



**2021
2022**
.....
**Annual
Report**



Accessibility

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Acknowledgement of Country

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

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

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Graphic Design | AR Graphic Design
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Printed by: Revolution Print

Images courtesy of: HRCC staff

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Community Vision

“In 2041, Horsham region is a vibrant, liveable hub that thrives on strong economic growth and social connectedness. Empowering people to live, work and access opportunities for recreation and culture, now and into the future.”



SUSTAINABILITY

A sustainable community is driven by strong economic growth in a healthy and safe, natural environment.



ACCESSIBILITY

An accessible community is a connected hub supported by an extensive transport network. It is designed to meet the growing demand for services and supports education and wellbeing.



LIVEABILITY

A liveable community is a place where green spaces are prioritised and specialised services are available to promote physical and mental health and wellbeing.



COMMUNITY

A welcoming community connects the diverse population and enables all people to feel a strong sense of belonging. It is underpinned by a framework of community consultation and accountable and transparent decision making.

Report of Operations

For the year ended 30 June 2022

Introduction

This Annual Report has been prepared in accordance with the requirements and guidelines of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020* and acknowledges the legal responsibility to comply with the *Charter of Human Rights and Responsibilities Act 2006* and the *Equal Opportunity Act 2010*.

The report details the achievements and performance of Horsham Rural City Council over the past year, along with the challenges presented. It is an important document that provides a transparent record of Council's activities in meeting the needs of the community as set out in the Council Plan.

Council Snapshot

City Profile

Horsham Rural City is a regional city in the Wimmera Southern Mallee region of Western Victoria. The Wimmera Southern Mallee encompasses 20 percent of the area of Victoria and only 1 percent of the population. Horsham Rural City Council has an estimated residential population of 19,961¹ people (2021). Approximately three quarters of residents live within the urban area of Horsham.

At the 2021 Census², Aboriginal and/or Torres Strait Islander people made up 2.2 percent of the population and 90.9 percent of the population were born in Australia. India, England, Philippines, New Zealand and Italy were the most common countries of birth.

Located along the Wimmera River, Horsham is approximately 300 kilometres north-west of Melbourne. The municipality covers an area of 4,267 square kilometres and includes the major centres of Horsham and Natimuk, and the localities of:

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

Horsham is a hub in the Wimmera for health care, niche retail, community services and arts and cultural opportunities. A dryland and broadacre agricultural municipality, Horsham is home to the Grains Innovation Park (a nationally acclaimed agricultural research centre) and quality educational facilities including private and public secondary colleges, a university and an agricultural college. The municipality also has a rich indigenous history and an abundance of diverse natural assets including recreational lakes, wetlands, the Wimmera River, Mount Arapiles and the Wartook Valley, with the Grampians National Park nearby.

Horsham Rural City Council is committed to working with the community to develop the municipality through strong leadership, vision, good governance, responsive services and quality infrastructure, whilst enhancing our liveability and natural environment. The 2021-25 Council Plan and 2021-22 Budget, set the strategic direction for Council and management and include the indicators that Council uses to deliver key outcomes.

¹ ABS 2021 Census
– www.quickstats.censusdata.abs.gov.au

² ABS 2021 Census
– www.quickstats.censusdata.abs.gov.au



Major Employment Sectors:

- Health and social assistance
- Retail
- Construction
- Agriculture, forestry and fishing
- Education and training
- Accommodation and food services
- Public administration and safety
-

Description of Operations

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

Council’s Strategic Objectives, Strategies, Initiatives and Priorities to further improve the health, prosperity and wellbeing of our community through the provision of services and facilities are described in the 2021-25 Council Plan and associated 2021-22 budget, and reported upon in the Performance section of this document (page 40).

The delivery of services, facilities, support and advocacy to achieve the strategic objectives is measured by a set of service performance indicators and measures (page 70). Council also has a wide range of responsibilities under the Victorian and Australian legislation.



12,749
rateable properties housing
19,961 residents



Connecting family, friends,
work and play through
2,983 kilometres
of maintained roads



7,904 tonnes of waste
and 1,510 tonnes of recycling
diverted from landfill



7,063 online service requests
responded to for the safety,
sustainability and connection
of our community



Connected community through
grants and donations provided
to not-for-profit groups to
the value of **\$381,756**



97.15 percent
participation in 4 week
Key Age and Stage visit by
Maternal Health Nurses



1,700 trees planted
providing shade for pedestrians,
habitat for birds and natural beauty



2,989 footpath
and road issues resolved
for the safety and supported
connection of residents



125 animals
were rehomed and
424 collected



59,690
library items loaned



Fitness and social
enjoyment through
77,664 aquatic centre
visits



241,862 square meters
of road resealed connecting
community across our region



281 birth notices
received and supported by our
maternal health team



162 Council decisions
made with only 14 decisions
closed to the public



Greenhouse gas emissions
reduced by 50%
in one year of sustainability
initiatives

Services Council Delivers

General snapshot of services Council delivered for every \$100 spent in 2021-2022:



\$16.82
Rural – Roads
Paths & Bridges



\$12.70
Urban – Roads
Paths & Bridges



\$14.93
Waste, Recycling
& Environmental Services



\$2.48
Building Regulation & Strategic
Landuse Planning



\$1.92
Economic Development
& Tourism



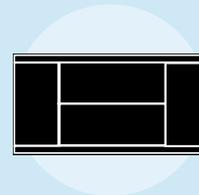
\$7.05
Arts & Culture



\$13.12
Council Governance
& Operations



\$12.48
Parks & Open Spaces



\$7.24
Recreation & Community
Facilities



\$13.11
Families, Youth
& Children Services



\$3.72
Community Safety
& Animal Management



\$4.43
Enterprise & Business Units



Major Achievements

Yangga Dyata – Walking on Country

National Reconciliation Week saw the grand opening of the new Yangga Dyata - Walking on Country Silo artwork. A smoking ceremony opened the artwork with a walk on country following Yangga Tyerrang Street (Firebrace Street) through to Warta Tyerrang Muwil Park (Sawyer Park).

Chair of Barengi Gadjin Land Council Aboriginal Corporation and Clarke Family Representative Dylan Clarke noted the important achievement.

"I believe this is a significant accomplishment for reconciliation week, and is a demonstration of quality partnerships across our region. The Silo depicts an iconic story of our region and connects both sides of our communities to a history that recognises the importance of traditional practices and methods."

Projections featuring Wotjobaluk Nations' artwork, curated by ACT Natimuk led the way with the walk ending at Warta Tyerrang Muwil Park (Sawyer Park) for a presentation of a new artwork titled, 'Let's take those steps' by local Gunditjmara and Wotjobaluk artist Tanisha Lovett.

Tanisha notes the importance of Reconciliation Week, "In the theme of my artwork we acknowledge the land we are walking on. Where we take our steps, following in the steps of our ancestors. We need to come together to care for the land and take care of each other. It's time to take those steps together to achieve this."

Following the walk on country attendees were able to enjoy live music by Dallas Woods. Dallas has used his song writing as a powerful platform to speak

about his experiences in life as an Indigenous man, the justice system, racial stereotyping and his own personal struggles. With a no holding back approach to writing, the 26 year old uses wit and wordplay to get his messages out, weaving comments on big issues into rapid-fire rhymes. Supporting Baker Boy through his entire career and having huge moments himself through 2020–2021 with his recent releases.

The *Yangga Dyata – Walking on Country* Silo Art Project is supported by the Victorian Government through Creative Victoria.

Major Achievements *continued...*

Asset Management Done Right – National Asset Management (NAMie) Award to Krishna Shrestha

The National Asset Management Award goes to a presentation or paper at the International Public Works Conference that best demonstrates the most significant contribution towards advancing Asset Management within an organisation.

Developed with a focus on innovation and efficiency, Council has implemented a raft of programs covering both community facilities and open space assets, as well as the council's extensive road and bridge network. From innovative new road repair and maintenance processes, through to an 'Australian-first' implementation of the world-renowned *Dynamic Infrastructure* AI-enabled asset data and reporting system, Horsham Rural City Council has transformed its entire approach to asset management.

Importantly, these innovative new programs are already helping to deliver a range of practical benefits for ratepayers, residents, local industry and primary producers alike, with faster, better targeted and more efficient service delivery, together with significant improvements in asset capacity, safety and amenity.

After two full years of work on development of a base level asset management system, Horsham Rural City Council, is working towards becoming a regional city

with an exemplary implementation of asset system, thanks to the efforts of Krishna Shrestha and his team. Council has been using various sophisticated tools to enable efficient decision-making, based on extensive background work on data capture and predictive modelling. For this effort Krishna has been presented with the National Asset Management Award (NAMie) at the International Public Works Conference in May this year.

Rather than simply focussing on the operational aspects of asset monitoring and maintenance, Council has moved to a more 'holistic' asset management process that includes input from all stakeholders – initially from within the council, and then from the community and local industry.

Even though Horsham Rural City Council is relatively small in terms of population, its road network stretches some 3,000 kilometres and incorporates over 60 bridges. Approximately one-third of the road network is sealed, with the remaining two-thirds split evenly between gravel and unmade earthen roads.



*According to Krishna
"managing a road
network of this type
is definitely a matter
of finding the right
balance."*



Four Bin System a Boost in Sustainability and Regional Processing

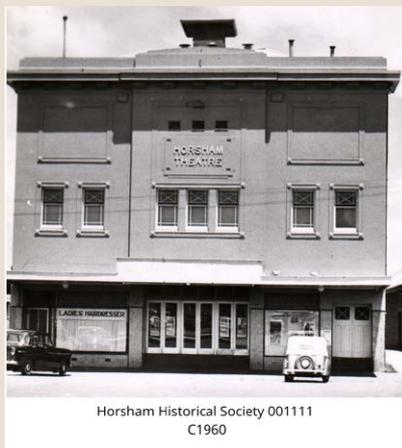
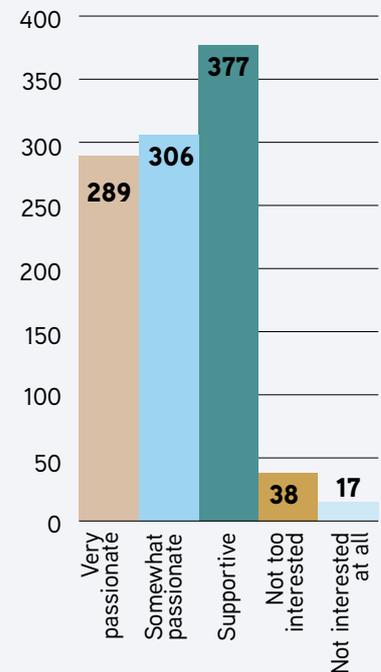
Horsham Rural City Council has started planning for the statewide switch to a four-stream kerbside waste service. Under state government legislation this is a compulsory shift for all councils.

The four bin system, while mandatory has led to significant innovation in terms of local environmental responsibility and sustainability. Discussions are underway for the processing of green waste within the region, reducing the transportation mileage of the green waste and allowing for useable product at the end of the process. Similarly the glass bins will be delivered to a local facility at where they will be processed to fine matter and returned to the Council to be used as road base.

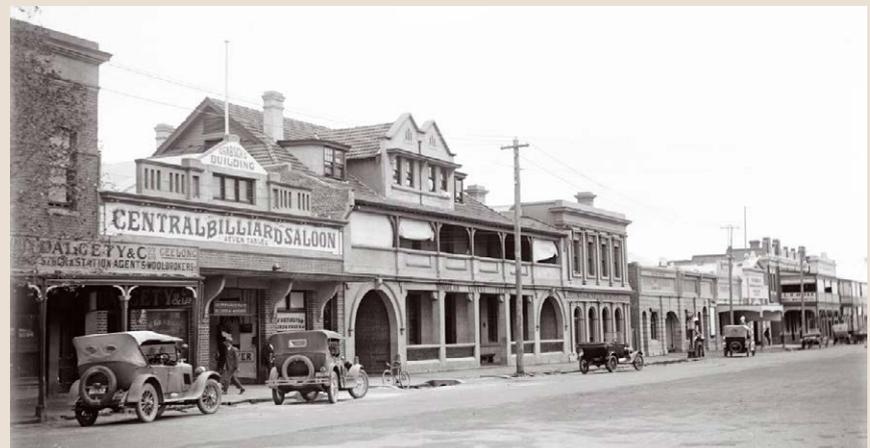
Last year a survey was conducted to determine the frequency of the kerbside collection as well as bin sizes. More than 1000 questionnaires were completed informing the shift and as a result, Councillors adopted the new Kerbside Collection Policy on 2 May 2022. Urban residents will transition from a two-bin kerbside rubbish and recycling collection to a four-bin system in April 2023.

The system will be comprised of a red lid bin for rubbish (collected fortnightly), a yellow lid bin for recycling (collected fortnightly), a green lid bin for food organics and garden organics (FOGO)(collected fortnightly) and a purple lid bin for glass (collected monthly).

Question 6: How would you rate your understanding and enthusiasm for recycling and the environment?



Horsham Historical Society 001111
C1960



Understanding the value of Heritage

Kicking off with Horsham Theatre, over the next four years Council has plans to undertake a number of conservation management plans.

Understanding the public value of heritage buildings and spaces is important in that they hold social, tourism and economic value for the community. Using the example of Horsham Theatre the intangible attributes such as the use of the

cinema, memorable events and experiences underpin the social value of the places and spaces. Protecting those memories is just as important as protecting the heritage fabric and a critical part of the overall significance.

Conservation Management Plans are a guiding document for the conservation and management of a heritage place. They identify

and record important character defining elements and architectural qualities so as to understand its heritage value and provide guidance to protect these values into the future. They do not seek to 'freeze in time' but seek to safeguard what is important and identify ways of enhancing spaces and keeping them fit for purpose.

Mayor's Message

On behalf of fellow Councillors and staff, I am pleased to present Horsham Rural City Council's 2021-22 Annual Report.

It can be said that no two people will experience the same event the same way. The ongoing pandemic and the reality for Victorians who spent more than a third of the 2021-2022 year in lockdown, has brought clarity to that statement.

For many of our Council leaders and officers, working for and alongside residents over this past year has also brought a deeper understanding of how our corporate values of being kinder, smarter and fairer can make a difference in the community.

I'm proud to say that the future of our municipality has also received the attention it deserves.

The adoption of the Greening Greater Horsham Municipal Tree Strategy and concept plans for the redevelopment of central Horsham and City Oval and Sawyer Park can be counted as major strategic planning work that has been done.

We've also made good progress on identifying the best routes for the planned alternative truck route that will provide the city with important relief from the ever-increasing number of heavy vehicles in the city. This has included working with the Department of Transport to undertake targeted engagement.

A year of projects

The more things change, the more they stay the same and maintaining rural roads remains a monumental challenge facing regional councils across Australia.

It's particularly tough in the Wimmera where reactive subsoils mean roads deteriorate quicker. Adding to the strain is the growing prevalence of B double trucks and other heavy vehicle traffic as well

as the increasing dimensions of contemporary farm machinery.

It was tremendous to see the development of Horsham's silo art project which culminated in its launch during National Reconciliation Week. The success was based on comprehensive collaboration between HRCC, the silo owners, our local indigenous community and the wider community.

The artwork, on both the silo and flourmill, celebrates little known but locally significant story of Wotjobaluk man Yanggendinyanyuk's leadership, resilience and great legacy.

The completion of a new 244,000 m³ waste cell at Dooen Landfill was a major accomplishment.

As a disposal site for residual waste originating from Horsham Rural City, as well as Hindmarsh, West Wimmera and Yarriambiack Shires, the Dooen Landfill is critical to continuity of waste services for the wider region and the new cell will be an asset for years to come.

Nearby at the Wimmera Intermodal Freight Terminal, site works have been completed at the 75-hectare Wimmera Agriculture and Logistics Hub. The WAL Hub has been developed for bulk agriculture and associated small manufacturing and warehousing logistics. With the first stage completed, blocks are now being sold to new and expanding industrial business looking to capitalise on what the Wimmera has to offer.

Arts and culture

Amid the stop-start nature of the pandemic, the past 12 months have seen Horsham embed itself as the region's performing arts hub with drawcard exhibitions at Horsham Regional Art Gallery such as The Dressmaker costume exhibition.

In between the lockdowns, Horsham Town Hall attracted big numbers through its doors with shows from Human Nature and The Rubens, Melbourne Symphony Orchestra and Bluey among the highlights.

Advocacy wins

I'd like to mention some instances where our advocacy has achieved an outstanding result for the community.

We attracted state and federal funding of \$2.35 million to construct the Hamilton Street Pedestrian Bridge along with \$5 million of Commonwealth funding for reconstruction across five of our most important rural connector roads.

We also received a \$2 million commitment from the Victorian Government to create a major outdoor events precinct at the City Oval which will include a multipurpose stage.

Other major advocacy initiatives delivered \$125,000 from Regional Arts Victoria to support a creative partnership between the Horsham Town Hall and our indigenous community. Council also auspiced a community project to upgrade the oval at the Quantong Recreation Reserve attracting a State Government grant of \$175,887.

Thank you

I'd like to finish by thanking our Chief Executive Officer Sunil Bhalla and all our staff for their ongoing support.

I'd also like to thank my Councillor colleagues for their hard work, stoicism and commitment in what has been a tumultuous and unforgettable year.



Cr Robyn Gulline
Mayor

Chief Executive Officer's Message

It is important to acknowledge that it has been another difficult year for the community. COVID has continued to alter the way we live, work and play. We had a small taste of normalcy before record rates of illness impacted families, businesses, homes and schools across the region. The high uptake of vaccination in our organisation was a testament to our staff's ability to band together in difficult times and look out for one and other. However, a winter of frequent illness and staff shortages has impacted everyone.

Services have continued for the community relatively unhindered even with staff shortages. The commitment of our staff to working together and getting the job done must be acknowledged. The organisation underwent a significant cultural audit this year. The cultural audit resoundingly demonstrated that Council staff are dedicated to this community and hold the needs of the community front of mind at all times. It is important for the community to understand and recognise the dedication of the staff to their needs and to ensuring a transparent and accountable organisation.

From an operational perspective, it has been a big year at Horsham Rural City Council with the completed implementation of the new Local Government Act 2020. This has seen the Council's adoption of the Community Vision, Council Plan, Long Term Financial Plan and Long Term Asset Plan. We have implemented a number of significant plans and strategies around roads and managed to secure significant funding for the improvement of a number of our rural roads. The time taken to engage in these planning processes sets us up to be ready in the bid to secure further government grants moving forward. In addition to this our reporting process allows our activities to be clear and transparent to the community.

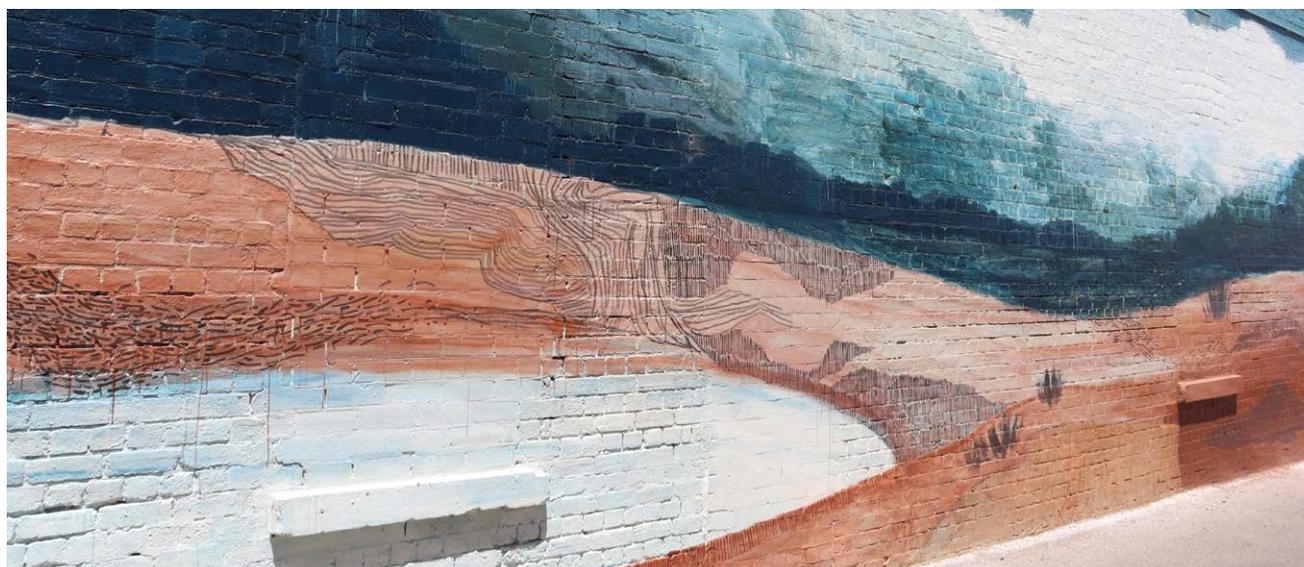
Although the year has been packed with numerous achievements, it goes without saying that the highlight of the year was the grand opening of the new *Yangga Dyata - Walking on Country* Silo artwork. The opening commenced with a smoking ceremony and walk on country following Yangga Tyerrang Street (the temporarily renamed Firebrace Street) through to Warta Tyerrang Mulwil Park (Sawyer Park).

The silo artwork is the culmination of extensive partnership works with Barenji Gadjin Land Council Aboriginal Corporation and Horsham Rural City Council. The Chair of Barenji Gadjin Land Council Aboriginal Corporation and Clarke Family Representative Dylan Clarke noted the important achievement. The silo opening saw a significant community turnout with many travellers now stopping in Horsham to view the silo. We are truly privileged to have this incredible legacy of reconciliation, resilience, acknowledgement and respect on display in our community.

I would like to thank the staff and councillors for their incredible efforts in another challenging year.



Sunil Bhalla
Chief Executive Officer



Major Challenges

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

Staff shortages in the Early Years Sector (a state wide issue) has continued to present challenges to families in the community. COVID continued to have a significant

impact on attendances at the Horsham Aquatic Centre and the Horsham Town Hall which has financial implications for Council.

Staff turnover in key areas such as the Project Office impacted on delivery of key capital works projects and planning. Supply shortages in the construction industry have also had an impact on the timely completion of works. The increase in demand for capital projects to be delivered from COVID stimulus also created

market shortages of contractors which posed a challenge to the completion of works.

COVID infection and higher than previous years waves of illness has impacted staff resourcing with the need to isolate as a result of illness and infections.

Council are taking a risk management approach to this by monitoring changes and implementing various instructions as needed.

Major Changes

Integration of Health and Wellbeing Plan

Horsham Rural City Council understands the health and wellbeing of our community underpins all that we do. Therefore, 2021 has seen Council integrate the Municipal Health and Wellbeing Plan into the Council Plan for the first time. This approach, in accordance with Section 26 of the Victorian Public Health and Wellbeing Act 2008, recognises both the important role and natural alignment of health and wellbeing in all aspects of Council work along with the increase in efficiency of planning processes. Delivery of health and wellbeing inherently promotes collaboration with local organisations to maximise the health and wellbeing outcomes for our community. The health and wellbeing priorities for

Horsham Rural City Council are (in no particular order):

- Increasing healthy eating and active living
- Reducing harmful alcohol and drug use
- Preventing family violence
- Improving mental health/social connection
- Improving sexual and reproductive health
- Improving early years and education outcomes
- Strengthening economic development
- Tackling climate change
- Improving Aboriginal health and wellbeing

Hybrid Working Environment

COVID has seen a shift to a hybrid working environment. The success of productivity remaining high with staff working from home has seen a number of staff choosing more flexible work arrangement.

Flexible arrangements have a positive impact on the mental health and wellbeing of staff.



Major capital works

This year, Horsham Rural City Council spent \$15,091,973 on capital works throughout the municipality as part of improving accessibility, connection and sustainability for the community. The table below provides details of some of the capital works projects that Council funded during 2021-22.

