APPENDIX 10.2B

Council Plan
2016 - 2020

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

Horsham Rural City Council urban rural balance

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

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

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

RECOGNITION OF OUR LAND'S TRADITIONAL OWNERS

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

HORSHAM RURAL CITY COUNCIL

Civic Centre Municipal Office
18 Roberts Avenue (PO Box 511)
Horsham Vic 3402

p: (03) 5382 9777
f: (03) 5382 1111
e: council@hrcc.vic.gov.au
w: www.hrcc.vic.gov.au

TABLE OF CONTENTS

Welcome	3
Our Councillors	4
About Council	4
Organisational Structure	5
Vision	6
Mission	6
Core Values	6
About the Council Plan	7
Our Municipality	9
At a Glance	10
If the Municipality of Horsham had 100 people	10
Guiding Principles	11
Advocacy	12
External Factors that Inform the Council Plan	13
Goals	**15**
Goal 1 – Community and Cultural Development	16
Goal 2 – Sustaining the Economy and Environment	19
Goal 3 – Asset Management	23
Goal 4 – Governance and Business Excellence	26
Achievements	29
How we will report on our performance	30
Strategic Resource Plan	31
How we will resource our plan	32
Definitions	41

MESSAGE

FROM THE MAYOR, CR HEATHER PHILLIPS

The Council Plan is the primary instrument for Councillors to influence the operations and strategic directions of Council. It is a four year rolling plan that establishes priorities and processes for new and existing services, capital works, maintenance, and advocacy on behalf of our community.

Councillors are required to do a major review of the Council Plan soon after being elected and minor reviews are carried out yearly or as needed.

New directions may be influenced by external factors such as rate capping, government policies, feedback from community members or new Councillors.

The Council Plan guides the activities of the Chief Executive and administration, and indicates where and how the available resources will be allocated.

Read it carefully and think about how you would like your community to look and what you would like to achieve in the next 4 years and beyond.

OUR COUNCILLORS

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

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

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

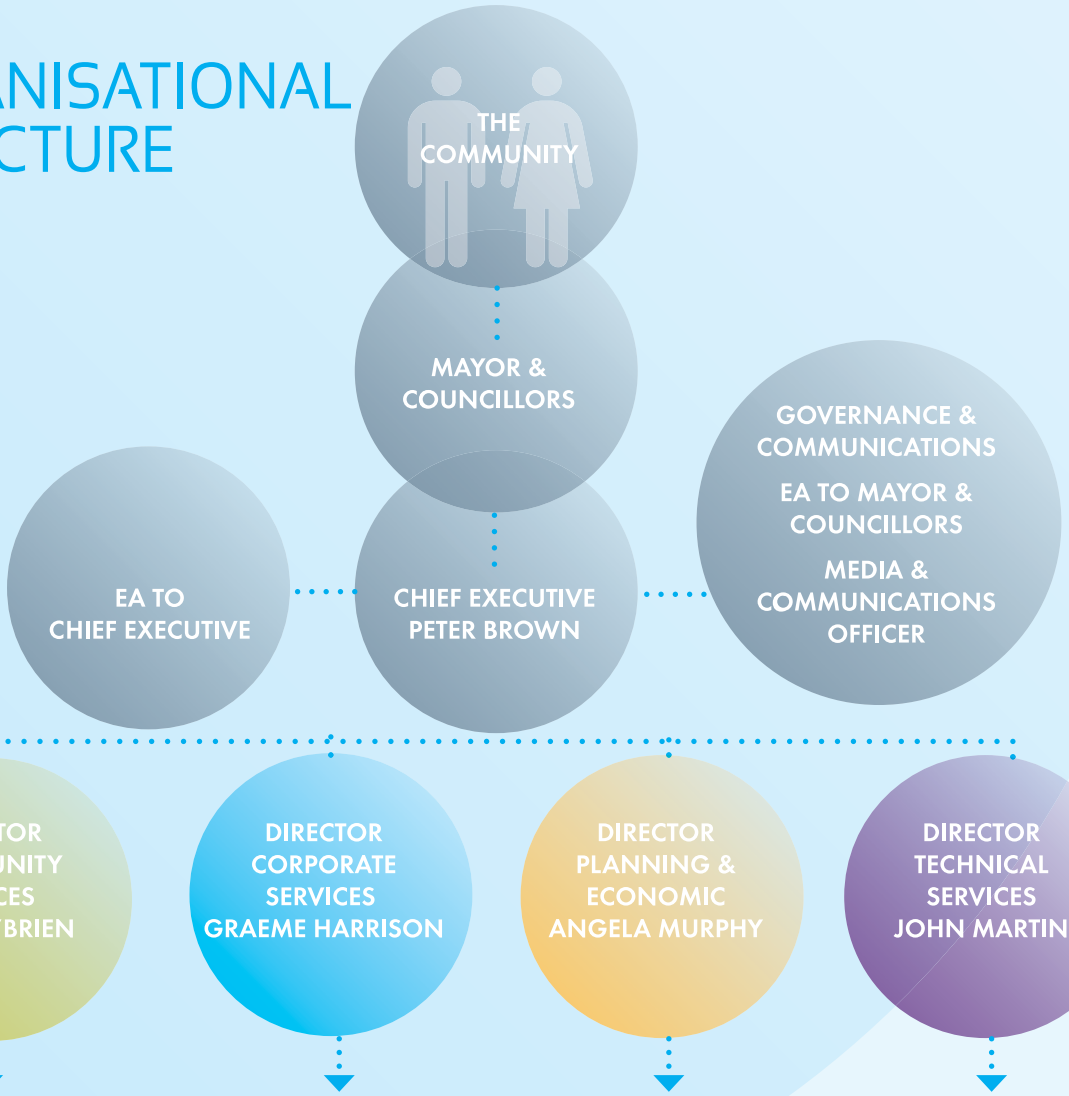
ABOUT COUNCIL

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

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

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

ORGANISATIONAL STRUCTURE



- Aged & Disability Services
- Community Development
- Cultural Development
- Emergency Recovery
- Environmental Health Office
- Horsham Aquatic Centre
- Horsham Regional Art Gallery
- Immunisation
- Maternal & Child Health
- Multiple Birth Support
- Playgrounds
- Rural Access
- Senior Citizens
- Theatre & Venue Management
- Wimmera Regional Library
- Youth

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

- Animal Management
- Building Maintenance
- Horsham Caravan Park
- Economic Development
- Industrial Estates
- Local Laws
- Planning
- Tourism, Major Events & Marketing
- Traffic Management
- Visitor Information Centre
- Wimmera Business Centre
- Wimmera Intermodal Freight Terminal

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

VISION

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

MISSION

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

CORE VALUES

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

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

ABOUT THE COUNCIL PLAN

The *Local Government Act 1989* requires all Victorian Councils to produce a four year Council Plan which must be reviewed annually. The 2016–2020 Council Plan sets the strategic direction of Council over the next four years, linking the community's vision to Long-term community goals, Four-year outcomes and Four-year priorities for Horsham Rural City Council. The Council Plan provides direction to management and includes the indicators that Council will use to deliver key outcomes.

The Horsham Rural City Council Plan contains the following four goals:

1. **Community and Cultural Development**
2. **Sustaining the Economy and Environment**
3. **Asset Management**
4. **Governance and Business Excellence**

Council has taken the approach to have a four year rolling council plan that is reviewed and revised on an annual basis for the following four years. This review has seen a new format used that distinguishes between specific four year outcomes and priorities from those that can be directly linked to services that Council deliver and are essentially ongoing in nature. Council services have also been linked to each of the goals, and performance measures have been articulated as to how Council will track our progress against these measures.

There are a number of guiding principles that sit across each of the four goals as well as information on the external factors that are influencing our current plan. The new Local Government Performance Reporting Framework has also been incorporated in to the Council plans reportable measures.

A key component of the Council Plan is how this relates to Councils yearly budget process. As part of that budget process, a Strategic Resource Plan has been developed, which translates the requirements of the Council Plan in to a four year forward projection of Councils financial position and results. The Strategic Resource Plan is included as part of this Council Plan.

Other important documents in Council's Planning Framework are the Municipal Strategic Statement which is a requirement of the *Planning and Environment Act 1987*, and outlines Council's objectives for the future growth, development and management of land in the municipality, and sets out strategies to achieve these objectives.

The Health and Well Being Plan is another important document that helps guide Council's decision making processes. It is a requirement under the P*ublic Health and Wellbeing Act 2008* and outlines goals and actions that guide Council in creating a local community in which people can achieve maximum health and wellbeing.

The Health and Wellbeing plan was updated and adopted by Council 18 November 2013.

OUR MUNICIPALITY

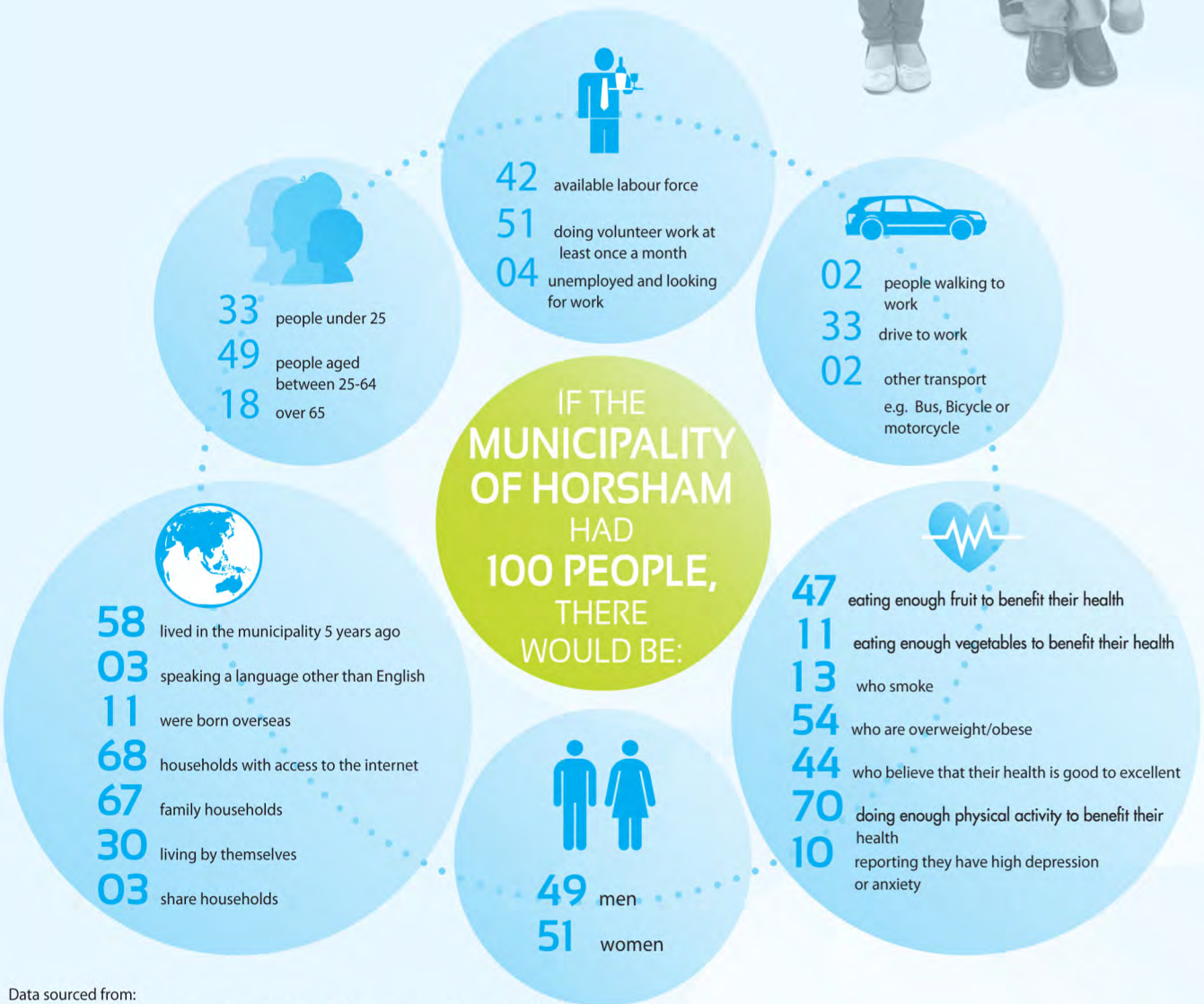
Horsham Rural City is a vibrant, diverse community situated approximately 300 kilometres north-west of Melbourne and north of the Grampians National Park, in the heart of the Wimmera region of Victoria. Horsham Rural City Council has a population of 19,691 and covers an area of 4,267 square kilometres. Almost three quarters of residents live in the urban area of Horsham.

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

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

AT A GLANCE

Population	19,691 (Est. June 2015)
Area	4,267 square kilometres
Road Length	2,946 kilometres
Number of Council Employees	183 EFT
Number of Councillors	7
Rateable Properties	12,028
Total Revenue (including grants)	$49,770,000
Rate and Charge Revenue	$22,312,000
Major Employment Sector in Municipality	Agriculture, Retail, Health Care and Social Assistance



Data sourced from:
Department of Health, Regional Health Status Profiles Grampians Region, 2012
Regional Development Australia, Grampians, 2013
Vic Health Survey results, 2011

GUIDING PRINCIPLES

The following principles inform the work that Council undertakes.

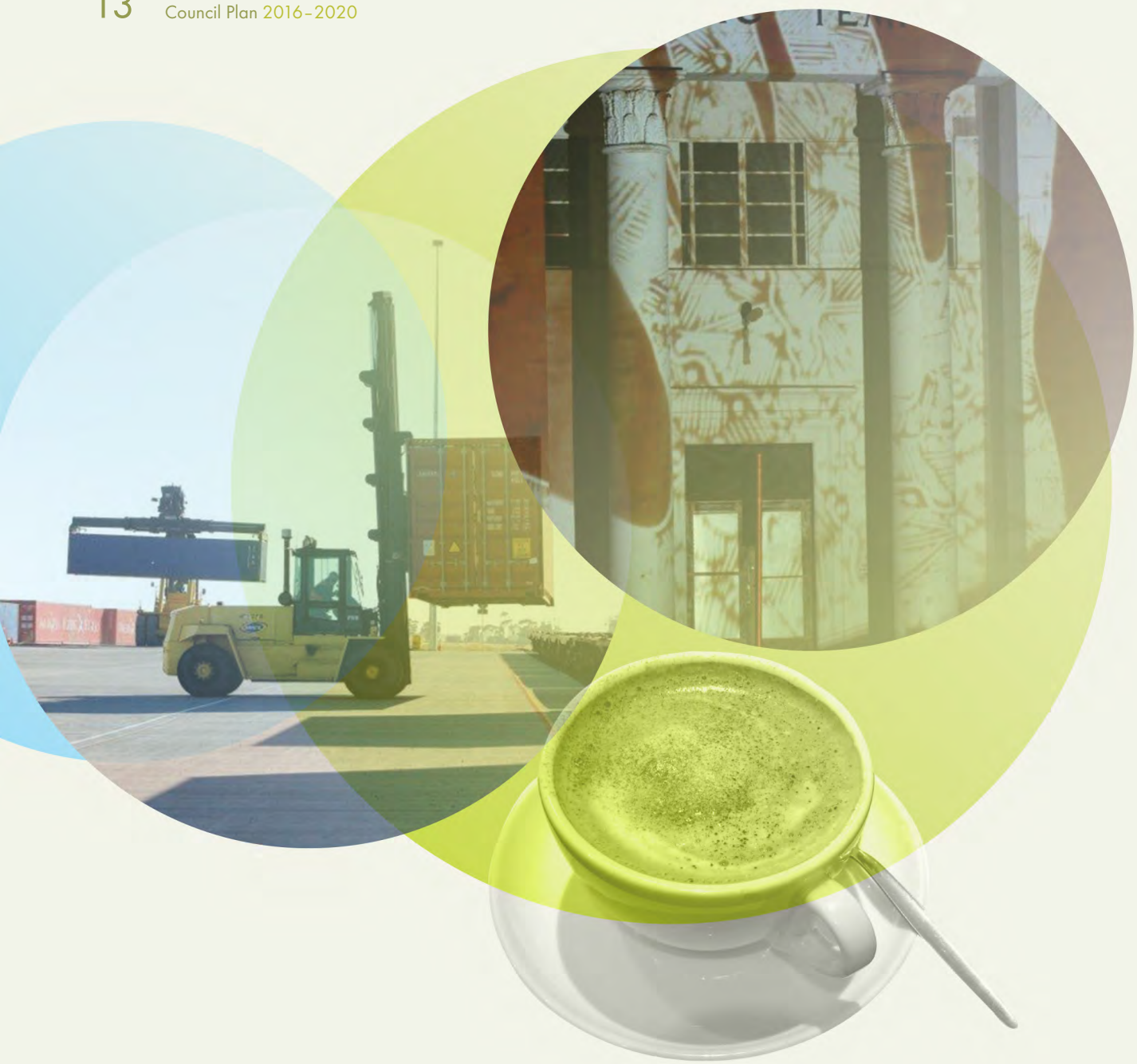
Horsham Rural City Council will:

- Recognise our place and importance as a regional centre
- Consult, engage and work transparently with the community
- Recognise and support the important role of volunteers in our community
- Liaise with Federal and State Government Ministers, Parliamentary representatives and neighbouring municipalities
- Monitor changes in Federal and State Government policies and their impact on the funding of Council service delivery
- Participate in appropriate peak state and regional level forums
- Recognise the important and ongoing place that all Indigenous people hold in our community
- Foster an environment that embraces diverse cultures as part of our community
- Promote and protect human rights
- Protect and promote the municipality as a safe place to live
- Attract and retain youth, professionals and people from diverse cultures to the municipality
- Provide information to the community in a variety of formats using plain language where possible
- Respect and protect our natural environment including waterways, indigenous plants and wildlife and local heritage
- Consider the impact of climate change in our key planning and building decisions
- Provide accessible and quality services in a timely and efficient manner
- Comply with all statutory reporting requirements
- Provide accountable financial management and reporting
- Evaluate refurbishment of appropriate Council assets before construction of new facilities

ADVOCACY

Advocacy on behalf of the Horsham and wider Wimmera community is an important role for the Council. We strive to work hard on a wide number of advocacy issues with our goal for the 2016–2020 Council Plan to advocate for the following:

- Improved weather forecasting including Bureau of Meteorology radar coverage
- The rebuilding of Horsham College
- Improved education and health outcomes for our community
- Total mobile phone coverage across the municipality
- The retention of recreational lakes or other recreational water facilities with the purpose of securing water based recreational opportunities in the municipality
- Improved facilities at Horsham Police Station
- Improved residential aged care facilities
- More flexibility and less onerous conditions in compliance with Environment Protection Authority requirements for landfill
- Support upgrade of student accommodation and new facilities at Longerenong College
- Investigate the relocation of the railway line from the centre of Horsham as part of the Horsham Road Bypass
- Encourage the establishment of a passenger air service from Horsham to Melbourne and Adelaide
- Duplication of the Western Highway and improved safety through to Stawell
- Cherrypool roadside toilets
- Passenger Rail
- Horsham Road Bypass (alignment) and construction



EXTERNAL FACTORS THAT INFORM THE COUNCIL PLAN

Our economy is changing:

- The farming sector is diversifying as new technologies and practices are being adopted to adapt to global economic and climate changes
- The continued consolidation of farming enterprises to create larger corporate entities
- Mining in the municipality may increase, providing economic activity and employment opportunities
- Horsham is leading the way in cropping research
- We are a service centre for the region
- Rollout of the national broadband network will provide opportunities for the business and community sectors
- Changing technology will provide us with more innovative business opportunities especially around on-line retailing, e-commerce and social media
- Water savings from the Wimmera Mallee Pipeline system will provide more economic/business opportunities
- The Wimmera Intermodal Freight Terminal and surrounding precinct will provide numerous economic opportunities

Our community is changing:

- The municipality is continuing to experience some population increase, mainly with people moving to Horsham from surrounding areas
- Our population is ageing and baby boomers are looking to retire to a place that meets their needs
- There is an increase in people from diverse cultures moving to our municipality
- Volunteer groups need help in accessing funds, sourcing information and navigating their way through legislative and government requirements

To attract and retain people in our municipality, quality services and cultural activities are needed including:

- A range of public and private education facilities (from early years through to tertiary and lifelong learning)
- High quality acute, allied health, mental health and residential aged care services
- A choice of specialist health services and preventative health care programs
- Appropriate and affordable housing
- State-of-the-art cultural venues and events
- Opportunities for sport, recreation and physical activity (eg bike paths, Horsham Aquatic Centre)
- Efficient and effective public transport within Horsham and connecting to larger centres
- Opportunities for social connection

For the municipality to be a good place to live and preserve our natural environment we need to:

- Have connected and accessible urban environments
- Make greater use of assets such as the Wimmera River
- Maintain assets that meet the community's needs
- Better manage our green and hard waste and educate the community on recycling and energy efficiency

GOALS

GOAL 1 – COMMUNITY AND CULTURAL DEVELOPMENT

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

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

GOAL 2 – SUSTAINING THE ECONOMY AND ENVIRONMENT

Lead in sustainable development and enhance the environment

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

The goals that support the vision and what Horsham Rural City Council will do to achieve them:

GOAL 3 – ASSET MANAGEMENT

Meet community and service needs through provision and maintenance of infrastructure

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

GOAL 4 – GOVERNANCE AND BUSINESS EXCELLENCE

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

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

GOAL 1

– COMMUNITY AND CULTURAL DEVELOPMENT

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

	What we'll aim for:	We'll track progress in terms of:
Long-term community goal	**Community and Cultural Development**	
The Council's four-year outcomes	• 1.1 Contribute to building a vibrant and diverse community • 1.2 Develop an environment that promotes a safe, active and healthy community, encouraging participation • 1.3 Contribute to building cultural activities to enhance our diverse and vibrant community • 1.4 Develop the municipality as a desirable place to live, work and enjoy for people of all ages and abilities	• Substantially complete the Town Hall/Art Gallery construction project. • Complete demolition of Grampians fire affected properties and cancel associated 43 emergency orders. • Increase the number of cultural events held each year.

What we'll do:

The Council's four-year year priorities

1.1.1 Pursue ongoing funding for the implementation of a community engagement project and neighborhood renewal program in Horsham North

1.1.2 Facilitate ongoing development of community facilities at Cameron Oval, Laharum, and Haven Recreational Reserve

1.1.3 Design and construct the Horsham North Children's Hub

1.2.1 Review the 2009-2029 Active Communities, Positive Living, Planning for Longevity in the Wimmera plan in consultation with neighbouring councils and service providers

1.2.2 Develop and implement a plan for the redevelopment of the Horsham City Oval precinct

1.2.3 Encourage redevelopment of community facilities at the Horsham Showgrounds

1.2.4 Complete a detailed feasibility study for a multipurpose/indoor sports and community facility

1.2.5 Design and construct a multipurpose/indoor sports and community facility

1.3.1 Investigate the establishment of an artist in residence program in Horsham

1.3.2 Work with the Wesley Committee of Management to review arrangements associated with the Wesley PAC

1.4.1 Review and further develop planning controls for heritage items through the completion of heritage studies

1.4.2 Develop a housing strategy for the municipality including consideration of housing type, availability and affordability

1.4.3 Work with other Council's and relevant agencies to prepare rollout of the National Disability Insurance Scheme

1.4.4 Investigate the establishment of a Civic Square within the Central Activity District

1.4.5 Work with Victrack to improve underpasses between Horsham North and wider Horsham

Strategies, plans, services and ongoing activities that support this goal:

Strategies / Plans (Council will implement selected recommendations)

- Active Communities, Positive Living, Planning for Longevity in the Wimmera 2009-29
- Arts and Cultural Plan
- Community Action Plans
- Community Development Framework
- Community Plans (Dadswells Bridge, Horsham, Laharum/Wartook, Natimuk)
- Cultural Venues Strategic Plan
- Disability Access and Action Plan
- Health and Wellbeing Plan
- Horsham and District Early Years Plan
- Municipal Emergency Management Plan
- Municipal Fire Management Plan
- Sport and Recreation Strategy

Strategies, plans, services and ongoing activities that support this goal:	
Horsham Rural City Council service areas	• Maternal & Child Health • Environmental Health Office • Senior Citizens • Aged and Disability Services • Community Development • Emergency Recovery • Rural Access • Wimmera Regional Library Service • Youth Services • Horsham Aquatic Centre • Cultural Development • Horsham Regional Art Gallery • Theatre Management • Venue Management • Emergency Management • Environment and Recreation
Horsham Rural City Council on an ongoing basis will:	• Support the community with governance and management arrangements for community sport and recreation assets • Support sporting and community organisations to develop and upgrade community sport and recreation facilities through relevant funding programs in accordance with the Sport and Recreation Plan and other Council plans • Provide municipal emergency management services in accordance with Council's Municipal Emergency Management Plan and Emergency Recovery Plan • Continue to work in partnership with Police and community safety organisations to create a safe environment • Work with the Wesley Committee of Management to review arrangements associated with the Wesley PAC • Encourage and support appropriate festivals, events and cultural activities within the municipality including those that celebrate and promote cultural and religious diversity and provide funding for marketing support • Participate in the sustainability Victoria "Sustainable Communities" Award program

GOAL 2

– SUSTAINING THE ECONOMY AND ENVIRONMENT

Lead in sustainable development and enhance the environment

What we'll aim for:		We'll track progress in terms of:
Long-term community goal	**Sustaining the Economy and Environment**	
The Council's four-year outcomes	• 2.1 Promote sustainability by encouraging sound environmental practice • 2.2 Cultivate opportunities for the municipality to prosper and pursue possibilities for new development • 2.3 Support initiatives for improved transport services in and around the municipality • 2.4 Increase visitors to the municipality • 2.5 Promote Horsham as a regional city	• 90% of planning permits issued within the 60 day statutory period. • Facilitate further development of private industrial land. Target 10 new lots by 2016. • WIFT Precinct - Establish framework and implementation plan for first stage of infrastructure, land availability and planning regime by June 2015. • Tender the leasing of Horsham Caravan Park by March 2015.

What we'll do:

The Council's four-year priorities

- 2.1.1 Complete strategic planning studies and frameworks including the Housing Strategy, Heritage Studies, Horsham South Structure Plan, Rural Areas Strategy and the Wartook Valley Strategy
- 2.1.2 Review Council's Environment Sustainability Strategy and lead the community in environmentally sustainable practices to improve management of our natural environment
- 2.1.3 Develop a Waste Management Strategy
- 2.2.1 Explore GWM recycled water use within the community
- 2.2.2 Progress implementation of the Wimmera Intermodal Freight Terminal Precinct Plan and encourage opportunities for the establishment of associated industries
- 2.2.3 Work with the business sector to maximise opportunities of the proposed Horsham bypass and work with the community to minimise social and environmental impacts including the Aerodrome and other community assets
- 2.2.4 Work with the economic and community sectors to maximise opportunities arising from the national broadband rollout, including training and awareness of on-line retail business opportunities
- 2.3.1 Explore opportunities for improved timetabling and passenger rail and bus services to Horsham from outside and within the region (including Horsham to Halls Gap, Melbourne and Adelaide)
- 2.3.2 Actively pursue the retention and further development of rail freight services for the region and lobby for containerised transport subsidy
- 2.4.1 Implement Council related recommendations from the Mt Arapiles Tooan State Park study
- 2.4.2 Support the development of the Grampians Way (ring road)
- 2.4.3 Support the development of the Grampians Peak Trail
- 2.5.1 Work with surrounding Shires to identify opportunities for shared services

Strategies, plans, services and ongoing activities that support this goal:

Strategies / Plans (Council will implement selected recommendations)

- Bicycle Management Plan
- CBD Parking Provision and Management Strategies
- Environment Management Plan
- Environment Sustainability Strategy
- Electric Power Line Operational Clearance Plan
- Framework for Managing Growth
- Horsham Central Activities District Strategy
- Mt Arapiles Tooan State Park Study
- Roadside Vegetation Management Plan
- Street Tree Strategy
- Sustainability Strategy
- Sustainable Water Usage Plan
- Tourism and Events Master Plan
- Wartook Valley Strategy
- Wimmera River Improvement Plan
- **Horsham Planning Scheme –**
  - CBD Urban Design Framework for Horsham
  - Horsham North Urban Design Framework
  - Municipal Strategic Statement
  - Rural Zones Review
  - Wimmera Intermodal Freight Terminal Precinct Structure Plan

Horsham Rural City Council service areas

- Economic Development
- Animal Management
- Local Laws
- Building permits & statutory building services
- Municipal Building Maintenance
- Statutory and strategic planning services
- Traffic Management
- Horsham & Grampians Visitor Information Centre
- Tourism & major events marketing services
- Horsham Caravan Park
- Waste Management
- Environmental Management
- Environment & Water Quality
- Environment & Recreation

Strategies, plans, services and ongoing activities that support this goal:

Horsham Rural City Council on an ongoing basis will:

- Look to reduce Council's carbon footprint and lead through example with energy efficiency initiatives
- Encourage the growth opportunities for specific sectors including manufacturing, mineral sands, retail, viticulture, agriculture, horticulture and grains research
- Support the Wimmera Mining Sector Plan to maximise long term economic and social benefits and minimise environmental impacts for the municipality
- Encourage business opportunities from water available from the Wimmera Mallee Pipeline system
- Consider targeted trade and economic opportunities associated with business and economic sectors in the municipality utilising modern and emerging technology
- Support and actively participate in the Wimmera Development Association
- Support future operations and opportunities for the Wimmera Business Centre through the Committee of Management to reinforce its ongoing viability and effectiveness in fostering new business enterprises
- Encourage linkages with local business and tourism associations to assist growth and prosperity of the retail, commercial and tourism sectors
- Support investigation of localised renewable energy generation facilities
- Encourage development of private vacant, unserviced land in the industrial zones and for Council to pursue the development of additional industrial sites
- Pursue opportunities for the establishment of suitable enterprises at Burnt Creek Industrial Estate and Horsham Enterprise Estates
- Actively participate in the Regional Living Expo and program
- Promote and attract conferences to Horsham
- Facilitate the attraction of major sporting events
- Promote and encourage safe bicycle use as a sustainable alternate mode of transport, including provision of bicycle parking facilities
- Continue resourcing tourism, event and festival funding through the Tourism Advisory Committee
- Work with Governments to improve the quality of pre school, primary, secondary and tertiary educational services to attract and retain families in the municipality
- Continue to develop sustainable water reuse projects including reuse of storm water

GOAL 3

– ASSET MANAGEMENT

Meet community and service needs through provision and maintenance of infrastructure

	What we'll aim for:	We'll track progress in terms of:
Long-term community goal	**Asset Management**	
The Council's four-year outcomes	• 3.1 Determine infrastructure needs and expectations through consultation with developers and the community • 3.2 Ensure projected financial and physical programs reflect infrastructure needs • 3.3 Maintain asset management systems that will assist planning asset maintenance and capital renewal • 3.4 Deliver works to develop and maintain Council's physical assets for long term sustainability, amenity and safety	• Essential Safety measures – Complete annual reports of Council buildings with existing determinations – target 100%. • Achieve building condition assessments for buildings valued at over $20,000 – target 100%. • Budgeted commitment of expenditure on Renewal of Council assets above condition 8 – target 70% • The proportion of capital works projects completed at the conclusion of the financial year – target 90% • The proportion of capital works projects completed within the allocated budget - target 90%.

	What we'll do:	
The Council's four-year priorities	• 3.1.1	Develop improved pedestrian access across the Wimmera River in Horsham, in partnership with land developers
	• 3.1.2	Undertake an integrated transport strategy for the City of Horsham
	• 3.1.3	Undertake a review of Council infrastructure asset holdings in terms of their relevance to future community needs and longer term implications of ownership
	• 3.1.4	Pursue upgrade of Wilson Street in consultation with VicRoads
	• 3.1.5	Provide a Changing Places toilet facility in Horsham
	• 3.1.6	Develop a forward look plan for a further vehicle bridge across the Wimmera River, and determine the timing when this should be constructed
	• 3.2.1	Implementation of the Civic Centre Redevelopment Plan
	• 3.2.2	Confirm and undertake design and planning for the relocation of the municipal depot
	• 3.3.1	Develop a maintenance and replacement schedule for all groups of assets managed by Council, including heritage listed buildings
	• 3.3.2	Develop and implement asset management plans for all nominated asset groups to assist with long term financial and asset management planning and legislative requirements - involve the community in the process
	• 3.4.1	Review Council's approach to private streets maintenance and construction
	• 3.4.2	Develop infrastructure that encourages greater participation and use of alternate transport options to the city (eg, walking, cycling and public transport)
	• 3.4.3	Upgrade the Horsham Aquatic Centre Outdoor Pool. Consider options for further improvements throughout the Aquatic Centre
	• 3.4.4	Investigate access to and upgrade public convenience facilities in the Horsham central business district and across the municipality
	• 3.4.5	Upgrade and improve facilities at May Park

	Strategies, plans, services and ongoing activities that support this goal:
Strategies / Plans (Council will implement selected recommendations)	• Asset Management Plan • Asset Management Practices Improvement Strategy • Capital Works Plan • Drainage Strategy • Horsham Aerodrome Business Plan • Plant (Fleet) Asset Management Program • Road Management Plan
Horsham Rural City Council service areas	• Landscaping, Amenity & Horticulture • Natimuk Grounds • Botanical Gardens • Amenities & Turf Care • Road Construction Services • Road Maintenance Services • Drainage Management • Horsham Aerodrome • Horsham Regional Livestock Exchange • Infrastructure & Support • Engineering Services • Maintenance Unit • Fleet Management Services • Tree Care Unit
Horsham Rural City Council on an ongoing basis will:	• Continue the Horsham central business district upgrade of streetscaping • Continue to support the Horsham Bypass implementation • Continue construction and implementation of drainage infrastructure for Horsham North and Horsham South • Prioritise risk and condition reports for all assets • Continue to actively pursue initiatives to reduce the infrastructure renewal funding gap • Encourage greater use of information technology systems for asset and risk management, including the Geographic Information System • Improve and enhance facilities in Horsham including the Visitor Information Centre, Horsham Aquatic Centre and Botanical Gardens to attract more visitors to the municipality

GOAL 4

– GOVERNANCE AND BUSINESS EXCELLENCE

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

	What we'll aim for:	We'll track progress in terms of:
Long-term community goal	**Governance and Business Excellence**	
The Council's four-year outcomes	• 4.1 Continuously improve communication and engagement with the community through effective consultation • 4.2 Manage risk to the organisation • 4.3 Be an employer of choice • 4.4 Achieve high standards of organisational performance	• Increase overall score in the Community Satisfaction Survey. • Maintain staff turnover rates at under 10% • Review all Policies and procedures and update into the new framework.

	What we'll do:
The Council's four-year priorities	• 4.1.1 Review Council's Occupational Health and Safety plan and implement findings • 4.2.1 Investigate opportunities for participating in employee exchange programs • 4.2.2 Pursue implementation of Council's Workforce Strategy and identify opportunities for indigenous/migrant employment • 4.3.1 Widen the implementation of the Merit service request tracking system across the organisation • 4.3.2 Develop an ICT Strategy for Council including GIS capabilities • 4.3.3 Develop a Management Strategy for Council's record and data management systems • 4.3.4 Improve performance reporting and regular management reporting across all areas of Council • 4.3.5 Embrace new technology in order to achieve greater efficiencies and outcomes across the organisation • 4.3.6 Maintain sister city relationships as a means of facilitating business, educational and cultural networks and exchanges • 4.3.7 Implement electronic bill paying facilities for all Council services

	Strategies, plans, services and ongoing activities that support this goal:
Strategies / Plans (Council will implement selected recommendations)	• Audit Committee Charter • Business Continuity Plan • Business Unit Plans • Customer Service Charter • Internal Audit Program/Plan • Occupational Health and Safety Plan • Risk Management Plan • Risk Management Strategy • Service Overview • Strategic Audit Plan • Strategic Risk Management Framework • Strategic Resource Plan • Volunteer Manual • Workforce Strategy
Horsham Rural City Council service areas	• Rate Collection Services • Information Technology • Records Management • Elected Council • Organisational Development • Property Management • Executive Services • Media • Financial Services • Treasury • Customer Service
Horsham Rural City Council on an ongoing basis will:	• Maintain relationships with other levels of Government and peak bodies including continued participation in the Regional Cities Group and Wimmera Development Association • Foster improved organisation probity, practices and risk management through the effective operation of Council's Audit Committee • Promote staff wellbeing and fitness • Continue to participate in cadetship/scholarship programs • Apply continuous improvement and review all Council's processes and services • Strengthen business unit planning to enhance overall organisational planning and performance • Encourage Councillors to participate in professional development • Implement Council's Risk Management Strategy and Risk Action Plan under the guidance of the Risk Management Committee • Maintain a detailed strategic risk register and prudent financial and risk management controls in accordance with the Risk Management Strategy • Ensure that Council has in place systems and processes to comply with relevant legislation requirements and obligations • Provide regular reporting to Council on the status of Key Stakeholder, advocacy and significant relationships

APPENDIX 10.2B

ACHIEVEMENTS

Four year priorities completed during the term of this council

Goal 1

- 1.1.3 Undertake Horsham Early Years Social Infrastructure and Services Planning projects
- 1.2.4 Undertake a multipurpose/indoor sports facility feasibility study for Horsham
- 1.3.1 Complete the Horsham Town Hall/Regional Art Gallery redevelopment
- 1.4.3 Enhance access to the Makers Studio
- 1.4.8 Finalise the stabilisation and upgrade of the Natimuk Courthouse to enable occupation

Goal 2

- 2.1.3 Rewrite the Municipal Strategic Statement
- 2.2.1 Continue to participate in the implementation of the Wimmera Southern Mallee Regional Strategic Plan

Goal 3

- 3.1.2 Improve and enhance facilities to the Horsham Caravan Park

Goal 4

- 4.1.1 Develop and implement a comprehensive and effective communication and community engagement policy
- 4.2.1 Review Council's Occupational Health and Safety plan and implement findings
- 4.4.4 Update and renew Council's Business Continuity Plan
- 4.4.8 Implement the Cambron system for the development, management, adoption and monitoring of Council's corporate plans and strategies
- 4.4.10 Develop a Customer Service Charter and Customer Service Standards for both external and internal customers

HOW WE WILL REPORT ON OUR PERFORMANCE

Local Government Performance Reporting Framework

The Victorian Government has been working with councils to develop the Local Government Performance Reporting Framework (LGPRF) which will ensure that all councils are measuring and reporting on their performance in a consistent way.

The Local Government Amendment (Performance Reporting and Accountability) Act 2013, came into operation on 18 April 2014, and amended the *Local Government Act 1989* in preparation for Victoria's new performance reporting framework.

The new legislation and framework will improve public accountability, strategic and financial planning and reporting requirements across local government.

From July 2014, the LGPRF became mandatory for implementation by councils as part of the planning and reporting cycle for the 2014-2015 financial year.

Councils will report against a standard set of performance indicators that will allow benchmarking of results. This will give the community better access to information about how their councils are performing across a range of areas.

Indicators have been developed across three thematic areas: service performance, financial performance and sustainability.

Throughout the 2013–2014 financial year, Horsham Rural City Council participated in the pilot program with Local Government Victoria (LGV) to trial the draft indicators of the proposed framework.

A comprehensive range of service areas were initially considered and eventually the local government refined the list to 10 common local government services plus 4 optional service areas. Horsham Rural City Council can also voluntarily develop indicators surrounding further service areas.

- Governance
- Statutory Planning
- Home and Community Care
- Roads
- Libraries
- Pools
- Waste Collection
- Animal Management
- Food Safety
- Maternal and Child Health
- Economic Development (optional)
- Sport Grounds (optional)
- Immunisation (optional)
- Street Sweeping (optional)

A Governance and Management checklist also forms part of the framework to ensure Horsham Rural City Council have appropriate Policies, Plans and Frameworks in place surrounding areas such as Risk, Emergencies, Assets, Fraud, Community Engagement, Financial Management.

APPENDIX 10.2B

STRATEGIC RESOURCE PLAN

HOW WE WILL RESOURCE OUR PLAN

Strategic Resource Plan

The Strategic Resource Plan identifies the financial and non financial resources required over the four-year period of 2015-2019. The purpose of the Strategic Resource Plan is to ensure adequate resources are available to maintain services at levels established by the Council and to implement the Council Plan priorities. It also helps to establish a basis from which to measure Council's adherence to its policies and strategies and to plan for long term financial sustainability for the municipality.

Development of the plan

The four-year Council Financial Plan has been prepared in accordance with the requirements of the *Local Government Act 1989*. The Act requires the Council to prepare and approve a four-year Council Plan, including a Strategic Resource Plan. The Strategic Resource Plan includes a four-year financial estimate that comprises the standard statements of the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works, Statement of Human Resources, 4 year Capital Works Expenditure and a Summary of planned Human Resources Expenditure.

The Strategic Resource Plan is revised annually as part of the annual review of the Council Plan and is also informed through the annual budget process. Projections are based on Council's four year priorities and ongoing service delivery levels.

Economic environment and key financial assumptions

The Strategic Resource Plan is prepared and revised annually based on the latest economic and financial information available at the time of its preparation. As economic and financial variables change over time, the plan is adjusted accordingly to take account of these movements.

The key financial assumptions underpinning the Strategic Resource Plan are detailed in Table 1.

Table 1: Financial assumptions of Strategic Resource Plan

	2015-2016	2016-2017	2017-2018	2018-2019
Rates increase	5.0%	4.5%	4.5%	4.5%
CPI	2.5%	2.5%	2.5%	2.5%
Total revenue increase	5.6%	1.0%	4.5%	-1.4%
Total cost increase	7.7%	-0.1%	1.9%	1.8%
Investment returns	3.0%	3.0%	3.0%	3.0%

The Strategic Resource Plan was developed through a rigorous process, and is based on the following key information:

- Audited financial statements as at 30 June 2014
- 2015-16 Council Budget
- A range of assumptions about changes in future income and expenditure associated with meeting current levels of services
- Economic environment - financial indicators based on external sources.
- The need to comply with the principles of sound financial management as contained in the Act:
- Prudently manage financial risks relating to debt, assets and liabilities.
- Provide reasonable stability in the level of rate burden.
- Consider the financial effects of Council decisions on future generations.
- Provide full, accurate and timely disclosure of financial information.

KEY OBJECTIVES OF THE FINANCIAL PLAN

The key objectives that underpin the Financial Plan include:

- Maintain the existing range and level of service provision and where possible develop the capacity to grow and add new services
- Maintain a strong cash position, ensuring that Council remains financially sustainable in the long term
- A trend towards an underlying operating surplus
- Maintain debt levels below prudential guidelines
- Continue to pursue recurrent grant funding for strategic capital funds from the state and federal governments
- Provide for rate increases that establish a sustainable funding level, including increasing capital funding for asset renewal. A modest increase in rates is planned at 4.5% from 2016/17 to 2018/19, comprising annually of 2.5% for operations and 2.0% for further infrastructure renewal. This reflects expected general cost increases but does not allow for continued growth in service demand across the municipality. Any growth will need to be met through improving efficiencies in existing operations and services.
- Ensure critical asset renewal items are funded annually over the timeframe of the plan.
- Rating strategy that provides stability in the rate burden

The Council recognises the need for long-term financial planning and will embark on the development of a 10 year Financial Plan in future updates.

Table 2: Key financial indicators of the Strategic Resource Plan

Key Financial Indicators				
	Budget	Strategic Resource Plan		
	2015-16	2016-17	2017-18	2018-19
	($000's)	($000's)	($000's)	($000's)
Underlying Surplus/ (deficit)	1838	2,358	3,667	2,124
Total Revenue	47,567	47,619	49,789	49,067
Total Operating Expenditure	45,729	45,261	46,122	46,943
Gross Capital Expenditure	19,284	15,315	15,005	14,716
Cash Inflow/(Outflow)	(2,126)	501	876	914
Cash Assets	16,374	16,875	17,751	18,665
Asset Renewal Ratio [1]	1.02	0.70	0.79	1.00

[1] Asset Renewal Ratio = Capital Expenditure (Renewal) / Depreciation

STRATEGIC RESOURCE PLAN

HORSHAM RURAL CITY COUNCIL
COMPREHENSIVE INCOME STATEMENT
FOR THE FOUR YEARS ENDED 30th JUNE 2019

	2016 $'000	2017 $'000	2018 $'000	2019 $'000
Income				
Rates and garbage charge	23,564	24,771	26,032	27,349
Grants – Operating (recurrent)	7,629	7,705	7,936	8,174
Grants – Operating (non recurrent)	1,685	200	200	200
Grants – Capital (recurrent)	2,991	2,003	2,003	2,003
Grants – Capital (non recurrent)	1,585	3,776	3,668	1,356
User charges and other fines	5,537	5,758	5,989	6,228
Other income	1,975	2,075	2,125	2,175
Contributions – cash	1,633	200	680	400
Contributions – non monetary	500	500	500	500
Statutory fees & fines	410	430	450	470
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(57)	60	60	60
Fair value adjustments for investment property	55	78	80	83
Share of net profits of associates	60	63	66	69
Total income	47,567	47,619	49,789	49,067
Expenses				
Employee costs	16,745	17,297	17,751	18,217
Materials and services	17,529	16,277	16,472	16,670
Borrowing costs	269	370	450	474
Depreciation	10,396	10,516	10,636	10,756
Bad and doubtful debts	63	66	69	73
Other expenses	427	435	444	453
Written down value of assets disposed	300	300	300	300
Total expenses	45,729	45,261	46,122	46,943
Surplus (deficit) for the year	1,838	2,358	3,667	2,124
Other comprehensive income				
Net asset revaluation increment	10,000	-	-	-
Comprehensive result	11,838	2,358	3,667	2,124

The above comprehensive income statement should be read in conjunction with the accompanying other information.

APPENDIX 10.2B

STRATEGIC RESOURCE PLAN

HORSHAM RURAL CITY COUNCIL
BALANCE SHEET
FOR THE FOUR YEARS ENDED 30th JUNE 2019

	2016 $'000	2017 $'000	2018 $'000	2019 $'000
CURRENT ASSETS				
Cash and Cash equivalents	16,374	16,875	17,751	18,665
Trade and other receivables	3,125	3,063	3,001	2,941
Financial assets	-	-	-	-
Other assets	970	989	1,009	1,029
Inventories	600	550	561	572
Non current assets held for sale	-	350	200	200
Total current assets	21,069	21,827	22,522	23,407
NON-CURRENT ASSETS				
Trade and other receivables	180	158	136	114
Investment property	2,600	2,678	2,758	2,841
Investments in associates	1,255	1,280	1,306	1,332
Property, infrastructure, plant & equipment	447,756	451,455	455,726	459,618
Total non-current assets	451,791	455,571	459,926	463,905
Total assets	472,860	477,398	482,448	487,312
CURRENT LIABILITIES				
Trade and other payables	4,450	4,809	5,131	5,477
Interest-bearing loans and borrowings	438	451	481	1,311
Provisions	4,734	4,434	4,634	4,934
Total current liabilities	9,622	9,694	10,246	11,722
NON CURRENT LIABILITIES				
Provisions	4,202	4,394	4,547	4,700
Interest-bearing loans and borrowings	6,842	8,761	9,441	10,552
Total non-current liabilities	11,044	13,155	13,988	15,252
Total liabilities	20,666	22,849	24,234	26,974
NET ASSESTS	452,193	454,549	458,214	460,339
EQUITY				
Accumulated surplus	226,880	228,706	231,287	232,276
Reserves - asset replacement	9,704	10,234	11,318	12,454
Reserves - asset revaluation	215,609	215,609	215,609	215,609
TOTAL EQUITY	452,193	454,549	458,214	460,339

The above balance sheet should be read in conjunction with the accompanying other information.

HORSHAM RURAL CITY COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE FOUR YEARS ENDED 30th JUNE 2019

	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
2016	23,564	24,771	26,032	27,349
Balance at beginning of the financial year	440,356	222,915	205,609	11,832
Surplus for the year	1,837	1,837	-	-
Net asset revaluation increment	10,000	-	10,000	-
Transfer to Reserves	-	(3,460)	-	3,460
Transfer from Reserves	-	5,588	-	(5,588)
Balance at end of the financial year	452,193	226,880	215,609	9,704
2017				
Balance at beginning of the financial year	452,193	226,880	215,609	9,704
Surplus for the year	2,356	2,356	-	-
Net asset revaluation increment	-	-	-	-
Transfer to Reserves	-	(3,844)	-	3,844
Transfer from Reserves	-	3,314	-	(3,314)
Balance at end of the financial year	454,549	228,706	215,609	10,234
2018				
Balance at beginning of the financial year	454,549	228,707	215,609	10,234
Surplus for the year	3,665	3,665	-	-
Net asset revaluation increment	-	-	-	-
Transfer to Reserves	-	(4,132)	-	4,132
Transfer from Reserves	-	3,048	-	(3,048)
Balance at end of the financial year	458,214	231,288	215,609	11,318
2019				
Balance at beginning of the financial year	458,214	231,288	215,609	11,318
Surplus for the year	2,124	2,124	-	-
Net asset revaluation increment	-	-	-	-
Transfer to Reserves	-	(4,266)	-	4,266
Transfer from Reserves	-	3,130	-	(3,130)
Balance at end of the financial year	460,338	232,276	215,609	12,454

The above statement of changes in equity should be read in conjunction with the accompanying other information.

APPENDIX 10.2B

STRATEGIC RESOURCE PLAN

HORSHAM RURAL CITY COUNCIL
STATEMENT OF CASH FLOWS
FOR THE FOUR YEARS ENDED 30th JUNE 2019

	2016 Inflows / (Outflows) $'000	2017 Inflows / (Outflows) $'000	2018 Inflows / (Outflows) $'000	2019 Inflows / (Outflows) $'000
Cash flows from operating activities				
RECEIPTS	-	-	-	-
General rates & charges	23,489	24,671	25,932	27,249
Statutory fees & fines	380	400	420	440
User Charges & other fines (incl. GST)	5,137	5,358	5,589	5,828
Contributions (inclusive of GST)	1,593	170	640	360
Interest	265	290	300	350
Government grants operations (incl. GST)	8,914	7,505	7,736	7,974
Government grants capital (inclusive of GST)	5,076	5,279	5,171	2,859
Other revenue (inclusive of GST)	3,547	4,221	3,871	4,077
	48,401	47,894	49,659	49,137
PAYMENTS				
Employee costs	(16,045)	(16,597)	(17,251)	(17,917)
Materials and consumables	(17,329)	(16,477)	(16,941)	(17,104)
Other expenses	(2,127)	(1,935)	(2,144)	(2,253)
	(35,501)	(35,009)	(36,336)	(37,274)
Net cash provided by (used in) operating activities	12,900	12,885	13,323	11,863
Cash flows from investing activities				
Payments for property, infrastructure, plant & equipment	(18,484)	(14,344)	(13,105)	(12,816)
Proceeds from property, infrastructure, plant & equipment	200	400	400	400
Net cash provided by (used in) investing activities	(18,284)	(13,944)	(12,705)	(12,416)
Cash flows from financing activities				
Interest	(269)	(370)	(450)	(474)
Repayment of borrowings	(467)	(438)	(451)	(481)
Proceeds from borrowings	3,995	2,369	1,161	2,422
Net cash provided by (used in) financing activities	3,259	1,561	260	1,467
Net increase/(decrease) in cash & cash equivalents	(2,126)	501	877	914
Cash & cash equivalents at the beginning of the financial year	18,500	16,374	16,875	17,751
Cash & cash equivalents at the end of the financial year	16,374	16,875	17,752	18,665

The above statement of cash flow should be read in conjunction with the accompanying other information.

HORSHAM RURAL CITY COUNCIL
STATEMENT OF CAPITAL WORKS
FOR THE FOUR YEARS ENDED 30th JUNE 2019

	2016 $'000	2017 $'000	2018 $'000	2019 $'000
Property				
Land	-	-	-	-
Buildings	6,949	5,052	2,723	3,697
Total Property	6,949	5,052	2,723	3,697
Plant and equipment				
Plant, equipment & other	1,881	1,034	1,190	1,190
Furniture & office equipment	203	100	100	100
Total Plant and equipment	2,084	1,134	1,290	1,290
Infrastructure				
Road assets	6,435	5,884	7,133	5,344
Bridges	390	400	400	400
Footpaths and cycleways	400	400	400	400
Drainage	400	-	-	-
Recreational, leisure and community facilities	793	413	550	520
Waste management	1,590	500	-	1,040
Parks, open space and streetscapes	30	40	50	60
Off street car parks	17	15	15	15
Other infrastructure	196	1,240	2,244	1,600
Total Infrastructure	10,251	8,892	10,792	9,429
Total capital works expenditure	19,284	15,078	14,805	14,416
Represented by:				
Asset Renewal	10,562	7,372	8,415	10,780
Asset Upgrade	3,750	1,420	1,805	2,487
New Assets	4,972	6,523	4,785	1,449
Total capital works expenditure	19,284	15,315	15,005	14,716

The above statement of capital works should be read in conjunction with the accompanying other information.

APPENDIX 10.2B

STRATEGIC RESOURCE PLAN

HORSHAM RURAL CITY COUNCIL
STATEMENT OF HUMAN RESOURCES
FOR THE FOUR YEARS ENDED 30th JUNE 2019

	2016 $'000	2017 $'000	2018 $'000	2019 $'000
Staff expenditure				
Employee Costs - Operating	16,745	17,297	17,751	18,217
Employee Costs - Capital	880	880	880	880
Total staff expenditure	17,625	18,177	18,631	19,097
	FTE	FTE	FTE	FTE
Employees	190	191	191	191
Total staff numbers	190	191	191	191

The above statement of human resources should be read in conjunction with the accompanying other information.

HORSHAM RURAL CITY COUNCIL
STATEMENT OF CAPITAL WORKS
FOR THE FOUR YEARS ENDED 30th JUNE 2019

	2016 $'000	2017 $'000	2018 $'000	2019 $'000
Community and enterprise services				
- Permanent full time	1,681	1,730	1,773	1,817
- Permanent part time	2,216	2,321	2,379	2,439
Total community and enterprise services	3,897	4,051	4,152	4,256
Corporate services				
- Permanent full time	2,581	2,656	2,723	2,791
- Permanent part time	439	452	463	475
Total corporate services	3,020	3,108	3,186	3,266
Planning and economic services				
- Permanent full time	1,866	1,920	1,968	2,017
- Permanent part time	210	216	221	227
Total planning and economic services	2,076	2,136	2,189	2,244
Technical services				
- Permanent full time	8,494	8,740	8,958	9,182
- Permanent part time	138	142	146	149
Total technical services	8,632	8,882	9,104	9,331
Total staff expenditure	17,625	18,177	18,631	19,097
	FTE	**FTE**	**FTE**	**FTE**
Community and enterprise services				
- Permanent full time	13	15	15	15
- Permanent part time	24	26	26	26
Total community and enterprise services	37	41	41	41
Corporate services				
- Permanent full time	26	25	25	25
- Permanent part time	5	4	4	4
Total corporate services	31	29	29	29
Planning and economic services				
- Permanent full time	18	18	18	18
- Permanent part time	4	4	4	4
Total planning and economic services	22	22	22	22
Technical services				
- Permanent full time	96	97	97	97
- Permanent part time	2	2	2	2
Total technical services	98	99	99	99
Total staff numbers	188	191	191	191

APPENDIX 10.2B

DEFINITIONS

Active Communities, Positive Living, Planning for Longevity in the Wimmera plan – A joint strategy aimed at ensuring that the Wimmera continues to be a region where residents are able to age well and remain active within their local communities.

