa3400 to the venue. Located on the Pynsent Street side of the building, baa3400 has brought a new place to dine and catch up, that brings together family, friends, and colleagues, to enjoy shared plates. baa3400 supports local suppliers by sourcing fresh and seasonal produce, reflecting the diversity of the Wimmera.

KALKEE ROAD CHILDREN'S AND COMMUNITY HUB

Kalkee Road CHILDREN'S & COMMUNITY HUB



After almost a decade of planning and lobbying, Horsham will soon boast a brand new integrated Children's and Community Hub, custom designed to suit the needs of local families.

Born from community consultation back in 2007, and then later raised as a priority during the development of the 2013 Horsham North Urban Design Framework, the vision was to create a space that would:

- Maximise the health, social and emotional wellbeing for children
- Provide families with increased access to education, health, support and community services
- Create a focal point in Horsham North that would help to connect it with the rest of Horsham

Thanks to a \$2.6 million investment from the State Government, along with \$900,000 Federal Government Grant and an \$896,000 contribution from Council, the Kalkee Road Children's and Community Hub is set to become a reality.

Construction of the 1,120 square metre building is currently underway on a green field site in Horsham North and the facility is expected to open its doors early in 2018.

The Kalkee Road Children's and Community Hub will have a range of services all under one roof including Maternal and Child Health Nurses, three and four-year-old kindergarten and after kinder care.

Other services at the Hub will include supported playgroup, toy library and, potentially, visiting specialists and early intervention services.

Horsham District Kindergarten Association (HDKA) has been appointed as the licensee for early years services at the Kalkee Road Children's and Community Hub. As well as operating traditional kindergarten programs and after kinder care from the building, HDKA is also excited to be offering speciality programs such as bush kindergarten and a sustainability program from next year.

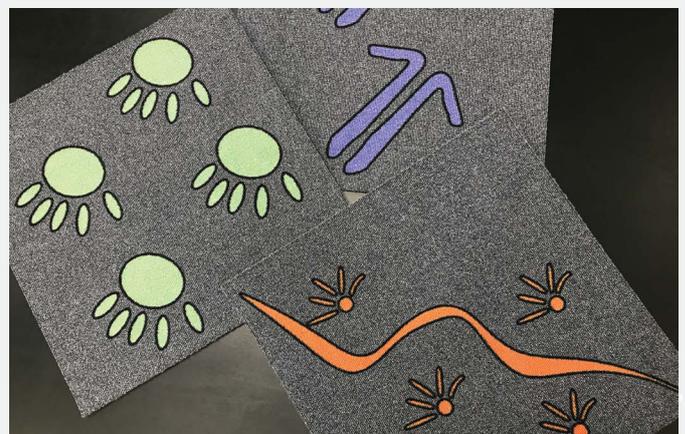
The design

The schematic design of the facility combines a range of multi-use areas including:

- A large multipurpose space for playgroups, toy library and immunisation sessions
- A shared space available for booking for activities such as community meetings and events, business conferences, training sessions and young parents groups
- Consulting/interview rooms, a meeting room and shared working space to be used by Maternal and Child Health Services and a range of services new to the Horsham North area such as: private professional services, early childhood intervention/allied health services; parenting groups; counselling services; and adult education programs
- A private family room for breastfeeding/baby changing
- Reception/Administration and public amenities with accessible baby change facilities
- Children's Services will be delivered in four rooms of varying sizes, with an overall licence for 93 children
- The rooms are adjoining and designed to open up for group activities and special events



Cassie Kelly, Pauline Butler and Cr Pam Clarke at the site of the new Children's and Community Hub in Kalkee Road



A unique feature of the Kalkee Road Children's and Community Hub will be a range of carpet tiles featuring Indigenous animal prints – these tiles are a local creation, designed by Barengi Gadjin Land Council Executive Officer Brett Harrison and Goolum Goolum Aboriginal Co-operative Chairperson John Gorton

FINDING NEW WAYS TO ENGAGE OUR COMMUNITY



Monthly listening posts were introduced by Council this year

The widespread adoption of new communication technologies and the resulting '24 hour news cycle', has brought with it both opportunities and challenges for Council.

With these technologies has come an increased expectation that the community is consulted and informed about decisions that directly and indirectly affect them.

This cultural shift has been viewed positively by Council, because it helps to bridge the divide between Council and the community and provides a clearer understanding about issues and expectations, which in turn inform Council actions and decisions.

Community engagement is a vital function for Council. By effectively engaging with our community we can:

- Develop solutions using the knowledge and experience of our community
- Hear comments and be able to implement recommendations from the community on our plans, strategies and operations
- Inform the community about decisions, plans and strategies that Council intends to adopt or implement

Responding to this desire for increased consultation and participation in decision-making, Council has been striving to improve its engagement practices and to find new ways of engaging the community.

One new strategy is the establishment of monthly 'Councillor Listening Posts'.

Listening Posts involve Councillors and Council staff manning a stand in a mutual space in the Horsham CBD for a set period of time.

This initiative provides residents with the opportunity to speak with their Councillors and Council staff face-to-face about the projects and issues that interest them.

In 2017, Listening Posts were held as part of the budget and Council Plan engagement process. The response from the public was positive and Council subsequently resolved to continue to provide opportunities for the community to have one-on-one interactions with Council at regular listening post events.

The events provide a constructive space for community conversations. By getting out into the community and going to residents, Council can enhance the opportunity to connect.

Listening Posts have now been scheduled for the last Saturday of each month for the remainder of 2017 (excluding December) at the Horsham Plaza from 10am – 12 noon.

FRAMING THE WIMMERA



Framing the Wimmera has settled into an established part of the Tourism Trail around the Horsham municipality with many locals and visitors seeking the opportunity to view our picturesque landscapes through the frames and capture the moments. Locations can be found by visiting Council's Framing the Wimmera Facebook page or the Visit Horsham website.



ART MATTERS



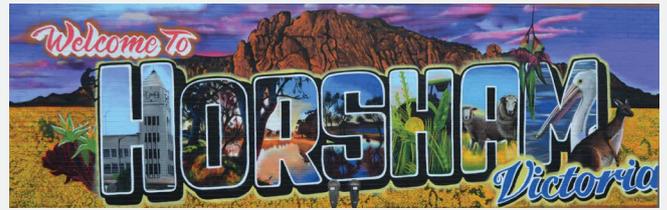
Art Matters is a Horsham Rural City Council arts support program that enables people living with a disability to build individual capacity and social connection through participation in a broad range of art projects.

2016-2017 saw the successful completion of two of the latest Art Matters projects – A Tall Story and The Island. A Tall Story saw the artists create large puppets under the premise of creating a gigantic tale of super powers achieving the super impossible with performances held at Axis Worx and as part of the celebration for International Day of People with a Disability in Nhill.

The Island saw the transformation of ordinary industrial pallets into personal island performance spaces and wheelie bins into camera obscura devices transforming the everyday object into EXTRAordinary artworks. The culmination of the project was an exhibition and several public incursions during the Art Is... A Footprint Festival.

2017 has also seen the Art Matters group develop a new program of offerings that will see the program transition into the National Disability Insurance Scheme.

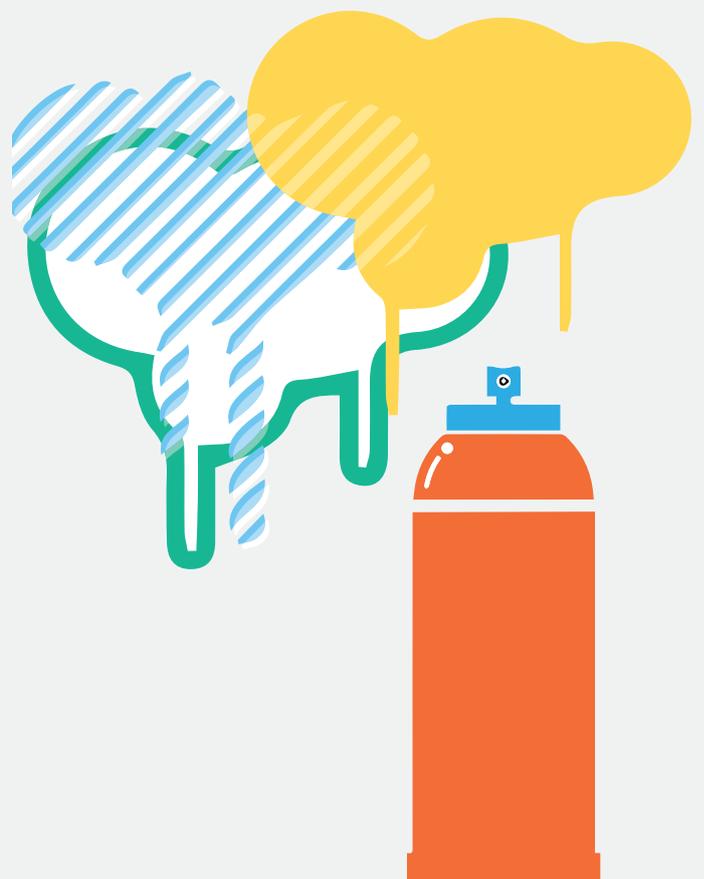
STREET ART PROJECT



Horsham Rural City Council partnered with the Art Is... festival and Victoria Police to secure funding through the Department of Justice and Regulation to run a street art project educating young people about the difference between graffiti and street art in an effort to minimise graffiti vandalism. The project saw a mural placed on the Horsham Coles wall which had input from the community around pictures to be included in the art piece.

JUBILEE HALL

Great work has been done to broaden the use of Jubilee Hall to allow more community groups to access this venue. Jubilee Hall Hub aims to provide a means of accommodating a number of arts and community organisations together in the one physical space, with the goal of increasing the visibility and crossover of their services, programs and activities within a multipurpose community facility. Grampian Arts and Art Matters are already utilising the space with Oasis Wimmera and the Art Is...festival looking at a new home for themselves.





GOAL 2 SUSTAINING THE ECONOMY

As our community grows, so our region grows. We welcome new development and we aim to support enterprise, small and large whilst advocating for the community to shop locally. We will continue to promote and develop sustainable projects – See section on Our Performance for more details (see page 41).

SOLAR PANELS



As a way of reducing energy consumption, 99kw of solar panels were installed on the roof of the Civic Centre Municipal Office this year

Horsham Rural City Council has installed 99 kW of solar panels on the roof of the Civic Centre Municipal Office in Horsham. The solar panels cover the majority of the roof space. A larger system would have triggered the more complex medium-scale energy market requirements.

GRAMPIANS PEAKS TRAIL



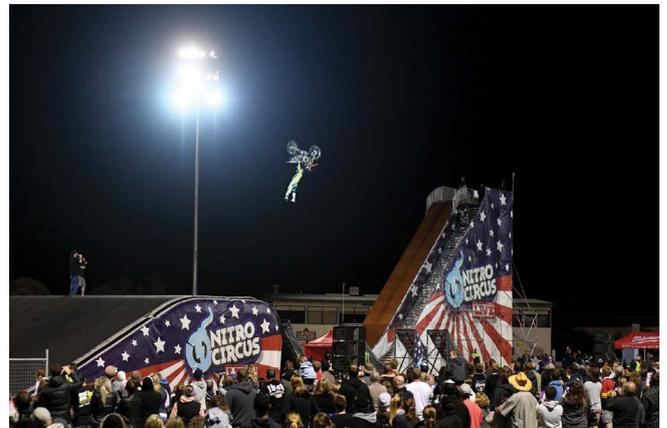
Horsham Rural City Council is the auspice body for a \$10 million Federal Government National Stronger Regions Fund grant to construct the Grampians Peaks Trail. This project, which commenced in April 2016, is being co-funded by an allocation of \$20.2 million from the State Government. Parks Victoria is responsible for the delivery of the project.

The 144km Grampians Peaks Trail will be completed in December 2019. It will offer a world-class wilderness walking experience from Mount Zero in the North to Dunkeld in the South. The spectacular Grampians’ peaks, beautiful scenery and rich cultural heritage will

combine to provide one of Australia’s most iconic walks in the vein of Tasmania’s Overland Track. The track, to be completed in stages, is expected to generate 86,000 visitor nights to the region each year when fully operational and additional employment opportunities.

Horsham Rural City Council continues to be involved with this exciting and nationally significant project, including membership of the Project Steering Committee and completing reporting requirements to the Federal Government. Construction of the Grampians Peaks Trail is currently focused on the upgrade of 60km of existing track that forms part of the overall trail. Planning is also well underway for the remaining new sections of the trail and the design of 11 hiker camps with associated infrastructure.

NITRO CIRCUS



The internationally acclaimed Nitro Circus event at the Horsham City Oval on Easter Sunday attracted approximately 8,000 people, including 36 elite athletes and 12 semi trailers to Horsham

Council was delighted to welcome Nitro Circus to Horsham on Easter Sunday. A crowd of approximately 8,000 people from across Victoria and interstate gathered at the Horsham City Oval for this event, where athletic stunt riders performed a variety of death-defying tricks and stunts on motorcycles, bicycles and scooters.

Nitro Circus provided a significant economic boost to our city with accommodation centres, hotels, food and retail outlets reporting steady trade throughout the Easter weekend. It is important that we continue to attract events of this calibre to Horsham.



GOAL 3 ASSET MANAGEMENT

We strive to ensure infrastructure is in place to support our growing community as well as upgrading and maintaining our infrastructure to attract more visitors to the municipality. – See section on Our Performance for more details (see pages 42–44).

REFURBISHMENT OF COUNCIL CHAMBER AND RECEPTION AREA



Peter Brown, Cr Pam Clarke and Fiona Kelly in the refurbished Council Chamber

This year has seen a refurbishment of the Council Chamber and Reception Area at the Civic Centre Municipal Office.

The Council offices were built 40 years ago. They were originally designed for two Councils, with the City of Horsham on one side and the Shire of Wimmera on the other.

The Council Chamber/Reception area wasn't functioning effectively and therefore required an update. Originally, there was a platform at one end of the Reception Area and the Council Chamber at the other end was fitted with heavy outdated furniture that was permanently set up for fortnightly Council meetings and not utilised between meetings. The kitchen was outdated and only accessible via the Reception area and there was no storage room.

Features of the refurbishment include:

- Removal of the platform to provide a flat floor space in the Reception area
- Bi-fold doors fitted to divide the space into three separate meeting rooms which can be used at the same time or opened up for larger events
- A kitchen that is accessible to all three meeting areas
- Storage and breakout rooms
- Furniture that can be easily moved around from space to space depending on the event

HORSHAM INTEGRATED TRANSPORT STRATEGY

During 2016, Horsham Rural City Council undertook an investigation of the first stage of the Horsham Integrated Transport Strategy (HITS). The main aim of the first stage was to investigate how the three regional highways (Western, Wimmera and Henty) might interface with a bypass of Horsham, the location of the railway line and planning for Horsham's urban growth.

A community and stakeholder committee was involved in the conduct of this investigation, including community engagement that occurred throughout the strategy's preparation.

A draft report was released for public comment in August 2016, and a report outlining the report's recommendations was presented to the Council meeting on 19 September 2016.

Recommendations of the report included:

- Intersection improvements at a number of locations on Horsham's key freight routes
- Establishment of link roads or upgrade of some existing roads to improve connections between the region's highways
- Consideration of the VicRoads preferred bypass option, including some recommendations on potential improvements to that alignment

Council did not endorse adoption of the report or its recommendations, but identified that further consultation would be required to inform its deliberation of the strategy. It was subsequently assessed that consideration of Stages 2 and 3 of the strategy, relating to urban and rural areas respectively, would be more readily progressed when the Horsham bypass alignment was resolved. This has not yet occurred.

WIMMERA RIVER PEDESTRIAN BRIDGE



A contract was awarded for construction of the Wimmera River Pedestrian Bridge in early 2015 after an inspection of similar span bridges at Mudgee and Wodonga by the two leading tenderers.

Fabrication of components and on-site works progressed at a slow pace until approximately mid 2016 owing to the need to finalise some of the structural elements of the design, particularly to reduce the vibration to a level less than that of the Mudgee bridge which was the model for the Horsham bridge.

Progress improved from October 2016, with on-site elements starting to be installed above the foundations from early 2017.

The bridge contractor went into administration in late May 2017, and subsequently ceased trading. Fortunately, some of the more complex parts of the construction process were completed by the contractor prior to its closure, including erection of the towers, installation of the main suspension cables across the river, and most of the deck frames from the hanger cables.

Subsequent to the contractor going into administration, Council staff, assisted by a range of local contractors, have taken on finalisation of the construction work.

It is now anticipated that the bridge will be completed and open for pedestrians during September 2017.



ROAD WORKS

Horsham Rural City Council services 2,976 kilometres of roads. Of these roads, 948 kilometres are sealed roads and 947 kilometres are unsealed roads.

Below is a description of road works completed in 2016-2017:

Work Description	Length (kilometres)	Area (square metres)
Road construction new urban	-	-
Road construction new rural	-	-
Road reconstruction urban	1.51	10,975
Road reconstruction rural	11.37	59,852
New sealed road construction (subdivision)	0.89	6,143
Rural reseals	32.11	169,314
Urban reseals	5.63	44,009
Sealed road shoulder re-sheeting	19.12	76,480
Gravel road re-sheeting	37.02	156,770
Footpaths new (subdivision)	1.63	2,276
Footpaths renew	1.28	1,792
Kerb and channels new (subdivision)	1.75	-
Kerbs and channels renew	2.64	-

MAJOR CAPITAL WORKS

This year, Horsham Rural City Council spent \$12,799,000 on capital works throughout the municipality. The table below provides details of some of the capital works projects that Council funded during 2016-2017.

Road Infrastructure Construction	Amount (\$)
Horsham	1,836,851
Rural	1,840,190
Rural Bridges	69,217
Road to Recovery Program	1,242,028
Other	
Playground Equipment	25,516
Town Hall Performing Arts Project	376,613
Community Building Refurbishments	207,904
Fishing pontoons and jetties	143,943
May Park Refurbishment	395,663
Outdoor Pool Refurbishment	71,512
Emergency Power Generator	179,767
Works in Progress	4,052,000
Other Works (including plant purchases)	2,357,796
Total	12,799,000



GOAL 4 GOVERNANCE AND BUSINESS EXCELLENCE

Our goal is to excel in what we deliver and how we deliver it, both within Council and to our community. Our staff are our greatest asset so their wellbeing is key to learning and high performance.
– See section on Our Performance for more details (see pages 45-47).

NUJIANG – OUR CHINESE SISTER CITY



On 4 and 5 May 2017, Horsham Rural City Council hosted a visit from representatives of the People's Government of Nujiang. The purpose of their visit was to meet with Council and explore further opportunities to strengthen our sister city relationship, particularly in relation to education, agriculture and tourism.

During their visit, the delegation met with representatives from Longerenong College and went on a tour of their facilities. They also visited the Grains Innovation Park, Horsham Town Hall Complex and Mt Arapiles. Discussions were mainly centred around the potential for students and/or teachers from Nujiang to attend Longerenong College and undertake the Advanced Diploma program.