Major Capital Works	Amount (\$)
Rural Roads – Roads to Recovery Program	1,163,996
Rural Bridges – Roads to Recovery Program	15,553
Rural Bridges	360,898
Rural Roads	1,711,149
Urban Roads – Roads to Recovery Program	171,043
Urban Roads	1,399,704
Industrial Estate Roads	1,177,176
Completion Putrescible Waste Cell 3	920,492
Land purchase	6,986
Horsham Cinema/Mechanic Institute works	36,701
The Station Refurbishment	67,176
Town Hall Sound Banners and Lighting	159,855
Replacement two new Public Convenience	556,907
Buildings Solar Roofing	19,461
Miscellaneous Building Works	149,211
Pergola structures – Wimmera River	239,992
Barbecue structures – Wimmera River	420,704
Miscellaneous Parks and Gardens	19,702
Off Street Car park	35,225
Caravan Park Improvements	44,000
Plant and Equipment replacements	2,334,027
Furniture and equipment	412,066
Works in Progress	3,320,480
Public Art Purchases	310,155
Art Purchases	39,314
Total	15,091,973



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



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



Cr David Bowe
First elected: 24 October 2020
 david.bowe@hrcc.vic.gov.au
 437 894 605

Our Council

Horsham Rural City Council has seven Councillors elected every four years by the residents of the municipality. Voting is conducted via postal vote, with the most recent election held on 24 October 2020.

The seven Councillors are the elected representatives of all residents and ratepayers across the municipality. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation. The Mayor is elected for a one-year period each November and is voted in by the Councillors.

Our Councillors are listed here.



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



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



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



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



Chief Executive Officer
Sunil Bhalla

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

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

Our People
Organisational Structure

The Chief Executive Officer (CEO) leads an Executive Management Team which includes three Directors. The team plans, coordinates and monitors the progress of Council's goals and strategic direction and manages day-to-day business activities. Directors are accountable to the CEO for effective and efficient management of their portfolios and the collective delivery of the Council Plan.

Senior Officers Reporting Directly to the Chief Executive Officer



Director
Communities and Place

Kevin O'Brien

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

Arts, Culture and Recreation

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

Community Services and Safety

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

Investment Attraction and Growth

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



Director
Corporate Services

Graeme Harrison

B Econ, Dip GAICD, CPA

Finance

- General Accounting
- Revenue

Governance and Information

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

People and Culture

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



Director
Infrastructure

John Martin

BE (Agric)

Engineering Services

- Engineering Design
- Facilities management
- Project Office

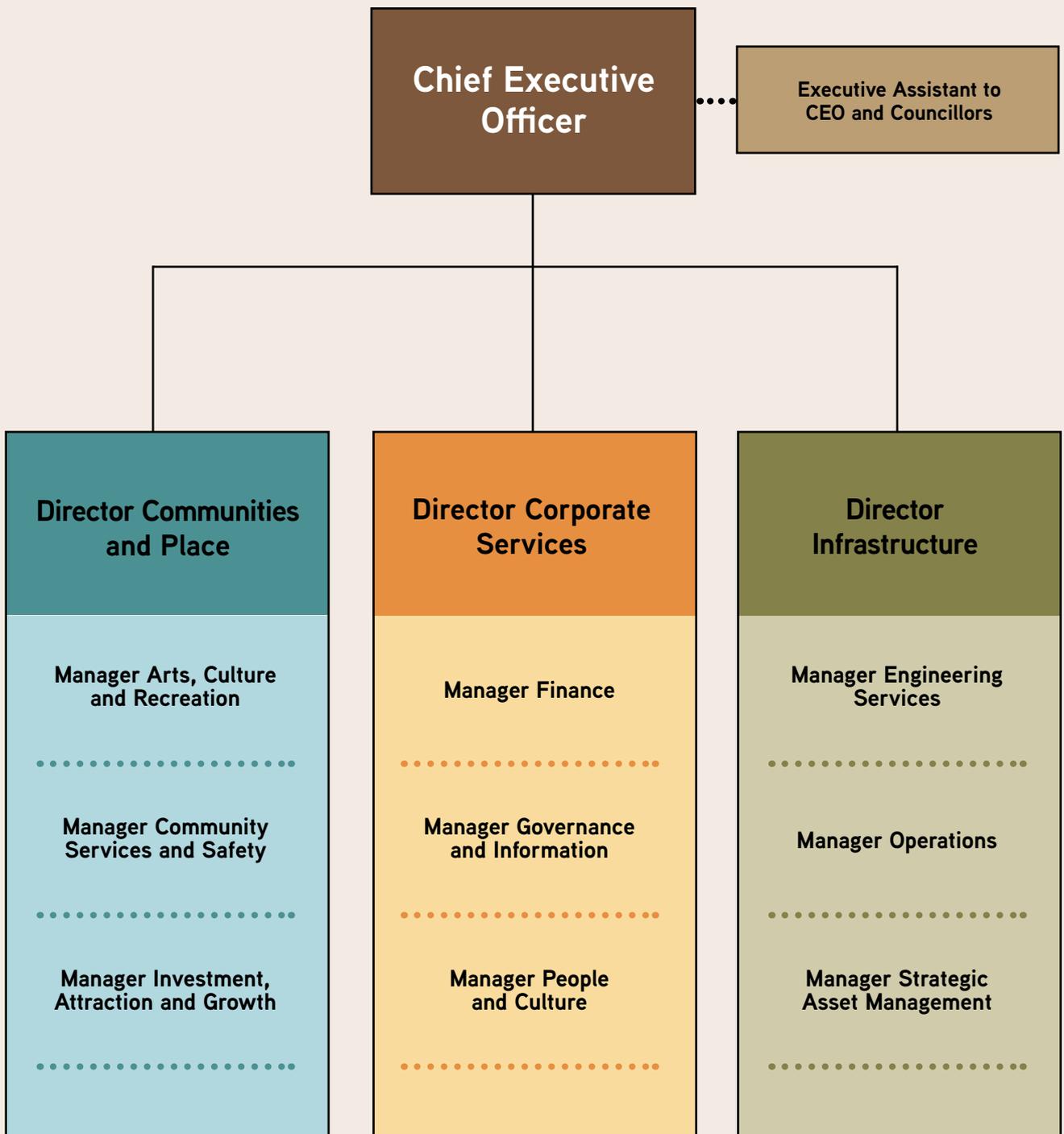
Operations

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

Strategic Asset Management

- Assets
- Fleet
- Waste and Sustainability

Organisational Structure



Organisational Vision, Values and Behaviours Statement

Our Organisational VISION

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

Our Organisational VALUES



F



A



I



R

WE VALUE

FLEXIBILITY

We are adaptable to changing circumstances

MY BEHAVIOUR

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

ACCOUNTABILITY

We are responsible for our behaviour and actions

MY BEHAVIOUR

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

INTEGRITY

We are ethical, transparent and honest in our conduct

MY BEHAVIOUR

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

RESPECT

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

MY BEHAVIOUR

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



Horsham Rural City
Council urban rural balance

Community Development Grants and Donations

Council's Community Development Grants and Donations program allocates funding to local not-for-profit organisations, groups and associations every year. The program helps groups in the Horsham and district community to improve community facilities and events, and work together for more engaged and healthy communities. Council provided a total of \$388,903 in Community Grants and Donations this year. Details are provided below.

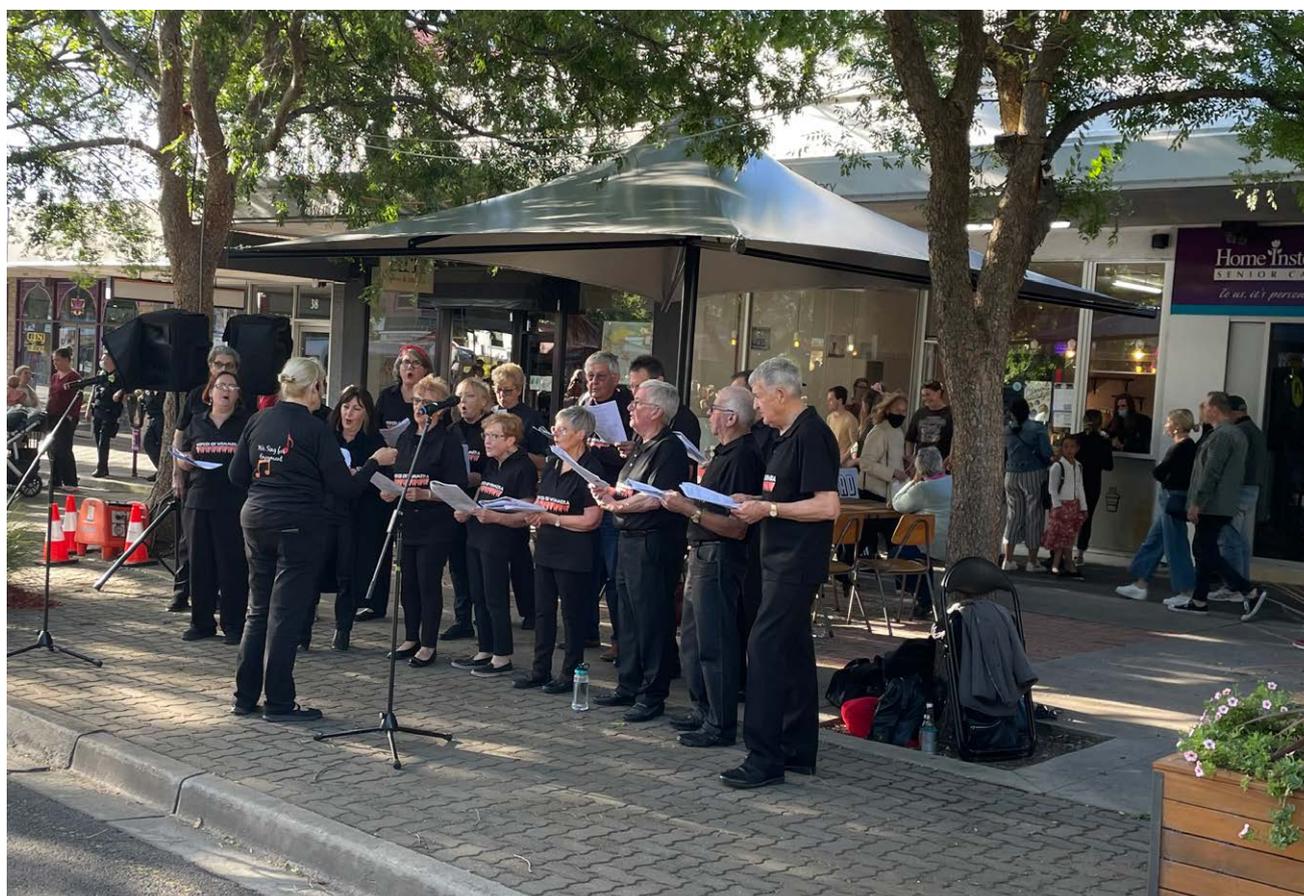
Sport and Recreation	Donations (\$)	Grants (\$)
Natimuk Climbing Club		4,118
Horsham Table Tennis Association Inc.		4,000
Noradjuha Recreation Reserve Committee		1,620
Coughlin Park Committee of Management		5,400
Wimmera Equestrian Club		5,000
Central Park Tennis Club		2,498
Horsham City Bowling Club Inc.		5,000
Natimuk Golf Club		880
Horsham Golf Club		1,500
Laharum Sports Inc.		3,810
Wimmera Kart Racing Club Inc.		4,800
Horsham Croquet Club Inc.		5,000
Sunnyside Horsham Bowling Club		1,333
Horsham City Rowing Club Inc.		1,751
Riding for the Disabled Association Horsham		1,364
Riverside Recreation Reserve		5,000
Horsham Swimming Club		3,710
Homers Sporting Club Inc.		8,500
Natimuk Bowling Club Inc.		2,000
Toolondo Golf Club		3,000
Taylors Lake Football Netball Club		5,794
Noradjuha Quantong Football Netball Club		8,367
Specific Donation - Horsham Basketball Stadium (Lease)	15,500	

Community maintained Recreation Reserve maintenance allocation	Donations (\$)	Grants (\$)
Clear Lake	530	
Dock Lake	12,530	
Dooen Recreation Reserve	530	
Laharum	12,530	
Kalkee	6,265	
Pimpinio	6,265	
Quantong	12,530	
Riverside (Equestrian Outdoor Surface)	530	
Noradjuha	3,110	
Natimuk Showgrounds	6,265	
Toolondo	530	
Coughlin Park (HRCC allocation of outdoor staff resources)	11,987	
Total Community Grants for Sport and Recreation	89,102	84,445
Halls Infrastructure	Donations (\$)	Grants (\$)
Dooen Public Hall		7,493
Laharum Hall Committee		3,000
Natimuk & District Soldiers Memorial Hall		5,055
Wonwondah Hall		1,000
Insurance levy for Public Halls	11,004	
Insurance levy for other community groups	8,175	
Total Community Grants for Halls	19,179	16,548
Kindergartens	Donations (\$)	Grants (\$)
Bennett Rd Kindergarten	1,050	
Green Park Casuarina Kindergarten	3,725	
Natimuk Rd Pre-School	4,485	
Maintenance Grants of \$883 for Council's 6 Kindergartens	5,298	
Total Community Grants for Kindergartens	14,558	0
General Welfare and Community Services	Donations (\$)	Grants (\$)
Christian Emergency Food Centre Inc.	5,075	
Horsham College Chaplaincy Committee	5,800	
Wimmera River Imp Committee	8,485	
Wimmera River Imp Committee-Police paddock	2,490	
Total Community Grants for General Welfare and Community Services	21,850	0

Community Development Grants and Donations *continued...*

Organisations	Donations (\$)	Grants (\$)
Arapiles Historical Society		2,500
Arapiles Community Theatre (ACT) Natimuk		5,000
Gariwerd Wimmera Reconciliation Network		3,925
Horsham Agricultural Society		6,000
Horsham Angling Club		10,000
Horsham Arts Council		4,000
Horsham Camera Club		1,755
Horsham Dog Obedience Club		588
Horsham Girl Guides		983
Horsham Historical Society Inc.		2,500
Lions Club of City of Horsham Inc.		1,000
Horsham Men's Shed		1,860
Horsham Rural City Brass Band		2,499
Makers Gallery and Studio Inc.		1,000
Natimuk Showgrounds Management Committee		6,000
Natimuk Urban Landcare (NUL) Group		5,000
North West Grampians Lions Club of Horsham		1,500
Oasis Wimmera		1,800
Phoenix Animal Rescue Horsham		985
Smart Artz Theatre Inc.		4,633
The Salvation Army		4,000
U3A Horsham & District Inc.		999
Wimmera Association for Genealogy	335	
Wimmera Hearing Society Inc.		2,260
Wimmera Model Aircraft Association		5,000
Horsham City Pipe Band	1,770	
Horsham Rural City Brass Band	1,770	
Natimuk Brass Band	1,770	
Dadswells Bridge Hall - newsletter	275	
Natimuk & District Progress Association	1,770	
North West Grampians Newsletter	1,770	
Wonwondah North Hall - Newsletter	275	
Charitable Organisations - refund of rates (Red Cross, St Vincent de Paul, Salvation Army, Axis Worx, Jacobs Well)	6,225	
Federation University Horsham Campus - Nursing award	300	
Longerenong Citizenship Prize	300	
Horsham Secondary College Senior Achievement Award	200	
Horsham College - Alternate Pathways Achievement Award	200	
St Brigid's College Senior Achievement Award	200	
Holy Trinity Lutheran College Senior Achievement Award	200	
Total Community Grants to Organisations	17,360	75,787

Events	Donations (\$)	Grants (\$)
Ace Radio		682
Arapiles Community Theatre Nati Frinj		4,336
Arapiles Cycling Event Committee		638
Art Is Festival		7,000
Horsham Calisthenics College		1,300
Horsham Christian Ministers Association	4,060	
Horsham Fishing Competition Inc.		5,000
Horsham Lawn Tennis Club		750
Kannamaroo Committee of Management		6,000
Karen New Year		6,000
Operation 19:14 Action Team		1,398
WestVic Academy of Sport		425
Wimmera Hospice Care Auxiliary		900
Wimmera Pride Project		2,385
Wimmera & Southern Mallee Careers Expo		2,200
Wimmera Music Eisteddfod		6,000
Mother's Day Classic		1,000
Total Community Grants for Events	4,060	46,014
SUB - TOTALS	166,109	222,794
GRAND TOTAL COMMUNITY GRANTS AND DONATIONS 2021/2022		388,903



Business and Community COVID Support Grants

Council allocated grants for individuals, businesses and community organisations to help prepare, respond and build resilience to face the challenging situations that have arisen during the COVID pandemic.

Restrictions have had significant economic impact on local arts, events, and recreation, hospitality, tourism, retail and community groups.

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

- Council Packages from Council Funds
- Council has distributed \$180,386 in packages from Council funds. This includes Community and Business Support Packages, rent relief and permits waived. This also includes Councillor Allowances provided for COVID Business Support.

Grants Received

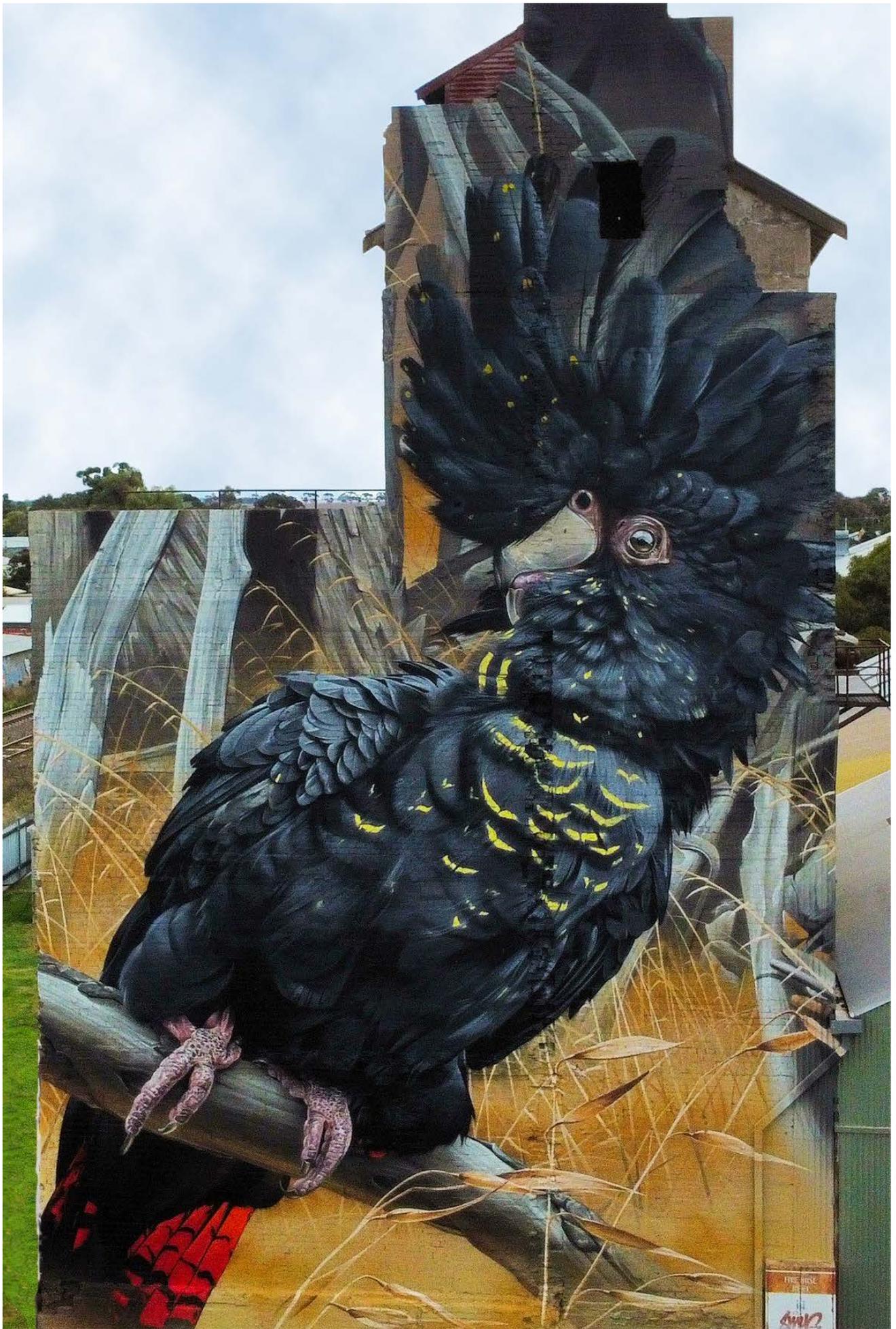
Council has received \$1,436,248 in COVID a combination of federal and state government relief grants which have been and continue to be used for various community initiatives.

The following programs have completed or are still underway:

- Australia Day COVID Safe Grant
- COVID Vaccination Program
- COVID Relief Program
- Outdoor Activation Recovery
- Arts and Events Activation.







Council Plan

The Council Plan 2021-25 sets the strategic direction of Council over the next four years, linking the Community's Vision to Strategies, Initiatives and Priorities for Horsham Rural City Council.

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

	Theme 1 - Community	Horsham Rural City Council will develop the municipality as a diverse, inclusive and vibrant community.
	Theme 2 - Liveability	Horsham Rural City Council will actively work to create a healthy and connected community that is a great place to live, work, invest and explore for all ages, abilities and backgrounds.
	Theme 3 - Sustainability	Horsham Rural City Council will actively lead in sustainable growth and development of the community and the economy.
	Theme 4 - Accessibility	Horsham Rural City Council will meet community needs through connected transport networks and the provision of accessible and welcoming places and spaces.
	Theme 5 - Leadership	Horsham Rural City Council, will build trust and connections with the community through good governance, community consultation, accountability, transparent decision making and financial stability.

You will see the following icons sitting next to many of our initiatives. These demonstrate that the strategy or action is an integrated Health and Wellbeing priority.

	Aboriginal Health and Wellbeing		Early years		Economic Development		Active Living		
	Climate Change		Drugs and Alcohol		Healthy Eating		Mental Wellbeing and Social Connection		Prevention of Family Violence



Theme 1 – Community



Horsham Rural City Council will develop the municipality as a diverse, inclusive and vibrant community.

Strategies and Actions

“An inclusive, accessible, connected and safe community”



Rainbow flag flown high in Horsham

Horsham Rural City Council recognised IDAHOBIT Day on May 17 by hoisting the rainbow flag in the municipality and through joining a Wimmera Pride Project breakfast. IDAHOBIT is the international day against homophobia, biphobia, interphobia and transphobia discrimination.

Mayor Robyn Gulline said it was a day to come together and support LGBTIQ+ friends, family and colleagues in their fight against discrimination. HRCC flew the pride flag at the top end of Firebrace Street to celebrate the week.

“The purpose is to raise awareness of the discrimination faced by lesbian, gay, bisexual, intersex, trans, queer or questioning and asexual (LGBTIQ+) community members and celebrate the richness that diversity brings to our lives. This year’s international theme is “Our Bodies, Our Lives, Our Rights,” Mayor Robyn Gulline said.



Government Aquatic Centre change rooms grant

Horsham Rural City Council welcomed a \$331,000 Commonwealth Government contribution that will deliver new accessible change rooms at Horsham Aquatic Centre. The funding will deliver building extensions to the indoor pool hall on the Hamilton Street side of the Aquatic Centre.

Included in the renovation will be two family rooms and two accessible change rooms to allow a person with a disability to access both the indoor and outdoor pools. There will also be an undercover outdoor function space for events such as birthday parties.

In conjunction with the \$384,000 allocated in the HRCC Budget for 2021-2022, the \$331,000 Federal Government allocation allows the project to come to fruition.



Bumper Citizenship Ceremony

Twenty seven people from six different countries formally became Australians in May at one of the largest ever Citizenship Ceremonies at Horsham Rural City Council.

Countries of origin included The Philippines, Papua New Guinea, India, Myanmar, Zimbabwe and South Africa. It was an unusually high number of new citizens, with six family groups taking the oath at the Civic Centre.