Advocacy - Series of actions taken and issues highlighted to change 'what is' into 'what could be'

Agency – An organisation that has been established to provide a particular service in the community.

Best Value Program - A State Government policy which is applied to services provided by Council based on six principles, eg, quality and cost standards, responsiveness, accessibility, continuous improvement and consultation.

Burnt Creek Industrial Estate - Restricted serviced large lot industrial land at Burnt Creek situated on four kilometres south of Horsham.

Central Activity District Strategy - A strategy that provides guidance about land use and development.

Changing Places Toilet Facility - Accessible toilets with extra features and more space including: a height adjustable adult-sized changing bench, a tracking hoist system, space and a safe and clean environment.

Climate Change - A significant and lasting change in the statistical distribution of weather patterns over time periods, ranging from decades to millions of years.

Commitments – Objectives that are a specific, measurable statement of what will be done to achieve our goals.

Community Engagement Strategy - A strategy developed by Council to plan how we are going to conduct community consultation. It helps us work out who we need to consult with and what the best way of consulting is.

Council Plan - Outlines Council's process of defining its strategy/direction and making decisions on allocating resources to pursue this strategy/direction.

Cultural Development Plan - A plan aimed at enriching the Horsham community by creating a diverse and inclusive arts environment where contemporary and heritage cultures are celebrated.

Disability Access and Action Plan - A plan developed by Council that identifies goals and actions to reduce barriers created by attitudes with practices and structures to ensure that all people can participate equally in the life of our community.

Environment Sustainability Strategy - A strategy developed by Council that focuses on environment sustainability practices.

Geographic Information System - A system designed to capture, store, manipulate, analyse, manage and present all types of geographical data.

Grampians Peak Trail - A long distance walking track through the Grampians National Park.

Grampians Way – A proposed tourist route around the Grampians National Park.

Guiding Principles – Principles that inform the work that Council undertakes.

Health and Wellbeing Plan - Outlines goals and actions that guide Council creating a local community in which people can achieve maximum health and wellbeing.

Horsham City Framework for Managing Growth - A strategic land use planning study to manage the growth of the municipality.

Horsham Enterprise Estate - Serviced industrial land between Golf Course Road and Plumpton Road, Horsham.

Infrastructure Renewal Finding Gap - The annual shortfall in spending needed to maintain Council infrastructure.

Key Direction - The strategic objective or desired future such as achievement of a goal or a solution to a problem.

Key Performance Indicators - A type of performance measurement used to evaluate progress towards strategic goals.

Local Government Act - Legislation which provides a framework for the establishment and operation of Councils in Victoria.

Makers Studio - A community facility funded by Horsham Rural City Council which includes a large studio space and gallery located adjacent to the Horsham Library.

Mission – A statement of purpose. A Mission should guide the actions of the organisation and spell out its overall goal, provide a path and guide decision-making.

Mt Arapiles Tooan State Park study - A study that explores the opportunity for sensitive development of visitor facilities at Mt Arapiles to help attract longer stays in the region and provide economic benefits for the area.

Municipal Early Years Plan - A plan that outlines early years services and opportunities for children in the municipality aged 0 to 8 years.

Municipal Emergency Management Plan and Emergency Recovery Plan - A plan that outlines emergency management and recovery processes for the municipality.

Municipality – A city, town, or village, incorporated for local self-government.

Municipal Bicycle Plan - A plan developed by Council that encourages active travel in the municipality.

Municipal Strategic Statement - Outlines objectives for the future growth, development and management of land in the municipality and sets out strategies to achieve these objectives

Planning Framework - Sets out the broad principles required to guide the Horsham Rural City Council Planning process.

Public Art - Artworks that have been Planned and executed with the specific intention of being sited or staged in the physical public domain, generally outdoors and accessible to all.

Regional Character Study - A study that identifies the valued characteristics of residential areas in the region.

Regional Cities Group - Includes the municipalities of Ballarat, Greater Bendigo, Greater Geelong, Horsham, Latrobe, Mildura, Greater Shepparton, Wangaratta, Warrnambool and Wondonga – the 10 largest cities outside of metropolitan Melbourne.

Regional Living Expo - An expo held at the Melbourne Convention and Exhibition Centre each year that showcases the outstanding opportunities available in regional and rural Victoria.

Regional Waste Management Strategy - A regional waste management strategy for the Grampians Regional Waste Management Group which comprises of the municipalities of Horsham Rural City, Ararat Rural City, Yarriambiack Shire and Northern Grampians Shire Council.

Risk Management Strategy - A strategy developed by Council that promotes an organisation wide approach to risk management.

Road Management Plan - A plan that establishes procedures and systems for the maintenance of public roads in the municipality.

Roadside Vegetation Management Strategy - A strategy developed by Council to assist in the management of roadside vegetation.

Special Charges Scheme - Legislation under the *Local Government Act (1989)* that allows Councils to recover the cost of works from property owners who will gain special benefits from that work.

Sport and Recreation Advisory Committee - An advisory committee of Council whose role is to provide advice on sport and recreation matters.

Sport and Recreation Plan - A five year strategy that aims to increase and maintain participation in sport and recreation in the municipality.

Strategic Resource Plan - Outlines the resources required to achieve Council's commitments as detailed in the Council Plan.

Urban Design Framework - A framework that deals with the design of buildings, public spaces, pedestrian and vehicle access and landscape themes.

Tourism Advisory Committee - A Statutory Committee of Council whose role is to advise Council on innovative ways to promote the municipality ensuring that existing and potential retail, commerce, tourism, art and cultural enterprises receive maximum exposure.

Tourism and Major Events Master Plan - A plan adopted by the Tourism Advisory Committee that aims to increase visitation, economic growth and sustainability through the provision of quality event support, regional marketing and customer service to visitors, businesses and the community.

Values - Our principal or standards - what is important to the organisation.

Vision - An aspirational description of what the organisation would like to achieve or accomplish in the mid to long term.

Western Highway - The Western Highway is part of the principal route linking Melbourne and Adelaide, with a length of approximately 314 kilometres.

Wimmera Mining Sector Plan - A plan that informs Councils, regional businesses and communities, potential investors and property owners about new opportunities through exposure to a potential increase in mining activities in the region.

Wimmera Intermodal Freight Terminal - A 23.5 hectare terminal at Dooen that provides a central location for grain storage facilities and grain export processors, access to freight depots, grain silos and processing plans and builds on the region's nationally significant and export focused grains industry.

Wimmera Southern Mallee Regional Strategic Plan - Outlines the strengths, challenges and a way forward for communities, businesses and the unique environment of the Wimmera Southern Mallee region which encompasses the municipalities of Buloke, Hindmarsh, Horsham, Northern Grampians, West Wimmera and Yarriambiack.

Wimmera Southern Mallee Regional Growth Plan - Provides a regional approach to land use planning in the Wimmera Southern Mallee. It covers the municipalities of Hindmarsh, Horsham, Northern Grampians, West Wimmera and Yarriambiack and identifies opportunities for encouraging and accommodating growth and managing change over the next 30 years.

Wimmera Development Association - The peak economic development organisation for the Wimmera Southern Mallee region.

Workforce Strategy - A strategy that has determined what Council's workforce will need to look like in the future to deliver long term strategic objectives.

CONTACT US:

HORSHAM RURAL CITY COUNCIL

MUNICIPAL OFFICES:

Civic Centre
18 Roberts Avenue
PO Box 511 Horsham 3402
p: (03) 5382 9777
f: (03) 5382 1111

NATIMUK OFFICE:

62 Main Street Natimuk 3409
p: (03) 5387 1304
w: www.hrcc.vic.gov.au
e: council@hrcc.vic.gov.au

COUNCIL DEPOT:

Selkirk Drive Horsham 3400
p: (03) 5382 9600
f: (03) 5382 5358

Horsham Rural City Council urban rural balance

Horsham Rural City Council
Budget – 2015/16

This Budget Report has been prepared with reference to The Chartered Accountants Australia and New Zealand "Victorian City Council Model Budget 2015/2016" a best practice guide for reporting local government budgets in Victoria.

The Institute of Chartered Accountants in Australia

Contents

	Page
A. Summaries	
Mayor's introduction	3
Chief Executive Officer's summary	4
Budget processes	11
B. Overview	
1. Linkage to the Council Plan	12
2. Services, initiatives and service performance indicators	14
3. Budget influences	25
C. Budget analysis	
4. Analysis of operating budget	29
5. Analysis of budgeted cash position	37
6. Analysis of capital budget	43
7. Analysis of budgeted financial position	48
D. Long term strategies	
8. Strategic resource plan and financial performance indicators	51
9. Rating information	55
10. Other strategies	58
Appendices	
A Budgeted statements	62
B Rates and charges	69
C Capital works program	73
D Reconciliation between cash and accrual budget	86
E Non-Capital Initiatives	87
F Community Grants	88
G Fees and Charges Schedules	91

Mayor's introduction

On behalf of the Councillors and Staff at the Horsham Rural City, I present the 2015-16 Budget.

This year we have taken a slightly different approach to engaging with our community to inform the Budget decisions. By seeking feedback early, in the formulation of the Budget, we have attempted to have a document which is both informed and understood by the community. A series of discussions, with a range of Service Clubs and community groups, a 'drop-in' session and an on-line survey have assisted with this and future Budget planning. Understanding the finances of Council can be complex and to have the opportunity to answer questions and explain the Budget has been a worthwhile exercise.

This year Council presents a Budget which is 'balanced' on a cash basis, with a Rate increase of 5%. It includes 1% which is specifically set aside for Infrastructure Renewal. Unlike previous years, when there has been cost pressures facing Council, in relation to expenditure, this year they been contained to a Consumer Price Index increase or less.

A significant impact that has affected the revenue stream, however, is a 'freeze' on indexation of the General Revenue Grants; we receive from the Victorian Grants Commission, resulting in a $300K decrease in income. This has been managed by containing our service delivery costs to an increase of only 3%.

We will be funding the $0.255 million expanded service delivery for the Horsham Town Hall/Performing Arts Centre with a further $2.71 million of expenditure on Non-Capital Initiatives ($0.74 million of this is funded from rates and general revenue) and $19.28 million on Capital Works ($4.87 million of this is funded from rates and general revenue).

The ongoing impact of the Grants Commission indexation freeze, together with the State Government's policy to introduce Rate capping from 2016-17, will see some significant challenges for Council in the future.

From our 2013-14 Rating Strategy Review came a question relating to the charging of Rates for Cultural and Recreation clubs and organisations. This has been followed up and was a subject of discussion in our on-line survey and the community group visits. As a result, Council has developed a new policy for the rating of Cultural & Recreational clubs and organisations which will see the lower end of the Rates payable drop to zero and the upper level reduced to 50% of the General Rate.

Also responding to a community request, Council will clarify properties that qualify for the 'Farm' Rate. Some property owners will be asked to make a formal declaration as to the 'Farming' use of their land.

Once again Council has adopted the Institute of Chartered Accountants Model for the 2015-16 Budget, developing the budget in the context of the Council Plan, giving consideration to longer term plans as well as current priorities. It is consistent with our annual financial statements and provides for the new reporting requirements of Local Government Regulations (2014)

Recognising that people will have different levels of interest in the Budget document, it has been structured into four components, with varying levels of detail.

The 2015-16 Budget document has been developed through a rigorous process of consultation and review. It has been endorsed by Council as being financially responsible.

Cr Mark Radford
Mayor

Chief Executive's summary

Council has prepared a Budget for the 2015/16 financial year which seeks to balance the demand for services and infrastructure, the needs of a regional city and strong push by Council to keep rate increases to a minimum. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

Council has continued to deliver a budget that is balanced on a cash basis.

The rate increase has been kept in line with the level foreshadowed in Council's Strategic Resource Plan adopted in the previous year, despite a number of significant budget impacts including the Grants Commission indexation freeze and the need to fund expanded service delivery for the new Performing Arts program at the Horsham Town Hall.

Council has included $1.0m funding from the State Government for capital works in relation to the Country Roads and Bridges program although it is not clear whether these funds will continue in 2015-16 as they have done so for the last 4 years. Also in this year's budget is an extra $0.99 million in roads funding as a one-off item from the Federal Governments Roads to Recovery Program.

The proposed budget includes a number of new non-capital initiatives, some highlights are as follows, with a full list provided in Appendix E and more detailed provided in Section 2 of this report *{1}:

Council Plan Goal 1 – Community and Cultural Development

- $102,000 for a detailed investigation of the sustainability of aged services within Council and the broader Wimmera area. ($22,000 from Council funds with the balance from other sources)
- $30,000 for the development of a business plan to establish an artists in residence facility on the banks of the Wimmera River.
- $25,000 for consultants to review the governance model for Early Years Children's Services.
- $15,000 to commence some planning work re ongoing recreational facilities at Taylors Lake. (to be funded fully from grant funds)

Council Plan Goal 2 – Sustaining the Economy and Environment

- Horsham South Structure planning $120,000 ($40,000 from Council funds balance from other sources)
- Building Regulation Management software to improve the efficiency of operations in the Building Office, $40,000.
- $30,000 for a contractor and related works to assist with ensuring our buildings meet regulatory requirements for Essential Safety Measures.
- $20,000 allocation for heritage Advisory Services ($10,000 from Council funds balance from other sources)
- $17,500 to continue to contribute to the Grampians Tourism Region Digital Strategy.
- $12,000 for the development of a Horsham and Wartook Valley major events master plan.

Council Plan Goal 3 – Asset Management

- $60,000 for update and renewal of the Horsham City Oval master plan ($30,000 from Council funds with the balance from grant funds).
- $50,000 to undertake a transport planning exercise for the Horsham Urban areas
- $40,000 the removal of unsafe trees and roadside tree canopy maintenance
- $17,500 for the implementation of the Assetic Fleet Module software system.
- $15,000 for the road marking, signage and relining of CBD bike paths
- $10,000 for town entrances and streetscape refurbishments

*{1} The amounts shown are funded fully from Council's rates or general revenue sources unless stated otherwise. Any project which is dependent upon grant income will only proceed at the stated level if grant funding is obtained.

Council Plan Goal 4 – Governance and Business Excellence

- $30,000 for shared service for GIS involving other regional councils, the Wimmera Catchment Management Authority and the Wimmera Development Association.
- $50,000 to develop an IT Strategic Plan for the future development of Council's IT hardware and software services.
- $50,000 has been allocated to undertake some improvements to Corporate Services systems and processes to better utilise the Civica IT system to its full capabilities.

The total Capital Works program will be $19.28 million, of which $5.98 million relates to projects carried over from the 2014/15 year.

Highlights of the Capital Works program include*{1}:

Council Plan Goal 1 – Community and Cultural Development

- Town Hall and Art Gallery and new Performing Arts Centre $4.47 million (Carried Forward from the 2014/15 financial year)
- $840,000 for planning and commencement of construction of the Horsham North Children's Hub. ($420,000 funded from grants $420,000 funded from borrowings)
- $52,500 to establishing a BBQ and Shelter facility in Horsham North area.
- $20,000 for some initial works following on from the completion of the Rail Corridor Master planning exercise.
- $20,000 of capital funds to complete stage 2 of the public art project of lighting the laneways.

Council Plan Goal 2 – Sustaining the Economy and Environment

- $1,030,000 planned to be expended for the new Putrescible Cell No at the John's Landfill site. (Funded from the Waste Management Reserve)
- $450,000 to complete a storage basin, road works and related drainage works at the Wimmera Intermodal Freight Terminal ($450,000 to be funded from the Industrial Estate Reserves with the balance subject to landowner agreement and State Government funding).

Council Plan Goal 3 – Asset Management

- $50,000 to continue with the program of bike path sealing and resealing works
- $40,000 for additional footpath rehabilitation and upgrade works as part of the Council's Disability Strategy.
- Refurbishment of the Sunnyside Oval change rooms and facilities $75,000 ($50,000 from rates and general revenue balance from other sources).
- $750,000 for CBD revitalisation works including $200,000 for underground power lines within the CBD. ($200,000 from Council's CBD Reserve, $500,000 from grants subject to state government approval)
- $450,000 to upgrade the playground, facilities, pathways etc. on Apex Island, adjoining the new pedestrian bridge across the Wimmera River. ($45,000 from rates and general revenue balance from grants and other sources)
- Planning to be undertaken re a new Community Indoor Sports, Recreation and Cultural activities centre $45,000. ($15,000 funded from rates and general revenue balance from grants)

Council Plan Goal 4 – Governance and Business Excellence

- $100,000 a range of minor fit out works at the Civic Centre Roberts Avenue.

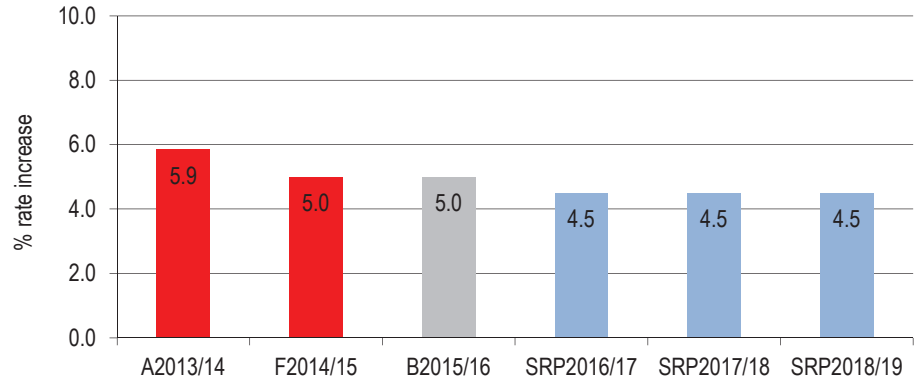
*{1} The amounts shown are funded fully from Council's rates or general revenue sources unless stated otherwise. Any project which is dependent upon grant income will only proceed at the stated level if grant funding is obtained.

1. Summary of Rate Determination Budget on a Cash Basis

Budget 2014/15 $'000s				Budget 2015/16 $'000s		
Income	Expend	Net Costs		Income	Expend	Net Costs
23,004		23,004	General Revenue	24,690		24,690
628		628	C/Fwd Works	161		161
15,211	32,748	-17,537	Service Delivery	15,754	34,074	-18,320
484	1,086	-602	Non-Capital Initiatives	1,978	2,717	-739
18,581	23,538	-4,957	Capital	14,413	19,284	-4,871
	531	-531	Borrowing & Finance Costs		910	-910
57,908	57,903	5	**Net Cash Result**	56,996	56,985	11

Council has again delivered a budget that is balanced on a cash basis in line with its objectives in the Strategic Resource Plan. This means that rate revenues received plus other general revenue are equal to the net cash cost of the provision of services and the delivery of capital works. The net costs (Surplus / (Deficit)) are determined as the total expenditure less any specific revenue sources i.e. fees & charges, grants, etc., that may be received to fund specific operating services or capital works. Transfers from reserves are included as expenditure and transfers to reserves are included as revenue in the above analysis.

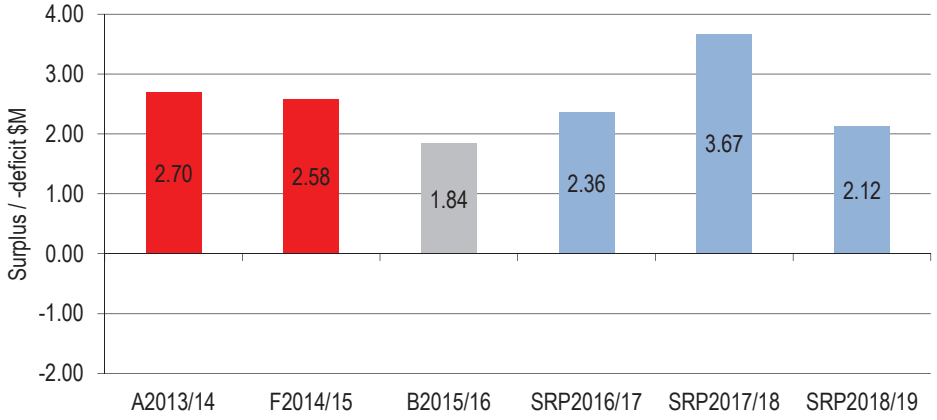
2. Rates & Municipal Charge (Excluding Garbage Charge)



A = Actual F = Forecast B = Budget SRP = Strategic Resource Plan estimates

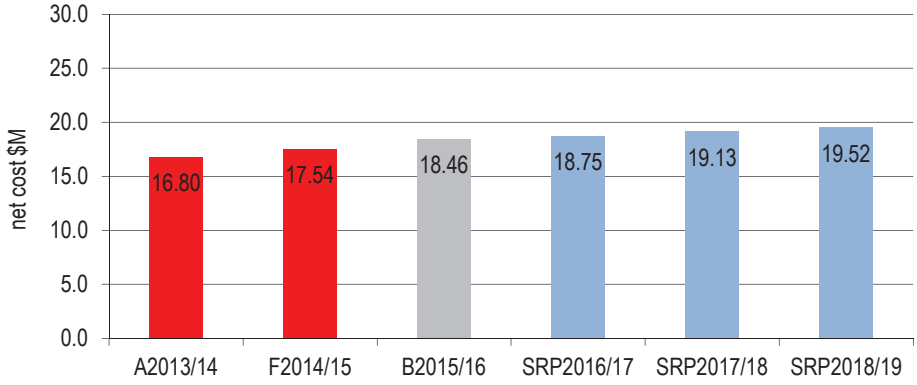
It is proposed that general rates increase by 5.0% for the 2015/16 year, raising total rates of $20.83 million, including $0.10 million generated from supplementary rates. Of the 5.0% increase, 4.0% will go toward maintaining existing service delivery levels and meeting the cost of the new expanded service for the Performing Arts at the new Horsham Town Hall. The remaining 1.0% increase will go toward capital works to address the asset renewal needs of Council. This year's rate increase is in line with the level foreshadowed in Council's Strategic Resource Plan adopted in the previous year. (The rate increase for the 2014/15 year was 5%). Future year's rate increases have been based on a CPI of 2.5% plus continuing a 2% allocation for infrastructure renewal. Given the State Government intends to bring in a policy for Rate Capping as of 2016/17 it is understood that Council will likely need to apply to the Essential Services Commission to argue its case for a rate rise above CPI, and to continue with this important investment in asset renewal.

3. Operating result



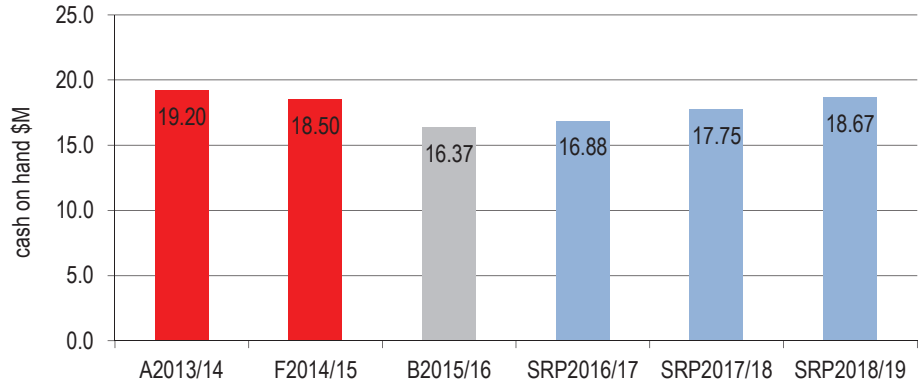
The operating result is the result from Council's yearly operations on an accrual basis. Capital costs are included by way of a depreciation charge, loans are liabilities shown in the balance sheet. The operating result for the 2015/16 year is a surplus of $1.84 million, which is a reduction of $0.74 million over 2014/15. One significant factor in the reduced operating result in 15/16 is external non-recurrent grants for capital works which are forecast to decrease by $2.18 million to $1.59 million.

4. Services



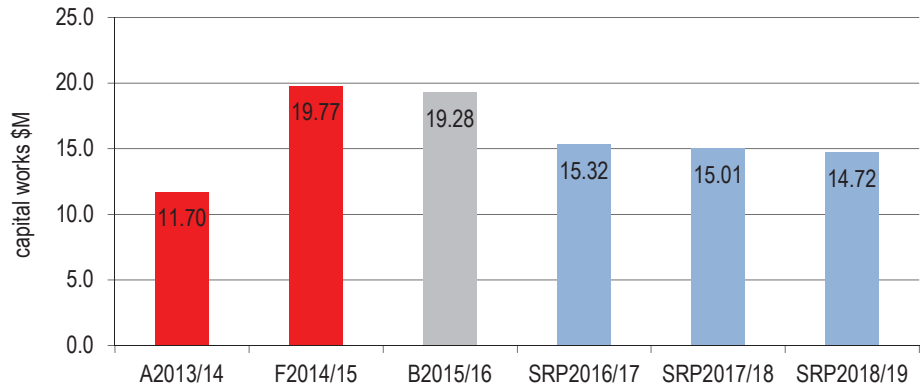
The net cost of services delivered to the community for the 2015/16 year is expected to be $18.46 million. After allowing for $0.25m for the new service for Performing Arts Centre at the Horsham Town Hall, there has been an increase of $0.67 which is an increase of 3.8% from 2014/15. Councils Enterprise Bargaining Agreement provides for a 3.5% increase in wages whilst revenues have fallen slightly by $0.17 million or 0.9% and payments for materials & services has been contained to a $0.14 million increase or 0.7%. For the 2015/16 year, service levels have been maintained and a number of initiatives proposed. These are detailed further within this document.

5. Cash and investments



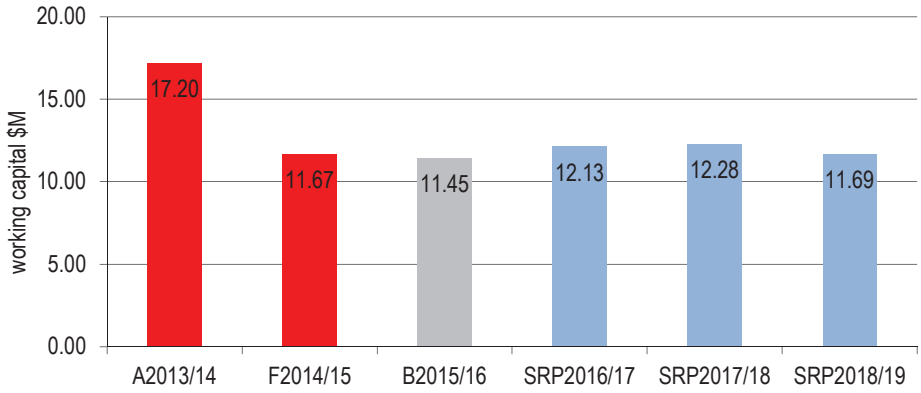
Cash and investments are expected to decrease by $2.13 million during the year to $16.37 million as at 30 June 2016. Capital expenditure for 2015-16 is being funded from borrowings of $3.99 million plus $4.58 million from grants and $1.17 million from other contributions. Cash inflows from operating will generate $12.89 million with spending from Investing and Financing activities of $14.29 million which will result in a net decrease in cash over the year of $2.13 million. The reduction from the high in 2013/14 is largely a result of spending down the reserves associated with the Horsham Town Hall Project, plus the new waste cells being constructed at Dooen which are also being funded from reserves. The balance in future years increases due to the new MAV Funding Vehicle arrangements that will result in council taking out interest only borrowings with the principal being accumulated in a reserve until the end of the borrowing term (It is intended to take loans out over two 5 year terms). (Cash and investments are forecast to be $16.37 million as at 30 June 2015).

6. Capital works



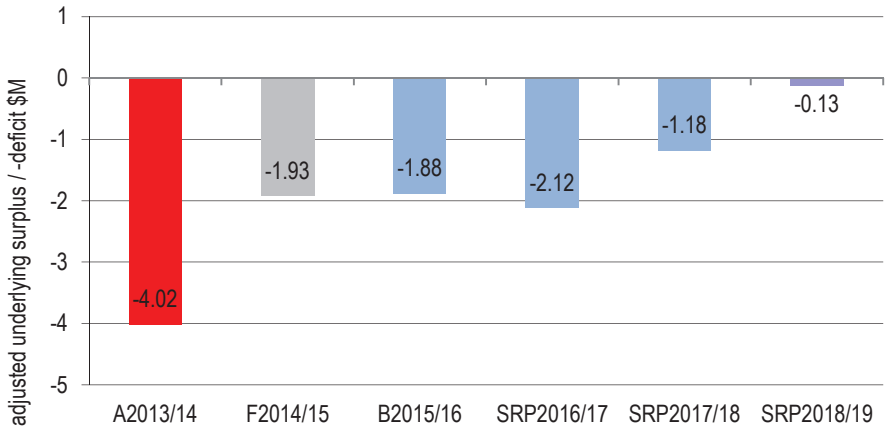
The capital works program for the 2015/16 year is expected to be $19.28 million of which $5.98 million relates to projects which will be carried forward from the 2014/15 year. The carried forward component is fully funded from the 2014/15 budget, incorporating a mix or reserves, loans, grants and other contributions. Of the $19.28 million of capital funding required, $4.57 million will come from external grants, $3.99 million from borrowings, $1.17 million from general contributions and donations, with the balance of $9.54 million from Council cash. The Council cash amount comprises asset sales ($0.26 million), cash held at the start of the year ($4.38 million) and cash generated through operations in the 2015/16 financial year ($4.89 million). The capital expenditure program has been set and prioritised based on Council's Capital Evaluation Model. This year's program includes the completion of the major building project to construct a Performing Arts Centre and refurbish the existing Town Hall and Art Gallery. (Capital works is forecast to be $19.77 million for the 2014/15 year).The asset renewal program is at $10.56 million in the 2015/16 year which is down on 2014/15 Budget due to some grant funds for the Horsham Town Hall covering some renewal works.

7. Financial position (Working Capital)



The financial position is expected to increase with net assets (net worth) increasing by $11.84 million to $452.19 million. Net current assets (working capital) will reduce slightly this year by $0.22 million to $11.45 million as at 30 June 2016.

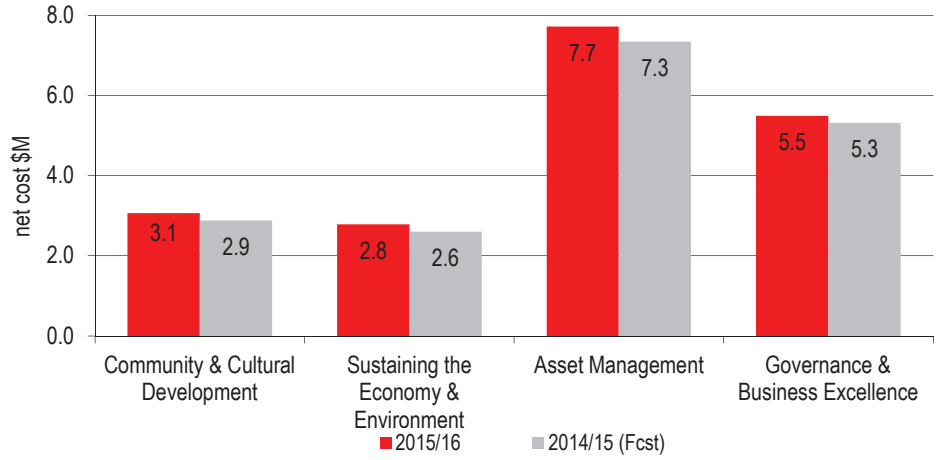
8. Financial sustainability (Adjusted Underlying Result)



The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions is a deficit of $1.88 million, which is an improvement of $0.05 million over 2014/15.

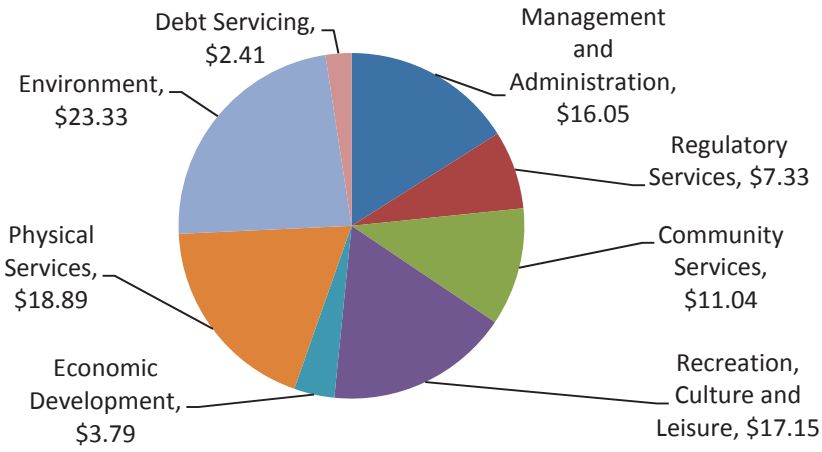
A high level Strategic Resource Plan for the years 2015/16 to 2018/19 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, shows a general trend towards an improving position from 2015/16 to approaching a near balanced position in 2018-19.

9. Strategic objectives



The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated from rates and general revenue to achieve the strategic objectives as set out in the Council Plan for the 2015/16 year. These Services and Initiatives are expanded further in section 2 of this report.

10. Council Expenditure allocations (Per $100 spent)



The above chart provides an indication of how Council allocates its expenditure on operations, debt servicing and initiatives across the main services that it delivers. It shows how much is allocated to each service area for every $100 that Council spends.

This budget has been developed through a rigorous process of consultation and review and management endorses it as financially responsible. More detailed budget information is available throughout this document.

Peter Brown
Chief Executive

Budget processes

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the *Local Government Act 1989* (the Act) and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations).

Under the Act, Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2015/16 budget, which is included in this report, is for the year 1 July 2015 to 30 June 2016 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a budgeted Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2016 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, officers firstly review and update Council's long term financial projections. Financial projections for at least four years are ultimately included in Council's Strategic Resource Plan, which is the key medium-term financial plan produced by Council on a rolling basis. The preparation of the budget, within this broader context, begins with officers preparing the operating and capital components of the annual budget during January and February. An initial community consultation process has been undertaken this year during February and March to both inform and seek input from the community with respect to the framing of council's budget. A draft consolidated budget is then prepared and considered by Council at informal briefings during March and April. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in April for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days' notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its internet web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

To assist interested persons to understand the budget and make a submission if they wish, Council officers undertake a community engagement process including a public information session. The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

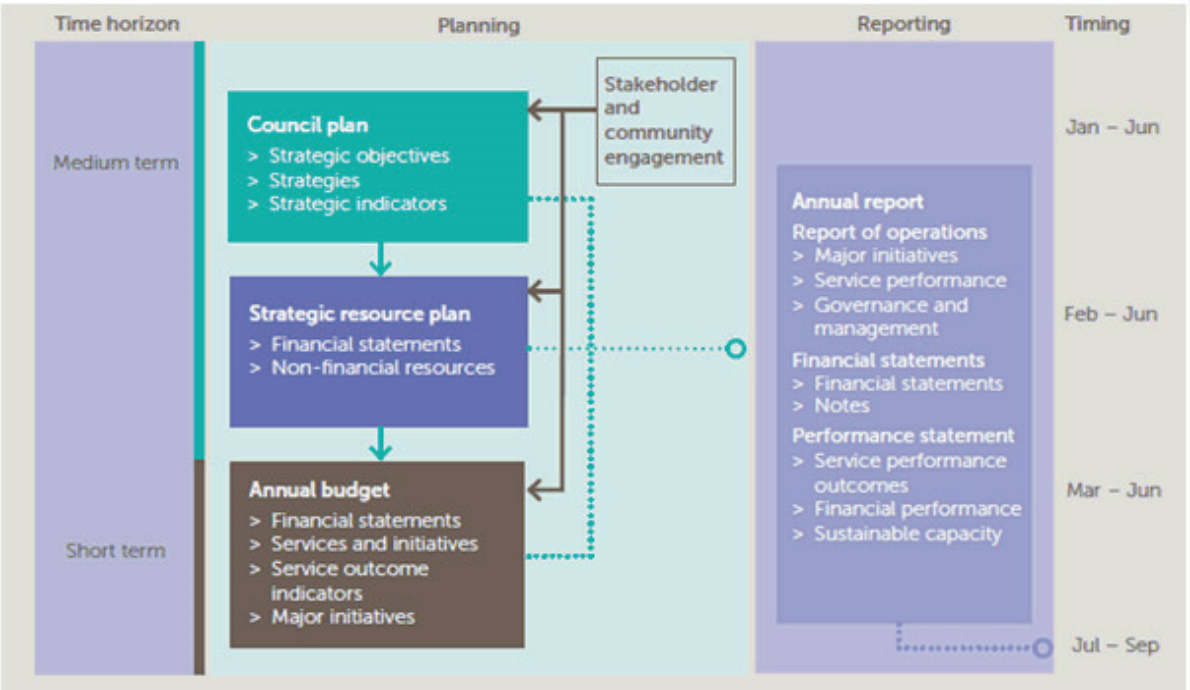
Budget process	Timing
1. Officers update Council's long term financial projections	Dec
2. Officers prepare operating and capital budgets	Jan/Mar
3. Councillors consider draft budgets at informal briefings	Mar/Apr
4. Proposed budget submitted to Council for approval	Apr
5. Public notice advising intention to adopt budget	Apr
6. Budget available for public inspection and comment	Apr
7. Public submission process undertaken	Apr/May
8. Submissions period closes (28 days)	May
9. Submissions considered by Council/Committee	May
10. Budget and submissions presented to Council for adoption	Jun
11. Copy of adopted budget submitted to the Minister	Jun
12. Revised budget where a material change has arisen	Sep-Jun

1. Linkage to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning framework. This framework guides the Council in identifying community needs and aspirations over the long term, medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Audited Statements).

1.1 Planning and accountability framework

The Strategic Resource Plan, included in the Council Plan, is a rolling four year plan that outlines the financial and non-financial resources that Council requires to achieve the Goals (Strategic Objectives) described in the Council Plan. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the services and initiatives included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning (formerly Department of Transport, Planning and Local Infrastructure)

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year in advance of the commencement of the Annual Budget process.

1.2 Our purpose

Our vision

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

Our mission

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

Our core values

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

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

1.3 Strategic objectives

Council delivers services and initiatives under 36 major service categories. Each contributes to the achievement of one of the four Goals as set out in the Council Plan for the years 2014-18. The following table lists the four Goals as described in the Council Plan.

Goals (Strategic Objectives)	Description
1. Community and Cultural Development	**Develop Horsham and the municipality as a diverse, inclusive and vibrant community.** We support our diverse community by developing an environment that aims to cater to the shifting needs of our residents. We support innovation and encourage artistic and cultural expression to develop our municipality as a great place to live.
2. Sustaining the Economy and Environment	**Lead in sustainable development and enhance the environment.** As our community grows, so our region grows. We welcome new development and we aim to support enterprise, small and large whilst advocating for the community to shop locally. We continue to promote and develop sustainable projects and encourage environmental practice within Council and the community.
3. Asset Management	**Meet community and service needs through provision and maintenance of infrastructure.** We strive to ensure infrastructure is in place to support our growing community as well as upgrading facilities to attract more visitors to our municipality.
4. Governance and Business Excellence	**Excel in communication, consultation, governance, leadership and responsible use of resources.** Our goal is to excel in what we deliver and how we deliver it, both within Council and to our community. Our staff are our greatest asset so their wellbeing is key to learning and high performance.

2. Services, initiatives and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2015/16 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of initiatives, major initiatives and service performance outcome indicators.

Services for which there are prescribed performance indicators to be reported on in accordance with the Regulations are shown in **bold** and underlined in the below sections.

The following table summarises net service delivery and initiative expenditure by each of Council's operational Groups under each of the four Council Goals:

Row Labels	Expenditure	Income	Grand Total
Goal 1 - Community and Cultural Development			
(C) Community Services	4,174,443	-2,702,363	1,472,080
(D) Recreation, Culture and Leisure	2,437,171	-843,158	1,594,013
Goal 1 - Community and Cultural Development Total	**6,611,614**	**-3,545,521**	**3,066,093**
Goal 2 - Sustaining the Economy and Environment			
(B) Regulatory Services	2,769,810	-1,421,165	1,348,645
(D) Recreation, Culture and Leisure	66,400	-965	65,435
(E) Economic Development	1,432,390	-315,539	1,116,851
(G) Environment	6,211,461	-5,958,301	253,160
Goal 2 - Sustaining the Economy and Environment Total	**10,480,061**	**-7,695,970**	**2,784,091**
Goal 3 - Asset Management			
(D) Recreation, Culture and Leisure	3,981,064	-1,548,680	2,432,384
(F) Physical Services	7,142,384	-3,577,742	3,564,642
(G) Environment	2,607,282	-883,976	1,723,306
Goal 3 - Asset Management Total	**13,730,730**	**-6,010,398**	**7,720,332**
Goal 4 - Governance and Business Excellence			
(A) Management and Administration	6,068,762	-480,229	5,588,533
Goal 4 - Governance and Business Excellence Total	**6,068,762**	**-480,229**	**5,588,533**
Grand Total	**36,891,167**	**-17,732,118**	**19,159,049**

2.1 Council Plan Goal 1: Community and Cultural Development

To achieve our objective of Community and Cultural Development, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

2015-16 Budget $'s	Expenditure	Income	Grand Total
(C) Community Services			
Community Housing	59,250		59,250
Community Services - Mgt & Admin	383,238		383,238
General Other Community Services	779,091	-349,959	429,132
Home and Community Care Services	2,246,223	-2,004,806	241,417
Maternal and Child Services	597,729	-307,798	289,931
Preventative Services	108,912	-39,800	69,112
(C) Community Services Total	**4,174,443**	**-2,702,363**	**1,472,080**
(D) Recreation, Culture and Leisure			
Art Gallery	520,386	-142,490	377,896
Cultural Centre Activities	943,762	-207,395	736,367
Halls	881,315	-481,713	399,602
Other Recreation Groups and Clubs	91,708	-11,560	80,148
(D) Recreation, Culture and Leisure Total	**2,437,171**	**-843,158**	**1,594,013**
Grand Total	**6,611,614**	**-3,545,521**	**3,066,093**

Services

Business area	Description of services provided
Community Housing	This service provides grounds maintenance for specific low rentals housing within the community.
Community Services - Mgt & Admin	This service provides administration and support services for the Community Services group.
General Other Community Services {1} {4} {5}	This service provides support surrounding education – preschool and schools, Senior Citizens Centres and volunteer organisations including service clubs and the State Emergency Service. Other general Community Services covered include Emergency Management, Community engagement and development, Disability Access and services and Horsham Youth Centre – Nexus.
Home and Community Care {8}	This service provides care to frail aged and disabled persons with **Home Care, Personal Care, Respite Care** and Property Maintenance services and disabled parking permits.
Maternal and Child Services {1} {3} {7}	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. It offers 10 free Key Ages and Stages consultations where parents are given the opportunity to discuss their concerns, parenting experiences, and how to optimise their child's health, growth and development. Two centres operate through the Horsham Rural City and Council sponsors a Koori Service.
Preventative Services	This service provides health administration, immunization, health vending machines and other preventative measures under the health plan including needle exchange, Tobacco Act reforms and pest control – mosquito monitoring.
Art Gallery {6}	This service provides an important visual art resource for the local community and visitors to Horsham.

Business area	Description of services provided
Cultural Centre Activities {10}	This service provides community development and education to enhance the capacity and strength of communities in the municipality by developing community plans that build on strengths and assets and acting as a resource to communities. This service covers a Community Arts Officer and is centred on activities within Public Art, Performing Arts, the Cultural Centre (Mibus Centre) and the **Wimmera Regional Library.**
Halls & Performing Arts {9}	This service surrounds the running of public halls, the Hamilton Lamb Hall and Horsham Town Hall and New Performing Arts Centre operations, and assistance to Rural Halls.
Other Recreation Groups and Clubs {2}	This service provides maintenance, insurance and other ongoing costs for the municipalities recreation groups and clubs including, the Guides/Scouts, Cenotaph and War Memorials, Brass and Pipe Bands and the Sawyer Park Soundshell.

Initiatives

1) An allocation of $25,000 has been made to contract external consultants to assist with a review of the Early Years Children's Services and the Governance model for Council.
2) A $15,000 grant is anticipated to be received to commence some planning work re ongoing recreational facilities at Taylors Lake.
3) $9,000 has been allocated to undertake a change management service review for Maternal and Child Health.
4) $52,500 of capital funds allocated to establishing a BBQ and Shelter facility in Horsham North area.
5) $20,000 of capital funds allocated for undertaking some initial works following on from the completion of the Rail Corridor Master planning exercise that was commenced in 2014-15 and is scheduled for completion during the latter half of 2015 calendar year.
6) $20,000 of capital funds to complete stage 2 of the public art project of lighting the laneways.

Major Initiatives

7) $840,000 for planning and commencement of construction of the Horsham North Children's Hub. ($420,000 funded from grants $420,000 funded from borrowings)
8) An allocation of $102,000 for a detailed investigation of the sustainability of aged services within Council and the broader Wimmera area. The expectation is that we will receive external income of $80,000 from grants and other Councils to participate in this joint review.
9) The Major Capital Works project for the refurbishment of the Town Hall and Art Gallery and the construction of a new Performing Arts Centre was commenced in 2014-15 and is expected to be finished during 2015-16. The capital works project will see expenditure in 2015-16 of $4.47 million to finish the works plus additional new spending of $250,000 to operate this new service during 2015-16. The centre includes 3 new staff positions, Front of House Management, Box Office/Marketing and Technical Services for the Performing Arts Centre.
10) The development of a business plan to establish an artists in residence facility on the banks of the Wimmera River, is the beginning step for a significant project. The Capital component of this project is expected to be funded from private investors but the operation and ongoing maintenance of the facility will be the responsibility of Council through the Art Gallery. It is expected that there will be ongoing grant opportunities and some external revenues from private contributors that will assist in offsetting the ongoing operational costs.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Home and Community care	**Participation**	**Participation in the HACC service** (Percentage of the municipal target population that receive a HACC service)	[Number of people that receive a HACC service / Municipal target population for HACC services] x100
		Participation in HACC service by CALD (percentage of the municipal target population in relation to CALD people who receive a HACC service)	[Number of CALD people that receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100
Maternal and Child Health	**Participation**	**Participation in the MCH service** (percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
		Participation in the MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[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
Libraries	**Participation**	**Active library members** (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100

2.2 Council Plan Goal 2: Sustaining the Economy and Environment

To achieve our objective of Sustaining the Economy and Environment, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

2015-16 Budget $'s	Expenditure	Income	Grand Total
(B) Regulatory Services			
Building Control	576,404	-157,400	419,004
Health Registrations	170,350	-90,125	80,225
Local Laws & Animal Control	390,833	-350,900	39,933
Parking Control	617,000	-617,000	0
Planning and Promotional Services	339,913		339,913
School Crossing Supervision	132,294	-24,340	107,954
Town Planning	543,016	-181,400	361,616
(B) Regulatory Services Total	**2,769,810**	**-1,421,165**	**1,348,645**
(D) Recreation, Culture and Leisure			
Lakes and Beaches	66,400	-965	65,435
(D) Recreation, Culture and Leisure Total	**66,400**	**-965**	**65,435**
(E) Economic Development			
Economic & Planning - Mgt & Admin	224,682	0	224,682
Economic Promotion	748,913	-161,255	587,658
Industrial Estates	188,284	-124,584	63,700
Tourism and Information Centre	270,511	-29,700	240,811
(E) Economic Development Total	**1,432,390**	**-315,539**	**1,116,851**
(G) Environment			
Other Environmental Services	257,160	-4,000	253,160
Rates		-2,734,185	-2,734,185
Waste Management Services	5,954,301	-3,220,116	2,734,185
(G) Environment Total	**6,211,461**	**-5,958,301**	**253,160**
Grand Total	**10,480,061**	**-7,695,970**	**2,784,091**

Services

Business area	Description of services provided
Building Control {11} {12}	This service provides matters relating to the administration of building control including building approval, inspection fees, easement approval and State Government levies.
Health Registrations	This service provides a variety of legislative based services and functions around Environmental Health Issues. Health registrations, inspection services, **Food Safety**, complaint investigation and enforcement.
Local Laws & Animal Control	This service deals with matters concerning Local Laws including permits and licences, enforcement and fines and fire hazard enforcement. **Animal Management** services for dogs and cats includes, rehousing, microchipping, and investigation of complaints and registrations.
Parking Control	This service provides management of parking infringements, maintenance on parking meters, car parking fees, fines and associated costs.
Planning & Promotional Services	This service provides general administration for Planning, Building and Promotional services areas

School Crossing Supervision	This service provides the supervision of school crossings and school crossing maintenance.
Town Planning {13} {16}	This provides **Statutory Planning** Services such as planning permits, notice of applications, information certificates, scheme appeals and subdivision costs along with the preparation of strategies, heritage studies and structure plans for the municipality.
Lakes and Beaches	This service provides maintenance and beach cleaning for Green Lake and Lake Toolondo along with maintenance of boat ramps and buoyage systems.
Economic & Planning - Mgt & Admin	This service provides administration and support services for the Economic and Planning department
Economic Promotion {14} {15}	This service provides support to the Wimmera Development Association, maintenance and administration for the Wimmera Business Centre and general economic development and promotion for the municipality. This area also covers tourism marketing and development as well as promotion for major events and festivals.
Industrial Estates {18}	This service provides Land sales and acquisitions, along with tree plantation and land management costs for Burnt Creek, Enterprise Estates and the Wimmera Intermodal Freight Terminal.
Tourism and Information Centre	This service provides information and support to visitors accessing the Tourist Information Centre. It provides visitors to the municipality with a comprehensive range of up to date information on tourism products within the Wimmera region.
Other Environmental Services	This service provides a mix of environmental services covering fire hazards, fire disaster clean up, grass removal, fire plugs, their replacement and markers, street sweeping, footpath cleaning in the CBD and weir operations.
Waste Management Services {17}	This service manages the Dooen Landfill sites, Kenny Road Transfer Station, rural transfer stations, and **Waste Collection** and Recyclables Collection across both the urban and rural areas of the municipality.

Initiatives

11) Installation of new Building Regulation Management software to improve the efficiency of operations in the Building Office, $40,000.
12) An allocation of $30,000 - $20,000 for a contractor to assist in activities arising from the Essential Safety Measures audit that was undertaken and $10,000 to contribute to related works.
13) A $20,000 allocation for heritage Advisory Services that will in part be offset from external revenue of $10,000.
14) $17,500 to continue to contribute to the Grampians Tourism region digital strategy that is being developed and implemented with the surrounding shires.
15) $12,000 for the development of a Horsham and Wartook valley major events master plan.

Major Initiatives

16) $120,000 for the development of the Horsham South Structure plan. This is to be funded $80,000 from other sources and $40,000 from rates and general revenue.
17) The Dooen Landfill site will continue with its capital works program with a further $1.03 million planned to be expended for the new Putrescible Cell No. 2 at the John's site. These works are funded from the Waste Management Reserve from regular contributions from the waste management charges.
18) Further development of the Wimmera Intermodal Freight Terminal site to facilitate future development of the industrial precinct $450,000 (Capital) to complete a storage basin, road works and related drainage works.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Statutory Planning	**Decision making**	**Council planning decisions upheld at VCAT** (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Waste Collection	**Waste diversion**	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Animal Management	**Health and safety**	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Food Safety	**Health and safety**	**Critical and major non-compliance notifications** (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100

2.3 Council Plan Goal 3: Asset Management

To achieve our objective of Asset Management, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

2015-16 Budget $'s	Expenditure	Income	Grand Total
(D) Recreation, Culture and Leisure			
Aquatic Centre	600,700	0	600,700
Parks & Gardens	30,000		30,000
Parks and Gardens	1,294,600	-9,100	1,285,500
Sports Complexes	2,055,764	-1,539,580	516,184
(D) Recreation, Culture and Leisure Total	**3,981,064**	**-1,548,680**	**2,432,384**
(F) Physical Services			
Aerodrome	139,100	-33,600	105,500
Caravan Park	25,000	-58,000	-33,000
Livestock Exchange	519,350	-519,350	0
Other Council Properties	374,949	-205,360	169,589
Other Infrastructure Services	233,900	-25,000	208,900
Public Conveniences	264,115	-7,900	256,215
Road Construction & Maintenance	3,392,464	-2,692,032	700,432
Street Beautfication, Signage and Lighting	0		0
Technical Services Mgt & Admin.	2,193,506	-36,500	2,157,006
(F) Physical Services Total	**7,142,384**	**-3,577,742**	**3,564,642**
(G) Environment			
Street Beautfication, Signage and Lighting	2,607,282	-883,976	1,723,306
(G) Environment Total	**2,607,282**	**-883,976**	**1,723,306**
Grand Total	**13,730,730**	**-6,010,398**	**7,720,332**

Services

Business areas	Description of services provided
Aquatic Centre	This service provides equitable and affordance access to a diverse range of aquatic and fitness programs and services. The **Aquatic Facility** includes indoor and outdoor pools, a gymnasium, a multi-purpose group fitness facility, child care and a café.
Parks and Gardens {30}	This service provides development and maintenance of gardens and major reserves including the Botanic Gardens and May Park along with 23 neighbourhood parks. Management and maintenance of over 8,000 street and 1,500 park trees plus design and maintenance of over 100 minor garden beds within the CBD.
Sports Complexes {19} {27} {31}	This service provides maintenance and operations of indoor and outdoor sports complexes including Racecourse Reserve, City Oval, Dudley Cornell Park, Skate bowl facilities and Basketball Stadium
Aerodrome	This service provides a regional airport for commercial and private aircraft.
Caravan Park	This service provides affordable holiday accommodation on the Wimmera River and close to the CBD of Horsham. It has powered and non-powered sites along with some accessible cabins.
Livestock Exchange	This service provides weekly sheep sales and fortnightly cattle sales at the Burnt Creek Drive facility servicing primary industry across the Wimmera. Horsham Regional Livestock Exchange is the fourth largest sheep selling centre in Victoria.

Business areas	Description of services provided
Other Council Properties {28}	This service provides maintenance and operations for all of Council's commercial properties and residences.
Other Infrastructure Services {23} {25} {26}	This service provides maintenance for bicycle tracks, drainage, footpaths and off street car parks.
Public Conveniences	This service provides operations and maintenance of the 6 public conveniences in Horsham, 1 in Natimuk and several rural facilities.
Road Construction & Maintenance	This service provides maintenance and construction of **Roads**, streets, bridges and related assets to the required standards.
Technical Services Mgt & Admin {22}	This service provides administration and support services for the Technical Services Department.
Street Beautification, Signage and Lighting {21} {24} {29}	This service provides Street Tree maintenance, tree planting and removal along with city centre maintenance on lighting, signage and street furniture. Climate Change initiatives such as the environmental footprint reduction program also fall within this service.