Horsham Rural City Council has had a Friendly Sister City Relationship with the People's Government of Nujiang since 2008. Nujiang is situated in the Yunnan Province in south-west China and is known for its rivers, valleys, landscapes and mineral resources, along with its rich, colourful and diverse heritage culture. This was the third time representatives from Nujiang have visited Horsham. Representatives from Horsham have visited Nujiang twice, the most recent visit being in 2013.

SHARED SERVICES

Shared services are a means by which Councils can assist each other to provide services they might not otherwise be able to provide. They can also reduce the overall cost of the service for the Councils involved.

As Victorian Councils move forward in a period of revenue constraint within a rate capping environment, shared services are being promoted as one solution to the financial constraints being confronted. Horsham Rural City Council is supportive of this concept, and for some time has been encouraging the introduction of shared services locally.

This year, the West Wimmera Shire Council approached the Horsham Rural City Council to discuss the prospect of a shared human resource service, and the possibility of implementing an arrangement was investigated in detail. West Wimmera does not have a designated in-house Human Resource service.

As a result of this co-operation, a shared human resource service with the West Wimmera Shire Council will commence on 1 July 2017, in accordance with a detailed Memorandum of Understanding. Horsham Rural City Council staff will provide day-to-day support for managers at the West Wimmera Shire Council on a range of human resource matters including recruitment, appointments, induction, probation and staff reviews, training schedules and general human resource enquiries and policy review.

This arrangement is initially for a twelve-month trial period, with the prospect of an ongoing agreement. Both organisations are excited about the mutual opportunities for learning and skills development which are encompassed in the new arrangements and the potential it has to be a model for other shared services in the region.

FOOT-AND-MOUTH TRAINING IN NEPAL

In November, Paul Christopher, Horsham Regional Livestock Exchange Manager, participated in a training program in Nepal. The training involved travelling to Nepal and following, in real time, an outbreak of foot-and-mouth disease, meeting farmers, learning about the disease and its symptoms and issues surrounding biosecurity. This opportunity was made possible through the Federal Government's Department of Agriculture and Water and the European Commission for the Control of Foot-and-Mouth Disease with sponsorship provided by Wool Producers Australia.



Horsham Regional Livestock Exchange Manager Paul Christopher (second left) is pictured with Nepalese workmates – Assets Engineer Ram Upadhyaya and Design Engineers Sachita Pudasaini and Yuba Khanal

WESTERN RAIL CAMPAIGN – CONNECTING WESTERN VICTORIA

Western Victoria's passenger services are the worst in the State and regional Councils have identified the need for improved passenger services for many years.



The Grampians and Barwon South West Region Passenger Services Cost and Feasibility Study was completed and released in April 2017. The study was commissioned by eight Western Victorian Councils and covers the area from Ararat to the South Australian border, and from Yarriambiack in the north, to the Glenelg Shire in the south. The report is based on extensive economic, engineering and social research, as well as meetings with a broad cross-section of stakeholders across the study area. It showed that passenger rail can and should return to Western Victoria.

An advocacy campaign will be launched in July 2017. The campaign will advocate for an increase in passenger rail services between Ararat and Melbourne in the short term, and the eventual return of passenger rail to the Wimmera and South West.

Our initial goal is to prepare a detailed business case to support the project's proposal.

The recommended stages of the project are:

Stage 1 (2017-2019)

- An additional return daily passenger train service from Ararat to Melbourne – ACHIEVED
- Improved coach timetabling to create better linkages between regional towns and cities in the south-west
- Ballarat line upgrades to allow five week-day return trains between Melbourne and Ararat
- New weekend coach services to Casterton and Mount Gambier
- Coach service improvements for Balmoral, Cavendish, Coleraine, Dunkeld and Lake Bolac
- Tourist-friendly coach schedules to boost tourism business opportunities
- An additional daily mid-morning and mid-afternoon return coach service between Hamilton and Ballarat

Stage 2 (2021-2026)

- Reinstate passenger rail services to Horsham and Hamilton from 2023
- Convert the railway between Ararat and Ballarat from broad to standard gauge
- Provide six daily return train services to Ararat, four to Horsham and three to Hamilton
- Provide the option for some trains to extend to Geelong or Melbourne
- Ensure Horsham trains service the communities of Stawell and Murtoa
- Ensure Hamilton trains service Willaura, Glenthompson and Dunkeld

Stage 1 has a capital cost of \$200,000 with Stage 2 costed at \$369 million. Annual operating costs are \$1.4 million for Stage 1 and \$6.1 million for Stage 2. These investments are spread over several years and will generate employment opportunities and broader economic and social investments.

The return of passenger rail to Western Victoria is a genuine game-changer for our communities and for our State. It will ensure greater equity of access for the region's 110,000 residents, whilst generating important economic and social benefits including:

- Better and more equitable access to employment opportunities, health, education and training
- Improved social connectedness
- Greatly improved access to our region's important tourism destinations, many of which are not currently accessible by public transport
- Improved public transport between the regional centres of Horsham, Ararat, Hamilton, Ballarat and Geelong
- Faster, more reliable and comfortable links with Ballarat, Geelong and Melbourne

The campaign website www.westernrail.com.au and Facebook page www.facebook.com/westernrail provide details on the project and links to news stories and updates. People can also email their local member and other key politicians to voice support for the project via the website.

The Western Rail Campaign is being driven by the Horsham Rural City Council, Southern Grampians Shire Council, Northern Grampians Shire Council and Ararat Rural City Council, with the support of the broader community. This project also has support and input from the Glenelg, West Wimmera, Yarriambiack and Hindmarsh Shire Councils.

ADVOCACY

Advocacy on behalf of the Horsham and wider Wimmera community is an important role for Council. We strive to work hard on a wide range of advocacy issues. The Council Plan provides details of our current advocacy priorities which are:

- Improved education and health outcomes for the community – *\$3.5 million Wimmera Cancer Treatment Centre to be constructed during 2017-2018*
- Total mobile phone coverage across the municipality – *Wartook Valley and Laharum Mobile phone towers to be constructed in 2018*
- The retention of recreational lakes or other recreational water facilities with the purpose of securing water based recreational opportunities in the municipality – *continued advocacy for flows into Green Lake*
- Improved facilities at Horsham Police Station – *no progress*
- Improved residential aged care facilities – particularly high need care – *no progress*
- More flexibility and less onerous conditions in compliance with Environment Protection Authority requirements for landfill – *no progress*
- Support upgrade of facilities and infrastructure at Longerenong College – shearing, chemical, class rotation, administration – *continued discussions with State Government and Wimmera Southern Mallee Regional Partnerships*
- Encourage the establishment of a passenger air service from Horsham to Melbourne and Adelaide – *no progress*
- Affordable housing and social housing – *no progress*
- Review of Council funding system by State and Federal Governments – *some work done on minimum grants*
- Develop incentives program to attract in-demand skills to the region – *discussions held with Horsham CEO's, Federation University and the Wimmera Development Association*
- Work with our regional partners to increase collaboration between communities, industry, businesses and government to address the most important challenges and opportunities in our region – *working through Wimmera Southern Mallee Regional Partnerships in relation to early years development*
- Duplication of the Western Highway to Stawell and improved safety through to the South Australia border – *commitments received to Ararat, continued lobbying*
- Return of passenger rail – *additional services to Ararat achieved (see Western Rail Project, page 31)*
- Horsham Road Bypass (alignment) and construction – *in progress (see Horsham Integrated Transport Strategy, page 28)*

- Actively pursue the retention and further development of rail freight services for the region and lobby for containerised transport subsidy – *funding for Wimmera Intermodal Freight Terminal precinct secured and \$440 million Murray Basin Rail Project underway*
- Relocation of Horsham North School to the Kalkee Road Children's Hub area – *no progress*
- Family violence support and safety hub in Horsham – *failure to secure a family violence support and safety hub in Horsham, continued advocacy through Wimmera Southern Mallee Regional Partnerships*
- Alcohol and Drugs Rehabilitation Clinic – *no progress*
- Attracting services: medical, aged care, early years, etc – *Recruitment and Retention of Medical Practitioners Working Group formed, discussions with Federation University in relation aged care needs commenced*
- Wimmera Health Care Group laundry redevelopment – *no progress*
- Funding for second river road crossing – *no progress*
- Electric vehicle charging points – *planned private development is being encouraged*

Delegation to Canberra

In March, the Executive Director of the Wimmera Development Association and Mayors and Chief Executive Officers of the five Wimmera Councils visited Canberra to meet with Federal Government ministers and staff and opposition parties. The delegation was facilitated by Mr Andrew Broad, MP, Member for Mallee.

Topics discussed included: duplication of the Western Highway and the bypass of Ararat and Beaufort, Wimmera weather radar, continuing indexation of Federal assistance grants, access to general practitioners in the Wimmera, Victorian electricity transmission shared network, tourism, visitor economy, passenger rail, mobile and digital connectivity and the National Broadband Network.

COMMUNITY MAP

Community Map was launched in August 2016. It is a shared Geographic Information System (GIS) platform that allows the five Wimmera Southern Mallee Councils to have an online GIS presence.

Community Map can be accessed on the home page of the Horsham Rural City Council website. It allows residents to type in a location (such as their home address) and find information on what's nearby such as rubbish and recycling, planning information, places of interest, school bus routes, Councillors, etc.

This important project is supported by Grampians Wimmera Mallee Water, the Wimmera Catchment Management Authority and the Wimmera Development Association.



GOAL 5 NATURAL AND BUILT ENVIRONMENTS

Encourage and increase awareness of environmental responsibilities within Council and the community, whilst planning for a growing municipality, and implement practices that minimise our environmental footprint and contribute to a sustainable future. – See section on Our Performance for more details (see pages 48–50).

HORSHAM CROWNED VICTORIA'S TIDIEST TOWN



Horsham Tidy Towns Committee Chair Gillian Vanderwaal accepts the 2016 Tidy Town of the Year Award from Mark Mitchell at the awards ceremony at the Horsham Town Hall in October



The Hon Rene Hidding, MP presents the National Environmental and Education award to Wendy McInnes and David Eltringham at the awards ceremony Triabunna in May

Horsham was named Victoria's tidiest town at a special awards ceremony at the Horsham Town Hall in October. This was the second consecutive year that Horsham received the overall Keep Victoria Beautiful Tidy Towns honour.

Horsham also won two category awards. The Horsham Christian Emergency Food Centre received the Resource Recovery and Waste Management Award for its work distributing surplus food to community members in times of need and Horsham Agricultural Society president Dalton Cross was named Young Leader of the Year.

In addition, Horsham received high commendations for the Horsham Urban Landcare Group in the environmental sustainability category and for the Horsham Fishing Competition's efforts in the litter prevention category.

Horsham has had ongoing successes at these awards over many years and we are the only Victorian town to win the Keep Victoria Beautiful Tidy Towns Sustainable Communities Award seven times.

As State winner, Horsham was also a finalist in the National Tidy Towns Awards which were held in Triabunna, Tasmania in May. We congratulate Barmera in South Australia who was awarded the national title. Whilst Horsham didn't win the overall national title, we are highly regarded on a national level for our consistent achievements and were once again successful in winning the National Environmental and Education category for our education programs with school children across the municipality.

VALE MR TIDY TOWNS! DR DON JOHNS, OAM



Horsham Rural City Council was saddened by the sudden passing of Dr Don Johns, OAM in June. Don was a former City of Horsham Councillor from 1977 to 1995. During that time, he served as Mayor on three occasions.

Don was the founding Chairman of the Horsham Tidy Towns Committee, a position he held for 32 years. Horsham's repeated success at the Tidy Towns awards is testimony to the passion Don brought to the committee and the incredibly high standard of service he gave as Chairman. Don was awarded the Victorian and National Dame Phyllis Frost Award by the Keep Australia Beautiful and Keep Victoria Beautiful organisations, in recognition of his Tidy Towns achievements.

Don was also a strong advocate for the arts and provided 30 years of service to the Horsham Regional Art Gallery Committee of Management, including 19 years as Chair. Under his leadership and guidance, the gallery collection grew immeasurably, especially the Mack Jost collection, for which the gallery is renowned.

WASTE MANAGEMENT

Horsham Rural City Council provides kerbside collection services for waste and recycling in all urban and some rural areas of the municipality. Council also operates six transfer stations, and the Dooen Landfill.

In the latter part of the financial year, Council sought expressions of interest for a community-based steering committee to assist in and oversee the development of a new waste strategy for Council. This committee has held several meetings and an extensive community engagement process to develop a new strategy to improve Council's waste services. Draft recommendations are planned to be presented for community comment in late 2017.

Initial community feedback indicates that some of the key issues to be investigated in this strategy include:

- Whether a green waste collection service should be provided
- How hard waste can be more effectively collected and recycled
- Improved design of the Kenny Road transfer station to enhance recycling
- Expansion of recycling and waste collection services in rural areas

Major activities have continued at the Dooen Landfill. The site on the south side of Ladlows Road was Council's main putrescible waste cell for many years. As the site is no longer in use, other than for a smaller cell reserved for hard waste, capping of this cell was completed in 2016-2017.

The new site on the north side of Ladlows Road is now fully operational. The first cell towards the northern end of the site is nearing capacity, and a contract has been awarded for construction of a second cell on this site, which is due to be complete in late-2017.



The landfill site showing the current cell approaching capacity in the foreground, with the new cell under construction in the background



OUR PERFORMANCE

Council Plan

The 2017-2021 Council Plan sets the strategic direction of Council over the next four years, linking the community's vision to long-term community goals, four-year outcomes and four-year priorities for Horsham Rural City Council. The Council Plan provides direction to management and includes the indicators that Council will use to deliver key outcomes.

	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

Performance

Council's performance for the 2016-2017 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2017-2021 Council Plan. Performance has been measured as follows:

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

GOAL 1 COMMUNITY AND CULTURAL DEVELOPMENT

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

Measure	Result	Comments
100% completion of construction of the Kalkee Road Children's and Community Hub and commencement of operations by April 2018	65%	Construction commenced November 2016. Completion date expected February 2018.
Completion of a detailed feasibility study for a multipurpose/indoor sports and community facility by December 2017	80%	Preferred site has been identified and concept plans developed.
Work with the Horsham Historical Society to plan for and scope a new Heritage Centre by December 2017	0%	Preliminary discussions held with the Society but no action to date.
Securing funding for CBD revitalisation Project Stage 1 – improved urban design by December 2017	20%	Presentations made to the Minister for Regional Development and discussions continue with RDV.
Develop plans for a Town Square by 31 December 2017	50%	Preliminary engagement process undertaken.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-2017 budget for the year.

Major Initiatives	Progress
Grampians Peaks Trail	Project commenced in April 2016 and is being co-funded by an allocation of \$20.2 million from the State Government. Parks Victoria is responsible for the delivery of the project.
Kalkee Road Children's and Community Hub development	Construction commenced in November 2016. Approximately 40% of construction works were completed by 30 June 2017. Expected completion date December 2017. HDKA was appointed as kindergarten provider at the new facility.

The following statement provides information in relation to the services funded in the 2016-2017 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:			
Aged and Disability	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.	148	404	256
Community Development	This service provides maintenance, insurance and other ongoing costs for the municipality's recreation groups and clubs including community halls, the Cenotaph and War Memorials, Brass and Pipe Bands and Sawyer Park Soundshell.	436	1,306	600
Community Safety	This service deals with matters concerning Local Laws including permits and licences, enforcement and fines and fire hazard enforcement.	75	97	23
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.	263	386	123
Emergency Management	This service supports public health wellbeing during times of an emergency and to support the community to recover from emergency events.	292	352	61
Health and Wellbeing	This service provides health administration, immunisation, health vending machines and other preventative measures under the health plan including needle exchange, <i>Tobacco Act</i> reforms and mosquito monitoring. A variety of legislative based services and functions around environmental health issues are also provided.	87	151	64
Library	This service provides community development and education to enhance the capacity and strength of communities in the municipality by developing community plans that build on strengths and assets and acting as a resource to communities.	536	540	4
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.	411	399	-11
Performing Arts	This service surrounds the running of public halls, the Hamilton Lamb Hall and Horsham Town Hall and Horsham Performing Arts Centre operations.	637	350	-287

Service	Description	Net Cost \$'000		
Visual Arts	This service provides an important visual art resource for the local community and visitors to Horsham through the Horsham Regional Art Gallery.	408	449	41
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.	71	-51	-123

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
	2015	2016	2017	
Libraries Utilisation <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	2.57	2.88	2.60	
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	50.67%	54.66%	48.70%	Stock overall has decreased from 2015-2016. More items were discarded than acquired. Some items are still 'on order' therefore are excluded from this years count.
Service cost <i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$5.23	\$4.91	\$5.11	
Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	16.42%	12.85%	12.38%	Active library users remained consistent with the previous year. The drop from 2015 to 2016 was a result of better reporting from a new software system.
Maternal and Child Health (MCH) Satisfaction <i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100	97.93%	93.88%	91.74%	
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	97.93%	100.72%	100.43%	

Service · Indicator · measure	Results			Material Variations
	2015	2016	2017	
Service cost <i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]	-	\$64.03	\$63.95	
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	81.43%	72.82%	83.67%	This is a voluntary service however participation in 2017 has increased by almost 15% compared to 2016.
<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	79.46%	55.17%	75.00%	This is a voluntary service however participation in 2017 has increased by 36% compared to 2016.
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]	5 days	5 days	3 days	Council had fewer food complaints in 2017 therefore were able to action them in less time than the previous year.
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	80.49%	93.33%	77.71%	2015 and 2017 figures are representative of the average amount of assessments conducted per year. More food safety assessments were completed in 2016 due to additional staffing.
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>]	\$631.18	\$621.23	\$573.99	
Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises] x100	100%	100%	0.00%	Council had no critical and major non-compliance outcome notifications.

Service · Indicator · measure	Results			Material Variations
	2015	2016	2017	
<p>Home and Community Care Timeliness Time taken to commence the HACC service. [Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service]</p>		16.81 days	-	HACC measures were removed from 1 July 2016.
<p>Service standard Compliance with Community Care Common Standards [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100</p>	55.56%	55.56%	-	HACC measures were removed from 1 July 2016.
<p>Service cost Cost of domestic care service [Cost of the domestic care service / Hours of domestic care service delivered]</p>		\$59.08	-	HACC measures were removed from 1 July 2016.
<p>Cost of personal care service [Cost of the personal care service / Hours of personal care service delivered]</p>		\$65.92	-	HACC measures were removed from 1 July 2016.
<p>Cost of respite care service [Cost of the respite care service / Hours of respite care service delivered]</p>		\$69.83	-	HACC measures were removed from 1 July 2016.
<p>Participation Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100</p>	27.77%	25.74%	-	HACC measures were removed from 1 July 2016.
<p>Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</p>	9.09%	7.73%	-	HACC measures were removed from 1 July 2016.