Council officiates about six ceremonies per year on behalf of the Australian Government and all new citizens receive a native plant as a gift from Council to mark the special occasion.

“I always look forward to these events on our civic calendar and getting to meet our municipality’s newest Australian citizens,” Mayor Robyn Gulline said.



“Every new citizen has something special to share and, as a result, our communities and workplaces become stronger because of the culture, knowledge, skills and stories they bring to our region.”

“A community that is empowered in shaping the future of our region”



Horsham Rural City Council has provided community organisations with \$388,903 in funding as part of its annual Community Grants and Donations Program.

Each year HRCC allocates funding to support community and sporting groups as part of its budget process, empowering community groups to shape the region they want to see and create a more sustainable future for community connection.

An additional \$50,000 allocated from Council’s COVID support package from the previous year’s budget was a welcome boost to community groups. The funds support groups such as sports clubs, halls, kindergartens to assist with their maintenance and facility improvements as well as grants for specific projects and events. Additionally, Council has allocated donations which support the operations of recreation reserves, public halls, kindergartens and welfare services.

Mayor Robyn Gulline said the high percentage of community grants funded indicated the importance of the program within the community.

These grants are a way of supporting not-for-profit community groups and organisations to build a more connected and liveable community.

“A region that acknowledges and engages with First Nations people on place, connection and truth”



Yangga Tyerrang (Walk Together)

National Reconciliation Week 2022 saw Horsham Rural City Council undertaking an activity that aligns with the theme “Be Brave. Make Change”. For the duration of National Reconciliation Week (27 May to 3 June) Firebrace Street and Sawyer Park were temporarily renamed.

The names put forward by Barengi Gadjin Land Council Aboriginal Corporation were – Firebrace Street renamed to Yangga Tyerrang Street (Young gun Ch-rang) meaning *Walk Together*, and Sawyer Park became Warta Tyerrang Muwil Park (War-da Ch-rang Moo-will) meaning *Come Together All*.

Chair of Barengi Gadjin Land Council Aboriginal Corporation and Clarke Family Representative Dylan Clarke noted:



“The renaming of streets is a clear representation that our landscape and society is changing, Traditional Owner families are still here and remain strongly connected to our country. Reconciliation is an ongoing process however, this is one of many important steps towards healing and truth-telling in our region.”

Mayor Robyn Gulline commented that renaming the street and park is a significant action for this years’ National Reconciliation Week.

“This is a significant event for National Reconciliation Week and is an opportunity for truth-telling, sharing history and moving forward together,” she said.

To celebrate Reconciliation Week outdoor activation projections featuring Wotjobaluk Nations’ artwork and curated by Natimuk ACT, lit the way down Yangga Tyerrang St for the week. This project was funded through the Victorian Government Outdoor Activation Funding.





Theme 2 - Liveability

-
- Horsham Rural City Council will actively work to create a healthy and connected community that is a great place to live, work, invest and explore for all ages, abilities and backgrounds.
-

Strategies and Actions

“A resilient, inclusive and socially connected community”



Online marketing workshop for community groups

Horsham Rural City Council teamed up with O2 Media to present an interactive digital media workshop for local community groups. The free event at the Wimmera Business Centre was designed to help local groups from major event organisers to local service clubs to use modern marketing to meet their goals in staying connected and operating in the community.

Mayor Robyn Gulline urged all local groups who needed assistance with digital marketing to attend the workshop. “Digital marketing, including social media, is a part of everyday life now and if you are running a local organisation or event, you can’t afford to be without it,” Cr Gulline said.

The workshop was designed to give groups the basics on what they need to know about digital platforms, the resources required to get started, and how to put together a plan to maximise community engagement. Advertising Agency O2 Media’s director Karen Foster was the presenter.



Christmas message projections

Horsham Rural City Council’s Arts and Culture Team launched a Christmas Postcard Projection that saw the White Hart Hotel lit up with festive artwork and messages. The projections coincided with the easing of lockdown restrictions at a time when the community were starting to come together again.

Creative Services and Events Lead Shana Miatke said the Christmas Postcard Project invited Horsham people and visitors to stay up after bed time and participate in a family friendly event.

Natimuk artist Hannah French was commissioned to develop the Christmas Project postcard format and project mascot the Christmas Cocky.

The project was a celebration of our resilience and connection over the past two years. It shared messages of hope and good will and energised the streets of Horsham.



“A destination to live, work, explore and invest”



Central Activity District Revitalisation

This year Council has been undertaking extensive consultation on the Central Activity District Revitalisation. The “CAD Revitalisation: Streetscape Plan Project” to improve Horsham’s town centre will focus on our public spaces by identifying ways to improve our streets, footpaths, parks, laneways, plazas, pedestrian and bicycle amenities, and parking.

Through extensive community engagement, Council has looked to the community to help select and prioritise projects that will make Horsham a better place to live, work and play.

The project is quite involved starting with an Urban Design Analysis which identified the opportunities that were brought forward into the Draft Streetscape Plan. The Draft Streetscape Plan sets out a number of proposals to improve the city centre of Horsham including new public spaces, streetscape improvement, street tree planting, greening opportunities and public art.

Extensive responses have been received from the community which Council will closely consider when deciding on a series of streetscape and public space projects.



“Quality opportunities and facilities that meet the health and wellbeing needs and interests of all ages, abilities and backgrounds”



City Oval events stage investment

Horsham Rural City Council has secured \$2 million from the Victoria Government to build a multifunctional stage that will better connect City Oval with Sawyer Park.

The structure, to be built near the site of the existing main scoreboard, will be designed to host major outdoor events at City Oval and will address a gap in Horsham’s ability to hold large outdoor events due to a lack of suitable infrastructure.

The Soundshell at Sawyer Park cannot host modern music festivals because it has a limited capacity for patrons and performers and is more than 40 years old. However the new stage will meet contemporary sound and lighting needs and will be able to host up to 8,000 people. With an incorporated broadcast box, demountable digital screen and a food and beverage outlet, it will also benefit local sports competitions on matchdays.

Council will initially target the scheduling of two large events in the first year of operation, increasing tourism numbers by up to 15,000 people which would create an estimated \$5 million boost to the Horsham economy.



Theme 3 – Sustainability



Horsham Rural City Council will actively lead in sustainable growth and development of the community and the economy.

“Achieve a sustainable and sound environmental future”

“A region where climate change impacts are addressed and remediated”



Zero Net Emission Action Plan Annual Target Surpassed

As part of Council’s ongoing commitment to reduce its carbon footprint, Council’s Zero Net Emissions Action Plan (“ZNET Action Plan”) was implemented in February 2021 and has now been in action for over a year.

Under the ZNET Action Plan council committed to deliver a number of sustainability projects and lead by example with its energy initiatives. Council has committed to achieve its target of zero net emissions by the year 2050 with a focus on:

- solar projects
- energy audits
- building efficiency improvement projects
- fleet efficiency and;
- sustainability policy development.

Council has an ambitious goal to progressively reduce its emissions by 42% by the year 2030. Through the successful implementation of a number of projects, Council has achieved its Green House Gas emission target significantly earlier than 2030 and has already surpassed that target by approximately 8%.

Council plans to undertake the remaining projects and initiatives planned under the Zero Net Emission Action Plan to keep achieving carbon offsets and getting closer to its Zero Net Emissions Target.

Name	Category	Status
Horsham Aerodrome Solar	Project	On Schedule
May Park Terrace Solar	Project	On Schedule
Nexus Youth Centre Solar	Project	On Schedule
Horsham Town Hall Solar Expansion	Project	On Schedule
Type 1 Energy Audits	Project	On Schedule
Horsham Town Hall Building Efficiency Upgrades	Project	On Schedule
Fleet Efficiency Improvement	Project	Complete
Green Energy PPA	Initiative	Complete
Energy Efficiency Improvement for High Use sites	Project	On Schedule
Council ESD Policy	Initiative	On Schedule
Sustainable Fleet Policy	Initiative	On Schedule



“A sustainable economy where local business, agriculture, tourism and other diverse industries thrive – a region that attracts new investment, technologies and opportunities”



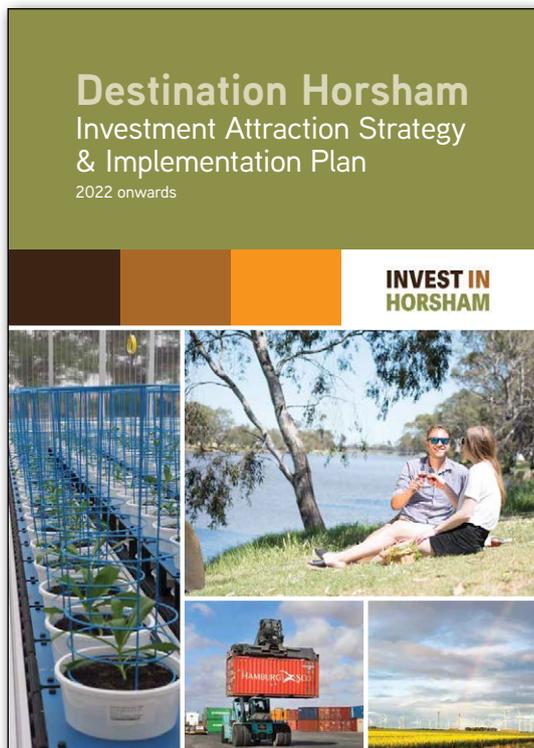
Destination Horsham

Horsham Rural City Council has launched a campaign to fulfil the Wimmera’s economic potential by using the region’s untapped advantages to attract investment and new industry. It sets bold targets for the region including the goal of becoming Australia’s most dynamic sustainable energy region with the campaign exploring the potential for the municipality to become a major nature-based tourist destination.

The dependence on agriculture is also addressed, with increased local processing and export marketing the keys to adding strength to

the region’s main industry. With investment in the right areas, the Horsham region has the potential to achieve the following goals:

- Australia’s largest and most dynamic sustainable energy region and skills centre:**
 We will make efficient use of our large parcels of land and suitable weather conditions to become a key sustainable energy region for Australia
- A leading regional food and grain hub:** We will thrive off our existing specialisation in agriculture and develop a closed regional food economy through food, wine and agritourism
- Diverse and affordable housing options to attract new residents:** A growth management framework will deliver sensible, affordable and diverse housing options to bring students, professionals and families to the region
- An expansive, lucrative, and efficient export industry:** We will continue to make use of the Wimmera Intermodal Freight Terminal (WIFT) facility and be a hub for exports.





Theme 4 – Accessibility

- Horsham Rural City Council will meet community needs through connected transport networks and the provision of accessible and welcoming places and spaces.

“Improved and connected transport services and networks in and around the region”

Study to consider alternative truck routes

Work is currently being undertaken on a feasibility study to determine whether heavy vehicle traffic could be directed outside of central Horsham. The joint initiative between HRCC and the Department of Transport will not consider a Western Highway bypass, however

will identify what options are achievable for alternative truck routes around Horsham.

The study will look at possible routes for heavy vehicles that do not originate or terminate in Horsham to travel around the city instead of through the center. If an alternative route is found to be feasible, it would likely include the construction

of a second road bridge across the Wimmera River. The study will firstly determine whether any achievable options exist and if there is more than one potential route, the second step would be to establish a preferred option. Cultural heritage will be a major consideration in any routes with the feasibility study due to be completed by January 2023.

“Diverse services, programs and facilities that are accessible to all”



State funding for Horsham youth programs

Horsham Rural City Council successfully applied for Victorian Government funding to deliver youth programs for the next two years with a total \$241,500 going towards the roll out of both the FReeZA and Engage! Initiatives in Horsham.

Youth Services Planning and Engagement Officer Louise Barnett said the FReeZA funding would help revive the passion in young people in our area for music, culture and recreation. Wimmera youth will be empowered to plan and stage fully supervised drug, alcohol, and smoke-free events that are open to young people between the ages of 12 and 25.



“This is the first time FReeZA funding has sat with Horsham Rural City Council so we are excited to rollout the new look FReeZA Program in collaboration and partnership with other youth focused business, organisations and agencies.”

Youth Councillor Kori Both said Horsham’s youth were proud of their involvement in the application for the funding.

“An integrated, strategic and needs based approach to investing in our places and spaces”

\$8.8 million for rural roads to be widened

Five priority rural roads across Horsham Rural City Council will receive a share of more than \$5 million in Australian Government funding. In a major win for the municipality, a total of 36.2km will be widened thanks to the Heavy Vehicle Safety and Productivity Program’s \$5,096,156 contribution that will be boosted by Council funding of \$3,661,082.

Sections of the Dimboola-Minyip Road, Horsham-Lubeck Road, Noradjuha-Tooan East Road, North-East Wonwondah Road and Polkemmet Road will each have sections approximately five to ten km kilometers widened. The roads were identified as high priorities in HRCC’s Rural Road Network Plan which was developed through engagement with rural communities. The works will improve safe truck passing and alternate routes for moving around Horsham.





Theme 5 – Leadership

- Horsham Rural City Council, will build trust and connections with the community through good governance, community consultation, accountability, transparent decision making and financial stability.

Strategies and Actions

“Good governance, through leadership and connection with community”

Council Plan and key documents adopted

Following an extensive deliberative engagement process, HRCC adopted its Council Plan 2021-2025, Long Term Financial Plan 2021-2031 and Asset Plan 2021-2031, on 25 October 2021.

The product of Horsham Rural City Talks 2021, where the Council Plan 2021-2025 sets out Council’s strategic directions for the next four years and was informed by a range of key documents, including the Community Vision 2041. This is the first year HRCC has elected to integrate the Health and Wellbeing plan into the Council Plan.

The Long Term Financial Plan 2021-2031 covers all aspects of Council’s role including the delivery of programs and services, building new infrastructure, as well as the maintenance of roads, footpaths, bike paths, buildings, and parks over the next ten years while ensuring financial sustainability in the long term.

The Asset Plan 2021-2031 has been prepared to ensure that infrastructure assets support services that are not only sustainable and timely, but also appropriate, accessible and responsive to the community. Based on best practice, the Asset Plan will ensure the community receives the best value for money from Council’s asset management programs over the next 10 years.

Council developed the initial documents using the deliberative processes where 26 residents of the community were randomly selected as a representative sample of the community, a Community Panel that also developed the Community Vision for 2041.

“Accountable and transparent decision making”

Integrated Strategic Planning and Reporting Framework

The complexities of Council planning and reporting are now easily contained and viewed in HRCC’s Integrated Planning and Reporting Framework adopted in November 2021. This framework documents the key element of Council’s planning processes and outlines the linkages between the various documents and the timeframes in which they are produced, managed and evaluated.

This framework is key to Council providing transparent and cohesive strategic direction. The Council Plan 2021-25 adopted in 2021 required the operational focus of an annual action plan to give effect to that strategic vision. After consultation with community, Councillors, the Executive, Managers, Co-ordinators and staff, the Annual Action Plan 2022-23 was developed and adopted allowing for frequent tracking and reporting.

The Annual Action Plan 2022-23 details the actions required to give effect to the priorities and initiatives in the Council Plan, including measures and expected timeframes. Progress on the Annual Action Plan will be reported to Council quarterly in the Quarterly Performance Report.

Community engagement will be undertaken at key junctures in the planning cycle with the Horsham Rural City Talks Expo 2022 taking place in September 2022.





Advocacy

Advocating for and representing our residents, communities and businesses to State and Federal Government is a key function of Local Government and one Horsham Rural City Council takes seriously.

During the past year, lobbying and advocacy was undertaken through Local, State and Federal politicians. This process also involves collaboration with other key stakeholders to progress key projects and priorities for the Wimmera-Southern Mallee and Grampians regions. An important outcome of effective advocacy is funding support for new major projects and new municipal and regional services.

Throughout 2021-22, Council attracted specific project funding in excess of approximately \$15 million from the State and Federal Governments to undertake a range of infrastructure and service related projects. Highlights of this included:

- State and Federal funding of \$2.35 million to construct the Hamilton Street Pedestrian Bridge
- \$5 million of Federal funding for specific road infrastructure improvements
- \$2 million from Regional Tourism Funding to create a major outdoor events precinct at the City Oval (part of City Oval/Sawyer Park redevelopment Stage 1)

Council have continued to advocate for City to River projects, with Concept Design completed for the City Oval/Sawyer Park precinct redevelopment outlining staged projects of around \$20 million. Funding has been sought through the State and Federal Governments to fund the first stage with a total project budget of \$12.8 million.

Important smaller community based projects also received government support including a grant of \$125,000 from Regional Arts Victoria to support a creative partnership between the Horsham Town Hall and our indigenous community. Council also auspiced a community project to upgrade the oval at the Quantong Recreation Reserve attracting a State Government grant of \$175,887

In addition to advocacy for funding of Council infrastructure and service related projects, Council also actively advocated for a range of priority projects to enhance regional liveability and economic and jobs growth. Details of advocacy priorities that have progressed during the past 12 months are provided below.

Advocacy – Priority Projects for Government and Private-Sector Investment

- Alternative Truck Route – Council continues to work with project partners including the Department of Transport and Barengi Gadjin Land Council on a Feasibility Study investigating possible alternative truck routes
- Horsham Rail Corridor – continued discussion with Vic Track mainly focussed on the process and timelines for the remediation of contaminated land and transfer of land to Council to progress future development of the area.

- Greening Horsham Strategy – adoption of a new strategy that makes a commitment to addressing climate change, to improving the amenity and comfort of living in our municipality, recognises the economic value of trees and provides a framework for the proactive and sustainable management of trees
- CAD revitalisation project focusing on a Streetscape plan that seeks to improve the city centre of Horsham including the provision of new public spaces, streetscape improvements and urban greening opportunities
- Advocacy around the current operations of the Wimmera Intermodal Freight Terminal, the infrastructure constraints at the terminal and future opportunities for the WAL Hub
- Continuing advocacy and support for our community as we continue to move through the COVID pandemic
- Investment Attraction and Growth Strategy and Implementation Plan provides clear direction for delivering economic growth for the municipality and wider region
- Rural Councils Corporate Collaboration Project - progressing through the selection of a preferred supplier of new IT systems for three RCCC member Councils
- Wimmera Health Care Group merger with Ballarat Health Services – joint meetings with the Minister for Health and Wimmera Councils to discuss concerns relating to the proposed merger
- Continued advocacy for the return of passenger rail services to Horsham

Performance and Major Initiatives

Council’s performance for 2021-22 has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2021-25 Council Plan. Performance has been measured as follows:

- Results achieved in relation to Monitoring Achievements 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

Theme 1: Community

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

Monitoring Achievements	Result	Comments
1. Implementation of 100% actions identified in the 2019-2022 Community Inclusion Plan		Underway – Community Inclusion Officer appointed and delivering the development of Easy English documents, the inclusion of inclusive engagement practices in our engagement policy, Disability Awareness Training conducted for staff, volunteers and Councillors and improved access to Horsham Aquatic Centre with the completion of a compliant accessible ramp
2. In consultation with Barengi Gadjin Land Council, develop a partnership agreement		Underway – Discussions have commenced with Barengi Gadjin Land Council
3. Improved diversity in community and programmed events by 10% over the four year period of the Council Plan		Underway – Diversity of offering has been a key objective to attract new audiences to Council and Horsham Town Hall events. This year we are establishing a baseline of data.
4. Ensure gender equity on all Council Committees		Underway – Committee Terms of Reference requires Gender Equity to be considered when selecting membership with a number of other processes being incorporated in the recruitment phase to ensure balance.
5. Increased reach and diversity of allocation of Annual Community Grants program with a 10% increase of new successful applicants over the four year period of the Council Plan		Underway – Changes in promotion of the Annual Community Grants program to attract new clubs and groups and support a greater portion of the community.

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2021-22 budget for the year.

Major Initiatives	Progress
Lost in the Bush Silo Art Project	Complete – The project was completed ahead of time and on budget.
Precinct Planning and Design Services	Significant consultation has taken place this year with respect to the Central Activity District with a prioritisation of projects being completed. Engagement has been undertaken on the social heritage value of the Horsham Theatre which will inform heritage planning and improvements moving forward.

The following statement provides information in relation to the services funded in the 2021-22 Budget and the persons or sections of the community who are provided the service.

Service	Description
Provision of the following to support Council's direct service delivery areas:	
Animal Management	This service provides animal management through implementation of appropriate rules and regulations in relation to keeping of cats, dogs and other animals and livestock within the municipality to minimise disturbance to residents and the community and ensure public safety. It also includes the operation of Council's dog and cat rehoming program.
Community Safety	This service deals with matters concerning Local Laws including permits and licences, enforcement and fines and fire hazard enforcement.
Emergency Management	To prepare for and mitigate if possible the impacts of an emergency on HRCC and the community through good planning and interoperability with all agencies and includes the Wimmera Emergency Management Resource Sharing Partnership.
Emergency Support	This service supports community health and wellbeing during times of an emergency and to support the community to recover from emergency events.
Environmental Health	This service provides health administration, health vending machines and other preventative measures under the health plan including needle exchange, Tobacco Act reforms and mosquito monitoring. A variety of legislative based services and functions around environmental health issues are also provided.
Social Infrastructure Support	This service provides maintenance, insurance and other ongoing costs for the municipality's recreation groups and clubs including community halls, the Cenotaph and War Memorials, Brass and Pipe Bands and Sawyer Park Soundshell.

Theme 2: Liveability

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

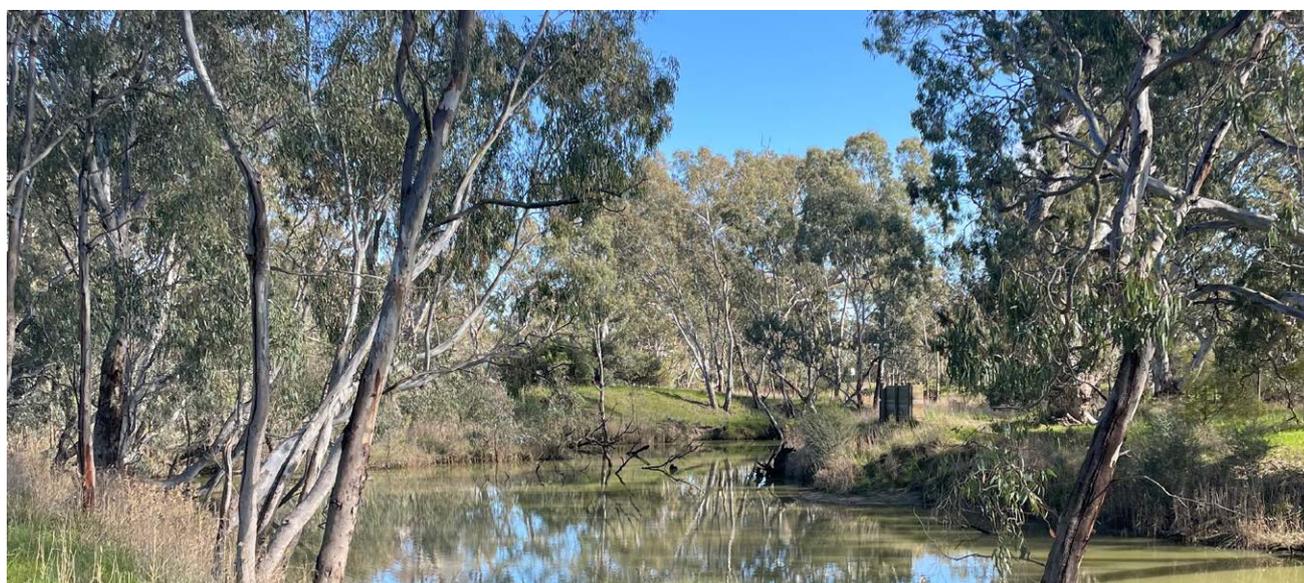
Monitoring Achievements	Result	Comments
1. Number of visits to aquatic facilities per head of municipal population to increase 5% over 4 year period of Council Plan		Underway – Number of visits to aquatic facilities in 2020-21 were 60,658 with a total of 74,664 for the year 2021-22. This is a 23% increase in one year however this is attributable to COVID closures in 2020-21
2. Participation in Horsham Town Hall programs to increase by 5% over 4 years of Council Plan		Underway – This goal is on track. Numbers have increased but the data is skewed as a result of 2020-21 COVID shutdowns. We are currently establishing baseline data.
3. Participation in Maternal and Child Health service at or over 95% annually		Underway – Currently participation is at 85.89% for participation at the service who attend at least once a year.
4. Active library borrowers in municipality to increase by 5% over 4 year period of Council Plan		Underway – Active library borrowers in the municipality have increased from 1,312 to 1,366 since 2020-21. 4% increase this year. This goal is on track.
5. Increased number of new planning permits approved for new housing by 2% annually		Underway – New planning permits have increased but Council's influence on this is limited. Council is reviewing this metric as it is not a clear indicator of liveability and growth.
6. Increase Horsham Rural City population by 5% over 4 year period of Council Plan		Underway – Current data for 2021 census is that there has been a population increase from 2016 to 19,961. The estimated population increase since 2020-21 is 0.87%.
7. Increased number of new building/planning permits approved for commercial development by 2% annually		Underway – Council has increased the number of new planning permits approved but is reviewing this metric as it is not clear indicator of liveability and growth.