Initiatives

19) $60,000 for update and renewal of the Horsham City Oval master plan. This will assist with developing the future strategy for development of the area particularly post the acquisition of the former ambulance station buildings. A grant is expected to cover 50% of this cost.
20) $50,000 has been allocated for a consultant to undertake a transport planning exercise for the Horsham Urban areas to inform and assist with long term planning decisions.
21) A total of $65,000 has been allocated for the removal of unsafe trees at the botanic gardens ($25,000), roadside tree canopy maintenance ($20,000), Natimuk Rd Tree Plantation maintenance ($10,000) and general hazardous tree removal ($10,000).
22) $17,500 for the implementation of the Assetic Fleet Module system and related training.
23) $15,000 for the road marking, signage and relining of CBD bike paths.
24) $10,000 for town entrances and streetscape refurbishments. This will follow-on from the $10,000 allocated within the 2014-15 budget.
25) $50,000 of capital to continue with the program of bike path sealing and resealing works to help reduce ongoing maintenance costs on our bike paths.
26) $40,000 of capital for additional footpath rehabilitation and upgrade works as part of the Council's Disability Strategy.
27) Refurbishment of the Sunnyside Oval change rooms and facilities to address structural and plumbing issues $75,000 of capital. $50,000 of this to be funded from general revenues and $25,000 from insurance refunds.
28) A future significant project for Council is to relocate the current Council Depot from the CBD to the Industrial Estate. $60,000 has been allocated in this year's budget to undertake some planning and detailed cost estimates work. It is expected that 50% of these funds would come from a state government grant.

Major Initiatives

29) $750,000 for CBD revitalisation works including $200,000 for underground power lines within the CBD. This is a part of the ongoing CBD Strategy and is expected to be funded $500,000 from a non-recurrent grant and $250,000 from the CBD Reserve.
30) $450,000 of capital to upgrade the playground, facilities, pathways etc. on Apex Island, adjoining the new pedestrian bridge across the Wimmera River. This will only be $45,000 funded from rates with the balance to come from a state government grant and other contributions.
31) An allocation of $45,000 for planning re a new Community Indoor Sports, Recreation and Cultural activities centre. This will include the investigation and feasibility of potential locations such as the Showgrounds.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Aquatic Facilities	**Utilisation**	**Utilisation of pool facilities** (The number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Roads	**Satisfaction**	**Satisfaction with sealed local roads** (community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads

2.4 Council Plan Goal 4: Governance and Business Excellence

To achieve our objective of Business Excellence, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

2015-16 Budget $'s	Expenditure	Income	Grand Total
(A) Management and Administration			
Corporate Services	3,954,202	-248,029	3,706,173
Finance	105,500		105,500
Governance & Leadership	1,206,377	-38,200	1,168,177
Organisational Development	616,183		616,183
Works Rechargeable	186,500	-194,000	-7,500
(A) Management and Administration Total	**6,068,762**	**-480,229**	**5,588,533**
Grand Total	**6,068,762**	**-480,229**	**5,588,533**

Services

Business areas	Description of services provided
Corporate Services {32} {33} {34} {35}	This service contains a variety of organisational services that are provided both internally within Council but also to ratepayers. It covers Information Technology, Rates and Information Services, Financial Management, Customer Service and the general Management Support to the Director Corporate Services. It includes the maintenance costs associated with the Civic centre building in Roberts Avenue.
Financing	This business area records the operational costs associated with Councils financing arrangements, egg interest, loan repayments and financing costs.
Governance & Leadership)	This service manages and facilitates Council's **Governance** services, the implementation of Council decisions and policies and compliance with legislative requirements. It includes the office of the Mayor and Councillors, the Chief Executive and media.
Organisational Development	This service is responsible for human resources, payroll, OH&S, risk management and organisational performance functions. The Payroll Co-ordinator is also responsible for processing the payroll for five separate Council-related entities, including the Wimmera Regional Library Corporation and Wimmera Development Association.

Initiatives

32) $30,000 has been allocated to establish a shared service for GIS involving other regional councils, the Wimmera Catchment Management Authority and the Wimmera Development Association.
33) $50,000 has been allocated from the IT Reserve to develop an IT Strategic Plan for the future development of Council's IT hardware and software services.
34) $50,000 has been allocated to undertake some improvements to Corporate Services systems and processes to better utilise the Civica IT system to its full capabilities and to remove manual processes where possible.
35) $100,000 of capital has been allocated to undertake a range of minor fit out works at the Civic Centre Roberts Avenue. This will facilitate better utilisation of the Council chamber and reception areas as well as relocate staff internally in order to move staff from Firebrace Street to the Civic Centre.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	**Satisfaction**	**Satisfaction with Council decisions** (community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community)	Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community

2.7 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on within the Performance Statement which is prepared at the end of the year as required by section 132 of the Act and included in the 2015/16 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in section 8) and sustainable capacity, which are not included in this budget report. The full set of prescribed performance indicators are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the report of operations.

3. Budget influences

This section sets out the key budget influences arising from the internal and external environment within which the Council operates.

3.1 Snapshot of Horsham Rural City Council

Horsham Rural City is a vibrant, diverse community situated approximately 300 kilometres north-west of Melbourne and north of the Grampians National Park, in the heart of the Wimmera region of Victoria. Horsham Rural City Council has a population of 19,691 and covers an area of 4,267 square kilometres. Almost three quarters of residents live in the urban area of Horsham.

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

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

Population

In June 2007, the preliminary estimated resident population of the municipality was 19,261 people. In the past 7 years the municipality has seen a slight increase in population with the population figure at June 2013 being 19,687 people.

The municipality is forecast to grow at an average of 0.5% per annum which is in contrast to surrounding municipalities in the Wimmera all of which are forecast to have a population decline. Horsham is projected to have 44% of the population of the Wimmera by 2031 with an estimated population at this time of 22,571, compared to the current level of 40%. Whilst Horsham will experience growth, overall the region as a whole is forecast to experience a slight population loss.

(Sources: Australian Bureau of Statistics, Estimated Resident Population; Regional Development Victoria).

Ageing population

The Wimmera's population is ageing. By 2031 the percentage of the population in the Wimmera over 60 will be 36.8% (32.3% for Horsham) compared to 26.9% in 2011 (23.1% for Horsham). This ageing population will lead to a higher demand for health services.

(Source: Australian Bureau of Statistics, Census of Population and Housing).

Births

Despite an ageing population, approximately 242 babies were born each year between 2008-2012. In 2013 the figure was slightly higher with 282 babies born whilst in 2014 there was a slight decrease on the 2013 figure yet still higher than average with 254 born in the municipality.

(Source: Australian Bureau of Statistics, Census of Population and Housing and Maternal and Child Health database).

Cultural diversity

Growth in Horsham occurs from internal migration in the Wimmera, natural increase as well as some people moving to the region from other parts of Victoria and a small percentage of skilled migrants from overseas.

Whilst still a small percentage, the municipalities' cultural diversity is growing. As well as those born in Australia, the municipality is home to people born in 28 countries. Of the stated countries of birth in the 2011 census, the top ten in order of the number of people, were from United Kingdom, New Zealand, India, Italy, Netherlands, Philippines, South Africa, Germany, Turkey and China.
There are 27 languages, including English spoken in the municipality.

The most predominant "other languages" spoken at home are Italian, Indo-Aryan languages (incl Bengali, Sinhalese, Urdu), South East Asian Austronesian languages (incl Filipino, Indonesian, Tagalog), Chinese languages (incl Mandarin, Cantonese), Arabic, French, German, Croatian, Greek, Turkish and others.

(Source: Australian Bureau of Statistics, Census of Population and Housing).

Education and occupation

The Health Care and Social Assistance sector is the largest sector of employment in the municipality employing 15.5% of the workforce. Over the next 20 years the Heath Care and Social Services sector is expected to grow.

In September 2014 the unemployment rate was 4% for the municipality, which is lower than the Grampians region of 4.7%.

(Source: Australian Bureau of Statistics; Department of Employment Small Area Labour Markets (SALM)).

Education

In 2011, the percentage of 16 year olds participating in school full time for Horsham Central was 76% and for Horsham Balance it was 77.3% - these percentages are lower than the Victorian (81.8%) and non-metropolitan Victorian averages (79.6%).
In 2011, 16.4% of people aged 17 in Horsham Central were enrolled in higher education, in the Horsham Balance this was 26.3% - these percentages are lower than the Victorian (35.2%) and in the case of Horsham Central lower than the non-metropolitan Victorian average (23.1%).
Rates of participation in vocational training in both Horsham Central 9.9/100 and the Horsham Balance 13.4/100 were higher than the Victorian 8.8/100 and in the case of Horsham balance higher than the non-metropolitan Victorian average of 12.6/100.
In 2011 41.9% of people aged 20-64 within the municipality had completed Year 12 or equivalent, which is up from the 2006 figure of 38.1% - this is however lower than the regional Victorian and Victorian average. In the Wimmera Southern Mallee region a higher percentage of early school leavers take up apprenticeships and traineeships and full time / part time work compared to the Victorian average.

Budget implications

- Horsham's role as a regional City for the Wimmera continues to provide opportunities for growth in population numbers and expansion of the rate base, however as some of this growth is from those retiring from surrounding farm areas it brings with it the need to maintain our levels of service and in some cases grow services to meet the increasing demands.
- Horsham is a service centre for the surrounding agricultural region and is the centre for grains research within the state which has seen continued growth in agriculture research and development investment in the municipality. The need to provide an appealing and vibrant centre to attract professionals to live and stay is an important consideration for Council when planning services.

3.2 External influences

The following External influences have been taken in to consideration in the preparation of the 2015/16 budget as they are likely to impact significantly on the services delivered by council:

- Operating Costs: Local Government Cost Index typically increases by approximately 1% more than CPI. This is because the CPI is based on a weighted basket of household goods and services which are quite different from those of local governments. Consumer Price Index (CPI) was 2.8% in 2014.
- Wages Movement:. The council's current EBA was renegotiated in 2013 with a 3.5% wage increase to apply in 2015-16.
- Grants Commission - In 2013-14 the Federal Government froze the indexation of the Federal Assistant Grants to Local Government, this resulted in a reduction in the level of grant paid to Council of approximately $150,000 per annum over the 3 years of the freeze. The cumulative impact of this for the 2015-16 budget is approximately $300,000 with the expected reduction to be closer to $500,000 on an ongoing basis after 2016/17.
- Defined Benefits Superannuation - Council contributed $2.9m from reserves in 2012/13 towards the defined benefits superannuation shortfall, and we put aside $200k for potential further contributions in the 2013/14 budget, and have included a further $100,000 in 2014-15 and again in 2015-16. (Council had prior to this contributed $811k in 2002/03.) The Vested Benefits Index for the fund is currently at 105% of value. Should the value fall to 97% then Councils will be asked to make a further contribution.
- Utilities & Insurances – Over recent years there have been significant increases in utilities and insurance costs upwards of 10%. This year the increases have not been as significant and can be contained at or below CPI.
- Interest rates on investments – Interest rates have remained at just below the 3% mark over the last 12 months and have not continued their downward trend. However overall earnings from interest will continue to fall as expenditure of our reserves occurs with the Town Hall construction.
- Increases in Regulations and Reporting Obligations – New regulations have been introduced that place a burden on Council for additional tasks and functions which are not supported by additional funding to undertake those function. Eg Fire Services levy, performance reporting, pest plants and weeds management and new auditing requirements. The new Local Government Performance Reporting Regulations will see increased costs associated with audit undertakings that as yet are unknown.

3.3 Internal influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2015/16 Budget:

- Town Hall and Performing Arts Centre– Construction of the Town Hall, Art Gallery and Performing Arts Centre is a major project that is due to be completed late 2015. This years budget includes operational costs for the first part year of operations. The net cost to council for this is very dependent upon estimates of revenue from Performing Arts programming which is extremely uncertain. Additionally the new expanded centre will have additional costs associated with utilities and the like which also are not yet properly known and will only become clear once the centre is in full operation.
- Rating Strategy – The council's rating strategy was reviewed in 2013-14, some recommendations of that review regarding the rating of cultural and recreational organisations and the eligibility for the farm differential are being implemented within the 2015-16 budget process.
- Cost reductions and efficiencies – Council has been extremely aware of the need to keep cost increases contained in order to realise efficiencies and to prepare for the future regime of rate capping which will be established in 2016-17. To this end a strong approach to driving operating costs lower has been taken in the formulation of this budget.

- Asset Renewal Funds – Council is responsible for a range of ageing infrastructure. There is however a shortfall between the required spend to maintain all assets to an appropriate standard and the available fund. This is known as the asset or infrastructure renewal gap and is currently approximately $4m per annum. A 2.0% increase in rates was tagged specifically to contribute to this shortfall, and this occurred from 2008-09 to 2011-12. From 2012/13 to 2014/15 only 1% of the rate increase has been tagged to contribute to the renewal gap.

3.4 Budget principles

In response to these influences, guidelines are to be applied in the preparation of the budget. These guidelines set out the key budget principles upon which officers have prepared their budgets:

- Grants to be based on confirmed funding levels if known or informed estimates.
- Any new revenue sources should be identified wherever possible
- Service and activity levels are assumed to remain constant at the 2014/15 levels.
- Any increases to Service levels (including increases in staff FTE's) will be made via the separate "Budget Submission" process.
- New initiatives for recurrent programs will be kept to a minimum and should ideally only be approved with an offset by efficiency gains in other areas
- There is always the over-arching aim to use less resources with an emphasis on innovation and efficiency.
- Increases in contract charges are based on actual contracted agreements wherever these are known.
- Salaries and Wages to be increased by 4% to allow for the 3.5% EBA increase plus an allowance for within band progressions.
- The cost of all salaries & wages including on-costs will be factored in to the budget either through recurrent or capital.
- Operating budgets are revised upwards or downwards based on a detailed analysis of trends at the account level over the last two years with an emphasis on finding 1% savings in non-salary operating costs
- Borrowing costs (including principal repayments) are factored in at actual values based on an interest rate of 4.06%. Loans going forward will be interest only through the MAV Funding Vehicle so as such a sinking fund provision will be created to ensure that the principle payments are provided for in cash at the end of the term.
- Revenue from miscellaneous fees and charges will be reviewed individually with consideration to costs, rate increase %, CPI and other factors. Except for those which are set by legislation.

4. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2014/15 year.

4.1 Budgeted income statement

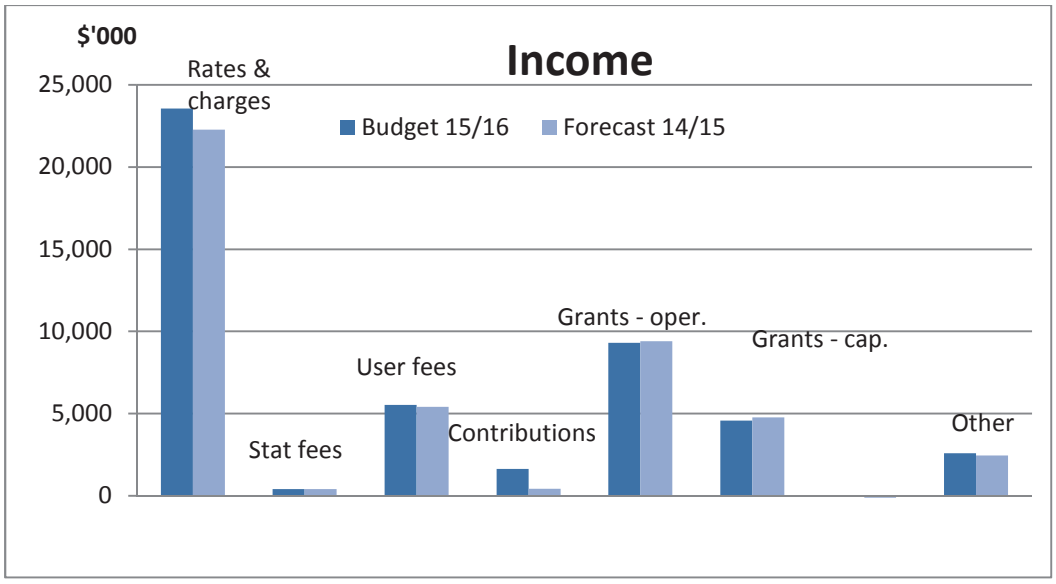
	Ref	Forecast Actual 2014/15 $'000	Budget 2015/16 $'000	Variance $'000
Total income	4.2	45,026	47,567	2,541
Total expenses	4.3	(42,449)	(45,729)	(3,280)
Surplus (deficit) for the year		**2,577**	1,838	(739)
Grants – capital non-recurrent	4.2.6	(3,772)	(1,585)	2,187
Contributions - non-monetary assets		(300)	(500)	(200)
Capital contributions - other sources	4.2.4	(430)	(1,633)	(1,203)
Adjusted underlying surplus (deficit)	4.1.1	**(1,925)**	**(1,880)**	**45**

4.1.1 Adjusted underlying deficit ($0.05 million decrease)

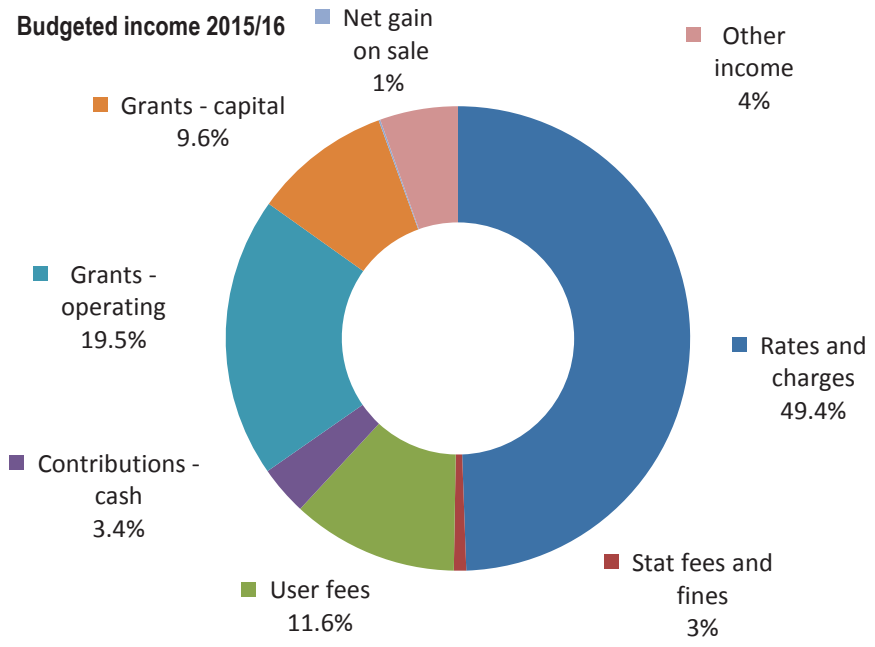
The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2015/16 year is a deficit of $1.88 million which is an decrease of $0.05 million from the 2014/15 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year. In reality Victorian Councils have an expectation that capital grants will be made available from the state on an ongoing basis.

4.2 Income

Income Types	Ref	Forecast Actual 2014/15 $'000	Budget 2015/16 $'000	Variance $'000
Rates and charges	4.2.1	22,281	23,564	1,283
Statutory fees and fines	4.2.2	405	410	5
User fees	4.2.3	5,404	5,537	133
Contributions - cash	4.2.4	430	1,633	1,203
Grants - operating	4.2.5	9,394	9,314	(80)
Grants - capital	4.2.6	4,775	4,576	(199)
Net gain on sale of assets	4.2.7	(111)	(57)	54
Other income	4.2.8	2,448	2,590	142
Total income		**45,026**	**47,567**	2,541



Source: Appendix A



4.2.1 Rates and charges ($1.34 million increase)

It is proposed that general rate income be increased by 5% or $1.34 million over 2014/15 to $23.56 million. Of the 5% increase, 1% will contribute to the funding of the Council's Infrastructure gap, 4% will go toward maintaining service levels and meeting the cost of general operations, and capital works. This increase in rates is in line with our Strategic Resource Plan and continues with the Council's plans to keep rate rises to level that can be afforded within the community. As of 2016-17 the State Government will be introducing a rate capping policy that is expected to restrict rate rises in line with CPI only, however the exact policy is currently under development and the details are not expected to be known until later in 2015. Supplementary rates have been budgeted at $0.10 million which is the same as for 2014/15.

Garbage costs have not increased to the same extent as they have in previous years which reflects the fact that current regulations and EPA charges are now adequately provided for. As a result the Garbage rates have increased by 6.0% in total. Residential charges for a 240 Litre bin (will be $348)

which is an increase of 3.7% and for a 120 litre bin (will be $213) which is a 3.8% increase. Charges to commercial operators have also increased by 3.85% and other councils by 3.8%.
Section 9. "Rating Information" includes a more detailed analysis of the rates and charges to be levied for 2015/16. Information on rates and charges specifically required by the Regulations is included in Appendix B.

4.2.2 Statutory fees and fines ($0.05 million increase)

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal and building registrations, *Public Health and Wellbeing Act 2008* registrations and parking fines. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fees are forecast to increase slightly by 1.2% or $0.05 million compared to 2014/15. This increase is largely due to increases in the expected building fees which have begun to rise again following a number of years of trending downwards.

A detailed listing of statutory fees is included in Appendix G.

4.2.3 User fees ($0.29 million decrease)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. User charges are projected to decrease by only 0.52% or $0.29 million over 2014/15. The main area contributing to the decrease is that the caravan park will be leased out with no further user charges to be collected.

A detailed listing of fees and charges is included in Appendix G.

4.2.4 Contributions - cash ($1.20 million increase)

Contributions relate to monies paid by developers in regard to infrastructure developments in accordance with planning permits issued for property development, and in 2015/16 also includes a significant amount $1.0 million, relating to fund raising/donations for the construction of the Horsham Town Hall. These were originally expected to be raised during 2014-15 however due to delays in the construction timelines these funds are not expected to be recognised until 2015-16.

4.2.5 Grants - operating ($1.47 million increase)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers and contributions from other parties towards property development costs. Overall, the level of operating grants has increased by 18.7% or $1.47 million compared to 2014/15, all largely in the non-recurrent area due to a couple of significant projects.

The first of these is $0.90 million for the upgrade of the Coughlin Park clubrooms which is a project that is being auspiced by Council but is not a Council asset and hence the revenue is not a capital receipt. The second is $0.50 million for the grants for the CBD Revitalisation works. These works may involve some degree of capital expenditure but the exact works are not yet known and most will relate to the under-grounding of electricity supply for which Council does not own the assets.

Recurrent operating grant funding reflects expected changes in demand for these services and the lack of adequate indexation in some grants. The decrease in Victoria Grants Commission funding of $0.11 million reflects the one-off adjustment received in 2014-15 that related to the 2013-14 year. No such adjustment is expected for 2014-15 due to the federal governments procedural changes with these grants. Funding reduction for the General Other Community Services reflects new arrangements with how Emergency Management has been funded and this grant has now been treated as non-recurrent. New recurrent grant for Halls is for the new Town Hall and Performing Arts Centre. These funds were previously included under Cultural Centre Activities.

Significant movements in operating grant funding are summarised in the table below:

Operating Grant Funding Type and Source	2014/15 $'000	2015/16 $'000	$'000
Recurrent - Commonwealth Government			
Grants Commission - General allocation	3,707	3,654	(53)
Grants Commission - Road Const. & Maint.	2,100	2,039	(61)
Recurrent - State Government			
Art Gallery	116	116	
Cultural Centre Activities	216	183	(33)
General Other Community Services	279	156	(123)
Halls		90	90
Home and Community Care Services	905	974	68
Lakes and Beaches	6		(6)
Maternal and Child Services	315	308	(7)
Preventative Services	33	35	2
School Crossing Supervision	24	24	1
Street Beautfication, Signage and Lighting	53	50	(3)
Total recurrent grants	**7,752**	**7,629**	(123)
Non-recurrent - Commonwealth Government			
Economic & Planning - Mgt & Admin	8		(8)
Non-recurrent - State Government			
General Other Community Services	30	120	90
Halls		15	15
Road Construction & Maintenance	25	25	
Sports Complexes	30	935	905
Street Beautfication, Signage and Lighting		500	500
Town Planning		90	90
Total non-recurrent grants	**93**	**1,685**	**1,593**
Total grants operating	**7,844**	**9,314**	**1,469**

4.2.6 Grants - capital ($1.20 million decrease)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has decreased by 20.8% or $1.20 million compared to 2014/15 due mainly to non-recurrent funding received for the Town Hall project.

Section 6. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2015/16 year.

Capital grants are further classified in the Financial Statements in Appendix A according to whether they are received each year (recurrent) or received on a once-off or short term basis (non-recurrent).

Significant movements in capital grant funding are summarised in the table below:

Capital Grant Funding Type and Source	Forecast Actual 2014/15 $'000	Budget 2015/16 $'000	Variance $'000
Recurrent - Commonwealth Government			
Roads to Recovery	1,003	1,991	988
Recurrent - State Government			
Country roads and bridges	1,000	1,000	
Total recurrent grants	**2,003**	**2,991**	988
Non-recurrent - Commonwealth Government			
Buildings	1,226		(1,226)
Non-recurrent - State Government			
Buildings	1,576	680	(896)
Other structures	760	330	(430)
Other land improvements	210		(210)
Plant & Equipment		125	125
Roadworks	150	450	300
Total non-recurrent grants	**3,772**	**1,585**	(2,187)
Total Grants	**5,775**	**4,576**	(1,199)

4.2.7 Net loss on sale of assets ($0.05 million decrease)

Net loss on the sale of Council assets is forecast to be $0.57 million for 2015/16 and relate mainly to the planned cyclical replacement of part of the plant and vehicle fleet ($1.88 million) and sale of other minor assets.

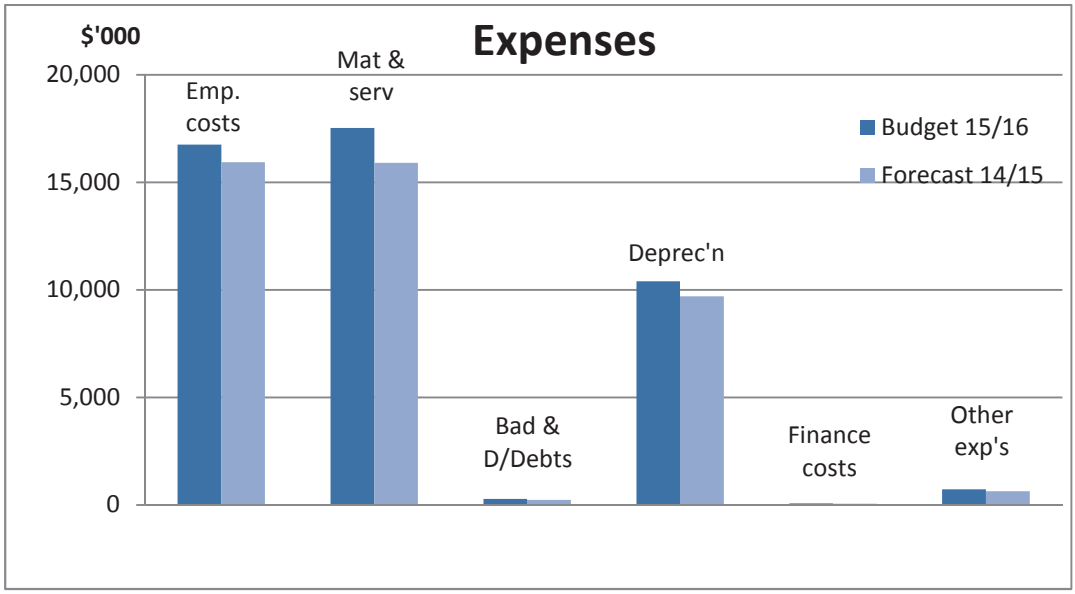
4.2.8 Other income ($0.14 million increase)

Other income relates to a range of items such as private works, cost recoups and other miscellaneous income items. It also includes interest revenue on investments and rate arrears.

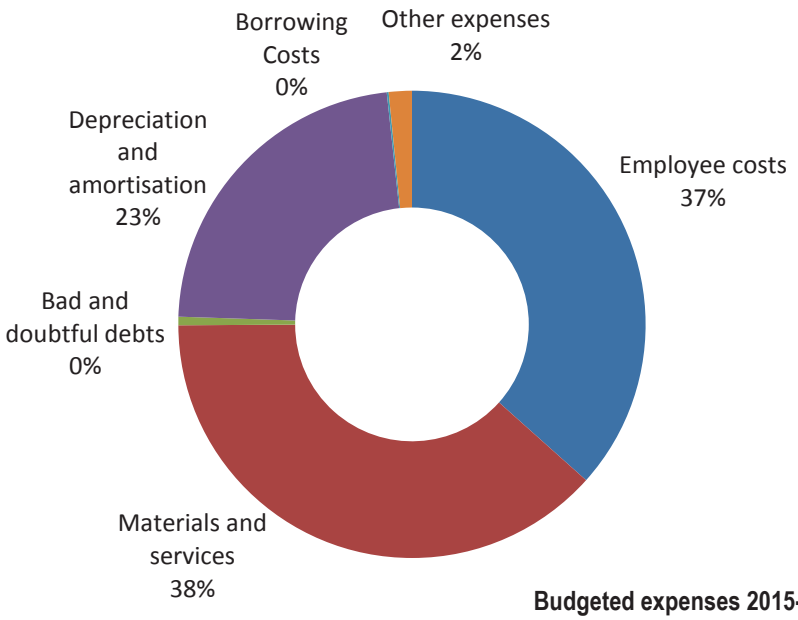
Other income is forecast to increase by 5.8% or $0.14 million compared to 2014/15. Significant items in this area include reductions of $0.16 million re the property sales income from industrial estates and reductions in income for Vicroads sub-contracted works.

4.3 Expenses

Expense Types	Ref	Forecast Actual 2014/15 $'000	Budget 2015/16 $'000	Variance $'000
Employee costs	4.3.1	15,927	16,745	818
Materials and services	4.3.2	15,909	17,529	1,620
Bad and doubtful debts	4.3.3	230	269	39
Depreciation and amortisation	4.3.4	9,695	10,396	701
Borrowing Costs	4.3.5	48	63	15
Other expenses	4.3.6	640	727	87
Total expenses		**42,449**	**45,729**	3,280



Source: Appendix A



Budgeted expenses 2015-16

4.3.1 Employee costs ($0.82 million increase)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, etc.

Employee costs are forecast to increase by 5.1% or $0.81 million compared to 2014/15. The increase can be broken down as follows:

- The Enterprise Bargaining Agreement has provided a wage increase of 3.5%
- Band increases account for approximately another 0.5%
- Balance are staffing increases associated with the Horsham Town Hall and Performing Arts Centre: Technical Support (1.0 FTE), Box Office / Marketing (1.0 FTE), Front of House Duty Officer (0.8 FTE – 10 months of the year only) and Administration (0.50 FTE for 8 months of the year only).

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

Department	Budget 2015/16 $'000	Permanent Full Time $'000	Comprises Permanent Part Time $'000	Casual $'000
Community Services	**3,897**	1,681	2216	
Corporate Services	**3,020**	2,581	439	
Planning and Economic Services	**2,076**	1,866	210	
Technical Services	**8,632**	8,494	138	
Total (Incl. Capitalised Salaries)	**17,625**	14,622	3,003	

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is shown in the next table:

Department	Budget FTE	Permanent Full Time	Comprises Permanent Part Time	Casual
Community Services	40	15	25	
Corporate Services	29	25	4	
Planning and Economic Services	22	18	4	
Technical Services	99	97	2	
Total (Incl. Capitalised Salaries)	**190**	155	35	

4.3.2 Materials and services ($1.64 million increase)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to increase by 10.3% or $1.64 million compared to 2014/15.

Material & Services in 2015-16 include a one-off abnormal item of $1.45 million for the redevelopment of the clubrooms at Coughlin Park. This is a project where Council has auspiced the grant and is managing the funds. However as the asset is not a Council asset the expenditure is of an operational nature and hence is reflected in the materials and services figure. Materials & Services adjusted for Coughlin park would have increased by $0.19 million or 0.6% reflecting Council's approach within this year's budget to contain operational expenditure increases. Significant increases in this area for 2015-16 include additional use of external contractors in the Building Regulation department and the additional operational costs associated with the Horsham Town Hall and Performing Arts Centre.

4.3.3 Bad and doubtful debts ($0.04 million increase)

Bad and doubtful debts is projected to increase by $0.02 million compared to 2014/15 due mainly to an anticipated increase in parking fine and animal fine debtors written off during the year.

4.3.4 Depreciation and amortisation ($0.70 million decrease)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2015/16 year.

4.3.5 Borrowing costs ($0.02 million increase)

Borrowing costs relate to interest charged by financial institutions on funds borrowed in relation to the 2015-16 Capitals Works Plan.

4.3.6 Other expenses ($0.09 million increase)

Other expenses relate to audit fees, mayoral allowances and operating lease rentals. Other expenses are forecast to increase by 13.6% or $0.09 million compared to 2014/15, largely due to expected rises in audit fees associated with new legislative requirements and increases to operating lease rentals.

5. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2015/16 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

The analysis is based on three main categories of cash flows:

- **Operating activities** - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt
- **Investing activities** - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment
- **Financing activities** - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

5.1 Budgeted cash flow statement

	Ref	Forecast Actual 2014/15 $'000	Budget 2015/16 $'000	Variance $'000
Cash flows from operating activities	5.1.1			
Receipts				
Rates and charges		22,206	23,489	1,283
User fees and fines		5,379	5,517	138
Grants - operating		8,994	8,914	(80)
Grants - capital		5,275	5,076	(199)
Interest		500	265	(235)
Other receipts		4,798	5,140	342
		47,152	**48,401**	1,249
Payments				
Employee costs		(15,227)	(16,045)	(818)
Other payments		(16,784)	(19,457)	(2,673)
		(32,011)	**(35,502)**	(3,491)
Net cash provided by operating activities		**15,141**	**12,899**	(2,242)
Cash flows from investing activities	5.1.2			
Proceeds from sales of property, infrastructure, plant & equip		565	200	(365)
Payments for property, infrastructure, plant and equipment		(19,436)	(18,484)	952
Net cash used in investing activities		**(18,871)**	**(18,284)**	587
Cash flows from financing activities	5.1.3			
Finance costs		(230)	(269)	(39)
Proceeds from borrowings		(564)	(467)	97
Repayment of borrowings		830	3,995	3,165
Net cash used in financing activities		**36**	**3,259**	3,223
Net decrease in cash and cash equivalents		**(3,694)**	**(2,126)**	1,568
Cash and cash equivalents at the beg of the year		22,195	18,501	(3,694)
Cash and cash equivalents at end of the year	5.1.4	**18,501**	**16,375**	(2,126)

Source: Appendix A

5.1.1 Operating activities ($2.24 million decrease)

The reduction in cash inflows from operating activities of $2.24 million results from increases in receipts of $1.25 million and increases in payments $3.49 million.

The net cash flows from operating activities does not equal the surplus (deficit) for the year as the expected revenues and expenses of the Council include non-cash items which have been excluded from the Cash Flow Statement. The budgeted operating result is reconciled to budgeted cash flows available from operating activities as set out in the following table.

	Forecast Actual 2014/15 $'000	Budget 2015/16 $'000	Variance $'000
Surplus (deficit) for the year	**2,577**	**1,838**	(739)
Depreciation	9,695	10,396	701
Loss (gain) on sale of assets	(111)	(57)	54
Net movement in current assets and liabilities	2,980	722	(2,258)
Cash flows available from operating activities	**15,141**	**12,899**	(2,242)

5.1.2 Investing activities ($0.59 million decrease)

There is a decrease in payments for investing activities for 2015-16 of $0.95 million which reflects a similar level of capital works for 2015-16 in comparison to 2014-15. This is in part due to the carry forward of $5.99 million of capital items from 2014-15 in to 2015-16, with the largest portion of this for the Horsham Town Hall and Performing Arts Centre $4.48 million.

5.1.3 Financing activities ($3.22 million increase)

For 2015/16 the total of principal repayments is $0.47 million and finance charges is $0.27 million with additional borrowings of $3.99 million. This year will see the first year of borrowings from the MAV Funding Vehicle which will see Council take out interest only loans under the conditions of these arrangements. There will be approximately a 0.5% to 1.0% savings in financing costs under this arrangement but council will transfer appropriate cash to a capital reserve to meet the loan redemption at the finalisation of the term. For 2015-16 the amount transferred to reserve is $0.18 million.

5.1.4 Cash and cash equivalents at end of the year ($2.13 million decrease)

Overall, total cash and investments is forecast to decrease by $2.13 million to $16.37 million as at 30 June 2016, reflecting Council's funding some of this year's capital works program from cash reserves. This is consistent with Council's Strategic Resource Plan (see Section 8), which forecasts a significant reduction in the cash position following the completion of the Horsham Town Hall and performing Arts Centre and the new waste management cells at the Dooen landfill.

5.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2016 it will have cash and investments of $16.37 million. Council has always taken a strong stance to maintain cash backed reserves with the exception of the Industrial Estates Reserve. The analysis of the unrestricted cash position is depicted in the following table:

	Ref	Forecast Actual 2014/15 $'000	Budget 2015/16 $'000	Variance $'000
Total cash and investments		**18,500**	**16,374**	(2,126)
Financial Assets		**0**	**0**	
Restricted cash and investments				0
- Statutory reserves	5.2.1	(157)	(157)	0
- Cash held to carry forward capital works	5.2.2	(1,077)	0	1,077
- Trust Funds and Deposits		(700)	(687)	13
Unrestricted cash and investments	5.2.3	**16,566**	**15,530**	**(1,036)**
- Discretionary cash reserves	5.2.4	(5,690)	(6,179)	(489)
Unrestricted cash adjusted for discretionary reserves	5.2.5	**10,876**	**9,351**	**(1,525)**

5.2.1 Statutory reserves ($0.16 million)

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes.

5.2.2 Cash held to fund carry forward capital works ($1.08 million)

An amount of $1.08 million is forecast to be held at 30 June 2015 to fund capital works budgeted but not completed in the 2014/15 financial year. Section 6.2 contains further details on capital works funding. There is no amount shown as cash held to fund carry forward works at 30 June 2015, as it is expected that the capital works budget in the 2015/16 financial year will be fully completed.

5.2.3 Unrestricted cash and investments ($15.53 million)

The amount shown here is in accordance with the definition of unrestricted cash included in Section 3 of the Regulations. These funds are free of statutory obligations and cash used to fund capital works expenditure from the previous financial year.

5.2.4 Discretionary cash reserves ($6.18 million)

These funds are shown as discretionary cash backed reserves as, although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. During the 2015/16 year $5.64 million is budgeted to be transferred to and $7.18 million from Discretionary Reserves. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan. (Section 5.2.6 below describes the purpose of each reserve in detail)

5.2.5 Unrestricted cash adjusted for discretionary reserves ($5.98 million)

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as the minimum necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds.

5.2.6 Purposes for reserves

Although not restricted by statutory purpose, Council has made decisions regarding the future use of Reserve funds as described below. Unless there is a Council resolution these funds should be used for these earmarked purposes:

CBD and Car Park Development Reserve (30 Jun 16 Balance $1.18 million)

This reserve is funded mostly by the annual transfer of the profit in the operation of council's parking meters. Contributions from developers in lieu of car parking spaces are also transferred to this reserve. Parking meters fines generally cover the cost of employing parking officers. The account is

maintained to develop car parking in the CBD; to purchase new and replacement meters; and has been to generally develop the CBD area with major road-works and improvements. The rationale for the reserve is that the shopping public who contribute through the parking meters see their contributions going to improve the CBD area where they have an interest, regardless of whether they are residents of Horsham. Council has limited expenditure from this reserve since 2012 to provide for any investment that may be required as a consequence on the new Performing Arts Centre's impact on parking.

Wimmera Business Centre Reserve (30 Jun 16 Balance $0.06 million)
This reserve was established in 2011 to hold any annual operating surpluses generated by the Wimmera Business Centre. These can be utilised to offset any future deficits or applied to works that benefit the Centre's operations as approved by their Committee of Management.

Information Technology Reserve (30 Jun 16 Balance $0.19 million)

The Information Technology reserve is held to allow purchasing of computer related hardware items and related software and IT Initiatives. Any under expenditure in the computer area annually is placed in this reserve and is held to be expended on forecast or unexpected expenditure in the IT area during any particular year.

Plant Replacement Reserve (30 Jun 16 Balance $1.36 million)
This reserve is maintained in conjunction with the plant operating account to fund Council's purchases of replacement plant and equipment. Plant and equipment are charged out on an hourly rate to council operations and the income from this activity is transferred to the plant operating account. General maintenance and operating expenditure on plant is debited to that account and the net profit or surplus on an annual basis is transferred to this reserve for expenditure on purchases of plant and equipment.

The rationale for this account is that often the purchases of plant equipment are unevenly spread across a number of years, and by maintaining this reserve, it allows Council to ensure that there is always a sum of money available to purchase plant when required and that the uneven spread of expenditure has no effect on the annual budget. This account is dependent upon plant operating charge-out rates being matched to the plant operating costs and the annualised cost of replacement of plant. An ongoing five-year plant program is prepared in Council's Fleet Management Program which clearly shows that this reserve account does not fall in value in the long term

Waste Management Reserve (30 Jun 16 Balance $0.26 million)
The waste management reserve is created to provide a sum of money to rehabilitate landfills at the end of their useful life and to provide funds for other major capital expenditure in the waste management area. The account is mainly utilised for the continued expansion and compliance of the regional landfill at Dooen. Given the limited funds available and the increasing costs of waste management, this account from time to time is utilised to fund other waste management capital works. It is important in the long term, not to overdraw this account to the detriment of the establishment or expansion of the landfill and that processes are put in place to ensure that there is sufficient monies in the waste management reserve to meet the obligations at that time.

Contingency Reserve (30 Jun 16 Balance $0.15 million)
With the introduction of Council elections every four years and their significant cost, Council allocates an annual sum into this reserve to spread this cost.

Wimmera Regional Library Corporation Asset Replacement Reserve (30 Jun 16 Balance $0.05 million)
The Wimmera Regional Library Corporation has moved responsibility for asset replacement requirements to each member Council to provide funds at the point which assets need to be replaced. Council budgets for the replacement of these assets using the reserve system.

Major Capital Projects Reserve (30 Jun 16 Balance $0.05 million)
This reserve is to provide for future asset replacements for major strategic projects. The balance previously related to the Horsham Caravan Park which has now been commercially leased. Part of the balance relates to funds for the new Children's Hub.

Town Hall Development Reserve (30 Jun 16 Balance $0.00 million)
In 2010/2011 to 2012/2013 Council have allocated each year 1% of the rate rise to be applied to the Town Hall Redevelopment and future operational costs. No further funds will be transferred in to this reserve as the rate increases will now be utilised to fund the ongoing financing costs of borrowings for

the Horsham Town Hall project. All remaining balances in this reserve will be utilised in 2014/15 to fund the capital works program for the Horsham Town Hall and Performing Arts Centre.

Infrastructure Gap Reserve (30 Jun 16 Balance $0.00 million)
Council's Asset Management Plan, through the MAV's STEP program has identified a significant infrastructure renewal funding gap. One of the strategies to address this gap has been to levy an additional percentage rate rise in its budget which is then specifically targeted to fund asset renewal on identified priority Council assets. This process began in 2007/2008 when a 0.5% rate rise was set. A further 1.5% was set the following year and then an additional 2% annual rate rise to 2011/2012, 1% in 2012/13, 2013/14, 2014/15 and 2015/16.These funds are placed in this reserve and the total funds raised are to be expended within the financial year on asset renewal to improve the overall condition of Council's asset stocks.

Recreation Contribution Reserve Account (30 Jun 16 Balance $0.16 million)
The recreation contribution reserve is comprised mainly of developer contributions in lieu of land, when subdividing residential areas. There is a statutory requirement that any developers contributions to this fund be spent on capital works in relation to purchase of recreation land or development of recreation land.

Road Construction Reserve (30 Jun 16 Balance $0.03 million)
This reserve is maintained with contributions from developers of rural residential subdivisions. The intention of the reserve is that monies contributed by developers will be expended on roads adjoining the rural residential subdivision.

Commercial Properties (Firebrace Street) Reserve (30 Jun 16 Balance $0.48 million)
Council owns commercial properties in Firebrace Street which were the former Shire of Wimmera Offices. In association with our appointed real estate agent, the Council regularly reviews the rental income and has determined that any increase rental income that resulted should be placed in a reserve. The long term intention of this reserve is to build up sufficient funds to make significant improvements to Council's commercial properties in Firebrace Street.

Aquatic Centre Reserve (30 Jun 16 Balance $0.37 million)
This reserve has been established to set aside funds to meet future asset renewal requirements at the Centre in accord with its Business Plan.

Industrial Estate Reserve (30 Jun 16 Balance $4.10 million total - $1.26 million cash backed)
The industrial estate reserve comprises cash, debtors and the value of both undeveloped and developed land. All costs in relation to purchase of undeveloped land and the development of land into industrial lots are paid from this reserve and the proceeds of the sale or lease of this land to developers is returned to the reserve, together with any government grants which may be attracted for development of industrial estates.

Loan Fund Reserves (30 Jun 16 Balance $0.34 million)
Funds of $162,162 held in this reserve are to assist offset of repayments for projected borrowings for major projects in the next 1-2 years. Council has identified this reserve in the mix of funds to complete the Town Hall Project. Other balances to this reserve are sinking fund instalments for the interest only loans now been sourced through the MAV Funding Vehicle.

Aerodrome Reserve (30 Jun 16 Balance $0.09 million)
This reserve was created to provide for the large resealing program at the aerodrome. The reserve is also used to accumulate any landing fees and property lease fees and the funds in the reserve are used for development works at the aerodrome.

Regional Livestock Exchange Reserve (30 Jun 16 Balance $0.10 million)
The regional livestock exchange reserve was created by the former City of Horsham to accumulate funds towards the redevelopment of the saleyards. This reserve has been used in the construction of the new livestock exchange at Burnt Creek and the clean-up of the old City Gardens site. The sums accumulated in the reserve are now retained to provide for capital developments which may occur at the livestock exchange and also to commence a replacement and refurbishment fund to be accumulated over future years.

Drainage Head-works Reserve (30 Jun 16 Balance $0.13 million)
This reserve is funded by developer contributions in consideration of the amount of drainage run off land that they cause as a result of development, and are a contribution to the existing and future stormwater drainage head-works of the municipality. The funds of this reserve are expended on major drainage head-works.

Wimmera Intermodal Freight Terminal (WIFT) (30 Jun 16 Balance $0.22 million)
This new reserve has been established to meet programmed asset renewal commitments as approved by the Committee of Management for the WIFT.

Unfunded Superannuation Reserve (30 Jun 16 Balance $0.40 million)
This reserve has been created to hold funds for possible future contributions towards Councils unfunded superannuation liabilities.

Long Service Leave Provision (30 Jun 16 Balance $3.25 million)
This is a statutory reserve maintained to fund the long service leave entitlements accrued by Council employees.

Annual and Other Leave Provision (30 Jun 16 Balance $1.67 million)
Annual leave and other leave accrued is shown as a liability in the balance sheet for the accrued annual leave of employees. While there is no statutory requirement for local government to fund this provision, Council allocate an annual sum to ensure this liability is funded.

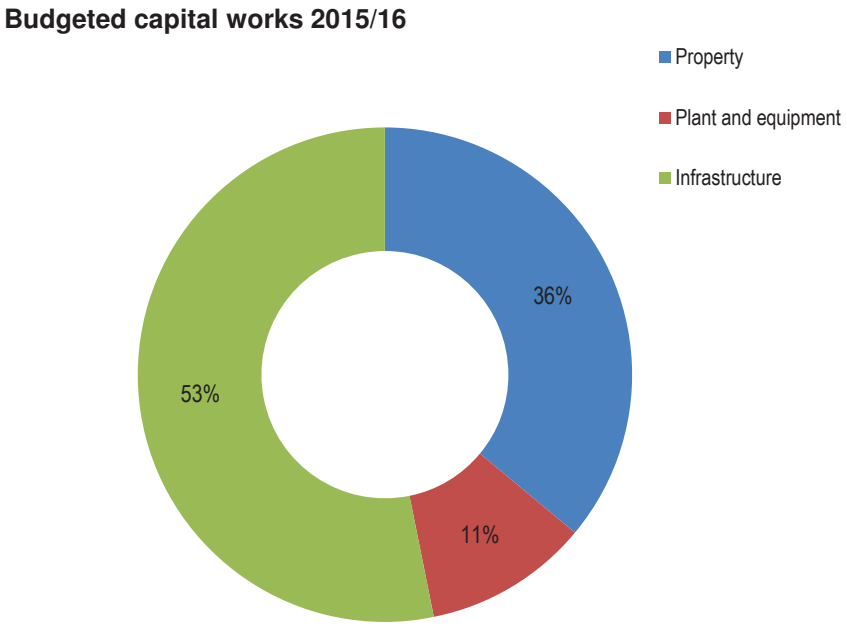
Quarry Restoration Provision (30 Jun 16 Balance $0.14 million)
This provision is maintained to restore Council operated quarries. A royalty on each tonne of material is collected by Council and transferred to the reserve. Money should only be transferred out of this provision for the restoration of quarries or immediately adjacent roads. The level of provision held should closely equate to the level of restoration that will be required. $34,000 has been allocated for restoration works this year.

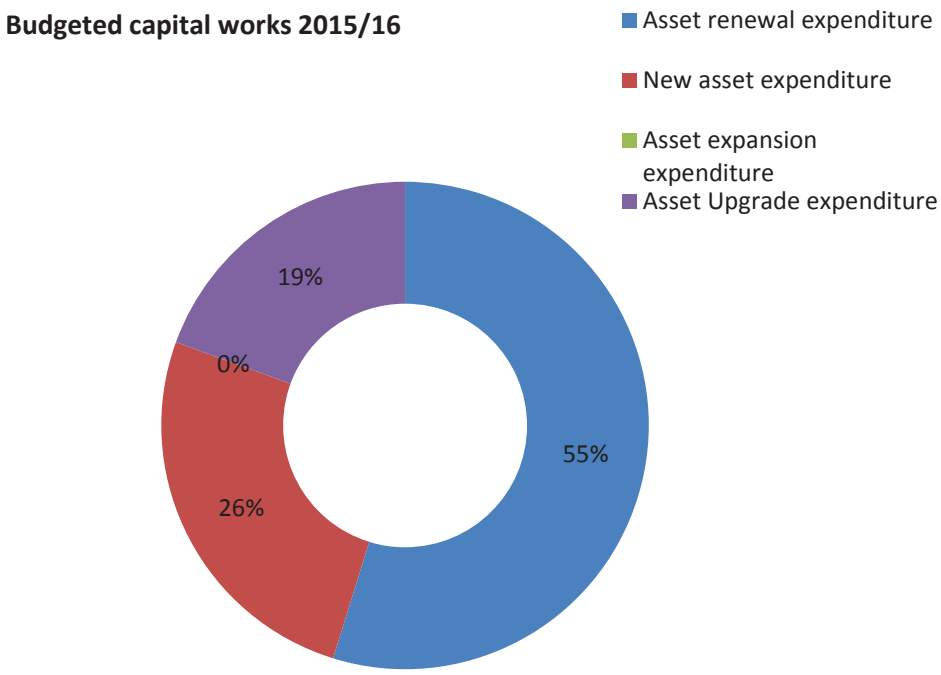
6. Analysis of capital budget

This section analyses the planned capital works expenditure budget for the 2015/16 year and the sources of funding for the capital budget.

6.1 Capital works expenditure

Capital Works Areas	Ref	Forecast Actual 2014/15 $'000	Budget 2015/16 $'000	Variance $'000
Works carried forward	6.1.1			
Property				
Buildings		4,130	4,725	595
Total property		4,130	4,725	595
Plant and equipment				
Computers and telecommunications			100	100
Infrastructure				
Roads			300	300
Drainage		40	300	260
Rec, leisure and community facilities		363	25	(338)
Waste Management			505	505
Off street car parks		22		(22)
Other infrastructure		100	22	(78)
Total infrastructure		525	1,152	627
Total works carried forward		4,655	**5,977**	1,322
New works				
Property	6.1.2			
Buildings		4,360	2,224	(2,136)
Land		70	0	(70)
Total property		4,430	2,224	(2,206)
Plant and equipment	6.1.3			
Plant, machinery and equipment		2,239	1,881	(358)
Computers and telecommunications		139	103	(36)
Library books				
Total plant and equipment		2,378	1,984	(394)
Infrastructure	6.1.4			
Roads		4,659	6,135	1,476
Bridges		500	390	(110)
Footpaths and cycleways		375	400	25
Drainage		160	100	(60)
Rec, leisure and community facilities		122	768	646
Waste management		645	1,085	
Parks, open space and streetscapes		48	30	(18)
Aerodromes		88	0	
Off street car parks		50	17	(33)
Other infrastructure		1,658	174	(1,484)
Total infrastructure		8,305	9,099	442
Total new works		15,113	**13,307**	(2,158)
Total capital works expenditure		19,768	**19,284**	(836)
Represented by:				
Asset renewal expenditure	6.1.5	9,875	10,562	(133)
New asset expenditure	6.1.5	5,105	4,972	687
Asset expansion expenditure	6.1.5	0	0	0
Asset Upgrade expenditure	6.1.5	4,788	3,750	(1,038)
Total capital works expenditure		19,768	**19,284**	(484)





Source: Appendix A. A more detailed listing of the capital works program is included in Appendix C.

6.1.1 Carried forward works ($5.98 million)
At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2014/15 year it is forecast that $5.98 million of capital works will be incomplete and be carried forward into the 2015/16 year. The more significant projects include the Horsham Town Hall ($4.48 million), WIFT Precinct works ($0.60 million), Renewable Energy Boiler at the Aquatic Centre ($0.25 million) and the Dooen landfill ($0.50 million).

6.1.2 Property ($2.22 million)
The property class comprises buildings and building improvements including community facilities, municipal offices, sports facilities and pavilions.

For the 2015/16 year, $2.22 million will be expended on building and building improvement projects. The more significant projects include $0.84 million on the Horsham North Children's Hub, $0.42 million for a range of works on Halls, $0.10 million for some minor refurbishment works at the Civic Centre, City Oval range of works $0.07 million, Other Sport & Rec $0.12 million and $0.18 million on a range of other council buildings.

6.1.3 Plant and equipment ($1.98 million)
Plant and equipment includes plant, machinery and equipment, computers and telecommunications.

For the 2015/16 year, $1.98 million will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the plant and vehicle fleet ($1.88 million) and upgrade and replacement of information technology ($0.10 million).

6.1.4 Infrastructure ($9.09 million)
Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure and community facilities, parks, open space and streetscapes, off street car parks and other structures.

For the 2015/16 year, $6.13 million will be expended on road projects. The more significant projects include $3.09 million on Rural Roads construction, rehabilitation and resheeting, $1.59 million on Urban Road Construction and $1.0 million on Country Roads and Bridges program.

Other items include $1.09 million on new putrescible and hard waste cells at the Dooen landfill, $0.39 million will be expended on various bridge works, $0.77 million on Rec, Leisure and Community Facilities which includes $0.18 million for a new wet deck on the outdoor pool and $0.45 million for upgrades to Apex Island.