Service · Indicator · measure	Results			Material Variations
	2015	2016	2017	
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	No health inspections were conducted as they are not required by the <i>Health Act 2008</i> . Pool water samples are however taken occasionally.
<i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	1	0	1	The Aquatic Centre had one reportable Worksafe incident for 2017.
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]	\$2.88	\$3.71	\$3.92	
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	9.17	6.7	6.39	The utilisation of the Aquatic Centre remains fairly consistent with the 2016 figures.
Animal Management Timeliness <i>Time taken to action animal requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	-	1 day	1 day	
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected]	39.07%	38.00%	55.81%	New reporting practices in place along with greater enforcement around unregistered animals has shown an increase of animals being reclaimed in 2017 as opposed to previous years.
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$53.19	\$68.07	\$66.70	
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	2	1	Council had one successful prosecution for 2017 totalling nine charges as opposed to two prosecutions in 2016.



GOAL 2 SUSTAINING THE ECONOMY

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

Measures	Result	Comments
Complete Stage 1 infrastructure development at the Wimmera Intermodal Freight Terminal Precinct by December 2018	5%	Grant of \$1.25 million has been awarded for installation of infrastructure for Stage 1 at the Precinct. Design of infrastructure well underway.
Implement the outcomes from the Visitor Information Centre review by 30 June 2019	5%	Visitor Information Centre review completed. Implementation due to commence.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016–2017 budget for the year.

Major Initiatives	Progress
Wimmera Intermodal Freight Terminal Precinct	<p>Council was successful in gaining \$1.25m of State funding early in 2017-2018, after preparing a proposal to implement the findings of the Precinct Plan developed in 2012. Two anchor tenants have commenced plans to develop their businesses at this 470 ha site at Dooen.</p> <p>With State Government funding assistance, Council will now implement infrastructure upgrades in 2017-2018, including additional roads, drainage, power and water to service this exciting new industrial estate.</p> <p>The planning scheme amendment to rezone the land was due to be considered by a planning panel in August 2017.</p>

The following statement provides information in relation to the services funded in the 2016-2017 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost \$'000		
		Actual	Budget	Variance
	Provision of the following to support Council's direct service delivery areas:			
Economic Development	This service provides support to the Wimmera Development Association, maintenance and administration for the Wimmera Business Centre and general economic development and promotion for the municipality. Land sales and acquisitions, tree plantation and land management costs for the Burnt Creek and Enterprise Industrial estates and Wimmera Intermodal Freight Terminal, are also provided under this service.	277	408	131
Management and Administration	This service provides general administration for all areas of planning, building, tourism and economic services areas.	530	558	27
Parking and Traffic Management	This service provides management of parking infringements, maintenance on parking meters, car parking fees, fines and associated costs.	-243	-264	-21
Promotions and Tourism	This service provides information and support to visitors accessing the Visitor Information Centre. This area also covers tourism marketing and development as well as promotion for major events and festivals.	538	601	63



GOAL 3 ASSET MANAGEMENT

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

Measures	Result	Comments
Develop a consultative process for community input into road construction and maintenance priorities for input to the 2018-2019 budget, by December 2017	0%	
Finalise preparation of asset management plans for all main asset groups by June 2018	0%	
Implement improved asset management and maintenance management systems by December 2017	25%	Maintenance management system in place. Decision pending on asset management system.
Complete, or commit via contracts, 90% of infrastructure works (by value) within the planned financial year	0%	

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-2017 budget for the year.

Major Initiatives	Progress
Horsham Regional Livestock Exchange – Electronic Identification (EID)	The State government has regulated that all sheep are required to have electronic ear tags from 1 January 2017 so that movements can be recorded. Council has received Phase 1 funding from the State Government to determine the specifications of equipment to suit the design of the Horsham Regional Livestock Exchange. A further funding application will be made early in the 2017-2018 financial year to enable implementation of the scanning equipment and tracking system.
Horsham Regional Livestock Exchange – Roofing	Council commenced the preparation of a Master Plan for the Horsham Regional Livestock Exchange late in the 2016-2017 financial year. One of the planned outcomes of this Master Plan is to investigate, and provide justification if roofing the Exchange is warranted.
Plant Purchase General Administration	As part of Council's renewal program for its plant and equipment fleet, major purchases during 2016-2017 were: <ul style="list-style-type: none"> > A Mack Trident truck with CBB tipper body. > A John Deere 670 GP grader. A range of smaller plant items and vehicles were also renewed.
Outdoor Pool Refurbishment	Stage 2 outdoor pool renewal works were completed as follows: Repair of expansion joints (in the pool shell), repainting of the internal pool surfaces and installation of hydrostatic pressure relief valves on the pool floor.
Laharum Camerons Oval Change Rooms	Funding from the State Government, the Laharum community and Council have enabled implementation to proceed on new change rooms at Camerons Oval, Laharum. A request for tenders has been issued early in the 2017-2018 financial year for this building.
CBD Revitalisation	Council has developed plans to improve the backbone infrastructure of Horsham's CBD and through a community engagement process undertaken early in the 2017-2018 financial year, is finalising plans to boost retail activity and enhance the aesthetics of the CBD. This will lead to a funding application early in the 2017-2018 financial year for a range of developments potentially including a town square.

The following statement provides information in relation to the services funded in the 2016-2017 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 Activities	This service includes the Horsham Regional Livestock Exchange, which provides weekly sheep sales and fortnightly cattle sales at the Burnt Creek Drive facility servicing primary industry across the Wimmera. Horsham Regional Livestock Exchange is the fourth largest sheep selling centre in Victoria. This service also includes the operations of the Horsham Aerodrome which provides a regional airport for commercial and private aircraft.	110	113	3
Building Asset Management	Building Asset Management oversees the facilities management and maintenance of Council's buildings, including compliance and safety services (such as asbestos management and essential safety measures management).	249	304	54
Management and Administration	This service provides administration and support services for the Technical Services department.	2,030	2,133	103
Operations Management	This service includes management and administration of the Operations Department to facilitate the delivery of core functions and capital programs.	-1,591	-1,534	57
Parks and Gardens	Provision of managed areas for sport, recreation and amenity – includes sports grounds, parks, gardens, Botanic gardens and playgrounds throughout the municipality.	1,263	1,358	95
Rural Infrastructure	This service is responsible for maintaining and constructing roads, streets, bridges and related assets in all non-urban areas of Horsham and Natimuk. This includes the VicRoads maintenance contract (which excludes major highways) and quarry operations.	1,680	1,871	191
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 usage groups to increase participation.	770	1,131	361
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 six public conveniences in Horsham, one in Natimuk and several rural facilities.	1,844	2,613	768
Urban Infrastructure	This service provides maintenance and construction of roads, streets, bridges and related assets to the required standards. Maintenance for bicycle tracks, drainage, footpaths and off street car parks.	1,425	1,421	-4

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
	2015	2016	2017	
Roads Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	3.22	4.22	6.33	Due to heavy rainfall and flooding within the region during September 2016 there was some damage to the road infrastructure which triggered an increased amount of customer requests.
Condition <i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	99.04%	99.22%	99.29%	
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$46.67	\$53.23	\$52.67	
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.92	\$5.12	\$4.66	
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	48	45	44	Satisfaction with sealed local roads dropped a further point placing Horsham nine points below the State and Regional figures. We believe that a contributing factor to this low score is a lack of understanding of which roads are Council roads and which are controlled by VicRoads. Council is proposing to ask a specific question in the next survey to ascertain which specific sections of roads people are referring to, to try and understand this low score better.





GOAL 4

GOVERNANCE AND BUSINESS EXCELLENCE

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

Measures	Result	Comments
Complete an engagement process by 30 June 2018, with the community, for the 2018-2019 Council Plan and Budget cycle that is more deliberative and explains the “why” of Council services	0%	
Maintain staff turnover rates at under 10%	100%	Staff turnover figures for 2016-2017 were just outside the 10% at 10.76%.
Increase overall score in the Community Satisfaction Survey	-4.76%	Overall performance score reduced by three points to 60. Whilst this was lower than last year and meant that this target was not achieved, it was not considered as a significant reduction (see page 56).
Implement a new HRCC external website	20%	Work has commenced on the new website and content is being developed during August. Expected to go live September/October 2017.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-2017 budget for the year.

Major Initiatives	Progress
No major initiatives	



The following statement provides information in relation to the services funded in the 2016-2017 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost \$'000		
		Actual	Budget	Variance
	Provision of the following to support Council's direct service delivery areas:			
Financial Services	Provides financial services internally to all staff, department managers, project leaders, Council, etc, plus delivers external services in the form of information to government and the community and specific services to Wimmera Development Association and the Wimmera Regional Library Board.	-9003	-6,109	2,894
Governance and Leadership	This service manages and facilitates Council's governance services, the implementation of Council decisions and policies, and compliance with legislative requirements. This service also includes the office of the Mayor and Councillors, the Chief Executive and media.	1,073	1,265	191
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.	620	1,011	391
Management and Administration	This service contains a variety of organisational services that are provided internally within Council and also to ratepayers. It includes salaries for rates and property services and financial services. It also covers customer service and the general support for the Corporate Services group.	2,821	3,098	277
Organisational Development	This service is responsible for human resources, payroll, OHS, risk management and organisational performance functions. The Payroll Co-ordinator is also responsible for processing the payroll for three separate Council related entities, including the Wimmera Regional Library Corporation, Horsham Public Cemetery and Wimmera Development Association.	668	681	13
Rates and Property Services	Rate collection services encompasses collection of Council rateable income which ensures consistency in debt management, general rate, municipal and garbage charges. Property services encompasses, collection of property valuations, maintaining a strategically focused property management system and management of Council leases and licences.	-22,069	-21,949	120



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
	2015	2016	2017	
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	15.91%	13.91%	8.21%	In 2015-2016 Council had six matters affecting the security of Council property which were discussed as Confidential matters. In 2016-2017 there were no matters affecting Council property.
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	61	61	57	Satisfaction with community consultation decreased by four points but remains three points higher than other regional centres and two points higher than state-wide figures.
Attendance <i>Council attendance at Council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x100	95.65%	95.05%	89.44%	
Service cost <i>Cost of governance</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$38,775.43	\$39,421.08	\$37,546.00	
Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	58	60	58	Satisfaction with Council decisions decreased by two points, however this figure is still six points higher than other regional centres and four points higher than the state-wide figure.



GOAL 5 NATURAL AND BUILT ENVIRONMENTS

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

Measures	Result	Comments
Update and promote our Sustainability Strategy by June 2018	0%	
Install solar panels on at least two Council buildings by June 2018	50%	Completed at Council Civic Centre June 2017.
90% of planning permits issued within the 60 day statutory period	60%	For 2016-2017 financial year, 60% of planning permits were issued in 60 days. Planning Officers have invested considerable time preparing for the Iluka VCAT process, implementing a new improved software system for planning applications, supporting community groups and developers with information in pre-application phases, and assisting with strategic planning projects which has adversely impacted on percentage of issue of planning permits within 60 days.
Complete at least one major strategic planning review prior to 30 June 2018	0%	Wimmera Intermodal Freight Terminal C64 Planning Scheme Amendment underway with Panel Hearing on 11 August 2017.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-2017 budget for the year.

Major Initiatives	Progress
New putrescible cell No 2 (Johns)	After an extensive design program, the contract for the second stage of the Dooen Landfill on the north side of Ladlows Road was awarded in May 2017 with works due for completion in October 2017.
Transfer station – upgrade of facility	Not started.



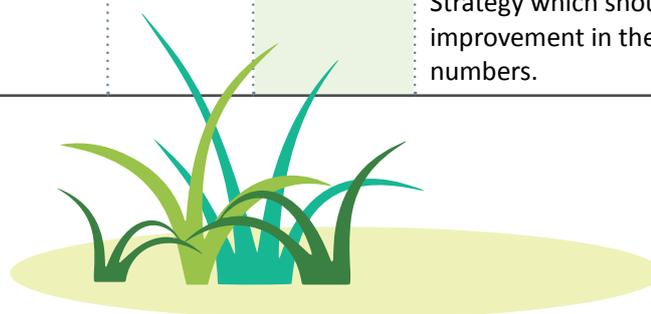
The following statement provides information in relation to the services funded in the 2016-2017 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost \$'000		
		Actual	Budget	Variance
	Provision of the following to support Council's direct service delivery areas:			
Building Service Regulatory	This service provides matters relating to the administration of building control including building approval, inspection fees, easement approval and State Government levies.	387	510	123
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.	14	158	145
Planning Services	This service provides statutory planning services such as planning permits, notice of applications, information certificates, scheme appeals and subdivision costs. The function of strategic planning, which aims to strategically plan the municipality's needs is also included.	381	482	100
Parks and Gardens	This service provides maintenance and beach cleaning for Green Lake and Lake Toolondo along with maintenance of boat ramps and buoyage systems. Also provision of managed areas for lake and river foreshore recreation areas, throughout the municipality.	103	167	64
Sustainability	This service manages a range of sustainability related projects from Council's Sustainability Strategy. A reserve is being established to facilitate future energy and water efficiency projects.	40	50	10
Waste Management Services	This service manages the Dooen Landfill sites, Kenny Road Transfer Station and rural transfer stations along with waste collection and recyclables collection across both the urban and rural areas of the municipality.	-1,060	-221	840

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
	2015	2016	2017	
Statutory Planning Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	47.00	51.00	50.00	
Service standard Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	79.92%	69.06%	65.76%	

Service · Indicator · measure	Results			Material Variations
	2015	2016	2017	
Service cost <i>Cost of statutory planning service</i> [Direct cost of statutory planning service / Number of planning applications received]	\$1,459.27	\$2,194.58	\$2,456.04	
Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100%	100%	0.00%	Two matters went to VCAT and Council's decision was set aside on both occasions.
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	78.74	34.15	36.51	
Service standard <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	0.00	0.95	0.60	There was a 36.44% reduction in missed bins for 2017 compared to 2016, which was the first year of capturing the data in the missing bins database. The database was created in 2015.
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]	\$111.19	\$109.44	\$115.94	
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$57.73	\$50.86	\$36.71	In 2016, a new recycling contractor was appointed at a significant cost reduction to Council. This is reflected in the 28% material variance.
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	20.66%	24.32%	24.16%	Waste diverted from landfill remained consistent with 2016. Council is still well down on state averages and is currently implementing a new Waste Management Strategy which should see improvement in these numbers.



GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

Governance

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

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

Council is committed to effective forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. Although Council's formal decision-making processes are conducted through Council meetings, Council delegates the majority of its decision-making to Council staff. The community has many opportunities to provide input into Council's decision-making processes including community consultation and making submissions to Special Committees of Council.

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

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

Meetings of Council

Council conducts open public meetings on the first and third Monday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. For the 2016-2017 year, Council held the following meetings:

21 ordinary Council meetings

2 special Council meetings

The following table provides a summary of Councillor attendance at Council meetings and Special Council meetings for the 2016–2017 financial year.

Councillors 2016-2017	Council Meeting	Special Council Meeting	Total
Cr Robin Barber (2016)	8	-	8
Cr Pam Clarke (2016–2017)	19	2	21
Cr Sue Exell (2016)	8	-	8
Cr David Grimble (2016–2017)	20	2	22
Cr Josh Koenig (2017)	11	2	13
Cr Les Power (2017)	11	2	13
Cr Tony Phelan (2016)	8	-	8
Cr Heather Phillips (2016)	8	-	8
Cr Mark Radford (2016–2017)	20	2	22
Cr John Robinson (2017)	12	2	14
Cr Alethea Sedgman (2017)	12	2	14

Code of Conduct

The *Local Government Act 1989*, section 76C requires each Council to review and adopt a Councillor Code of Conduct within four months after a General Election.

Horsham Rural City Council adopted the Councillor Code of Conduct on 6 February 2017.

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

- > Transparency through proper processes that are open to public scrutiny
- > Accountability through being accessible/responsive to local community
- > Acting with integrity
- > Acting impartially in the interests of the local community
- > Acting honestly and avoiding statements or actions that may mislead or deceive someone
- > Not improperly giving anyone an advantage or disadvantage
- > Avoiding conflicts between public duties and personal interests and not misusing their position for gain or to cause detriment
- > Considering the diversity of interests and needs of other Councillors, Council staff and the local community and treating everyone's opinions, beliefs, rights and responsibilities with respect
- > Taking reasonable care and diligence, and understanding legal obligations of office as a Councillor
- > Participating in the responsible allocation of the resources of Council through the annual budget, making sure decisions are in the public interest whilst ensuring the Council remains in a sustainable financial position
- > Acting lawfully and not breaching the public's trust
- > Protecting confidential and privileged information

The Code of Conduct sets out how Councillors will display these attributes. It also provides guidelines on ethical decision making, conflict of interest, prohibited conduct, other statutory obligations and expectations of Councillors and officers. The full Code of Conduct for Councillors is available on our website – www.hrcc.vic.gov.au

Councillor Allowances

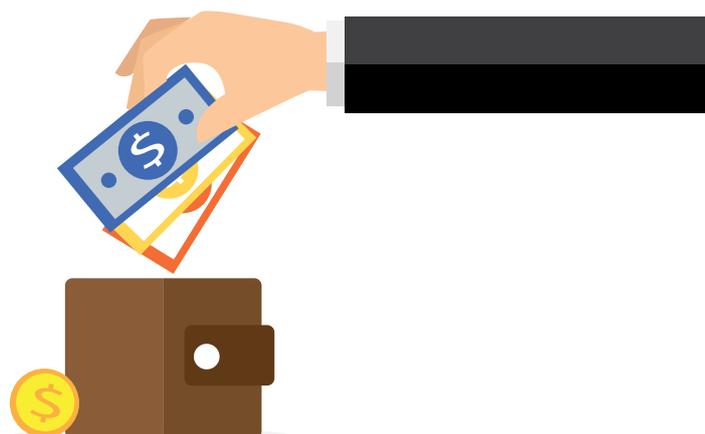
In accordance with section 74 of the *Local Government Act 1989*, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also entitled to receive a higher allowance.

The *Local Government Act 1989* currently provides for Councillors to be paid an expense allowance but does not define the term "allowance". However, it is generally accepted that remuneration for Councillors is based on the recognition of services which Councillors render whilst participating in the responsibilities involved with the management and future development of a municipality.

The Act provides for Councillors allowances to be fixed by Order in Council, within upper and lower limits specified in the Order, for the specific Category of Council. The Council by resolution then sets an allowance appropriate to the municipality. Effective 1 December 2016, Horsham Rural City Council became a category 2 Council for the purposes of Councillor and Mayoral Allowances.

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

Councillors 2016-2017	Allowance \$
Cr Robin Barber	6,980.88
Cr Pam Clarke	48,524.24
Cr Sue Exell	6,980.88
Cr David Grimble	20,885.67
Cr Josh Koenig	13,904.79
Cr Tony Phelan	6,980.88
Cr Heather Phillips	20,856.00
Cr Les Power	13,904.79
Cr Mark Radford	20,885.67
Cr John Robinson	13,904.79
Cr Alethea Sedgman	13,904.79



Councillor Expenses

In accordance with section 75 of the *Local Government Act 1989*, Council is required to reimburse a Councillor for expenses incurred whilst performing their duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council Committee paid by the Council. Details of the expenses for the 2016-2017 year are set out in the following table.