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2021-22 budget for the year.

Major Initiatives	Progress
City to River Stage 1	City to River Stage 1 is currently under completion. The entrance way activation is completed as are the pergola for the angling club rooms, new riverfront nodes and barbeque shelters. Construction of the Water Play Park has commenced.

The following statement provides information in relation to the services funded in the 2021-22 Budget and the persons or sections of the community who are provided the service.

Service	Description
Provision of the following to support Council's direct service delivery areas:	
Aquatic Recreation	Management of the strategic use of the Aquatic centre, including major refurbishment and upgrades.
Library	Provides resources and programs aimed at meeting the information, creation, educational and cultural needs of the diverse community of Horsham in an equitable, effective, efficient, responsive and forward looking manner in accordance with the values and objectives of the Library Plan.
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.
Parks and Gardens	Provision of managed areas for sport, recreation and amenity – includes sports grounds, parks, gardens, the Botanic Gardens and playgrounds throughout the municipality.
Performing Arts Centre & Visitor Services	This service encompasses the running of the Horsham Performing Arts Centre operations, including Performing Arts, the Regional Art Gallery and support to visitors accessing the Visitor Services.
Sports and Recreation	Provision and maintenance of outdoor and indoor sports and recreation facilities throughout the municipality and works with community Groups and user groups to increase participation.
Streetscape and Public Conveniences	The 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 provides operations and maintenance of the public conveniences in Horsham, Natimuk and several rural facilities.
Youth and Early Years	This service provides support to families with parenting, health and development, promotion of health, wellbeing and safety, social supports, referrals and linking with local communities.



Theme 3: Sustainability

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

Monitoring Achievements	Result	Comments
1. Reduce Council's net carbon emissions by 24% by 2025		Underway – Council has exceed its target. The target was to reduce emissions by 42% by 2030 however council has exceeded that 42% goal by 8%
2. Reduce the municipality's net carbon emissions		Underway – a number of solar projects still stand to be completed with further initiatives around reducing councils emissions and the four bin recycling system underway
3. Maintain employment in government and health services at current level (as at 2021)		Underway – Current data would indicate that while there is a shortage of health staff in general, employment levels are being maintained.
4. Increase the diversion of recyclables from landfill by 40% by 2025		Underway – Council will be implementing the four bin waste system for the improved diversion of recyclables from landfill
5. Increase the utilisation of alternative water sources by 10% by 2025 (reduced use of potable water)		Underway – Initiatives proceeding as per the Zero Net Carbon Plan

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2021-22 budget for the year.

Major Initiatives	Progress
Investment Attraction and Growth Strategy	Investment Attraction and Growth Strategy has been released. Monthly council reports are provided on the progress of the strategy.
Zero Net Carbon Plan	Plan was adopted by Council and one year into implementation has seen a 50% reduction in carbon emissions by Council in one financial year. Council has exceeded its 2025 and 2030 target and is on track to achieve the 2050 target.

The following statement provides information in relation to the services funded in the 2021-22 budget and the persons or sections of the community who are provided the service.

Service	Description
Provision of the following to support Council’s direct service delivery areas:	
Business Development and Tourism	This service includes tourism marketing and development as well as promotion for major events and festivals.
Commercial Activities	This service includes the contracted facilities such as the Caravan Park and the Wimmera Intermodal Freight Terminal.
Commercial Operations	This service includes the Horsham Regional Livestock Exchange, which provides weekly sheep sales at the Burnt Creek Drive facility servicing primary industry across the Wimmera. Horsham Regional Livestock Exchange is the fourth largest sheep selling centre in Victoria. This service also includes the operations of the Horsham Aerodrome which provides a regional airport for commercial and private aircraft.
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.
Statutory Planning and Regulations	This service provides statutory planning services such as planning permits, notice of applications, information certificates, scheme appeals, subdivision costs, administration of building control services including building approval, inspection fees, easement approval and State Government levies.
Strategic Planning Services	The function of strategic planning, aims to strategically plan the municipality’s land use needs for the future.
Sustainability	This service manages a range of sustainability related projects from Council’s Sustainability Strategy. A reserve has been established to facilitate future energy and water deficiency projects.
Management and Admin	This service provides local and regional facilitation and leadership for planning, developing and delivering community services to meet the needs of the community.



Theme 4: Accessibility

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

Monitoring Achievements	Result	Comments
1. A reduction in the number of vehicle crashes and their impacts (e.g. number of injuries/fatalities) by 5% by 2025		Underway – Council is currently reviewing the way in which design features impact the safety of roads. This includes the inclusion of wombat crossings and other safety initiatives.
2. Increase the % of urban population within 400 m of a fully developed open space by 5% by 2025		Underway – Council is currently employing a number of strategies to improve access and development near open spaces.
3. Increase the percentage of Tree canopy in Horsham urban areas with a 1% increase by 2025		Underway – Greening Greater Horsham Municipal Tree Strategy was adopted by Council in May 2022.
4. Improve sealed road satisfaction – excluding arterial roads by 5% annually		Satisfaction with sealed local roads was rated 45 in this year's Community Satisfaction Survey down from 47 in the previous year. This is a 4% decrease. The Road Management Plan, Rural Road Network Plan and consultation on roads of concern in the Community Satisfaction Survey will allow a more targeted response to this goal.

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2021-22 budget for the year.

Major Initiatives	Progress
Wimmera River Pedestrian Footbridge – Extension of Hamilton Street	State Government funding has been received to match Council one for one for the footbridge. Construction of the foot bridge will commence in the financial year 2022-23 with the bridge aimed to be completed in the next financial year.
Water Play Park	Construction of the Water Play Park as part of City to River Stage 1 has commenced. This will be the leading accessible play space in Horsham with full wheel chair accessibility, play spaces and inclusive design.

The following statement provides information in relation to the services funded in the 2021-22 budget and the persons or sections of the community who are provided the service.

Service	Description
Provision of the following to support Council's direct service delivery areas:	
Engineering Services	Has overall responsibility for delivery of Council's capital works delivery and annual programming, traffic planning, waste planning, road, street and drain design and monitoring of standards adherence (quality assurance) for the infrastructure.
Infrastructure – Rural	This service is responsible for maintaining and constructing roads, bridges and related assets in all non-urban areas of Horsham and Natimuk. This includes the Rural Roads Victoria maintenance contract (which excludes major highways).
Infrastructure – Urban	This service provides maintenance and construction of roads, bridges and related assets to the required standards within Horsham and Natimuk. This also includes maintenance of bicycle tracks, drainage, footpaths and off-street car parks.
Management and Administration	This service provides administration and support services for the Infrastructure Services department.
Operations Management	This service includes management and administration of the Operations department to facilitate the delivery of core functions and capital programs.
Parking and Traffic Management	This service provides management of parking infringements, maintenance on parking meters, car parking fees, fines and associated costs.
Strategic Asset Management	Responsible for the strategic management of Council's Infrastructure, including the long term planning of asset renewal and capital works.



Theme 5: Leadership

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

Monitoring Achievements	Result	Comments
1. Improvement in community satisfaction with customer service by 5% annually (Community Satisfaction Survey)		Underway – Customer service staff did further customer service training this year.
2. Improvement in community satisfaction with overall Council direction by 5% annually (Community Satisfaction Survey)		Underway – Community satisfaction with overall Council direction improved from 47 points last year to 50 this year indicating general improvement overall. This is a 6% increase in satisfaction on the previous year. There is further work to be done in this area around process, consultation and transparency.
3. Improve community satisfaction with Council decisions by 5% annually (Community Satisfaction Survey)		Underway – Community satisfaction with Council decisions increased last year from 48 to 52. This is an 8% improvement on the previous year. This is a positive shift.
4. Community satisfaction with consultation and engagement by 5% annually		Underway – Community satisfaction with consultation and engagement increased last year from 48 to 53. This is a 10% improvement on the previous year. This is a positive shift.
5. Community satisfaction with Council lobbying on behalf of the community		Underway – Data not available as this is no longer measured through Council's Annual Community Satisfaction Survey.

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2021-22 budget for the year.

Major Initiatives	Progress
Rural Council Corporate Collaboration	The Rural Council Corporate Collaboration project has seen the procurement process proceed to contract stage.
Drug and Alcohol Testing Program	Random drug and alcohol testing from all departments has been implemented with staff from all departments taking part. This is a huge achievement in terms of supporting the safety and wellbeing of all staff.
Business Efficiencies Project	The project has been running successfully with significant learnings and insight. The Operations team have been dedicated to the project with the learnings set to be shared throughout the organisation and allow for overall organisational improvement.

Customer Service Data and Complaints

For the year Horsham Rural City Council addressed 7,063 customer service requests. The highest categories of service requests related to animals, waste services, parking, trees and roads.

Council has a complaints process and 92 complaints were received for the year.

A breakdown of complaints data can be seen as follows:

Complaints	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Finalised	25	25	11	6
Open	3	5	6	11
Total	28	30	17	17

The following statement provides information in relation to the services funded in the 2021-22 budget and the persons or sections of the community who are provided the service.

Service	Description
Provision of the following to support Council's direct service delivery areas:	
Accounting Services	Provides financial services internally to all staff, department managers, project leaders, Council, plus delivers external services in the form of information to government and the community and specific services to Wimmera Development Association and the Wimmera Regional Library Board.
Community Relations and Advocacy	Responsible for three key areas: advocacy and grant seeking, media and communications and community engagement.
General Revenue	Provides treasury management including additional borrowings and interest repayments.
Governance and Leadership	This service manages and facilitates Council's governance services, the implementation of Council decisions and policies and compliance with legislative requirements. This also includes the Customer Service, the management of Council's property portfolio (including Leases/Licenses & land sales/purchases), Records Management, the office of the Mayor and Councillor's, and the office of the Chief Executive.
Information and Technology	Provides IT hardware, software systems and IT support service to staff at HRCC. The goal of this service is to provide efficient and effective access to the information needs of staff and the community while maintaining the security of Council's information and assets.
Management and Administration	This service provides management across the areas of finance, IT, rates and organisation development.
People and Culture	This service is responsible for human resources, payroll, OHS, risk management, industrial relations and organisational performance functions. Payroll also provides services to three separate Council related entities.
Rates and Property Services	Rate collection services encompasses collection of Council rateable income which ensures consistency in debt management, general rate, municipal and garbage charges. Property services encompasses, collection of property valuations and maintaining a strategically focused property management system.

Governance and Compliance

Council Meetings

Council conducts open public meetings on the fourth Monday of each month (third Monday in December) at the Civic Centre at 5.30pm. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide an opportunity for community members to raise questions during Public Question Time.

In 2021-22, Horsham Rural City Council held 16 Council meetings. This included eight face-to-face meetings in the Council Chamber and eight online Council meetings live streamed on the Council website www.hrcc.vic.gov.au. Audio recordings were made available following all meetings.

The live streaming of Council Meetings has enhanced transparency and increased accessibility.

Live streaming of meetings makes them more accessible to a wider audience. Previous meetings are available on Council's website www.hrcc.vic.gov.au. Meetings can be watched at any time and previous meetings are indexed to the meeting agenda allowing you to skip directly to the items of interest.

Live Streaming does not extend to any confidential meetings to the public in accordance with Section 66 of the *Local Government Act 2020*.

During this period, 45 questions were submitted to Public Question Time up from 24 the previous year.

The following table provides a summary of Councillor attendance at Council meetings for the 2021-22 financial year.

Councillor	Scheduled Council Meeting Attendance (16)
Cr Di Bell	14
Cr David Bowe	15
Cr Penny Flynn	14
Cr Robyn Gulline	15
Cr Claudia Haenel	12
Cr Les Power	14
Cr Ian Ross	14

Council Briefing Meetings

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

In 2021-22, Council held 33 Council Briefing Meetings (up from 22 the previous year).

The following table provides a summary of Councillor attendance at Council Briefing Meetings for the 2021-22 financial year.

Councillor	Council Briefing Meeting Attendance (33)
Cr Di Bell	30
Cr David Bowe	33
Cr Penny Flynn	33
Cr Robyn Gulline	33
Cr Claudia Haenel	24
Cr Les Power	30
Cr Ian Ross	26

Conflict of Interest

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

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.

During 2021-22, there were 8 conflicts of interest declared at Council meetings.

Councillor Allowances

In accordance with Section 39 of the Local Government Act 2020, Councillors are entitled to receive an allowance whilst performing their duty as a Councillor. The Mayor is entitled to receive a higher allowance.

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

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

Councillor	Allowance \$
Cr Robyn Gulline (Mayor)	93,166.14
Cr Di Bell	29,490.19
Cr David Bowe	28,869.48
Cr Penny Flynn	29,490.19
Cr Claudia Haenel	29,490.19
Cr Les Power	29,490.19
Cr Ian Ross	29,490.19

Councillor Expenses

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

expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties.

Details of Councillor expenses for the 2021-22 year are set out in the following table.

Expense Category	Cr Robyn Gulline (Mayor) \$	Cr Di Bell \$	Cr David Bowe \$	Cr Penny Flynn \$	Cr Claudia Haenel \$	Cr Les Power \$	Cr Ian Ross \$	Total \$
Child Care								
Communications	1,249	1,061	1,145	1,060	1,396	880	829	7,620
Conferences and Seminars	1,058			1,058	591	1,058		3,765
Development and Training		1,845	1,000	800	1,550			5,195
Entertainment								
Memberships	85	85		85	85			340
IT Equipment								
Transportation					4,265		6,594	10,859
Travel and Accommodation	1,812			1,023	257	1,651		4,743
Other Costs	44			50	265		636	995
Total \$	4,248	2,991	2,145	4,076	8,409	3,589	8,059	33,517

Note:

- Figures in this table may include expenses that were processed but not incurred in the reporting period
- No reimbursements for expenses to members of Council committees were paid by Council during 2021-22

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

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

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

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

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

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

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

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

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

Staff Profile

Equal Employment Opportunity

In employment, but also more generally, Council aims 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. A further aim is to ensure the workplace is free from bullying and harassment.

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



Occupational Health and Safety

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

In 2021-22, following the decision by WorkSafe not to re-licence the MAV WorkCare self-insurance scheme, Horsham Rural City Council returned to the standard WorkCover scheme. Council was allocated a new insurance agent selected by WorkSafe from its panel of accredited agents. Since 1 July 2021 the HRCC WorkCover insurance agent has been XChanging, more recently known as DXC Claims Management Services. Despite some early difficulties in the transfer from MAV WorkCare to the WorkCover system, an effective relationship has since been built with XChanging/DXC and Council will continue to work with that provider for the foreseeable future in respect of claims, claims management and return to work matters.

Throughout 2021-22 a key health and safety focus has been on ensuring compliance with government pandemic orders and community and staff expectations in respect of COVID management. As the year progressed this moved from the application of clear directives and mandates designed to contain the spread of the virus, to the less straightforward management of staff returning to on-site work, the spread of the virus throughout the community, and learning to live and work with the virus in a way that does not create unnecessary risk to employees and the public.

The challenges of the ever-changing COVID environment have made it difficult to have a specific focus on some of the broader OHS objectives that were outlined for the year. In particular, the desire to improve OHS management arrangements and systems has been hampered both by the pandemic and by unavoidable delays in procuring a better software system, although it is now expected that this will be rectified in 2022-23 and a new system will be procured in that period.

Nevertheless, despite the extensive focus on COVID management throughout 2021-22 and distraction from other objectives, the pandemic-related work undertaken has demonstrated a positive OHS culture across the organisation, active and visible OHS leadership and contributed to the provision of a safe workplace.

WorkCover Claims

At the end of the period there are nine active WorkCover claims. Six of the nine claims were resolved by the end of the financial year, the breakdown is as follows:

- Two matters involving staff whom no longer work with Horsham Rural City Council. The claims are managed by the insurer;
- One complex active claim being managed directly by the insurer;
- Two matters being overseen by occupational rehabilitation providers in conjunction with Horsham Rural City Council; and
- One medical expense only basic claim.

Incident Reports

Total incidents reported for the year were 134. Plant and Vehicle incidents totalled 55. Personal incidents totalled 42. Hazards, near miss, property damage and security incidents account for the remainder of the incidents reported.

WorkSafe notifiable incidents totalled four with one relating to COVID.

Proactive inspections across various areas of operation continued throughout the year in Parks & Gardens, the Civic Centre, Town Hall, Operations Depot and the Wimmera Business Centre.



Enterprise Bargaining Agreement

Enterprise Agreement Number Nine (EA9) nominally expired on 30 June 2022. EA9 comprises three distinct parts (local provisions, the Victorian Local Authorities Award 2001 and the Nurses (ANF – Victorian Local Government) Award 2015). The local provisions include a commitment to the adoption of a consolidated (single part) Enterprise Agreement Number 10 (EA10). Consolidation of the three parts will facilitate reading and understanding of the enterprise agreement and help to avoid confusion and misunderstandings that can occur when referencing the existing complex agreement.

Throughout the year considerable work was undertaken internally and in conjunction with the staff consultative committee, towards the development of a draft 'consolidated' document. The intention was to develop a document that effectively (but unofficially) replicates the current enterprise agreement, the intention being to obtain unofficial early agreement from the negotiating parties that the document is a reasonable base upon which to start negotiation of Enterprise Agreement Number Ten in 2022-23.

At 30 June 2022 discussions with the relevant unions on the status of the draft consolidated document were continuing, ahead of formal negotiations commencing in the early part of the 2022-23 year. An environment of rising inflation and interest rates will no doubt have an impact on the development of EA10. EA9 provided for increases of 2.1% (or \$28 per week) across each year of the three year agreement.

Gender Equality Act 2020

Gender equity is the tool used to achieve gender equality. Gender equality is the equal rights, responsibilities and opportunities of women, men, transgender and gender diverse people.

Equality does not mean that women, men, transgender and gender diverse people will become the same, it means their rights, responsibilities, and opportunities will not depend on their gender. Gender equity is about fairness to all people. It is about implementing strategies and actions to ensure everybody in the community can participate in the way they want to.

Horsham Rural City Council welcomed the *Gender Equality Act 2020* which requires organisations within the Victorian public sector, including local councils, to demonstrate positive progress towards achieving gender equality in the workplace and in the community.

Horsham Rural City Council's organisational vision for gender equality is "to create a safe, equal and fair workplace where all people, regardless of gender and diversity of background, can access and enjoy the same rewards, resources and opportunities."

In accordance with the Gender Equality Act, and supported by Women's Health Grampians, Council developed a Gender Equality Action Plan founded on results from a workplace gender audit. Strategies and measures to improve gender equality in the workplace have been included and are based on seven key indicators:

- Gender composition of all levels of the workforce
- Gender composition of governing bodies

- Equal remuneration for work of equal or comparable value across all levels of the workforce, irrespective of gender
- Workplace sexual harassment
- Recruitment and promotion
- Availability and utilisation of terms, conditions and practices relating to family violence leave, flexible working arrangements and working arrangements supporting workers with family or caring responsibilities
- Gendered segregation within the workplace

Council is working towards ensuring that gender equality in policies, programs and services is achieved by the completion of Gender Impact Assessments, to assess how the relevant output impacts different genders in different ways. In accordance with the Act, assessments are to be completed on Council programs or services that have a direct and significant impact on the public, taking into account that gender inequality may be compounded by additional disadvantages or discrimination that a person may experience based on Aboriginality, age, disability, ethnicity, gender identity, race, religion and sexual orientation.

Council is also working towards the application of a Gender Equality Lens in all its work. This will ensure that any differences in the way processes, policies or services are likely to impact unfairly on women and men are anticipated, and that decisions are made that take account of, and are responsive to gender.

Gender inequality creates an environment in which violence against women is more likely to occur. Horsham Rural City is part of the Communities of Respect and Equality (CoRE) Alliance, which is a partnership of organisations, businesses, clubs and groups that share a vision for safe, equal and respectful communities in the Grampians region. Council has maintained this membership since 2016.

The development of the CoRE Strategy was led by Women’s Health Grampians (WHG), as part of the Women’s Health Services Leading Regional Action to Prevent Violence against Women and Children Project. The Strategy helps guide and direct individual and collective work in building communities of respect and equality and prevent violence against women before it occurs.

Section 26 of the Public Health and Wellbeing Act, requires the specification of measures to prevent family violence and respond to the needs of victims of family violence in the local community. The Gender Equity Action Plan is a key part of council’s response to the prevention of family violence and support of victims and seeks to monitor the impact.

Child Safe Standards

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

While seven mandatory Child Safe Standards have been in effect in Victoria since 2016, the Victorian Government announced eleven new Standards to replace the seven, commencing 1 July 2022. The eleven new Standards have been made to support greater national consistency, reflecting the National Principles for a Child Safe Organisation developed following the Royal Commission into Institutional Responses to Child Sexual Abuse (Betrayal of Trust Enquiry).

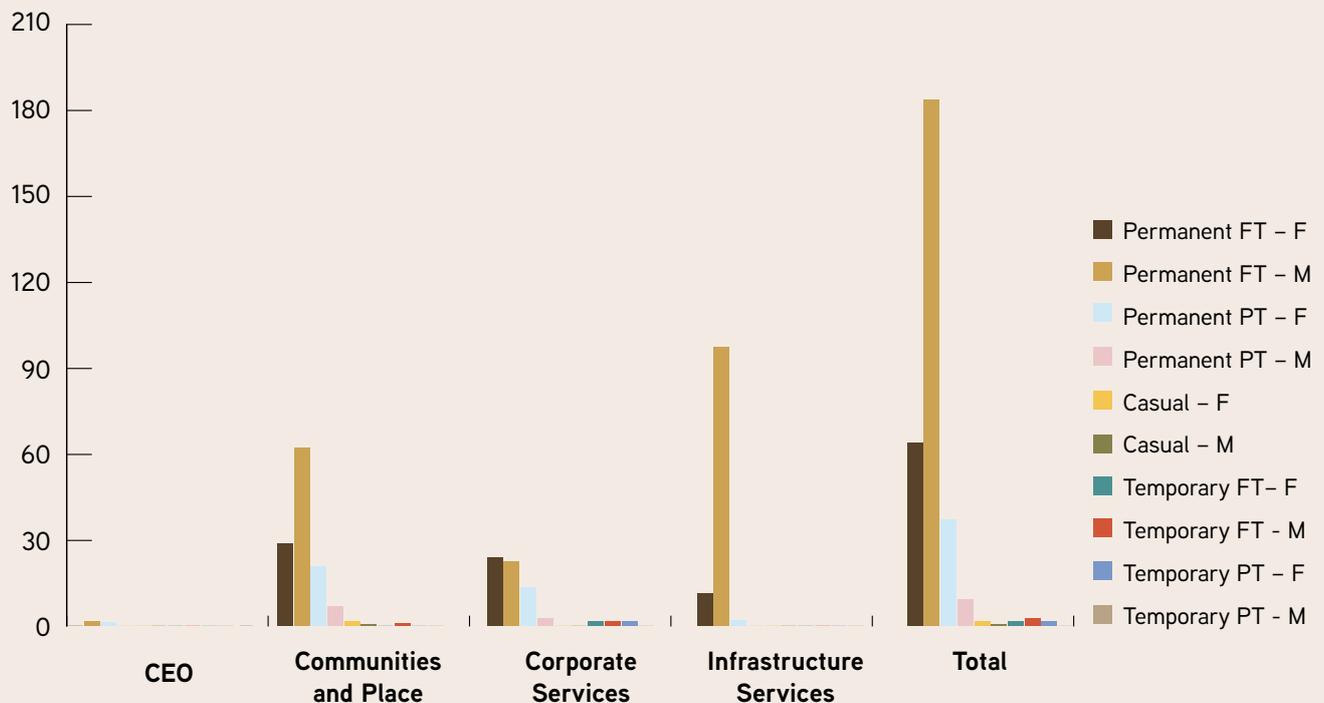
Council has two Child Safety Officers to assist in the management and reporting of any suspected child abuse. A revised Child Safety and Wellbeing Policy has been prepared along with a Child Safe Code of Conduct to guide staff, volunteers, families and children through the process to report any concerns about child safety.