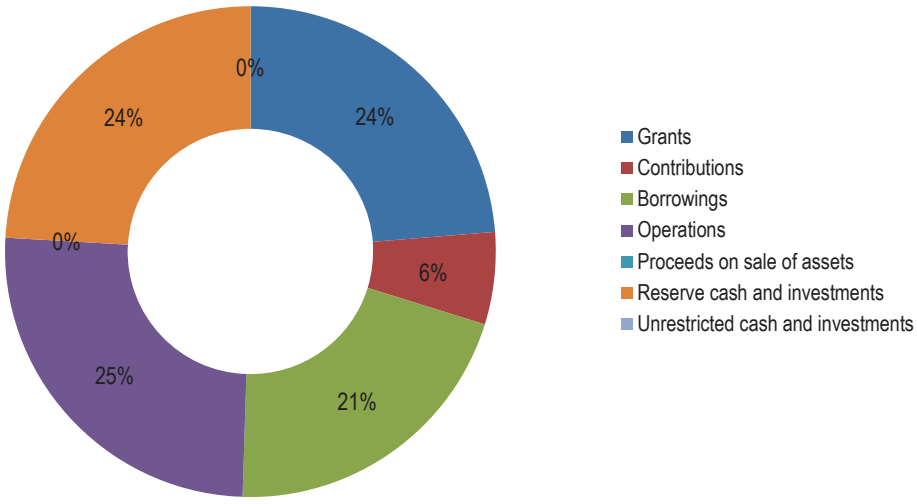
6.1.5 Asset renewal ($10.56 million), new assets ($4.97 million) and upgrade ($3.75 million)
A distinction is made between expenditure on new assets, asset renewal and upgrade. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have any element of expansion or upgrade of existing assets but will result in an additional burden for future operation, maintenance and capital renewal.

The major projects included in the above categories, which constitute expenditure on new assets, are the new components of the Horsham Town Hall project (largely the Performing Arts Centre component) ($1.34 million), the Horsham North Children's Hub ($0.84 million), New Plant and Equipment ($0.61 million) and some new drainage and road works at the Wimmera Intermodal Freight Terminal ($0.30 million). The remaining capital expenditure represents renewals and upgrades of existing assets.

6.2 Funding sources

Sources of funding	Ref	Forecast Actual 2014/15 $'000	Budget 2015/16 $'000	Variance $'000
Works carried forward				
Current year funding				
Grants		4,000	425	(3,575)
Contributions			1,000	1,000
Borrowings			3,475	3,475
Council cash				
- operations		633	25	(608)
- proceeds on sale of assets				0
- reserve cash and investments		22	1,052	1,030
- unrestricted cash and investments				0
Total works carried forward	6.2.1	**4,655**	**5,977**	**1,322**
New works				
Current year funding				
Grants	6.2.2	5,790	4,150	(1,640)
Contributions		266	170	(96)
Borrowings		830	520	(310)
Council cash				
- operations	6.2.3	4,366	4,871	505
- proceeds on sale of assets	6.2.4	365	263	(102)
- reserve cash and investments	6.2.5	3,496	3,333	(163)
- unrestricted cash and investments	6.2.6			0
Total new works		**15,113**	**13,307**	**(1,806)**
Total funding sources		**19,768**	**19,284**	**(484)**

Budgeted total funding sources 2015/16



Source: Appendix A

6.2.1 Carried forward works ($5.98 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2014/15 year it is forecast that $5.98 million of capital works will be incomplete and be carried forward into the 2015/16 year. The more significant funding includes $3.47 million in loans and $1.00 million in contributions for the Horsham Town Hall, and $0.50 million from Reserves for the Dooen landfill.

6.2.2 Grants & Contributions ($4.15 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program, contributions come from developers or other contributors to the capital works program. Significant grants and contributions are budgeted to be received for Country Roads and Bridges ($1.00 million), Roads to Recovery ($1.99 million), $0.45 million for WIFT Precinct Drainage works, Horsham North Children's Hub $0.42 million) and $0.33 million for Upgrades to Apex Island infrastructure.

6.2.3 Council cash - operations ($4.87 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that $4.87 million will be generated from operations to fund the 2015/16 capital works program which is an increase of $0.50 million or 11.6% from the 2014-15 forecast.

6.2.4 Council cash - proceeds from sale of assets ($0.26 million)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy of $0.26 million.

6.2.5 Council cash - reserve cash and investments ($3.33 million)

Council has significant cash reserves, which it is currently using to fund its annual capital works program. The reserves include monies set aside for specific purposes such as the Dooen Landfill ($1.03 million), Plant & Equipment ($1.68 million) and various other specified projects such as for parking, industrial estates, and sundry equipment.

7. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2014/15 and 2015/16. It also considers a number of key performance indicators.

7.1 Budgeted balance sheet

	Ref	Forecast Actual 2015 $'000	Budget 2016 $'000	Variance $'000
Current assets	7.1.1			
Cash and cash equivalents		18,500	16,374	(2,126)
Trade and other receivables		4,170	3,125	(1,045)
Financial assets		0	0	0
Other assets		1,680	1,570	(110)
Total current assets		**24,350**	**21,069**	(3,281)
Non-current assets	7.1.1			
Trade and other receivables		259	180	(79)
Property, infrastructure, plant and equipment		435,159	451,611	16,452
Total non-current assets		**435,418**	**451,791**	16,373
Total assets		**459,768**	**472,860**	13,092
Current liabilities	7.1.2			
Trade and other payables		6,573	3,764	(2,809)
Trust funds and deposits		654	687	33
Interest-bearing loans and borrowings		467	438	(29)
Provisions		4,984	4,734	(250)
Total current liabilities		**12,678**	**9,623**	(3,055)
Non-current liabilities	7.1.2			
Interest-bearing loans and borrowings		3,285	6,842	3,557
Provisions		3,449	4,202	753
Total non-current liabilities		**6,734**	**11,044**	4,310
Total liabilities		**19,412**	**20,667**	1,255
Net assets		**440,356**	**452,193**	14,347
Equity	7.1.4			
Accumulated surplus		222,915	226,880	3,965
Asset revaluation reserve		205,609	215,609	10,000
Other reserves		11,832	9,704	(2,128)
Total equity		**440,356**	**452,193**	11,837

Source: Appendix A

7.1.1 Current Assets ($3.28 million decrease) and Non-Current Assets ($16.37 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by $2.13 million during the year mainly to fund the capital works program.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are expected to decrease by $1.05 million. Other assets includes items such as inventories or stocks held for sale or consumption in Council's services.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc which has been built up by Council over many years. The increase in this balance is attributable to the net result of the capital works program ($19.28 million of new, upgraded and renewed assets), depreciation of assets ($10.39 million), the sale through sale of property, plant and equipment ($0.26 million) and an increase associated with the revaluation of land and buildings during 2015-16.

7.1.2 Current Liabilities ($3.05 million decrease) and Non-Current Liabilities ($4.31 million increase)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to decrease by $2.81 million due to finalising some major capital works projects.

Provisions include accrued long service leave, annual leave, rostered days off owing to employees. Employee and quarry & landfill restorations. Employee entitlements are budgeted to decrease by $0.25 million.

Interest-bearing loans and borrowings are borrowings of Council. Council is budgeting to repay loan principal of $0.47 million over the year but will also be taking out new loans of $3.99 million during the year. Further information on borrowings is shown under section 10.1.

7.1.3 Working Capital ($0.23 million decrease)

Working capital is the excess of current assets above current liabilities. This calculation recognises that although Council has current assets, some of those assets are already committed to the future settlement of liabilities in the following 12 months, and are therefore not available for discretionary spending.

	Forecast Actual 2015 $'000	Budget 2016 $'000	Variance $'000
Current assets	24,350	21,069	3,281
Current liabilities	12,678	9,623	3,055
Working capital	11,672	11,446	226
Restricted cash and investment current assets			
- Statutory reserves	(157)	(157)	0
- Cash held to carry forward capital works	(1,077)	0	(1,077)
- Trust Funds and Deposits	(700)	(687)	(13)
Unrestricted working capital	**9,738**	**10,602**	(864)

In addition to the restricted cash shown above, Council is also projected to hold $9.55 million in discretionary reserves at 30 June 2016. Although not restricted by statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes as defined in Section 5.2.5.

7.1.4 Equity ($11.84 million increase)

Total equity always equals net assets and is made up of the following components:

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed.
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time. The balance of $226.88 million reflects the accumulated surplus for the year plus the usage of investment cash reserves to partly fund the capital works program (this is a transfer between equity balances only and does not impact on the total balance of equity) and the asset revaluations for the year.

7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2016 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- Trade creditors to be based on total capital and operating expenditure. Payment cycle is 30 days
- Employee entitlements to be increased by 4%
- Repayment of loan principal to be $0.47 million
- Total capital expenditure to be $19.28 million
- A total of $4.38 million to be transferred from reserves to accumulated surplus, representing the internal funding of the capital works program for the 2015/16 year
- $1.20 million transferred from reserves for other non-capial works ie upgrading underground street lighting and landfill rehabilitation works.
- New borrowings of $3.99 million to be drawn down.

8. Strategic resource plan and financial performance indicators

This section includes an extract of the adopted Strategic Resource Plan to provide information on the long term financial projections of the Council.

8.1 Plan development

The Act requires a Strategic Resource Plan to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan.

Council has prepared a Strategic Resource Plan (SRP) for the four years 2015/16 to 2018/19 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

The key objective, which underlines the development of the SRP, is financial sustainability in the medium to long term, while still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives, which underpin the SRP, are:

- Maintain existing range and level of service provision
- Maintain a strong cash position ensuring Council remains financially sustainable in the longterm
- Trend towards an underlying operating surplus
- Maintain debt levels below prudential guidelines
- Continue to pursue recurrent grant funding for strategic capital funds from state and federal governments
- Provide a rate increase that establishes a sustainable funding level
- Increasing capital funding for asset renewal and ensure that critical renewal items are funded annually
- Achieve a balanced budget on a cash basis.

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities
- Provide reasonable stability in the level of rate burden
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information.

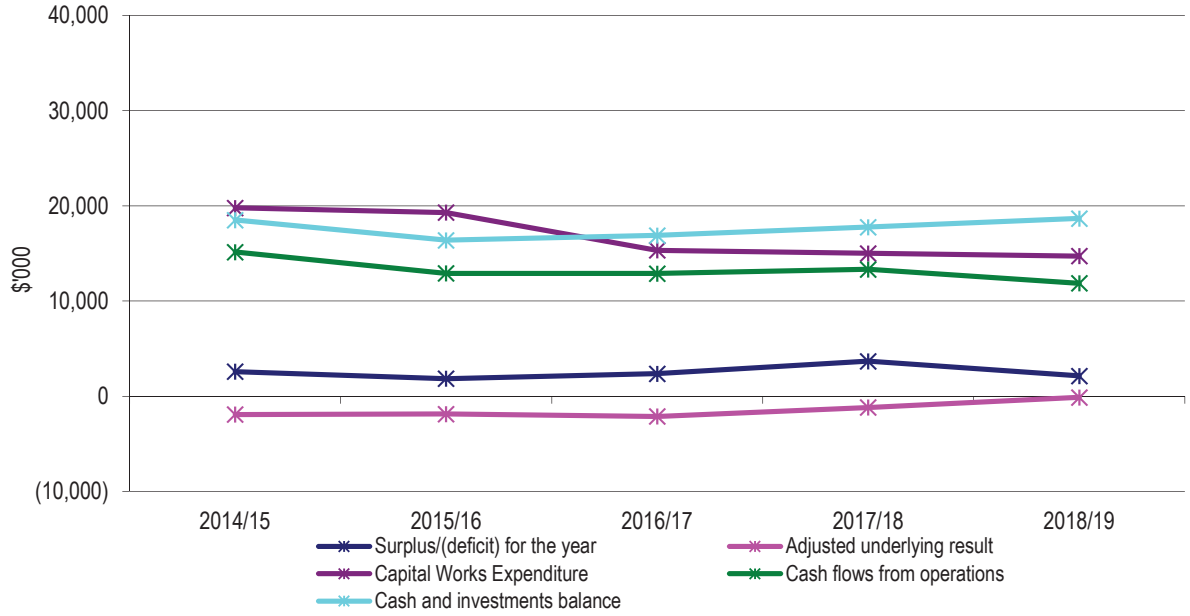
8.2 Financial resources

The following table summarises the key financial results for the next four years as set out in the SRP for years 2015/16 to 2018/19. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast Actual 2014/15 $'000	Budget 2015/16 $'000	Strategic Resource Plan Projections 2016/17 $'000	2017/18 $'000	2018/19 $'000	Trend +/o/-
Surplus/(deficit) for the year	2,577	1,838	2,358	3,667	2,124	-
Adjusted underlying result	(1,925)	(1,880)	(2,118)	(1,181)	(132)	+
Cash and investments balance	18,500	16,374	16,875	17,751	18,665	+
Cash flows from operations	15,141	12,899	12,884	13,321	11,863	-
Capital works expenditure	19,768	19,284	15,315	15,005	14,716	-

Key to Forecast Trend:
+ Forecasts improvement in Council's financial performance/financial position indicator
o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

The following graph shows the general financial indicators over the four year period.



The key outcomes of the SRP are as follows:

- **Financial sustainability (section 5)** - Cash and investments is forecast to increase by $2.29 million over the four year period from $16.37 million to $18.66 million, which indicates a balanced budget on a cash basis in each year plus accumulation of additional reserve funds.

- **Rating levels (section 9)** – Modest rate increases are forecast over the four years of 3.5% each year. This is on the assumption that under the State Governments new Rate Capping policy Council will have a rate increase equal to CPI of 2.5% plus still be able to accumulate a further 1% for infrastructure renewal.

- **Service delivery strategy (section 10)** – Service levels have been maintained throughout the four year period. Despite this, operating surpluses are forecast in all years as a result of significant capital grant revenue being received to fund the annual capital works program. However, excluding the effects of capital items such as capital grants and contributions, the adjusted underlying result is a deficit reducing over the four year period. The adjusted underlying result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result

- **Borrowing strategy (section 10)** – Borrowings are forecast to increase from $7.28 million to $11.86 million over the four year period. This includes new borrowings of $3.99 million in 2015/16, $2.37 million in 2016/17, $1.16 million in 2017/18 and $2.42 million 2018/19. As of 2015/16 Borrowings are intended to be taken out through the MAV Funding Vehicle where loans will be taken out on an interest only basis but at a lower than market interest rate. Council will manage the principal repayments by annually transferring to a Reserve an appropriate amount to cover the planned principal repayment at the end of the term. Overall this will reduce costs to Council for borrowings over the life of a loan (when factoring interest earned on the principal balances held in reserve).

- **Infrastructure strategy (section 10)** - Capital expenditure over the four year period will total $64.32 million at an average of $16.08 million.

8.3 Financial performance indicators

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

Indicator	Measure	Notes	Forecast Actual 2014/15	Budget 2015/16	Strategic Resource Plan Projections 2016/17	Projections 2017/18	2018/19	Trend +/o/-
Operating position								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	**1**	-4.7%	-4.2%	-4.9%	-2.6%	-0.3%	**+**
Liquidity								
Working Capital	Current assets / current liabilities	**2**	192.1%	218.9%	225.2%	219.8%	199.7%	**-**
Unrestricted cash	Unrestricted cash / current liabilities		130.7%	161.4%	145.2%	130.7%	117.6%	**-**
Obligations								
Interest Paid to Rates	Interest bearing loans and borrowings / rate revenue	**3**	16.9%	30.9%	37.2%	38.1%	43.4%	**-**
Debt Repayments to Rates	Interest and principal repayments / rate revenue	**4**	3.6%	3.1%	3.4%	3.6%	3.7%	**-**
Indebtedness (Longterm Obligations)	Non-current liabilities / own source revenue	**3**	24.0%	37.4%	42.5%	43.1%	44.8%	**-**
Asset renewal	Asset renewal expenditure / depreciation	**5**	101.9%	101.6%	70.1%	79.1%	100.2%	**+**
Stability								
Rates concentration	Rate revenue / adjusted underlying revenue	**6**	55.0%	53.7%	57.4%	57.9%	58.4%	**-**
Rates effort	Rate revenue / property values (CIV)		0.63%	0.66%	0.64%	0.68%	0.71%	**-**
Efficiency								
Expenditure level	Total expenditure / no. of assessments		$3,556	$3,810	$3,734	$3,767	$3,797	**+**
Revenue level	Residential rate revenue / No. of residential assessments		$1,245	$1,315	$1,341	$1,367	$1,393	**o**
Workforce turnover	No. of resignations & terminations / average no. of staff		10.1%	8.0%	8.0%	8.0%	8.0%	**o**

Key to Forecast Trend:
+ Forecasts improvement in Council's financial performance/financial position indicator
o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

Notes to indicators

1 Adjusted underlying result – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance expected over the period, although continued losses means reliance on Council's cash reserves or increased debt to maintain services. This indicator shows an improving trend over the 4 year SRP.

2 Working Capital – The proportion of current liabilities represented by current assets. Working capital, although reducing, is forecast to remain in a strong position over the 4 year period. (See further analysis Section 7.1.3)

3 Debt compared to rates – Following a sharp increase from 2014/15 the trend is that debt levels will continue to rise but at a much slower rate as a result of Councils reliance on debt to fund some of its capital works program. This will increase our debt management ratio to 44.6% (16.9% in 14/15) which is still below the upper limit recommended by the Auditor General of 60%. This measure and the indebtedness ratio will be over-stated due to the new MAV Funding Vehicle arrangements that will see Councils borrowings being taken out on an interest only basis with principal repayments being provided for internally by way of a reserve account. This reserve account will not directly be offset against the loan liability.

4 Debt Repayments to Rates – Debt Servicing and redemption as a percentage of rates remains consistent around the 3 to 3.7% level however this measure is under stated from the impact of the new MAV Funding Vehicle where loans are interest only and Council is designating a specific reserve transfer to put aside funds for loan redemption at the end of the term of the loan. Councils maximum for this indicator is 12%.

5 Asset renewal - This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. The improvement in this indicator will be possible to achieve if Council can argue with the Essential Services Commission for an additional 2% infrastructure renewal rate rise over and above the expected CPI Cap on Rates.

6 Rates concentration - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. The trend indicates that Council will become slightly more reliant on rate revenue compared to all other revenue sources.

8.4 Non-financial resources

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources. A summary of Council's anticipated human resources requirements for the 2015/16 year is shown below and further detail is included in section 4.3.1 of this budget. A statement of Human Resources is included in Appendix A.

Indicator	Forecast Actual 2014/15	Budget 2015/16	Strategic Resource Plan Projections 2016/17	Projections 2017/18	2018/19
Employee costs ($'000)					
- Operating	15,927	16,745	17,297	17,751	18,217
- Capital	890	880	880	880	880
Total	16,817	17,625	18,177	18,631	19,097
Employee numbers (EFT)	188	190	191	191	191

9. Rating information

This section contains information on Council's past and foreshadowed rating levels along with Council's rating structure and the impact of changes in property valuations. This section should be read in conjunction with Council's Rating Strategy which underwent a major review in 2013-14, and some recommendations from that review are only being implemented this current budget period.

9.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 8.), rates and charges were identified as an important source of revenue, accounting for 49.5% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Horsham Rural City Council community.

However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, particularly given recent changes to property valuations and subsequently rates for some properties in the municipality.

9.2 Current year rate

It is predicted that the 2015/16 operating position will be impacted by wages costs higher than CPI and reductions in government funding that do not keep pace with CPI in many circumstances. It will therefore be necessary to achieve future revenue growth while containing costs in order to achieve an almost breakeven operating position by 2018/19 as set out in the Strategic Resource Plan.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, the general rate will increase by 5.0% (which is the same increase as that applied in 2014/15), the garbage charge by 3.9% and the municipal charge will remain fixed at $268. This will raise total rate and charges for 2015/16 of $23.56 million, including $0.10 million generated from supplementary rates.

1% of the 5% rate increase has been earmarked to further contribute to the Infrastructure Renewal component. Council's would prefer to tag 2% towards the Infrastructure Gap but this has not been again possible to achieve in 2015/16. A 2% rate increase was applied towards the Infrastructure Gap in the financial years 2009/10 to 2011/12 and a 1.5% increase in 2008/09. 2012/13 to 20114/15 it has only been 1%. The combined effect of these rate increases now generates approximately $1.70m for the Asset Renewal Reserve. This amount is spent annually on assets above condition 8. The amount is still insufficient to cover the growing infrastructure funding gap. $4.89 million from Rates Revenue contributes toward capital investment for the 2015/16.

Future proposed increases in rates have been factored in to the forward Strategic Resource Plan at 3.5% for 2016/17 and beyond. The increases in the Municipal Charge have been kept to 0% in 2014/15 and 2015/16. Whether this freezing of the municipal charge will continue beyond 2016-17 is still the subject of further discussion.

Year	General Rate Increase %	Municipal Charge Increase %	Garbage Charge Increase %
2014/15	5.00	0.00	10.90
2015/16	5.00	0.00	3.90
2016/17	4.50	??	4.50
2017/18	4.50	??	4.50
2018/19	4.50	??	4.50

9.3 Rating structure

Council has established a rating structure which is comprised of three key elements. These are:

- Property values, which form the central basis of rating under the Local Government Act 1989
- A 'user pays' component to reflect usage of certain services provided by Council
- A fixed municipal charge per property to cover some of the administrative costs of the Council.

Striking a proper balance between these elements provides equity in the distribution of the rate burden across residents. However, issues of equity are judgemental in nature, complex, subjective and often in conflict. There are a number of key aspects of equity that Council must consider:

Horizontal equity (ratepayers in similar situations should pay similar amounts), Vertical equity (the view that those better off should pay more than those worse off), Benefit principle (some groups may have more or less access to Council services) and Capacity to Pay principle (some will have a greater or lesser capacity to pay, particularly as property value is unrealized wealth and a ratepayer may be asset rich and cash poor).

Having reviewed the various valuation bases for determining the property value component of rates, Council has determined to apply a Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change that basis, and Council has recently conducted an extensive review of its Rating Strategy in 2013/14.

The current rating strategy provides a differential rate for the farm sector of 80% of the general rate, which Council will continue to apply in 2015/16, and a rate concession of either 60% or 20% for cultural and recreational land.

Arising from the Rates Strategy Review in 2013-14 was the recommendation to review the rate concessions offered to cultural and recreational organisations. Under the Cultural and Recreational Lands Act 1963, provision is made for a Council to levy the rate for recreational lands at “such amount as the municipal council thinks reasonable having regard to the services provided by the municipal council in relation to such lands and having regard to the benefit to the community derived from such recreational lands”.

During the budget process Council has reviewed rating for Cultural and Recreational Organisations and is proposing to amend these concessions from 60% and 20% to 50% and 0% accordingly. A policy has been developed to assist Council in applying the principles as to what organisations would qualify under what concessional level and the Rates Strategy has been revised accordingly. These will be available for the community to make submissions on, as a part of this budget.

Councils rates are structured in accordance with the requirements of Section 161 ‘Differential Rates’ of the Act and the Ministerial Guidelines as issued in 2013. There are no further differential applied to commercial properties or any other sector. Council also levies a municipal charge and a kerbside collection charge.

The following table summarises the rates to be determined for the 2015/16 year. A more detailed analysis of the rates to be raised is contained in Appendix B ‘Statutory Disclosures’.

Rate type	How applied	2014/15	2015/16
Base Rate (GEN1)	Cents/$ CIV	0.5070	0.5382
Culture & Rec. Land (GEN2)	Cents/$ CIV	0.1014	0.0000
Culture & Rec. Land (GEN6)	Cents/$ CIV	0.3042	0.2691
Farm Rate (GFM5)	Cents/$ CIV	0.4056	0.4306
Garbage Charge (240 Litre)	$/ property	$335	$348
Garbage Charge (120 Litre)	$/ property	$205	$213
Municipal Charge	$/ property	$268	$268

9.4 General revaluation of properties

During the 2013/14 year, a revaluation of all properties within the municipality was carried out and applied from 1 July 2014. The outcome of the general revaluation saw a significant change in property valuations throughout the municipality. Overall, property valuations across the municipal district increased by 12.7%. Of this increase, residential properties increased by 9.7%, farm properties by 22.4%, commercial properties by 2.9% and industrial properties by 4.3%.

The next revaluation is scheduled to take place in 2016.

10. Other strategies

This section sets out summaries of the strategies that have been developed and incorporated into the Strategic Resource Plan including borrowings, infrastructure and service delivery.

10.1 Borrowings

In developing the Strategic Resource Plan (SRP) (see Section 8), borrowings were identified as an important funding source for capital works programs. In the past, Council has borrowed to mainly finance large infrastructure projects such as the Aquatic Centre, Intermodal Freight Terminal and the Livestock Exchange.

The following table sets out Councils historical loan borrowings and 2015/16 predicted loan borrowings as at 30th June 2016:

Commencement Year	Original Sum	Principal Remaining	Interest Rate	Final Date
	$'000	$'000	%	$'000
2016	3,995	3,995	4.06%	01-Jun-26
2015	830	830	4.06%	01-Jun-25
2012	1000	667	5.73%	01-Jun-22
2011	1000	591	7.57%	01-Jun-21
2010	250	124	7.88%	25-Jun-20
2007	140	15	7.46%	25-Jun-17
2006	2,195	974	6.44%	19-Jun-21
1999	400	844	4.96%	01-Jul-18

Borrowing peaked in 2005/06 at $6.02 million when a large $2.19 million loan was taken out for the construction of the Aquatic Centre, which gave a debt management ratio of 8.2% (interest and principal repayments as a percentage of rate revenue). Since this time council has been in a phase of debt reduction with the balance expected to be $3.94 million at 30 Jun 15. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain our capital works programs.

With the construction of the Town Hall project during 2014/15 and 2015/16 borrowings will be taken out towards the end of the 2015/16 financial year, of $3.47 million plus further loans are also planned for the Horsham North Children's Hub of $0.42 million and $0.10 million and for the Halls Development Package.

Our debt management ratio will drop to 3.1% during the 15/16 year and steadily increase to 3.5% of the period of the Strategic Resource Plan. This measure is however higher also due to Council taking out loans through the MAV Funding Vehicle effective from 2015/16. Loans will be taken out on an interest only basis but at a lower than market interest rate. Council will manage the principal repayments by annually transferring to a Reserve an appropriate amount to cover the planned principal repayment at the end of the term. Overall this will reduce costs to Council for borrowings over the life of a loan (when factoring interest earned on the principal balances held in reserve), but it will distort all of the "obligations" measures.

The Interest paid compared to rates increases from 16.9% in 2014/15 to 30.9% in 2015/16, rising to 43.4% by the end of 2018/19, this is at the middle of the preferred range, and is just in the medium risk category for the Victorian Auditor General.

The financial performance "obligations" indicators in Section 8.3 detail a number of other measures with respect to Council's indebtedness all of which are currently well within expected parameters, but do rise to higher levels over the period of the Strategic Resource Plan.

The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2016.

Year	New Borrowings $'000	Principal Paid $'000	Interest Paid $'000	Balance 30 June $'000
2014/15	830	564	230	3,938
2015/16	3,995	467	269	7,280
2016/17	2,369	438	370	9,212
2017/18	1,161	451	450	9,922
2018/19	2,422	481	474	11,863

The table below shows information on borrowings specifically required by the Regulations.

	2014/15 $	2015/16 $
Total amount borrowed as at 30 June of the prior year	3,492,000	**3,758,754**
Total amount to be borrowed	830,000	**3,995,000**
Total amount projected to be redeemed	(564,051)	**(467,333)**
Total amount proposed to be borrowed as at 30 June	3,758,754	**7,286,421**

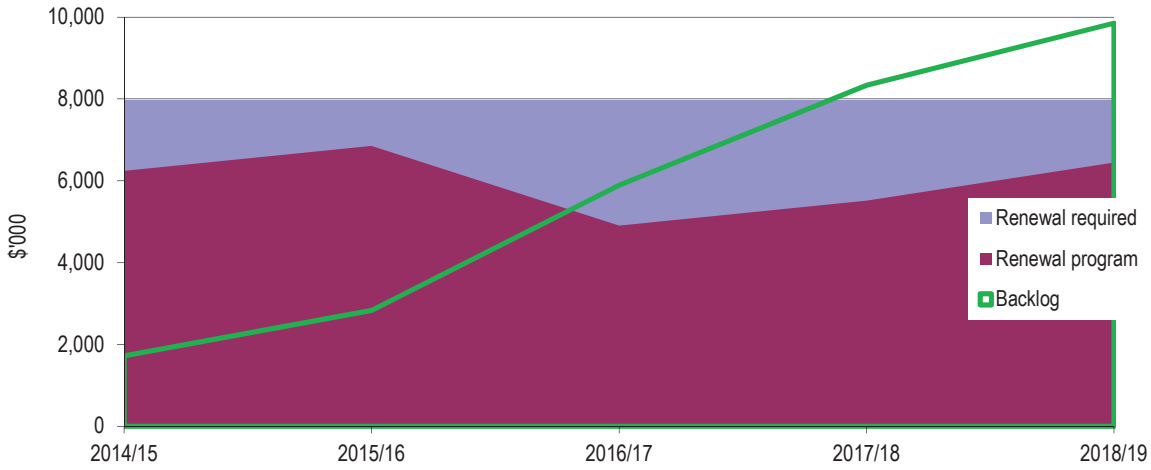
10.2 Infrastructure

The Council based on the knowledge provided by various Asset Management Plans, predicts infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations. The renewal strategy has been developed through consultation and evaluation. The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes
- Identification of capital projects through the preparation of asset management plans
- Prioritisation of capital projects within classes on the basis of evaluation criteria
- Business Case template for officers to document capital project submissions.

A key objective is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community.

The graph below sets out the Renewal required, the current and planned Renewal program and the accumulative Renewal backlog (or accumulated Asset Renewal Gap) arising from the programmed renewal being less than the required renewal.



At present, Council is similar to most municipalities in that it is presently unable to fully fund asset renewal requirements identified. While Council is endeavouring to provide a sufficient level of annual funding to meet ongoing asset renewal needs, the above graph indicates that in later years the required asset renewal is not being addressed creating an asset renewal gap and increasing the level of backlog. Backlog is the renewal works that Council has not been able to fund over the past years and is equivalent to the accumulated asset renewal gap. In the above graph the backlog at the beginning of the five year period was $1.72 million and $9.85 million at the end of the period.

Backlog accumulated prior to 15/16 has not been factored into the Strategic Resource Plan. It is expected that during the period from 15/16 to 18/19 the backlog will continue to increase much higher than was originally estimated in the 2014/15 Strategic Resource Plan. The reason for this is the impact of the State Government Policy on Rate Capping due to be introduced in 2016/17 which will restrict Council's ability to address this renewal gap through targeted rate increases.

The following table summarises Council's forward outlook on capital expenditure including funding sources for the next four years:

		Summary of funding sources			
Year	Total Capital Program	Grants	Contributions	Council Cash	Borrowings
	$'000	$'000	$'000	$'000	$'000
2014/15	19,768	5,790	265	12,882	830
2015/16	19,284	4,576	1,170	9,543	3,995
2016/17	15,078	5,779	200	6,729	2,370
2017/18	14,805	5,671	680	7,293	1,161
2018/19	14,416	3,359	680	7,955	2,422

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has significant cash or investment reserves that are also used to fund a variety of capital projects. These reserves are either 'statutory' or 'discretionary' cash reserves. Statutory reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by legislation or a funding body, and include contributions to car parking, drainage and public resort and recreation. Discretionary cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose.

Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in sections 1 to 10 of this report.

This information has not been included in the main body of the budget report in the interests of clarity and conciseness. Council has decided that while the budget report needs to focus on the important elements of the budget and provide appropriate analysis, the detail upon which the annual budget is based should be provided in the interests of open and transparent local government.

The contents of the appendices are summarised below:

Appendix	Nature of information	Page
A	Budgeted Statements	62
B	Rates and charges	69
C	Capital works program	73
D	Reconciliation between cash and accrual budget	86
E	Non-Capital Initiatives	87
F	Community Grants	88
G	Fees & Charges Schedule	91

Appendix A
Budgeted Statements

This appendix presents information in regard to the Budgeted Financial Statements and Statement of Human Resources. The budget information for the years 2014/15 to 2018/19 has been extracted from the Strategic Resource Plan.

At the end of each financial year Council is required to include in the Financial Statements in its Annual Report a comparison of actual income and expenditure compared with the income and expenditure in the financial statements in the Budget,

The appendix includes the following budgeted information:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resources

Comprehensive Income Statement

For the four years ending 30 June 2019

	Forecast Actual	**Budget**	Strategic Resource Plan Projections		
	2014/15	**2015/16**	2016/17	2017/18	2018/19
	$'000	**$'000**	$'000	$'000	$'000
Income					
Rates and charges	22,281	**23,564**	24,771	26,032	27,349
Statutory fees and fines	405	**410**	430	450	470
User fees	5,404	**5,537**	5,758	5,989	6,228
Contributions - cash	430	**1,633**	200	680	400
Contributions - non-monetary assets	300	**500**	500	500	500
Grants - Operating (recurrent)	7,749	**7,629**	7,705	7,936	8,174
Grants - Operating (non-recurrent)	1,645	**1,685**	200	200	200
Grants - Capital (recurrent)	1,003	**2,991**	2,003	2,003	2,003
Grants - Capital (non-recurrent)	3,772	**1,585**	3,776	3,668	1,356
Other income	2,148	**1,975**	2,075	2,125	2,175
Net gain on disposal of property, infrastructure, plant and equipment	(111)	**(57)**	60	60	60
Fair value adjustments for investment property	0	**55**	78	80	83
Share of net profits/(losses) of associated and joint ventures accounted for by the equity method	0	**60**	63	66	69
Total income	45,026	**47,567**	47,619	49,789	49,067
Expenses					
Employee costs	15,927	**16,745**	17,297	17,751	18,217
Materials and services	15,909	**17,529**	16,277	16,472	16,670
Bad and doubtful debts	230	**269**	370	450	474
Depreciation and amortisation	9,695	**10,396**	10,516	10,636	10,756
Finance costs	48	**63**	66	69	73
Other expenses	340	**427**	435	444	453
Written down value of assets disposed	300	**300**	300	300	300
Total expenses	42,449	**45,729**	45,261	46,122	46,943
Surplus (deficit) for the year	2,577	**1,838**	2,358	3,667	2,124
Other comprehensive income					
Items that will not be reclassified to surplus or deficit:					
Impairment of fire impacted infrastructure					
Net asset revaluation increment /(decrement)	7,000	**10,000**	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for by the equity method					
Comprehensive result	9,577	**11,838**	2,358	3,667	2,124

Balance Sheet

For the four years ending 30 June 2019

	Forecast Actual	**Budget**	Strategic Resource Plan Projections		
	2014/15	**2015/16**	2016/17	2017/18	2018/19
	$'000	**$'000**	$'000	$'000	$'000
Assets					
Current assets					
Cash and cash equivalents	18,500	**16,374**	16,875	17,751	18,665
Trade and other receivables	4,170	**3,125**	3,063	3,001	2,941
Financial assets	0	**0**	0	0	0
Other assets	1,130	**970**	989	1,009	1,029
Inventories	550	**600**	550	561	572
Non current asset held for sale	0	**0**	350	200	200
Total current assets	24,350	21,069	21,827	22,522	23,407
Non-current assets					
Trade and other receivables	259	**180**	158	136	114
Investment property	2,500	**2,600**	2,678	2,758	2,841
Investments in regional organisations	1,172	**1,255**	1,280	1,306	1,332
Property, infrastructure, plant & equipment	431,487	**447,756**	451,455	455,726	459,618
Intangible assets					
Total non-current assets	435,418	**451,791**	455,571	459,926	463,905
Total assets	459,768	**472,860**	477,398	482,448	487,312
Liabilities					
Current liabilities					
Trade and other payables	6,573	**3,764**	4,101	4,402	4,726
Trust funds and deposits	654	**687**	707	729	750
Interest-bearing loans and borrowings	467	**438**	451	481	1,311
Provisions	4,984	**4,734**	4,434	4,634	4,934
Total current liabilities	12,678	**9,623**	9,693	10,246	11,721
Non-current liabilities					
Provisions	3,449	**4,202**	4,394	4,547	4,700
Interest-bearing loans and borrowings	3,285	**6,842**	8,761	9,441	10,552
Total non-current liabilities	6,734	**11,044**	13,155	13,988	15,252
Total liabilities	19,412	**20,667**	22,848	24,234	26,973
Net assets	440,356	**452,193**	454,550	458,214	460,339
Equity					
Accumulated surplus	222,915	**226,880**	228,706	231,287	232,276
Reserves - asset replacement	11,832	**9,704**	10,234	11,318	12,454
Reserves - asset revaluation	205,609	**215,609**	215,609	215,609	215,609
Total equity	**440,356**	**452,193**	**454,549**	**458,214**	**460,339**

Statement of Changes in Equity

For the four years ending 30 June

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	$'000	$'000	$'000	$'000
2015/16				
Balance at beginning of the financial year	440,356	222,915	205,609	11,832
Surplus for the year	1,837	1,837	0	0
Net asset revaluation increment	10,000	0	10,000	0
Transfer to Reserves	0	(3,460)	0	3,460
Transfer from Reserves	0	5,588	0	(5,588)
Balance at end of the financial year	**452,193**	**226,880**	**215,609**	**9,704**
2016/17				
Balance at beginning of the financial year	452,193	226,880	215,609	9,704
Surplus for the year	2,356	2,356	0	0
Net asset revaluation increment	0	0	0	0
Transfer to Reserves	0	(3,844)	0	3,844
Transfer from Reserves	0	3,314	0	(3,314)
Balance at end of the financial year	**454,549**	**228,706**	**215,609**	**10,234**
2017/18				
Balance at beginning of the financial year	454,549	228,707	215,609	10,234
Surplus for the year	3,665	3,665	0	0
Net asset revaluation increment	0	0	0	0
Transfer to Reserves	**0**	**(4,132)**	**0**	**4,132**
Transfer from Reserves	0	3,048	0	(3,048)
Balance at end of the financial year	**458,090**	**231,164**	**215,609**	**11,318**
2018/19				
Balance at beginning of the financial year	458,214	231,288	215,609	11,318
Surplus for the year	2,124	2,124	0	0
Net asset revaluation increment	0	0	0	0
Transfer to Reserves	0	(4,266)	0	4,266
Transfer from Reserves	0	3,130	0	(3,130)
Balance at end of the financial year	**459,954**	**231,891**	**215,609**	**12,454**

Statement of Cash Flows

For the four years ending 30 June 2019

	Forecast Actual	**Budget**	Strategic Resource Plan Projections		
	2015	**2,016**	2,017	2,018	2,019
	$'000	**$'000**	$'000	$'000	$'000
	Inflows (Outflows)	**Inflows (Outflows)**	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	22,206	**23,489**	24,671	25,932	27,249
Statutory fees and fines	375	**380**	400	420	440
User fees	5,004	**5,137**	5,358	5,589	5,828
Contributions - cash	350	**1,593**	170	640	360
Grants - operating	8,994	**8,914**	7,505	7,736	7,974
Grants - capital	5,275	**5,076**	5,279	5,171	2,859
Interest	500	**265**	290	300	350
Other receipts	4,448	**3,547**	4,221	3,871	4,077
Net GST refund / payment					
Employee costs	(15,227)	**(16,045)**	(16,597)	(17,251)	(17,917)
Materials and consumables	(15,310)	**(17,330)**	(16,478)	(16,943)	(17,104)
Other payments	(1,474)	**(2,127)**	(1,935)	(2,144)	(2,253)
Net cash provided by operating activities	15,141	**12,899**	12,884	13,321	11,863
Cash flows from investing activities					
Payments for property, plant and equipment	(19,437)	**(18,484)**	(14,344)	(13,105)	(12,816)
Proceeds from sale of property, plant and equipment	565	**200**	400	400	400
Trust funds and deposits					
Repayment of loans and advances					
Net cash used in investing activities	(18,872)	**(18,284)**	(13,944)	(12,705)	(12,416)
Cash flows from financing activities					
Finance costs	(230)	**(269)**	(370)	(450)	(474)
Repayment of borrowings	(564)	**(467)**	(438)	(451)	(481)
Proceeds from borrowings	830	**3,995**	2,369	1,161	2,422
Net cash provided by (used in) financing activities	36	**3,259**	1,561	260	1,467
Net (decrease) increase in cash & cash equivalents	(3,695)	**(2,126)**	501	876	914
Cash and cash equivalents at beginning of the financial year	22,195	**18,500**	16,374	16,875	17,751
Cash and cash equivalents at end of the financial year	18,500	**16,374**	16,875	17,751	18,665

Statement of Capital Works

For the four years ending 30 June 2019

	Forecast Actual	**Budget**	Strategic Resource Plan Projections		
	2015	**2016**	2017	2018	2019
	$'000	**$'000**	$'000	$'000	$'000
Property					
Land	70	**0**	0	0	0
Land improvements	0	**0**	0	0	0
Buildings	8,490	**6,949**	5,052	2,723	3,697
Total Property	8,560	**6,949**	5,052	2,723	3,697
Plant and equipment					
Plant, equipment & other	2,239	**1,881**	1,034	1,190	1,190
Furniture & office equipment	139	**203**	100	100	100
Total Plant and equipment	2,378	**2,084**	1,134	1,290	1,290
Infrastructure					
Road assets	4,659	**6,435**	5,884	7,133	5,344
Bridges	500	**390**	400	400	400
Footpaths and cycleways	375	**400**	400	400	450
Drainage	200	**400**	0	0	0
Recreational, leisure and community facilities	485	**793**	413	550	520
Waste management	645	**1,590**	500	0	1,040
Parks, open space and streetscapes	48	**30**	40	50	60
Aerodromes	88	**0**	0	0	0
Off street car parks	72	**17**	15	15	15
Other infrastructure	1,758	**196**	1,240	2,244	1,600
Total Infrastructure	8,830	**10,251**	8,892	10,792	9,429
Total capital works expenditure	19,768	**19,284**	15,078	14,805	14,416
Represented by:					
New asset expenditure	5,105	**4,972**	6,523	4,785	1,449
Asset renewal expenditure	9,875	**10,562**	7,372	8,415	10,780
Asset expansion expenditure					
Asset upgrade expenditure	4,788	**3,750**	1,420	1,805	2,487
Total capital works expenditure	19,768	**19,284**	15,315	15,005	14,716

Statement of Human Resources

For the four years ending 30 June 2019

	Forecast Actual	**Budget**	Strategic Resource Plan Projections		
	2015	**2016**	2017	2018	2019
	$'000	**$'000**	$'000	$'000	$'000
Staff expenditure					
Employee costs - operating	15,927	**16,745**	17,297	17,751	18,217
Employee costs - capital	890	**880**	880	880	880
Total staff expenditure	16,817	17,625	18,177	18,631	19,097
	EFT	**EFT**	EFT	EFT	EFT
Staff numbers					
Employees	188	**190**	191	191	191
Total staff numbers	188	**190**	191	191	191

SUMMARY OF PLANNED HUMAN RESOURCES EXPENDITURE

	2015	**2016**	2017	2018	2019
	$'000	**$'000**	$'000	$'000	$'000
Community and enterprise services					
- Permanent full time	1,454	**1,681**	1,730	1,773	1,817
- Permanent part time	2,110	**2,216**	2,321	2,379	2,439
Total community and enterprise services	3,564	**3,897**	4,051	4,152	4,256
Corporate services					
- Permanent full time	2,492	**2,581**	2,656	2,723	2,791
- Permanent part time	493	**439**	452	463	475
Total corporate services	2,985	**3,020**	3,108	3,186	3,266
Planning and economic services					
- Permanent full time	1,817	**1,866**	1,920	1,968	2,017
- Permanent part time	197	**210**	216	221	227
Total planning and economic services	2,014	**2,076**	2,136	2,189	2,244
Technical services					
- Permanent full time	8,106	**8,494**	8,740	8,958	9,182
- Permanent part time	150	**138**	142	146	149
Total technical services	8,256	**8,632**	8,882	9,104	9,331
Total staff expenditure	16,817	**17,625**	18,177	18,631	19,097
		FTE	FTE	FTE	FTE
Community and enterprise services					
- Permanent full time	13	**15**	15	15	15
- Permanent part time	24	**25**	26	26	26
Total community and enterprise services	37	**40**	41	41	41
Corporate services					
- Permanent full time	26	**25**	25	25	25
- Permanent part time	5	**4**	4	4	4
Total corporate services	31	**29**	29	29	29
Planning and economic services					
- Permanent full time	18	**18**	18	18	18
- Permanent part time	4	**4**	4	4	4
Total planning and economic services	22	**22**	22	22	22
Technical services					
- Permanent full time	96	**97**	97	97	97
- Permanent part time	2	**2**	2	2	2
Total technical services	98	**99**	99	99	99
Total staff numbers	188	**190**	191	191	191

Appendix B
Rates and charges

This appendix presents information about rates and charges which the Act and the Regulations require to be disclosed in the Council's annual budget.

Rates and charges

1. Rates and charges

1.1 The rate in the dollar to be levied as general rates under section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2014/15 cents/$CIV	2015/16 cents/$CIV	Change
Base Rate (GEN1)	0.5070	0.5382	**6.1%**
Culture & Rec. Land (GEN2)	0.1014	0.0000	**-100.0%**
Culture & Rec. Land (GEN6)	0.3042	0.2691	**-11.5%**
Farm Rate (GFM5)	0.4056	0.4306	**6.1%**

1.2 The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year budget

Type or class of land	2014/15 $	2015/16 $	Change
Base Rate (GEN1)	12,016,829	12,795,407	**6.5%**
Culture & Rec. Land (GEN2)	10,101	0	**-100.0%**
Culture & Rec. Land (GEN6)	42,211	27,443	**-35.0%**
Farm Rate (GFM5)	4,729,328	5,005,527	**5.8%**
Total amount to be raised by general rates	16,798,469	17,828,377	**6.1%**

1.3 The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

Type or class of land	2014/15 No.	2015/16 No.	Change
Base Rate (GEN1)	9,654	9,731	**0.8%**
Culture & Rec. Land (GEN2)	28	36	**28.6%**
Culture & Rec. Land (GEN6)	11	3	**-72.7%**
Farm Rate (GFM5)	2245	2,231	**-0.6%**
Total number of assessments	11,938	12,001	**0.5%**

1.4 The basis of valuation to be used is the Capital Improved Value (CIV)

1.5 The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year budget

Type or class of land	2014/15 $	2015/16 $	Change
Base Rate (GEN1)	2,373,403,000	2,377,725,000	**0.2%**
Culture & Rec. Land (GEN2)	9,958,000	13,667,000	**37.2%**
Culture & Rec. Land (GEN6)	13,907,000	10,198,000	**-26.7%**
Farm Rate (GFM5)	1,162,694,000	1,162,454,000	**0.0%**
Total value of land	3,559,962,000	3,564,044,000	**0.1%**

1.6 The municipal charge under section 159 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property 2014/15 $	Per Rateable Property 2015/16 $	Change
Municipal	268	268	**0.0%**

1.7 The estimated total amount to be raised by municipal charges compared with the previous financial year

Type of Charge	2014/15 $	2015/16 $	Change
Municipal	2,882,876	2,901,368	**0.6%**

1.8 The rate or unit amount to be levied for each type of service rate or charge under section 162 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property 2014/15 $	Per Rateable Property 2015/16 $	Change
GAR1 240L	335.00	348.00	**3.9%**
GAR2 240L	335.00	348.00	**3.9%**
GAR5 240L	350.00	363.64	**3.9%**
GAR6 120L	205.00	213.00	**3.9%**
GAR7 120L	335.00	348.18	**3.9%**
GAR8 120L	205.00	213.00	**3.9%**
COMM RECYC	90.00	102.73	**14.1%**

1.9 The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

Type of Charge	No. of Services 2014/15	No. of Services 2015/16	2014/15 $	2015/16 $	Change
GAR1 240L	4,476	4,536	1,500,875	1,578,835	**5.2%**
GAR2 240L	1,084	1,096	363,140	381,408	**5.0%**
GAR5 240L	336	344	117,600	125,092	**6.4%**
GAR6 120L	2,555	2,573	523,775	548,049	**4.6%**
GAR7 120L	70	73	23,450	25,417	**8.4%**
GAR8 120L	329	338	67,445	71,994	**6.7%**
COMM RECYC	33	33	2,970	3,390	**14.1%**
Total	8,883	8,993	2,599,255	2,734,185	**5.2%**

1.10 The estimated total amount to be raised by all rates and charges compared with the previous financial year

Type of Charge	2014/15 $	2015/16 $	Change
Rates and charges	22,140,600	23,463,930	**6.0%**
Plus Rates from Supplementary Valuations	140,000	100,000	**-28.6%**

The percentage change of 6.0% is more than the 5% rate rise due to the 2014/15 figure not including the full year impact of new supplementary valuations.

1.11 Any significant changes that may affect the estimated amounts to be raised by rates and charges

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations (2015/16 est. $100,000 2014/15 forecast/actual $140,000, Full year equivalent for 2014/15 would be $166,000)
- The variation of returned levels of value (e.g. valuation appeals)
- Finalisation of any changes from the review of Culture and Recreational rates and the introduction of the new policy
- Changes in use of land such that rateable land becomes non-rateable land and vice versa
- Changes in use of land such that residential land becomes business land and vice versa.

2. Differential rates

2.1 Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.4306% (0.4306 cents in the dollar of CIV) for all rateable farm properties

Each differential rate will be determined by multiplying the Capital Improved Value of rateable land (categorised by the characteristics described below) by the relevant percentages indicated above.

Council believes each differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the types of classes of land which are subject to each differential rate and the uses of each differential rate are set out below.

2.2 Farm land

Farm land is any land which, under the Valuation of Land Act 1960 is:

- Not less than 2 hectares in area
- That is used primarily for agricultural purposes
- That is used by a business that has significant and substantial commercial purpose or character, seeks to make a profit on a continuous or repetitive basis and is either making a profit or has reasonable prospect of making a profit from its activities

Council is during 2015 undertaking a review of its data associated with the classification of land as farm land, in order to ensure that all properties below the 60 hectare minimum lot size within the farm zone meet the above definition.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets

- Development and provision of health and community services
- Provision of general support services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

The geographic location of the land within this differential rate is wherever it is located within the municipal district. The use of the land within this differential rate, in the case of improved land, is any use of land. The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2015/16 financial year.

3. Other Concessional Rates - Culture and Recreational Land

Culture and Recreational land is any outdoor land, which under the provisions of the Cultural and Recreational Lands Act 1963 is:

- Occupied by a body which exists for cultural or recreational purposes and applies its profits in promoting the furthering of this purpose
- The lands must be owned by the body, by the Crown or by Council to be eligible
- Agricultural showgrounds are specifically included

Council has reviewed its policy in relation to concessions for Cultural and Recreational Organisations and has established two concessions, a 50% concession for those organisations that have significant revenue raising capacity and a 100% concession for those with limited revenue raising capacity.

The objective of this concessional rate is to recognise the large contribution that these community organisations and the volunteers make to the Municipality in the provision of sporting, cultural and recreational activities.

Appendix C
Capital works program

This appendix presents a listing of the capital works projects that will be undertaken for the 2015/16 year.

The capital works projects are grouped by class and include the following:

- New works for 2015/16
- Works carried forward from the 2014/15 year.