Councillors 2016-2017	Travel \$	Total \$
Cr Robin Barber		
Cr Pam Clarke		
Cr Sue Exell		
Cr David Grimble	8,574.00	8,574.00
Cr Josh Koenig		
Cr Tony Phelan	2,971.09	2,971.09
Cr Heather Phillips		
Cr Les Power		
Cr Mark Radford	2,256.71	2,256.71
Cr John Robinson		
Cr Alethea Sedgman		

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

Conflict of Interest

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

A conflict of interest exists when a personal or private interest may compromise the ability to act in the interest of the public. A conflict of interest exists even if no improper act results from it. The Horsham Rural City Council Code of Conduct for Councillors and Code of Conduct for Staff provide guidelines for the disclosure of a conflict of interest.

Declaration of a conflict of interest is a standard agenda item for all Council and Special Committee meetings.

During 2016–2017, 19 conflicts of interest were declared at Council and Special Committee meetings.

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks lead to better decision making by Council. The Act requires Council to undertake an assessment against the prescribed Governance and Management Checklist and include this in its Report of Operations. Council's Governance and Management Checklist results are set out on pages 60-61. The following items have been highlighted as important components of the management framework.

Audit Committee

Role

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

Responsibilities

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

The key responsibilities of the Audit Committee include a range of functional areas:

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

Composition

The Audit Committee comprises two appointed Councillors and three independent members with technical expertise and industry experience. Recruitment for a new independent member is currently underway.

Current Audit Committee members are:

- > Chair/independent member – Geoff Price
- > Independent member – Roy Henwood
- > Councillor representative – Cr Pam Clarke (Commenced November 2016)
- > Councillor representative – Cr David Grimble
- > Councillor representative – Cr Heather Phillips (Until November 2016)
- > Independent member – Pina Wallis (Until February 2017)

Ex-officio members:

Horsham Rural City Council – Peter Brown, Graeme Harrison, Heather Proctor and Diana McDonald

Internal Auditor – Crowe Horwath (Contractor)

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

INTERNAL AUDIT

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

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

- > Management Reporting
- > Follow Up Review 2016

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

EXTERNAL AUDIT

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

Risk Management

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

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

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

2016-2017 Achievements:

- > Risk Management Committee meetings conducted – Four (22 August 2016, 28 November 2016, 14 March 2017 and 22 May 2017)
- > Cyber security awareness week held in-conjunction with IT Department – May 2017
- > Strategic Risk Register reviewed and rewritten – August 2016
- > Significant reduction in motor vehicle insurance claims for 2016-2017
- > Road Management plan reviewed – June 2017
- > Risk Management policy reviewed – March 2017
- > Business Continuity plan reviewed – June 2017
- > Business Continuity desktop scenario conducted
- > Risk Management strategy reviewed – June 2017
- > Definition of Risk Appetite statement reviewed – June 2017

2017-2018 Focus:

- > Efficient processing and management of all insurance claims
- > Continue to build on the effectiveness of controls for organisational strategic risks
- > Continue to build and refine Council's operational risk registers in conjunction with Departmental Managers
- > Proficient management and purchase of Council's insurance portfolio



Special Committees

The *Local Government Act 1989* allows Councils to establish one or more special committees consisting of:

- > Councillors
- > Council staff
- > Other persons
- > Any combination of the above.

In the 2015-2016 Annual Report, Council listed 28 special committees. Following a major 12 month review, this has been reduced to four special committees for 2016-2017.

Competitive Tendering

In 2016-2017, Council submitted 34 projects to a competitive tender process for a total of \$9,663,891.

28 annual supply tenders were maintained, equating to an annual spend for these contracts of \$2,414,601.

An additional 32 quotations were sought and awarded for procurement of works, goods or services in compliance with Council's Procurement policy and obligations under section 186 of the *Local Government Act 1989*, totalling \$1,050,323.

Combined competitive procurement for 2016-2017 is \$13,128,815.

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

Committee Name	Purpose of Committee	No. of Councillors	No. of Council Staff	No. of Community Members
Horsham Regional Art Gallery	To promote the arts through the Horsham Regional Art Gallery for the benefit of the community and provide advice to Council on the maintenance and upkeep of the Art Gallery	1	2	3
Horsham College Community Oval	To promote the community use of the Horsham College Community Oval and facilities	1	1	0
Community Halls Committee of Management	To co-ordinate and manage the ten Council-owned community halls identified within the Instrument of Delegation	1	1	10
Kannamaroo	To arrange and stage the annual Kannamaroo Festival in Horsham	1	1	8

Organisational Plans, Policies and Strategies

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

Aged and Disability Services Unit policy

Chemical Safety procedure

Community BBQ Trailer policy

Community Development Grants policy

Community Donations policy

Compliance policy

Conflict of Interest procedure

Conflict of Interest policy

Council Agenda procedure

Council Resolutions procedure

Councillor Allowances, Expense Reimbursement and Support policy

First Aid procedure

Fleet Maintenance Records procedure

Fleet Maintenance policy

Hazard Identification, Risk Assessment and Control procedure

Health and Safety Incident Reporting and Investigation procedure

Information Privacy policy

Management of Protected Disclosures procedure

Manual Tasks procedure

Policy Development, Implementation, Review and Approval procedure

Policy Framework policy

Portability of Long Service Leave policy

Procedure Development, Implementation, Review and Approval procedure

Procurement policy

Records Disposal and Retention procedure

Records Disposal and Retention policy

Risk Management policy

Thermal Comfort procedure

Workplace Health and Safety policy

Community Satisfaction Survey

Horsham Rural City Council has continued participating optionally in the base level Community Satisfaction Survey, even though the mandatory requirement to do so ended in 2012. The main objectives of the Community Satisfaction Survey are to assess Council's performance across a wide range of measures and to seek insight into ways to provide improved or more effective service delivery. Three of the results from the survey now also appear in the mandatory Local Government Performance Reporting Framework (LGPRF).

Review of the core performance measures showed that Council's performance declined on all measures compared to its 2016 results. There was a significant decline on the measures of customer service, overall Council direction and consultation and engagement. Performance index scores on all measures are at their lowest levels to date. Despite these declines, performance on consultation and engagement and making community decisions significantly exceed group averages for regional centres.

Of the seven core measures, Horsham is still higher than Regional centres on four of the measures and higher than State averages on five measures.

Sealed Local Roads is still our lowest measure achieving a score this year of 44, a drop of one point from last year and nine points under both the Regional and State levels.

Core Performance Measure	Score		
	Horsham	Regional	State
Overall Performance	60	57	59
Community Consultation	57	54	55
Advocacy	56	54	54
Making Community Decisions	58	52	54
Sealed Local Roads	44	53	53
Customer Service	70	72	69
Overall Council Direction	50	55	53

Freedom of information

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

Requests for access to documents under the Act should be made in writing specifying the information required. Freedom of Information request forms can be obtained from the Municipal Offices, Civic Centre, 18 Roberts Avenue, Horsham. The application fee during the 2016-2017 financial year was \$27.90 along with any access charges that may be levied in accordance with the Freedom of Information Regulations.

In 2016-2017 the number of valid requests was significantly lower, due to Council being able to supply documents outside of FOI.

How many requests did Horsham Rural City Council receive?

Personal Requests	0
Non-Personal Requests	0

What happened?

Full access given	0
Part access given	0
Denied in full	0
Released outside the Act	0
No documents existed	0
Request on hold	0

No internal reviews were conducted.

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

Applications

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

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

Charter of Human Rights and Responsibilities

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

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

- > Your right to recognition and equality before the law
- > Your right to life
- > Your right to protection from torture and cruel, inhuman or degrading treatment
- > Your right to freedom from forced work
- > Your right to freedom of movement
- > Your right to privacy and reputation
- > Your right to freedom of thought, conscience, religion and belief
- > Your right to freedom of expression
- > Your right to peaceful assembly and freedom of association
- > Your right to protection of families and children
- > Your right to taking part in public life
- > Cultural rights
- > Property rights
- > Your right to liberty and security of person
- > Your right to humane treatment when deprived of liberty
- > Rights of children in the criminal process
- > Your right to a fair hearing
- > Rights in criminal proceedings
- > Right not to be tried or punished more than once
- > Retrospective criminal laws

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

Protecting and promoting human rights is identified as a Guiding Principle in the 2017-2021 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. The following are some examples of where Council has played a role in building understanding and respect for human rights.

LOCAL LAWS

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

Horsham Rural City Council has the following Local Laws:

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

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

DOMESTIC ANIMAL MANAGEMENT PLAN

In accordance with the *Domestic Animals Act 1994*, Council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report. The Domestic Animal Management Plan is currently being reviewed by the Domestic Animal Management Advisory Group Committee (DAMAG). This will be presented to Council in the second quarter of 2017.

Council has completed the following actions:

- > Training has been undertaken by Authorised Officers: Certificate IV in Animal Control, Bureau of Animal Welfare Training, Basic First Aid Training, some aspects of firearms training, in-house basic animal handling training, OHS Awareness and OHS Risk Assessment
- > Advice has been provided to the community in relation to animal matters on an ad hoc basis and in organised forums, for example, DAMAG Committee and briefings with organisations
- > Microchipping promotion conducted
- > Non-renewed registration campaign conducted
- > Langlands Park off-lead area has been established
- > Proposed off-lead parks have been considered by DAMAG and a new off-lead park proposed
- > Training Aids have been offered to customers, for example, barking control units

DISABILITY ACCESS AND ACTION PLAN

In accordance with section 38 of the *Disability Act 2006*, Council adopted the 2013-2016 Disability Access and Action Plan on 15 July 2013.

The plan identifies goals and actions to reduce barriers created by attitudes, practices and structures, to ensure that all people can participate equally in the life of our community. The Disability Access and Action Plan will be reviewed and updated during 2017-2018.

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

Goal 1 – Social Connection:

- All public meetings and events hosted by Council are now held in accessible venues
- In process of completing a venues list that will contain accessibility available to the public

Goal 2 – Information on Services:

- Hearing loop technology installed at the Horsham Town Hall
- Directory of disability services is available via Horsham Rural City Council website

Goal 5 – Built Environment:

- Upgrading the municipality's natural environment including parks and walkways was a continued focus
- Promotion of May Park as the region's preferred stop over point for adults and children of all abilities
- The 'Changing Places' toilet was installed with the next phase soon to be completed being the upgrade of all-abilities play equipment
This action was also an achievement from Council's Health and Wellbeing Plan

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 2016-2017 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.

LESBIAN, GAY, BISEXUAL, TRANSGENDER, INTERSEX (LGBTI) EQUALITY ROADSHOW

Victoria's first Gender and Sexuality Commissioner, Ro Allen, undertook a LGBTI Equality Roadshow across 17 locations in rural and regional Victoria this year. Representatives from Switchboard Victoria, the Victorian AIDS Council, Victoria Police, Victoria Local Government Association, Victoria Legal Aid and FTM Shed joined the Commissioner and roadshow team on the Victoria Police bus. The roadshow was in Horsham on 16 and 17 March 2017.

The purpose of the LGBTI Equality Roadshow was to reduce discrimination against LGBTI people and promote their inclusion in everyday rural and regional life. A significant issue for this community and rural communities in general, is the propensity for young LGBTI people to leave our community and move to Melbourne where they feel more comfortable. There are also potential mental health issues for young people growing up in gay rural communities. A major component of the roadshow is to help communities develop strategies to be more inclusive and welcoming of young people as they grow up.

The Horsham event comprised an inclusion workshop that was free and open to people living, working or residing in the region, followed by a community dinner. On the second day, there was a planning session which brought together a number of ideas with the view to developing a local action plan.

It was identified that supporting the establishment and ongoing viability of the Wimmera Pride Project was critical in achieving the actions identified. This project is a grass roots movement led by local residents to enrich the lives of LGBTI people and their allies within the community. It is the only group of its kind in the region and has huge potential to build confidence, capacity and networking of the local LGBTI community.

VICTORIA'S COMPULSORY CHILD SAFE STANDARDS

Council is working to create and maintain a child safe organisation to comply with the Child Safe Standards, including promoting the cultural safety of Aboriginal children, children from a culturally and linguistically diverse background, and children with a disability.

The Child Safe Standards form part of the Victorian Government's response to the Betrayal of Trust inquiry.

Victorian organisations that provide services to children are required under the *Child Safety and Wellbeing Act 2005* to ensure that they implement compulsory child safe standards to protect children from harm.

Legislative Objectives of Council

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

A Council consists of its Councillors who are democratically elected in accordance with this Act. The Act sets out the objectives of the Council, 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 (section C).

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

Protected Disclosures

The *Protected Disclosure Act 2012* (PD Act) aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. The PD Act provides protection from detrimental action to any person affected by a protected disclosure and establishes a system for the matters disclosed to be investigated and rectifying action to be taken. Under the PD Act, any person can be one who makes a disclosure, is a witness, or a person who is the subject of an investigation.

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

The role of the Protected Disclosures Officer is held by the Chief Executive, the Protected Disclosures Co-ordinator by the Director Corporate Services, and Welfare Manager by the Organisational Development Manager.

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

For the purposes of section 69 (1) (b) of the *Protected Disclosures Act 2012*, in the period to 30 June 2017, no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

Council reviewed and adopted its Management of Protected Disclosures procedure on 6 February 2017 to include updates to the IBAC Act. A copy of the Management of Protected Disclosures Procedures can be found on Council's website – www.hrcc.vic.gov.au, obtained from the Municipal Offices, Civic Centre, 18 Roberts Avenue, Horsham, or by contacting us on telephone (03) 5382 9777.



Governance & Management Checklist

Column 1 – Governance and Management Items	Column 2 – Assessment
1 Community engagement policy (policy outlining Council’s commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 15 June 2015
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines 15 February 2016
3 Strategic Resource plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 19 June 2017
4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 19 June 2017
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Date of operation of current plans: Asset Management Plan – General: 21 December 2015 Asset Management Plan – Roads: 21 December 2015
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 19 June 2017
7 Risk policy (policy outlining Council’s commitment and approach to minimising the risks to Council’s operations)	Policy Date of operation of current policy: 14 March 2017
8 Fraud policy (policy outlining Council’s commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 9 December 2013
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 21 December 2015
10 Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> . Date of approval: 15 May 2017
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: 23 May 2016
12 Disaster Recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 29 June 2015
13 Risk Management framework (framework outlining Council’s approach to managing risks to the Council’s operations)	Framework Date of operation of current framework: 22 August 2016

Notes:

- 5. Asset management plans – Not all classes of assets have plans but roads are the majority of Council assets. Buildings are the next most significant, however plans are not complete.
- 9. Municipal emergency management plan – this was listed in last years document with an incorrect adoption date of 6 October 2014.

Governance & Management Checklist *continued...*

Column 1 – Governance and Management Items	Column 2 – Assessment
<p>14 Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council’s financial reporting, processes to manage risks to the Council’s operations and for compliance with applicable legal, ethical, and regulatory requirements)</p>	<p>Established in accordance with section 139 of the Act Date of establishment: 15 December 2014</p>
<p>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)</p>	<p>Engaged Date of engagement of current provider: 21 July 2014</p>
<p>16 Performance Reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)</p>	<p>Framework Date of operation of current framework: 18 May 2015</p>
<p>17 Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Report Date of Reports: 5 September 2016, 20 February 2017</p>
<p>18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Statements presented to Council in accordance with section 138(1) of the Act Date statements presented: 19 September 2016, 17 October 2016, 20 February 2017, 15 May 2017</p>
<p>19 Risk reporting (six-monthly reports of strategic risks to Council’s operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Reports Date of reports: 18 April 2017, 1 June 2017</p>
<p>20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)</p>	<p>Reports Date of reports: 19 September 2016, 20 February 2017</p>
<p>21 Annual Report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)</p>	<p>Considered at a meeting of Council in accordance with section 134 of the Act Date statements presented: 17 October 2016</p>
<p>22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)</p>	<p>Reviewed in accordance with section 76C of the Act Date reviewed: 6 February 2017</p>
<p>23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)</p>	<p>Reviewed in accordance with section 98(6) of the Act Date of review: 20 February 2017</p>
<p>24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)</p>	<p>Meeting procedures local law made in accordance with section 91(1) of the Act. Date local law made: 1 February 2016</p>

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



John Martin
Acting Chief Executive
Dated: 19 September 2017



Cr Pam Clarke
Mayor
Dated: 19 September 2017

Community Grants

Sport and Recreation	\$
Coughlin Park – day labour	8,825
Horsham Amateur Basketball Association – scoring equipment	5,980
Horsham Central Park Netball Courts	5,000
Horsham Croquet Club – laser levelling	3,652
Horsham Flying Club – mobiles and radio event controller	3,000
Horsham Golf Bowls Club – plinth installation	2,474
Horsham Lawn Tennis Club	415
Horsham Little Athletics Centre – upgrade 2nd long jump pit	3,080
Horsham Motorcycle Club – safety fencing and water tank	7,390
Horsham Riding for the Disabled – skillion roof over container	1,694
Horsham Saints – oval work	5,000
Horsham Saints Cricket Club – upgrade practice nets	1,930
Horsham Sports Inc – playground and precinct plan	8,473
Kalkee Tennis Netball Club – 2nd court upgrade	10,000
Natimuk Lake Water Ski Club – portable slalom course	1,652
Noradjuha Recreation Reserve – digitise and frame old photos	900
Pimpinio Sports and Community Centre – new ovens x2	2,773
Sport and Recreation Advisory Committee – contingency	5,000
Wimmera Kart Racing Club – safety improvements	3,210
Rural Recreation Reserves Turf Maintenance Allocation:	
Doen	890
Dock Lake	5,465
Haven	890
Kalkee	5,465
Laharum	5,465
Natimuk Show Grounds	9,895
Noradjuha	2,733
Pimpinio	5,465
Quantong	5,465
Riverside	890
Toolondo	2,733
Total	125,804

Halls	\$
Insurance and fire services levy for all Council public halls	15,523
Clear Lake Recreation Reserve – toilets	515
Brimpaen Recreation Reserve – floor levelling	6,820
Dadswells Bridge Hall – equipment	2,500
Old Riverside School Recreation Reserve – storage shed	5,000
Riverside Recreation Reserve – decking	10,000
Taylor's Lake Hall – oven	862
Total	41,220

Kindergartens	\$
Maintenance grants - \$795 each for Council's six kindergartens (Bennett Road, Casuarina, Horsham North, Natimuk, Natimuk Road and Roberts Avenue)	4,770
Bennett Road Kindergarten – external play area	5,100
Green Park Kindergarten – landscaping	900
Horsham and District Kindergarten Association	11,000
Roberts Avenue Kindergarten – blinds	1,156
Total	22,926

General Welfare/Community Services	\$
Christian Emergency Food Centre	2,140
Horsham College Chaplaincy Committee	5,250
Wimmera River Improvement Committee	7,800
Wimmera River Improvement Committee – Police Paddock	2,300
Wimmera Toy Library – IT and equipment	1,916
Total	19,406