Number of Staff (FTE)

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

Employee type/gender	CEO	Communities and Place	Corporate Services	Infrastructure Services	Total
	FTE	FTE	FTE	FTE	FTE
Permanent FT – F	0	18.00	15.00	7.00	40.00
Permanent FT – M	1.00	39.00	14.00	61.00	115.00
Permanent PT – F	.80	12.88	8.36	1.19	23.23
Permanent PT – M	0	4.15	1.6	0	5.75
Casual – F	0	.95	0	0	.95
Casual – M	0	.26	0	0	.26
Temporary FT – F	0	0	1.00	0	1.00
Temporary FT – M	0	.60	1.00	0	1.60
Temporary PT – F	0	0	.90	0	.90
Temporary PT – M	0	0	0	0	0
Total	1.80	75.84	41.86	69.19	188.69

FT-Full time PT-Part time F-Female M-Male *currently no staff identify as non-binary



NUMBER OF STAFF (FTE) by Employment Classification

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	1.89	0.21	2.10
Band 2			0
Band 3	1.49	49.00	50.49
Band 4	15.07	27.30	42.36
Band 5	11.77	11.90	23.67
Band 6	14.85	13.20	28.05
Band 7	12.25	12.00	24.25
Band 8	1.00	2.00	3.00
Band not applicable	7.76	7.00	14.76
Total	66.08	122.61	188.69

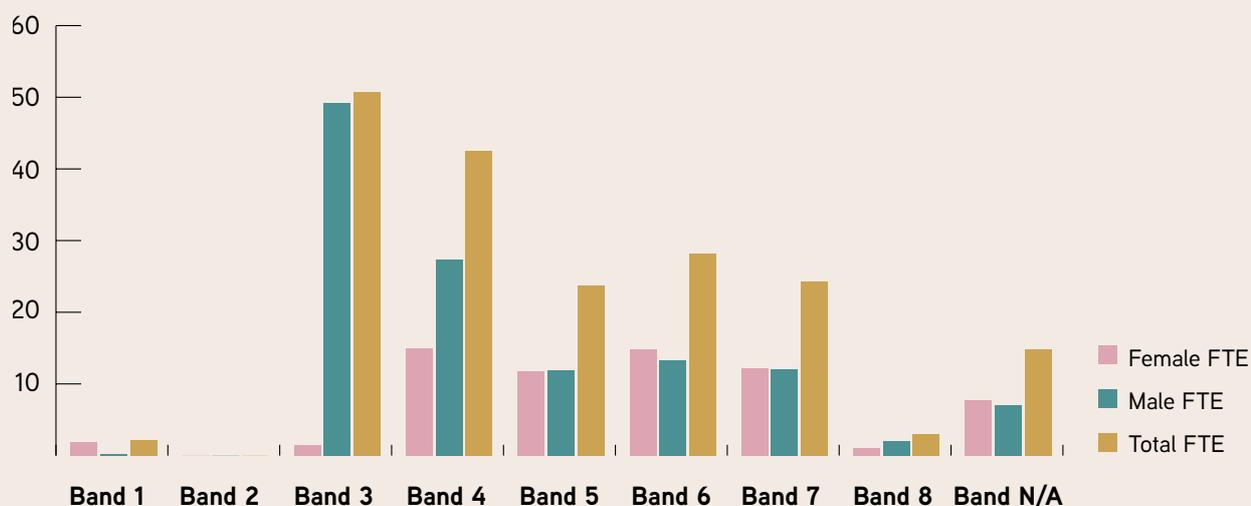
Professional Development

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

During 2021 - 22 Council staff were undertaking the following:

- Master of Infrastructure Engineering and Management
- Master of Natural Resources and Management
- Bachelor Civil Engineering
- Bachelor Management and Human Resource Management
- Bachelor Urban, Rural and Environmental Planning
- Advanced Diploma of Building Surveying
- Diploma of Project Management
- Diploma of Management (5 staff)

One staff member also completed the Leadership Wimmera Program.



Governance

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

In the performance of its role, Council must give effect to the following overarching governance principles:

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

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration

meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community engagement, public forums and the ability to make submissions to Council.

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

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

Council's formal decision-making processes are conducted through Council meetings. Council delegates operational decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies.

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks lead to better decision making by Council. The *Local Government Act 2020* requires Council to undertake an assessment against the prescribed Governance and Management Checklist and include this in its Report of Operations. Council's Governance and Management Checklist results are set out on pages 66-67.

Audit and Risk Committee

The Audit and Risk committee is an advisory committee of Council whose role is determined by Sections 53 and 54 of the *Local Government Act 2020*. The Audit and Risk committee Charter, which sets out the committee's objectives, authority, composition and tenure, roles and responsibilities and reporting, administrative and governance arrangements, was endorsed at the Special Audit and Risk committee meeting on 30 July 2020, and formally adopted by Council on 24 August 2020.

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

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

Responsibilities

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

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

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

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

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

Membership

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

Members over the past 12 months were:

- Richard Trigg – Chair/Independent member
- Vito Giudice – Independent member
- Mark Knights – Independent member
- Cr Robyn Gulline – Councillor representative/Mayor
- Cr Ian Ross – Councillor representative
- Cr Penny Flynn – Councillor representative

Ex-officio members:

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

Internal Audit

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

RSD Audit conducted a review of Risk Management, Human Resources and Service and Business Planning.

This year the Audit and Risk committee also receives regular status reports in relation to recommendations from previous audits to ensure that these are adequately addressed.

External Audit

Council's external auditor is the Victorian Auditor General's Office (VAGO) who has appointed Crowe for an initial three-year period (until 30 June 2024) to conduct the annual statutory financial statement audit.

Risk Management

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

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

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

Horsham Rural City Council has a Risk Management Framework in place, which includes Council's Risk Management Strategy.



Organisational Plans, Policies, Procedures and Strategies

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

Asset Plan 2021-2031

Asset Recognition and Valuation Policy

Body Camera Worn Policy

Body Camera Worn Procedure

CEO Remuneration Policy

Civic Flag Policy

Committee Framework Policy

Community Development Grants Policy

Community Donations Policy

Complaint Resolution Policy

Complaint Resolution Procedure

Conflict of Interest – Staff Procedure

Corporate Uniform Procedure

Council Plan 2021-2025

Councillor Standing as a State or Federal Candidate Policy

Destination Horsham – Investment Attraction Strategy

Environmental Health Regulatory Activities Policy

Financial Plan 2021-2031

Greater Horsham Tree Strategy

Horsham Regional Art Gallery Collection Policy

Kerbside Collection Policy

Live Streaming of Council Meetings Policy

Loan Borrowing Policy

Mobile Food and Beverage Vehicle Trading Procedure

Mobile Food and Beverage Vehicle Trading Policy

Parking Management Plan

Policy Development, Implementation, Review & Approval Procedure

Policy Framework Policy

Procurement Procedure

Rent Relief for SME Commercial Tenancies Procedure

Road Management Plan

Rural Road Network Plan

Sexual Harassment Policy

Social Media Policy

Staff Training and Development Policy



Community Satisfaction Survey

The Local Government Community Satisfaction Survey again this year surveyed residents to check their satisfaction with Council's performance and services. For the purposes of the survey, Horsham is classified as a Regional Centre, along with Bendigo, Geelong, Latrobe, Mildura, Wangaratta, Warrnambool and Wodonga. The main objective of the Community

Satisfaction Survey is to assess the performance of Council across a range of core measures, and to seek insight into ways to provide improved or more effective service delivery.

A total of 400 interviews were completed in Horsham Rural City Council from June 2021 to March 2022. The survey sample matched

to the demographic profile of Horsham Rural City Council as determined by the most recent ABS population estimates.

Council's core measures compared to the previous year, other regional centres and state-wide averages are shown in the table below:

Core Performance Measure	Score				Highest Score	Lowest Score
	Horsham 2022	Horsham 2021	Regional Centres 2022	State-wide 2022		
Overall performance	56	54	59	59	Aged 65+ years	Rural Area residents
Value for money	49	50	53	53	Women	Rural Area residents
Overall Council direction	50	47	52	50	Aged 35-49 years, Women, Aged 65+ years	Aged 50-64 years
Customer service	64	68	69	68	Aged 35-49 years, women. Horsham area residents	Aged 50-64 years
Waste management	68	70	68	68	Aged 65+ years	Aged 18-34 years
Community decisions	52	48	54	54	Aged 35-49 years	Rural Area residents
Consultation and engagement	52	48	54	54	Women, Aged 35-49 years, Aged 65+ years, Horsham area residents	Rural Area residents
Sealed local roads	45	47	54	53	Aged 65+ years	Rural Area residents, Aged 18-34 years

Council's overall performance (index score of 56) is similar to those seen across 2018, 2019 and 2021 and establishes a trend of improvement from the series low index score of 45 in 2020.

Overall council direction improved three points from 47 last year. With Council performing significantly lower than the Regional Centres group and state-

wide average for councils on the sealed local roads index. Council is very aware of the need to improve its performance and particularly around community engagement and is actively working to achieve improvements in this space moving forward. Council is committed to making changes to meet the evolving expectations of the community.

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

Statutory Information

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

Freedom of Information

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

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

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

Before submitting a request, people should telephone the FOI Officer on (03) 5382 9777, or email council@hrcc.vic.gov.au, to clarify the information they are seeking, how they want to receive it, fees and charges, timelines, consultation with third parties and documents that may be exempt. The application fee during the 2021-22 financial year was \$30.10 plus any access charges that may be levied in accordance with the Freedom of Information Regulations.

In 2021-2022 a total of six requests were made, of which three were valid.

How many requests did Horsham Rural City Council receive?

Personal Requests	0
Non-Personal Requests	6

- Two applications fees of \$30.10 were paid. One application fee was waived due to financial hardship.
- No access charges applied.
- 2021-22 total charges - \$60.20

What happened?

Part access given	1
Full access given	1
Access denied in full	1
Unclear request, no further correspondence received	3
Withdrawn by applicant	0
Information provided outside FOI process	1
Lapsed after 28 days due to applicant fee not paid	0

No internal reviews were conducted.

One new appeal to the FOI Commissioner was received.

No new appeals to VCAT were received.

Review Applications to OVIC and VCAT

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

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

Documents Available for Public Inspection

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

Overseas and Interstate Travel

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

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

Council Agendas and Minutes

The agendas for, and minutes of, Council meetings held in the previous 12 months which are kept

in accordance with the Horsham Rural City Council Governance Rules, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 66 of the *Local Government Act 2020* and contain confidential information within the meaning of sections 3(1) and 125 of the Act.

Community Asset and Delegated Committee Minutes

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

Note: Horsham Rural City Council’s committee structure has been reviewed and the implementation of the review is currently underway.

Delegations

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

Leases

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

Authorised Officers

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

Donations and Grants

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

Procurement Activity

In 2021-22, Council submitted 20 projects through a competitive tender process for the procurement of works, goods and services in compliance with Council’s Procurement Policy and obligations under Section 108 of the *Local Government Act 2020* totalling \$10,262,686. An additional 45 requests for quotation were issued under a public Request for Quotation process in compliance with Council’s Procurement Policy and obligations under Section 108 of the *Local Government Act 2020*, totalling \$2,008,431. Combined competitive procurement for 2021-22 is \$12,217,117.

Five new panel supply contracts were put to the market resulting in a total engagement of 83 annual supply tenders.

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

Council has numerous moral and legal obligations in respect to human rights issues. These include specific human rights requirements under the Victorian Charter of Human Rights and Responsibilities, equal opportunity legislation, bullying and harassment requirements, the *Local Government Act 2020* and federal legislation.

Local Laws

The objectives our local law are to provide for the peace, order and good government of the municipal district; protection, fair use and enjoyment of waterways managed by Council and Council land; safe and fair use of roads and road related areas; protection and improvement of the amenity of the municipal district; keeping and control of animals; and uniform and fair administration of this local law.

Horsham Rural City Council has the following Local Laws:

- Community Local Law 2021 which commenced on 9 December 2021 this local law is made under Part 5 of the *Local Government Act 1989* and section 42 of the *Domestic Animals Act 1994*.
- Community Local law Number 3 & 4 are now revoked.

Domestic Animal Management Plan

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

Council adopted the new Domestic Animal Management Plan 2022-2026 in June 2022. The plan was prepared in consultation with the Domestic Animal Management Advisory Group, and extensive public engagement in accordance with the requirements and responsibilities under Section 68A of the Act and with reference to the Council Plan and Council Local Laws.

The Domestic Animal Management Plan:

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

A continued improvement process along with collaboration with rehoming organisations has supported us to decrease the number of animals being euthanised, and increase rehoming of animals who are available for adoption.

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

We have continued our series of media releases encouraging the responsible ownership of domestic animals and key updates to Council's website to fill identified information gaps. Proactive work with pet owners including follow up of registrations and microchipping continues to reduce the numbers of animals being impounded.

2019-22 Community Inclusion Plan

Council adopted the 2019-22 Community Inclusion Plan in January 2020, in accordance with Section 38 of the *Disability Act 2006*. The Community Inclusion Plan identifies goals and actions to reduce barriers created by attitudes, practices and structures, to ensure that all people can participate equally in the life of our community.

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

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

- The development of Easy English documents
- The inclusion of inclusive engagement practices in our engagement policy
- Disability Awareness Training conducted for staff, volunteers and Councillors
- Improved access to Horsham Aquatic Centre with the completion of compliant accessible ramp

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 2021-22 year Council had no infrastructure or development contributions.

Victoria's Compulsory Child Safe Standards

Horsham Rural City Council remains committed to providing and promoting a child safe environment. Council has zero tolerance to child abuse and constantly endeavours to maintain a child safe and child friendly environment where children are safe and secure and have fun. This includes the physical, emotional, cultural and social wellbeing of all children, including promoting the cultural safety of Aboriginal children, children from culturally and linguistically diverse backgrounds and children with a disability.

Council's Child Safe Policy and Reporting a Child Safety Concern Procedure are key documents in respect of child safety and can be found on the Horsham Rural City Council website – www.hrcc.vic.gov.au

These resources are currently under review in response to the Victorian Government's adoption of new Child Safe Standards introduced on 1 July 2022. Impacted organisations have 12 months to transition to the new Standards. Until then, the current Standards continue to apply.

Public Interest Disclosures

Horsham Rural City Council is a public body subject to the *Public Disclosures Act 2012* (Vic) (the Act). The purpose of the Act is to encourage and facilitate disclosures of improper conduct by public officers, public bodies and other persons, and detrimental action taken in reprisal for a person making a disclosure under the Act. The Act provides protection to persons who make disclosures or who may suffer detrimental action in reprisal for those disclosures.

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

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

For the purposes of Section 69 (1) (b) of the *Public Interest Disclosures Act 2012*, in the period to 30 June 2022, no disclosures were notified to Council officers appointed to receive disclosures, or to the Independent Broad-based Anti-corruption Commission (IBAC).

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

Governance and Management Checklist

Items as completed in accordance with the Local Government Act 2020 (the Act)

Governance and Management Items	Assessment
1. Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date of adoption: 22 February 2021
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines 15 February 2016
3. Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date of adoption: 25 October 2021
4. Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act Date of adoption: 25 October 2021
5. Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act Date of adoption: 28 June 2021
6. Annual budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act Date of adoption: 27 June 2022
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of commencement of current policy: 1 June 2021
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of commencement of current policy: 9 December 2013, this policy is currently under review
9. Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency mitigation, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 4 December 2017
10. Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	Adopted in accordance with section 108 of the Act Date of adoption: 23 August 2021
11. Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan: 26 March 2018
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 29 June 2015
13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of commencement of current framework: 1 June 2021

Governance and Management Items	Assessment
14. Audit and Risk Committee (see sections 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date of re-establishment: 24 August 2020
15. Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider: 23 September 2019
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Framework Date of operation of current framework: 30 June 2022
17. Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Report Date of Reports: 25 October 2021, 28 February 2022, 26 April 2022
18. Quarterly budget reports (quarterly reports to the Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	Reports presented to the Council in accordance with section 97(1) of the Act Date reports presented: 25 October 2021, 28 February 2022, 26 April 2022
19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 25 October 2021, 28 February 2022, 26 April 2022
20. Performance reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 25 October 2021, 28 February 2022, 26 April 2022
21. Annual report (annual report under sections 98 and 99 of the Act containing a report of operations and audited financial statements and performance statements)	Presented at a meeting of the Council in accordance with section 100 of the Act Date statements presented: 27 September 2021
22. Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act Date reviewed: 22 February 2021
23. Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of review: 26 April 2022
24. Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules adopted: 24 August 2020

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



Kevin O'Brien
Acting Chief Executive Officer
Dated: 13 October 2022



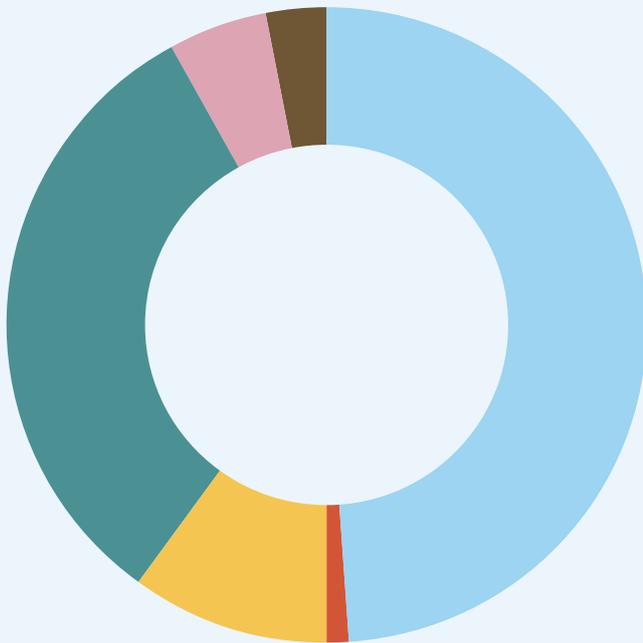
Cr Robyn Gulline
Mayor
Dated: 13 October 2022

Victorian Local Government Indicators

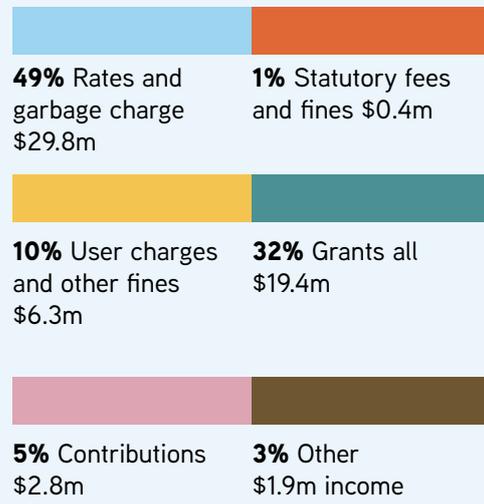
These indicators provide information regarding expenditure, cost of services and infrastructure provision, customer satisfaction and governance

Indicator	Calculation	2021-22	2020-21	2019-20	2018-19
1. Average rates and charges per assessment	Total rates and charges receivable at beginning of year/Number of assessments in the adopted budget	\$2,308.83	\$2,245.00	\$2,195.79	\$2,147.94
2. Average residential rates and charges per assessment	Rates and charges declared for residential assessments receivable at beginning of year/Number of residential assessments in the adopted budget	\$2,045.30	\$2,012.08	\$1,971.56	\$1,867.56
3. Average liabilities per assessment	Total liabilities/Number of assessments in the adopted budget	\$2,274.32	\$2,107.21	\$2,065.27	\$1,469.24
4. Operating result per assessment	Net surplus/Number of assessments in the adopted budget	\$328.03	\$246.23	(33.00)	\$434.11
5. Average operating expenditure per assessment	Operating expenditure/ Number of assessments in adopted budget	\$4,452.62	\$4,505.78	\$4,305.02	\$4,357.62
6. Community satisfaction rating for overall performance generally of Council	Result from the Annual Local Government Community Satisfaction Survey	56	54	45	55
7. Average capital expenditure per assessment	Capital expenditure/ Number of assessments in the adopted budget	\$1,370.91	\$1,224.79	\$1,344.12	\$872.59
8. Renewal gap	Capital renewal/Average annual asset consumption	58.4%	86.8%	71.9%	50.1%
9. Renewal and maintenance gap	Capital renewal and maintenance/Average annual asset consumption plus planned maintenance	69.8%	86.1%	77.1%	59.6%
10. Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the Annual Local Government Community Satisfaction Survey	No longer available	No longer available	44	54
11. Community satisfaction rating for Council's engagement in decision making on key local issues	Result from the Annual Local Government Community Satisfaction Survey	52	48	39	49

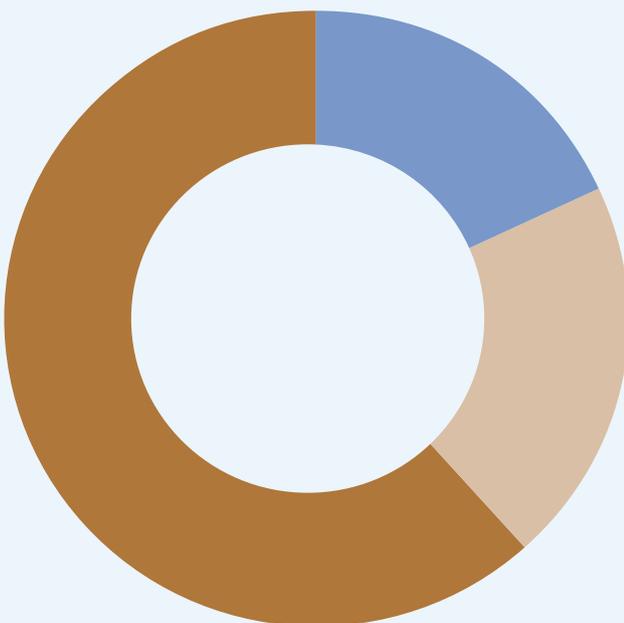
Where our money comes from



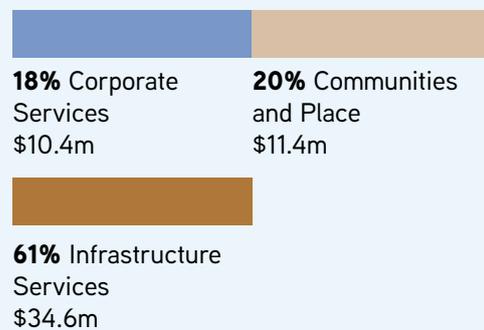
Income



Where our money goes



Expenditure



Performance Statement

For the year ended 30 June 2022

Description of municipality

Horsham Rural City is a regional city in the Wimmera Southern Mallee region of Western Victoria. The Wimmera Southern Mallee is unique in that it encompasses 20 percent of the area of Victoria and only 1 percent of the population.

Horsham Rural City has an estimated residential population of 19,961 people (2021). Approximately three quarters of residents live within the urban area of Horsham.