ASSET DESCRIPTION	Listed in Cap Budget on	TOTAL COST	RENEWAL		UPGRADE		NEW		TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	GENERAL REVENUE	TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	INFRA-STRUCTURE RENEWAL RESERVES	GENERAL REVENUE
		$	$	%	$	%	$	%	$			$	$	$	$	$	$	$	$	$	$	$	$
PROPERTY																							
Buildings																							
CIVIC CENTRE ROOF SAFETY SYSTEM		24,000					24,000								24,000								
CIVIC CENTRE OFFICE MINOR FIT OUT/FIREBRACE ST STA		100,000			100,000										100,000								
NATIMUK OFFICE IMPROVED AIR CONDITIONING/HEATING		9,000			9,000										9,000								
NATIMUK OFFICE REPLACE SWITCHBOARD/ASBESTOS/PO		5,000	3,500		1,500										5,000								3,500
HSM NORTH CHILDRENS HUB DESIGN, PLANS ETC		840,000					840,000		420,000			420,000											
BENNETT RD MCH CONSULTATION OFFICE REFURBISHME		10,000	10,000												10,000								10,000
NEXUS ROOF & GUTTERS REPLACEMENT		20,000	20,000												20,000							20,000	
DISABILITY ACCESS PROVISION		10,000			10,000										10,000								
TOWN HALL REDEVELOPMENT		101,000	101,000												101,000							101,000	
TOWN HALL CIVIC FORECOURT (CBD RES)		20,000			20,000									20,000									
MITRE HALL INTERNAL REPAIRS & DOORS		10,000	10,000												10,000							10,000	
TELANGUTUK EAST HALL EXT REPAIRS INC																							
PAINT/REPAIR WEATHERBOARDS AND ROOF		20,000	20,000												20,000							20,000	
JUNG HALL SWITCHBOARD AND INTERNAL JOINERY		15,000	15,000												15,000							15,000	
HAVEN HALL SEPTIC TANK REPLACEMENT		15,000	15,000												15,000							15,000	
HALLS DEVELOPMENT PACKAGE		300,000			150,000		150,000		200,000			100,000											
LAC - MISCELLANEOUS PROVISION		10,000					10,000								10,000								
CAFÉ EXTENSION INTO POOL HALL		25,000			25,000									25,000									
REPLACE VINYL IN ENTRANCE CORRIDORS		45,000	45,000												45,000							45,000	
HORSHAM NORTH UPGRADE BBQ SHELTER		52,500			26,250		26,250								52,500								
CITY OVAL SCORE BOARD FLOOR REPLACEMENT		5,000	5,000												5,000							5,000	
CITY OVAL GRANDSTAND FOOTING REPLACEMENT		20,000	20,000												20,000							20,000	
CITY OVAL GRANDSTAND FLOOR SEALING		12,000			12,000										12,000								
CITY OVAL MAIN PAVILION CHANGE ROOM EXT STAIR CASE		10,000	10,000												10,000							10,000	
CITY OVAL CANTEEN MAJOR REFURB		20,000	20,000												20,000							20,000	
CITY OVAL TICKET BOX EAST BENCHES REPLACEMENT		5,000	5,000												5,000							5,000	
CITY OVAL TICKET BOX WEST BENCHES REPLACEMENT		2,000	2,000												2,000							2,000	
APEX ISLAND PROJECT - TOILET BLOCK, SHELTERS		77,000					77,000		77,000														
PART OF APEX ISLAND PROJECT SHOWN IN RECREATION SECTION																							
HOCKING ST CLUBROOM/NETBALL CRTS DISABLED TOILE		40,000					40,000				30,000				10,000								
ANGLING CLUB FLOORS, SWITCHBOARD, FASCIAS		15,000	15,000												15,000								15,000
ROWING CLUBROOM DOORS, FASCIAS, SWITCHBOARD		30,000	30,000												30,000								30,000
SUNNYSIDE CHANGEROOMS STRUCTURAL/PLUMBING		75,000	75,000								25,000				50,000			25,000				50,000	
SHOWGROUNDS COMMUNITY CENTRE/SPORTS STADIUM		45,000					45,000		30,000						15,000								
BRASS BAND HALL SWITCHBOARD JOINERY CRACKS		20,000	20,000												20,000							20,000	
SCOUT HALL WC JOINERY INTERNAL REFURB		30,000	30,000												30,000							30,000	
NATIMUK COURT HOUSE RESTORATION		5,000	5,000												5,000								5,000
THEATRE OHS SINK, EXT PAINTING, INT FIXTURES, SPLIT S		20,000	18,000				2,000								20,000								18,000
MECHANICS INSTITUTE - GENEOLOGY FLOOR COVERINGS		10,000	10,000												10,000							10,000	
VISITOR INFORMATION CENTRE SWITCHBOARD REPLACE		10,000	10,000												10,000							10,000	

								FUNDING SOURCE							FUNDING SOURCE RENEWAL							
ASSET DESCRIPTION	Listed in Cap Budget on	TOTAL COST	RENEWAL		UPGRADE		NEW		TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	GENERAL REVENUE	TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	INFRA-STRUCTURE RENEWAL RESERVES	GENERAL REVENUE
		$	$	%	$	%	$	%	$			$	$	$	$	$	$	$	$	$	$	$	$
Buildings																							
AERODROME TOILET TERMITE DAMAGE		15,000	15,000												15,000							15,000	
GENERAL PROPERTIES MINOR MTCE		15,000	15,000												15,000								15,000
JUBILEE HALL REPLASTERING SUBJECT TO USE		10,000	10,000												10,000							10,000	
UNALLOCATED BUILDING WORKS FROM INFRA RESERVE		21,600	21,600												21,600							21,600	
ROBERTS AVE PUBLIC CONVENIENCE REPLACE FASCIAS		20,000	20,000												20,000							20,000	
DEPOT RELOCATION DESIGN AND DETAILED ESTIMATES		60,000			30,000		30,000		30,000						30,000								
Sub-Total - Land & Buildings		**2,224,100**	**596,100**		**383,750**		**1,244,250**		**757,000**		**55,000**	**520,000**		**45,000**	**847,100**			**25,000**				**474,600**	**96,500**
TOTAL PROPERTY		**2,224,100**	**596,100**		**383,750**		**1,244,250**		**757,000**		**55,000**	**520,000**		**45,000**	**847,100**			**25,000**				**474,600**	**96,500**
PLANT AND EQUIPMENT																							
Plant and Machinery																							
PLANT		1,881,000	1,266,000				615,000						263,000	1,618,000						263,000	1,003,000		
Sub-Total - Plant & Machinery		**1,881,000**	**1,266,000**				**615,000**						**263,000**	**1,618,000**						**263,000**	**1,003,000**		
Furniture, Computers and Telecommunications																							
RECEPTION AREA PROJECTOR UPGRADE		3,000			3,000										3,000								
REPLACEMENT PC SYSTEMS		10,000	10,000											10,000							10,000		
LASER PRINTER REPLACEMENT		4,000	4,000											4,000							4,000		
IT ENHANCEMENTS/HARDWARE		50,000			50,000									50,000									
SERVER ROOM UPS UPGRADE		5,000			5,000									5,000									
SERVER REPLACEMENT		6,000			6,000									6,000									
DISASTER RECOVERY IT RELOCATION TO TOWN HALL BUS		20,000					20,000							20,000									
MITEL PHONE EXPANSION TECH SERVICES AREA		5,000					5,000								5,000								
Sub-Total - Furn & Equip		**103,000**	**14,000**		**64,000**		**25,000**							**95,000**	**8,000**						**14,000**		
TOTAL PLANT AND EQUIPMENT		**1,984,000**	**1,280,000**		**64,000**		**640,000**						**263,000**	**1,713,000**	**8,000**					**263,000**	**1,017,000**		

									FUNDING SOURCE							FUNDING SOURCE RENEWAL							
ASSET DESCRIPTION	Listed in Cap Budget on	TOTAL COST	RENEWAL		UPGRADE		NEW		TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	GENERAL REVENUE	TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	INFRA-STRUCTURE RENEWAL RESERVES	GENERAL REVENUE
		$	$	%	$	%	$	%	$			$	$	$	$	$	$	$	$	$	$	$	$
INFRASTRUCTURE																							
Roads																							
URBAN ROAD CONSTRUCTION 2015/16 ROAD COMPONENT																							
MINOR SEAL EXTENSIONS		10,000					10,000								10,000								
CONSULTANCY/DESIGN		20,000					20,000								20,000								
ANDERSON ST ALBERT TO EAST OF AUSTIN ST		44,000	44,000												44,000								44,000
MCLACHLAN ST URQUHART ROUNDABOUT		70,000	70,000												70,000								70,000
GOLFCOURSE RD WIDENING TURNBULL KING DRVE		130,000					130,000								130,000								
DERIMAL ST HILLARY TO KOOYONG		177,400	177,400												177,400							177,400	
LAUREL ST JACKSON TO IRIS		70,000	70,000												70,000							70,000	
LANDY ST IRIS TO ROSE		80,000	80,000												80,000							80,000	
MCLACHLAN ST URQUHART ROUNDABOUT		70,000	70,000												70,000							70,000	
URBAN LOCAL RDS FINAL SEALS		95,400	95,400												95,400								95,400
INTERSECTION TREATMENTS URBAN		20,000			20,000										20,000								
BAILLIE ST BRIDGE APPROACH REPAIR, (UNDERPASS) BE		45,000	45,000												45,000								45,000
KERB & CHANNEL																							
GOLFCOURSE RD WIDENING TURNBULL KING DRVE		40,000					40,000				20,000				20,000								
ANDERSON ST ALBERT TO EAST OF AUSTIN ST		20,000	20,000												20,000								20,000
DERIMAL ST HILLARY TO KOOYONG		21,600	21,600												21,600								21,600
LAUREL ST JACKSON TO IRIS		30,000	30,000												30,000								30,000
MATHOURA BANOOL TO END		21,000	21,000												21,000								21,000
BAILLIE/MCPHERSON ST DRAINAGE		25,000	25,000												25,000								25,000
RURAL CONSTRUCTION 2015/16																							
INTERSECTION/TRAFFIC IMPROVEMENT		15,000			15,000										15,000								
LOWER NORTON NURRABIEL RD		221,000			221,000										221,000								
LONGERENONG RD EAST HENTY TO FREDS		25,000	15,000		10,000										25,000								15,000
DIMBOOLA MINYIP RD		45,000			45,000										45,000								
CONSULTANTS		5,000					5,000								5,000								
MINOR SEAL EXTENSIONS		10,000					10,000								10,000								
WONWONDAH TOOLONDO RD NEAR BRIDGE		8,555	8,555												8,555								8,555
MACKIES RD OPEN DRAIN		20,000	20,000												20,000								20,000
BROWNS RD RIVERSIDE EAST RD TO END		210,000	210,000												210,000							210,000	
QTONG CEMETERY RD HWY TO RUDOLPHS RD		150,000	150,000												150,000							150,000	
RURAL LOCAL RDS FINAL SEALS		260,700	260,700												260,700								260,700
WIFT PRECINCT ESTABLISHMENT RDWORKS		300,000					300,000		150,000					150,000									
COUNTRY ROADS & BRIDGES REHABILITATION WORKS 15/16 PROGRAM																							
GEODETIC SEAL END TO HOUSE		361,250	361,250						361,250							361,250							
OLD HAMILTON RD SEAL END TO PENNYS RD		255,000	255,000						255,000							255,000							
WINFIELDS RD OLIVE PLANTATION TO MCTAVISH RD		383,750	383,750						383,750							383,750							

									FUNDING SOURCE							FUNDING SOURCE RENEWAL							
ASSET DESCRIPTION	Listed in Cap Budget on	TOTAL COST	RENEWAL		UPGRADE		NEW		TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	GENERAL REVENUE	TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	INFRA-STRUCTURE RENEWAL RESERVES	GENERAL REVENUE
		$	$	%	$	%	$	%	$			$	$	$	$	$	$	$	$	$	$	$	$
ROADS TO RECOVERY																							
R2R RURAL ROADS RESHEETING		300,000	300,000							300,000							300,000						
R2R RURAL ROADWORKS -																							
WONWON DADS BRIDGE EAST OF FRIEDMANS		280,000	280,000							280,000							280,000						
LONGERENONG EAST FRM HENTY TO FREDS RD		185,000	111,000		74,000					185,000							111,000						
WONWONDAH TOOLONDO RD ACCESS TO BRIDGE		111,445	111,445							111,445							111,445						
QTONG CEMETERY RD WIM HQY TO RUDOLPH RD		42,000	42,000							42,000							42,000						
SHOULDER RESHEETS		120,000	120,000							120,000							120,000						
R2R URBAN ROADWORKS -																							
JENKINSON ST STAGE 2		140,000			140,000					140,000													
TUCKER ST JOHNSTON TO LEWIS		170,000	170,000							170,000							170,000						
LANDY ST IRIS TO ROSE		26,000	26,000							26,000							26,000						
ANDERSON ST ALBERT TO EAST OF AUSTIN		80,000	80,000							80,000							80,000						
MATHOURA ST BANOOL TO END		81,000	81,000							81,000							81,000						
DERIMAL ST HILLARY TO KOOYONG		100,000	100,000							100,000						100,000							
MCLACHLAN ST URQUHART ROUNDABOUT		70,000	70,000							70,000						70,000							
REHABILITATION WORKS																							
URBAN RESEALS		90,000	90,000												90,000								90,000
RURAL RESEALS		375,000	375,000												375,000								375,000
RURAL RD SHOULDER RESHEETING/RECONSTRUCTION		135,000	135,000												135,000								135,000
RURAL RESHEETING		300,000	300,000												300,000								300,000
RURAL RDS SHOULDER RESHEETING INFRA GAP		270,000	270,000												270,000							270,000	
Sub-Total - Roads		**6,135,100**	**5,095,100**		**525,000**		**515,000**		**1,150,000**	**1,705,445**	**20,000**			**150,000**	**3,109,655**	**1,170,000**	**1,321,445**					**1,027,400**	**1,576,255**
Bridges																							
POLKEMMET RD 16.18KM REPLACE STRUCTURE		15,000	15,000												15,000							15,000	
POLKEMMET RD 16.39KM CONCRETE REPAIRS		25,000	25,000												25,000							25,000	
POLKEMMET RD 16.39KM GEOFABRIC & BEACHING		15,000	15,000												15,000							15,000	
RIVERSIDE RD GEOFABRIC & BEACHING		15,000	15,000												15,000							15,000	
DRUNG JUNG .80 CONCRETE REPAIRS		20,000	20,000												20,000							20,000	
MITRE NURCONG GUARDRAIL		15,000	15,000												15,000							15,000	
ROADS TO RECOVERY																							
BRIDGES																							
POLKEMMET RD 16.18 REPLACE STRUCTURE		85,000	85,000							85,000						85,000							
WON TOOLDONO BRIDGE .90 ROCK BEACHING		50,000	50,000							50,000						50,000							
POLKEMMET RD 16.39 GUARD RAILS		35,000	35,000							35,000						35,000							
DRUNG JUNG LATERAL DISPLACEMENT		20,000	20,000							20,000						20,000							
DRUNG JUNG RD .80 GUARD RAILS		25,000	25,000							25,000						25,000							
DRUNG JUNG RD .80 ROCK BEACHING		15,000	15,000							15,000						15,000							
LAKE AVE GUARD RAILS		20,000	20,000							20,000						20,000							
HSM WAL WAL 12.87 GEOFRABRIC & BEACHING		20,000	20,000							20,000						20,000							
HSM WAL WAL 12.87 JOINTS AT U SLABS		15,445	15,445							15,445						15,445							
Sub-Total - Bridges		**390,445**	**390,445**							**285,445**					**105,000**	**285,445**						**105,000**	

									FUNDING SOURCE							FUNDING SOURCE RENEWAL							
ASSET DESCRIPTION	Listed in Cap Budget on	TOTAL COST	RENEWAL		UPGRADE		NEW		TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	GENERAL REVENUE	TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	INFRA-STRUCTURE RENEWAL RESERVES	GENERAL REVENUE
		$	$	%	$	%	$	%	$			$	$	$	$	$	$	$	$	$	$	$	$
Footpaths and Cycleways																							
RDWRKS FOOTPATH WIDENING PYNSENT ST (CBD RES)		25,000			25,000									25,000									
ON ROAD BIKE LANES LYNOTT & EDITH STS		15,000					15,000								15,000								
BIKEPATH SEALING/RESEALING WORKS		50,000			50,000										50,000								
FOOTPATH REHABIL - DISABILITY STRATEGY UPGRADE PR		40,000			40,000										40,000								
FOOTPATH MINOR REPAIRS & TRIP REMOVALS		270,000	270,000												270,000								270,000
Sub-Total - Footpaths and Cycleways		**400,000**	**270,000**		**115,000**		**15,000**							**25,000**	**375,000**								**270,000**
Drainage																							
HORSHAM DRAINAGE WORKS		100,000	80,000		20,000									100,000							80,000		
Sub-Total - Drainage		**100,000**	**80,000**		**20,000**									**100,000**							**80,000**		
Off Street Car Parks																							
CAR PARKS GENERAL PROVISION RESEALS		16,800	16,800												16,800								16,800
Sub-Total - Off Street Car Parks		**16,800**	**16,800**												**16,800**								**16,800**
Recreational, leisure and community facilities																							
RAIL CORRIDOR REDEVELOPMENT		20,000					20,000								20,000								
TOWN HALL LANDSCAPING PYNSENT ST		80,000					80,000							80,000									
CONSTRUCT NEW WET DECK ON LONG SIDES OUTDOOR		180,000	40,000		140,000										180,000							40,000	
APEX ISLAND UPGRADE - PATHWAYS, PLAYGROUND, SHADE SAIL, FENCING, TOILET BLOCK, SHELTERS SHOWN IN BUILDING SECTION		373,000	190,000		142,500		40,500		253,000		75,000				45,000	190,000							
PLAYGROUND EQUIPMENT REPLACEMENT OHS UPGRADE		30,000	30,000												30,000							30,000	
PLAYGROUND EQUIPMENT REPLACEMENT OHS UPGRADE		20,000	20,000												20,000								20,000
SKATE BOWL DISABLED ACCESS RACECOURSE SITE		25,000			25,000										25,000								
PUBLIC ARTS PROJECTS (NETT) - LIGHT IN LANEWAYS STGE 2, 12 LIGHT BOXES IN TWO LA		20,000					20,000								20,000								
ART GALLERY COLLECTION PURCHASES		20,000					20,000				20,000												
Total - Recreational, leisure and community facilities		**768,000**	**280,000**		**307,500**		**180,500**		**253,000**		**95,000**			**80,000**	**340,000**	**190,000**						**70,000**	**20,000**

									FUNDING SOURCE							FUNDING SOURCE RENEWAL							
ASSET DESCRIPTION	Listed in Cap Budget on	TOTAL COST	RENEWAL		UPGRADE		NEW		TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	GENERAL REVENUE	TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	INFRA-STRUCTURE RENEWAL RESERVES	GENERAL REVENUE
		$	$	%	$	%	$	%	$			$	$	$	$	$	$	$	$	$	$	$	$
Parks, open space and streetscapes																							
OFF LEASH DOG EXERCISE AREAS		5,000					5,000								5,000								
BOTANIC GARDEN SPRINKLER RENEWAL		20,000	20,000												20,000							20,000	
BOTANIC GARDENS GENERAL ALLOCATION IN ACCORDAN		5,000	5,000												5,000								5,000
Sub-Total - Parks, open space and streetscapes		**30,000**	**25,000**				**5,000**								**30,000**							**20,000**	**5,000**
Waste Management																							
TRANSFER STATION IMPROVEMENTS - DESIGN OF PLANT		40,000					40,000							40,000									
DOOEN LANDFILL LITTER FENCING		10,000			10,000									10,000									
CELL 2 PUTRESCIBLE CONSTRUCTION JOHNS (BUILD JA		1,035,000	1,035,000											1,035,000							1,035,000		
Sub-Total - Waste Management		**1,085,000**	**1,035,000**		**10,000**		**40,000**							**1,085,000**							**1,035,000**		
Other Infrastructure																							
WATER SUPPLY PIPE BURNT CREEK ESTATE		40,000					40,000							40,000									
HRLE DRAINAGE IMPROVEMENTS		15,000			15,000									15,000									
HRLE PROVISION OF RAMP NO. 4		30,000					30,000							30,000									
HRLE WATER REUSE SYSTEM		50,000					50,000							50,000									
ESTABLISH ROCK BUNKERS AT NEW DEPOT SITE		20,000					20,000								20,000								
WEIR SAFETY RAIL RENOVATION		19,000	19,000												19,000								19,000
Sub-Total - Other Infrastructure		**174,000**	**19,000**		**15,000**		**140,000**							**135,000**	**39,000**								**19,000**
TOTAL INFRASTRUCTURE		**9,099,345**	**7,211,345**		**992,500**		**895,500**		**1,403,000**	**1,990,890**	**115,000**			**1,575,000**	**4,015,455**	**1,645,445**	**1,321,445**				**1,115,000**	**1,222,400**	**1,907,055**
TOTAL NEW CAPITAL WORKS 2015/16		**13,307,445**	**9,087,445**		**1,440,250**		**2,779,750**		**2,160,000**	**1,990,890**	**170,000**	**520,000**	**263,000**	**3,333,000**	**4,870,555**	**1,645,445**	**1,321,445**	**25,000**		**263,000**	**2,132,000**	**1,697,000**	**2,003,555**

HRCC CAPITAL WORKS PROGRAM 2015/16
2. WORKS CARRIED FORWARD FROM THE 2014/15 YEAR

ASSET DESCRIPTION	Listed in Cap Budget on	TOTAL COST	RENEWAL		UPGRADE		NEW		FUNDING SOURCE							FUNDING SOURCE RENEWAL							
									TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	GENERAL REVENUE	TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	INFRA-STRUCTURE RENEWAL RESERVES	GENERAL REVENUE
		$	$	%	$	%	$	%	$			$	$	$	$	$	$	$	$	$	$	$	$
PROPERTY																							
Buildings																							
LAC RENEWABLE ENERGY PROJECT BOILER SYSTEM		250,000					250,000		125,000					125,000									
TOWN HALL REDEVELOPMENT		4,475,000	895,000		2,237,500		1,342,500				1,000,000	3,475,000							895,000				
Sub-Total - Land & Buildings		**4,725,000**	**895,000**		**2,237,500**		**1,592,500**		**125,000**		**1,000,000**	**3,475,000**		**125,000**					**895,000**				
TOTAL PROPERTY		**4,725,000**	**895,000**		**2,237,500**		**1,592,500**		**125,000**		**1,000,000**	**3,475,000**		**125,000**					**895,000**				
Furniture, Computers and Telecommunications																							
INCREASED STORAGE CAPACITY BOTH PRODUCTION & BA		100,000	50,000		50,000									100,000							50,000		
Sub-Total - Furn & Equip		**100,000**	**50,000**		**50,000**									**100,000**							**50,000**		
TOTAL PLANT AND EQUIPMENT		**100,000**	**50,000**		**50,000**									**100,000**							**50,000**		
INFRASTRUCTURE																							
Roads																							
WIFT PRECINCT ESTABLISHMENT RDWRKS		300,000					300,000		150,000					150,000									
Sub-Total - Roads		**300,000**					**300,000**		**150,000**					**150,000**									
Drainage																							
WIFT PRECINCT ESTABLISHMENT RETARD BASIN, DRAINA		300,000					300,000		150,000					150,000									
Sub-Total - Drainage		**300,000**					**300,000**		**150,000**					**150,000**									
Recreational, leisure and community facilities																							
APEX ISLAND UPGRADE PLAYGROUND EQUIPMENT		25,000	25,000												25,000								25,000
Total - Recreational, leisure and community facilities		**25,000**	**25,000**												**25,000**								**25,000**
Waste Management																							
CELL 2 PUTRESCIBLE CONSTRUCTION JOHNS (BUILD JA		505,000	505,000											505,000							505,000		
Sub-Total - Waste Management		**505,000**	**505,000**											**505,000**							**505,000**		
Other Infrastructure																							
PARKING METERS		22,000			22,000									22,000									
Sub-Total - Other Infrastructure		**22,000**			**22,000**									**22,000**									
TOTAL INFRASTRUCTURE		**1,152,000**	**530,000**		**22,000**		**600,000**		**300,000**					**827,000**	**25,000**						**505,000**		**25,000**
TOTAL CARRIED FORWARD CAPITAL WORKS 2015/16		**5,977,000**	**1,475,000**		**2,309,500**		**2,192,500**		**425,000**		**1,000,000**	**3,475,000**		**1,052,000**	**25,000**				**895,000**		**555,000**		**25,000**

HRCC CAPITAL WORKS PROGRAM 2015/16

3. SUMMARY

									FUNDING SOURCE							FUNDING SOURCE RENEWAL							
ASSET DESCRIPTION	Listed in Cap Budget on	TOTAL COST	RENEWAL		UPGRADE		NEW		TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	GENERAL REVENUE	TIED GRANTS	R2R + R2R Special	SPECIAL RATE/ CHRGE/ CONTRIB	LOANS	ASSET SALES	CASH RESERVES	INFRA-STRUCTURE RENEWAL RESERVES	GENERAL REVENUE
		$	$	%	$	%	$	%	$			$	$	$	$	$	$	$	$	$	$	$	$
PROPERTY		6,949,100	1,491,100		2,621,250		2,836,750		882,000		1,055,000	3,995,000		170,000	847,100			25,000	895,000			474,600	96,500
PLANT AND EQUIPMENT		2,084,000	1,330,000		114,000		640,000						263,000	1,813,000	8,000					263,000	1,067,000		
INFRASTRUCTURE		10,251,345	7,741,345		1,014,500		1,495,500		1,703,000	1,990,890	115,000			2,402,000	4,040,455	1,645,445	1,321,445				1,620,000	1,222,400	1,932,055
TOTAL CAPITAL WORKS		19,284,445	10,562,445	55	3,749,750	19	4,972,250	26	2,585,000	1,990,890	1,170,000	3,995,000	263,000	4,385,000	4,895,555	1,645,445	1,321,445	25,000	895,000	263,000	2,687,000	1,697,000	2,028,555

Summary of planned capital works expenditure

	Asset Expenditure Types				Funding Sources				
	Total $'000	Renewal $'000	Upgrade $'000	New $'000	Total $'000	Grants $'000	Contributions $'000	Council Cash $'000	Borrow-ings $'000
2015/16									
Property									
Land	-	-	-	-	-	-	-	-	-
Total Land	-	-	-	-	-	-	-	-	-
Buildings	6,949	1,491	2,621	2,837	6,949	882	1,055	1,017	3,995
Total Buildings	6,949	1,491	2,621	2,837	6,949	882	1,055	1,017	3,995
Total Property	6,949	1,491	2,621	2,837	6,949	882	1,055	1,017	3,995
Plant and equipment									
Plant, machinery	1,881	1,266	-	615	1,881	-	-	1,881	-
Office equipment	203	64	114	25	203	-	-	203	-
Total Plant and Equipment	2,084	1,330	114	640	2,084	-	-	2,084	-
Infrastructure									
Roads	6,435	5,095	525	815	6,435	3,006	20	3,409	-
Bridges	390	390	-	-	390	285	-	105	-
Footpaths and cycleways	400	270	115	15	400	-	-	400	-
Drainage	100	80	20	-	100	-	-	100	-
Recreational, leisure and community fac	793	305	308	180	793	253	95	445	-
Waste management	1,590	1,540	10	40	1,590	-	-	1,590	-
Parks, open space and streetscapes	30	25	-	5	30	-	-	30	-
Aerodromes	-	-	-	-	-	-	-	-	-
Off street car parks	17	17	-	-	17	-	-	17	-
Other infrastructure	496	19	37	440	496	150	-	346	-
Total infrastructure	10,251	7,741	1,015	1,495	10,251	3,694	115	6,442	-
Total capital works expenditure	19,284	10,562	3,750	4,972	19,284	4,576	1,170	9,543	3,995

Summary of planned capital works expenditure (continued)

	Asset Expenditure Types				Funding Sources				
	Total $'000	Renewal $'000	Upgrade $'000	New $'000	Total $'000	Grants $'000	Contributions $'000	Council Cash $'000	Borrow-ings $'000
2016/17									
Property									
Land	-	-	-	-	-	-	-	-	-
Total Land	-	-	-	-	-	-	-	-	-
Buildings	5,289	387	77	4,825	5,289	2,463	200	363	2,263
Total Buildings	5,289	387	77	4,825	5,289	2,463	200	363	2,263
Total Property	5,289	387	77	4,825	5,289	2,463	200	363	2,263
Plant and equipment									
Plant, machinery	1,034	984	-	50	1,034	-	-	1,034	-
Office equipment	100	70	10	20	100	-	-	100	-
Total Plant and Equipment	1,134	1,054	10	70	1,134	-	-	1,134	-
Infrastructure									
Roads	5,884	4,486	498	900	5,884	2,446	-	3,438	-
Bridges	400	400	-	-	400	-	-	400	-
Footpaths and cycleways	400	270	115	15	400	-	-	400	-
Drainage	-	-	-	-	-	-	-	-	-
Recreational, leisure and community fac	413	100	50	263	413	106	-	200	107
Waste management	500	-	-	500	500	-	-	500	-
Parks, open space and streetscapes	40	40	-	-	40	-	-	40	-
Aerodromes	-	-	-	-	-	-	-	-	-
Off street car parks	15	15	-	-	15	-	-	15	-
Other infrastructure	1,240	620	620	-	1,240	764	-	476	-
Total infrastructure	8,892	5,931	1,283	1,678	8,892	3,316	-	5,469	107
Total capital works expenditure	15,315	7,372	1,370	6,573	15,315	5,779	200	6,966	2,370

Summary of planned capital works expenditure (continued)

	Asset Expenditure Types				Funding Sources				
	Total $'000	Renewal $'000	Upgrade $'000	New $'000	Total $'000	Grants $'000	Contributions $'000	Council Cash $'000	Borrow-ings $'000
2017/18									
Property									
Land	-	-	-	-	-	-	-	-	-
Total Land	-	-	-	-	-	-	-	-	-
Buildings	2,923	1,000	423	1,500	2,923	1,393	480	200	850
Total Buildings	2,923	1,000	423	1,500	2,923	1,393	480	200	850
Total Property	2,923	1,000	423	1,500	2,923	1,393	480	200	850
Plant and equipment									
Plant, machinery	1,190	1,140	50	-	1,190	-	-	1,190	-
Office equipment	100	70	10	20	100	-	-	100	-
Total Plant and Equipment	1,290	1,210	60	20	1,290	-	-	1,290	-
Infrastructure									
Roads	7,133	4,639	494	2,000	7,133	3,003	-	4,130	-
Bridges	400	400	-	-	400	-	-	400	-
Footpaths and cycleways	400	270	115	15	400	-	-	400	-
Drainage	-	-	-	-	-	-	-	-	-
Recreational, leisure and community fac	550	100	50	400	550	175	-	200	175
Waste management	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	50	50	-	-	50	-	-	50	-
Aerodromes	-	-	-	-	-	-	-	-	-
Off street car parks	15	15	-	-	15	-	-	15	-
Other infrastructure	2,244	750	644	850	2,244	1,100	-	1,008	136
Total infrastructure	10,792	6,224	1,303	3,265	10,792	4,278	-	6,203	311
Total capital works expenditure	15,005	8,434	1,786	4,785	15,005	5,671	480	7,693	1,161

Summary of planned capital works expenditure (continued)

	Asset Expenditure Types				Funding Sources				
	Total $'000	Renewal $'000	Upgrade $'000	New $'000	Total $'000	Grants $'000	Contributions $'000	Council Cash $'000	Borrow-ings $'000
2018/19									
Property									
Land	-	-	-	-	-	-	-	-	-
Total Land	-	-	-	-	-	-	-	-	-
Buildings	3,997	1,849	1,089	1,059	3,997	637	480	583	2,297
Total Buildings	3,997	1,849	1,089	1,059	3,997	637	480	583	2,297
Total Property	3,997	1,849	1,089	1,059	3,997	637	480	583	2,297
Plant and equipment									
Plant, machinery	1,190	1,140	50	-	1,190	-	-	1,190	-
Office equipment	100	70	10	20	100	-	-	100	-
Total Plant and Equipment	1,290	1,210	60	20	1,290	-	-	1,290	-
Infrastructure									
Roads	5,344	4,853	491	-	5,344	1,996	-	3,348	-
Bridges	400	400	-	-	400	-	-	400	-
Footpaths and cycleways	450	320	115	15	450	-	-	450	-
Drainage	-	-	-	-	-	-	-	-	-
Recreational, leisure and community fac	520	110	80	330	520	125	-	270	125
Waste management	1,040	1,040	-	-	1,040	-	-	1,040	-
Parks, open space and streetscapes	60	60	-	-	60	-	-	60	-
Aerodromes	-	-	-	-	-	-	-	-	-
Off street car parks	15	15	-	-	15	-	-	15	-
Other infrastructure	1,600	950	625	25	1,600	600	200	800	-
Total infrastructure	9,429	7,748	1,311	370	9,429	2,721	200	6,383	125
Total capital works expenditure	14,716	10,807	2,460	1,449	14,716	3,358	680	8,256	2,422

Appendix D - Reconciliation between cash and accrual budget

RECONCILIATION BETWEEN CASH AND ACCRUAL BUDGET

In accordance with the Local Government (Planning and Reporting) Regulations 2014, which came into operation on 18/4/2014, Council must include the following information relating to the budget.

Council assets are valued and depreciated in the accrual budget. All infrastructure assets have been valued during the year with pro-rata depreciation being charged against these items.

	CASH BUDGET 2015/16	DIFFERENCES BETWEEN CASH (RATE) BUDGET AND ACCRUAL BUDGET					ACCRUAL BUDGET 2015/16
		CAPITAL EXPEND	LOAN REDEMPT	TRANSFER TO RESERVE	DEP'N	WDV ASSETS SOLD	
OPERATING COSTS		(less)	(less)	(less)	(plus)	(plus)	
MANAGEMENT & ADMINISTRATION (Less rates)	7,226,029	341,000	467,333	460,624	265,000		6,222,072
REGULATORY SERVICES	2,797,808	27,000		377,887	100,000		2,492,921
COMMUNITY SERVICES	5,073,790	900,000		0	100,000		4,273,790
RECREATION, CULTURE & LEISURE	13,086,788	6,602,500		67,000	1,101,000		7,518,288
ECONOMIC DEVELOPMENT	2,392,390	950,000		73,714	200,000		1,568,676
PHYSICAL SERVICES	14,116,329	6,973,945		209,768	8,280,000	620,000	15,832,616
ENVIRONMENT	10,427,743	1,609,000		1,028,956	350,000		8,139,787
PLANT & EQUIPMENT EXPENDITURE		1,881,000					
total operating costs	55,120,876	19,284,445	467,333	2,217,949	10,396,000	620,000	46,048,149
			NEW LOANS	FROM RESERVE		ASSETS PROCEEDS	
OPERATING REVENUE			(less)	(less)		(plus)	
MANAGEMENT & ADMINISTRATION (Less rates)	8,669,857		3,995,000	275,000		500,000	4,899,857
REGULATORY SERVICES	1,443,165			22,000			1,421,165
COMMUNITY SERVICES	3,122,363			0			3,122,363
RECREATION, CULTURE & LEISURE	4,382,301			287,222			4,095,079
ECONOMIC DEVELOPMENT	1,245,539			491,649		0	753,890
PHYSICAL SERVICES	6,813,632			217,000		263,000	6,859,632
ENVIRONMENT	5,698,092			2,676,692			3,021,400
Other Items:							
Fair value adjustments for investment property						55,000	55,000
Share of net profits of associates						60,000	60,000
total operating revenue	31,374,949	0	3,995,000	3,969,563	0	763,000	24,288,386
SURPLUS/(DEFICIT) BEFORE RATES	-23,745,927						-21,759,763
NETT RATE REVENUE 2015/2016	23,596,930						23,596,930
OPERATING SURPLUS/(DEFICIT)	-148,997						1,837,167

		2014/15	2015/16
Regulation 10 (1)(h)(i)	**TOTAL AMOUNT PROPOSED TO BE BORROWED (EXCLUDING REFINANCING)**	**4,305,000**	**3,995,000**
Regulation 10 (1)(i)	**TOTAL AMOUNT PROPOSED TO BE REDEEMED**	**564,051**	**467,333**
	PROJECTED COST OF SERVICING BORROWINGS	**225,488**	**262,808**

Appendix E
Non-Capital Initiatives

This appendix lists all of the Non-capital Initiatives that have been incorporated in to the budget for 2015-16.

NON CAPITAL INITIATIVES			
	Budget Expend 15/16	Budget Income 15/16	Net Cost to Council
Management & Administration			
VEC electoral representation review	35,000		35,000
Nintex workflow and forms licence	30,000	30,000	0
IT strategy consultancy	50,000	50,000	0
GIS shared service support	30,000		30,000
Corp services efficiency initiatives & improvements	50,000		50,000
system checks, consultancies, other			
Vecci membership c/fwd from 14/15	5,000		5,000
Regulatory Services			
ESM initial determinations and docs by contractor	20,000		20,000
ESM compliance works	10,000		10,000
Building software	40,000		40,000
Horsham south structure plan	120,000	80,000	40,000
Heritage advisor part time consultancy	20,000	10,000	10,000
Community Services			
Early years integrated services governance model development	25,000		25,000
Hsm nrth com development for childrens hub	5,000		5,000
MCH statewide mav it review contribution	5,000		5,000
MCH change management service review	9,000		9,000
Aged services sustainability review & operations	102,000	80,000	22,000
Recreation, Culture & Leisure			
Performing arts pre-opening expenses c/fwd from 14/15	120,502		120,502
Taylors lake recreation facility planning grant	15,000	15,000	0
Botanic gardens remove unsafe trees	25,000		25,000
Minor reserves mtce rotundas board walks, minor structures	5,000		5,000
City oval precinct master planning	60,000	30,000	30,000
Develop business plan for artist in residence project	30,000	20,000	10,000
Economic Development			
Initiatives seed funding business development c/fwd from 14/15	10,000		10,000
Regional living expo promotion	5,000		5,000
Review & update Hsm & Grampians (Wartook Valley)	12,000		12,000
major events master plan			
Grampians region digital strategy with 5 shires	10,000		10,000
Grampians region digital strategy with 5 shires - annual cost	7,500		7,500
Physical Services			
Transport plan - Hsm urban area	50,000		50,000
Project Officer/Consultant for special projects	20,000		20,000
Implementation/training assetic asset management	17,500		17,500
Rds asset condition/survey transfer to reserve	30,000		30,000
Reline all cbd on road bike paths inc signage	15,000		15,000
Natimuk flood plan operational budget	5,000		5,000
Livestock exchange: -			
wash down area improvements	2,000	2,000	0
roadway line marking and signs	10,000	10,000	0
scoping study, shade and rain water	5,000	5,000	0
Caravan park landlord lease expense fee	25,000	25,000	0
Pimpinio school land reservation	18,000	18,000	0
Jubilee hall planning for future use	10,000		10,000
Environment			
Relocate powerlines part of cbd revitalisation	750,000	750,000	0
Town entrances streetscape refurbishment	10,000		10,000
Hazardous tree removal	10,000		10,000
Natimuk rd tree plantation refurbishment	10,000		10,000
Weed control	50,000	50,000	0
Road side trees canopy clearance	20,000		20,000
Lighting the regions sustainable st lighting	69,976	69,976	0
Rehabilitate Dooen landfill Ladlows putrescible	698,716	698,716	0
Rehabiltitate Dooen Landfill Johns cell 1 putrescible	35,000	35,000	0
	2,717,194	1,978,692	738,502

Appendix F - Community Grants

This appendix presents list of Community Grants that have been funded from the 2015/16 Budget.

COMMUNITY GRANTS FOR 2015/16			
			COUNCIL'S ALLOCATION
SPORTING CLUBS/RECREATION RESERVES			
Rural Recreation Reserves Turf Maintenance Allocations			44,485
Haven	875		
Dooen	875		
Dock Lake	5,360		
Laharum	5,360		
Jung	-		
Kalkee	5,360		
Pimpinio	5,360		
Quantong	5,360		
Riverside	875		
Noradjuha	2,680		
Natimuk Show Grounds	9,700		
Toolondo	2,680		
Applications lodged for Sport & Recreation Grants. Council amount required			
Coughlin Park Community Centre Major CFN/PLF Application			10,000
Annual allocation to assist major funding applications			10,000
Sporting Clubs Other Grants	(Tied to Specific Request)		36,758
Horsham Little Athletics	1,000	Resurface runups long/triple jump	
Riverside Recreation Reserve	5,000	Rebuild horse yards	
Drung Golf Club	1,939	Replace tee signs	
Horsham Riding for Disabled	1,462	Rubber matting indoor arena	
Natimuk Golf Club	5,000	Contribution to new slasher	
Taylors Lake Football Netball	2,500	Fence playground area	
Kalimna Park Croquet Club	1,157	Line Marker	
Natimuk Bowling Club	2,500	Replace chairs	
Horsham Motorcycle Club	5,000	Complete safety fence	
Cental Wimmera Clay Target Club	5,000	Fire protection water supply	
Horsham Calisthenics College	700	Tied to Trophies for August Competition	
Hsm Aquatic Community Group	2,500	Purchase equipment and trolley	
Hsm Dog Obedience	2,000	Awning for shelter	
Hsm Soccer Club	1,000	Signage Central Park	
Sport & Rec Advisory		Contingency	5,500
Coughlin Park		Day labour in lieu of Cash	8,650
TOTAL COMMUNITY GRANTS FOR SPORTS/REC RESERVES			**115,393**
WELFARE & HEALTH			
Kindergartens Capital Expenditure			16,873
Natimuk Rd	366	Improve entrance lighting	
Hsm & Dist Kinder Assoc	11,000	Annual donation	
Bennett Rd	2,475	Park bench, landscaping	
Natimuk Pre School Centre	790	Reference books and protective clothing	
Roberts Ave Kindergarten	2,242	Shade sail and wooden instruments	
Maintenance Grants of $780 for each of Council's 6 Kindergartens:			4,680
Bennett Rd, Casaurina, Horsham North, Natimuk Rd, Roberts Ave and Natimuk			
TOTAL COMMUNITY GRANTS FOR KINDERGARTENS			**21,553**

COMMUNITY GRANTS FOR 2015/16

			COUNCIL'S ALLOCATION
HALLS			
Insurance and fire services levy for all Council Public Halls			18,700
Halls Capital Expenditure			15,357
Dooen Public Hall	8,900	Hall Roofing	
Toolondo Rec Reserve	1,744	Air Conditioning for Kitchen	
Wonwondah North Hall	2,000	Kitchen Cabinetry	
Telangatuk East Hall Committee	2,213	Ceiling fans and shade canopy	
Hamilton Lamb Hall	500	Tune Piano	
TOTAL COMMUNITY GRANTS FOR HALLS			**34,057**
GENERAL WELFARE			
Horsham College Chaplaincy Committee			5,150
Wimmera Toy Library - Resources			1,000
Haven Bush Playgroup - Resources			1,000
TOTAL COMMUNITY GRANTS FOR GENERAL WELFARE			**7,150**
COMMUNITY SERVICES			
Christian Emergency Food Centre SP: Hampers			2,100
Wimmera River Improvement Committee			7,800
Wimmera River Improvement Committee (Police Paddock)			2,300
TOTAL COMMUNITY GRANTS FOR COMMUNITY SERVICES			**12,200**
ORGANISATIONS			
Charitable Organisations refund of rates			3,500
Red Cross, St Vincent de Paul, Salvation Army, Wool Factory, Jacobs Well			
Wimmera Assoc. for Genealogy Inc.			300
Makers Gallery			500
Makers Gallery computer, printer, software			2,880
Horsham City Brass Band Inc.			1,600
Horsham City Brass Band Inc. new uniforms			1,885
Horsham City Pipe Band Inc.			1,600
Natimuk Brass Band			1,600
Natimuk & District Progress Press Assn			1,100
North West Grampians Newsletter			1,422
Arapiles Historical Society - update and replace historical markers			3,643
Horsham Historical Society digitise old films and photos			800
Business Horsham			12,500
Clear Lake Recreation Reserve - Cleaning of Public Toilets			515
Horsham Showgrounds Committee			5,000
Pimpinio Cemetery Trust - war memorial			2,860
Tidy Towns Committee - build shelter for May and Miller Wagon			10,000
Sing Australia - song books			990
Third Horsham Girl Guides windows and security screens			4,700
Horsham Pop up Café - rental and advertising			950
Horsham Paws - digital display signs			1,000
Longerenong Citizenship Prize			300
Federation University Hsm Campus, Nursing Achievement Award			300
Horsham Secondary College Snr Achievement Award			200
St Brigids College Snr Achievement Award			200
St Brigids College Self Defence program for open community			1,000
Wimmera Southern Mallee Llen, lets read program			5,000
Horsham Mens Shed - electrical works and floor coverings			4,687
Horsham & District Orchid Society			600
Horsham Arts Council - History Book			5,000
Wimmera and Southern Mallee Careers Assoc - Expo			1,700
General Contingency			4,224
TOTAL CONTRIBUTIONS TO ORGANISATIONS			**82,556**

COMMUNITY GRANTS FOR 2015/16

	COUNCIL'S ALLOCATION
PROMOTIONS, FESTIVAL AND CULTURE	
Natimuk Frinj Festival	6,500
Tri state games - Rotary Club of Horsham East	5,000
Horsham Country Music Inc	1,800
Hsm Fishing Competition	5,000
Horsham Spring Garden Festival	1,000
Kannamaroo Festival Committee	4,000
Art Is Festival	6,500
Horsham Regional Arts Assoc. Inc. SP: Calendar of Events	3,100
Carols by Candlelight	2,700
Operation 19:14 Family Fun Day	2,700
North Fest Family Fun Festival	3,200
Wimmera Rockers Danceworld - Dance Extravaganza	2,100
Business Hsm - community seminars	3,000
TOTAL FOR FESTIVAL & CULTURE	**46,600**
GRAND TOTAL	**319,509**
COMMUNITY GRANT FUNDING REQUIRED 15/16	**319,509**

Appendix G
Fees and Charges Schedules

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2015/16 year.

		Lease Period	Charge Frequency	Adopted Charge 2014/15	Proposed Charge 2015/16	YEAR LAST INCREASED
NOTE: All charges listed do not include gst unless otherwise stated.						
REGIONAL LIVESTOCK EXCHANGE						
Associated agents general fee			Annual	45,800.00	**47,400.00**	**2013/14**
Contribution towards office and canteen			Annual	10,000.00	**10,000.00**	**1999/00**
Truck wash-	Purchase Avdata Key			40.00	**40.00**	**2010/11**
	Occasional users - tray trucks/trailers		per 3 mins min charge 3 mins	6.60	**6.60**	**2014/15**
	Coin in the slot		2 minutes	2.00	**2.00**	**2002/03**
	Occasional users - semi-trailers			20.00	**20.00**	**2010/11**
General Sale Dues as Follows :-						
Horses			Per Head/Day	10.50	**11.00**	**2014/15**
Cattle (not bulls)			Per Head/Day	10.50	**11.00**	**2014/15**
Bulls			Per Head/Day	10.50	**11.00**	**2014/15**
Calves			Per Head/Day	3.90	**4.10**	**2014/15**
Sheep			Per Head/Day	0.68	**0.71**	**2014/15**
Goats			Per Head/Day	0.68	**0.71**	**2014/15**
	Note: For Private Sales, General Sales Dues apply.					
	Note: Additional Fee for Mob Selling pending if applicable.					
Holding Fees Every person who rents or uses pens or other accommodation for cattle for any purpose other than the sale of cattle at any market provided by the Council, for any of the following :-						
Sheep			Per Head/Day	0.26	**0.27**	**2014/15**
Goats			Per Head/Day	0.26	**0.27**	**2014/15**
Cattle			Per Head/Day	3.10	**3.20**	**2014/15**
Weighing Fee						
Cattle (Other than for sale)			Per Head	5.00	**5.20**	**2014/15**
Holding Paddock Fee						
sheep and lambs			Per Head per I	0.26	**0.27**	**2014/15**
there is no charge on stock held in yards on the first night						
All stock is to be removed from selling yards by the lunchtime Friday after a sale or stock will be placed on agistment where a fee is applicable						
Disposal Fee			Per Head	27.50	**28.70**	**2014/15**
Eartagging			Per Head	27.50	**28.70**	**2014/15**

	Lease Period	Charge Frequency	Adopted Charge 2014/15	Proposed Charge 2015/16	YEAR LAST INCREASED
NOTE: All charges listed do not include gst unless otherwise stated.					
CITY OVAL					
Ground Rentals					
Horsham Cricket Association (For cricket season)		Annual	4,750.00	**4,920.00**	**2014/15**
Horsham Football Club		Annual	9,250.00	**9,600.00**	**2014/15**
One-off usage charge		Per event	500.00	**520.00**	**new 14/15**
Horsham District Football League	Ord Final	Charge now levied by Recreation Reserve			
Wimmera Football League	Ord Final	Committee of Management			
Horsham District Football League	Grand Final		10% of gate	**10% of gate**	
Wimmera Football League	Grand Final		10% of gate	**10% of gate**	
** 15% of gate applies if League does not provide clean-up					
33% of finals gate commission paid to Committee of Management					
Clubroom Cleaning Charges					
Horsham Football Club (cleaning new showers & toilet facilities - bond $250)					
Football Season		F/night	162.50	**170.00**	**2014/15**
Cricket Season		F/night	70.00	**75.00**	**2014/15**
Other bodies using facilities by arrangement		Each time	162.50	**170.00**	**2014/15**
Horsham Recreation Reserve Committee of Management sets and retains casual hiring fees					
Advertising on Ground Fence **(Paid to Committee of Management)**					
RESIDENCES					
Botanic Gardens (rental set at market value)		Weekly	200.00	**210.00**	**2014/15**
AERODROME					
Hangar Site Rental - Non Commercial (as per current lease 3.0% increase)		Annual	742.85	**765.14**	**2014/15**
Hangar Site Rental - Commercial (as per current lease 3.0% increase)		Annual	1,238.07	**1,275.21**	**2014/15**
Refuelling rights (Air BP) - as per current lease 3.0% increase		Annual	1,828.96	**1,883.83**	**2014/15**
Council is required to give notice of rental increase no later than seven days prior to the commencement of each rental period that increase is to apply to.					
User Charges					
Western Ag Supplies (formally Western Aerial Pty Ltd)		Annual	405.00	**420.00**	**2014/15**
Air Ambulance Victoria		Annual	1,620.00	**1,680.00**	**2014/15**
Horsham Flying Club		Annual	810.00	**840.00**	**2014/15**
Horsham Aviation Services		Annual	1,272.80	**1,319.94**	**2014/15**
Stewart Aviation		Annual	4,050.00	**4,200.00**	**2014/15**
Horsham Aero Club		Annual	810.00	**840.00**	**2014/15**
Regular non-hangar site user fee		Annual	170.00	**180.00**	**2014/15**
Occasional Landing Fee		Intermittent	15.00	**15.00**	**2010/11**

	Lease Period	Charge Frequency	Adopted Charge 2014/15	Proposed Charge 2015/16	YEAR LAST INCREASED
NOTE: All charges listed do not include gst unless otherwise stated.					
MECHANICS INSTITUTE					
Historical Society Rooms	Lease to be reviewed	Annual	225.00	**235.00**	**2014/15**
Legacy Rooms	Lease to be reviewed	Annual	2,180.00	**2,280.00**	**2014/15**
Genealogy Society	Lease to be reviewed	Annual	195.00	**205.00**	**2014/15**
COMMERCIAL PROPERTIES					
Horsham Basketball Stadium					
Horsham Amateur Basketball Association	1.7.12 - 30.6.17 Fixed Charge for 5 years	Annual	15,500.00	**15,500.00**	**2007/08**
WRLC Mclachlan St - Mibus Centre		Annual	8,925.00	**9,375.00**	**2014/15**
Roberts Ave -Old Police Station					
- Booking Agency	Lease to be reviewed	Monthly	220.00	**230.00**	**2014/15**
- Lapidary Club	Lease to be reviewed	Annual	205.00	**215.00**	**2014/15**
-Community Radio Station#	Lease to be reviewed	Annual	220.00	**230.00**	**2014/15**
-Wimmera Hearing Society	Lease to be reviewed	Annual	790.00	**825.00**	**2014/15**
#in addition Community Radio Station also pay rates of approx. $410					
COMMERCIAL PROPERTIES continued					
Main Street Shops - total rental revenue (managed by Horsham Real Estate)			162,677.00	**162,677.00**	
Other premises					
28 Kalkee Road (rental set at market value)		Annual	11,440.00		
* Properties managed by Horsham Real Estate. Commercial properties shown as GST inclusive.					
43 Firebrace Street -Art Is occupy small area and pay rental		Annual	770.00	**800.00**	**2014/15**
45 Firebrace Street - Horsham PAWS		Monthly	800.00	**800.00**	**new 12/13**
Art Is occupation not covered by formal lease					
Notice Board - Horsham & District Funerals		Annual	55.00	**60.00**	**2013/14**
Notice Board- Wimmera Funerals		Annual	55.00	**60.00**	**2013/14**
BURNT CREEK INDUSTRIAL ESTATE					
For agistment purposes (approx 90 ha, Lease fixed to 30/6/2015, HRLE)		Annual	6,543.00	**new lease**	**2012/13**
Lease of Real Estate - Lot 7 Burnt Creek Dve (approx. 1.45 ha - exp 12/17) *cpi adjustment every 2 years		Annual	15,163.00	***15163.00**	**2014/15**
HORSHAM ENTERPRISE ESTATE					
For agistment purposes (approx 40 ha, Lease fixed to 30/6/2015, Kenny Rd)		Annual	2,908.00	**new lease**	**2012/13**

	Lease Period	Charge Frequency	Adopted Charge 2014/15	Proposed Charge 2015/16	YEAR LAST INCREASED
NOTE: All charges listed do not include gst unless otherwise stated.					
OTHER PROPERTIES					
Miscellaneous Rental - Annual Fee					
Grazing Licence Rental over allotment N of 159A Bungalally (approx. 14 ha)			355.00	**370.00**	**2014/15**
Grazing Licence Rental over allotments adj 195B, 195C Bung. (approx 5 ha)			215.00	**225.00**	**2014/15**
Lease of Dam Site (C/A 249A) NW Corner allot 249 Vectis East (0.82 ha)			90.00	**95.00**	**2014/15**
NC2 Multipurpose Room rental					
Group A		Daily	150.00	**150.00**	**new 11/12**
- Businesses, government agencies		Half Day	80.00	**80.00**	**new 11/12**
and other users		Nightly	50.00	**50.00**	**new 11/12**
Group B		Daily	50.00	**50.00**	**new 11/12**
- Not-for-profit community groups		Half Day	25.00	**25.00**	**new 11/12**
and Natimuk businesses		Nightly	10.00	**10.00**	**new 11/12**
DOG/CAT CONTROL					
Dog/Cat Fees to be set for **year commencing 10th April, 2016**					
Dogs over three months	- Entire	Annual	108.00	**114.00**	**2014/15**
	- Desexed/Microchipped/Over 10 yrs	Annual	36.00	**38.00**	**2014/15**
	- Working	Annual	36.00	**38.00**	**2014/15**
Pensioner Concession	- Entire	Annual	54.00	**57.00**	**2014/15**
	- Desexed/Microchipped/Over 10 yrs	Annual	18.00	**19.00**	**2014/15**
	- Working	Annual	18.00	**19.00**	**2014/15**
Cats over three months	- Entire	Annual	108.00	**114.00**	**2014/15**
	- Desexed/Microchipped/Over 10 yrs	Annual	36.00	**38.00**	**2014/15**
Pensioner Concession	- Entire	Annual	54.00	**57.00**	**2014/15**
	- Desexed/Microchipped/Over 10 yrs	Annual	18.00	**19.00**	**2014/15**
The Domestic (Feral and Nuisance) Animals Act 1994 operative April 1996 requires that Council fix a maximum fee for dogs/cats that applies to all dogs/cats except :-					
Desexed Dogs/Cats.					
Dogs/Cats over 10 years old.					
Dogs kept for working stock.					
Dogs/Cats kept for breeding by the proprietor of a domestic animal business conducted on registered premises.					
Dogs that have undergone obedience training which complies with the regulation.					
Dogs/Cats registered with the Victorian Canine Association/Feline control Council.					
($2.50 per dog and $1.00 per cat of fee paid to Bureau of Animal Welfare)					
The maximum fee must be three times the reduced fee.					
Pound - First release fee - Dog/Cat During Normal Working Hours			0.00	**0.00**	**2012/13**
Pound - First release fee - Dog/Cat Outside Normal Working Hours			80.00	**85.00**	**2013/14**
Pound - Second release fee - Dog/Cat			80.00	**85.00**	**2013/14**
Pound - Third and subsequent release fee - Dog/Cat			100.00	**110.00**	**2013/14**
Additional release fee if dog involved in attack			105.00	**115.00**	**2013/14**
Daily feeding and cleaning charges - First 24 hours on weekdays			0.00	**0.00**	**new 12/13**
Daily feeding and cleaning charges - Per weekday after first 24 hours		per day	20.00	**22.00**	**2013/14**
Daily feeding and cleaning charges - Per weekend day		per day	40.00	**44.00**	**2013/14**
Registration/Renewal of a Domestic Animal Business.			230.00	**240.00**	**2013/14**
($10.00 of fee paid to Bureau of Animal Welfare)					

	Lease Period	Charge Frequency	Adopted Charge 2014/15	Proposed Charge 2015/16	YEAR LAST INCREASED
NOTE: All charges listed do not include gst unless otherwise stated.					
PARKING CONTROL					
Parking Fines (Set by Act)					
Expired Meter (Minimum $28 Maximum $70)*			55.00	**55.00**	**2012/13**
On a footpath, etc. (Set by Act)"			89.00	**91.00**	**2014/15**
No Stopping Area (Set by Act)"			148.00	**152.00**	**2014/15**
* Council may set a fee of b/n 0.2 & 0.5 Penalty Units " estimated amount - to increase with CPI					
Parking Meter Charges					
***includes GST**		Per hour	*1.00	***1.00**	**2011/12**
Allocated on Street Car Parking Fee (per Bay)		Monthly	100.00	**100.00**	**2014/15**
Low cost all-day parking		Per day	*1.00	***1.00**	**new 14/15**
HEALTH FEES					
Food Premises					
*Class One - Premises - Base fee		Annual	340.00	**350.00**	**2014/15**
*Class Two - Premises - Base fee		Annual	340.00	**350.00**	**2014/15**
Full time equivalent employees - greater than 5		Each	30.00	**31.00**	**2014/15**
Class Two Accommodation Meals (B&B)		Annual	110.00	**115.00**	**2014/15**
Class Two - School Canteens		Annual	29.00	**31.00**	**2014/15**
Class Two - Food Vehicle		Annual	250.00	**260.00**	**2014/15**
Class Two - Community Group (unlimited events)/Low volume home caterer		Annual	75.00	**80.00**	**2014/15**
Class Two - Temporary Event		Each	34.00	**40.00**	**2014/15**
Class Three - Premises		Annual	220.00	**230.00**	**2014/15**
Class Three - Accommodation Meals (B&B)		Annual	90.00	**95.00**	**2014/15**
Class Three - Community Group (unlimited events)/Low volume home caterer		Annual	70.00	**75.00**	**2014/15**
Class Three - Food Vehicle		Annual	220.00	**230.00**	**2014/15**
Class Three - Temporary Event		Each	25.00	**30.00**	**2014/15**
Health Premises					
Registered premises		Annual	250.00	**260.00**	**2014/15**
Accommodation		Annual	250.00	**260.00**	**2014/15**
***Maximum fee**			2,950.00	**3,100.00**	**2014/15**
Transfer of Registration	50% of full fee				
Late Fees	After 31 December each year 10% of the full fee is added.				
Septic Tank Fees					
Permit to Instal		Each	400.00	**420.00**	**2014/15**
Permit to Alter		Each	200.00	**210.00**	**2014/15**
Permit Extension / Amend Permit		Each	47.50	**50.00**	**2014/15**
Service Fee					
Inspection by request		Per hour	105.00	**110.00**	**2014/15**
Influenza vaccinations		Per dose	20.00	**20.00**	**new 14/15**
AGED & COMMUNITY CARE					
Meals on Wheels - Horsham		Per Meal	10.00	**10.00**	**2013/14**
Meals on Wheels - Natimuk		Per Meal	10.00	**10.00**	**2013/14**
Home Help - Base Charge		Per Hour	8.00	**10.00**	**2013/14**
Disabled Parking Permit - Issue fee		Per Permit	6.00	**6.00**	**2010/11**
Home Maintenance Handyman - Home Safety		Per Hour	16.00	**16.00**	**2013/14**