Organisations	\$
Charitable Organisations – rate refunds (Axis Worx, Jacobs Well, Red Cross, St Vincent de Paul, Salvation Army)	8,429
2nd Horsham Scouts – fencing	4,492
3rd Horsham Brownie Guides – blinds	600
4th Horsham Scouts – barbecue	630
Arapiles Historical society – compactus storage	7,264
Asthma Foundation, Horsham Branch	500
Centre for Participation	2,600

Community Grants *continued...*

Organisations <i>continued...</i>	\$
Christian Emergency Food Centre – volunteer training	1,000
Clear Lake Cemetery Trust – signage	350
Country Women’s Association, Horsham Branch – painting eaves, guttering	2,960
Dadswells Bridge CFA – barbecue	356
Dadswells Bridge – newsletter support	200
Federation University, Horsham Campus – nursing achievement award	300
Horsham Agricultural Society – disabled ramps x2	5,864
Horsham and District Harness Racing	700
Horsham City Pipe Band – new chanters	2,000
Horsham City Pipe Band – support of Council events	1,630
Horsham College – breakfast program	700
Horsham Healthy Minds – public forums x2	1,600
Horsham Historical Society – digitising	900
Horsham Masonic Centre – air conditioning to main hall	6,500
Horsham Music Academy	250
Horsham RSL – new World War 1 memorial	8,000
Horsham Rural City Brass Band – support of Council events	1,630
Horsham Salvation Army – community piano	1,000
Horsham Secondary College – senior achievement award	200
Horsham Volleyball Association	500
Longerenong College – citizenship prize	300
Natimuk Brass Band – support of Council events	1,630
Natimuk and District Progress Association – program support	1,120
Natimuk Community Energy – application support	5,000
North West Grampians Newsletter – newsletter	1,416
OASIS Wimmera – program support	1,500
St Brigids College – senior achievement award	200
Sunnyside Independent Living Units Social Committee – indoor bowls mat	1,177
U3A Horsham and District – excursion support	500
Wimmera Mobility Group – excursion support	500

Organisations <i>continued...</i>	\$
Wimmera Association for Genealogy Inc – program support	300
Wimmera Mental Health Peer Support Group – equipment	1,000
Wonwondah North Hall – newsletter	300
Voices of the Wimmera – street choir	2,000
Total	78,098

Events	\$
Art Is ... Festival	6,600
Horsham and District Orchid Society	600
Horsham Calisthenics College – trophies	1,000
Horsham Christian Ministers Association Inc – Carols by Candlelight	3,000
Horsham Country Music Association	1,550
Horsham Fishing Competition	5,000
Horsham Mothers Day Classic	1,000
Horsham Patchwork Quilters Inc	2,400
Horsham Rockers Inc	2,100
Horsham Urban Landcare – Fork to Fork event	4,000
Kannamaroo Committee of Management	4,000
Natimuk A&P Society – show	5,000
Operation 19:14	2,700
Tri State Games Committee	5,000
Wimmera and Southern Mallee Careers Expo	1,700
Wimmera Eistedford Committee	800
Wimmera Rockers Danceworld	2,100
Total	48,550

TOTAL COMMUNITY GRANTS FUNDED	336,004
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STATUTORY INFORMATION

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

Documents Available for Public Inspection

In accordance with Regulation 12 of the Local Government (General) Regulations 2015, the following is a list of the prescribed documents that are available for inspection or copies of the documents can be obtained for the purposes of section 222 of the *Local Government Act 1989* (the Act) at The Civic Centre, 18 Roberts Avenue, Horsham.

REGULATION 12(A)

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

- The name of the Councillor or member of Council staff
- The dates on which the travel began and ended
- The destination of the travel
- The purpose of the travel
- The total cost to the Council of the travel, including accommodation costs

REGULATION 12(B)

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

REGULATION 12(C)

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

REGULATION 12(D)

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

REGULATION 12(E)

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

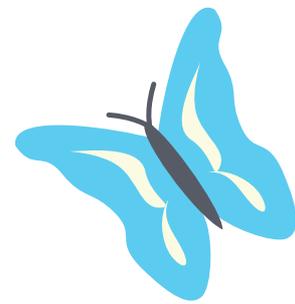
REGULATION 12(F)

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

REGULATION 12(G)

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



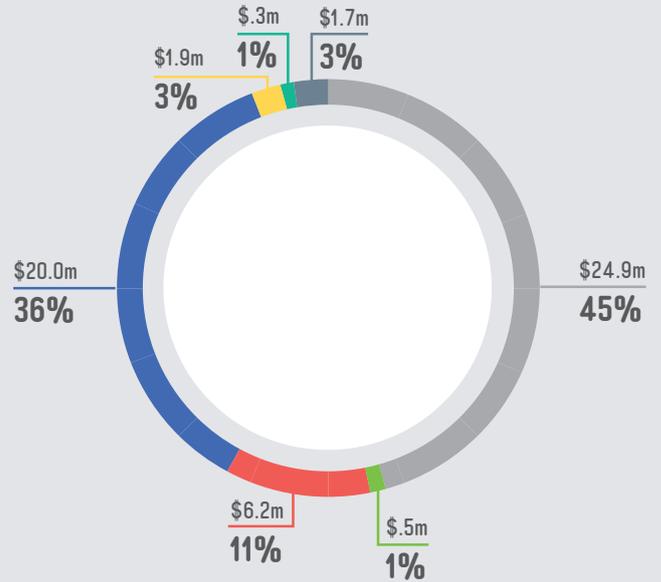
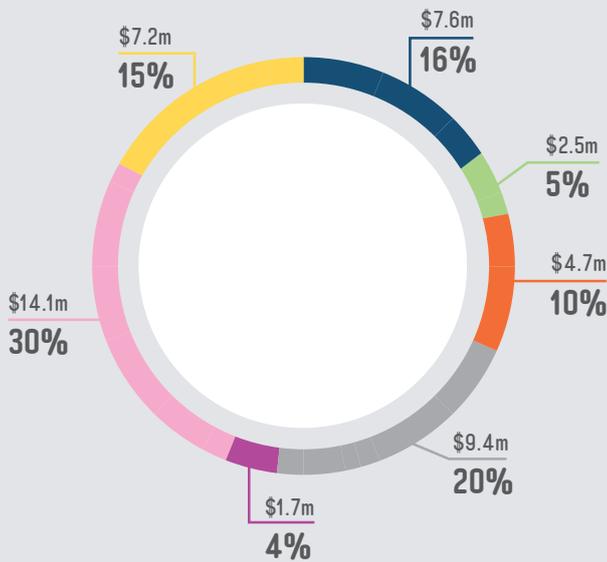


Victorian Local Government Indicators

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

Indicator	Calculation	2016–2017	2015–2016	2014–2015
1. Average rates and charges per assessment	Total rates and charges receivable at beginning of year/Number of assessments in the adopted budget	\$2,033.53	\$1,959.65	\$1,855.86
2. Average residential rates and charges per assessment	Rates and charges declared for residential assessments receivable at beginning of year/Number of residential assessments in the adopted budget	\$1,812.14	\$1,761.57	\$1,626.13
3. Average liabilities per assessment	Total liabilities/Number of assessments in the adopted budget	\$1,631.24	\$1,515.88	\$1,309.63
4. Operating result per assessment	Net surplus/Number of assessments in the adopted budget	\$682.08	\$107.33	\$714.24
5. Average operating expenditure per assessment	Operating expenditure/Number of assessments in adopted budget	\$3,896.11	\$3,848.69	\$3,461.73
6. Community satisfaction rating for overall performance generally of Council	Result from the Annual Local Government Community Satisfaction Survey	60	63	62
7. Average capital expenditure per assessment	Capital expenditure/ Number of assessments in the adopted budget	\$1,137.70	\$1,503.82	\$1,780.57
8. Renewal gap	Capital renewal/Average annual asset consumption	73.4%	63.7%	82.8%
9. Renewal and maintenance gap	Capital renewal and maintenance/Average annual asset consumption plus planned maintenance	74.5%	69.0%	79.7%
10. Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the Annual Local Government Community Satisfaction Survey	56	58	58
11. Community satisfaction rating for Council's engagement in decision making on key local issues	Result from the Annual Local Government Community Satisfaction Survey	58	60	58

Where Our Money Comes and Where Our Money Goes



EXPENDITURE

- Management and administration
- Regulatory services
- Community services
- Recreation, culture and leisure
- Economic development
- Physical services
- Environment

INCOME

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



Horsham Rural City Council

PERFORMANCE STATEMENT AND ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

PERFORMANCE STATEMENT

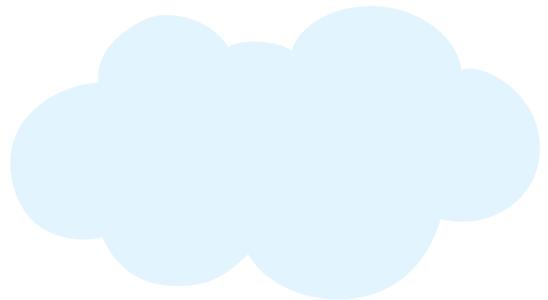
For the year ended 30 June 2017

DESCRIPTION OF MUNICIPALITY

Horsham Rural City Council is a vibrant, diverse community situated approximately 300 kilometres north-west of Melbourne and north of the Grampians National Park, in the heart of the Wimmera region of Victoria. Horsham Rural City Council has a population of 19,801 and covers an area of 4,267 square kilometres. Almost three quarters of residents live in the urban area of Horsham.

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

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



Sustainable Capacity Indicators

FOR THE YEAR ENDED 30 JUNE 2017

Indicator · measure	Results			Comments
	2015	2016	2017	
Population				
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,094	\$2,338	\$2,311	No Material Variations.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$20,614	\$20,496	\$20,903	No Material Variations.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	6.62	6.64	6.65	No Material Variations.
Own-source revenue				
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,551	\$1,614	\$1,624	No Material Variations.
Recurrent grants				
<i>Recurrent grants per head of municipal population</i>	\$599	\$407	\$679	A 50% advance of the 2017-2018 Grants Commission payment was received prior to 30 June 2017. This amount was \$3m.
Disadvantage				
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	5	5	5	In previous years this result was listed as 6 which is the Australia-wide figure. Result published should have been the state-wide figure of 5.

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 2017

Service · indicator · measure	Results			Comments
	2015	2016	2017	
Governance Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	58	60	58	Satisfaction with Council decisions decreased by two points, however this figure is still six points higher than other regional centres and four points higher than the state-wide figure.
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	100%	100%	0%	Two matters went to VCAT and Council's decision was set aside on both occasions.
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]	48	45	44	Satisfaction with sealed local roads dropped a further point placing Horsham nine points below the state and regional figures. We believe that a contributing factor to this low score is a lack of understanding of which roads are Council roads, and which are controlled by VicRoads. Council is proposing to ask a specific question in the next survey to ascertain which specific sections of roads people are referring to, to try and understand this low score better.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	16%	12.85%	12.38%	Active library users remained consistent with the previous year. The drop from 2015 to 2016 was a result of better reporting from a new software system.
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	20.66%	24.32%	24.16%	Waste diverted from landfill remained consistent with 2016. Council is still well down on state averages and is currently implementing a new Waste Management Strategy which should see improvement in these numbers.
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	9.17	6.7	6.39	The utilisation of the Aquatic Centre remains fairly consistent with the 2016 figures.
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	2	1	Council had one successful prosecution for 2017 totalling nine charges as opposed to two prosecutions in 2016.

Service · indicator · measure	Results			Comments
	2015	2016	2017	
Food safety				Council had no critical and major non-compliance outcome notifications.
Health and safety				
<i>Critical and major non-compliance notifications</i>	100%	100%	0%	
[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100				
Home and community care				HACC measures were removed from 1 July 2016.
Participation				
<i>Participation in HACC service</i>	27.72%	25.74%	-	
[Number of people that received a HACC service / Municipal target population for HACC services] x100				
Participation				HACC measures were removed from 1 July 2016.
<i>Participation in HACC service by CALD people</i>	9.09%	7.39%	-	
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100				
Maternal and child health				This is a voluntary service however participation in 2017 has increased by almost 15% compared to 2016.
Participation				
<i>Participation in the MCH service</i>	81.43%	72.82%	83.67%	
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100				
Participation				This is a voluntary service however participation in 2017 has increased by 36% compared to 2016.
<i>Participation in the MCH service by Aboriginal children</i>	79.46%	55.17%	75.00%	
[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				

Definitions

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

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

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

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

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

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

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

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

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

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

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

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

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

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

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

Financial Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2017

Dimension · indicator · measure	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
Operating position								Increased surplus held at 30 June due to increased levels of grants paid in advance and projects not completed during the year has resulted in the positive ratio. In future years, the adjusted underlying surplus / deficit will remain between -3% to -9% over the forecast period due to fluctuating increases in operating non-recurrent grants, resulting in minimal increases in operating expenditure.
Adjusted underlying result								
<i>Adjusted underlying surplus (or deficit)</i>	6.10%	-11%	6%	-4%	-8%	-8%	-10%	
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100								
Liquidity								Large cash balance was held at 30 June due to grants paid in advance and works not completed during the year.
Working capital								
<i>Current assets compared to current liabilities</i>	229%	245%	298%	210%	200%	194%	183%	
[Current assets / Current liabilities] x100								
Unrestricted cash								Less unrestricted cash going forward whilst current liabilities increase means the result will be a decrease of by thirty percentage points over the five year period to 2021.
<i>Unrestricted cash compared to current liabilities</i>	46%	77%	36%	11%	15%	8%	6%	
[Unrestricted cash / Current liabilities] x100								
Obligations								The result for this measure is expected to increase by 18 percentage points over the five year period to 2021. The increasing forecast trend reflects the scheduled increased borrowings over the four year period in line with forecast capital works program. Budgeted borrowings were not drawn down in 2017.
Loans and borrowings								
<i>Loans and borrowings compared to rates</i>	17%	28%	25%	26%	31%	37%	43%	
[Interest bearing loans and borrowings / Rate revenue] x100								
<i>Loans and borrowings repayments compared to rates</i>	3.4%	2.9%	3.0%	2.9%	3.1%	3.9%	4.8%	Due to increased loan borrowings over the next five years, loan repayments will increase.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100								
Indebtedness								The result for this measure is expected to increase by 13 percentage points over the five year period to 2021. The increasing forecast trend reflects the scheduled increased borrowings over the four year period in line with forecast capital works program.
<i>Non-current liabilities compared to own source revenue</i>	15%	27%	28%	28%	31%	36%	41%	
[Non-current liabilities / Own source revenue] x100								

Dimension · indicator · measure	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
Asset renewal								2019 will see increased expenditure on new assets and less expenditure on asset renewal.
Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	92%	73%	78%	73%	59%	80%	80%	
Stability								Adjusted underlying revenue for 2017 is impacted by the 50% advance payment of the 2018 Grants Commission funds of \$3m.
Rates concentration								
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	51%	58%	51%	55%	59%	62%	65%	
Rates effort								No Material Variations.
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	
Efficiency								No Material Variations.
Expenditure level								
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,437	\$3,759	\$3,813	\$4,004	\$3,764	\$3,707	\$3,687	
Revenue level								No Material Variations.
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,594	\$1,711	\$1,787	\$1,840	\$1,721	\$1,789	\$1,862	
Workforce turnover								Workforce turnover fluctuates in any given year as a result of retirements and other departures. A 10% result is within expectations for the size of Council's workforce and the nature of operations.
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11.21%	8.92%	10.76%	9.51%	9.45%	9.45%	9.45%	

Definitions

"adjusted underlying revenue" means total income other than—

(a) non-recurrent grants used to fund capital expenditure; and

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

OTHER INFORMATION

For the year ended 30 June 2017

1. BASIS OF PREPARATION

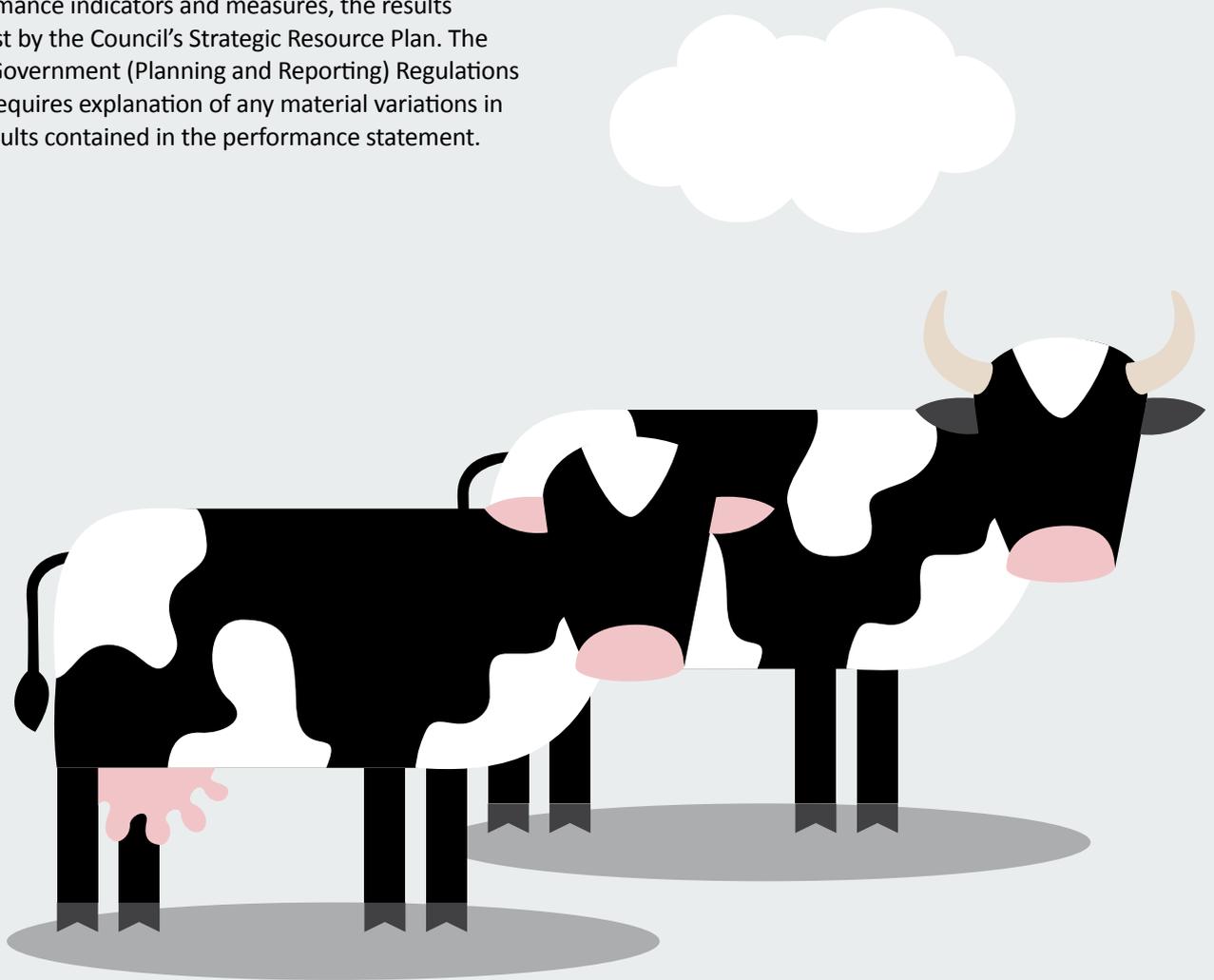
Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Council's Strategic Resource Plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement.