Located along the Wimmera River, Horsham is approximately 300 kilometres north-west of Melbourne. The municipality covers an area of 4,267 square kilometres and includes the major centres of Horsham and Natimuk, and the localities of:

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

Horsham is a hub in the Wimmera for health care, niche retail, community services and arts and culture opportunities. A dryland and broadacre agricultural municipality, Horsham is home to the Grains Innovation Park (a nationally acclaimed agricultural research centre) and quality educational facilities including private and public secondary colleges, a university and an agricultural college. The municipality also has a rich indigenous history and an abundance of diverse natural assets including recreational lakes, wetlands, the Wimmera River, Mount Arapiles and the Wartook Valley with the Grampians National Park nearby.

Sustainable Capacity Indicators

For the year ended 30 June 2022

Indicator / measure	Results				Comments
	2019	2020	2021	2022	
Population Expenses per head of municipal population [Total expenses / Municipal population]	\$2,706	\$2,710	\$2,828	\$2,826	
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$22,479	\$22,523	\$24,433	\$26,502	Infrastructure assets were revalued during 2021-22, which has resulted in a significant increase to this ratio.
Population density per length of road [Municipal population / Kilometres of local roads]	6.68	6.70	6.86	6.69	
Own-source revenue Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,785	\$1,877	\$1,853	\$1,918	
Recurrent grants Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$500	\$496	\$526	\$560	Increases in Financial Assistance Grants has resulted in a positive increase to this ratio.
Disadvantage Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	4	4	4	4	
Workforce turnover Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	13.7%	10.1%	24.8%	22.0%	The percentage is inflated as a result of the end of the Working for Victoria Program. When removing the impact of that program and the slight changes in casual staff, the percentage workforce turnover is 11.21%.

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.

Sustainable Capacity Indicators

For the year ended 30 June 2022

Service/indicator/measure	Results				Comments
	2019	2020	2021	2022	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	8.77	6.73	3.03	4.17	Visits to the centre have been increasing since COVID lockdowns have ended, and the centre is now fully open.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	0%	100%	0%	No animal management prosecutions during 2021-2022.
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	93.75%	75.86%	76.47%	70.00%	
Governance Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	49.00	39.00	48.00	52.00	
Libraries Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	11.06%	10.84%	9.08%	7.68%	Continuing reduction in active library borrowers, partly due to COVID-19 lockdowns during first half of 2021-2022.
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	90.16%	87.94%	91.31%	85.91%	

Results					
Service/indicator/measure	2019	2020	2021	2022	Comments
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	94.12%	88.76%	97.30%	89.13%	
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]	45.00	39.00	47.00	45.00	
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	50.00%	0.00%	0.00%	0.00%	
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	22.13%	20.49%	19.91%	19.07%	

Definitions

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

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

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

"**annual report**" means an annual report prepared by a Council under section 98 of the Act

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

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

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

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

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

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

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

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

Financial Performance Indicators

For the year ended 30 June 2022

Dimension/indicator/measure	Results					Forecasts			
	2019	2020	2021	2022	2023	2024	2025	2026	Material Variations
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,483	\$4,499	\$4,354	\$4,339	\$4,334	\$4,336	\$4,117	\$4,308	
Revenue level									
<i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	\$2,015	\$1,914	\$1,965	\$2,023	\$2,105	\$2,184	\$2,274	
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	423%	219%	220%	229%	207%	201%	164%	165	Council's ratio reduces significantly in 2024-25 with the \$4.3m loan repayment being recognised as a currently liability. Council's ratio will remain steady from 2024-25 onwards.
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	-32%	-18%	-46%	-32%	-34%	-21%	-19%	-48.35	Taking advantage of longer-term deposits directly affects unrestricted cash held; this ratio only measures term deposits held for less than three months.
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [Interest and principle repayments on Interest bearing loans and borrowings / Rate revenue] x100	20%	18%	15%	14%	17%	23%	30%	29%	Current future planning includes an increase in borrowings from 2022-23 financial years onwards for increased capital works; this will effect our ratio in the long term.
Loans and borrowings									
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3%	3%	2%	1%	0.6%	0.8%	2%	15%	The repayment of \$4.3m loan in 2024-25 affects the ratio in 2025-26.

Dimension/indicator/measure	Results					Forecasts				
	2019	2020	2021	2022	2023	2024	2025	2026	Material Variations	
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	25%	23%	23%	27%	26%	30%	25%	33%	Increased provision requirements for landfill restoration and Councils long term plans for loan borrowings will continue to impact this ratio.	
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and upgrade expense / Asset depreciation] x100	New in 2020	89%	108%	79%	120%	160%	128%	159%	Some renewal works projects were incomplete at 30th June 2022 reducing the ration for 2021-22 year. In the long term, Council intends to continue its focus on asset renewal reflected in the improving ratio.	
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) / Adjusted underlying revenue] x100	-3%	-9%	-1%	-11%	-6%	6%	2%	-1%	The large increase in non-recurrent capital assets received during 2021-22, has affected the current year ration. The ratio will stabilise in the following years.	
Stability Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	51%	56%	51%	59%	58%	56%	60%	62%	Grant funding is variable in nature and this impacts on this ratio but some increasing costs particularly with waste services will also result in increases.	
Rates effort 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%	0.5%	0.5%	0.5%	0.5%		

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 above

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Information

For the year ended 30 June 2022

1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Long-Term Financial Plan. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by Council in the Horsham Rural City Council Budget 2022-23 on 27 June 2022. The budget includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements.

2. Impact of COVID pandemic on Horsham Rural City Council

Council adopted its 2021-22 budget on 28 June 2021 being mindful of the impact of the COVID pandemic, but also of the need for Council to play a role in the economic stimulus of the local community. The budget reflected small decreases in service delivery for 2021-22 particularly for performing arts and recreation and increased costs for social and business recovery. The budget adopted included a minor cash surplus and did not include any new borrowings.

Certification of the performance statement

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



Graeme Harrison B. Econ, CPA, GAICD

Principal Accounting Officer

Dated: 13 October 2022

In our opinion, the accompanying performance statement of the Horsham Rural City Council for the year ended 30 June 2022 presents fairly the results of Council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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 2020* to certify this performance statement in its final form.



Robyn Gulline

Councillor

Dated: 13 October 2022



Penny Flynn

Councillor

Dated: 13 October 2022



Kevin O'Brien B Theol, Assoc Dip Arts, Dip Man, Grad Cert Man

Acting Chief Executive Officer

Dated: 13 October 2022

Independent Auditor’s Report

To the Councillors of Horsham Rural City Council

Opinion	<p>I have audited the accompanying performance statement of Horsham Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2022 • sustainable capacity indicators for the year ended 30 June 2022 • service performance indicators for the year ended 30 June 2022 • financial performance indicators for the year ended 30 June 2022 • other information and • certification of the performance statement. <p>In my opinion, the performance statement of Horsham Rural City Council in respect of the year ended 30 June 2022 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and <i>Local Government (Planning and Reporting) Regulations 2020</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors’ responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

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 decisions of users taken on the basis of this performance statement. As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

MELBOURNE
20 October 2022



Travis Derricott
as delegate for the Auditor-General of Victoria

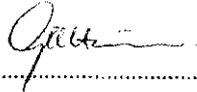
**HORSHAM RURAL CITY COUNCIL
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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**CERTIFICATION OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020, the Local Government (Planning and Reporting) Regulations 2020*, Australian Accounting Standards and other mandatory professional reporting requirements.



Mr G.A. Harrison, B Econ, CPA, GAICD
Principal Accounting Officer
13th October 2022

Horsham

In our opinion, the accompanying financial statements present fairly the financial transactions of the Horsham Rural City Council for the year ended 30 June 2022, and the financial position of the Council as at that date.

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

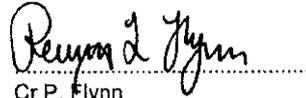
We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.



Cr R. Gulline

13th October 2022

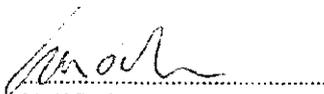
Horsham



Cr P. Flynn

13th October 2022

Horsham



Mr K.B. O'Brien, B Theol, Assoc Dip Arts, Dip Man, Grad Cert Man
Acting Chief Executive

13th October 2022

Horsham

Independent Auditor’s Report

To the Councillors of Horsham Rural City Council

Opinion	<p>I have audited the financial report of Horsham Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2022 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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



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**COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$'000	2021 \$'000
INCOME			
Rates and charges	3.1	29,757	28,627
Statutory fees and fines	3.2	382	359
User fees	3.3	6,252	5,204
Grants - operating	3.4 (a)	11,006	17,012
Grants - capital	3.4 (b)	8,453	5,111
Contributions - monetary	3.5 (a)	563	358
Contributions - non-monetary	3.5 (b)	2,239	121
Other income	3.7	1,395	2,242
Share of net profits/(loss) of associates	6.3	390	522
Fair value adjustments for investment property	6.4	-	58
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	3.6	118	81
		-----	-----
Total Income		60,555	59,695
		=====	=====
EXPENSES			
Employee costs	4.1	(19,630)	(20,689)
Materials and services	4.2	(20,980)	(21,572)
Depreciation	4.3	(12,793)	(11,715)
Amortisation - intangible assets	4.4	(233)	(233)
Amortisation - right of use assets	4.5	(55)	(55)
Bad and doubtful debts	4.6	(91)	(106)
Borrowing costs	4.7	(185)	(207)
Finance costs - leases	4.8	(33)	(15)
Other expenses	4.9	(386)	(324)
Written down value of assets disposed	3.6	(2,022)	(1,690)
		-----	-----
Total Expenses		(56,408)	(56,606)
		=====	=====
		-----	-----
Surplus/(Deficit) for the year		4,147	3,089
		=====	=====
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	9.1	38,062	45,406
		-----	-----
Total comprehensive result		42,209	48,495
		=====	=====

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

**BALANCE SHEET
AS AT 30 JUNE 2022**

	Notes	2022 \$'000	2021 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5.1 (a)	9,345	5,392
Trade and other receivables	5.1 (c)	1,986	1,272
Other financial assets	5.1 (b)	29,600	32,000
Inventories	5.2 (a)	213	240
Non current assets classified as held for sale	6.1	459	229
Other assets	5.2 (b)	2,475	1,593
		-----	-----
Total current assets		44,078	40,726
		=====	=====
NON-CURRENT ASSETS			
Trade and other receivables	5.1 (c)	398	385
Investments in associates	6.3	2,375	1,985
Property, infrastructure, plant & equipment	6.2	574,737	534,822
Investment property	6.4	2,520	2,520
Intangible assets	5.2 (c)	1,320	233
Right-of-use assets	5.8	328	383
		-----	-----
Total non-current assets		581,678	540,328
		=====	=====
Total Assets		625,756	581,054
		=====	=====
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5.3 (a)	4,545	3,174
Trust funds and deposits	5.3 (b)	762	586
Unearned income/revenue	5.3 (c)	7,618	8,513
Provisions	5.5	6,273	6,033
Interest-bearing liabilities	5.4	-	128
Lease liabilities	5.8	53	51
		-----	-----
Total current liabilities		19,251	18,485
		=====	=====
NON-CURRENT LIABILITIES			
Provisions	5.5	5,668	3,888
Interest-bearing liabilities	5.4	4,305	4,305
Lease liabilities	5.8	290	343
		-----	-----
Total non-current liabilities		10,263	8,536
		=====	=====
Total Liabilities		29,514	27,021
		=====	=====
NET ASSETS		596,242	554,033
		=====	=====
EQUITY			
Accumulated surplus		244,996	239,537
Reserves - asset replacement	9.1 (a)	16,841	18,153
Reserves - asset revaluation	9.1 (b)	334,405	296,343
		-----	-----
TOTAL EQUITY		596,242	554,033
		=====	=====

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

2022	Notes	TOTAL \$'000	Accumulated Surplus \$'000	Asset Replacement Reserve \$'000	Asset Revaluation Reserve \$'000
Balance at the beginning of the financial year		554,033	239,537	18,153	296,343
Surplus for the year		4,147	4,147	-	-
Net asset revaluation increment		38,062	-	-	38,062
Transfers to other reserves	9.1 (a)	-	(5,558)	5,558	-
Transfers from other reserves	9.1 (a)	-	6,870	(6,870)	-
Balance at the end of the financial year		596,242	244,996	16,841	334,405
2021	Notes	TOTAL \$'000	Accumulated Surplus \$'000	Asset Replacement Reserve \$'000	Asset Revaluation Reserve \$'000
Balance at the beginning of the financial year		505,538	232,042	22,559	250,937
(Deficit) for the year		3,089	3,089	-	-
Net asset revaluation increment		45,406	-	-	45,406
Transfers to other reserves	9.1 (a)	-	(4,606)	4,606	-
Transfers from other reserves	9.1 (a)	-	9,012	(9,012)	-
Balance at the end of the financial year		554,033	239,537	18,153	296,343

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2022 Inflows (Outflows) \$'000	2021 Inflows (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		29,537	28,930
Statutory fees and fines		342	341
User fees		4,651	3,692
Grants - operating		12,226	16,589
Grants - capital		8,453	5,246
Contributions - monetary		563	358
Interest received		155	409
Rent		271	275
Other receipts		(710)	1,849
Net GST refund		2,258	2,110
Employees costs		(19,714)	(22,474)
Materials and services		(20,024)	(19,139)
Other payments		(1,518)	(1,317)
		-----	-----
Net cash provided by/(used in) operating activities	9.2	16,490	16,869
		-----	-----
Cash flows from investing activities			
Payments/(Proceeds) from sale of investments		2,400	(2,800)
Payments for property, infrastructure, plant and equipment		(15,092)	(15,230)
Proceeds from sale of property, infrastructure, plant and equipment		551	393
Payments for investment properties		-	(12)
		-----	-----
Net cash provided by/(used in) investing activities		(12,141)	(17,649)
		-----	-----
Cash flows from financing activities			
Finance costs		(185)	(207)
Repayment of borrowings		(127)	(477)
Interest paid - lease liability		(33)	(15)
Repayment of lease liability		(51)	(50)
		-----	-----
Net cash provided by/(used in) financing activities		(396)	(749)
		-----	-----
Net increase/(decrease) in cash and cash equivalents		3,953	(1,529)
Cash and cash equivalents at the beginning of the financial year		5,392	6,921
		-----	-----
Cash and cash equivalents at the end of the financial year	5.1 (a)	9,345	5,392
		=====	=====
Financing arrangements	5.6		
Restrictions on cash assets	5.1 (b)		

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

**STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022 \$'000	2021 \$'000
Property		
Land	7	-
Total land	7	-
Buildings	989	816
Works in progress	690	300
Total buildings	1,679	1,116
Total property	1,686	1,116
Plant and equipment		
Plant, machinery and equipment	2,334	2,133
Office furniture and equipment	412	395
Art purchases	39	16
Public art purchases	310	13
Works in progress	48	37
Total plant and equipment	3,143	2,594
Infrastructure		
Roads	5,471	4,700
Bridges	377	55
Footpaths and cycleways	71	218
Drainage	83	603
Recreation, leisure and community facilities	-	174
Waste management	920	122
Parks, open space and streetscapes	680	556
Aerodromes	-	87
Off street car parks	35	23
Other infrastructure	44	595
Works in progress	2,582	4,382
Total infrastructure	10,263	11,515
Total capital works expenditure	15,092	15,225
Represented by:		
New asset expenditure	4,958	2,566
Asset renewal expenditure	9,409	11,547
Asset upgrade expenditure	725	1,112
Total capital works expenditure	15,092	15,225

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1 OVERVIEW

Introduction

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

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

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not -for-profit entity under the Australian Accounting Standards.

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, 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.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.2)
- the determination of employee provisions (refer to note 5.5)
- the determination of landfill provisions (refer to note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable (refer to Note 8.2)
- other areas requiring judgements

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022****SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

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) Impact of COVID-19

During 2021-22 the COVID-19 pandemic continued to impact on Council's operations. Council has noted the following significant impacts on its financial operations:

- Additional revenue - Further COVID-19 operating grants were received to assist recovery in the business and tourism sectors. Council also received capital funding for outdoor activation for community assets.
- Revenue foregone - Council continued to assist the community with Council funded business and community support with reductions in parking fees, rent relief, permits waived, and health registration fees.
- Revenue reduction: Council also budgeted for a reduction in ticket sales for Horsham Performing Arts events for 2021-22, as compared to a year without COVID-19 lockdown restrictions.
- Additional costs were incurred to assist staff operating onsite.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 2: PERFORMANCE AGAINST BUDGET

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent and \$400,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 INCOME AND EXPENDITURE

	Ref	Budget 2022 \$'000	Actual 2022 \$'000	Variance	
				2022 \$'000	2022 %
INCOME					
Rates and charges		29,633	29,757	124	0.4
Statutory fees and fines		426	382	(44)	(10.3)
User fees		5,999	6,252	253	4.2
Grants - operating	1	10,362	11,006	644	6.2
Grants - capital	2	8,896	8,453	(443)	(5.0)
Contributions - monetary		340	563	223	65.6
Contributions - non-monetary	3	800	2,239	1,439	179.9
Fair value adjustments for investment property		10	-	(10)	(100.0)
Other income	4	2,300	1,395	(905)	(39.3)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		1	118	117	11,700.0
Share of net profits of associates		30	390	360	1,200.0
		-----	-----	-----	-----
Total Income		58,797	60,555	1,758	3.0
		=====	=====	=====	=====
EXPENSES					
Employee costs		(19,664)	(19,630)	34	(0.2)
Materials and services	5	(20,123)	(20,980)	(857)	4.3
Depreciation and amortisation	6	(12,299)	(12,793)	(494)	4.0
Amortisation - intangible assets		(260)	(233)	27	(10.4)
Amortisation - right of use assets		(55)	(55)	-	-
Bad and doubtful debts		(93)	(91)	2	(2.2)
Borrowing costs		(176)	(185)	(9)	5.1
Finance costs - leases		(10)	(33)	(23)	230.0
Other expenses		(321)	(386)	(65)	20.2
Written down value of assets disposed	7	(900)	(2,022)	(1,122)	124.7
		-----	-----	-----	-----
Total Expenses		(53,901)	(56,408)	(2,507)	4.7
		=====	=====	=====	=====
		-----	-----	-----	-----
Surplus for the year		4,896	4,147	(749)	(15.3)
		=====	=====	=====	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022****2.1.1 INCOME AND EXPENDITURE (Cont.)****(i) Explanation of material variations****1. Grants - operating**

Further COVID-19 operating grants of \$308k were received, along with several other smaller grants for: planning \$70k, weed management \$75k and recycling \$58k. Part payment of the 22/23 Federal Assistance Grants of \$1.82m was also recognised. Delays in the commencement of the Rural Council Corporate Collaboration project saw a reduction in grant recognition of \$1.85m.

2. Grants - capital

Several major projects were behind in construction at year end, including Nature Play Feature \$1.29m, Pedestrian Bridge \$1m and Aquatic Changerooms \$260k. Grant funding budgetted but unsuccessful at 30th June included \$636k for roads, and \$284k for a recreation grant.

Grant funding of \$343k was also recognised at completion of Local Roads Community Infrastructure (LRCI) stages 1 & 2, and also City to River Stage 1 500k. Additional grants were received for LRCI Stage 3 \$1.43m and also \$575k for COVID-19 outdoor activation.

3. Contributions - non-monetary assets

Increased urban development resulted in an increase in road and land infrastructure assets provided to Council.

4. Other income

Due to continued low interest rates and COVID-19 interest rate relief, income earned from interest was decreased by \$558k. Less funding of \$154k was received from Vicroads main road contract, and \$100k reduction in income from other external works contributed to overall decrease in other income.

5. Materials and services

Grants received in prior year for economic development COVID-19 saw \$385k extra expended, along with additional \$379k on EPA landfill levy and \$99k on waste disposal costs at Dooen Landfill.

6. Depreciation

Revaluation of drainage assets as at 1st July 2022, has resulted in an additional \$354k depreciation being recognised.

7. Written down value of assets disposed

Earlier intervention of renewal of road infrastructure assets has resulted in additional carrying amount of these assets being written off during the year, including roads \$923k and bridge \$256k.

Several older buildings have been removed with the commencement of the City to River project, including a public convenience building and barbeque shelters. Also a rural hall was removed during the year.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2.1.2 CAPITAL WORKS	Ref	Budget 2022 \$'000	Actual 2022 \$'000	Variance 2022 \$'000	2022 %
Property					
Land		-	7	7	100.0
Total land		-	7	7	100.0
Buildings	1	2,468	989	(1,479)	(59.9)
Works in Progress		-	690	690	100.0
Total buildings		2,468	1,679	(789)	(32.0)
Total property		2,468	1,686	(782)	68.0
Plant and equipment					
Plant, machinery and equipment		2,516	2,334	(182)	(7.2)
Office furniture and equipment		282	412	130	46.1
Art purchases		-	39	39	100.0
Public art purchases		-	310	310	100.0
Works in Progress		-	48	48	100.0
Total plant and equipment		2,798	3,143	345	12.3
Infrastructure					
Roads	2	6,345	5,471	(874)	(13.8)
Bridges		455	377	(78)	(17.1)
Footpaths and cycleways		293	71	(222)	(75.8)
Drainage		389	83	(306)	100.0
Recreation, leisure and community facilities	3	3,461	-	(3,461)	(100.0)
Waste Management		575	920	345	60.0
Parks, open space and streetscapes	4	2,917	680	(2,237)	(76.7)
Off street car parks		330	35	(295)	(89.4)
Other infrastructure		330	44	(286)	(86.7)
Works in Progress	5	-	2,582	2,582	100.0
Total infrastructure		15,095	10,263	(4,832)	(32.0)
Total capital works expenditure		20,361	15,092	(5,269)	(25.9)
Represented by:					
Asset renewal expenditure		9,972	9,409	(563)	(5.6)
Asset upgrade expenditure		3,010	725	(2,285)	(75.9)
New asset expenditure		7,379	4,958	(2,421)	(32.8)
Total capital works expenditure		20,361	15,092	(5,269)	(25.9)

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022****2.1.2 CAPITAL WORKS (cont.)****(i) Explanation of material variations****1. Buildings**

The budget included several projects expected to be completed by 30th June 2022, but due to delays in contractors and/or funding, the following projects were considered as works in progress, including: Aquatic Changerooms \$630k, Town Hall heritage floor \$277K, CBD new public convenience \$250k, and and sustainable building works \$135k.

2. Roads

The budget included roadworks funded from the Heavy Vehicle Safety Grant Program of \$733k, these applications were unsuccessful, with the projects being deferred until grant funding is available.

3. Recreation, leisure and community facilities

The budget included the Wimmera river activation stage 1 project valued at \$1.480m, the project was incomplete at 30th June and is recognised in works at progress. The nature play feature was budgeted at \$1.65m and started late in the financial year with \$279k also being recognised as works in progress.

4. Parks, open space and streetscapes

The Hamilton Street Pedestrian Bridge \$2.1m commenced late in the year, due to delays in receiving grant and is part of works in progress at 30th June, as was the irrigation system at Wotonga Drive \$392k. Another project included in the budget was the construction of the Apex boardwalk of \$304k, Council was unsuccessful in their grant application and the project has been deferred until funding is forthcoming.

5. Works in Progress

Several recreational and open space projects are partially completed at 30th June and are captured in works in progress. They include: Wimmera river activation stage 1 \$600k, Nature play park \$280k, pedestrian bridge \$1.120m and irrigation system at Wotonga Basin \$364k.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

2.2 ANALYSIS OF COUNCIL RESULTS BY PROGRAM

Council delivers its functions and activities through the following programs.

2.2.1 Communities and Place Directorate

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

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

Corporate Services Directorate

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

Infrastructure Services Directorate

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

2.2.2 Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
2022	\$'000	\$'000	\$'000	\$'000	\$'000
Communities and Place	5,502	(11,403)	(5,901)	4,952	79,353
Corporate Services	34,373	(10,427)	23,946	5,817	57,456
Infrastructure Services	20,680	(34,578)	(13,898)	8,690	488,947
	60,555	(56,408)	4,147	19,459	625,756

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 RATES AND CHARGES

2022	2021
\$'000	\$'000

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

The valuation base used to calculate general, cultural and farm rates for 2021/22 was \$5,228,113,000 (2020/21 \$ 4,716,117,000).