	Lease Period	Charge Frequency	Adopted Charge 2014/15	Proposed Charge 2015/16	YEAR LAST INCREASED
NOTE: All charges listed do not include gst unless otherwise stated.					
PLANNING					
Extension of time to Planning Permit			105.00	**107.50**	**2014/15**
Secondary consent for Planning Permits			105.00	**107.50**	**2014/15**
Amendment to Planning Permit					
Planning Permit history			110.00	**113.00**	**2014/15**
Notice of Planning Permit - Application in newspaper			180.00	**185.00**	**2014/15**
Placing of Planning Permit Application notice on-site			100.00	**102.50**	**2014/15**
CLASS 2A - Application to develop one dwelling or ancillary development - estimated cost $10,000 or less			115.00	**118.00**	**2013/14**
CLASS 2B - Application to develop one dwelling or ancillary development - estimated cost $10,001 to $30,000			215.00	**220.00**	**2013/14**
CLASS 2C - Application to develop one dwelling or ancillary development - estimated cost $30,001 to $100,000					
CLASS 5A - Application to develop land other than dwelling and ancillary development - estimated cost $10,001 to $30,000			230.00	**236.00**	**2014/15**
CLASS 5B - Application to develop land other than dwelling and ancillary development - estimated cost $30,001 to $100,000			460.00	**472.00**	**2014/15**
CLASS 5C - Application to develop land other than dwelling and ancillary development - estimated cost $100,001 to $250,000					
Copy of Title and Title Plan			40.00	**41.00**	**2014/15**
Copy of Covenant/Section 173			25.00	**25.70**	**2014/15**
Request for Council consent (ie. Liquor Licence) where no PP req'd			120.00	**123.00**	**2014/15**
Application for Council signing & sealing of Section 173 agreement			150.00	**154.00**	**2014/15**
Request for Planning Information in writing			60.00	**61.50**	**new 14/15**
RECREATION RENTALS					
Baillie St.					
Girl Guides Facilities	no formal lease	Annual	220.00	**230.00**	**2014/15**
Scouts Facilities	1.10.01-31.12.11	Annual	220.00	**230.00**	**2014/15**
Kalimna Park Croquet Club	1.3.04 - 31.12.11	Annual	220.00	**230.00**	**2014/15**
Racecourse Reserve					
Horsham & District Racing Club Lease from 1/7/2012 to 30/9/2015 Rental increased in proportion with increases in revenues from all sources (inc Tabaret) *Estimated - Club to supply latest financial accounts before amount can be finalized		Annual	*4650.00	**new lease**	**2014/15**
Horsham West Ladies Bowling Club	no formal lease	Annual	195.00	**205.00**	**2014/15**
Hockey/Softball Association	no formal lease	Annual	205.00	**215.00**	**2014/15**
Botanic Gardens					
Horsham Croquet Club	1.12.39-Indefinite	Annual	220.00	**230.00**	**2014/15**

		Lease Period	Charge Frequency	Adopted Charge 2014/15	Proposed Charge 2015/16	YEAR LAST INCREASED
NOTE: All charges listed do not include gst unless otherwise stated.						
SUNDRY CHARGES						
Weddings at Gardens - Hire Charge	GST inclusive		Each Time	60.00	**65.00**	**2014/15**
Booking fee for wedding photographs	GST inclusive			60.00	**65.00**	**2014/15**
Emergency Bore Water Charge						
- all water in excess of 20,000 KL per year - $1.00 per additional KL				1.00	**1.00**	**2009/10**
Community Local Law No. 3						
Permit to Burn			each permit	30.00	**30.00**	**2014/15**
Permit to collect firewood from Council road/place			each permit	13.00	**15.00**	**2014/15**
Permit to display vehicle or goods for sale			each permit	125.00	**130.00**	**2014/15**
Footpath Advertising Permit				125.00	**130.00**	**2014/15**
Footpath Display Table Permit				125.00	**130.00**	**2014/15**
Footpath Table & Chairs Permit - per chairs - unlicenced premise				17.00	**18.00**	**2014/15**
Footpath Table & Chairs Permit - per chairs - licenced premise				35.00	**37.00**	**2014/15**
Note: Change in 2010/11 from setting (1 table & 4 chairs) to per chair						
Refer to Appendix 'A' 'Schedule of Application for Local Law Permit Fees' for further permit fees applicable						
Car parking offstreet in lieu of spaces			Space	8,000.00	**8,250.00**	**2013/14**
Road Opening Fees & Re-Instatement Charges						
Permit Fee				55.00	**60.00**	**2014/15**
Opening	Gravelled Surface		per sq m	40.00	**40.00**	**2013/14**
Opening	Bitumen or Concrete Footpath		per sq m	65.00	**65.00**	**2013/14**
Opening	Removal of Kerb & Channel		per m	65.00	**65.00**	**2013/14**
Opening	Sealed Roadways		per sq m	75.00	**75.00**	**2013/14**
Opening	Established Nature Strip Major Work Only		Permit Fee			
Opening	Tap into Stormwater drain		Permit Fee	45.00	**45.00**	**2013/14**
Boring	Boring Under Road (No disturbance to pavement)		Permit Fee	60.00	**60.00**	**2013/14**
Vehicle Crossings	Construction of Kerb Crossing - permit fee		Permit Fee	70.00	**70.00**	**2013/14**
Public Authorities	Ruling charges as varied from time to time by MAV				To Be Advised	
Special Work	Minimum Charge Road closure, etc.			45.00	**45.00**	
Builders Footpath Repair & Crossing Deposit (Fixed as per Local Law No. 3)				700.00	**700.00**	**2011/12**
Building Services As per Building Dept Fees & Charges Schedule - **refer Appendix 'B'**						
Roadworks Contribution - Due by Subdivider/Developer - contribution towards upgrading existing roads servicing development - based on estimated cost - project specific						
Drainage Headworks Levy						
- per hectare - Urban areas				16,500.00	**17,250.00**	**2014/15**
- per hectare - Rural Residential Areas* *sliding scale applicable				16,500.00	**17,250.00**	**2014/15**
Design checking fee 0.75% of approved actuals						
Supervision only - 2.5% of approved actuals						
Design / Supervision / Administration - 7.5% of approved actuals						

	Lease Period	Charge Frequency	Adopted Charge 2014/15	Proposed Charge 2015/16	YEAR LAST INCREASED
NOTE: All charges listed do not include gst unless otherwise stated.					
SUNDRY CHARGES					
Offences Under Local Law No. 3					
2.18 & 6.6 (b) Toy Vehicles					
Impounding Release Fee					
-1st Offence		each time	40.00	**40.00**	**2014/15**
-2nd Offence		each time	100.00	**100.00**	**2014/15**
-3rd & Subsequent Offences		each time	195.00	**200.00**	**2014/15**
2.17 & 6.6 (b) Shopping Trolleys					
Impounding Release Fee		each trolley	95.00	**100.00**	**2014/15**
Impounded abandoned vehicles release fee plus costs		each vehicle	190.00	**200.00**	**2014/15**
Impounded release fee - other Items where permit and fee applies but neither permit obtained nor fee paid and item displayed illegally.		each item	100.00	**100.00**	**2014/15**
Fire Hazard Removal by Contractor - Council Admin. Fee (Failure to adhere to Fire Prevention Notice)			230.00	**240.00**	**2014/15**
Photocopying Charge - per copy					
A4		BW/Colour	*0.45/*0.50	***0.50/*0.55**	**2014/15**
A3		BW/Colour	*0.55/*0.60	***0.60/*0.65**	**2014/15**
A2		BW/Colour	*6.50/*7.00	***7.00/*7.50**	**2014/15**
A1		BW/Colour	*10.00/*11.00	***11.00/*12.00**	**2014/15**
A0		BW/Colour	*16.00/*17.00	***17.00/*18.00**	**2014/15**
		***includes GST**			
Provision of sales data to Valuers and Real Estate Agents:-					
Urban & Rural		per property	0.65	**0.70**	**2014/15**
Rural Only		per property	0.80	**0.85**	**2014/15**

	Lease Period	Charge Frequency	Adopted Charge 2014/15	Proposed Charge 2015/16	YEAR LAST INCREASED

NOTE: All charges listed do not include gst unless otherwise stated.

TOWN HALL

Horsham Town Hall Fees	Usage Method	Full Charge	Dance School Rate	Community Rate
Auditorium Theatre (500)	8 hrs	1,800.00	1,350.00	655.00
Auditorium Theatre (500)	4 hrs	1,000.00	750.00	400.00
Auditorium Rehearse/Bump In/Out	8 hrs	1,200.00	300.00	280.00
Auditorium Rehearse/Bump In/Out	4 hrs	700.00	150.00	150.00
Auditorium Conference/forum	8 hrs	1,600.00		
Auditorium Conference/forum	4 hrs	900.00		
Foyer	8 hrs	440.00	330.00	176.00
Foyer	4 hrs	220.00	165.00	88.00
Town Hall Seated, Theatre / Expo	8 hrs	1,000.00	750.00	500.00
Town Hall Seated, Theatre / Expo	4 hrs	600.00	450.00	300.00
Town Hall Rehearsals	8 hrs	304.00	250.00	250.00
Town Hall Rehearsals	4 hrs	152.00	150.00	150.00
Town Hall event set up (build day prior)	8 hrs	304.00	250.00	250.00
Town Hall event set up (build day prior)	4 hrs	152.00	150.00	150.00
Education Room Seated (40)	8 hrs	400.00	300.00	160.00
Education Room Seated (40)	4 hrs	200.00	150.00	80.00
Education Room Seated (40)	2 hrs	100.00	75.00	40.00
Green Room Seated (25)	8 hrs	320.00	240.00	128.00
Green Room Seated (25)	4 hrs	160.00	120.00	64.00
Green Room Seated (25)	2 hrs	80.00	60.00	32.00
Art Gallery	4 hrs	280.00		112.00
Art Gallery	2 hrs	140.00		56.00
HTH Other:				
Town Hall Kitchen	8 hrs	320.00	240.00	128.00
	4 hrs	160.00	120.00	64.00
Projector Hire				
Piano Hire	per hire	150.00		
APRA Licence	per event	60.00		
Additional Cleaning	per hour	55.00		

	Lease Period	Charge Frequency	Adopted Charge 2014/15	Proposed Charge 2015/16	YEAR LAST INCREASED

NOTE: All charges listed do not include gst unless otherwise stated.

WASTE MANAGEMENT FEES

*** All waste management fees listed include GST**

TRANSFER STATIONS AND RURAL LANDFILLS

WASTE ITEM	CHARGE UNIT			
General Waste				
Car Boot/240 litre bin	Min. charge	12.00	**12.50**	**2014/15**
6 x 4 Trailer, Utility	(approx 1m3)	18.00	**19.00**	**2014/15**
6 x 4 Trailer with sides	(approx 1.5m3	27.00	**28.50**	**2014/15**
Tandem Trailer	2m3	36.00	**38.00**	**2014/15**
Light Trucks	3m3	54.00	**57.00**	**2014/15**
Builders Waste/Concrete/Spoil				
-If dumped at Transfer Station **$145.20*** per m3 plus **$11.00*** per m3 cartage to Dooen - maximum 3 x m3 = **$468.60**				
Dead Animals - **per carcass**		17.00	**18.00**	**2014/15**
Green Waste (Sorted-Clean)				
Up to 2 cm (loose)	per load	8.00	**8.00**	**2011/12**
Trucks/Large Loads/Tandem Trailer	per load	20.00	**20.00**	**2011/12**
6 X 4 Trailer (clean, green)	per load	6.00	**6.00**	**2011/12**
Recyclables				
Paper / Cardboard / Polystyrene Bottles / Glass / Cans Steel/W. Goods/Fencing/Tanks	free if sorted			
Car Batteries		No Charge	**No Charge**	
Car Bodies		No Charge	**No Charge**	
Empty Gas Cylinders		No Charge	**No Charge**	
Mattresses (Single)		14.00	**15.00**	**2014/15**
Mattresses (Double or larger)		28.00	**30.00**	**2014/15**
Light Tyres		23.00	**24.00**	**2014/15**
Heavy Tyres		39.00	**42.00**	**2014/15**
Heavy Tyres (Truck)		72.00	**77.50**	**2014/15**
Heavy Tyres (Tractor, etc)		155.00	**165.00**	**2014/15**
Waste Oil (non-commercial only)		No Charge	**No Charge**	
T.V. (monitor) screens, etc.		No Charge	**No Charge**	**2012/13**
Chemical Drums (must be triple rinsed)	each	No Charge	**No Charge**	
Sale of chipped greenwaste (if available)				
Trailer 6 X 4	Load	15.00	**15.00**	**2008/09**
Tandem Trailer	Load	23.00	**23.00**	**2008/09**
Truckload	Load	29.50	**29.50**	**2008/09**
Loading (To max. $5.00*)	per m3	2.00	**2.00**	**2007/08**

Commercial Waste	Large loads not accepted
Asbestos Waste	Not Accepted
Builders Waste/Concrete/Spoil	In excess of 3xm3 take to Dooen by arrangement at Dooen
Builders Waste/Concrete/Spoil	If dumped at Transfer Station **145.20*** per m3 plus $11.00* per m3 cartage to Dooen = **156.20**/m3 (ie. For 3 x m3 = **$468.60**)

All accounts must be authorised by General Manager Technical Services and a bank cheque/guarantee may be requested as security.

	Lease Period	Charge Frequency	Adopted Charge 2014/15	Proposed Charge 2015/16	YEAR LAST INCREASED

NOTE: All charges listed do not include gst unless otherwise stated.

WASTE MANAGEMENT FEES (rates amended for increased EPA charges 2015/16)

DOOEN LANDFILL *** All waste management fees listed include GST**

(Based on EPA Landfill levies of **$30.00** per tonne for Municipal and $52.60 per tonne for Industrial/Commercial waste, **$70.00** per tonne for Low Level Contaminated Waste and **$50.00** for Asbestos)

WASTE ITEM	CHARGE UNIT			
General Waste				
Not accepted unless by arrangement - use Transfer Station				
All Loads (Min. 3 tonne)	Min 3.0 tonne	343.20	**356.40**	**2014/15**
Excess above 3.0 tonne	tonne	114.40	**118.80**	**2014/15**
Green Waste (Sorted) & Recyclables				
Not accepted - use Transfer Station				
Putrescible Waste				
Municipal - other Councils	tonne	114.40	**118.80**	**2014/15**
HRCC		102.30	**107.80**	**2014/15**
Hard Waste				
(Builders Rubble, etc.)	tonne	138.60	**145.20**	**2014/15**
Commercial Waste				
(From approved Commercial Waste Operators)	tonne	138.60	**145.20**	**2014/15**
Clean Filling				
(Suitable for Landfill cover)	tonne	7.70	**7.70**	**2010/11**
Sheepskins	tonne	60.00	**65.00**	**2014/15**
Dead Sheep	each carcass	8.30	**8.80**	**2014/15**
Animal Carcass				
(Larger than sheep)	each carcass	17.00	**18.00**	**2014/15**
Clean Concrete				
(Suitable for crushing)	tonne	5.50	**5.50**	**2008/09**
Asbestos	tonne	220.00	**231.00**	**2014/15**
(Only accepted with EPA approval)				
Grain Waste				
(GMO waste DNRE approval needed)	tonne	138.60	**145.20**	**2014/15**
Low Level Contaminated Soil (Cat. C)	tonne	198.00	**209.00**	**2014/15**
Sale of Crushed Concrete				
Non Council	tonne	N/A	**N/A**	**2010/11**
Council	tonne	12.00	**12.00**	**2010/11**
Approved Contributing Recyclers	tonne	N/A	**N/A**	**2010/11**

Horsham Rural City Council urban rural balance

BUILDING CONTROL FEES AND CHARGES 2015/2016

Domestic Building Work (Class 1 and 10)	
Works value less than $5,000	$380 + GST
New Dwelling, Extension, Alterations	
Value of Works $5001 to $10,000	$540 + GST
Value of Works $10,001 to $20,000	$680 + GST
Value of Works $20,001 to $50,000	$880 + GST
Value of Works $50,001 to $100,000	$1180 + GST
Value of Works $100,001 to $150,000	$1480 + GST
Value of Works $150,001 to $200,000	$1780 + GST
Value of Works $200,001 to $250,000	$2080 + GST
Value of Works $250,001 to $300,000	$2380 + GST
Value of Works $300,001 to $350,000	$2680 + GST
Value of Works above $350,000	Maximum $2980 + GST
Garage, Shed, Patio, Verandah, Pergola	$585 + GST
Swimming pools and all fences	$460 + GST
Restumping	$600 + GST
Re-erection of dwelling (resiting)	$1100 + GST
Demolish / Remove building	$480 + GST

Commercial Building Work (Class 2-9)	
New Building, Extension, Alterations	
Value of Works up to $10,000	$680 + GST
Value of Works $10,001 to $50,000	$880 + GST
Value of Works $50,001 to $100,000	$1280 + GST
Value of Works $100,001 to $150,000	$1685 + GST
Value of Works $150,001 to $200,000	$2088 + GST
Value of Works $200,001 to $250,000	$2490 + GST
Value of Works $250,001 to $300,000	$2895 + GST
Value of Works $300,001 to $500,000	$3300 + GST
Value of Works above $500,000 or (negotiated with Council)	Cost ÷ 150 + GST
Refurbishment, Fit out, Change of use, Essential Safety Measure Minor Alterations (minor building work only),	$680 + GST
Demolish / Remove Building	$580 + GST

Levies / Bonds

Building Administration Fund Levy – All Building Work > $10,000	0.00128 per $ of building work value
Bond / Guarantee for re erection of buildings	The lesser of the cost of the building work or $5,000
Council Infrastructure (Asset) Protection deposit	$700

Inspections

Additional Inspection (failure to pass initial / additional inspection not included in initial building permit fee)	$135 per inspection + GST
Inspections for Private Building Surveyors	$260 per inspection / hour + GST
Miscellaneous – eg reports for relocations, reports for applications for determinations	$160 per hour + GST

Report and Consent

Application for report and consent to build over an easement vested in Council pursuant to regulation 310.	As per Prescribed fee (as at July 2014 - $244)
Application for report and consent pursuant to Part 4 – Siting	As per Prescribed fee (as at July 2014 - $244)
Application for report and consent pursuant to regulation 513, 515, 604, 802 and 806.	As per Prescribed fee (as at July 2014 - $244)
Application for report and consent pursuant to regulation 610 – Location of point of stormwater discharge	As per Prescribed fee (as at July 2014 - $60.90)
Application for report and consent pursuant to s29a – Demolition of Building	As per Prescribed fee (as at July 2014 - $60.90)

Request for Information

Requests for information (Property Information Requests) pursuant to regulation 326(1), 326(2) and 326(3)	As per Prescribed fee (as at July 2014 - $48.60)

Illegal Building Work

Consideration of approval of illegal building work	Cost of building permit + 50% + GST

File Retrieval / Search

File retrieval – minor document (eg Copy of Building / Occupancy Permit/ Plans)	$8 + Photocopying + GST
File retrieval / search (Permit history)	$60 + Photocopying + GST

Amended Building Permit

Amended building permit – Minor alterations	$80 + GST
Amended building permit – Major alterations	$160 + additional inspections + GST
Extension of time to building permit – amended permit required	$110 + GST

Refunds

Withdrawn application – permit lodged not yet assessed	$200 retained
Withdrawn application – permit assessed not yet issued	30% fees retained Minimum $300 retained
Permit Cancellation – after permit issued	Refund for inspections not carried using inspection fee current at time of issue
Permit Cancellation – after permit expired	All fees retained.

Lodgement Fee

Lodgement fee for private building surveyors	As per Prescribed fee (as at July 2014 - $36.40)

Events

Place of Public Entertainment (POPE) Occupancy Permit	$350.00 inc GST
Temporary Site Inspection for large Marquees over 100 sqm	$220.00 inc GST
Temporary Structure Inspection	$220.00 inc GST

Note: Where the max number of inspections is exceeded on the building permit, additional inspections will be charged at $135 Per Insp + GST

TONY BAWDEN
Director, Planning and Economic
1 July 2015

Schedule of Application for Local Law Permit Fees

Local Law Number	Description	Fee Type (1,2,3, BF)	Department
2.2(a)	Without a permit a person must not on a road or municipal place; **occupy or fence off part of any area.**	3	TS
2.2(b)	Without a permit a person must not on a road or municipal place**; erect scaffolding, hoarding or overhead protective awning.**	3	TS
2.2(c)	Without a permit a person must not on a road or municipal place; **use a mobile crane or travel tower for any work.**	3	TS
2.2(d)	Without a permit a person must not on a road or municipal place**; remove or prune any street tree.**	1	TS
2.2(e)	Without a permit a person must not on a road or municipal place; **plant any tree or shrub or landscape any area.**	1	TS
2.2(f)	Without a permit a person must not on a road or municipal place**; place a bulk rubbish container.**	3	PPS
2.5	Without a permit a person must not construct or remove any kind of vehicle crossing.	BF	TS
2.6	Without a permit a person must not use a class of vehicle on a road which has been prohibited from use of that road by Council (see Section 3 of Community Local Law guidelines)	3	TS
2.7	Without a permit a person must not do any work to a vehicle on a road or municipal place, except to enable the vehicle to be removed from the road or municipal place.	2	PPS
2.8	Without a permit a person must not collect wood from a Council managed road or municipal place.	BF	TS
2.11	Without a permit a person must not organise any rally, procession or demonstration on a road or in a municipal place.	1	TS
2.25	Without a permit a person must not ride or lead a horse on a reservation in a built up area or in a municipal place	1	TS

2.26(a)	Without a permit a person must not on a road or municipal place**; place or display any vehicle or goods for sale.**	BF	PPS
2.26(b)	Without a permit a person must not on a road or municipal place**; display any goods.**	2	PPS
2.26(c)	Without a permit a person must not on a road or municipal place; **place any outdoor eating furniture or associated facilities.**	BF	PPS
2.26(d)	Without a permit a person must not on a road or municipal place; **Place any structure for the purposes of selling or offering for sale any goods or serves.**	BF	PPS
2.26(e)	Without a permit a person must not on a road or municipal place**; sell or offer for sale any goods or services carried about or placed on the person or any other movable thing**.	BF	PPS
2.26(f)	Without a permit a person must not on a road or municipal place**; sell or offer for sale any raffle ticket, solicit or collect any waste materials, second hand goods, gifts of money or subscriptions from a road, or from premises adjacent to a road.**	1	PPS
2.26(g)	Without a permit a person must not on a road or municipal place; **busk.**	1	PPS
2.26(h)	Without a permit a person must not on a road or municipal place**; conduct a street party or festival.**	2	TS
2.26(i)	Without a permit a person must not on a road or municipal place; **conduct a circus, carnival or other similar event.**	3	TS
2.27	Without a permit, a person must not leave a trailer or caravan on a road or municipal place for more than 7 days	2	PPS
2.29	Without a permit a person must not play amplified music or sound on a road or municipal place if it is unreasonable noise.	3	CES
3.8	Permit to Burn	2	PPS
3.9	Without a permit a person must not light an incinerator in a built up area or within a residential area.	2	CES
3.10	Without a permit a person must not camp on a road or municipal place in a tent, caravan, motor vehicle or any	2	PPS

	other temporary or makeshift structure		
3.12	Without a permit a person must not tap into or interfere with any Council drain, unless otherwise authorised by Council	BF	TS
4.1	Without a permit an owner or occupier of land must not keep or allow to be kept more than 4 different types of animals in any residential or built up area.	3	PPS
4.2	Without a permit an owner or occupier of land must not be kept or allow to be kept any more in number for each type of animal as set out in the table.	3	PPS
4.5	Without a permit an owner of occupier of land must not keep or allow to be kept any more in number for each type of bird as set out in the following table	3	PPS
5.1	Permit to Drove	2	TS
5.5	Permit to Graze	2	TS
7.4	Without a permit a person must not conduct a fireworks display or otherwise ignite fireworks on Council property, public places and /or within one kilometre of any town boundaries.	2	PPS
7.9	Application for Authority to leave a vehicle standing on the aerodrome movement area	1	TS

Fee Type

Level 1 = $0

Level 2 = $30

Level 3 = $55

BF = Specifically Budgeted Fee

Department

TS = Technical Services

PPS = Planning & Promotion Services

CES = Community & Enterprise Services

CSED = Corporate Services & Economic Development

Horsham Rural City Council urban rural balance

Council Policy

ASSET MANAGEMENT POLICY

1. PURPOSE

The purpose of the Asset Management Policy is to provide the framework which, together with the Council Plan, enables the asset management strategy and specific asset management objectives, and plans to be produced.

HRCC policy is:

- Management of assets in a structured and coordinated manner within a continuous improvement framework;
- Improved alignment of assets with services and community expectations;
- Use of non-asset solutions to meet service demand; 'Renew' before 'New' and 'Upgrade';
- Compliance with legislation and regulatory requirements;
- Aim to fund all programmed renewals.

2. INTRODUCTION

Policy Vision:

This Policy reflects Council's vision, mission, and asset management objectives as enshrined in the Council Plan.

The Council Plan identifies the need to provide and manage quality infrastructure assets that support the delivery of services that are appropriate, affordable, accessible, responsive, and sustainable to the present and future community.

3. SCOPE

Our infrastructure assets include roads, footpaths and bicycle paths, drainage, bridges, aerodrome, aquatic centre, freight terminal, livestock exchange, parks, buildings etc. that are fundamental to the delivery of our services.

This policy covers all fixed assets that are under the control of Council valued at approximately $400M.

This policy has coverage over the development of new infrastructure initiatives, the replacement of existing infrastructure as well as the ongoing maintenance and operation of existing assets from inspection through to disposal as they reach the end of their economic or physical life.

The Council Plan objectives shall inform the Asset Management Policy. The policy principles shall describe the future vision for asset management within Council in the Asset Management Strategy. The Asset Management Strategy shall provide direction for the completion of Asset Management Plans. The Asset Management Plans shall document the basis for the financial forecasts and capital works programs which input into the Long Term Financial Plan.

4. DEFINITIONS

- **Asset Management Plan -** Long-term plans that outline the asset activities and programs for each service area and resources applied to provide a defined level of service in the most cost-effective way.
- **Asset Management Strategy -** A strategy covering the development and implementation of plans and programmes for asset creation, operation, maintenance, rehabilitation/replacement, disposal and performance monitoring to ensure that the desired levels of service and other operational objectives are achieved at optimum cost.
- **Asset Providers -** This is a generic term given to a person who is directly responsible for the day to day delivery of services to the community.
- **Capital Evaluation Model -** Model that prioritises the capital works based on various criterion like service levels, social and environmental impacts, risks, finance etc.
- **Council Plan -** A plan that outlines Council's process of defining its strategy/direction and making decisions on allocating resources to pursue this strategy/direction.
- **Environment Sustainability Strategy -** A strategy developed by Council that focuses on environment sustainability practices.
- **Long Term Financial Plan -** A plan for generating, spending and saving future income and raising and repaying borrowings as required.

- **Infrastructure Renewal Gap -** The annual shortfall in spending needed to maintain Council infrastructure.
- **Maintenance -** All actions necessary for retaining an asset as near as practicable to its original condition, but excluding operations, rehabilitation or renewal.
- **National Asset Management Assessment Framework -** A framework where each Council can self-assess their asset management capability status and monitor their own performance (improvement) over time.
- **New -** The creation of a completely new asset to meet additional service level requirements.
- **Operation -** All regular activities, which are carried out on assets to provide public health, safety and amenity (e.g. street sweeping, grass mowing, street lighting, electricity supply, water supply, etc.).
- **Renew -** Works to refurbish or replace existing assets with assets of equivalent capacity or performance capability.
- **Risk Management Policy -** Statement of the overall intentions and direction of the organisation related to risk management.
- **Service Management Plan -** An operational plan that provides details about the individual services that are provided by Council.
- **Service Providers -** This is a generic term given to a person who is directly responsible for the day to day management of physical assets.
- **Strategic Resource Plan -** A plan that outlines the resources required to achieve Council's commitments as detailed in the Council Plan.
- **Upgrade -** Works to improve or enhance an existing asset to provide higher levels of service (eg. road widening, building extensions, etc.).
- **'Whole of Life' Cycle Cost Analysis -** The technique which allows assessment of a given solution, or choice from among alternative solutions, on the basis of all relevant economic consequences over the service life of the asset.

5. PRINCIPLES

HRCC will adhere to the following core principles in the planning and decision-making relating to the selection, creation/acquisition, operation, maintenance and renewal/disposal of all infrastructure assets:

- Service levels will be used to determine the asset needs.
- Capital works projects and asset preservation shall be subjected to technical, financial, social and environmental evaluation and prioritised using Council's **Capital Evaluation Model**, and the principles outlined in the **Strategic Resource Plan** and **Environment Sustainability Strategy.**

- Council budgets shall take into account the financial forecasts as provided in the **Long Term Financial Plan** and the **Asset Management Plans**.
- Council shall complete Asset Management Plans for the major asset groups informed by community consultation and compatible with local government financial reporting frameworks.
- Adopt '**Whole of Life' Cycle Cost Analysis** for the management of all infrastructure assets, both existing and proposed new and upgraded assets.
- Council's annual expenditure shall be reported and monitored in terms of Operation, Maintenance, Renewal, New and Upgrade.
- When considering any renewal (refurbishment), replacement or improvement to any asset, a critical review of the need for that asset to be undertaken.
- Council will endeavour to progressively reduce the Infrastructure Renewal Gap. This will be achieved by a combination of:
    - Seeking additional external funding.
    - Seeking improved efficiencies in the delivery of asset maintenance and renewal practices to obtain improved value in this investment.
    - Including an annual rate increase of up to 2% per year, cumulative, added over and above any other adopted rate increase, specifically targeted to reduce the gap.
    - The level of the additional annual commitment will be assessed in the context of the affordability of rates on a year-to-year basis, recognising Council's desire to minimise the rate burden for ratepayers.
- Councillors, as Asset Custodians, shall be provided with regular briefings on the status of Council's assets, the funding needs to maintain desired levels of services, emerging asset management issues and other asset and service matters they deem as important to their role.
- Council shall ensure that staff involved in asset and service management have access to relevant financial and asset management training. For these staff, Council shall maintain an up-to-date **Finance and Asset Management Skills Matrix**, which monitors staff training needs – identifying training requirements, training programs and tracking of completed training.
- A **Roles and Responsibilities Matrix** will be developed to clearly identify the positions responsible for the various services and asset groups to perform the functions of "**asset providers**" and "**service providers**" and documented in Council's **Asset Management Plans**.
- Council's staff structure and staff position descriptions shall clearly define financial and asset management functions, responsibilities and skill requirements for managing all asset classes.

- Council is committed to promoting asset management to its councillors, staff and the community. To this end, Council shall endeavour to provide appropriate funding and resources for ongoing financial and asset management programs.
- Develop and maintain a computerised asset management system which incorporates a comprehensive register of all infrastructure assets.

Roles and Responsibilities

Asset management requires a whole of organisation approach and involves the participation of, and is the responsibility of the Council, executives and other staff. The specific roles and responsibilities are detailed in the Asset Management Strategy.

A cross functional Asset Management Steering Committee (AMSC) shall operate to maintain, coordinate, advise and facilitate the implementation of the adopted Asset Management Strategy.

The AMSC will report on a minimum quarterly basis to the Executive who in turn will report progress to the Council as required.

6. COMMUNICATION

This policy will be communicated to all HRCC employees, councillors and community via the Intranet and Council website.

7. RESPONSIBILITY

Policy Owner: Director Technical Services

8. SUPPORTING DOCUMENTS

Document	Location
Council Plan	
Asset Management Practices Improvement Strategy	
Asset Management Plan	
National Asset Management Assessment Framework	
International Infrastructure Management Manual (2011 Edition)	
Australian Infrastructure Financial Management Guidelines	

9. DOCUMENT CONTROL

Version Number	Approval Date	Approval By	Amendment
V1.00	Apr 2005	Council	AM Policy (Version 1.00)
V2.00	5 Nov 2007	Council	Updated & modified to become the Asset Management Policy (Version 2.00)
V3.00	20 Sept 2010	Council	Updated & modified to conform to the requirements of the National Asset Management Assessment Framework. Updated & modified to become the Asset Management Policy (Version 3.00)
V4.00	1 September 2014	Council	Reviewed to separate strategy from policy document.

10. POLICY REVIEW

Council shall review the Asset Management Policy in July 2016 and every two years from the date of adoption.

When reviewing the Asset Management Policy, due consideration shall be given to the requirements of the current Government Financial and Asset Management Frameworks (incl. the National Asset Management Assessment Framework), Council Plan, Long Term Financial Plan, Strategic Resource Plan, Asset Management Strategy, Service Management Plan, Asset Management Plans, Risk Management Policy, Environment Sustainability Strategy and other relevant policies and strategies.

The Assets Working Group (AWG) shall on an annual basis conduct an assessment on Council's performance against the policy principles and report the findings to the executive.

Horsham Rural City Council urban rural balance

Asset Management Improvement Strategy

March 2015

GENERAL
Schedule of Changes and Amendment

Version	Date	Changes/Amendment
V1.00	2006	AM Strategy Version 1.00 was adopted by Council.
V2.00	Sep 2009	Updated and modified to become the 'Draft' Asset Management Practices Improvement Strategy (Version 3) in September 2009; adopted by Council
V3.00	Apr. 2010	Updated and modified some statements and Key AM Strategic Actions. Updated the 'Draft' Asset Management Practices Improvement Strategy (Version 5) in April 2010; adopted by Council
V4.00	Mar. 2015	Modified to change to **Asset Management Improvement Strategy** and focus on formulation and implementation of future vision. Adopted by Council on 20/04/2015

Contents

1 PURPOSE 3
2 Council Plan Key Strategic Objectives 3
3 Strategic Approach To Asset Management 5
4 Key Benefits of Asset Management 7
5 Current Status 7
5.1 STEP Program 7
5.2 NAMAF 7
6 Asset Management Roles and Responsibilities 8
6.1 Council: 8
6.2 Asset Management Steering Committee (AMSC): 9
6.3 Assets Working Group (AWG): 10
6.4 Asset Management Coordinator: 11
6.5 Asset Provider: 12
6.6 Maintenance Provider: 12
6.7 Service Provider: 12
7 Future Vision and Improvement Opportunties 14
8 Implementation and Review 19
8.1 AM Strategy Review 19
8.2 AM Strategy Action Assessment 19
9 Asset Management Implementation PLAN 21

NAMAF Advanced: Accountability mechanisms are maintained to ensure that Council resources are used optimally to address Council's strategic asset management objectives, as detailed in the Asset Management Strategy and Asset Management Plans.

1 PURPOSE

The Asset Management Improvement Strategy **aims** to improve Council's asset management practices to deliver benefits including improved stewardship and accountability for assets, improved communication and relationships with service users, improved risk management, more effective utilisation of assets tuned to the delivery of services and improved financial efficiency.

The strategy achieves this by identifying an improved asset management framework and the method and priorities to achieve this framework. A gap analysis identifies improvement opportunities (actions) so that desired benefits can be achieved. It is intended that the Strategy be reviewed regularly and kept up to date as actions are completed and lessons learned.

The strategy also aims to ensure asset management practices are applied consistently across the organisation supported by a continuous improvement action plan so that Council may more effectively and efficiently manage the community's assets now and into the future.

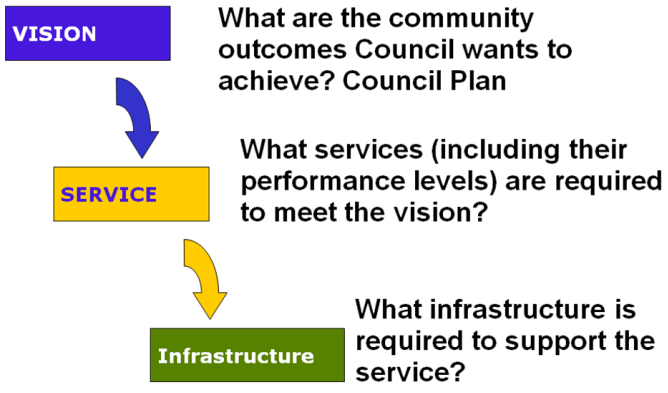
By understanding the extent, condition and performance of its infrastructure assets Council is then able to more effectively plan and fund its works programs. As a consequence assets will be managed to an acceptable standard, which will enable Council to competently deliver the required services and at a level acceptable by the community.

2 COUNCIL PLAN KEY STRATEGIC OBJECTIVES

NAMAF: Council has an Asset Management Strategy which shows how the asset portfolio can meet the service delivery needs of the community and defines the future vision of asset management practices within Council.

The Council Plan is a vital document that sets out the strategic direction of Council and most importantly sets the vision for the future. It provides the framework upon which decisions by Council are determined.

Having set a vision the services required to meet that vision can be better defined and then the assets required to support those services determined. It is imperative to the long term sustainability of Council that this approach be followed so that assets requiring renewal and maintenance are managed specifically to meet service needs. Council can ill afford to have assets that do not meet specific service needs.



Council's Vision is:

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

Our Mission:

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

Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future. The Council Plan 2014 -18 identifies the following infrastructure and service delivery goals:

Asset Group	Key Strategic Activity	Operational Activity
General	Evaluate refurbishment of appropriate Council assets before construction of new facilities (p11)	Budgeted commitment of expenditure on renewal of Council assets above condition 8 – target 70%
	Maintain assets that meet the community's needs (p14)	
	Meet community and service needs through provision and maintenance of infrastructure (Goal 3 p23)	The proportion of capital works projects completed at the conclusion of the financial year – target 90%
	Determine infrastructure needs and expectations through consultation with developers and the community (KD 3.1 p23)	
	Undertake a review of Council infrastructure asset holdings in terms of their relevance to future community needs and longer term implications of ownership(Commitment 3.1.4, p24)	
	Ensure projected financial and physical programs reflect infrastructure needs (KD 3.2 p23)	The proportion of capital works projects completed within the allocated budget – target 90%
	Maintain asset management systems that will assist planning asset maintenance and capital renewal (KD 3.3 p23)	
	Develop a maintenance and replacement schedule for all groups of assets managed by Council, including heritage listed buildings (Commitment 3.3.1, p24)	
	Develop and implement asset management plans for all nominated asset groups to assist with long term financial and asset management planning and legislative requirements - involve the community in the process (Commitment 3.3.2, p24)	
	Deliver works to develop and maintain Council's physical assets for long term sustainability, amenity and safety (KD 3.4 p23)	
	Prioritise risk and condition reports for all assets (p25)	Achieve building condition assessments for building valued at over $20,000 – target 100%
	Continue to actively pursue initiatives to reduce	

Asset Group	Key Strategic Activity	Operational Activity
	the infrastructure renewal funding gap (p25)	
	Encourage greater use of information technology systems for asset and risk management, including the geographic information system (p25)	
Roads	Review and implement the Road Management Plan (Commitment 3.2.1, p24)	
	Review Council's approach to private streets maintenance and construction (Commitment 3.4.1, p24)	
Bridges	Develop a partnership approach and plan for improved pedestrian and vehicle bridge/s connecting the north and south of Horsham (Commitment 3.1.1, p24)	
Buildings	Provide a changing places toilet facility in Horsham(Commitment 3.1.6, p24)	
	Implementation of the Civic Centre Redevelopment Plan within budget allocations(Commitment 3.2.2, p24)	
	Investigate access to and upgrade public convenience facilities in the Horsham central business district and across the municipality (Commitment 3.4.4, p24)	
Footpaths	Develop a partnership approach and plan for improved pedestrian and vehicle bridge/s connecting the north and south of Horsham (Commitment 3.1.1, p24)	
	Develop infrastructure that encourages greater participation and use of alternate transport options to the city (eg, walking, cycling and public transport) (Commitment 3.4.2, p24)	
Drainage	Continue construction and implementation of drainage infrastructure for Horsham North and Horsham South (p25)	
Recreation	Improve and enhance facilities in Horsham including the Caravan Park, Visitor Information Centre, Horsham Aquatic Centre and Botanical Gardens to attract more visitors to the municipality (Commitment 3.1.2, p24)	
	Upgrade the Horsham Aquatic Centre Outdoor Pool. Consider options for further improvements throughout the Aquatic Centre (Commitment 3.4.3, p24)	
	Upgrade and improve facilities at May Park (Commitment 3.4.5, p24)	

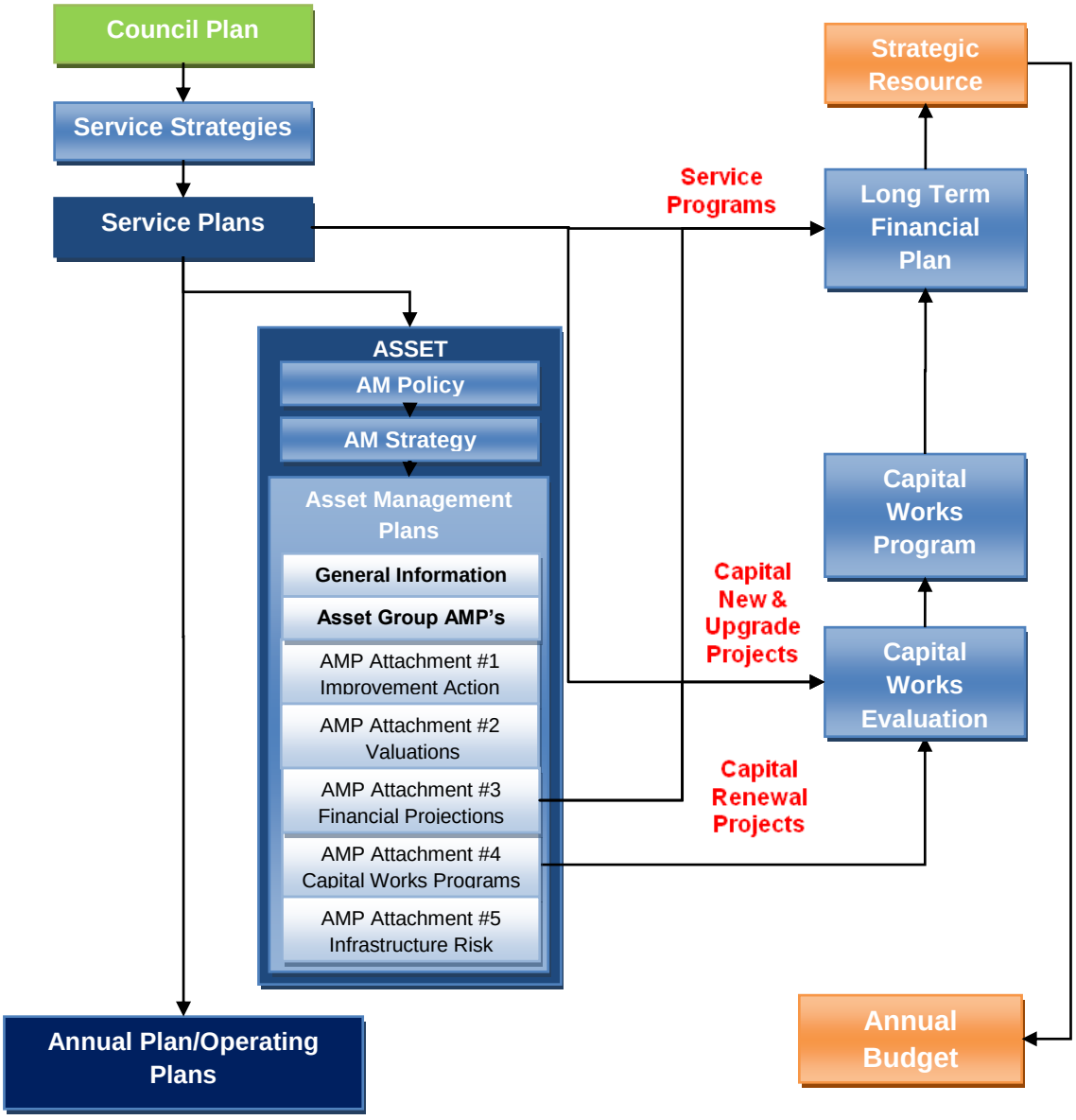
3 STRATEGIC APPROACH TO ASSET MANAGEMENT

NAMAF: Council's Asset Management Strategy is linked to Council's Asset Management Policy and integrated into Council's Strategic Longer Term planning and annual budgeting processes.

This Strategy forms part of the planning and policy framework within Council as demonstrated below.

NAMAF Advanced: Planning for New assets and the Upgrade of assets is driven by Council's Strategic Longer Term Plan, Council's Service Plans and Council's Asset Management Plans.

ASSET MANAGEMENT FRAMEWORK



The Asset Management Policy complements and builds upon the Council Plan vision to provide a more formalised approach to asset management principles and methodology.

Asset Management Plans are long-term plans which outline the asset activities for the service areas within council.

4 KEY BENEFITS OF ASSET MANAGEMENT

The key potential benefits for Council in improving current asset management practices are:

- Managing Council's asset to optimise the life of its assets;
- Implementing processes that will allow improved asset management and financial planning;
- Demonstrating sound governance of the Municipality's assets;
- Enhanced stakeholder participation;
- Improved response to the changing drivers within the industry;
- Allowing for environmental pressures without compromising service delivery;
- Monitoring asset performance and responding accordingly;
- Ensuring cost effective solutions for the management of the assets;
- Obtaining consistent and reliable data across asset groups;
- Implementing an asset management system to be used by Council; and
- Providing the tools necessary to analyse the performance of assets and develop Asset Management Plans, to determine future funding requirements required to deliver adopted levels of service.

5 CURRENT STATUS

5.1 STEP Program

HRCC's involvement since 2002 in the MAV Step Program has seen continuous improvement. Council's participation in the program has seen the adoption of an Asset Management Policy and Asset Management Plans for major asset classes, as well as the development of a Road Management Plan. Monitoring of a series of improvements as part of the score card approach has allowed HRCC to develop its Asset Management capability. The Moloney Model[1] has provided an understanding of HRCC's Renewal Gap[2] which now allows Council to appropriately forecast and plan to sustainably manage its future infrastructure renewal requirements.

5.2 NAMAF

In March 2009 the Local Government and Planning Ministers Council (LGPMC) endorsed the development of an enhanced National Asset Management Framework. While the development of nationally consistent asset management and financial planning systems has been on the agenda for some time the LGPMC has agreed to accelerate the implementation of these new frameworks with State and Territory governments agreeing to implementation by 31 December 2010.

These frameworks relate to:

- Criteria for assessing financial sustainability;
- Asset Planning and Management; and
- Financial Planning and Reporting.

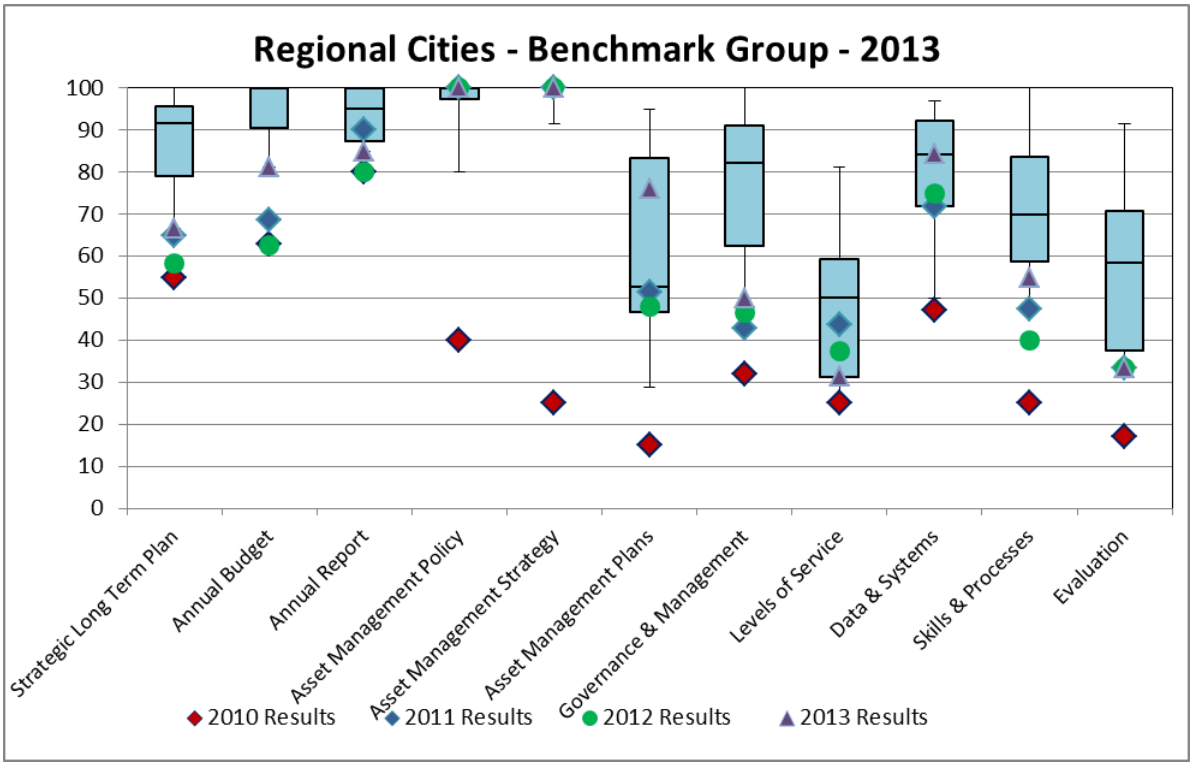
[1] **Moloney Model**: is the software developed to assist Local Government authorities to gain a better understanding of the future renewal cost associated with their assets and quantify the renewal demand across the whole asset range.

[2] **Renewal Gap:** is the difference between the funding that Council needs to renew its existing assets and the money that's currently being allocated for this purpose.

Council measures its asset management maturity in the context of the draft National Asset Management and Financial Planning Framework (NAMAF). The NAMAF makes an assessment against 11 elements, as drawn from the Frameworks.

The MAV target is for Council's to achieve core maturity by December 2013. Due to some other priorities council was unable to achieve the target. HRCC, however, is working continuously towards achieving 'Core' status while improving the asset management practices.

The following chart provides a snap shot of Councils performance from 2010 to 2013 and how it performed against similar Councils within Victoria. Further details of how these AM maturity scores have been derived can be viewed via reference to Council's current NAMAF assessment.



6 ASSET MANAGEMENT ROLES AND RESPONSIBILITIES

To achieve this policy the following key roles and responsibilities and commitments are identified:

6.1 Council:

- To act as custodian of community infrastructure assets.
- To set corporate asset management vision and policy, with linkages to the **Council Plan**.
- To adopt and acknowledge the **Asset Management Policy**, **Asset Management Strategy**, **Service Management Plans**, **Asset Management Plans**, **Long Term Financial Plan** and **Strategic Resource Plan**, and to ensure that they are recognised and linked to the **Council Plan**.

- To consult with the community and key stakeholders and promote participative decision making by the community when making long term decisions, and to be subsequently accountable to the community about the activities of the Council.
- To ensure appropriate resources and funding for Asset Management activities are made available to integrate Asset Management into the corporate governance framework.
- To provide consistent and transparent decision making based on adopted criteria.
- To provide an advocacy role with Federal and State Governments.
- To foster and support the Asset Management Steering Committee (AMSC).
- To ensure that the Councillors, as Asset Custodians, are provided with regular briefings on the status of Council's assets, the funding needs to maintain desired levels of services, emerging asset management issues and other asset and service matters they deem as important to their role.
- Council is committed to promoting asset management to its Councillors, Staff and the Community. To this end, Council shall endeavor to provide appropriate funding and resources for ongoing financial and asset management programs.

6.2 Asset Management Steering Committee (AMSC):

- The **Asset Management Steering Committee** shall consist of the Chief Executive Officer, Members of the Executive Management Group (EMG) The Asset Management Steering Committee shall meet regularly, and no less than **four-monthly**.
- To report regularly to Council on asset management matters and to ensure that timely, accurate and reliable information is available and presented to Council for decision-making.
- To continually promote Asset Management across the organisation, Council and the Community and to maintain a 'Whole of Organisation' approach to Asset Management.
- To foster and support the multi-discipline, cross-functional Assets Working Group (AWG).
- Approve the **AM Policy**, **AM Strategy**, **Service Management Plans**, **Asset Management Plans**, **Long Term Financial Plan** and **Strategic Resource Plan**, and to monitor the outcomes of these on an annual basis.
- To validate and challenge asset proposals to ensure that they meet the requirements of the **Council Plan** objectives, **Asset Management Plans**, **Long Term Financial Plan and Environmental Sustainability Strategy, and** to ensure linkage with other Council policies and plans (e.g. Risk Management, OHS, etc.).
- To ensure the adoption of **'Whole of Life' Cycle Cost Analysis** for the management of all infrastructure assets, both existing and proposed new/upgrade assets.
- To ensure the efficient and effective use of Council funds and optimising **'Life Cycle' costs** of all assets.
- To ensure that Council Budgets take into account the financial forecasts as provided in the **Long Term Financial Plan** and the **Asset Management Plans**.

- To ensure that all moneys raised from the additional Infrastructure Renewal Gap Rate Increase shall only be spent on renewing those assets/components whose condition is at or above the adopted intervention level for that asset or component.
- To ensure that Council's Annual Expenditure is reported and monitored in terms of **Operation**, **Maintenance**, **Renewal**, **New** and **Upgrade**.
- To ensure the Community and Key Stakeholders are consulted and engaged and their inputs are integrated into **Service Management Plans** and **Asset Management Plans**.
- To ensure the promotion of asset management to all Councillors as Asset Custodians, through regular briefings on the status of Council's assets, the funding needs to maintain desired levels of services, emerging asset management issues and other asset and service matters they deem as important to their role.
- To ensure staff are appropriately trained and skilled to perform the required financial and asset management functions.
- Approve, review and promote the **Roles and Responsibilities Matrix**, and to monitor the roles/functions of the various **"asset providers"** and **"service providers"**.
- To ensure that Council's Staff Structure and Staff Position Descriptions clearly define financial and asset management functions, responsibilities and skill requirements for managing all asset classes.
- To ensure that staff involved in asset and service management have access to relevant financial and asset management training. For these staff, Council shall maintain an up-to-date **Finance and Asset Management Skills Matrix**, which monitors staff training needs – identifying training requirements, training programs and tracking of completed training.