Comments have been made against the Sustainable Capacity Indicators and Service Performance Indicators measures along with Material Variation explanations for the Financial Performance Indicators.

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 19 June 2017 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting Council or via Council's website www.hrcc.vic.gov.au incorporated within the Council Plan.



CERTIFICATION OF THE PERFORMANCE STATEMENT

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



Graeme Harrison B. Econ, CPA, GAICD

Principal Accounting Officer

Dated: 25 September 2017

In our opinion, the accompanying performance statement of the Horsham Rural City Council for the year ended 30 June 2017 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.



Pam Clarke

Councillor

Dated: 25 September 2017



David Grimble

Councillor

Dated: 25 September 2017



John Martin BE (Agric)

Acting Chief Executive

Dated: 25 September 2017



Independent Auditor's Report

To the Councillors of Horsham Rural City Council

Opinion

I have audited the accompanying performance statement of Horsham Rural City Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2017
- sustainable capacity indicators for the year ended 30 June 2017
- service performance indicators for the year ended 30 June 2017
- financial performance indicators for the year ended 30 June 2017
- other information and
- the certification of the performance statement.

In my opinion, the performance statement of Horsham Rural City Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the *Auditor's responsibilities for the audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Councillors' responsibilities for the performance statement

The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 1989* 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.

Auditor's responsibilities for the audit of the performance statement

As required by the *Audit Act 1994*, 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian 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 our 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 statement of performance, including the disclosures, and whether the statement of performance 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.



Tim Loughnan

as delegate for the Auditor-General of Victoria

MELBOURNE
27 September 2017

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 2017 • 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 a summary of 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 2017 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. My responsibilities under the Act are further described 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 <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. 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, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Tim Loughnan

as delegate for the Auditor-General of Victoria

MELBOURNE
27 September 2017

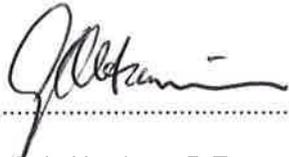
**HORSHAM RURAL CITY COUNCIL
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

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**CERTIFICATION OF FINANCIAL STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2017**

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

25th September 2017

Horsham

In our opinion, the accompanying financial statements present fairly the financial transactions of the Horsham Rural City Council for the year ended 30th June 2017, and the financial position of the Council as at that date.

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

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



Cr P.N. Clarke

25th September 2017

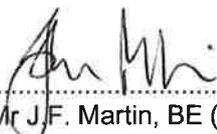
Horsham



Cr D.A. Grimble

25th September 2017

Horsham



Mr J.F. Martin, BE (Agric)
Acting Chief Executive

25th September 2017

Horsham

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**COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2017**

	Notes	2017 \$'000	2016 \$'000
INCOME			
Rates and charges	3	24,913	23,720
Statutory fees and fines	4	474	390
User fees	5	6,151	5,693
Grants - operating	6	13,987	6,319
Grants - capital	6	6,042	4,586
Contributions - monetary	7 (a)	832	1,713
Contributions - non-monetary assets	7 (b)	1,032	1,131
Found assets - land		-	1,871
Reimbursements	8	311	485
Other income	9	1,714	1,548
Share of net profits of associates	17	91	27
Fair value adjustments for investment property	25	-	100
		-----	-----
Total Income		55,547	47,583
		=====	=====
EXPENSES			
Employee costs	11	(17,020)	(16,266)
Materials and services	12	(17,232)	(16,850)
Bad and doubtful debts	13	(107)	(73)
Depreciation and amortisation	14	(10,809)	(11,371)
Other expenses	15	(268)	(342)
Net loss on disposal of property, infrastructure, plant and equipment	10	(110)	(52)
Written down value of assets disposed	10	(1,388)	(1,132)
Borrowing costs	16	(321)	(206)
		-----	-----
Total Expenses		(47,255)	(46,292)
		=====	=====
		-----	-----
Surplus for the year		8,292	1,291
		=====	=====
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	31	5,571	(2,483)
Impairment of revalued assets	31	(2,634)	-
		-----	-----
Total comprehensive result		11,229	(1,192)
		=====	=====

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

**BALANCE SHEET
AS AT 30th JUNE, 2017**

	Notes	2017 \$'000	2016 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	18	13,013	14,337
Trade and other receivables	19	2,700	1,774
Other financial assets	20	16,000	8,600
Other assets	21	1,971	504
Inventories	22	346	531
Non current assets classified as held for sale	23	165	-
		-----	-----
Total current assets		34,195	25,746
		=====	=====
NON-CURRENT ASSETS			
Trade and other receivables	19	265	198
Investments in associates	17	1,280	1,188
Property, infrastructure, plant & equipment	24	451,057	446,919
Investment property	25	2,400	2,400
		-----	-----
Total non-current assets		455,002	450,705
		=====	=====
Total Assets		489,197	476,451
		=====	=====
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	26	5,532	4,298
Trust funds and deposits	27	528	609
Provisions	28	4,948	5,147
Interest-bearing loans and borrowings	29	451	438
		-----	-----
Total current liabilities		11,459	10,492
		=====	=====
NON-CURRENT LIABILITIES			
Provisions	28	3,028	2,028
Interest-bearing loans and borrowings	29	5,872	6,322
		-----	-----
Total non-current liabilities		8,900	8,350
		=====	=====
Total Liabilities		20,359	18,842
		=====	=====
NET ASSETS		468,838	457,609
		=====	=====
EQUITY			
Accumulated surplus		231,843	227,033
Reserves - asset replacement	30	18,439	14,957
Reserves - asset revaluation	31	218,556	215,619
		-----	-----
TOTAL EQUITY		468,838	457,609
		=====	=====

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th JUNE, 2017**

	Notes	Accumulated Surplus \$'000	Asset Replacement Reserve \$'000	Asset Revaluation Reserve \$'000	TOTAL \$'000
2017					
Balance at the beginning of the financial year		227,033	14,957	215,619	457,609
Surplus for the year		8,292	-	-	8,292
Net asset revaluation increment		-	-	2,937	2,937
Transfers to reserve	30	(5,476)	5,476	-	-
Transfers from reserve	30	1,994	(1,994)	-	-
Balance at the end of the financial year		231,843	18,439	218,556	468,838
2016					
Balance at the beginning of the financial year		226,681	14,018	218,102	458,801
Surplus for the year		1,291	-	-	1,291
Net asset revaluation (decrement)		-	-	(2,483)	(2,483)
Transfers to reserve	30	(5,563)	5,563	-	-
Transfers from reserve	30	4,624	(4,624)	-	-
Balance at the end of the financial year		227,033	14,957	215,619	457,609

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30th JUNE, 2017**

	Notes	2017 Inflows (Outflows) \$'000	2016 Inflows (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		24,878	23,767
Statutory fees and fines		484	363
User fees		4,416	5,685
Grants - operating		14,260	6,952
Grants - capital		5,735	4,257
Contributions - monetary		832	1,713
Reimbursements		342	534
Interest received		419	471
Rent		274	239
Other receipts		233	1,049
Net GST refund		1,705	2,125
Employees costs		(16,864)	(15,555)
Material and services		(15,606)	(18,836)
Other payments		(1,632)	(1,807)
		-----	-----
Net cash provided by/(used in) operating activities	32	19,476	10,957
		-----	-----
Cash flows from investing activities			
Payments for investments		(7,400)	(1,550)
Payments for property, infrastructure, plant and equipment		(12,799)	(15,086)
Proceeds from sale of property, infrastructure, plant and equipment		157	735
		-----	-----
Net cash provided by/(used in) investing activities		(20,042)	(15,901)
		-----	-----
Cash flows from financing activities			
Finance costs		(321)	(206)
Repayment of borrowings		(437)	(467)
Repayment of finance lease		-	(7)
Proceeds from borrowings		-	3,475
		-----	-----
Net cash provided by/(used in) financing activities		(758)	2,795
		-----	-----
Net increase/(decrease) in cash and cash equivalents		(1,324)	(2,149)
Cash and cash equivalents at the beginning of the financial year		14,337	16,486
		-----	-----
Cash and cash equivalents at the end of the financial year	18	13,013	14,337
		=====	=====
Financing Arrangements	33		
Restrictions on cash assets	18		

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

**STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDED 30th JUNE, 2017**

	2017 \$'000	2016 \$'000
Property		
Land	-	1,086
Works in Progress	22	-
Total land	22	1,086
Buildings	1,227	5,123
Works in Progress	1,961	266
Total buildings	3,188	5,389
Total property	3,210	6,475
Plant and equipment		
Plant, machinery and equipment	812	1,507
Office furniture and equipment	127	173
Art purchases	29	40
Public art purchases	-	38
Total plant and equipment	968	1,758
Infrastructure		
Roads	4,774	4,961
Bridges	245	390
Footpaths and cycleways	535	367
Drainage	11	-
Recreation, leisure and community facilities	188	35
Waste management	472	109
Parks, open space and streetscapes	144	97
Off street car parks	-	19
Other infrastructure	183	129
Works in Progress	2,069	746
Total Infrastructure	8,621	6,853
Total capital works expenditure	12,799	15,086
Represented by:		
Asset renewal expenditure	8,398	8,289
Asset upgrade expenditure	930	3,187
New asset expenditure	3,471	3,610
Total capital works expenditure	12,799	15,086

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30th JUNE, 2017

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

1 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 1(m))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (n))
- the determination of employee provisions (refer to note 1 (t))

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

(b) Change in accounting policies

There have been no changes in accounting policies from the previous period.

(c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2017 and their income and expenses for that part of the reporting period in which control existed, if material.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Principles of consolidation (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
STATEMENT OF PROFIT AND LOSS
FOR YEAR ENDED 30TH JUNE 2017**

	2017 \$'000	2016 \$'000
Revenue - fundraising	21	66
Expenses - fund raising	(3)	(10)
Contribution to construction project	-	(170)
	-----	-----
Surplus/(Deficit) for Year	18	(114)
	=====	=====

**HORSHAM PERFORMING ARTS
STATEMENT OF FINANCIAL POSITION
FOR YEAR ENDED 30TH JUNE 2017**

CURRENT ASSETS		
Cash	28	6
Receivables	10	14
	-----	-----
Total Current Assets	38	20
	=====	=====
EQUITY		
Retained Profits	38	20
	=====	=====

**HORSHAM PERFORMING ARTS
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30TH JUNE 2017**

Balance at the beginning of the financial year	20	134
Surplus/(Deficit) for the year	18	(114)
	-----	-----
Balance at the end of the financial year	38	20
	=====	=====

**HORSHAM PERFORMING ARTS
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30TH JUNE 2017**

Receipts from fundraising	25	94
Payments to suppliers	(3)	(180)
	-----	-----
Net cash provided by operating activities	22	(86)
Cash at beginning of the financial year	6	92
	-----	-----
Cash at end of the financial year	28	6
	=====	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) 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.

(e) Accounting for investments in associates

Associates

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.

(f) Revenue Recognition

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

Rates and charges

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.

Statutory fees and fines

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.

User fees

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

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

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

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Other Income

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017****1 SIGNIFICANT ACCOUNTING POLICIES (continued)****(g) Fair value measurement**

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

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

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.

(h) Cash and cash equivalents

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

(i) Trade and other receivables

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. 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.

(j) Other financial assets

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(k) Inventories

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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Non-current assets held for sale

A non-current asset classified as held for sale (including disposal groups), is 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.

(m) Recognition and measurement of assets

Acquisition

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

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

In accordance with Council's policy, the threshold limits detailed in Note 1 (n) have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, and furniture and fittings, are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 24, Property, infrastructure, plant and equipment.

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

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

Land under Roads

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

(n) 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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Depreciation of property, infrastructure, plant and equipment (cont.)

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 below and are consistent with the prior year unless otherwise stated:

	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

(o) 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.

(p) Investment property

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Impairment of assets

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

(r) Trust funds and deposits

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 (refer to note 27).

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

(s) Borrowings

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.

Borrowing costs

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

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

(t) Employee costs and benefits

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

Wages and salaries, and annual leave

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

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Employee costs and benefits (cont.)

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL representing 7 years is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at:

- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL representing less than 7 years that has been accrued, where an employee is yet to reach a qualifying term of employment is disclosed as a non-current liability.

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

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

(u) Landfill rehabilitation provision

Council is obligated to restore the Doon 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.

(v) Leases

Operating Leases

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

(w) Goods and Service Tax (GST)

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

Receivables and payables in the balance sheet are shown inclusive of GST.

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

(x) Financial guarantees

Financial guarantee contracts are not recognised in the balance sheet, unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 37 Contingent Liabilities and Contingent Assets.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017****1 SIGNIFICANT ACCOUNTING POLICIES (continued)****(y) Contingent assets and contingent liabilities and commitments**

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

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

(z) Pending accounting standards

The following new AAS'S have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

Leases (AASB 16) (applies 2019/20)

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

Council had one operating lease which expired during 16/17.

(aa) Rounding

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

2 BUDGET COMPARISON

The budget comparison 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 or \$400,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 20th June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

(a) Income and expenditure

	Ref	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	2017 %
INCOME					
Rates and charges		24,751	24,913	162	0.7
Statutory fees and fines		426	474	48	11.3
User fees	1	5,611	6,151	540	9.6
Grants - operating	2	11,262	13,987	2,725	24.2
Grants - capital	3	7,591	6,042	(1,549)	(20.4)
Contributions - monetary	4	407	832	425	104.4
Contributions - non-monetary	5	500	1,032	532	106.4
Reimbursements		509	311	(198)	(38.9)
Other income		1,443	1,714	271	18.8
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(4)	(110)	(106)	2,650.0
Share of net profits of associates		60	91	31	51.7
Fair value adjustments for investment property		20	-	(20)	(100.0)
Total Income		52,576	55,437	2,861	5.4
EXPENSES					
Employee costs		(16,910)	(17,020)	(110)	0.7
Materials and services	6	(19,751)	(17,232)	2,519	(12.8)
Bad and doubtful debts		(65)	(107)	(42)	64.6
Depreciation and amortisation		(10,773)	(10,809)	(36)	0.3
Other expenses		(346)	(268)	78	(22.5)
Written down value of assets disposed	7	(500)	(1,388)	(888)	177.6
Borrowing costs		(357)	(321)	36	(10.1)
Total Expenses		(48,702)	(47,145)	1,557	(3.2)
Surplus for the year		3,874	8,292	4,418	114.0

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017****2 BUDGET COMPARISON (Cont.)**

(i) Explanation of material variations

1. User fees

High levels of patronage of the new Town Hall Performing Arts Centre saw increased revenue of \$630k.

2. Grants - operating

Actual income reflects an increase of the Grants Commission payment, an early 50% payment of the 17/18 allocation was received 30th June 2017. The amount was \$3m.

3. Grants - capital

The budget included a one off capital grant of \$1.2m as part contribution for development of an industrial estate. The grant application was unsuccessful in 16/17 year which is reflected in the decreased grant income.

4. Contributions - monetary assets

Additional Town hall capital expenditure contributions of \$312k was received and an \$80k contribution towards Dimboola Minyip Rd Reconstruction was also received.

5. Contributions - non-monetary assets

Increased urban development saw road and land infrastructure assets valued at \$1m provided to Council, exceeding the \$500,000 budget.

6. Materials and services

The materials budget included expenditure of \$1.6m for one large operating grant, as the grant was not received, the project was withdrawn from Council's program of works. Furthermore the budget included several strategies, plans and reviews valued at \$525k which were partly completed during the year.

7. Written down value of assets disposed

Increased write down values of gravel road formations are reflected in writes offs this year.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

2 BUDGET COMPARISON (cont.)

(b) Capital Works	Ref	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	%
Property					
Land		102	-	(102)	100.0
Works in Progress		-	22	22	100.0
Total land		102	22	(80)	100.0
Buildings	8	4,969	1,227	(3,742)	(75.3)
Works in Progress		-	1,961	1,961	100.0
Total buildings		4,969	3,188	(1,781)	(35.8)
Total property		5,071	3,210	(1,861)	64.2
Plant and equipment					
Plant, machinery and equipment	9	2,062	812	(1,250)	(60.6)
Office furniture and equipment		245	127	(118)	(48.2)
Art purchases		20	29	9	45.0
Public art purchases		25	-	(25)	(100.0)
Total plant and equipment		2,352	968	(1,384)	(58.8)
Infrastructure					
Roads	10	6,988	4,774	(2,214)	(31.7)
Bridges	11	1,184	245	(939)	(79.3)
Footpaths and cycleways	12	1,092	535	(557)	(51.0)
Drainage		153	11	(142)	(92.8)
Recreation, leisure and community facilities		344	188	(156)	(45.3)
Waste Management	13	942	472	(470)	(49.9)
Parks, open space and streetscapes		182	144	(38)	(20.9)
Other infrastructure	14	589	183	(406)	(68.9)
Works in Progress		-	2,069	2,069	100.0
Total Infrastructure		11,474	8,621	(2,853)	(24.9)
Total capital works expenditure		18,897	12,799	(6,098)	(32.3)
Represented by:					
Asset renewal expenditure		9,887	8,398	(1,489)	(15.1)
Asset upgrade expenditure		1,604	930	(674)	(42.0)
New asset expenditure		7,406	3,471	(3,935)	(53.1)
Total capital works expenditure		18,897	12,799	(6,098)	(32.3)

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

2 BUDGET COMPARISON (cont.)

(i) Explanation of material variations

8. Buildings

Several large value projects were included in the budget. Four projects were unfinished at 30th June which is reflected in \$1.9m of works in progress. The budget had included a further \$1.2m of expenditure for those four projects.

Four other projects with budget total of \$515k had not commenced at year end.

9. Plant, machinery and equipment

The budget included the net change over of a grader (\$226k), the grader was ordered in February 2017 and was delivered until August 2017. A new truck \$245k was ordered in October 2016 and has not been delivered.

Another seven vehicles were placed for changeover in 16/17 budget, but due to low usage, changeovers did not occur during the year. Three other plant purchases have been carried forward to 17/18 year.

10. Roads

The budget included \$1.6m of expenditure for roads associated with a new industrial estate. An unsuccessful grant application in 16/17 saw the removal of this project. Also \$200k of urban road reconstruction and \$370k of rural road reconstruction were not expended by end of year.

11. Bridges

Due to continued high water levels in our rivers after the flood event in September 2016, the bridges program could not commence until May 2017.

12. Footpaths and cycleways

The footpath budget included works in the CBD of \$500k, as the matching grant was not received the project was withdrawn from Council's program of works.

13. Waste Management

The 16/17 budget included the construction of a new putrescible cell for \$800k. After large time delays in design and approvals, Council awarded the tender to construct in May 2017. The cell will be completed in October 2017.