Residential	13,627	13,182
Commercial	1,614	1,684
Industrial	885	866
Farm/rural	6,690	6,045
Cultural	16	16
Municipal charge	2,734	3,106
Garbage charges	3,931	3,470
Revenue in lieu of rates	260	258
	-----	-----
Total rates and charges	29,757	28,627
	=====	=====

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021 and the valuation first applied in the rating year commencing 1 July 2021.

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

3.2 STATUTORY FEES AND FINES

Infringements and costs	35	53
Court recoveries	9	11
Issue of certificates	32	28
Local laws - permits & licences	8	9
Town planning fees	152	153
Health registrations	146	105
	-----	-----
Total statutory fees and fines	382	359
	=====	=====

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

3.3 USER FEES

	2022 \$'000	2021 \$'000
Administration charges	109	109
Animal control	477	458
Building fees & other charges	254	207
Fees - parking meters	222	117
Home based welfare services	-	366
Performance ticket sales	782	156
Sporting and recreation facilities	104	69
Freight Hub user charge	127	80
Supervision of private subdivisions	65	28
Plan checking fees	21	-
Aerodrome	37	36
Saleyards	473	601
Wimmera business centre income	95	97
Rural revegetation scheme	5	8
Garbage charges	3	3
Garbage disposal	1,238	937
Transfer station	450	446
Waste management fees	1,703	1,395
Fire hazards grass removal	2	-
Other user fees	88	94
	-----	-----
Total user fees	6,252	5,204
	=====	=====

User fees by timing of revenue recognition

User fees recognised over time	5,648	4,666
User fees recognised at a point in time	604	538
	-----	-----
Total user fees	6,252	5,204
	=====	=====

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT	2022 \$'000	2021 \$'000
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	12,002	15,087
State funded grants	7,457	7,036
Total grants received	19,459	22,123
(a) Operating Grants		
Recurrent - Commonwealth Government		
Commonwealth Government family and children	32	40
Financial Assistance Grant - general purpose	5,329	4,588
Financial Assistance Grant - local roads	3,064	2,231
General Home Care	89	335
Recurrent - State Government		
School crossing supervisors	49	36
Community services	53	533
Maternal and child health	636	619
Senior citizens centres	-	14
Food services	-	53
Home and community care	-	66
Youth services	39	28
Library	197	190
Arts and art gallery	186	202
Environmental and landcare grants	75	75
Total recurrent operating grants	9,749	9,010
Non-recurrent - Commonwealth Government		
Outdoor recreation	-	5,000
Non-recurrent - State Government		
Rural Council Corporate Collaboration project	473	470
Australia Day grants	15	21
Regulatory services	-	30
Community services	90	78
Family and children	-	1
Public and community health	25	7
Youth services	5	4
Outdoor recreation	40	250
Indoor recreation	3	27
Arts and art gallery	41	29
Economic development	70	5
Environmental and landcare grants	149	58
Employment schemes	38	12
Covid 19 grants	308	2,000
Other	-	10
Total non-recurrent operating grants	1,257	8,002
Total operating grants	11,006	17,012

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT (Cont.)

	2022 \$'000	2021 \$'000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery funding	1,428	1,520
Total recurrent capital grants	1,428	1,520
Capital non-recurrent		
Non-recurrent - Commonwealth Government		
Community Infrastructure	2,060	1,373
Livestock Exchange	-	1,351
Non-Recurrent State Government		
Outdoor recreation	1,700	231
Indoor Recreation	73	-
Halls, historic buildings & monuments	224	-
Economic development	659	166
Local roads & ancillary assets	1,789	398
Aerodrome	-	65
Caravan Park	444	2
Sustainability grants	-	5
Recycling and waste grants	76	-
Total non-recurrent capital grants	7,025	3,591
Total capital grants	8,453	5,111
Total grants	19,459	22,123
Conditions on grants		
Grants recognised as revenue during the year that were obtained on the condition that they be expended in a specified manner that had not occurred at balance date were:		
Financial assistance	5,085	3,537
Covid 19 grants	294	644
Town planning studies	70	30
Family and children	40	20
Community services	1,678	585
Youth services	23	-
Outdoor recreation	33	-
Indoor recreation	-	21
Arts and arts gallery	52	66
Environmental	57	72
Waste management	46	-
Road & street infrastructure	248	89
	7,626	5,064

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT (Cont.)

	2022 \$'000	2021 \$'000
Conditions on grants		
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Financial assistance	(3,537)	(3,245)
Corporate services	-	(197)
Covid 19 grants	(544)	-
Town planning studies	(6)	-
Family and children	(19)	-
Community services	(245)	(131)
Youth services	-	(25)
Disability grants	-	(29)
Outdoor recreation	-	(54)
Indoor recreation	(21)	-
Arts and arts gallery	(49)	(10)
Economic growth	-	(116)
Environmental	(72)	(10)
Road & street infrastructure	-	(22)
Roads to recovery	(89)	(91)
	(4,582)	(3,930)

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

Operating		
Balance at start of year	10,286	8,958
Received during the financial year and remained unspent at balance date	5,917	4,975
Received in prior years and spent during the financial year	(4,493)	(3,647)
Balance at year end	11,710	10,286
Capital		
Balance at start of year	299	493
Received during the financial year and remained unspent at balance date	1,709	89
Received in prior years and spent during the financial year	(89)	(283)
Balance at year end	1,919	299

(d) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15 Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement.
- determines the transaction price.
- recognises a contract liability for its obligations under the agreement.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income for Not-for-Profit Entities*

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT (Cont.)

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when as unconditional right to receipt has been established. Grants relating to the capital projects are generally recognised progressively as the capital project is completed. The following table provided a summary of the accounting framework under which grants are recognised.

	2022 \$'000	2021 \$'000
Income recognised under <i>AASB 1058 Income for Not-for-Profit Entities</i>		
General purpose	8,393	6,819
Other specific purpose grants	8,453	5,111
Revenue recognised under <i>AASB 15 Revenue from Contracts with Customers</i>		
Specific purpose grants	2,613	10,193
	19,459	22,123
	19,459	22,123

3.5 CONTRIBUTIONS

(a) Monetary

Road assets	320	61
Recreational, leisure and community facilities	221	178
Recreational, leisure and community services	22	119
	563	358
	563	358

(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	331	-
Land other	50	-
Land under roads	211	-
Road and bridge assets	1,432	82
Assets contributed by others		
Artworks and public art	115	39
Other structures - Community asset	100	-
	2,239	121
	2,239	121
Total Non-Monetary Contributions		
	2,802	479
	2,802	479

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

3.6 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT	2022 \$'000	2021 \$'000
Sale of developed land		
Proceeds from sales of developed land	94	-
Less: Cost of developed land sold	(79)	-
Profit on sale of developed land	15	-
Plant and Equipment		
Proceeds from sale of assets	455	392
Written down value of assets sold	(354)	(312)
Profit/(Loss) on sale of plant and equipment	101	80
Furniture and Equipment		
Proceeds from sale of assets	-	1
Written down value of assets sold	-	-
Profit on sale of furniture and equipment	-	1
Summary		
Total proceeds from sale of assets	551	393
Written down value of assets sold	(433)	(312)
Total net gain/(loss) on disposal of property, plant and equipment	118	81
Disposal of council buildings		
Written down value of assets written off	(794)	(399)
Disposal of road infrastructure assets		
Written down value of assets written off	(1,194)	(1,291)
Disposal of other structures		
Written down value of assets disposed	(34)	-
Total written down value of assets disposed	(2,022)	(1,690)

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

3.7 OTHER INCOME

	2022 \$'000	2021 \$'000
Interest	79	355
Interest on rates	20	19
External works	190	303
Road maintenance/works	5	4
Main roads maintenance Vicroads	439	926
Pre-school income	16	9
Other welfare receipts	16	2
Community workshop income	3	-
Art gallery	53	20
Information office	39	15
Childrens hub rent	67	58
Theatre rent	6	2
Mibus centre rent	12	12
Commercial properties rent	228	236
Caravan park rent	66	57
Other	156	224
	-----	-----
Total other income	1,395	2,242
	=====	=====

Interest is recognised as it is earned.

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 4 THE COST OF DELIVERING SERVICES

4.1 (a) EMPLOYEE COSTS

	2022 \$'000	2021 \$'000
Wages and salaries	17,527	19,292
Workcover	268	429
Workcover additional payment	703	-
Superannuation	1,628	1,586
Fringe Benefits Tax	109	108
Home care staff redundancy provision	-	(178)
Less: Amounts capitalised in non-current assets constructed by the Council	(605)	(548)
Total employee costs	19,630	20,689

(b) SUPERANNUATION

Council made contributions to the following funds

Defined benefit fund		
Employer contributions to Local Authorities		
Superannuation Fund (Vision Super) & other funds	114	130
Accumulation funds		
Employer contributions to Local Authorities		
Superannuation Fund (Vision Super) & other funds	1,541	1,546
	1,655	1,676
Employer contributions payable at reporting date	173	167

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

4.2 MATERIALS & SERVICES

	2022 \$'000	2021 \$'000
Contract payments		
Valuation services	69	195
Provision of meals for meals on wheels	-	86
Management youth centre	-	26
Management aquatic centre	663	375
Waste management contracts	1,359	1,676
Contract cleaning	407	296
Building service contractors	484	378
Town planning services	104	-
Strategies	132	117
Election	11	119
Sporting group projects	6	362
Community facilities projects	-	5,000
Covid operating costs	140	160
Rural Council Corporate Collaboration Project	158	122
Contracts less than \$100,000	1,364	1,087
Materials and services		
Sporting group projects	-	47
Library	512	569
Road maintenance contracts	336	299
Performing events expenses	645	144
General materials	1,865	705
Road maintenance materials	449	567
Waste management expenses	3,095	2,049
Other materials & services less than \$100,000	2,576	2,021
Other		
Insurances	641	550
Plant operating costs	1,546	1,151
Computer expenditure	689	509
Power, light & heating	662	713
Advertising	220	231
Telephone	135	133
Contract salaries	876	789
External plant hire	27	41
Legal costs	231	115
Printing and stationery	89	57
Donations	367	343
Wimmera Development Association membership	207	207
Water rates	278	236
Community engagement projects	13	43
Sustainability projects	94	-
CCTV Safety projects	99	-
Economic development covid projects	385	-
Emergency management	46	54
 Total materials and services	 20,980	 21,572

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

4.3 DEPRECIATION

	2022 \$'000	2021 \$'000
Furniture and fittings	236	221
Plant and equipment	1,164	1,107
Roads	5,325	5,436
Kerb and channel	476	472
Footpaths and cycleways	566	562
Bridges	421	316
Drainage	824	470
Buildings	1,318	1,290
Other structures	2,463	1,841
	-----	-----
Total depreciation	12,793	11,715
	=====	=====

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

4.4 AMORTISATION - INTANGIBLE ASSETS

Landfill air space	233	233
	-----	-----
Total amortisation - intangible assets	233	233
	=====	=====

4.5 AMORTISATION - RIGHT OF USE ASSETS

Property	55	55
	-----	-----
Total amortisation - right of use assets	55	55
	=====	=====

4.6 BAD AND DOUBTFUL DEBTS

Other debtors	-	17
Parking fine debtors	5	19
Animal fine debtors	86	70
	-----	-----
Total bad and doubtful debts	91	106
	=====	=====
Movement in provision for doubtful debts		
Balance at the beginning of the year	342	285
New provisions recognised during the year	67	60
Amounts already provided for and written off as uncollectable	-	(1)
Amounts provided for but recovered during the year	-	(2)
	-----	-----
Balance at end of year	409	342
	=====	=====

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

4.7 BORROWING COSTS

	2022 \$'000	2021 \$'000
Interest - borrowings	175	197
Finance costs airspace	10	10
Total borrowing costs	185	207

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

4.8 FINANCE COSTS - LEASES

Interest - lease liabilities	33	15
Total finance costs	33	15

4.9 OTHER EXPENSES

Auditors' remuneration - VAGO audit of financial statements, performance statement and grant acquittals	50	54
Auditors' remuneration internal audit	18	19
Councillor & mayoral expenses	318	251
Total other expenses	386	324

NOTE 5 OUR FINANCIAL POSITION

5.1 FINANCIAL ASSETS

(a) CASH AND CASH EQUIVALENTS

Cash on hand	5	5
Cash at bank	5,006	847
Overnight cash at 11am call	4,334	4,540
Total cash and cash equivalents	9,345	5,392

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5.1 FINANCIAL ASSETS (Cont.)

(b) OTHER FINANCIAL ASSETS	2022 \$'000	2021 \$'000
Term deposits - current	29,600	32,000
Total other financial assets	29,600	32,000
Total financial assets	38,945	37,392
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary or future use. These include:		
- Trust funds and deposits (Note 5.3b)	762	586
Total unrestricted cash and cash equivalents	8,583	4,806
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	6,853	4,652
- Cash from Financial Assistance held to fund 22/23 programs	5,085	-
- Cash from Financial Assistance held to fund 21/22 programs	-	3,245
- Unexpended grants	13,629	10,585
- Reserve funds allocated to specific future purposes	-	300
Total funds subject to intended allocations	25,567	18,782

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

Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5.1 FINANCIAL ASSETS (Cont.)

(c) TRADE AND OTHER RECEIVABLES	2022 \$'000	2021 \$'000
Current		
Statutory receivables		
Rates debtors	327	107
Parking infringement debtors	138	144
Other infringement debtors	370	255
Less doubtful debt provision - All infringements	(386)	(317)
Net GST receivable	278	268
Non-statutory receivables		
Sundry debtors	1,248	806
Less doubtful debt provision - Sundry debtors	(24)	(25)
Loans & advances to community organisations	35	34
Total current trade & other receivables	1,986	1,272
Non-current		
Non-statutory		
Loans & advances to community organisations	357	351
Deferred property debts receivable	41	34
Total non current trade & other receivables	398	385
Total trade & other receivables	2,384	1,657

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) AGEING OF RECEIVABLES

The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:

	2022 \$'000	2021 \$'000
Current (not yet overdue)	1,235	727
Past due by up to 30 days	37	47
Past due between 31 and 180 days	2	57
Past due between 181 and 365 days	9	10
Total trade and other receivables	1,283	841
Non-current (not yet overdue)	398	385

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5.1 TRADE AND OTHER RECEIVABLES (Cont.)

(e) AGEING OF INDIVIDUALLY IMPAIRED TRADE AND OTHER RECEIVABLES

At balance date, other debtors representing financial assets with a nominal value of \$410k, (2021 \$342k) were impaired. The amount of the provision raised against these debtors was \$410k, (2021 \$342k). They individually have been impaired as a result of their doubtful collection. The individually impaired debtors relate to general and sundry debtors, parking and animal infringement debtors and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors, or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

	2022 \$'000	2021 \$'000
Past due between 31 and 180 days	32	42
Past due between 181 and 365 days	40	16
Past due by more than 1 year	338	284
Total trade and other receivables	410	342

5.2 NON-FINANCIAL ASSETS

(a) INVENTORIES

Inventories held for distribution	195	218
Inventories held for sale	18	22
Total inventories	213	240

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) OTHER ASSETS

Prepayments	370	358
Accrued income	2,105	1,235
Total other assets	2,475	1,593

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5.2 NON-FINANCIAL ASSETS (Cont.)

(c) INTANGIBLE ASSETS	2022 \$'000	2021 \$'000
Landfill air space	233	447
add additions	1,320	19
less amortisation	(233)	(233)
	-----	-----
Total intangible assets	1,320	233
	=====	=====
		Landfill \$'000
Gross carrying amount		
Balance at 1 July 2021		893
Additions from internal developments		1,320
Disposal		(893)

Balance at 30 June 2022		1,320
		=====
Accumulated amortisation and impairment		
Balance at 1 July 2021		(660)
Amortisation expense		(233)
Disposal		893

Balance at 30 June 2022		-
		=====

Net book value at 30 June 2021		233
		=====

Net book value at 30 June 2022		1,320
		=====

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

5.3 PAYABLES

(a) TRADE AND OTHER PAYABLES

Trade payables	4,100	2,985
Fire services levy	302	44
Accrued expenditure	3	3
PAYG payable	140	142
	-----	-----
Total trade and other payables	4,545	3,174
	=====	=====

Fire Services Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5.3 PAYABLES (Cont.)

(b) TRUST FUNDS AND DEPOSITS

	2022 \$'000	2021 \$'000
Refundable building deposits	83	81
Refundable contract deposits	240	72
Refundable security deposits	245	182
Other refundable deposits	194	251
	-----	-----
Total trust funds and deposits	762	586
	=====	=====

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned, transferred in accordance with the purpose of the receipt or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and Nature of Items

Refundable Deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of the civic facilities.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of the time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Horsham Rural City Council has received monies as agent for the following: Art Gallery Trust Fund, Mack Jost Trust Fund, Con Kroker Trust Fund, Wimmera Regional Library Corporation, Wimmera Development Association and Horsham Cemetery Trust. As Horsham Rural City Council performs only a custodial role in respect of these monies, and the monies cannot be used for council purposes, they are not brought to account in the financial statements.

(c) UNEARNED INCOME/REVENUE

Income received in advance - operating	122	178
Grants received in advance - operating	4,010	4,528
Grants received in advance - capital	3,486	3,807
	-----	-----
Total unearned income/revenue	7,618	8,513
	=====	=====

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of unexpended grants. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer Note 3.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5.4 INTEREST-BEARING LOANS AND BORROWINGS	2022 \$'000	2021 \$'000
Current Borrowings - secured	-	128
	-	128
Non-current Borrowings - secured	4,305	4,305
	4,305	4,305
Total	4,305	4,433

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

The maturity profile for Council's borrowings is:

Not later than one year	-	128
Later than one year and not later than five years	4,305	4,305
	4,305	4,433

Borrowings are initially measured at fair value being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method. The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

5.5 PROVISIONS	Employee \$'000	Landfill Restoration \$'000	Total \$'000
2022			
Balance at the beginning of the financial year	5,543	4,378	9,921
Additional provisions	1,977	2,072	4,049
Amounts used	(1,875)	(163)	(2,038)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(154)	164	10
Balance at the end of the financial year	5,491	6,451	11,942

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5.5 PROVISIONS (Cont.)

	Employee \$'000	Landfill Restoration \$'000	Total \$ \$'000
2021			
Balance at the beginning of the financial year	7,289	4,051	11,340
Additional provisions	1,843	427	2,270
Amounts used	(3,461)	(11)	(3,472)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(128)	(89)	(217)
Balance at the end of the financial year	5,543	4,378	9,921
		2022 \$'000	2021 \$'000
(a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Annual leave		1,478	1,413
Long service leave		393	415
Sick leave gratuity		15	42
		1,886	1,870
Current provisions expected to be wholly settled after 12 months			
Annual leave		315	405
Long service leave		2,444	2,453
Sick leave gratuity		259	212
		3,018	3,070
Total current employee provisions		4,904	4,940
Non-current			
Long service leave		461	412
Sick leave gratuity		126	191
Total non current employee provisions		587	603
Aggregate carrying amount of employee provisions			
Current		4,904	4,940
Non-current		587	603
Total aggregate carrying amount of employee provisions		5,491	5,543

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5.5 PROVISIONS (Cont.)

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

Wages and salaries, and annual leave

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

The current provision expected to be wholly settled within 12 months is calculated on the following basis:

Annual leave and sick leave gratuity: based on the trend of actually usage in preceding 12 months.

Long service leave: based on usage average over the last 5 years.

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

Long service leave

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

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

The components of this current liability are measured at:

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

Classification of employee costs

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

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

Key Assumptions	2022	2021
- Wage inflation rate	3.850%	2.950%
- Oncost rate	12.000%	11.500%
- Discount rate	3.693%	1.491%

Discount rates depend on years of service and are based on the rates released by the Department of Treasury and Finance. Probabilities of staff meeting their entitlement periods are based on history over the last four years.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5.5 PROVISIONS (cont.)

	2022 \$'000	2021 \$'000
(b) Landfill restoration provision		
Current	1,369	1,093
Non-current	5,081	3,285
	-----	-----
	6,450	4,378
	=====	=====

Landfill rehabilitation provision

Council is obligated to restore the Dooen site to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Key Assumptions	2022	2021
- discount rate	3.693%	1.491%
- inflation rate	7.100%	1.890%

5.6 FINANCING ARRANGEMENTS

The Council has the following funding arrangements in place.

	2022 \$'000	2021 \$'000
Bank overdraft	1,000	1,000
Credit card facilities	350	350
Other facilities	4,305	4,433
	-----	-----
Total facilities	5,655	5,783
	=====	=====
Used facilities	4,358	4,480
Unused facilities	1,297	1,303

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5.7 COMMITMENTS

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

2022	Not Later Than 1 Year \$'000	Later Than 1 Year and Not Later Than 2 years \$'000	Later Than 2 Years and Not Later Than 5 years \$'000	TOTAL \$'000
Operating				
Building Surveyor Services	144	-	-	144
Management of Facilities	303	303	303	909
Road maintenance	16	-	-	16
Building maintenance	41	-	-	41
Parks and gardens maintenance	66	-	-	66
Miscellaneous operations	293	-	-	293
Waste management	647	-	-	647
Strategys, studies and plans	289	-	-	289
Covid grants	218	-	-	218
Information Technology	30	-	-	30
Capital				
Roadworks	231	-	-	231
Recreation	3,885	-	-	3,885
Building projects	706	-	-	706
Plant	1,625	-	-	1,625
Aerodrome	322	-	-	322
Industrial Estate development	84	-	-	84
Total	8,900	303	303	9,440
2021	Not Later Than 1 Year \$'000	Later Than 1 Year and Not Later Than 2 years \$'000	Later Than 2 Years and Not Later Than 5 years \$'000	TOTAL \$'000
Operating				
Building Surveyor Services	238	144	-	382
Management of Facilities	495	-	-	495
Road maintenance	263	-	-	263
Building maintenance	252	-	-	252
Depot maintenance	42	-	-	42
Waste management	84	-	-	84
Studies and Plans	183	-	-	183
Covid grants	202	-	-	202
Information Technology	145	-	-	145
Capital				
Roadworks	1,346	-	-	1,346
Recreation	705	-	-	705
Building projects	268	-	-	268
Plant	1,234	-	-	1,234
Waste	1,016	-	-	1,016
Industrial Estate development	83	-	-	83
Total	6,556	144	-	6,700

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5.8 LEASES

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

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

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

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

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

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

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

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

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

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5.8 LEASES (cont.)