6.3 Assets Working Group (AWG):

- The **Asset Working Group** shall consist of representatives from Technical Services, Finances, Community Services, Planning and Building, IT, Plant and Fleet, and Environment and Recreation. The Asset and Services Management Group shall meet regularly, and no less than **bi-monthly**.
- To report regularly to the Asset Management Steering Committee (AMSC) on asset management matters and to ensure that timely, accurate and reliable information is available and presented to the AMSC for decision-making.
- Develop, implement, review and assess the **Roles and Responsibilities Matrix** and provide support to the **"asset providers"** and **"service providers"**.
- To facilitate the development, implementing, reviewing and assessment of **AM Policy**, **AM Strategy**, **Service Management Plans**, **Asset Management Plans**, **Long Term Financial Plan** and **Strategic Resource Plan**.
- Implementation of Council's asset management policy and strategy.
- Encourage continuous improvement, innovation and cost effective methods to improve asset management practices.
- Provide the guidance to 'service providers' on development of level of service.
- To provide effective communication between staff and EMG on asset issues.
- To encourage and promote that **Council Budgets** take into account the financial forecasts as provided in the **Long Term Financial Plan** and the **Asset Management Plans**.

- Promote and maintain that Annual Expenditure is reported and monitored in terms of Operation, Maintenance, Renewal, New and Upgrade.
- Develop, implement, review and audit the **Capital Reporting Template** and **Capital Evaluation Model**.
- Ensure that proposed **Capital Works Projects** are subjected to technical, financial, social and environmental evaluation and prioritised using the **Capital Evaluation Model**, and the principles outlined in the **Strategic Resource Plan** and **Environment Sustainability Strategy**.
- Promote the funding of "non-discretionary" **Renewal** of infrastructure assets before the funding of "discretionary" **New** and **Upgrade** projects.
- To ensure that detailed, accurate and up-to-date Asset Registers, for all asset groups, are maintained at all times.
- Determine the **Useful Lives**, **Written Down Values** and **Depreciation Values** for all assets, and ensure that they are determined in accordance with the current applicable accounting regulations.
- **Depreciation Values** will be calculated using a method that reflects the true consumption of the asset, or is an indication of the future cash flows necessary to sustain asset condition and maintain the required service level. Wherever possible, condition based depreciation method will be used to determine Written Down Values.
- To ensure that the maintenance, refurbishment and capital work (renewal/refurbishment) programs are in accordance with **Asset Management Plans** and **Long Term Financial Plans.**
- To develop and implement procedures that ensures the asset database is maintained and updated and provide required reports to the Chief Executive and Executive Management Group to meet their statutory and legal responsibilities.
- Promote and raise awareness of financial and asset management practices and their benefits and goals to the Council, Staff, users.

6.4 Asset Management Coordinator:

This is a generic term given to a person who is directly responsible for the day to day coordination of strategic asset management and planning. The general duties of this role are:-

- Develop and maintain asset information.
- Coordinate regular condition assessments and monitor the condition and performance of the physical asset.
- Predictive modelling of renewal/maintenance needs, and the use of optimised decision-making techniques to ensure asset can continue to function and meet the needs of the service.
- Evaluating and reporting to Council on long-term renewal needs.
- Working with IT Officers to ensure systems development and functionality meets asset management needs.
- Coordinates the Assets Working Group (AWG) and offers advice on asset management.
- Development of the AM Policy and AM Strategy.

- Advises on the appropriate preventative maintenance programs required to ensure that the lowest net life cost is achieved and asset service potential is optimised.
- Offers advice to Council and EMG when compiling the annual budget.
- Supports and assists the "**asset providers**" and "**service providers**" with advice on asset management and the development of Service Plans and Asset Management Plans.

6.5 Asset Provider:

This is a generic term given to a person who is directly responsible for the day to day management of physical assets. The general duties of this role are:-

- Coordination of the physical asset.
- Consideration of long term renewal needs of the asset.
- Uses and records asset information and ensures that up-to-date information is made available for the updating of asset registers.
- Monitor the maintenance and performance of the physical assets to ensure that they continue to function and meet the needs of the service.
- Responsible for the setting and monitoring of technical service levels.
- Responsible for the delivery and monitoring of capital works programs.
- Development of the renewal works programs.
- Development and updating of Asset Management Plans.

6.6 Maintenance Provider:

This is a generic term given to a person who is directly responsible for the day to day coordination of maintenance on physical assets. The general duties of this role are:-

- Management and monitoring of day-to-day maintenance of physical assets (proactive and reactive maintenance, essential services).
- Preparation and monitoring of cyclic maintenance (e.g. programming of road sealing, road painting, painting of buildings, carpets etc.).
- Day-to-day maintenance of physical assets (proactive and reactive maintenance, essential services).
- Programming of cyclic maintenance (e.g. programming of road sealing, road painting, painting of buildings, carpets etc.).
- Management and monitoring of maintenance contracts.

6.7 Service Provider:

This is a generic term given to a person who is directly responsible for the day-to-day delivery of services to the community. The general duties of this role are:-

- Responsible for the delivery of the services.
- Responsible for the setting and monitoring of community service levels and standards.
- Liaison with the community – users, stakeholders and customers.
- Responsible for the analysis of the current and future approach to service delivery.
- Investigating and securing grants/funding opportunities.
- Coordinate/determine/evaluate the future needs/requirements for service delivery (incl. proposals for new or upgrade works).

- User management and community liaison (including leases and Service Level Agreements, etc.).

7 FUTURE VISION AND IMPROVEMENT OPPORTUNTIES

Improvement opportunities are identified by working through the following process (gap analysis):

1. Firstly a **future vision** is formulated. The Asset Management Policy includes policy statements to assist in achieving consistency and commitment to asset management decision-making. These statements, in conjunction with NAMAF results, provide a basis for the future vision of asset management within Council.
2. An overall understanding should then be gained as to the **current situation** of asset management within Council.
3. Lastly, an analysis can be undertaken to identify the **improvement opportunities** to close the gap between current practices and those sought in the vision.

NAMAF: Council's Asset Management Strategy documents the current status of asset management practices (processes, asset data and information systems) within the Council and what actions Council must take to implement the Asset Management Policy, including resource requirements, timeframes and accountabilities.

Future Vision (AM Policy statements based on NAMAF elements)	**Current Status**	**Improvement Opportunity to Close the Gap between Required and Current**
Asset Management Plans		
Council shall complete Asset Management Plans for the major asset groups informed by community consultation and compatible with local government financial reporting frameworks	Current draft versions based on STEP template and align with IIMM and NAMAF requirements. The AMP addresses: • Community Engagement • Maintenance, operations and disposal planning • Legislation • Assets under-capacity (compared against any adopted level of service) • Critical assets (strategic) AMP's for following asset classes has be started Asset Management Plan Part A – General Information Asset Management Plan Part B – Road Asset Management Plan Part C – Bridges and Major Culverts Asset Management Plan Part D – Building Asset Management Plan Part E – Footpath Asset Management Plan Part F – Drainage	Complete Asset Management Plans and its Attachments and recommend for adoption by EMG and Council

Future Vision (AM Policy statements based on NAMAF elements)	Current Status	Improvement Opportunity to Close the Gap between Required and Current
	Asset Management Plan Part G – Recreation and Open Space	
Governance and Management		
Council's annual expenditure shall be reported and monitored in terms of Operation, Maintenance, Renewal, New and Upgrade	All annual expenditures are reported in terms of, Renewal, New and Upgrade in annual budget and annual report.	Report and monitor the annual expenditure in terms of operation and maintenance.
When considering any renewal (refurbishment), replacement or improvement to any asset, a critical review of the need for that asset to be undertaken	**Complete**. Any new, renew and upgrade project has to go through the capital evaluation process.	
Council will endeavour to progressively reduce the Infrastructure Renewal Gap. This will be achieved by a combination of: o Seeking additional external funding. o Seeking improved efficiencies in the delivery of asset maintenance and renewal practices to obtain improved value in this investment. o Subject to the conditions below, including an annual rate increase of up to 2% per year, cumulative, added over and above any other adopted rate increase, specifically targeted to reduce the gap. o The level of the additional annual commitment will be assessed in the context of the affordability of rates on a year-to-year basis, recognising Council's desire to	Council is always looking for all possible external funding available to fund the renewal to reduce the gap. Council is currently considering asset rationalization and other means such as replacement with better/cheaper technology. The annual rate increase is currently reduced to 1% due to overall budget pressures and Council's assessment of rates affordability.	Review the construction technology to achieve the cost effectiveness and longevity of asset's useful life. E.g. pavement stabilisation, recycling of the pavement material during construction etc. Partial renewal instead of complete renewal especially in road assets.

Future Vision (AM Policy statements based on NAMAF elements)	Current Status	Improvement Opportunity to Close the Gap between Required and Current
minimise the rate burden for ratepayers.		
A **Roles and Responsibilities Matrix** will be developed to clearly identify the positions responsible for the various services and asset groups to perform the functions of "**asset providers**" and **"service providers**" and documented in Council's **Asset Management Plans**	Developed and endorsed by EMG on 7 July 2014	Document the roles of "**asset providers**" and "**service providers**" defined by "**roles and responsibility matrix**" into Asset Management Plans
Council's staff structure and staff position descriptions shall clearly define financial and asset management functions, responsibilities and skill requirements for managing all asset classes	Some of the PD's already reflect this	Work with HR to review the PD's.
Use of non-asset solutions to meet service demand; 'Renew' before 'New' and 'Upgrade'	**Complete**. Current Capital evaluation model scoring sheet gives priority score to renewal (20) compared to upgrade (5) and new (0)	
Capital works projects and asset preservation shall be subjected to technical, financial, social and environmental evaluation and prioritised using Council's **Capital Evaluation Model**, and the principles outlined in the **Strategic Resource Plan** and **Environment Sustainability Strategy**	**Complete**. Capital works evaluation model considers the criterion like fit with Council strategies, service level, social impact on community, capital finance source, O&M cost, environmental impact analysis, likelihood of risks and capital classification	
Council budgets shall take into account the financial forecasts as provided in the **Long Term Financial Plan** and the **Asset Management Plans**	LTFP: Not completed AMP's: at draft stage	Develop LTFP and AMP and establish the link with the Council Budget
Adopt '**Whole of Life' Cycle Cost Analysis** for the management of all infrastructure assets, both existing and proposed new and upgraded assets	Adopted	Adopted. Review annually.

Future Vision (AM Policy statements based on NAMAF elements)	Current Status	Improvement Opportunity to Close the Gap between Required and Current
Levels of Service		
Service levels will be used to determine the asset needs	Service Levels not broadly defined	Develop service levels following the community consultation
Improved alignment of assets with services and community expectations		Assets to be aligned with services and community expectation during the service plan development.
Data and Systems		
Develop and maintain a computerised asset management system which incorporates a comprehensive register of all infrastructure assets	Up to date asset database in maintained into spreadsheet format. Implementation of MyData is currently underway. Fleet: 90% Road, footpath, K&C : 75% Bridges: 50% Buildings: 10% Recreation and Open Spaces: 0%	Implement MyData to cover all major asset classes including mobile based inspection and maintenance management system and predictive modelling module. Finalise the register for Buildings and Recreation & Open Space assets
Skills and Processes		
Councillors, as Asset Custodians, shall be provided with regular briefings on the status of Council's assets, the funding needs to maintain desired levels of services, emerging asset management issues and other asset and service matters they deem as important to their role.	Councillor Engagement Process documented into Asset Management Plan – General Information. Councillors understand renewal gap to a degree.	Implement the Councillor Engagement Process. Develop a process for annual briefing (pre – budget) to Councillors about the progress on asset management, renewal gap etc.
Council shall ensure that staffs involved in asset and service management have access to relevant financial and asset management training. For these staff, Council shall maintain an up-to-date **Finance and Asset Management Skills Matrix**,	Not completed	Develop the skill matrix

Future Vision (AM Policy statements based on NAMAF elements)	Current Status	Improvement Opportunity to Close the Gap between Required and Current
which monitors staff training needs – identifying training requirements, training programs and tracking of completed training.		
Council is committed to promoting asset management to its Councillors, staff and the community. To this end, Council shall endeavor to provide appropriate funding and resources for ongoing financial and asset management programs	Not completed	
Evaluation		
Management of assets in a structured and coordinated manner within a continuous improvement framework	NAMAF	Continuous improvement to achieve 'core' status in NAMAF

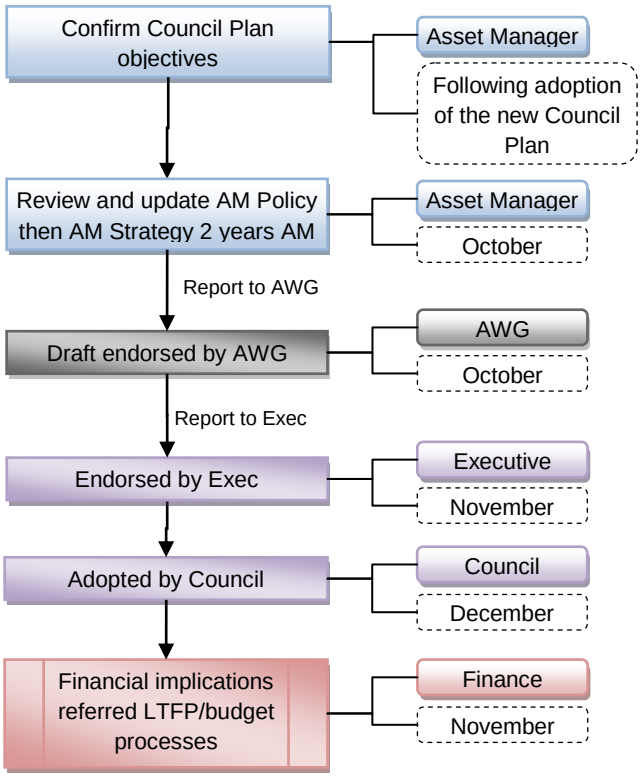
8 IMPLEMENTATION AND REVIEW

8.1 AM Strategy Review

A full review of this Asset Management Strategy will take place every two years in accordance with the process below.

NAMAF: Council has a process to review and update the Asset Management Strategy on a maximum of a 5 year cycle. The Asset Management Strategy is to be formally adopted by Council.

AM Strategy Review Process



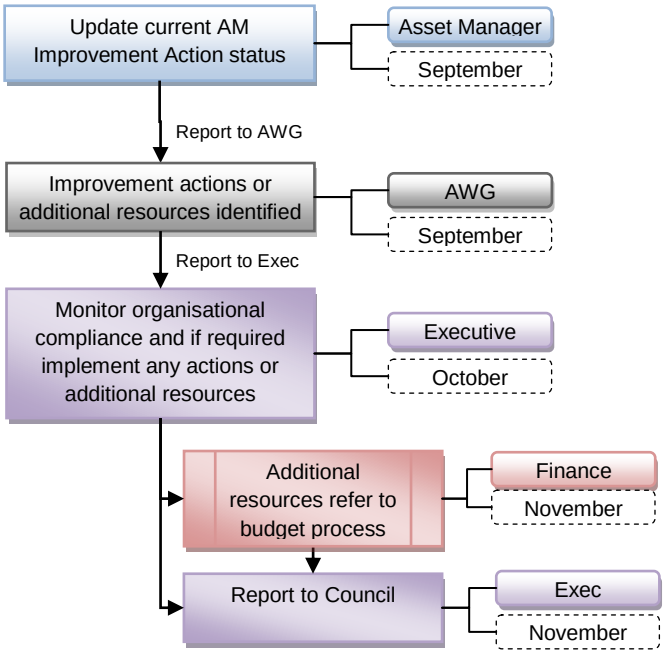
8.2 AM Strategy Action Assessment

An assessment on the status of the Action Plan will take place annually which shall review the status and implementation of identified actions as set out in the AM Strategy. The assessment shall be endorsed by the Asset Working Group (AWG).

The CEO and Executive Management Team will monitor organisational compliance to this strategy on an ongoing basis and report to the Council on at least an annual basis in accordance with the process below.

NAMAF: Council has mechanisms in place to provide high level oversight by the Council, CEO/GM and Executive Management Team, for development and implementation of the Asset Management Strategy and Asset Management Plans.

Assessment of AM Strategy Improvement Actions Process



9 ASSET MANAGEMENT IMPLEMENTATION PLAN

	ACTION (carried forward from improvement opportunities)	NAMAF SECTION	PRIORITY /TIMEFRAME			RESPONSIBILITY	RESOURCES	STATUS	COMMENTS
			H 14-15	M 15-16	L 16-17				
1	**National Asset Management Assessment Framework (NAMAF)** –complete questionnaire. CEO to sign-off and submit to MAV		✓	✓	✓	RU & AWG	In-house	Ongoing	Completed in Nov 2014 –Next Due Nov – 2015.
2	**Asset Management Policy -** review/assess in accordance with the adopted process.	4		✓		RU & AWG	In-house	100%	Completed in June 14. Review in June 16
3	**Asset Management Strategy** – review/assess in accordance with the adopted process.	5	✓		✓	RU & AWG	In-house	90%	Currently under review
4	**Asset Management Responsibility Matrix** –to be developed to clearly identify the positions responsible perform the functions of each of “Asset Providers” and “Service Providers”.	7	✓		✓	RU & AWG	In-house	100%	Endorsed by EMG on 7 July 2014
5	**Asset Management Plan (AMP’s)** - develop AM Plans for major asset classes.	6	✓	✓	✓	AE (with Asset Providers)	In-house	60%	Draft AMP’s for all major asset classes has be developed with some improvement actions.
6	**Asset Management System** - Establish and implement an Asset Management System capable of incorporating all asset groups and generating maintenance and renewal programs and associated cash flow forecasts for all asset groups.	9	✓	✓	✓	Manager Assets(with IT Manager)	$60,000	40%	Implementation of MyData in progress Roads data input – 95% Fleet module implementation – 95% Building data input – 20% MMS implementation in 15/16 if funding available.
7	**Asset Registers** - review all asset lists and ensure that a single Asset Register is prepared for each asset group by reconciling any separate lists	6 and 9	✓	✓	✓	AE (with Asset Providers)	In-house	60%	Asset Registers have been developed for Roads, Footpaths, Bridges and Fleet. Buildings and Rec & Open Space asset register to be developed.
8	**Service Management Plans, (SMP’s) -** develop initial 1st cut SM Plans for each of the key asset groups. Development will reveal service improvements required within each asset group. Consultation with relevant Community/Key Stakeholders is a must.	8	✓	✓	✓	Service Providers	In-house	10%	Service plan formats adopted. Develop the service plans for all the services provided by Council.
9	**Asset Condition Assessments** – ensure that all assets have an up-to-date condition assessment (undertaken	6 and 9	✓	✓	✓	AE and BAMO	$110,000	Ongoing	- Road and Footpaths – last completed in July. 2014. Next due July. 2017.

	ACTION (carried forward from improvement opportunities)	NAMAF SECTION	PRIORITY /TIMEFRAME			RESPONSIBILITY	RESOURCES	STATUS	COMMENTS
			H 14-15	M 15-16	L 16-17				
	within the last 3 years) with assessments to include the development of 10-20 year long-term programs for routine maintenance, cyclic maintenance, and renewals (refurbishments, rehabilitation or reconstruction).								- Building - last completed in June 2006.Next Due 2014 - Bridges – Last Level 2 in Sep 2012, Level 3 in June 2014.Next Due – Sep 2015
10	**'Whole of Life' Cycle Costing Framework** – develop a simple template to determine 'Whole of Life' costs. Develop a set of processes/procedures for ensuring that 'Whole of Life' Cycle Cost Analysis is used, at all times, for the management of all assets.	7		✓		AE	In-house	100%	**Complete.** 21/12/2010 - Adopted by CE and EMG. Review annually. Update in time for 16/17 Budget by Sep 2015
11	**Strategic Resource Plan** - develop initial 1st cut Strategic Resource Plan.	1	✓	✓	✓	FM	In-house	Ongoing	**Complete.** Reviewed annually in line with Council Plan
12	**Mechanisms for Annual Budgets** - Develop mechanisms to ensure that future Council Budgets reflect Council's strategic objectives, contains a statement of how Council will meet the goals and objectives of its Council Plan and include resources to implement the Council Plan's strategies.	2		✓	✓	Director Corporate Services	In-house		Align the annual budget with NAMAF requirement. Completed in 2014/15 annual budget.
13	**Mechanisms for Annual Reports -** Develop mechanisms to ensure that future Annual Reports include details of any major changes in functions of the Council, organistaion structure and/or policy initiatives, and how these might impact on the Council Plan and Strategic Resource Plan.	3	✓	✓		Director Corporate Services	In-house		Align the annual report with NAMAF requirement.
14	**Building Categories** – review the Building Register and categorise all buildings by functional uses whereby each category contains one or more buildings performing similar functions. The purpose of this is to make it easier to determine minimum levels of services to be provided by each building/facility.	6 and 9		✓		BAMO	In-house	0%	Develop building categories / Hierarchy. To be covered as a part of Asset Management Plan development.
15	**Building Service Level Matrix** – to be developed for all building categories covering minimum services to be provided by those buildings to be able to undertake the functions required of them. This is a checklist of all services, fittings etc to be provided for each building functional group.	8		✓	✓	BAMO	In-house	0%	Document minimum service provided for each building category. To be covered as a part of Asset Management Plan development.

	ACTION (carried forward from improvement opportunities)	NAMAF SECTION	PRIORITY /TIMEFRAME			RESPONSIBILITY	RESOURCES	STATUS	COMMENTS
			H 14-15	M 15-16	L 16-17				
16	**Building Maintenance Service Level Agreements (SLA's) –** to be developed for all building categories covering maintenance responsibilities relating to building services.	8		✓	✓	BAMO	In-house	0%	Develop building maintenance responsibility matrix for each building category. To be covered as a part of Asset Management Plan and service plan development.
17	**Asset Acquisition/Disposal Framework** – develop a set of processes for acquiring and disposing of assets. Methods for acquiring all necessary details/data pertaining to the asset and ensuring the smooth migration of the data into Council's AM Systems.	3	✓	✓	✓	AE (with FM)	In-house	50%	AM handover forms are developed. The responsibility of handover and data input into the AM System is formalized in Roles and Responsibility Matrix. The Asset Handover Procedure is documented in AMP General.
18	**Five Year Rolling Renewal Plan for all asset classes:** Develop a 5 year renewal program for all the major asset classes based on the condition data available and review annually.	1	✓	✓	✓	AE,BAMO, SEEM & FM	In-house	50%	Completed for Road and Bridge assets. Building renewal program to be developed upon the finalisation of building asset register.

Horsham Rural City Council urban rural balance

ASSET MANAGEMENT PLAN

PART A - GENERAL INFORMATION

Distribution List (NAMAF Q46)

To	Via
All Staff	Intranet
Community	HRCC website

Document Control

Rev	Version	Date	Details	Author	Approved
1	Draft V0.0	Nov 2012	Preliminary Draft	SW	
2	V0.1	Nov 2014	Revised draft. Additional processes added	RU	

CONTENTS

1 EXECUTIVE SUMMARY 7

1.1 Introduction 7

1.2 Levels of Service 7

1.3 Future Demand 7

1.4 Risk Management 7

1.5 Lifecycle Management Plan 7

1.6 Financial Summary 7

1.7 Asset Management Practices 7

1.8 Plan Improvement and Monitoring 7

2 INTRODUCTION 8

2.1 Background 8

2.1.1 Plan Format 8
2.1.2 Purpose of the Plan 8
2.1.3 Relationship with Other Planning Documents 11
2.1.4 Asset Classification and Assets Included in the Plan 12
2.1.5 Assets Not Included in this Plan 16
2.1.6 Key Stakeholders 16
2.1.7 Organisation Structure 16

2.2 Goals and Objectives of Asset Ownership 19

2.2.1 Reasons and Justification for Asset Ownership 19
2.2.2 Links to Organisation Vision, Mission, Goals and Objectives 19

2.3 Plan Framework 20

2.4 Basic 'Core' and Advanced Asset Management 21

2.4.1 Basic 'Core' to Advanced Approach 21
2.4.2 Sophistications/Limitations to the Plan 21

3 LEVELS OF SERVICE 22

3.1 Community Engagement and Expectations 22

3.1.1 Background and Customer Engagement Undertaken. 22
3.1.2 Details of How Engagement Translates into Levels of Service. 23

3.2 Legislative Requirements 24

3.3 Current and Desired 'Target' Levels of Service 24

3.3.1 Asset Functional Hierarchy 24
3.3.2 Community and Technical Levels of Service and Performance Measures 24
3.3.3 Levels of Service Monitoring and Performance Reporting 24
3.3.4 Desired 'Target' Levels of Service 25

4 FUTURE DEMAND 26

4.1 Demand Forecast 26

4.1.1 Municipal Population Forecasts 26
4.1.2 Municipal Demographic Changes 26
4.1.3 Factors Influencing Demand 26

4.2 Demand Management Plan 26

5 RISK MANAGEMENT 27

5.1 Risk Management Process 28

5.2 Risk Assessment Process 29

5.2.1 Step 1: Establish context – risk criteria and consequences of risk 29
5.2.2 Step 2: Risk identification 29
5.2.3 Steps 3 and 4: Risk analysis and evaluation 29
5.2.4 Step 5: Treat risks 32

5.3 Risk Register 32

5.4 Asset Criticality 32

5.5 Communication, Monitoring, Review and Reporting 33

5.5.1 Review 33
5.5.2 Monitoring 33

6 LIFECYCLE MANAGEMENT PLANS 34

6.1 Physical Parameters 34

6.1.1 Current Issues and Associated Actions 34
6.1.2 Asset Quantities and Replacement Values 34

6.2 Asset Capacity/Performance 34

6.2.1 Assets Under-Capacity 34

6.3 Asset Condition 35

6.3.1 Current Asset Condition 35
6.3.2 Condition Monitoring – Asset Condition Survey Frequency and Responsibility 35
6.3.3 Condition Rating 35
6.3.4 Deterioration (or Degradation) Curves 36
6.3.5 Asset Useful Lives and Renewal Intervention Levels 37
6.3.6 Historical Asset Condition 38
6.3.7 Age Profiles 38

6.4 Assets Valuations 38

6.4.1 Valuation Summary 38

6.5 Historical Data 40

6.6 Routine Maintenance Plan 40

6.6.1 Maintenance Decision Making Process (Planned and Unplanned) 41

6.6.2 Defect Inspections 42
6.6.3 Prioritisation of Maintenance Works 42
6.6.4 Defect Response Times 42
6.6.5 Maintenance Standards and Specifications 42
6.6.6 Future Maintenance Costs 43

6.7 Renewal/Replacement Plan 43

6.7.1 Renewal/Replacement Planning Process 43
6.7.2 Renewal/Replacement Priority Ranking 44
6.7.3 Renewal/Replacement Capital Works Program 44
6.7.4 Treatment Options 45
6.7.5 Future Renewal Costs 45

6.8 New and Upgrade Plan 46

6.8.1 New and Upgrade Planning Process 47
6.8.2 Future New and Upgrade Costs 48

6.9 Operations Plan 48

6.9.1 Operations Planning Process 48
6.9.2 Current and Future Operations Programs and Costs 48

6.10 Rationalisation/Disposal Plan 49

6.10.1 Rationalisation/Disposal Planning Process 49
6.10.2 Justification for Rationalisation/Disposal 49
6.10.3 Future Asset Rationalisation/Disposal Programs and Costs 50

7 FINANCIAL PLAN 50

7.1 Financial Statements and Projections 50

7.1.1 Life Cycle Costs 50

7.2 Funding Strategy 51

7.2.1 Funding Sources 52
7.2.2 Funding of Asset Maintenance 52

7.3 Key Assumptions Made in the Financial Forecasts 53

7.3.1 Actions for Improving Future Financial Forecasts 54

8 ASSET MANAGEMENT PRACTICES 54

8.1 Information Systems 54

8.1.1 Asset Data 54
8.1.2 Accounting / Financial Systems 55
8.1.3 Asset Management Systems 55

8.2 Information Flow Requirements and Processes 55

8.2.1 Information Flows To and From This Plan 55

8.3 Standards and Guidelines 56

9 PLAN IMPROVEMENTS AND MONITORING 57

9.1 Improvement Programme 57

9.2 Monitoring and Review Procedures 57

9.2.1 Review Procedure 57

9.2.2 AMP Performance Monitoring 58

10 REFERENCES 60

11 APPENDICES 61

11.1 Summary of Condition Surveys Undertaken 61

11.2 Council's Organisation Chart 61

11.3 Summary of Latest Community Satisfaction Survey 62

Asset Management Plan Processes

AMP Process 1: Councillor Information Session 17
AMP Process 2: AM and Financial Planning Skills 18
AMP Process 3: Levels of Service (LOS) Monitoring and Reporting 25
AMP Process 4: Risk Review 33
AMP Process 5: Risk Assessment 33
AMP Process 6: Annual Valuations Justification Report 38
AMP Process 7: Maintenance Planning 41
AMP Process 8: Renewal Planning 44
AMP Process 9 New and Upgrade Planning 47
AMP Process 10: Operations Planning 48
AMP Process 11: Disposal Planning 49
AMP Process 12: Development of Long Term Financial Plan 51
AMP Process 13: Asset Handover 54
AMP Process 14: Improvement Action Reporting 57
AMP Process 15: AMP Review 57
AMP Process 16: AMP Performance Monitoring 58

1 EXECUTIVE SUMMARY

1.1 Introduction

1.2 Levels of Service

1.3 Future Demand

1.4 Risk Management

1.5 Lifecycle Management Plan

1.6 Financial Summary

1.7 Asset Management Practices

1.8 Plan Improvement and Monitoring

2 INTRODUCTION

2.1 Background

This section sets out the scope and objectives of this asset management plan, describes its relationship with other Horsham Rural City Council's documents, plans and strategies. This section also demonstrates the Asset Management Plan (AMP) framework.

2.1.1 Plan Format

The plan is sectioned into separate parts based on Asset Class:

- **Part A - General Information: Background or information common to all assets.**
- Part B - Roads
- Part C – Bridges and Major Culverts
- Part D – Buildings and Other Structures
- Part E – Footpaths and Pathways
- Part F – Stormwater Drainage
- Part G – Recreation and Open Spaces

A number of attachments representing annual tasks that are required to be completed are referenced and form part of this plan:

- AMP Attachment #1 - Improvement Action Status
- AMP Attachment #2 - Valuation and Renewal Justification
- AMP Attachment #3 - Financial Projections
- AMP Attachment #4 – Capital Works Programs
- AMP Attachment #5 – Infrastructure Risk Register

2.1.2 Purpose of the Plan

This plan provides the framework for the sustainable management of Council's assets, in support of the Council Plan, Council's Asset Management Policy and Strategy and Strategic Resource Plan, and regulatory requirements.

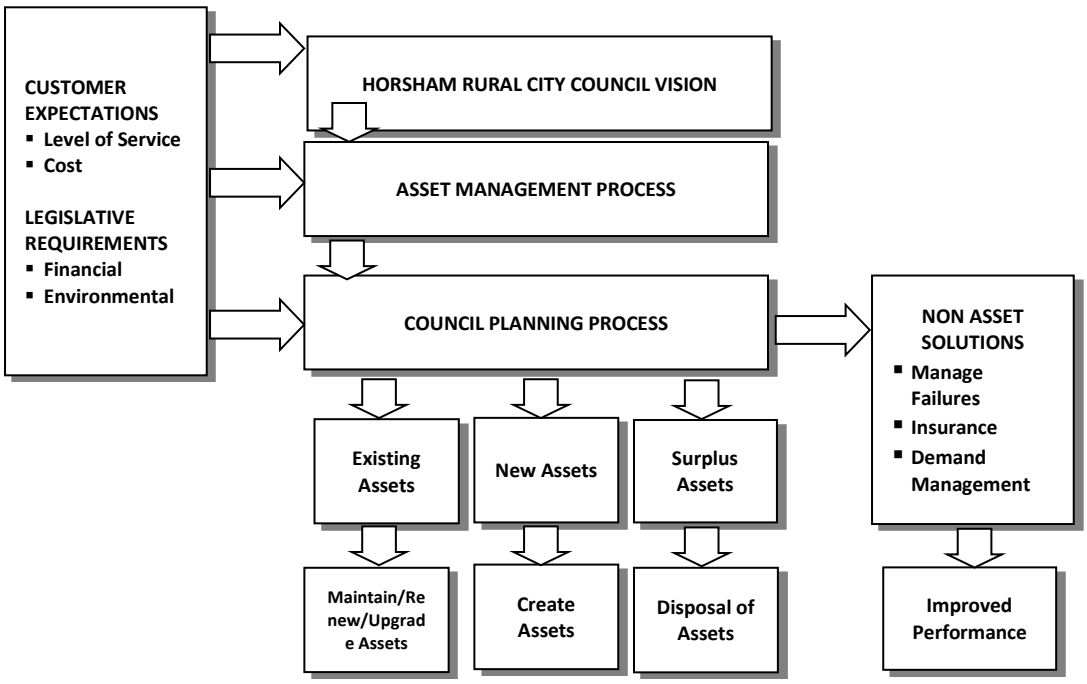
The Plan is a means of outlining the key elements involved in managing Council's assets. It combines management, financial, engineering and technical practices to ensure that the level of service required by user groups is provided at the lowest long term cost to the community within the limits of any fiscal constraints that may be imposed by Council.

The specific purpose of the Plan is to:

- Acknowledge the important and vital role assets play within Horsham Rural City Council;
- Demonstrate responsible stewardship by the Council and senior management;
- Define and articulate how the infrastructure is and will be managed to achieve the organisation's objectives;
- Provide a basis for customer consultation to determine the appropriate levels of service;
- Manage risk of asset failure;
- Achieve savings by optimising whole of life costs;

- Support long term financial planning; and
- Assist Council in determining priorities for maintenance and renewal programs as well as priorities for the upgrading of existing assets and, if necessary, asset disposal.

Asset management is a core function of Council. The role of asset management under the strategic direction of Council is shown below.



Asset management planning must be linked to the service planning that supports Council's vision and corporate objectives. At a basic level, assets exist to support the services provided by Council. The AMP is a strategic level document for achieving management strategies resulting from the service planning process.

This outcome is supported by a comprehensive Asset Management Plan that addresses capital investment, the operation and maintenance of existing assets, and the rationalisation and disposal of assets.

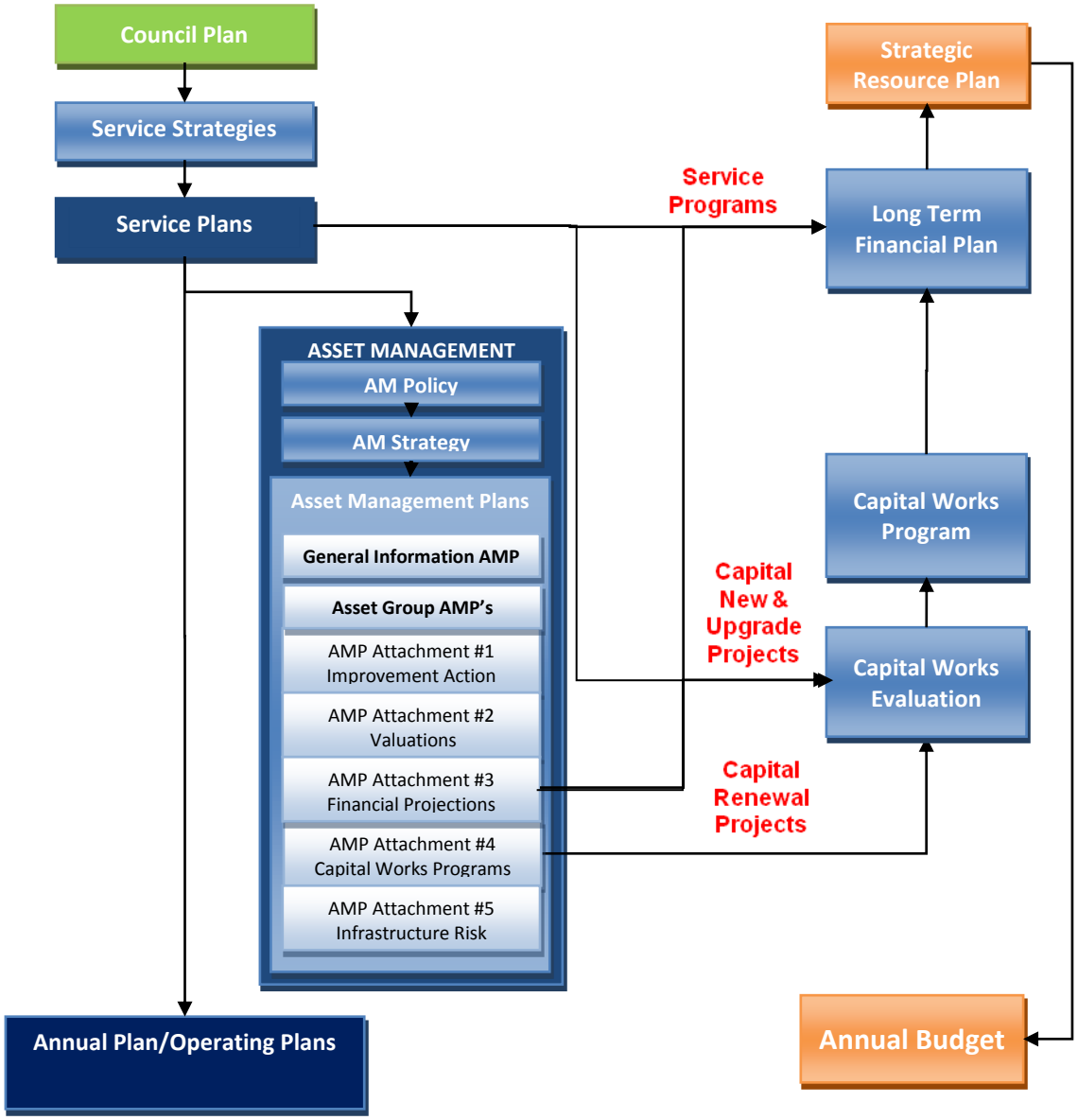
The principles that Council must observe are as follows:

- There must be quality and cost standards set for all services that a Council provides to the community,
- All services provided by a Council must be responsive to the needs of the community,
- Each service provided by a Council must be accessible to those members of the community for whom the service is intended,
- A Council must achieve continuous improvement when providing services to the community,
- A Council must develop a program of regular consultation with its community in relation to the services it provides, and
- A Council must report regularly to its community on its achievements in relation to the best value principles.

Asset Management Framework

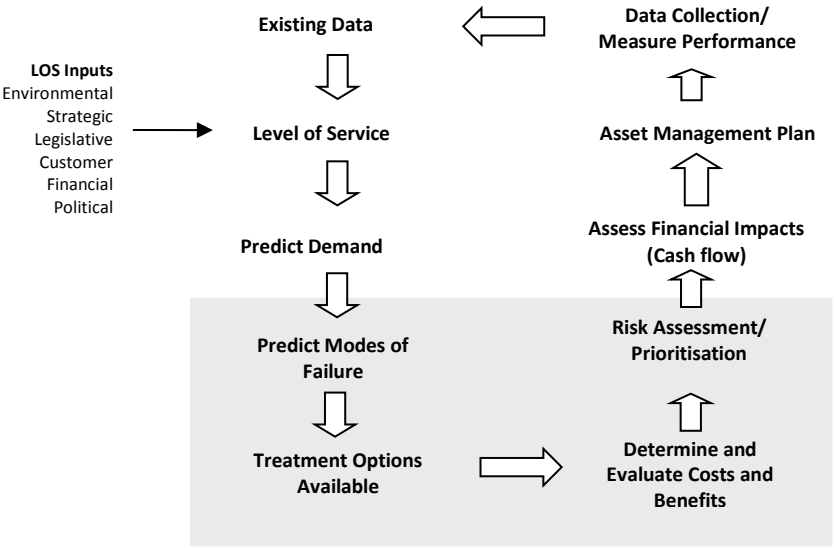
The Asset Management Framework below describes the purpose and fundamental principles of effective asset management and provides a strategic framework through which Councillors, senior managers, staff and other stakeholders can achieve best practice asset management.

ASSET MANAGEMENT FRAMEWORK



2.1.2.1 Asset Management Development Methodology

Typical steps involved in preparing a comprehensive asset management system are:



(Advanced AM Improvement Area)

This methodology provides a best practice approach to asset management; however, best practice is not always appropriate practice. Setting the right level for asset management practices is part of a needs analysis taking into account factors such as:

- Corporate objectives,
- Legal requirements,
- Community expectation,
- Nature of assets,
- Exposure to risk, and
- Resource availability.

Typically, asset management processes start at a basic level that focus on existing practices, and develop, through commitment, to a more advanced level identifying strategies to reduce lifecycle costs through improved practices and analysis tools.

2.1.3 Relationship with Other Planning Documents

AM Plans are a key component in the organisation's planning process and it is important that this Plan is linked to the relevant strategies and actions in the following plans and documents.

- **Council Plan:** The Plan is the Councils strategic direction to meet the present and future needs of the community. The plan identifies the clear vision: *"Horsham Rural City is a great place to live – vibrant, inclusive and welcoming."*
- **Council Asset Management Policy:** The asset management policy compliments and builds upon the Council Plan vision to provide a more formalised approach to asset management principles and methodology. A key policy principle is for the development of asset management plans for all major asset groups.
- **Asset Management Improvement Strategy:** Develops a structured set of actions aimed at enabling improved asset management by Council as expressed in the principles contained in the AM Policy.

- **Strategic Resource Plan:** Outlines financial and non-financial resources required to achieve Council's strategic objectives expressed in the Council Plan.
- **Capital Evaluation Framework:** Establishes the procedure and criteria by which the relative merit of capital projects will be assessed and measured against each other.
- **Community Engagement Framework:** This framework details the various methods for determining the appropriate audience and engagement method to be used for each particular circumstance and for documenting the results of the engagement process.

Other documents with a direct relationship with the assets included in this AMP are listed in the Plan.

2.1.4 Asset Classification and Assets Included in the Plan

Council's assets are classified under a system which provides a conceptual relationship between assets that helps to define how individual assets are organized in corporate systems and how they are managed (with respect to new construction, upgrade, renewal, or maintenance). The asset classification is divided into asset classes, asset categories and asset components. Whereby:

Asset Group: The top level grouping of assets used by the Council for the purposes of asset management and accounting; for example, road assets, building assets, open space and recreation assets. Asset classes are further subdivided into asset categories. Asset Management Plans are developed at asset class level.

Asset Category: The sub-division of the asset class. For example, the road asset class might be sub-divided into sealed roads, unsealed roads, car parks etc.

Asset Component: The sub-division of the asset category. For example, the sealed road category might be further sub-divided into earthworks and formation, pavement and wearing course. Condition rating, renewal modelling and asset capitalisation will be considered at this level.

Council's asset classification is described below:

Part	Asset Group	Asset Category	Asset Component	Assets Included
A	General Information			
B	Roads	Urban sealed roads	Urban road formation	Traffic control devices, signs, roundabouts, guideposts and delineators
			Urban sealed pavement	Utilities, on-road bike paths, on-road car parking
			Urban sealed surface	Line and pavement markings, raised pavement markers
			Kerb and channel	Crossovers
		Rural sealed roads	Rural road formation	Traffic control devices, signs, guideposts and delineators, guard railing (or

Part	Asset Group	Asset Category	Asset Component	Assets Included
				equiv. safety devices open drains and drainage structures
			Rural sealed pavement	Minor culverts (smaller than 375 mm diameter pipe or box culver of equivalent cross sectional area including head/ end walls),
			Rural sealed surface	Line and pavement markings, raised pavement markers
			Shoulders	
		Unsealed Roads	Unsealed road formation	Signs, guideposts and delineators, guard railing (or equiv. safety devices), open drains and drainage structures
			Unsealed road pavement	Minor culverts (smaller than 375 mm diameter pipe or box culver of equivalent cross sectional area including head/ end walls)
		Car Parks (Off-Road)	Car park pavement	
			Car park seal	Line and pavement markings
C	Bridges and Major Culverts	Bridges	Bridge sub-structure	Footings, abutments, piers, piles, bracing, wing walls
			Bridge super-structure	Girders/stringers, beams, deck, kerbs, railing, attached guard railing
			Bridge ancillary components	Approaches, guard railing (approach and departure), signs, bridge surface, delineation, batters, waterway
		Major Culverts – **AWG to define (larger than approx 450mm diameter pipe or box culvert with equivalent cross sectional area)**	Major culverts	Foundations, culvert (crown units, box units, pipes), headwalls/end walls, wing walls, guard railing, signs, delineation, batters, waterway
		Footbridges and Boardwalks	Bridge sub-structure	Footings, abutments, piers, piles, bracing, wing walls
			Bridge super-structure	Girders/stringers, beams, deck, kerbs, railing
			Bridge ancillary component	Approaches, signs, bridge surface, batters, waterway
D	Buildings and Other structures	Buildings	Building structure	Long-life (major), short-life (minor – including sheds, toilets, etc.), roof structure component, electrical wiring, gas, water and wastewater pipes and fittings

Part	Asset Group	Asset Category	Asset Component	Assets Included
			Roof (cladding and fixtures only)	
			Mechanical	Air-conditioning, heating, air purifier
			Fit-out	
		Structures	Towers, retaining walls, memorials, shelters, bus shelters	
		Swimming Pools	Swimming pools	Tank, concourse, fixtures, filtration and buildings associated with swimming pools
E	Footpaths and Pathways	Footpaths	Concrete footpaths	Ramps, railing, signs, line and pavement markings, DDA and non-slip devices
			Brick/paved footpaths	
			Sealed footpaths	
			Other footpaths	
		Tracks and Trails	Sealed bike paths (off-road)	Surface, ramps, railing, signs, line and pavement markings, sealed surface and bike path pavement.
			Unsealed bike paths (off-road)	Signs, railing, ramps, bike path pavement
F	Stormwater Drainage	Urban Stormwater Drainage	Pits	Head/end walls
			Pipes	Open drains (urban), flumes
			Drainage structures	Retention basins litter traps, erosion structures
G	Recreation and Open Spaces	Playgrounds	Playgrounds	Equipment, under-surfacing
		Recreation reserves	Sports surface	Fence, posts, coaches boxes, Pumps, pipes, sprinklers, irrigation
			Sports lighting	
			Sports drainage	Pipes, pits, open drains
		Parks and Gardens	Street and park furniture/fixtures	Seats, tables, bins, fixtures, signs
			Gardens	Garden beds, plants, shrubs, lawns, pumps, pipes, sprinklers, irrigation, roadside landscaping (incl. nature strips and roundabouts)
		Wetlands	Wetlands	
		Trees	Street trees	
			Trees (parks and reserves)	

2.1.4.1 Asset 'Control' and Committees of Management

This plan includes all building, recreation and open space assets where Council has a 'control' of that asset. Where **'control' is defined as: Council has the controlling interest, the final say, in decision making**.

Based on differing arrangements of land ownership and who is the facility manager the matrix below generally describes where council has 'control' (shown clear).

Land and buildings can be owned by either:

- Crown
- Council (i.e. Council holds freehold title to the land)
- Road Reserve (ownership can be either Crown or Council)

If the Crown appoints Council as the Committee of Management (CoM) for crown land, Council inherits the responsibility for the management of facilities on that crown land, and Council then manages the facilities as if they were the owner. This includes situations where Council has entered into Agreements with third parties for occupation of all or part of these reserves.

This plan may also address assets where council has an 'interest' in the asset which may place council in some form of risk exposure or maintenance responsibility. This may result from circumstances due to:

- Council land occupied by others
- Facility management and/or maintenance responsibility for buildings on land owned by others
- Some other form of possible exposure to liability

Similarly, if the Crown appoints a local CoM for crown land, the local CoM inherits the responsibility for the management of facilities on that crown land, and not Council.

If Council has facilities on Road Reserves then Council is responsible for the management of these facilities.

	Asset Owner			
Occupier/ Land Ownership	**Council**	**Section 86 Committee**	**User Committee**	**Private Individual or Single Club or Organisation**
Council	Council	Council appointed S86	Council with agreement in place	Council depending on lease conditions
				Occupier depending on lease conditions
Crown Road Reserve	Council	Council appointed S86	Council with agreement in place	Occupier with lease from council in place
Crown Reserve	Council as DEPI Committee	Council as DEPI Committee Council appointed S86	DEPI Committee of Management	Council if lease/licence holder
				Occupier by

				lease/licence
Private	Council depending of lease conditions	Private Owner	Private	Private
	Private owner depending on lease conditions			

2.1.5 Assets Not Included in this Plan

Each AMP shall list assets specifically excluded from the plan. This may include:

- Non-council assets,
- Assets not capitalised in accordance with Council's Policy on capitalisation.

2.1.6 Key Stakeholders

Assets are provided to support the services Council delivers to the community.

The **Community** may be defined by:

- Geographic location (may not be restricted to the municipal boundary), or
- Community of affiliation, or
- Identity such as industry or sporting club

With the community consisting of:

- **Stakeholders:** Consisting of customers being current or potential users of the service or asset and other parties or Individuals with an interest in the service or asset, and
- **Non-Stakeholders**

Across all asset classes **customers** will include:

- Individual users;
- User groups;
- Visitors to the municipality; and
- Managers of the assets

Other interested parties may include:

- Businesses that are suppliers of goods and services,
- Residents and businesses adjoining assets,
- Utility agencies,
- Construction and maintenance personnel,
- Emergency services,
- Council insurers,
- State and Federal Government and adjoining municipalities, and
- Council as the asset custodian, elected representatives, volunteers and staff.

2.1.7 Organisation Structure

2.1.7.1 Organisational Chart

The organisational chart details the relationship and lines of authority within Council, and can be found in the Appendix ## of this Plan.

2.1.7.2 Asset and Service Responsibility

Council defines the asset and service roles and responsibilities in the asset management plans and relevant service plans.

Assets Working Group (AWG): Is responsible for providing the necessary focus on asset management across the organization and reporting to senior management on the achievement of Council's Asset Management Policy, strategy, objectives, targets, plans and capital evaluation. The AWG defines and clarifies the roles and responsibilities of the Asset Management Coordinator and the various Service Providers and Asset Providers. Membership consists of representatives from senior management, technical services, finance and planning and building.

Asset Management Coordinator: Is responsible for the coordination of Council's strategic asset management and planning, providing advice and assistance to the Asset and Service Providers on asset management requirements and the implementation and review of Asset Management Plans.

Service Provider: Is responsible for the delivery of the service, liaison with users, stakeholders and customers and responsible for the analysis of the current and future approach to service delivery.

Maintenance Provider: Is responsible for the planning and undertaking of the day-to-day maintenance of the physical asset.

2.1.7.3 Councillor Information process

An important element of asset management is the need for knowledge and understanding amongst Councillors and Council officers. An information session for Councillors is proposed in accordance with the process described below. Typically executive staff would also be attending these sessions. Further updates are to be provided throughout each Council term.

AMP Process 1: Councillor Information Session

Step	Description	Responsibility	Timeframe
1	Review Councillors asset management and financial skills	CEO	Following a Council election
2	Development of the information session agenda/topic	Director Technical Services Asset Engineer Finance Manager	Following a Council election
2	Delivery	As above, CEO	Part of new Councillor induction following election

An example of the topics for the Information Session is listed below:

Topic #1Introduction to Asset Management
• Service delivery and the need for assets and asset management • Benefits of managing your assets • Responsibilities • Asset management definitions, terminology New, Upgrade, Renewal, Maintenance, Operations, Disposal • Measure of current service delivery (levels of service)
Topic #2 Asset Management Documents
• Council Plan • Asset Management Policy • Asset Management Strategy • Service Plans • Asset Management Plans (structure, content and purpose)
Topic #3 Asset Management Practices and Current Status
• Processes • Asset registers and asset quantities • Asset condition • Asset life/degradation curves • Unit costs
Topic #4 Whole of Life Costs
• Financial • Ongoing costs • Renew before new • Renewal forecasts and the renewal gap • Strategic resource plan • Capital works programs

Information sessions for staff and executive may be held as the need arises. This includes the Asset Working Group.

The development of the Asset Management and Financial Planning skills matrix will identify any skills gap and required training in accordance with the process below. This should be raised at an individual's annual performance appraisal, and funded accordingly.

Improvement Action: 1 Develop Asset Management and Financial Planning skills matrix

The matrix, for a range of activities asks:

- Is the skill required by the organization?
- Is that skill available?
- Where is the source (position) of that skill

AMP Process 2: AM and Financial Planning Skills

Step	Description	Responsibility	Timeframe
1	Complete skills matrix and identify any	Asset Engineer	As part of the review

	skills gaps	Finance Manager AWG	of this plan
2	Refer skill gaps to human resources (HR) for inclusion in job position descriptions and staff performance appraisals	HR Manager	
3	As part of the performance appraisal process include discussion on the required skills and training needs	Relevant manager Staff member HR Manager	As scheduled by the staff performance appraisal process

2.2 Goals and Objectives of Asset Ownership

2.2.1 Reasons and Justification for Asset Ownership

The *Local Government Act 1989* prescribes the objectives and functions of a municipal council. Section 3C (1) of the Act states:

"The primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions."

Section 3C (2) of the Act then adds more substance to the primary objective by specifying a number of facilitating objectives such as:

a. To promote the social, economic and environmental viability and sustainability of the municipal district;
b. To ensure that resources are used efficiently and effectively and services are provided in accordance with the best value principles to meet the needs of the community;
c. To improve the overall quality of life of people in the community;
d. To ensure that services and facilities provided by Council are accessible and equitable.

Section 3E (1) of the Act prescribes a number of council functions, the ones particularly relevant to asset management being:

a. Planning for and providing services and facilities for the local community; and
b. Providing and maintaining community infrastructure in the municipal district.

The objectives and functions set out in the *Local Government Act 1989* also closely accord with the overall goals and principles of asset management. This plan will therefore seek to establish a balance between meeting the level of service required by the community with the level of funding available to operate and maintain the infrastructure.

2.2.2 Links to Organisation Vision, Mission, Goals and Objectives

Council planning documents such as the Council Plan and other strategies may contain various goals and objectives that will influence asset management performance. Relevant key goals and objectives are listed within each AMP.

Council Plan 2014 – 18 strategies specific to all assets and Asset Management Plans are:

Document	Section	Strategy/goal
Council Plan 2014 - 18	**Guiding Principles**	Horsham Rural City Council will: • Evaluate refurbishment of appropriate Council assets before construction of new facilities. • Consult, engage and work transparently with the community. • Provide accessible and quality services in a timely manner
	Goal 3 – Asset Management *(Meet community and service needs through provision and maintenance of infrastructure)*	**Key Directions 3.1:** Determine infrastructure needs and expectations through consultation with developers and the community.
		3.1.4 Undertake a review of Council infrastructure asset holdings in terms of their relevance to future community needs and longer term implications of ownership.
		Key Directions 3.2: Ensure projected financial and physical programs reflect infrastructure needs.
		Key Directions 3.3: Maintain asset management systems that will assist planning asset maintenance and capital renewal.
		3.3.1 Develop a maintenance and replacement schedule for all groups of assets managed by Council including heritage listed buildings.
		3.3.2 Develop and implement asset management plans for all nominated asset groups to assist with long term financial and asset management planning and legislative requirements - involve the community in the process.
		Key Directions 3.4: Deliver works to develop and maintain Council's physical assets for long term sustainability, amenity and safety.
		Prioritise risk and condition reports for all assets (p25).
		Continue to actively pursue initiatives to reduce the infrastructure renewal funding gap (p25).
		Encourage greater use of IT systems for asset and risk management, including GIS systems (p25).
	Goal 4 – Governance and Business Excellence *(Excel in communication, consultation, governance, leadership and responsible use of resources)*	**Key Directions 4.1:** Continuously improve communication and engagement with the community through effective consultation.
		4.1.1 Develop and implement a comprehensive and effective communication and community engagement framework for use across Council.
		Apply continuous improvement and review all Council's processes and services (p28).
	Key Performance Indicators	• Budgeted commitment of expenditure on renewal of Council assets over condition 8 – Target 70% • Proportion of capital works projects completed at the conclusion of the financial year – Target 90% • Proportion of capital works projects completed within the allocated budget – Target 90% • Increase overall score in Community Satisfaction Survey.