14. Other infrastructure

The budget included \$530k of expenditure for other infrastructure associated with a new industrial estate. An unsuccessful grant application in 16/17 saw the removal of this project.

3 RATES AND CHARGES

	2017 \$'000	2016 \$'000
Residential	11,376	10,865
Commercial	1,479	1,460
Industrial	792	760
Farm/rural	5,380	4,952
Cultural	16	24
Municipal charge	3,037	2,916
Garbage charges	2,833	2,743
Total rates and charges	24,913	23,720

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

The valuation base used to calculate general, cultural and farm rates for 2016/17 was \$4,035,657,100 (2015/16 \$ 3,550,377,000).

The 2016/17 General rate in the CIV dollar was .5044 cents. (2015/16 .5382 cents).

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016 and the valuation first applied in the rating year commencing 1 July 2016.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

4 STATUTORY FEES AND FINES

	2017 \$'000	2016 \$'000
Infringements and costs	128	144
Perin court recoveries	21	38
Issue of certificates	15	15
Local laws - permits & licences	79	22
Town planning	135	76
Health registrations	96	95
	-----	-----
Total statutory fees and fines	474	390
	=====	=====

5 USER FEES

Administration charges	126	136
Animal control	383	341
Building fees & other charges	173	198
Fees - parking meters	411	428
Immunisations	4	7
Home based welfare services	867	899
Lord Mayors Camp	12	8
Other swimming income	1	1
Performance ticket sales	1,094	607
Sporting and recreation facilities	83	61
Freight Hub user charge	86	88
Supervision of private subdivisions	28	32
Plan checking fees	16	20
Aerodrome	38	34
Saleyards	436	462
Wimmera business centre income	160	156
Rural revegetation scheme	8	9
Garbage charges	9	8
Garbage disposal	772	724
Transfer station	300	256
Waste management fees	1,144	1,215
Fire hazards grass removal	-	3
	-----	-----
Total user fees	6,151	5,693
	=====	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

6 GOVERNMENT GRANT REVENUES

2017
\$'000

2016
\$'000

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	14,751	6,774
State funded grants	5,278	4,131

Total grants received	20,029	10,905
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Operating Grants

Recurrent - Commonwealth Government		
Commonwealth Government family and children	38	36
Victorian Grants Commission - general purpose	5,697	1,867
Victorian Grants Commission - local roads	3,112	1,027
General Home Care	777	-

Recurrent State Government		
School crossing supervisors	25	24
Community services	240	253
Maternal and child health	384	343
Senior citizens centres	15	15
Food services	48	50
Home and community care	213	942
Disability services	137	131
Library	170	167
Arts and art gallery	230	224
Environmental and landcare grants	68	118

Total recurrent operating grants	11,154	5,197
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Non-recurrent - Commonwealth Government		
Outdoor recreation	1,688	-

Non-recurrent State Government		
Corporate services	75	-
Regulatory services	-	5
Community services	352	83
Family and children	-	12
Public and community health	73	16
Outdoor recreation	509	785
Indoor recreation	-	51
Arts and art gallery	35	3
Economic development	20	20
Environmental and landcare grants	59	80
Tourism promotion	-	4
Flood recovery grants	22	-
Drought recovery grants	-	55
Other	-	8

Total non-recurrent operating grants	2,833	1,122
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Total Operating Grants	13,987	6,319
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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

6 GOVERNMENT GRANT REVENUES (cont.)

	2017 \$'000	2016 \$'000
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery funding	2,298	2,844
Total Recurrent Capital Grants	2,298	2,844
Capital non-recurrent		
Non-recurrent - Commonwealth Government		
Buildings	-	1,000
Local roads and bridges	1,141	-
Non-Recurrent State Government		
Family and children	1,650	-
Home and community care	15	46
Community facilities	110	69
Outdoor recreation	327	265
Halls, historic buildings & monuments	20	50
Local roads & ancillary assets	221	312
Flood recovery grants	260	-
Total non-recurrent capital grants	3,744	1,742
Total capital grants	6,042	4,586
Total grants	20,029	10,905
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:		
Grants commission	3,004	-
Corporate services	75	-
Community services	278	248
Kindergarten specific grants	95	23
Home and community care	-	33
Rural disability access grant	137	122
Outdoor recreation	181	320
Halls, historic buildings & monuments	13	3
Arts and arts gallery	59	54
Economic growth	-	46
Environmental	13	48
Road & streets infrastructure	310	59
Roads to recovery	529	274
	4,694	1,230

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

6 GOVERNMENT GRANT REVENUES (cont.)

	2017	2016
	\$'000	\$'000

Conditions on grants

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

Grants commission	-	(2,835)
Town planning studies	-	(67)
Family and children	-	(10)
Community services	(152)	(219)
Kindergarten specific grants	(23)	-
Home and community care	(33)	(70)
Rural disability access grant	(122)	(128)
Outdoor recreation	(219)	(121)
Halls, historic buildings & monuments	(3)	(9)
Arts and arts gallery	(54)	(49)
Economic growth	(46)	-
Environmental	(21)	(39)
Waste management	-	(10)
Road & streets infrastructure	(59)	(130)
Roads to recovery	(274)	(20)
Pedestrian bridge	-	(34)

	(1,006)	(3,741)
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Summary:

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

Balance at start of year	1,230	3,746
Received during the financial year and remained unspent at balance date	4,694	1,230
Received in prior years and spent during the financial year	(1,006)	(3,741)

Balance at year end	4,918	1,235
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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

7 CONTRIBUTIONS

(a) Monetary

	2017 \$'000	2016 \$'000
Road Assets	371	104
Recreational, leisure and community facilities	443	918
Recreational, leisure and community services	18	691
	-----	-----
	832	1,713
	=====	=====

(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	18	276
Land under roads	100	54
Road Assets	914	592
Assets contributed by others		
Buildings	-	180
Artworks	-	29
	-----	-----
	1,032	1,131
	=====	=====
 Total Contributions	 1,864	 2,844
	=====	=====

8 REIMBURSEMENTS

Road maintenance/works	4	3
Main roads maintenance Vicroads	307	482
	-----	-----
Total reimbursements	311	485
	=====	=====

9 OTHER INCOME

Interest	466	448
Interest on rates	37	37
External works	353	390
Pre-school income	9	4
Other health receipts	2	1
Other welfare receipts	24	11
Youth resource centre income	60	60
Community workshop income	3	3
Art gallery	53	52
Information office	38	35
Quarry restoration Income	37	29
Theatre rent	6	6
Mibus centre rent	10	9
Industrial estate rent	49	22
Commercial properties rent	184	180
Caravan park rent	60	59
Contract retentions forfeited	106	-
Other	217	202
	-----	-----
Total other income	1,714	1,548
	=====	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

10 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT	2017 \$'000	2016 \$'000
Sale of developed land		
Proceeds from sales of developed land	-	345
Less: Cost of developed land sold	-	(314)
Profit on sale of developed land	-	31
Plant and Equipment		
Proceeds from sale of assets	157	284
Written down value of assets sold	(212)	(419)
(Loss) on sale of plant and equipment	(55)	(135)
Furniture and Equipment		
Proceeds from sale of assets	-	7
Profit on sale of furniture and equipment	-	7
Sale of land and buildings		
Proceeds from sale of assets	-	99
Written down value of assets sold	(55)	(54)
Profit/(loss) on sale of land and buildings	(55)	45
Summary		
Total proceeds from sale of assets	157	735
Written down value of assets sold	(267)	(787)
Total net (loss) on disposal of property, plant and equipment	(110)	(52)
Disposal of council buildings		
Written down value of assets written off	(247)	(134)
Disposal of road infrastructure assets		
Written down value of assets written off	(1,141)	(962)
Disposal of other structures		
Written down value of assets disposed	-	(36)
Total written down value of assets disposed	(1,388)	(1,132)

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

11 EMPLOYEE COSTS	2017 \$'000	2016 \$'000
Wages and salaries	15,980	15,482
Workcover	222	182
Superannuation	1,445	1,311
Less: Amounts capitalised in non-current assets constructed by the Council	(627)	(709)
Total employee costs	17,020	16,266

Note 11(b) Superannuation

Council made contributions to the following funds

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	160	164
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super) and other funds	1,285	1,147
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	1,445	1,311
Employer contributions payable to reporting date	131	92

Refer to note 36 for further information relating to Council's superannuation obligations.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

12 MATERIALS & SERVICES	2017 \$'000	2016 \$'000
	-----	-----
Contract payments		
Valuation services	49	63
Provision of meals for meals on wheels	167	178
Management youth centre	134	134
Management aquatic centre	102	102
Waste management contracts	677	806
Contract cleaning	318	322
Building service contractors	299	263
Strategies	286	102
Council election contract	128	-
Sporting group projects	36	1,363
Community facilities projects	1,688	380
Contracts less than \$100,000	641	1,328
Materials and services		
Sporting group projects	-	198
Library	477	474
Road maintenance contracts	374	375
Performing events expenses	748	393
Town hall set up expenses	-	103
General materials	487	496
Road maintenance materials	392	497
Waste management expenses	2,076	1,664
Other materials & services less than \$100,000	3,299	3,008
Other		
Insurances	431	375
Plant operating costs	1,017	914
Computer expenditure	450	360
Power, light & heating	661	610
Advertising	218	214
Telephone	153	188
External salaries	488	439
External plant hire	68	101
Fringe benefit tax	148	126
Legal costs	54	198
Printing and stationery	115	87
Donations	366	379
Wimmera Development Association membership	197	194
Water rates	232	217
Community engagement projects	103	83
Sustainability projects	113	116
Flood and fire emergency response works and projects	40	-
	-----	-----
Total materials and services	17,232	16,850
	=====	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

13 BAD AND DOUBTFUL DEBTS

	2017 \$'000	2016 \$'000
Other debtors	20	16
Parking fine debtors	41	20
Animal fine debtors	46	37
Total bad and doubtful debts	107	73

14 DEPRECIATION AND AMORTISATION

Furniture and fittings	102	107
Plant and equipment	885	885
Roads	5,642	5,997
Kerb and channel	475	434
Footpaths and cycleways	532	493
Bridges	201	199
Drainage	32	31
Other land improvements	42	42
Buildings	1,460	895
Other structures	1,438	2,288
Total depreciation and amortisation	10,809	11,371

Refer to note 24 for a more detailed breakdown of depreciation and amortisation charges

15 OTHER EXPENSES

Auditors' remuneration - VAGO audit of financial statements, performance statement and grant acquittals	49	47
Fees for other services provided by other auditors	19	35
Councillor & mayoral allowances	188	187
Operating lease rentals	12	73
Total other expenses	268	342

16 BORROWING COSTS

Interest - borrowings	321	206
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**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

17 INVESTMENTS IN ASSOCIATES	2017 \$'000	2016 \$'000
Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting. Refer note 1(e).		
Council's interest in equity	33.55%	30.98%
Equity in Wimmera Regional Library Corporation - at valuation	984	968
	-----	-----
	984	968
	=====	=====
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	437	422
Change in equity share apportionment	37	10
Reported surplus/(loss) for year	(65)	1
Transfers to/(from) reserves	(2)	4
	-----	-----
Council's share of accumulated surplus at end of year	407	437
	=====	=====
Council's share of reserves		
Council's share of reserves at start of year	531	523
Change in equity share apportionment	44	12
Transfers to/(from) reserves	2	(4)
	-----	-----
Council's share of reserves at end of year	577	531
	=====	=====
Movement in carrying value of specific investment		
Carrying value of investment at start of year	968	945
Change in equity share apportionment	81	22
Share of surplus/(loss) for year	(65)	1
	-----	-----
Carrying value of investment at end of year	984	968
	=====	=====
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 30th JUNE, 2017**

17 INVESTMENTS IN ASSOCIATES (cont.)	2017 \$'000	2016 \$'000
	-----	-----
Council's investment in the Wimmera Development Association is based on the equity method of accounting. Refer note 1(e).		
Council's interest in equity	48.14%	48.14%
Equity in Wimmera Development Association - at valuation	296	220
	-----	-----
	296	220
	=====	=====
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	150	152
Reported surplus for year	76	4
Transfers to/(from) reserves	(35)	(6)
	-----	-----
Council's share of accumulated surplus at end of year	191	150
	=====	=====
Council's share of reserves		
Council's share of reserves at start of year	70	64
Transfers to/(from) reserves	35	6
	-----	-----
Council's share of reserves at end of year	105	70
	=====	=====
Movement in carrying value of specific investment		
Carrying value of investment at start of year	220	216
Share of surplus for year	76	4
	-----	-----
Carrying value of investment at end of year	296	220
	=====	=====
Council's share of expenditure commitments	Nil	
Council's share of contingent liabilities and contingent assets	Nil	

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

18 CASH AND CASH EQUIVALENTS

	2017 \$'000	2016 \$'000
Cash on hand	5	5
Cash at bank	76	408
Overnight cash at 11am call	1,736	853
Short term deposits	11,196	13,071
	-----	-----
	13,013	14,337
	=====	=====

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

- Trust funds and deposits (Note 27)	528	609
- Unexpended grants (Note 6)	1,690	1,230
- Reserve funds allocated to specific future purposes	297	262
	-----	-----

Restricted funds	2,515	2,101
	-----	-----

Total unrestricted cash and cash equivalents	10,498	12,236
	=====	=====

Intended allocations

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

- Cash held to fund carried forward capital works	3,468	4,198
- Cash from grants commission held to fund 17/18 programs	3,004	-
	-----	-----

Total funds subject to intended allocations	6,769	4,460
	=====	=====

Refer also to note 20 for details of other financial assets held by council.

19 TRADE AND OTHER RECEIVABLES

Current		
Statutory receivables		
Rates debtors	325	290
Sundry debtors	1,888	959
Less doubtful debt provision - Sundry debtors	(3)	(20)
Parking infringement debtors	100	112
Other infringement debtors	161	133
Less doubtful debt provision - All infringements	(70)	(44)

Non statutory receivables		
Loans & advances to community organisations	60	57
Net GST receivable	239	287
	-----	-----

	2,700	1,774
	=====	=====

Non-current		
Statutory		
Sundry debtors	116	-
Non statutory		
Loans & advances to community organisations	99	141
Deferred property debts receivable	50	57
	-----	-----

	265	198
	=====	=====

Total trade & other receivables	2,965	1,972
	-----	-----

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

19 TRADE AND OTHER RECEIVABLES (Cont.)

(a) Aging of receivables

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

	2017 \$'000	2016 \$'000
Current (not yet overdue)	1,674	788
Past due by up to 30 days	124	57
Past due between 31 and 180 days	108	129
Past due between 181 and 365 days	42	42
Total trade and other receivables	1,948	1,016
Non Current (not yet overdue)	215	141

(b) Movement in provision for doubtful debts

Balance at the beginning of the year	64	51
New provisions recognised during the year	30	22
Amounts already provided for and written off as uncollectable	(14)	(1)
Amounts provided for but recovered during the year	(7)	(8)
Balance at end of year	73	64

c) Aging of individually impaired trade and other receivables

At balance date, other debtors representing financial assets with a nominal value of \$73k, (2016 \$64k) were impaired. The amount of the provision raised against these debtors was \$73k, (2016 \$64k). 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:

	2017 \$'000	2016 \$'000
Past due between 31 and 180 days	-	1
Past due between 181 and 365 days	-	2
Past due by more than 1 year	73	61
Total trade and other receivables	73	64

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017

20 OTHER FINANCIAL ASSETS

2017	2016
\$'000	\$'000

Term deposits	16,000	8,600
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21 OTHER ASSETS

Prepayments	501	376
Accrued income	1,470	128

Total other assets	1,971	504
--------------------	-------	-----

22 INVENTORIES

Inventories held for distribution	326	506
Inventories held for sale	20	25

Total inventories	346	531
-------------------	-----	-----

23 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Industrial land held for sale - at fair value	165	-
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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017

24 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Acquisitions	Contributions	Revaluations	Transfers	Impairment	Depreciation	Disposal	At Fair Value 30 June 2017
Land	37,302	-	118	-	(165)	-	(42)	(55)	37,158
Buildings	57,833	1,227	-	-	134	-	(1,460)	(247)	57,487
Plant and Equipment	13,064	968	-	-	-	-	(987)	(212)	12,833
Infrastructure	337,437	6,552	914	5,571	223	(2,635)	(8,320)	(1,141)	338,601
Work in progress	1,283	4,052	-	-	(357)	-	-	-	4,978
	446,919	12,799	1,032	5,571	(165)	(2,635)	(10,809)	(1,655)	451,057

Summary of Works in Progress

	Opening WIP	Additions	Transfers	Closing WIP
Land and Buildings	283	1,983	(134)	2,132
Infrastructure	1,000	2,069	(223)	2,846
	1,283	4,052	(357)	4,978

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

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

2017	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
Land and buildings								
At fair value 1 July 2016	567	36,102	992	37,661	88,679	88,679	283	126,623
Accumulated depreciation at 1 July 2016	-	-	(359)	(359)	(30,846)	(30,846)	-	(31,205)
	567	36,102	633	37,302	57,833	57,833	283	95,418
Movements in fair value								
Acquisition of assets at fair value	-	-	-	-	1,227	1,227	1,983	3,210
Contributions by developers and others	100	18	-	118	-	-	-	118
Fair value of assets disposed	-	(55)	-	(55)	(792)	(792)	-	(847)
Assets transferred to held for sale	-	(165)	-	(165)	-	-	-	(165)
Transfers	-	-	-	-	134	134	(134)	-
	100	(202)	-	(102)	569	569	1,849	2,316
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	(42)	(42)	(1,460)	(1,460)	-	(1,502)
Accumulated depreciation of disposals	-	-	-	-	545	545	-	545
	-	-	(42)	(42)	(915)	(915)	-	(957)
At fair value 30 June 2017	667	35,900	992	37,559	89,248	89,248	2,132	128,939
Accumulated depreciation at 30 June 2017	-	-	(401)	(401)	(31,761)	(31,761)	-	(32,162)
	667	35,900	591	37,158	57,487	57,487	2,132	96,777

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017

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

2017	Plant machinery & Equipment \$'000	Office furniture & Equipment \$'000	Art Collection \$'000	Public Art \$'000	Total Plant & Equipment \$'000	Works in Progress \$'000	Total Plant & Equipment \$'000
Plant and equipment							
At fair value 1 July 2016	14,040	1,670	3,640	233	19,583	-	19,583
Accumulated depreciation at 1 July 2016	(5,279)	(1,240)	-	-	(6,519)	-	(6,519)
	8,761	430	3,640	233	13,064	-	13,064
Movements in fair value							
Acquisition of assets at fair value	812	127	29	-	968	-	968
Fair value of assets disposed	(520)	(37)	-	-	(557)	-	(557)
	292	90	29	-	411	-	411
Movements in accumulated depreciation							
Depreciation and amortisation	(885)	(102)	-	-	(987)	-	(987)
Accumulated depreciation of disposals	308	37	-	-	345	-	345
	(577)	(65)	-	-	(642)	-	(642)
At fair value 30 June 2017	14,332	1,760	3,669	233	19,994	-	19,994
Accumulated depreciation at 30 June 2017	(5,856)	(1,305)	-	-	(7,161)	-	(7,161)
	8,476	455	3,669	233	12,833	-	12,833