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

Right-of-Use Assets	Property \$'000	
Balance at 1 July 2021	383	
Amortisation charge	(55)	

Balance at 30 June 2022	328	=====
Lease Liabilities	2022	2021
Maturity analysis - contractual undiscounted cash flows	\$'000	\$'000
Less than one year	53	51
One to five years	314	314
More than five years	85	138
	-----	-----
Total undiscounted lease liabilities as at 30 June:	452	503
	=====	=====
Lease liabilities included in the Balance Sheet at 30 June:		
Current	53	51
Non-current	290	343
	-----	-----
Total lease liabilities	343	394
	=====	=====

NOTE 6 ASSETS WE MANAGE

6.1 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Industrial land held for sale - at fair value	459	229
	=====	=====

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

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

6.2 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	Carrying Amount 30 June 2021	Additions	Contributions	Revaluations	Transfers	Depreciation	Disposal	Write Off	Carrying Amount 30 June 2022
Land	45,725	7	592	2,913	(52)	-	-	-	49,185
Buildings	70,388	989	-	-	478	(1,318)	-	(794)	69,743
Plant and equipment	14,884	3,095	115	929	45	(1,400)	(354)	-	17,314
Infrastructure	399,028	7,681	1,532	33,963	3,932	(10,075)	-	(1,228)	434,833
Work in progress	4,797	3,320	-	-	(4,455)	-	-	-	3,662
	534,822	15,092	2,239	37,805	(52)	(12,793)	(354)	(2,022)	574,737

Summary of Works in Progress

	Opening WIP	Additions	Transfers	Closing WIP
Land and buildings	495	690	(478)	707
Plant and equipment	45	48	(45)	48
Infrastructure	4,257	2,582	(3,932)	2,907
	4,797	3,320	(4,455)	3,662

NOTES TO THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

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

2022 Property	Land - specialised \$'000	Land - non specialised \$'000	Total Land \$'000	Buildings -non specialised \$'000	Total Buildings \$'000	Works in Progress \$'000	Total Property \$'000
At fair value 1 July 2021	838	44,887	45,725	96,246	96,246	495	142,466
Accumulated depreciation at 1 July 2021	-	-	-	(25,858)	(25,858)	-	(25,858)
	838	44,887	45,725	70,388	70,388	495	116,608
Movements in fair value							
Additions	-	7	7	989	989	690	1,686
Contributions by developers and others	211	381	592	-	-	-	592
Revaluation increments	-	2,913	2,913	-	-	-	2,913
Disposal	-	-	-	(1,243)	(1,243)	-	(1,243)
Assets transferred to held for sale	-	(52)	(52)	-	-	-	(52)
Transfers	-	-	-	478	478	(478)	-
	211	3,249	3,460	224	224	212	3,896
Movements in accumulated depreciation							
Depreciation and amortisation	-	-	-	(1,318)	(1,318)	-	(1,318)
Accumulated depreciation of disposals	-	-	-	449	449	-	449
	-	-	-	(869)	(869)	-	(869)
At fair value 30 June 2022	1,049	48,136	49,185	96,470	96,470	707	146,362
Accumulated depreciation at 30 June 2022	-	-	-	(26,727)	(26,727)	-	(26,727)
Carrying Amount	1,049	48,136	49,185	69,743	69,743	707	119,635

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

2022	Plant Machinery 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 2021	17,415	3,863	321	24,297	45	24,342
Accumulated depreciation at 1 July 2021	(7,482)	-	-	(9,413)	-	(9,413)
	9,933	3,863	321	14,884	45	14,929
Movements in fair value						
Additions	2,334	39	310	3,095	48	3,143
Contributions by developers and others	-	115	-	115	-	115
Revaluation increments	-	929	-	929	-	929
Disposal	(1,539)	-	-	(1,547)	-	(1,547)
Transfers	35	-	10	45	(45)	-
	830	1,083	320	2,637	3	2,640
Movements in accumulated depreciation						
Depreciation and amortisation	(1,164)	-	-	(1,400)	-	(1,400)
Accumulated depreciation of disposals	1,185	-	-	1,193	-	1,193
	21	-	-	(207)	-	(207)
At fair value 30 June 2022	18,245	4,946	641	26,934	48	26,982
Accumulated depreciation at 30 June 2022	(7,461)	-	-	(9,620)	-	(9,620)
	10,784	4,946	641	17,314	48	17,362

HORSHAM RURAL CITY COUNCIL

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

2022 Infrastructure	Roads \$'000	Bridges \$'000	Footpaths & cycleways \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Waste management \$'000	Parks open spaces and streetscapes \$'000	Aerodrome \$'000	Off street car parks \$'000	Other Infrastructure \$'000	Works in Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2021	395,030	30,928	27,640	55,546	12,983	4,791	12,745	3,208	4,891	49,153	4,257	601,172
Accumulated depreciation at 1 July 2021	(130,511)	(13,086)	(13,447)	(13,528)	(4,286)	(2,697)	(3,986)	(1,248)	(2,499)	(12,599)	-	(197,887)
	264,519	17,842	14,193	42,018	8,697	2,094	8,759	1,960	2,392	36,554	4,257	403,285
Movements in fair value												
Additions	5,471	377	71	83	-	920	680	-	35	44	2,582	10,263
Contributions by developers and others	751	-	137	544	-	-	-	200	-	-	-	1,632
Revaluation increments	-	11,119	-	29,739	-	-	-	-	-	-	-	40,858
Disposal	(3,346)	(320)	-	(1)	(14)	-	(44)	-	(18)	-	-	(3,743)
Transfers	788	24	45	16	-	2,946	113	-	-	-	(3,932)	-
	3,664	11,200	253	30,381	(14)	3,866	749	200	17	44	(1,350)	49,010
Movements in accumulated depreciation												
Depreciation and amortisation	(5,801)	(421)	(566)	(824)	(445)	(551)	(456)	(89)	(71)	(851)	-	(10,075)
Accumulated depreciation of disposals	2,408	65	-	-	12	-	17	-	13	-	-	2,515
Contributions by developers and others	-	-	-	-	-	-	-	(100)	-	-	-	(100)
Revaluation (increment)/decrement	-	3,926	-	(10,821)	-	-	-	-	-	-	-	(6,895)
	(3,393)	3,570	(566)	(11,645)	(433)	(551)	(439)	(189)	(58)	(851)	-	(14,555)
At fair value 30 June 2022	398,694	42,128	27,893	85,927	12,969	8,657	13,494	3,408	4,908	49,197	2,907	650,182
Accumulated depreciation at 30 June 2022	(133,904)	(9,516)	(14,013)	(25,173)	(4,719)	(3,248)	(4,425)	(1,437)	(2,557)	(13,450)	-	(212,442)
	264,790	32,612	13,880	60,754	8,250	5,409	9,069	1,971	2,351	35,747	2,907	437,740

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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

Acquisition

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

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

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Asset recognition thresholds and depreciation periods	Depreciation Period	Threshold Limit \$'000
Property		
Land		1,000
Land improvements	10 - 100 years	5,000
Buildings	15 - 100 years	5,000
Plant, machinery and equipment		
Plant, machinery and equipment	1 - 30 years	5,000
Office furniture and equipment	3 - 20 years	1,000
Art purchases		50
Infrastructure		
Road pavements and seals	13 - 60 years	5,000
Road formation and earthworks	100 years	5,000
Road kerb, channel and minor culverts	50 - 55 years	5,000
Bridges substructure	110 years	5,000
Footpaths and cycleways	40 - 50 years	5,000
Drainage	100 years	5,000
Recreation, leisure and community facilities	10 -100 years	5,000
Waste management	3 - 50 years	5,000
Parks, open space and streetscapes	10 - 75 years	5,000
Aerodromes	10 -100 years	5,000
Off street car parks	45 - 90 years	5,000
Intangible assets		
Landfill air space	4 years	5,000

Land under roads

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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

Depreciation of property, infrastructure, plant and equipment

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Artworks are not depreciated.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. When the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of buildings

Valuation of buildings were undertaken by a qualified independent company, AGIS Australian Geographic Information Systems. The valuation of buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Valuation of land

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

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

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2022 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	Date of valuation
Non specialised land	-	48,136	-	July 2021
Specialised land	-	-	1,049	n/a
Non specialised buildings	-	-	69,743	July 2021
	-----	-----	-----	
Total	-	48,136	70,792	
	=====	=====	=====	

Valuation of infrastructure

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

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

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2022 are as follows:

	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	Date of valuation
Roads	-	-	264,790	July 2018
Bridges	-	-	32,612	July 2021
Footpaths and cycleways	-	-	13,880	July 2018
Drainage	-	-	60,754	July 2021
Recreation & leisure facilities	-	-	8,250	June 2021
Waste management	-	-	5,409	June 2021
Parks, open space/streetscapes	-	-	9,069	June 2021
Aerodromes	-	-	1,971	June 2021
Off street car parks	-	-	2,351	July 2018
Other infrastructure	-	-	35,747	June 2021
	-----	-----	-----	
Total	-	-	434,833	
	=====	=====	=====	

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$625 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$353 to \$7,070 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 15 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

	2022 \$'000	2021 \$'000
Reconciliation of specialised land		
	-----	-----
Land under roads	1,049	838
	-----	-----
Total specialised land	1,049	838
	=====	=====

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

6.3 INVESTMENTS IN ASSOCIATES

	2022 \$'000	2021 \$'000
Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting.		
Council's interest in equity	69.46%	72.67%
Equity in Wimmera Regional Library Corporation - at valuation	1,001	993
	1,001	993
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	650	615
Change in equity share apportionment	(4)	55
Reported surplus/(loss) for year	44	11
Transfers to/(from) reserves	(10)	(31)
Council's share of accumulated surplus at end of year	680	650
Council's share of reserves		
Council's share of reserves at start of year	343	377
Change in equity share apportionment	(32)	(65)
Transfers to/(from) reserves	10	31
Council's share of reserves at end of year	321	343
Movement in carrying value of specific investment		
Carrying value of investment at start of year	993	992
Change in equity share apportionment	(36)	(10)
Share of surplus/(loss) for year	44	11
Carrying value of investment at end of year	1,001	993
Council's share of expenditure commitments	Nil	Nil
Council's share of contingent liabilities and contingent assets	Nil	Nil

Dissolution of Wimmera Regional Library Corporation

In August 2022, Wimmera Regional Library Corporation Board received correspondence from both Horsham and West Wimmera Councils announcing their intention to withdraw from the library services provided by Wimmera Regional Library Corporation, effective as of 30 June 2023.

As of 1 July 2023, Horsham Rural City Council will assume direct management of library services.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

6.3 INVESTMENTS IN ASSOCIATES (cont.)	2022 \$'000	2021 \$'000
Council's investment in the Wimmera Development Association is based on the equity method of accounting.		
Council's interest in equity	48.14%	48.14%
Equity in Wimmera Development Association - at valuation	1,374	992
	1,374	992
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	742	222
Change in equity share apportionment	(8)	-
Reported surplus/(loss) for year	390	521
Transfers to/(from) reserves	75	(1)
Council's share of accumulated surplus at end of year	1,199	742
Council's share of reserves		
Council's share of reserves at start of year	250	249
Transfers to/(from) reserves	(75)	1
Council's share of reserves at end of year	175	250
Movement in carrying value of specific investment		
Carrying value of investment at start of year	992	471
Change in equity share apportionment	(8)	-
Share of surplus/(loss) for year	390	521
Carrying value of investment at end of year	1,374	992
Council's share of expenditure commitments	Nil	
Council's share of contingent liabilities and contingent assets	Nil	

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2022, and their income and expenses for that part of the reporting period in which control existed.

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

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

6.3 INVESTMENTS IN ASSOCIATES (cont.)

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.

6.4 INVESTMENT PROPERTY

	2022 \$'000	2021 \$'000
Balance at beginning of financial year	2,520	2,450
Additions	-	12
Fair value adjustments	-	58
	-----	-----
Balance at end of financial year	2,520	2,520
	=====	=====

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

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Ben Sawyer, Certified Practising Valuer of Preston Rowe Paterson who has recent experience in the location and category of property being valued. The valuation is at fair value, based on the current market value for the property.

NOTE 7 PEOPLE AND RELATIONSHIPS

7.1 COUNCIL AND KEY MANAGEMENT REMUNERATION

(a) Related parties

Parent Entity

Horsham Rural City Council is the parent entity.

Subsidiaries and associates

Interests in subsidiaries and associates are detailed in note 6.2.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

7.1 COUNCIL AND KEY MANAGEMENT REMUNERATION (Cont.)

(b) Key management personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Horsham Rural City Council. The Councillors, Chief Executive Officer and Directors are deemed KMP.

Details of KMP at any time during the year are:

Cr. R. Gulline	Mayor Duly elected to office 10/11/20
Cr. C. Haenel	Duly elected to office 10/11/20
Cr. P. Flynn	Duly elected to office 10/11/20
Cr. D. Bowe	Duly elected to office 10/11/20
Cr. D. Bell	Duly elected to office 10/11/20
Cr. I. Ross	Duly elected to office 10/11/20
Cr L.V. Power	Duly elected to office 10/11/20
Mr S. Bhalla	Chief Executive Officer
Mr K. O'Brien	Director Communities and Place
Mr G.A. Harrison	Director Corporate Services
Mr J. Martin	Director Infrastructure

(b) Key management personnel (Cont.)

	2022	2021
	No.	No.
Total number of councillors	7	13
Total of chief executive and other key management personnel	4	5
Total number of key management personnel	11	18

(c) Remuneration of key management personnel

	2022	2021
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,132	1,156
Long-term benefits	21	22
Post-employment benefits	77	94
Total	1,230	1,272

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

	No.	No.
\$ 1,000 - \$ 9,999	-	5
\$ 10,000 - \$ 19,999	-	5
\$ 20,000 - \$ 29,999	6	2
\$ 40,000 - \$ 49,999	-	1
\$ 90,000 - \$ 99,999	1	1
\$209,000 - \$219,999	1	1
\$220,000 - \$229,999	1	1
\$240,000 - \$249,999	1	1
\$280,000 - \$289,999	1	1
Total	11	18

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

7.1 COUNCIL AND KEY MANAGEMENT REMUNERATION (Cont.)

(d) Senior officer remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive Officer; or
- b) whose total annual remuneration exceeds \$151,000.

Based on the above criteria, there are no other senior officers whose remuneration is required to be disclosed. (2020/21 nil).

7.2 RELATED PARTY DISCLOSURES

(a) Transactions with related parties

During the period Council entered the following transactions with related parties.

Fees and charges charged to associates is nil, (2020/21 nil).

Fees and charges charged to entities controlled by key management personnel is nil. (2020/21 nil).

Infrastructure contributions from entities controlled by key management personnel is nil. (2020/21 nil).

Purchase of materials and services from entities controlled by key management personnel is nil.

Purchase of materials and services from associates by key management personnel is as follows:

Council is one of 5 member councils that contributed to Wimmera Regional Library Corporation in 2021/22.

Council contributed \$512,323 in 2021/22 and \$568,654 in 2020/21.

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

Council contributed \$207,483 in 2021/22 and \$207,483 in 2020/21.

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties is nil (2020/21 nil).

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party is nil, (2020/21 nil).

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party is nil, (2020/21 nil).

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 8 MANAGING UNCERTAINTIES

8.1 CONTINGENT ASSETS AND LIABILITIES

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

(a) CONTINGENT ASSETS

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Council.

Operating lease receivables

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

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

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

	2022 \$'000	2021 \$'000
Not later than one year	135	139
Later than one year and not later than 5 years	221	249
Later than 5 years	963	1,080
	1,319	1,468
	1,319	1,468

(b) CONTINGENT LIABILITIES

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because;
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Superannuation

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

(b) CONTINGENT LIABILITIES (Cont.)

Landfills

Finance Assurance for Dooen Landfill

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

Reinstatement of Ladlow's hard waste cell – Dooen Landfill

A fire occurred in Ladlow's hard waste site in December 2020. Since that time Council has worked with the EPA to reduce the effect on the environment and the site. Costs were incurred for removing material stored in the cell, and auditing and monitoring the site. Further auditing and monitoring costs were incurred during 2021/22 financial year. The reinstatement of those removed materials back into the cell commenced in late 2021-22 financial year to be completed in early 2022-23. Other than monitoring, it is not expected there will be any further costs with EPA. Once the materials have been reinstated, the cell will continue to be used with solid inert materials being deposited for a further 2 years.

Bank Guarantees

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

	\$'000

Minister for Agriculture and Resources	12
Minister for Energy and Resources	5
Environment Protection Authority	625

Liability Mutual Insurance

Council is a participant in the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participants share of any shortfall in the provision set aside in respect of that insurance year and such liability will continue whether or not the participant remains a participant in future insurance years.

MAV Workcare

Council was a participant of the MAV WorkCare Scheme.

The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021

In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six-year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received) by Council. The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by the Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period and will affect participating members.

8.2 CHANGE IN ACCOUNTING STANDARDS

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issues by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact Council.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

8.3 FINANCIAL INSTRUMENTS

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables, (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Interest rate risk

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

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by ensuring:

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- Council only invest surplus funds with financial institutions that conform with State and Federal regulations and standards.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

8.3 FINANCIAL INSTRUMENTS (cont.)

(c) Credit risk

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

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

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

To help reduce these risks Council:

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

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(b) and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

Details of the maturity profile for borrowings are disclosed at note 5.4.

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

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months.

- A parallel shift of +1.5% and -1.5% in market interest rates (AUD) from year end rates of 1.30%.

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 30 JUNE 2022**

8.4 FAIR VALUE MEASUREMENT

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

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

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022****8.4 FAIR VALUE MEASUREMENT (cont.)**

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

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 EVENTS OCCURRING AFTER BALANCE DATE

No matters have occurred after balance date that require disclosure in the financial report.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 9 OTHER MATTERS**9.1 RESERVES****(A) ASSET REPLACEMENT RESERVES**

2022	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Central Activity District development	2,739	149	686	2,202
Office equipment replacement	695	159	217	637
Plant replacement	1,162	1,860	2,024	998
Recreation contribution	501	10	62	449
Waste management replacement	1,961	1,505	1,368	2,098
Contingency funding - capital	508	178	308	378
Firebrace St properties	622	51	4	669
Major capital projects	632	524	-	1,156
Aquatic centre replacement	157	42	-	199
Aerodrome reseal	567	70	-	637
Industrial estate	3,273	94	1,489	1,878
Library asset replacement	1	9	-	10
Livestock exchange	357	75	90	342
Loan funded capital projects	2,454	423	-	2,877
Quarry & road rehabilitation	181	14	-	195
Road construction	32	-	-	32
Headworks drainage	442	208	-	650
Unfunded superannuation	600	-	600	-
Wimmera Business Centre	151	15	-	166
Wimmera Freight Terminal	759	125	-	884
Infrastructure gap	27	-	-	27
Sustainability capital projects	332	47	22	357
Total other reserves	18,153	5,558	6,870	16,841

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

9.1 RESERVES (Cont.)

(A) ASSET REPLACEMENT RESERVES

2021	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Central Activity District development	2,839	54	154	2,739
Office equipment replacement	640	298	243	695
Plant replacement	3,460	1,540	3,838	1,162
Recreation contribution	501	-	-	501
Waste management replacement	4,323	1,603	3,965	1,961
Contingency funding - capital	567	194	253	508
Firebrace St properties	634	-	12	622
Major capital projects	803	-	171	632
Aquatic centre replacement	198	42	83	157
Aerodrome reseal	484	83	-	567
Industrial estate	3,257	16	-	3,273
Library asset replacement	32	9	40	1
Livestock exchange	409	38	90	357
Loan funded capital projects	2,031	423	-	2,454
Quarry & road rehabilitation	292	-	111	181
Road construction	32	-	-	32
Headworks drainage	397	45	-	442
Unfunded superannuation	600	-	-	600
Wimmera Business Centre	135	16	-	151
Wimmera Freight Terminal	660	99	-	759
Infrastructure gap	27	-	-	27
Sustainability capital projects	238	146	52	332
Total other reserves	22,559	4,606	9,012	18,153

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

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

Unfunded superannuation reserve is an appropriation of funds for future call on the defined benefits superannuation scheme.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

9.1 ASSET REVALUATION RESERVES

2022	Balance at beginning of reporting period \$'000	Impairments and reversals \$'000	Revaluation increment \$'000	Balance at end of reporting period \$'000
Property				
Land	32,248	-	2,913	35,161
Other land improvements	2,975	-	-	2,975
Buildings	30,873	-	-	30,873
Total property	66,096	-	2,913	69,009
Plant and equipment				
Works of art	1,330	-	929	2,259
Total plant and equipment	1,330	-	929	2,259
Infrastructure				
Roads	146,562	-	-	146,562
Kerb and channel	11,351	-	-	11,351
Drainage	15,884	-	18,918	34,802
Footpaths and cycleways	10,857	-	-	10,857
Bridges	7,227	-	15,045	22,272
Other infrastructures	35,950	-	-	35,950
Total Infrastructure	227,831	-	33,963	261,794
Other				
Land held for sale	1,086	-	257	1,343
Total asset revaluation reserve	296,343	-	38,062	334,405
2021				
Property				
Land	25,184	-	7,064	32,248
Other land improvements	2,975	-	-	2,975
Buildings	20,425	-	10,448	30,873
Total property	48,584	-	17,512	66,096
Plant and equipment				
Works of art	1,330	-	-	1,330
Total plant and equipment	1,330	-	-	1,330
Infrastructure				
Roads	146,562	-	-	146,562
Kerb and channel	11,351	-	-	11,351
Drainage	15,884	-	-	15,884
Footpaths and cycleways	10,857	-	-	10,857
Bridges	7,227	-	-	7,227
Other infrastructures	8,067	-	27,883	35,950
Total Infrastructure	199,948	-	27,883	227,831
Other				
Land held for sale	1,075	-	11	1,086
Total asset revaluation reserve	250,937	-	45,406	296,343

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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

	2022 \$'000	2021 \$'000
	-----	-----
Surplus/(Deficit) for the year	4,147	3,089
Depreciation and amortisation	13,081	11,770
Loss on disposal of property, infrastructure, plant and equipment	1,904	1,609
Contributions - Non-monetary assets	(2,239)	(121)
Share of (profits)/loss of associates	(390)	(522)
Fair value (increment) adjustments for Investment property	-	(58)
Financing Costs	218	222
(Increment) on revaluation of Assets held for sale	(265)	
Change in assets and liabilities:		
Increase/(decrease) in provisions	2,020	(1,418)
(Increase)/decrease in intangible assets	(1,087)	214
Decrease in right-of-use assets	55	55
(Decrease) in lease liabilities	(51)	(51)
(Increase) in prepayments	(12)	(117)
Increase in trade and other payables and other liabilities	652	2,736
Increase/(decrease) in assets held for sale	27	-
Decrease in inventories	27	308
(Increase)/Decrease in trade and other receivable	(727)	82
(Increase)/decrease in accrued income	(870)	(929)
	-----	-----
Net cash provided by/(used in) operating activities	16,490	16,869
	=====	=====

9.3 SUPERANNUATION

Horsham Rural City Council makes all of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision My Super/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings, (for the year ended 30 June 2022, this was 10% as required under Superannuation Guarantee (SG) Legislation (2021: 9.5%)).

Defined Benefit

Horsham Rural City Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Horsham Rural City Council in the fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purpose of AASB 119 Employee Benefits.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

9.3 SUPERANNUATION (Cont.)

Funding Arrangements

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

As at 30 June 2021, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefits Category.

The vested benefit index (VBI) of the defined Benefit category of which Council is a contributing employer was 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns	4.75% p.a.
Salary information	2.75% p.a.
Price Inflation (CPI)	2.25% p.a.

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2022.

Vision Super has advised that the VBI at 30 June 2022 was 102.2%, Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns	5.5% p.a.
Salary information	2.5% p.a. to 30 June 2023, and 3.5% p.a. thereafter
Price inflation (CPI)	3.0% p.a.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 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 2021 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 2022, this rate was 10.0% of members' salaries (9.5% in 2020/2021). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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

Funding Calls

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

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

9.3 SUPERANNUATION (Cont.)

Funding Calls cont.

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.

The 2021 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigations identified the following in the defined benefit category of which Council is a contributing employer:

	2021 (Interim) \$m	2020 (Triennial) \$m
A VBI Surplus	\$214.7	\$100.0
A total service liability surplus	\$270.3	\$200.0
A discounted accrued benefits surplus	\$285.2	\$217.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2021.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2021.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2021.

Horsham Rural City Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

The 2022 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022, as the Fund provides lifetime pensions in the Defined Benefits category. It is anticipated that this actuarial investigation will be completed by October 2022.

Horsham Rural City Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

9.3 SUPERANNUATION (Cont.)

Superannuation contributions

Contributions by Horsham Rural City Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

Scheme	Type of Scheme	Rate	2022 \$'000	2021 \$'000
Vision Super	Defined benefits	10.0% (2021:9.5%)	114	130
Vision Super and other funds	Accumulation funds	10.0% (2021:9.5%)	1,541	1,546

Council has not paid any unfunded liability payments to Vision Super in 2021/22 or in 2020/21.

There were \$173,000 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2022.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ended 30 June 2023 is \$106,000.

10.0 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies in the 2021-22 year.

There are no pending accounting standards that are likely to have a material impact on council.

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