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017

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

2017 Infrastructure	Roads	Bridges	Footpaths & cycleways	Drainage	Recreational, leisure and community	Waste management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Other Infrastructure	Works in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2016	408,182	19,002	24,029	1,979	10,554	5,684	3,381	3,289	4,134	24,203	1,000	505,437
Accumulated depreciation at 1 July 2017	(130,613)	(8,020)	(11,795)	(463)	(3,191)	(2,749)	(1,395)	(1,167)	(1,984)	(5,623)	-	(167,000)
	277,569	10,982	12,234	1,516	7,363	2,935	1,986	2,122	2,150	18,580	1,000	338,437
Movements in fair value												
Acquisition of assets at fair value	4,774	245	535	11	188	472	144	-	-	183	2,069	8,621
Contributions by developers and others	708	-	206	-	-	-	-	-	-	-	-	914
Revaluation increments	4,473	-	-	-	-	-	-	-	-	-	-	4,473
Fair value of assets disposed	(2,631)	-	(6)	-	-	(707)	-	-	-	-	-	(3,344)
Transfers	128	71	11	-	-	-	-	-	-	13	(223)	-
	7,452	316	746	11	188	(235)	144	-	-	196	1,846	10,664
Movements in accumulated depreciation												
Depreciation and amortisation	(6,117)	(201)	(532)	(32)	(263)	(386)	(143)	(101)	(61)	(484)	-	(8,320)
Accumulated depreciation of disposals	1,490	-	6	-	-	707	-	-	-	-	-	2,203
Revaluation decrement	1,098	-	-	-	-	-	-	-	-	-	-	1,098
Impairment losses recognised in operating result	(2,635)	-	-	-	-	-	-	-	-	-	-	(2,635)
	(6,164)	(201)	(526)	(32)	(263)	321	(143)	(101)	(61)	(484)	-	(7,654)
At fair value 30 June 2017	415,634	19,318	24,775	1,990	10,742	5,449	3,525	3,289	4,134	24,399	2,846	516,101
Accumulated depreciation at 30 June 2017	(136,777)	(8,221)	(12,321)	(495)	(3,454)	(2,428)	(1,538)	(1,268)	(2,045)	(6,107)	-	(174,654)
	278,857	11,097	12,454	1,495	7,288	3,021	1,987	2,021	2,089	18,292	2,846	341,447

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, Ben Sawyer, Certified Practising Valuer of Preston Rowe Paterson Reg No. 63163. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	DOV Mth Yr
Land	-	-	35,900	June 2016
Specialised Land	-	-	667	n/a
Land Improvements	-	-	591	June 2014
Buildings - non specialised	-	-	57,487	June 2016

Total	-	-	94,645	
	=====			

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Mr Peter Moloney, Dip CE. CE. EWS. MIEAust, Moloney Asset Management Services.

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	DOV Mth Yr
Roads	-	-	278,857	July 2014
Bridges	-	-	11,097	June 2013
Footpaths and cycleways	-	-	12,454	July 2014
Drainage	-	-	1,495	June 2017
Recreation & leisure facilities	-	-	7,288	June 2013
Waste management	-	-	3,021	June 2013
Parks, open space & streetscapes	-	-	1,987	June 2013
Aerodromes	-	-	2,021	June 2013
Off street car parks	-	-	2,089	June 2013
Other infrastructure	-	-	18,292	June 2013

Total	-	-	338,601	

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

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

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$815 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$200 to \$300 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 143 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure are determined on the basis of the current condition of the asset and vary from 3 years to 110 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2017 \$'000	2016 \$'000
Reconciliation of specialised land		
Land under roads	667	567
Total specialised land	667	567

25 INVESTMENT PROPERTY

Balance at beginning of financial year	2,400	2,300
Fair value adjustments	-	100
Balance at end of financial year	2,400	2,400

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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

26 TRADE AND OTHER PAYABLES

	2017 \$'000	2016 \$'000
Trade payables	5,525	4,290
Accrued expenditure	7	8
Total trade and other payables	5,532	4,298

27 TRUST FUNDS AND DEPOSITS

Refundable building deposits	54	67
Refundable contract deposits	74	53
Refundable security deposits	210	318
Refundable retention amounts	70	49
Other refundable deposits	120	122
Total trust funds and deposits	528	609

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.

28 PROVISIONS

	Employee \$'000	Quarry Restoration \$'000	Landfill Restoration \$'000	Total \$'000
2017				
Balance at the beginning of the financial year	5,219	191	1,765	7,175
Additional provisions	1,978	20	757	2,755
Amounts used	(1,703)	(45)	(112)	(1,860)
Increase/(decrement) in the discounted amount arising because of time and the effect of any change in the discount rate	(97)	-	3	(94)
Balance at the end of the financial year	5,397	166	2,413	7,976
2016				
Balance at the beginning of the financial year	4,500	190	2,690	7,380
Additional provisions	2,273	2	95	2,370
Amounts used	(1,592)	(9)	(1,034)	(2,635)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	38	8	14	60
Balance at the end of the financial year	5,219	191	1,765	7,175

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

28 PROVISIONS (cont.)	2017 \$'000	2016 \$'000
(a) Employee provisions		
Current provisions expected to be settled wholly within 12 months		
Annual leave	1,295	1,290
Long service leave	218	218
Sick leave gratuity	42	40
	-----	-----
	1,555	1,548
	=====	=====
Current provisions expected to be wholly settled after 12 months		
Annual leave	214	198
Long service leave	2,565	2,567
Sick leave gratuity	238	299
	-----	-----
	3,017	3,064
	=====	=====
Total current employee provisions	-----	-----
	4,572	4,612
	=====	=====
Non-current		
Long service leave	636	607
Sick leave gratuity	189	-
	-----	-----
Total Non Current Employee Provisions	825	607
	=====	=====
Aggregate carrying amount of employee provisions		
Current	4,572	4,612
Non-current	825	607
	-----	-----
Total aggregate carrying amount of employee provisions	5,397	5,219
	=====	=====
(b) Restoration Provisions		
Quarry restoration provision		
Current	-	25
Non-current	166	166
	-----	-----
	166	191
	=====	=====

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017

28 PROVISIONS (cont.)	2017	2016
	\$'000	\$'000
(c) Landfill restoration provision	-----	-----
Current	376	510
Non-current	2,037	1,255
	-----	-----
	2,413	1,765
	=====	=====

29 INTEREST BEARING LOANS AND BORROWINGS

Current		
Borrowings - secured	451	438
	-----	-----
	451	438
	=====	=====

Non-current		
Borrowings - secured	5,872	6,322
	-----	-----
	5,872	6,322
	=====	=====

Total	6,323	6,760
	=====	=====

The maturity profile for Council's borrowings is:

Not later than one year	451	438
Later than one year and not later than five years	1,567	1,890
Later than five years	4,305	4,432
	-----	-----
	6,323	6,760
	=====	=====

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

30 ASSET REPLACEMENT RESERVES

	Balance at beginning of reporting period \$'000	Transfer to accumulated surplus \$'000	Transfer from accumulated surplus \$'000	Balance at end of reporting period \$'000
2017				
Car park development	1,767	421	61	2,127
Office equipment replacement	363	301	188	476
Plant replacement	3,296	1,674	680	4,290
Recreation contribution	262	41	6	297
Waste management replacement	1,602	1,283	464	2,421
Contingency & redundancy	143	54	128	69
Firebrace St properties	526	103	9	620
Major capital projects	117	-	67	50
Aquatic centre replacement	562	285	80	767
Aerodrome reseal	172	141	-	313
Industrial estate	3,601	32	74	3,559
Library asset replacement	51	8	11	48
Livestock exchange	282	-	64	218
Loan funds	342	439	35	746
Quarry & road rehabilitation	80	19	-	99
Road construction	32	-	-	32
Town Hall redevelopment	14	-	14	-
Headworks drainage	408	124	87	445
Unfunded superannuation	400	100	-	500
Wimmera Business Centre	139	21	-	160
Wimmera Freight Terminal	259	82	6	335
Infrastructure gap	539	293	20	812
Sustainability projects	-	55	-	55
	14,957	5,476	1,994	18,439
2016				
Car park development	1,640	563	436	1,767
Office equipment replacement	392	125	154	363
Plant replacement	2,725	1,824	1,253	3,296
Recreation contribution	263	4	5	262
Waste management replacement	1,973	1,128	1,499	1,602
Contingency & redundancy	83	60	-	143
Firebrace St properties	472	54	-	526
Major capital projects	79	38	-	117
Aquatic centre replacement	514	71	23	562
Aerodrome reseal	93	79	-	172
Industrial estate	4,060	601	1,060	3,601
Library asset replacement	56	7	12	51
Livestock exchange	285	8	11	282
Loan funds	162	180	-	342
Quarry & road rehabilitation	70	10	-	80
Road construction	32	-	-	32
Town Hall redevelopment	163	-	149	14
Headworks drainage	357	73	22	408
Unfunded superannuation	300	100	-	400
Wimmera Business Centre	113	26	-	139
Wimmera Freight Terminal	186	73	-	259
Infrastructure gap	-	539	-	539
	14,018	5,563	4,624	14,957

The above transfers represent an appropriation of funds for the future replacement and expansion of assets.

The loan fund reserve is held to meet the future increased loan repayments required for planned capital renewal and expansion projects.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

31 ASSET REVALUATION RESERVES

2017	Balance at beginning of reporting period \$'000	Impairments \$'000	Revaluation increment/ (decrement) \$'000	Balance at end of reporting period \$'000
Property				
Land	22,960	-	-	22,960
Other land improvements	2,975	-	-	2,975
Buildings	19,703	-	-	19,703
Total property	45,638	-	-	45,638
Plant and equipment				
Works of art	1,330	-	-	1,330
Total plant and equipment	1,330	-	-	1,330
Infrastructure				
Roads	123,561	(2,634)	5,571	126,498
Kerb and channel	9,383	-	-	9,383
Drainage	15,884	-	-	15,884
Footpaths and cycleways	8,330	-	-	8,330
Bridges	2,823	-	-	2,823
Other infrastructures	7,595	-	-	7,595
Total Infrastructure	167,576	(2,634)	5,571	170,513
Other				
Land held for sale	1,075	-	-	1,075
	215,619	(2,634)	5,571	218,556
2016				
Property				
Land	28,483	-	(5,523)	22,960
Other land improvements	2,975	-	-	2,975
Buildings	16,663	-	3,040	19,703
Total property	48,121	-	(2,483)	45,638
Plant and equipment				
Works of art	1,330	-	-	1,330
Total plant and equipment	1,330	-	-	1,330
Infrastructure				
Roads	123,561	-	-	123,561
Kerb and channel	9,383	-	-	9,383
Drainage	15,884	-	-	15,884
Footpaths and cycleways	8,330	-	-	8,330
Bridges	2,823	-	-	2,823
Other infrastructures	7,595	-	-	7,595
Total Infrastructure	167,576	-	-	167,576
Other				
Land held for sale	1,075	-	-	1,075
	218,102	-	(2,483)	215,619

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

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

	2017 \$'000	2016 \$'000

Surplus for the year	8,292	1,291
Depreciation and amortisation	10,809	11,371
Loss on disposal of property, infrastructure, plant and equipment	1,498	1,184
Contributions - Non-monetary assets	(1,032)	(1,131)
Found assets - Land	-	(1,871)
Share of (profits) of associates	(91)	(27)
Fair value (increment) adjustments for Investment property	-	(100)
Financing Costs	321	206
Change in assets and liabilities:		
Increase in employee provision	178	720
Increase/(Decrease) in quarry provision	(25)	1
Increase/(Decrease) in landfill provision	648	(925)
(Increase) in prepayments	(125)	(148)
Increase/(Decrease) in trade and other payables	1,153	(308)
Decrease in inventories	185	171
(Increase)/Decrease in trade and other receivable	(993)	198
(Increase)/Decrease in accrued income	(1,342)	325

Net cash provided by/(used in) operating activities	19,476	10,957
	=====	

33 FINANCING ARRANGEMENTS

Financing

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

Bank overdraft	1,000	1,000
Credit card facilities	249	266

Total facilities	1,249	1,266
	=====	
Used facilities	-	-
Unused facilities	1,249	1,266

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

34 COMMITMENTS

The Council has entered into the following commitments

2017	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				
Various Studies	82	-	-	82
Building Surveyor Services	357	-	-	357
Strategic Planning Services	80	-	-	80
Community facilities	68	-	-	68
Capital				
Roadworks	430	-	-	430
Horsham North Childrens Hub	2,512	-	-	2,512
CCTV Cameras	361	-	-	361
Bridge works	41	-	-	41
Landfill Construction	1,149	-	-	1,149
Other Buildings Refurbishment Plant	295	-	-	295
	517	-	-	517
Total	5,892	-	-	5,892

2016	Not Later Than 1 Year \$'000	Later Than 1 Year and Not Later Than 2 years \$'000	Later Than 2 Years and Not Later Than 5 years \$'000	TOTAL \$'000
Operating				
Waste Collection Recycling	219	-	-	219
Various Studies	161	-	-	161
Building Surveyor Services	349	357	-	706
Strategic Planning Services	78	-	-	78
Waste Rehabilitation	77	-	-	77
GIS Shared Services	53	-	-	53
Council Election	127	-	-	127
Capital				
Roadworks	100	-	-	100
Horsham North Childrens Hub	107	-	-	107
Pedestrian Bridge	385	-	-	385
Livestock Exchange Loading Ramps	34	-	-	34
Other Buildings Refurbishment Plant	104	-	-	104
	149	-	-	149
Total	1,943	357	-	2,300

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

35 OPERATING LEASE COMMITMENTS

(a) Operating lease commitments

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

	2017 \$'000	2016 \$'000
	-----	-----
Not later than one year	-	12

(b) Operating lease receivables

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

During 16/17, Council entered into a 5 year operating lease of the Town Hall Café. The lease includes a CPI based revision of the rental charge annually.

Council has also entered into a long term lease of the Horsham Caravan Park. The 21 year lease includes an annual CPI increase on the rental charge.

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

	2017 \$'000	2016 \$'000
	-----	-----
Not later than one year	256	234
Later than one year and not later than 5 years	760	720
Later than 5 years	1,268	1,204
	-----	-----
	2,284	2,158
	=====	=====

36 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 Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision My Super/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings, for the year ended 30 June 2017, this was 9.5% required under Superannuation Guarantee 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 the 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 purposes of AASB 119.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

36 SUPERANNUATION (Cont.)

Funding Arrangements

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

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.0%.

To determine the VBI, the fund Actuary used the following long-term assumptions:

Net Investment Return	7.00% p.a.
Salary Inflation	4.25% p.a.
Price Inflation (BPI)	2.50% p.a.

Vision Super has advised that the estimated VBI at quarter ended 30 June 2017 was 103.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund's actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). This rate will increase in line with any increase to the contribution rate.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding Calls

If the defined benefit category is in an unsatisfactory financial position at actuarial investigation or the defined benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the defined benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Horsham Rural City Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date of the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

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

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

36 SUPERANNUATION (Cont.)

2016 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$40.3 million; and
- A total service liability surplus of \$156 million.

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 2016.

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.

2017 Full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

Horsham Rural City Council was notified of the 30 June 2016 VBI during August 2016.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ended 30 June 2018 is \$156,000.

37 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

Finance Assurance for Dooen Landfill

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

Defined benefit superannuation scheme obligations

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme. Matters relating to this potential obligation are outlined in Note 36. As a result of the volatility in financial markets the likelihood of making such contributions in the future period exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

38 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 of 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 Note 1 of the financial statements.

Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

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

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

Receivables consist of a large number of customers, spread across the ratepayer, consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal, because the main

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 37.

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 30th JUNE, 2017****38 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 financial assets at below value or may be unable to settle or recover a financial assets.

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 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 29.

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

(e) Fair value

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.

(f) Sensitivity disclosure analysis

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

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

39 RELATED PARTY DISCLOSURES

(i) Related parties

Parent Entity

Horsham Rural City Council is the parent entity.

Subsidiaries and associates

Interests in subsidiaries and associates are detailed in note 17.

(ii) 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 P.N. Clarke	Returned to office on 1/11/12.
Cr D.A. Grimble	Returned to office on 1/11/12.
Cr M.A. Radford	Returned to office on 1/11/12.
Cr J.T. Koenig	Duly elected to office 10/11/16.
Cr L.V. Power	Duly elected to office 10/11/16.
Cr J.T. Robinson	Duly elected to office 10/11/16.
Cr A.N. Sedgmen	Duly elected to office 10/11/16.
Cr R.L. Barber	Retired from office on 10/11/16.
Cr S.J. Exell	Retired from office on 10/11/16.
Cr A.J. Phelan	Retired from office on 10/11/16.
Cr H.R. Phillips	Retired from office on 10/11/16.

	2017 No.	2016 No.
Total number of councillors	11	7
Chief executive officer and other key management personnel	5	6
Total key management personnel	16	13

Chief Executive Officer P.F. Brown Commenced 1/11/10

(iii) Remuneration of key management personnel

	2017 \$'000	2016 \$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,129	1,152
Long-term benefits	46	24
Post-employment benefits	106	113
Total	1,281	1,289

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

39 RELATED PARTY DISCLOSURES (Cont.)

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	3	-
\$ 10,000 - \$ 19,999	4	-
\$ 20,000 - \$ 29,999	3	4
\$ 30,000 - \$ 39,999	-	2
\$ 40,000 - \$ 49,999	1	-
\$ 50,000 - \$ 59,999	-	1
\$ 70,000 - \$ 79,999	-	1
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	-	2
\$180,000 - \$189,999	2	-
\$190,000 - \$199,999	1	-
\$200,000 - \$209,999	-	1
\$209,000 - \$219,999	1	-
\$250,000 - \$259,999	-	1
\$260,000 - \$269,999	1	-
	16	13
	16	13

(iv) Transactions with related parties

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

	2017 \$'000
Fees and charges charged to associates	Nil
Fees and charges charged to entities controlled by key management personnel	Nil
Infrastructure contributions from entities controlled by key management personnel	Nil
Employee expenses for close family members of key management personnel	1 part time employee See note (a)
Purchase of materials and services from entities controlled by key management personnel	\$'000 174 See note (b)

Note (a)

A close family member of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The council employs 280 staff of which only 1 is a close family member of key management personnel.

Note (b)

The council purchased the meals on wheels from an entity that was controlled by a member of the key management personnel. The purchase was at arm's length and was in the normal course of council operations.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2017**

39 RELATED PARTY DISCLOSURES (Cont.)

(v) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties, nil (2015/16 nil).

(vi) 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, (2015/16 nil).

(vii) 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, (2015/16 nil).

40 SENIOR OFFICER REMUNERATION

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive Officer;
- b) whose total annual remuneration exceeds \$142,000 is nil, (2015/16 nil).

41 EVENTS OCCURRING AFTER BALANCE DATE

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



FINISH

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