2.3 Plan Framework

This section outlines the plan format which is consistent with that recommended in the International Infrastructure Management Manual (IIMM) developed jointly by the NZ

National Asset Management Steering Group and the Institute of Public Works Engineering of Australia.

Table 2.3.1 outlines the framework and key elements of this asset management plan:

Table 2.3.1 Asset Management Plan Structure

Section		Outline
1.	Executive Summary	Summary of the key details of the Plan.
2.	Introduction	Background, purpose and scope of the Plan.
3.	Levels of Service	Define factors relevant to determining the levels of service. Identify current and target levels of service.
4.	Future Demand	Identifies the factors affecting future demand and outlines the demand management plan.
5.	Risk Management	Identifies the factors affecting risk management and outlines risk assessment, analysis, evaluation, monitoring and reporting in accordance with Council's Risk Management Plan.
6.	Lifecycle Management Plan	Provides asset information. Identifies maintenance and capital development needs. Identifies management strategies and maintenance and capital work programs.
7.	Financial Plan	Identifies long term financial forecasts. Notes key assumptions made and financial policies / strategies.
8.	Asset Management Practices	Identifies asset and financial management systems, processes, standards and guidelines.
9.	Plan Improvement and Monitoring	Describes current asset management practice underpinning the Plan. Identifies enhancements scheduled to improve asset management planning.
10.	References	
11.	Appendices	

Some content amendments may be made that are considered not relevant to local government.

2.4 Basic 'Core' and Advanced Asset Management

2.4.1 Basic 'Core' to Advanced Approach

Basic 'Core' asset management relies on the use of an asset register, maintenance management systems, simple condition and performance monitoring, and defined service levels in order to establish alternative management options.

Advanced asset management uses prediction modelling, risk management, and optimised renewal decision-making techniques, to evaluate options and identify the optimum long-term plan to deliver a particular level of service.

2.4.2 Sophistications/Limitations to the Plan

For the purposes of developing this initial AMP, Council has adopted a basic 'core' approach to its asset management. This is due to some limitations in the available information and systems utilised. However, this plan will provide recommendations for staged improvement in Council's asset management practices.

3 LEVELS OF SERVICE

This section defines the level of service or performance criteria that are required and the basis of the decision behind their adoption. The levels of service support Council's strategic goals and are based on:

- Community engagement and expectations;
- Information gathered from customers on expected quality and cost of services;
- Strategic and corporate goals;
- Legislation, regulations, environmental standards and industry and Australian Standards that impact on the way assets are managed;
- Design standards and codes of practice;
- An indication of customer satisfaction can be obtained from customer requests recorded in Council's 'Merit' system.

Level of service is the defined service quality for a particular activity or service area against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

An important objective of the AMP is to match the level of service provided by Council's building assets with the expectations of the community given financial, technical and legislative constraints.

Asset Management planning requires a clear understanding of the community's needs and preferences. The levels of service standards defined by the AMP are used:

- To inform the community of the proposed level of service to be delivered,
- As a focus for the asset management strategies developed to deliver the agreed level of service,
- As a measure of the effectiveness of this asset management plan,
- To identify costs and benefits of the services offered, and
- To enable the community to assess the suitability, affordability and equity of the level of service offered

3.1 Community Engagement and Expectations

The Council will engage with the community in regard to service delivery.

In the first instance community engagement shall be undertaken as part of the development of a service strategy. Additional community engagement may also focus on the development of asset based service levels. Each AMP shall document the audience and techniques to be used to undertake community engagement. These outcomes shall be referred back to service delivery to ensure they are compatible.

3.1.1 Background and Customer Engagement Undertaken.

3.1.1.1 Community Engagement Methodology

Council has adopted a Community Engagement Framework. The methodology to be used in this AMP is described below and accords with the framework:

Stage	Description	Key outcomes	Target audience	Level of Engagement	Responsibility
1	Customer Expectations	Determine the key expectations of the customer to use as service level criteria	Customers	Involve	Service Provider
2	Levels of Service (LOS)	Agreed negotiated level of service targets	Customers	Collaborate	Service Provider / Asset Provider
3	Community Reporting	Report on Council's service performance against agreed LOS	Community	Inform	CEO

3.1.1.2 Community Satisfaction Survey

Council participates in the Victorian Local Government Customer Satisfaction (VLGCS) survey. This telephone survey polls a sample of residents on their level of satisfaction with Council's services.

The results of the Community Satisfaction Survey that refer to assets included in this plan are provided in the Appendices of this AMP.

3.1.1.3 Current and Previous Community Engagement Undertaken

Council's knowledge of community expectation is based on:

- Annual community satisfaction survey outcomes
- Analysis of customer requests and responses,
- Fortnightly community consultation meetings at various locations

Council, as a continual improvement process, continues to engage its community to better understand their needs and concerns.

Details of any current or previous community engagement undertaken will be listed in each section of this AMP, relevant to the particular Asset Class.

3.1.1.4 Community Engagement Framework

Each AMP shall document any additional engagement to be undertaken. The Plan shall include details regarding the audience and engagement methods proposed and the results of the engagement process, in accordance the Community Engagement Framework.

3.1.2 Details of How Engagement Translates into Levels of Service.

The key outcomes resulting from community engagement will be:

- Establish the key customer expectations in regards to the performance of the service;
- Establish the key customer expectations in regards to the performance of the asset(s); and
- To reach an agreement on the target levels of service.

This AMP shall list the outcomes resulting from the engagement process.

3.2 Legislative Requirements

Background legislation and regulations which impact on the asset operation and performance or specifies certain levels of service are listed in each AMP, including a brief explanation of the requirement.

Statutory requirements set the framework for minimum levels of service that assets are required to meet.

3.3 Current and Desired 'Target' Levels of Service

3.3.1 Asset Functional Hierarchy

Assets may be further differentiated by an Asset Hierarchy. This AMP will provide a description of any relevant adopted hierarchy.

Asset Functional Hierarchy: A system that differentiates like assets by relevant priority or importance. It is a 'vertical' separation and commonly applied to levels of service. Eg. Link/collector/access or high/medium/low or regional/district/neighbourhood.

A hierarchy may be applied at Asset Class, Asset Category or Asset Component level.

3.3.2 Community and Technical Levels of Service and Performance Measures

Levels of Service are described by:

- Indicators derived from customer expectations for the service through the community engagement process.
- Performance measures, and
- Targets

Community Levels of Service: Levels of service which relate to what the customer wants/ needs or expects from the service in terms of customer satisfaction and the direct effect on the customer.

Technical Levels of Service: Levels of service which relate to what the customer receives from the service. Relates to what Council can achieve with the constraints of funding, resources and legislative requirements.

Levels of service indicators may be either service or asset based. Asset based indicators are where the performance of the physical asset only is considered and measured.

At this time levels of service have not been developed for the various council services. The AMPs may contain draft examples as a commencement point which will need to be confirmed as part of future service delivery and service plan discussions.

Improvement Action: 2 Add Levels of Service to the relevant AMP upon development

3.3.3 Levels of Service Monitoring and Performance Reporting

Council reports on its performance against the established Levels of Service targets. The process is described below:

AMP Process 3: Levels of Service (LOS) Monitoring and Reporting

Step	Description	Responsibility	Timeframe
1a	Determine current performance against the adopted **technical LOS targets**.	Asset Provider (relevant to asset group)	Annually
1b	Determine current performance against the adopted **community LOS targets.**	Service Provider (relevant to asset class)	Annually
2	Align and analyse the performance associated with each community and technical LOS (for each asset class) against the relevant LOS criteria and develop improvement actions / amendments to the community or technical LOS targets and report to the AWG.	Asset Provider, Service Provider and Asset Management Coordinator	Annually
3	Proposed Improvement Actions and amendments considered and reported to CEO/Executive Management Group	Assets Working Group	Annually
4	Improvement actions and amendments endorsed	CEO and Executive Management Group	Annually
5	Improvement actions and amendments implemented	Relevant Asset Provider and Service Provider	Annually
6	Report to Council if required (e.g. changes to levels of service targets)	Relevant Director	As Required

This plan includes a number of draft processes which will need to be confirmed as they are implemented.

Improvement Action: 3 Review and confirm AMP processes as they are undertaken

3.3.4 Desired 'Target' Levels of Service

Changes from current levels of service to desired 'target' levels of service will be instigated by the development of a Service Plan and the community engagement process or an annual service review.

Council has yet to fully quantify desired 'target' levels of service for any of its asset classes. Each AMP seeks to establish current and target service levels, and the costs associated with maintaining current service levels in order that the true cost of service delivery may be understood by the community. This understanding will allow informed decision making by the community in balancing the levels and types of service delivery desired with sustainable financial management of Council's assets.

At present, indications of desired levels of service are obtained from various sources including community satisfaction surveys, community feedback to Councillors and Staff, service requests, and correspondence.

4 FUTURE DEMAND

4.1 Demand Forecast

This section provides details of municipal population and growth forecasts which may affect the management and utilisation of assets.

Horsham Rural City Council is situated in western Victoria, approximately 300kms north-west of Melbourne. The municipality has a population of 19,279* and covers an area of 4,249 square kilometres. Almost three quarters of its residents live in the urban areas of Horsham and Natimuk.

Horsham Rural City is the major provider of farming, retail, community and government services in the Wimmera, with the main employment sectors being agriculture, retail, health care and social assistance. The economy relies largely on its rural and tourism base and its regional association with the surrounding natural assets, including recreational lakes, wetlands, the Wimmera River, Mount Arapiles, the Grampians National Park, the Little Desert National Park, and the Wartook Valley.

4.1.1 Municipal Population Forecasts

Current Population (Horsham Rural City Council):	19,279 persons*
Current Population Growth:	0.5% per annum*
Population in 2021 is predicted to be:	20,543 persons

4.1.2 Municipal Demographic Changes

Current Demographic (Age: Persons over age 65):	17.2%*
Percentage of Persons over age 65 in 2021 predicted to be:	19.2%

** Australian Bureau of Statistics (as @ 30 June 2011. Period 2001 – 2011)*

4.1.3 Factors Influencing Demand

Factors affecting demand for most Council assets include:

- Population growth and population distribution changes;
- Changes in demographic;
- Customer / industry expectations;
- Changes in function and amenity;
- Economic changes;
- Residential and commercial / industrial development;
- Increased / new service demands; and
- Legislative / regulatory changes.

Each separate AMP may detail factors influencing the growth or decline in demand and potential changes in customer expectations and utilisation, relevant to that particular asset class.

4.2 Demand Management Plan

Demand management may be defined as the active intervention in the market to influence demand for services and assets with forecast consequences, usually to avoid capital expenditure. Demand management is based on the notion that as needs are satisfied expectations rise automatically and almost every action taken to satisfy demand will stimulate further demand.

Demand management proposals, with cost and timing information, are provided in each AMP.

Demand Management actions may include:

- Maintain existing services and assets;
- Carry-out upgrade or new works;
- Asset rationalisation;
- Non-asset based solutions.

Identified actions shall be referred to the relevant Lifecycle Management Plan, Service Strategy or Service Review for consideration.

Demand management can be best defined as 'the active intervention in the market to influence the demand for services and the assets generated and/or used in the supply of these services in order to best match available resources to real needs'.

Demand management components include:

- Operation – modification of access to an asset,
- Regulation – restriction on type of use of use of an asset,
- Incentives – Influence the use of an asset, and
- Education – promotion of alternatives.

Successful demand management requires Council to clearly understand that its role is not to provide ever more services, but to provide:

- Effective service outcomes to meet identified community needs,
- Assess if this need is changing, and
- To respond appropriately and within the resources available.

This requires Council to develop a close working relationship with its community based on a thorough knowledge of their characteristics, needs and expectations.

Demand management is not intended to reduce the scope or standard of services provided by an asset, but rather, it is concerned with aligning demand or expectation of service provided by an asset with the available resources to ensure that genuine needs are met and community benefit is maximised

5 RISK MANAGEMENT

Managing risk is considered as part of the asset management process. This involves considering the likelihood and consequence of various occurrences.

The purpose of this section is to describe the basis of Council's strategic risk and investment policies and the manner in which it will manage risk associated with its buildings and community facilities.

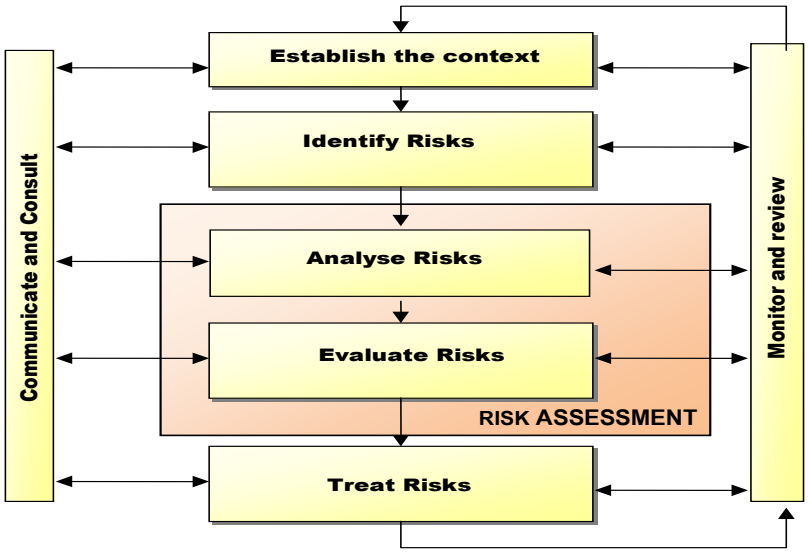
It essential to note that it is not possible for Council to eliminate all risks, rather, Council's model provides a basis for identifying and managing risks within the resources available to the community through clear priority setting.

5.1 Risk Management Process

The overall objectives of a formal risk management approach are to:

- Outline the process by which the organisation will manage risk associated with its assets, so that all risks can be identified and evaluated in a consistent manner,
- Identify operational and organisational risks at a broad level,
- Allocate responsibility for managing risks to specific staff to improve accountability; and,
- Prioritise the risks to identify the highest risks that should be addressed in the short to medium term.
- Analysis of an incident
- Assist Council to prevent and/or minimise the adverse effects of all types of risks within its operations.

The adopted Horsham Rural City Council risk management process is consistent with Australian Standard AS/NZS ISO 31000:2009 – Risk Management (see Figure below), which defines the risk assessment and management.



Following publication of this Plan, the risk register will be established, using the approach discussed in this section.

A hierarchy of risks is applicable where:

- Corporate Risks – eg business continuity
- Program Risks – Associated with the owning and operating assets

- Operational - Occupational Health and Safety processes, safe working Practices

A Risk Management Framework is defined by the Australian Standard (AS/NZS ISO 31000:2009) as: "*Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation*."

Included in the Risk Management Framework is the following:

1. **Risk Management Policy** – Statement of the overall intentions and direction of the organisation related to risk management.
2. **Risk Management Strategy** – Introductory statement of where risk management sits within the organisation, and the key strategies for Risk Management for the year.
3. **Risk Management Plan** – Provides staff with the guidance in how to apply consistent and comprehensive risk management.
4. **Strategic Risk Register** – Lists out HRCC's highest residual risks, agreed further improvements to risk treatment strategies, allocated responsibilities and target completion dates.

5.2 Risk Assessment Process

5.2.1 Step 1: Establish context – risk criteria and consequences of risk

The key risk management criteria relating to assets and their users include:

- Financial impact;
- Public health and safety;
- Service delivery;
- Environmental and legal compliance;
- Image, reputation, political and public relations.

5.2.2 Step 2: Risk identification

Risks are identified as a result of:

- Programmed condition and compliance audits;
- Routine maintenance and risk inspections by designated officers;
- Reports from user groups and building occupants;
- Industry information and trends;
- Visual ad-hoc inspections;
- Reports and complaints from general public;
- Information obtained from incidents such as property damage reports, break-ins and injuries;
- Details from past insurance claims;
- Advice from professional bodies;
- Past experience.

5.2.3 Steps 3 and 4: Risk analysis and evaluation

Risk Analysis considers both the likelihood and consequence of events and asset risks.

Risk Analysis entails:

- **Identifying controls** currently in place to manage the risk, by either reducing the consequence or likelihood of the risk;
- **Assessing** the effectiveness of the current controls;
- **Identifying the likelihood** of the risk event occurring;
- **Identifying the potential consequence or impact** that would result if the risk event was to occur.

Table 5.2.3.1 Risk Matrix

	CONSEQUENCES				
	1	2	3	4	5
LIKELIHOOD	Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	L	M	H	E	E
Likely	L	M	H	E	E
Possible	L	L	M	H	E
Unlikely	L	L	M	M	H
Rare	L	L	M	M	H

Table 5.2.3.2 Risk rating type and descriptions

Risk	Qualitative Rating	Likely Response / Control
(E) EXTREME	15 - 25	• Immediate action is required **STOP WORK / TAG OUT.** Must be reported to the Director. • If possible choose an alternative less risky means of action. • **Assign responsibility of risk to individual responsible for overseeing risk treatment/s.**
(H) HIGH	10 - 14	• Priority action required. Must report to immediate Manager. • Develop risk response strategies as part of the HRCC risk management processes. • Ongoing monitoring of risk and progress of risk response of treatment plans. • **Assign responsibility of risk to individual responsible for overseeing risk treatment/s.**
(M) MEDIUM	5 - 9	• Planned action required. Report to immediate supervisor. • Regular monitoring and re-evaluation of potential risk and any factors that may increase the consequence or likelihood.
(L) LOW	1 - 4	• Manage risk through existing processes and procedures.

The likelihood of an event occurring is measured by:

Table 5.2.3.3 Likelihood of occurrence

Rating	Description	Likelihood of Occurrence
1	RARE	**May occur in exceptional circumstances** • Not likely to occur in the next 5 years
2	UNLIKELY	**Could occur at some time** • Risk has less than a 25% chance of occurring • Could occur within 3 years
3	POSSIBLE	**May occur at some time** • Risk has a 25% to 49% chance of occurring • Could occur within 2 years
4	LIKELY	**Will probably occur in most cases** • Risk has a 50% to 75% chance of occurring • Could occur within the next year
5	ALMOST CERTAIN	**Is expected in most cases** • Risk has a greater than 75% chance of occurring • Could occur within the next 6 months

Consequence (impact) of an event is measured by:

Table 5.2.3.4 Organisational consequence (impact) ratings

	IMPACT RATINGS				
CONSEQUENCE	**Injury (Staff or Public)**	**Financial Loss**	**Council Reputation**	**Regulatory**	**Strategic**
CATASTROPHIC	Death/s	> 50% loss of revenue	Very high customer sensitivity and irreparable damage to Council's name.	Dismissal of Council.	Selection of a strategic direction that negatively impacts on the future of Council.
MAJOR	Serious injury to one or more persons	21% - 50% loss of revenue	Significant customer sensitivity and damage to Council's name.	Material fines, penalties and restrictions on Council operations due to regulatory non-compliance. Senior employees charged for breaches/fraud	Selection of a strategic direction which requires significant resources, both monitoring and time to correct, impacting a part of Council.
MODERATE	Injury requiring hospitalisation to one or more persons	11% - 20% loss of revenue	Moderate customer sensitivity and damage to Council's name, impacting noticeably on business activities.	Fines due to regulatory non-compliance.	Selection of a strategic direction which impacts on a small part of Council and will require considerable resources to correct.

MINOR	Minor injury requiring first aid only	2% - 10% loss of revenue	Minimal customer sensitivity and damage to Council's name.	Censure due to regulatory non-compliance.	Minimal impact on strategic / operational objectives.
INSIGNIFICANT	Injury requiring no medical treatment	Less than 2% loss of revenue	No impact on reputation of Council.	No regulatory impact.	Consequences are dealt with by routine operations.

The Risk evaluation process determines a risk rating of 'low', 'moderate', 'high', or 'extreme', as a result of considering together the likelihood and consequence of the risk occurring, as per the table above.

Considering the risk event's overall risk rating, then making a decision (based on the HRCC Risk Management Plan), whether or not further risk treatment actions may be required to bring the risk within an acceptable level.

5.2.4 Step 5: Treat risks

Treatment actions are required where current controls are not managing the risk within the defined tolerance levels.

Possible risk treatment options include:

- Avoid the risk;
- Do nothing – accept/tolerate the risk;
- Transfer the risk;
- Change the likelihood – Undertake actions to reduce the cause of the risk;
- Change the consequence – Undertake actions to reduce the impact of the risk.

Possible risk treatment options, specific to assets and service delivery may include:

- Management strategies – implement enhanced strategies for demand management, contingency planning, quality processes, staff training, data analysis and reporting, or reduce the target service standard
- Maintenance strategies – modify the maintenance regime to make the asset more reliable to extend its life
- Asset renewal strategies – rehabilitate or replace assets to maintain service levels
- Development strategies – investment to create a new asset or augment an existing asset
- Asset disposal/rationalisation – divestment of the asset surplus to needs

The risk analysis is applied to each asset in each asset category. Once the risks have been assessed and rated, the most significant risks (for example, those of extreme or high risk) are isolated for treatment or control.

5.3 Risk Register

The Risk Register is detailed in AMP Attachment #5 Infrastructure Risk Register.

5.4 Asset Criticality

Asset criticality addresses assets that are:

- **Critical Assets:** Assets with a high consequence (impact major or catastrophic) of failure

Each AMP shall list critical assets.

5.5 Communication, Monitoring, Review and Reporting

Council shall ensure that there is ongoing review of its risk management system to ensure its continued suitability and effectiveness.

5.5.1 Review

In relation to infrastructure risks Council shall review the:

- Current risks status
- Identification of new risks
- Identification of any new treatments
- Level of risk status

The process for the conduct of the review is as follows:

AMP Process 4: Risk Review

Step	Description	Responsibility	Timeframe
1	Conduct review as detailed	Risk Officer Asset Engineer	
2	Amend risk register as required	Asset Engineer	
3	Report amendments to EMG	AWG	

Records of such reviews shall be maintained.

5.5.2 Monitoring

Council shall ensure that there is ongoing compliance with the actions identified in Risk Register through the conduct of an annual audit and report on the status of:

- Implementation of the current controls
- Implementation of any identified treatments
- Compliance with the risk process

The outcomes shall be reported in the Risk Register Attachment.

The process for conducting the risk assessment is as follows:

AMP Process 5: Risk Assessment

Step	Description	Responsibility	Timeframe
1	Conduct assessment as detailed	Risk Officer	
2	Report non-compliances to report to AWG	Risk Officer	
3	Review non-compliance report and identify corrective actions	AWG	

4	The AWG shall report the outcomes to the EMG	EMG	

6 LIFECYCLE MANAGEMENT PLANS

The lifecycle management plan outlines what management options and strategies are planned in order to manage the assets at an agreed level of service while optimising overall lifecycle costs.

This section provides background information on the assets and details of what is planned to manage the assets. Note that most of the background information may be constantly changing and is only accurate at the time of this Plan. The location of up to date information should be identified in each individual plan.

It is paramount that recognition of **all** costs associated with the operation and maintenance of an asset over its entire life is considered when determining the performance of that asset. In undertaking this assessment it is important to also recognise that initiatives to reduce life cycle costs can be considered in 5 key stages:

- Planning,
- Design,
- Construction/acquisition,
- Maintenance and operation, and
- Disposal

6.1 Physical Parameters

6.1.1 Current Issues and Associated Actions

Each section of this AMP may include a brief summary of the key issues confronting the relevant assets included in that section. Any actions identified, in response to the particular issue/s, are also listed.

6.1.2 Asset Quantities and Replacement Values

The quantity of all assets and associated replacement values, included in this AMP's are listed in their relevant Asset Management Plans.

Note: The quantities and replacement values listed are correct only at the time of the development of this AMP. Up to date information is obtained from the asset registers.

6.2 Asset Capacity/Performance

6.2.1 Assets Under-Capacity

Council's assets are required to meet specified design standards and agreed level of service targets.

Each AMP shall identify assets that are under-capacity when measured against:

- Quality of assets (asset condition). E.g. any assets over intervention level

- Relevant technical levels of service. E.g. an asset based level of service may require all rural link roads to have more than 6.2m seal, bridges with no load limits; and
- Relevant design standards.

The AMP shall identify those assets which do not meet the target performance. These under-capacity assets become the basis for upgrade programs of work.

6.3 Asset Condition

Knowledge of the asset condition and performance can avoid unforeseen failure, assist in the development of works programs and provide a comparison to the agreed levels of service.

6.3.1 Current Asset Condition

A summary of the current condition of Council's assets is included in each plan.

Note: The condition listed is correct only at the time of the development of this AMP. Up to date information is obtained from the relevant asset register.

6.3.2 Condition Monitoring – Asset Condition Survey Frequency and Responsibility

The purpose of condition surveys of the assets is to evaluate the condition and performance of the asset.

Condition auditing is carried out to ascertain the condition of the asset, to determine any risk of failure and the rate of deterioration.

Council currently carries out condition surveys/assessments on its assets every 3 years.

Each AMP will specify the:

- Asset being condition assessed;
- Assessment frequency, which may vary depending on the asset hierarchy;
- The criteria being used in the evaluation and scoring process;
- Responsibility for undertaking the survey; and
- Dates of any previous surveys completed.

It is important that suitably experienced personnel undertake inspections and surveys to ensure consistency in surveys. Induction and training must be provided prior to commencing any inspections and surveys.

6.3.3 Condition Rating

Asset condition is rated using a scale of 0 – 10 (0 = excellent, 10 = total failure).

The table below lists the condition rating criteria used when evaluating the condition of assets:

Table 6.3.3.1 Condition Rating Details

Rating	Description

0	New	New or an asset recently rehabilitated back to new condition.
1	Near New	Condition generally based upon the age or time since rehabilitation rather than any observed condition decline.
2	Excellent	No visible signs of deterioration. Obviously no longer in new condition.
3	Very good	Early stages of deterioration (minor). No serviceability problems.
4	Good	Starting to show some signs of deterioration. Slightly impaired serviceability.
5	Average	Obvious deterioration. Some serviceability loss.
6	Fair	Quite obvious deterioration. Serviceability would be affected and rising maintenance costs.
7	Poor.	Severe deterioration. Serviceability limited. High Maintenance costs. Start listing in 5 – 10 year rehabilitation program.
8	Very poor.	Serviceability heavily impacted. Very high maintenance costs. Needs to be rehabilitated.
9	Extremely poor	Severe serviceability problems requiring immediate rehabilitation. Could also be a major risk if it remains in service.
10	Failed.	No longer serviceable and should not remain in service. Extreme risk

Reference may be made to Council's condition rating manual or details for assessing the criteria for determining the condition rating.

Improvement Action: 4 Develop condition rating manual for each of the asset classes

6.3.4 Deterioration (or Degradation) Curves

Deterioration Curves plot an assets condition against its age, and are generally:

- Developed from historical condition surveys; or
- A generic curve based on anecdotal performance.

The deterioration (or degradation) curve demonstrates:

- The assets performance as it ages. Such curves vary according to asset type and especially the life cycle maintenance regime;
- Asset condition changes over its expected useful life, assuming a normal maintenance regime.

Such curves are approximations. Deterioration is affected by many factors. However, the following generalisations are possible:

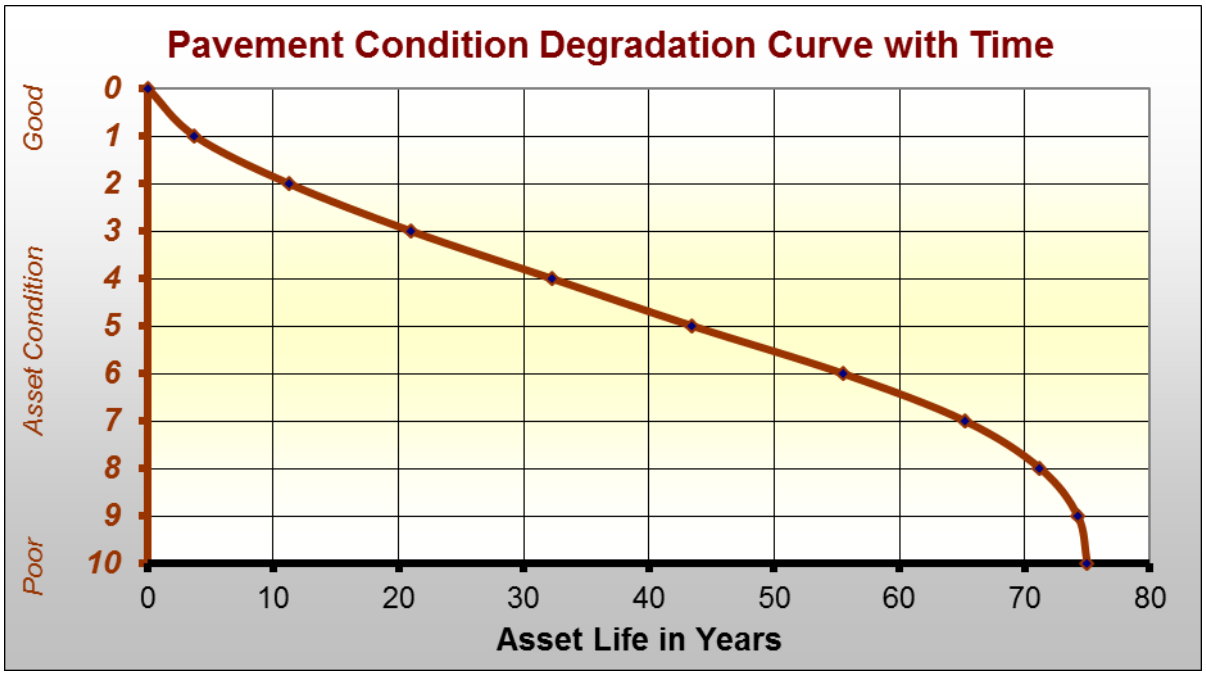
- As the asset condition deteriorates, the probability of complete asset failure increases disproportionately;
- As assets approach the end of their expected life, the rate of deterioration increases disproportionately;
- Postponing asset rehabilitation until asset condition is very poor increases the cost of maintenance and rehabilitation disproportionately;

- The accuracy of the deterioration curve will improve as more condition surveys are carried out on the asset.

In the case of some key buildings, and other important assets, failure of a component may relate to its aesthetics, for example a painted finish which may be fading or peeling. Renewal of these aesthetic components may follow a different deterioration curve than the structural elements on which they are constructed.

Asset deterioration curves may be provided under each relevant asset plan or a reference location may be listed. The profile of deterioration curves change over time. Those presented in this suite of AMPs are correct only at the time of the development of each AMP. Up to date information may be obtained from the latest renewal model reports.

A typical deterioration/degradation curves for Horsham Rural City Council's road pavement asset is shown below:



6.3.5 Asset Useful Lives and Renewal Intervention Levels

Useful Life: The period over which an asset or component is expected to be available for use by an entity. (Definition from *IIMM 2011*).

Intervention Level: The Intervention Level is that point in time where the asset is at the end of its useful life. i.e. the condition of the asset no longer meets the agreed levels of service and requires renewal or replacement.

The useful life of an asset may be derived from:

- Deterioration curves - used to estimate the useful life of an asset; or
- Renewal modelling - based on Council's adopted intervention level, for each asset, the corresponding age will be the asset's useful life.

Intervention levels should be derived from the current levels of service.

Each section of this AMP will detail the intervention level and useful life, and the basis by which each has been adopted.

Note: The adopted intervention levels and useful lives are correct only at the time of the development of this AMP. Up to date information may be obtained from the latest renewal model reports.

AMP Process 6: Annual Valuations Justification Report

Step	Description	Responsibility	Timeframe
1	Review current brownfield and green field rates and asset lives as detailed in the AMP Attachment #2 Valuations Justification and document any amendments	Asset Engineer	June
2	Present amended report to the Finance Manager	Asset Engineer	June

6.3.6 Historical Asset Condition

Detailed historical data relating to asset condition surveys/audits and valuations can be found in the relevant reports and database files stored on Council's computer server system.

The results of condition surveys will also be provided in the relevant sections in this AMP.

Summary of current survey undertaken and next scheduled date is included in the appendix.

6.3.7 Age Profiles

Age Profiles for assets can be derived from modelling software. Each asset section of this AMP will provide details of the age of each asset.

Note: Age Profile graphs are correct only at the time of the development of this AMP. Up to date information may be obtained from the latest renewal model reports.

6.4 Assets Valuations

6.4.1 Valuation Summary

Asset valuation can be described as either the fair market value of an asset or the replacement (renewal) value of an asset, and is dependent on the type of asset being assessed.

Fair Market Value: Is the price that a given asset would fetch in the marketplace. An asset's fair market value should represent an accurate valuation, or assessment, of its worth. The fair market value can also be identified as the 'Greenfield' value and is generally used by Finance Managers for accounting purposes. Fair market value is quite often used for assets such as land, buildings, plant and equipment.

Renewal Cost (Value): Is the cost to replace an existing asset that has reached the end of its useful life, with an asset of equivalent capacity and providing similar level of service. The renewal cost uses the 'Brownfield' rate and is generally used by Engineers and Asset Managers for evaluating asset forecasting and developing capital works programs. The renewal cost is quite often used for assets such as roads, bridges, footpaths, etc. The renewal process may only entail the rehabilitation or replacement of asset components.

Replacement Cost (Value): Is similar to the renewal cost except that it entails the complete replacement of an existing asset (including all its components) that has reached the end of its useful life, so as to provide similar or agreed alternative levels of service. The replacement cost uses either 'Greenfield' or 'Brownfield' rate, depending on the particular circumstance, and is used by Finance Managers and Asset Managers for financial valuation and depreciation reporting.

Greenfield Rate: Is the costs associated with the construction of a new asset on a previously un-used, barren site and includes only the costs that would be included on initial acquisition of the asset. Costs involved include initial digging out of the site, formation and other typical construction costs, but do not include demolition, disposal, site restoration and built-up location costs.

Brownfield Rate: Similar to the 'Greenfield' rate, except that the brownfield rate does include demolition, disposal, site restoration and built-up location costs.

Table 6.4.1.1 Greenfield Vs. Brownfield

	Greenfield	Brownfield
Strategic planning reports	X	X
Project scoping and investigation, valuation reports, planning approvals	X	X
Demolition costs		X
Disposal costs		X
Site restoration		X
Built up location costs (e.g. traffic management)		X
Survey and design	X	X
Professional fees	X	X
Site preparation	X	X
Formation and earthworks	X	X
Construction (excluding formation and earthworks)	X	X
Contract payments	X	X
Council direct costs, wages, salaries, plant hire, materials, on-costs	X	X
Overheads	X	X
Supervision	X	X
Transport, installation, assembly and testing	X	X
Project management	X	X

Example of brownfield: Costs involved include digging out and removing existing kerb, digging out section of the adjoining road pavement, digging out area behind the kerb including footpath, driveways, trees, median strip. Site is now prepared and new kerb can be poured in place. The surrounding areas will now have to be reinstated including rehabilitation of adjoining pavement, median strip etc.

In the above example, brownfield unit rates will be much higher than greenfield rates. In other circumstances, where some of the existing material can be re-used and demolition and disposal costs are low, brownfield unit rates may be lower.

As greenfield rates vary from brownfield rates, renewal requirements can be more accurately assessed based on brownfield valuations. Asset valuation information (using renewal 'Brownfield' rates) is therefore used in this AMP, unless otherwise stipulated, in order to assist with decisions regarding the level of funding required for asset maintenance and asset renewal expenditures.

Each section of this AMP will identify the:

- Valuation rate used – fair market (greenfield), replacement (greenfield or brownfield) or renewal (brownfield);
- Difference/s, if any, with the renewal rate;
- Basis or assumptions used in determining the valuation value; and
- Reasons for any difference.

6.5 Historical Data

The existence and location of any important historical data should be documented to ensure continuity within the organisation. This may include plans, past acknowledged agreements made, files etc.

6.6 Routine Maintenance Plan

Routine maintenance is the regular on-going day-to-day work that is necessary to keep assets operating, including instances where components/sections of the assets fail and need immediate repair to make the asset operational again.

Maintenance includes reactive, planned and cyclic maintenance work activities:

- **Reactive Maintenance:** Is unplanned repair work carried out in response to customer service requests or unscheduled inspections, and often impose safety or loss of service risks. Examples include the repair of a large pothole in a road or the repair of a major trip in a footpath;
- **Planned Maintenance:** Includes maintenance work that is identified using a maintenance management system involving regular inspection, prioritising and scheduling, which may have high priority or impact, but poses no immediate threat to service or safety. Examples include the grading of gravel roads or the repairs to a non-structural wall of a building;
- **Cyclic Maintenance:** Is the planned maintenance or replacement of an asset's less significant components. Examples include the replacement of guideposts and delineators along a road or the mowing of grass in a park.

This section addresses how maintenance:

- Is identified and planned for;
- Any standards or guidelines which apply; and
- The basis for determining future maintenance costs.

Key components of the maintenance plan include:

- Requirement for planned, pro-active identification of maintenance issues;
- Ensuring that minimum safety standards are met;
- Works are undertaken so as to maximise the life of the asset;
- Emergency works are attended to as a priority; and
- Significant works, of a scale or cost that is unreasonable for the maintenance budget to accommodate, are referred to the capital works program for consideration in future budget plans.

The advantage of planned maintenance is to lower the risk exposure to Council by identifying and correcting defects before they reach an unacceptable level.

6.6.1 Maintenance Decision Making Process (Planned and Unplanned)

The maintenance decision making process applicable to all assets is summarised below:

AMP Process 7: Maintenance Planning

Step	Description	Responsibility	Timeframe
1	Potential maintenance tasks are identified from: • Scheduled defect inspections, • One-off inspections instigated by customer requests, • Condition surveys. Only defects exceeding any nominated works intervention level are recorded	Maintenance Provider	Ongoing
2	Recorded defects are assessed against an intervention criteria, as either: • Emergency work; • Exceeding any hazard intervention level; • Not exceeding any hazard intervention level; or • An excessive scale or cost	Maintenance Provider	Ongoing
3	The following actions are undertaken for defects: • **Emergency work** → Immediate action undertaken; • **Exceeding any hazard intervention level** → Interim action undertaken. Works order immediately issued; • **Not exceeding any hazard intervention level** (or no hazard intervention level set) → Actions prioritized according to established ranking criteria. Works orders issued depending on budget; • **Of excessive scale or cost** → Referred to the capital works program	Maintenance Provider or Asset Provider	Ongoing
4	Following the completion of works, in accordance with the Asset handover process, details of any change in asset profile or condition is reported to the Asset Engineer for amending/updating the asset register.	Project Officer or Maintenance Provider	As required

Where:

Emergency works: Any event or occurrence where the likelihood of an accident or loss is almost certain and the consequences are considered major or catastrophic;

Hazard intervention level: When the condition of a defect deteriorates to the hazard intervention level that represents a high risk to the user then the defect (a "hazard defect") is corrected as a matter of priority;

Interim action: Where a defect condition exceeds the hazard intervention level, interim action shall be undertaken to make the site safe for the period until the hazard is rectified.

6.6.2 Defect Inspections

Defect Inspection: A programmed inspection of the asset to identify the number and extent of defects. Defect inspections are a critical part of the planned, pro-active maintenance process.

Assets are defect inspected on a scheduled frequency, based on the asset type, asset hierarchy and the risk associated with the defect.

Each section of this AMP will specify the:

- Asset;
- Inspection name;
- The defects to be evaluated and scored;
- Inspection frequency which may vary across the asset hierarchy; and
- Responsibility for undertaking the defect inspection.

In some instances certain assets, associated with minimal or no risk, may not be inspected and will be subject to unplanned maintenance only.

6.6.3 Prioritisation of Maintenance Works

Defect works exceeding the minimum hazard intervention level are prioritised in accordance with established criteria as established in this AMP and Road Management Plan for road infrastructure.

The criteria take into account the defect:

- Hazard intervention level;
- Severity (condition);
- Relative risk or importance of the defect compared to other defects;
- Asset hierarchy or location; and
- Location of the defect within the asset.

6.6.4 Defect Response Times

Response times, to correct defects and undertake interim action, are/may be nominated in this AMP.

The response times may vary across the asset hierarchy. Each AMP shall list the relevant defect response time.

6.6.5 Maintenance Standards and Specifications

The standards for maintenance are described by the hazard intervention level and emergency works.

Maintenance work is carried out in accordance with the following standards and specifications:

- HRCC standard drawings and specifications;
- Building regulations;
- Those specified in Council's Road Management Plan;
- Infrastructure Design Manual (if applicable);
- VicRoads standards (if applicable);
- Industry standards and regulations.

6.6.6 Future Maintenance Costs

Future maintenance costs are based on the assumption that the current maintenance levels of service and expenditure is adequate, with any variations based on:

- An increase in asset quantities due to the introduction of new and upgraded assets;
- A decrease in asset quantities due to the rationalisation/disposal of assets;
- Changes in agreed level of service; or
- Any increase in the cost of maintaining older assets if renewal works, on those over-interventions, are not undertaken.

Predictions on the change in future maintenance costs may be obtained from renewal modelling software, such as the Moloney Asset Management Systems Renewal Forecast Model.

Future maintenance costs are summarised in the financial summary.

6.7 Renewal/Replacement Plan

Renewal: Works to replace existing assets with assets of equivalent capacity or performance capability. (Definition from *IIMM 2011*).

Replacement: The complete replacement of an asset that has reached the end of its life, so as to provide a similar or agreed alternative, level of service. (Definition from *IIMM 2011*).

The renewal/replacement plan may:

- Show how renewals/replacements are identified and to what standards they are replaced;
- Depict end of life projections;
- Describe the renewal/replacement decision making process;
- Define renewal/replacement strategies, methods to meet required levels of service;
- Define how renewals/replacements are identified and prioritised;
- Identify risks associated with alternative renewal/replacement standards;
- Forecast renewals/replacements and the associated coats;
- Note any renewals/replacements that are deferred.

6.7.1 Renewal/Replacement Planning Process

Council's process for identifying and undertaking renewal/replacement works is shown below:

AMP Process 8: Renewal Planning

Step	Description	Responsibility	Timeframe
1	Potential renewal projects identified from the: • Outcome of condition surveys based on condition rating and remaining life. • As required condition inspections	Asset Engineer	Ongoing
2	Projects are inspected to verify the current condition rating.	Asset Engineer	Ongoing
3	Projects are prioritised into a draft long term renewal program according to the established weighting system detailed in this AMP.	Asset Engineer	Ongoing
4	The long term renewal program is referred to the Long Term Financial Plan (LTFP) for inclusion as projected cash-flow expenditure.	Finance Manager and Asset Engineer	Annually
5	The actual program is confirmed against the actual funding provided in the LTFP based on the renewal modelling outcomes.	Finance Manager	Annually
6	As part of the annual budget process the long term renewal works program is rationalised to match the available budget expenditure. This annual renewal works program may be further modified to provide greater efficiency by allow for factors including economies of scale and project location.	Asset Engineer and Finance Manager	Annually
7	Following the completion of works in accordance with the asset handover process details of the change in assets is reported to the Asset Engineer for inclusion/updating the asset register.	Project Officer or Asset Provider	As required

6.7.2 Renewal/Replacement Priority Ranking

All renewal/replacement works programs are developed based on a priority ranking formula detailed in this AMP.

6.7.3 Renewal/Replacement Capital Works Program

The long term (5 – 10 years) renewal/replacement works program is developed from the priority ranking as listed below:

Criteria
Corporate Priority
Asset Performance
Community Outcome
Criticality

Furthermore, for each asset the criteria may be further broken down to additional assessment criteria. The AMP shall list all criteria and the % weighting.

6.7.4 Treatment Options

Each AMP may provide a brief summary of possible treatment options including the current treatment and the benefits or limitations of these options. Particular attention is given to the possible use of low-cost treatments.

6.7.5 Future Renewal Costs

6.7.5.1 Renewal Modelling and Renewal Rates

To estimate future renewal expenditure Council utilises the:

- Moloney Asset Management Systems Renewal Modelling Software (for road pavements, road surfaces, kerb & channels, bridges and footpaths);

The model requires the following input data:

Input Data	Source
Intervention level	Current levels of service
Useful life	Deterioration/degradation curves
Condition rating distribution	Condition survey data and asset register
Annual renewal expenditure	Annual budget
Annual maintenance expenditure	Annual budget
Asset quantity	Asset register
Renewal rates	Recently completed renewal work
Deterioration/degradation profiles	Condition survey data

Within each asset class Council, based on its asset hierarchy, determines which assets shall be modelled, taking into account:

- Quantity,
- Differences in performance
- Differences in renewal rates.

This AMP shall document the asset sets that are modelled and the basis for the renewal rate used. Typically the renewal rate shall be derived from actual costs incurred by Council, for renewal works completed over the previous 12 months.

The Moloney Asset Management System's Renewal Model provides a high level forecast of renewal costs and the subsequent performance of the asset. As it provides estimates of the 'average' performance of assets it is not suitable for directly creating works programs as individual assets will perform differently into the future. All works programs will be subjected to on-site inspection and verification.

Not all Council asset categories may be modelled. Where an asset category is not modelled the reasons will be stated in this AMP.

6.7.5.2 Asset Renewal Funding Gap

Renewal Funding Gap: Is the anticipated funding shortfall in meeting asset renewal over time. The renewal funding gap is derived from the required renewal expenditure, to cover the renewal demand, divided by the actual renewal expenditure.

Council has identified in its Council Plan, the need to *'Continue to actively pursue initiatives to reduce the infrastructure renewal funding gap'*. To achieve this, Council has specified in its Asset Management Policy and Strategy that:

- Use of non-asset solutions to meet service demand; 'Renew' before 'New' and 'Upgrade';
- When considering any renewal (refurbishment), replacement or improvement to any asset, a critical review of the need for that asset to be undertaken.
- Council will endeavour to progressively reduce the infrastructure renewal gap. This will be achieved by a combination of:
    - Seeking additional external funding.
    - Seeking improved efficiencies in the delivery of asset maintenance and renewal practices to obtain improved value in this investment.
    - Including an annual rate increase of up to 2% per year, cumulative, added over and above any other adopted rate increase, specifically targeted to reduce the gap.
    - The level of the additional annual commitment will be assessed in the context of the affordability of rates on a year-to-year basis, recognising Council's desire to minimise the rate burden for ratepayers.

To estimate renewal funding gaps Council utilises the:

- Moloney Asset Management Systems Renewal Modelling Software (for road pavements, road surfaces, kerb & channels, bridges and footpaths);

Renewal funding gap information is summarised in the financial summary.

Note: The renewal funding gap figures are correct only at the time of the development of this AMP. Up to date information may be obtained from the latest renewal model reports.

6.7.5.3 Reference to the Long Term Financial Plan (LTFP)

The renewal forecast is referred to the Long Term Financial Plan for inclusion. The actual funding may be varied following the process to develop the LTFP. The Renewal modelling software may then be used to test 'what-if' scenarios based on changing the budget scenario and predicting the percentage of assets that will exceed intervention.

Future renewal costs identified in this plan, and the impacts of any difference between the actual and adopted expenditure, are summarised in the financial summary.

6.8 New and Upgrade Plan

New Works: Works that create a new asset that did not previously exist.

Upgrade Works: Works which improve an existing asset beyond its original capacity.

New and upgrade works may result from growth, social, environmental or legislative requirements. Assets may also be acquired at no cost to the organisation (i.e. those acquired from subdivision development, charity organisations, or through grants).

It is acknowledged that the addition of any asset to Council's portfolios increases the lifecycle costs incurred by Council, and that any new or upgrade works must be justified against the nominated service standards and the benefit to the community.

6.8.1 New and Upgrade Planning Process

Potential new and upgrade works may be identified from a number of sources, including:

- From the Service Strategy / Plan,
- Community engagement – discussions re: current issues and future needs,
- Under-capacity analysis,
- Assessment of future demand, and
- Risk assessment.

AMP Process 9 New and Upgrade Planning

Step	Description	Responsibility	Timeframe
1	Identify new and upgrade projects from above mentioned sources	Service Provider and Asset Provider	Ongoing
2	Projects are evaluated against the Capital Evaluation Framework	Evaluation Committee	Annually
3	Projects are prioritised into single long term new and upgrade activities according to the established assessment system in the Capital Evaluation Framework.	Evaluation Committee	Annually
4	The new and upgrade works program is referred to the Long Term Financial Plan for inclusion as projected cash-flow expenditure.	Evaluation Committee Finance Manager	Annually
5	As part of the annual budget process the long term new and upgrade works program is rationalised to match the available budget expenditure and new priorities.	Evaluation Committee Finance Manager	Annually
6	Following the completion of works in accordance with the Asset Handover process details of the change in assets is reported to the Asset Engineer for inclusion in the asset register.	Project Officer Asset Provider	As required

As stated in Step 2 above, all new and upgrade projects are prioritised and programmed using Council's Capital Evaluation Framework as part of the annual capital works budgeting process. Capital works selection criteria would typically include issues such as:

- Fit with Council strategies – including political imperatives
- Service level
- Social impact on community
- Capital finance source
- Operational/maintenance cost

- Environmental impacts aspects
- Consequences/likelihood of risk
- Capital classification – renew/new/upgrade

6.8.2 Future New and Upgrade Costs

As highlighted in Step 1 above, future new and upgrade costs are identified within a service strategy/plan or within this AMP, as a measure against the established levels of service. The benefit, cost and reasoning for any project must be clearly stated.

New and upgrade works identified in this AMP shall be cross-referenced against the service strategy/plan in order to avoid any duplication.

All proposed new and upgrade projects, relating to asset, shall be listed within this AMP and are referred to the Capital Evaluation Process for consideration.

Future new and upgrade costs, identified in this plan, are summarised in the financial summary.

6.9 Operations Plan

Operations: Regular activities to provide public health, safety and amenity. E.g.: street sweeping, grass mowing, street lighting, cleaning, utilities.

Operational costs, associated with the asset (e.g. grass mowing, painting, line marking, etc.), are considered within this AMP.

Operational costs, associated with service delivery (e.g. staffing, electricity, gas, water, cleaning, programs etc.), are detailed within the Service Plan.

6.9.1 Operations Planning Process

AMP Process 10: Operations Planning

Step	Description	Responsibility	Timeframe
1	Identify potential changes in operating costs.	Service Provider	Annually
2	The Long Term Asset Operational Costs are referred to the Long Term Financial Plan, for inclusion as a financial projection.	Service Provider Finance Manager	Annually

6.9.2 Current and Future Operations Programs and Costs

Operating costs may change over time due to:

- Price increases above CPI;
- Increases or decreases in the asset portfolio;
- Legislative, Public Health or Safety requirements.

This AMP will assess and list current operating programs and identify any possible future changes in operating costs.

Future operating costs identified in this plan are summarised in this AMP Financial Summary.

6.10 Rationalisation/Disposal Plan

Disposal: Includes any activity associated with the decommissioning and disposal of an asset, including sale, demolition or relocation.

The disposal option requires careful consideration in service reviews and consideration of non-asset based service delivery, and shall involve community engagement.

Rationalisation of assets in this way eliminates future life-cycle costs associated with the asset, and may assist in reducing the renewal funding gap (referred to in Section 6.7.5.2 in this AMP).

6.10.1 Rationalisation/Disposal Planning Process

AMP Process 11: Disposal Planning

Step	Description	Responsibility	Timeframe
1	Potential asset rationalisation/disposal identified from the Service Strategy/Plan, from an assessment of future demand in this AMP.	Service Provider, Asset Provider	Ongoing
2	Assets identified for possible disposal are tested against the adopted criteria and placed in a long term rationalisation/disposal program.	Service Provider, Asset Engineer	Ongoing
3	Potential asset disposal projects are reported to Council for consideration.	Service Provider, Asset Engineer	Ongoing
4	The long term rationalisation/disposal program is referred to the Long Term Financial Plan for inclusion as projected cash-flow expenditure.	Service Provider, Asset Engineer Finance Manager	Annually
5	As part of the annual budget process the long term rationalisation/disposal program is rationalised to match the available budget expenditure and new priorities.	Asset Engineer, Finance Manager	Annually
6	Following the completion of works, in accordance with the asset handover process, details of the change in assets is reported to the Asset Engineer for amending/updating of the asset register.	Project Officer, Asset Provider	As required

6.10.2 Justification for Rationalisation/Disposal

Assets may become surplus to requirements for any of the following reasons:

- Under-utilisation;
- Obsolescence;
- Provision exceeds required level of service;
- Uneconomic or not viable to upgrade or operate;
- Policy change;
- Service provided by other means;
- Potential risk of ownership.

Improvement Action: 5 Develop a Rationalisation / Disposal Policy, including justification criteria

6.10.3 Future Asset Rationalisation/Disposal Programs and Costs

As detailed in Step 1 above, future rationalisation/disposal costs are identified within the Service Strategy / Plan or from analysis of future demand, within this AMP. The benefit, cost and reasoning for any project must be clearly stated.

Rationalisation/disposal works, identified in this AMP, shall be cross-referenced against the Service Strategy / Plan in order to avoid any duplication.

All rationalisation/disposal projects shall be listed within this AMP.

Future rationalisation/disposal costs, identified in this plan, are summarized in the Financial Summary.

7 FINANCIAL PLAN

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections are based on the available information and are subject to continuous review.

7.1 Financial Statements and Projections

Ten year projections, based on the projects and costs listed in the Lifecycle Management section for maintenance, renewal, new and upgrade, operations and disposal, are included in this section.

Renewal projections include scope to identify and comment on any difference between the adopted renewal expenditure and the projected renewal funding gap.

7.1.1 Life Cycle Costs

Life Cycle Cost: (Also referred to as 'whole of life' cost) is the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs. Life cycle costs are the costs required to sustain the agreed levels of service provided over the asset's life.

Life Cycle Expenditure: Is the total expenditure funding provided throughout an asset's life, to cover the costs associated with planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal.

Life Cycle Sustainability Index: Indicates the sustainability of an asset to continue to meet the required levels of service.

Life Cycle Sustainability Index = Life Cycle Expenditure / Life Cycle Cost

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. A gap between life cycle costs and life cycle expenditure

gives an indication as to whether Council is allocating sufficient funds to cover the degradation of the asset. The purpose of this AMP is to develop asset management strategies to provide current service levels in a sustainable manner.

Life cycle costs and life cycle indexes for assets, identified in this AMP, are summarised in the Financial Summary Attachment.

7.2 Funding Strategy

The aim of Council's Financial Strategic Resource Plan is to assist it in understanding the medium to long term implications of its policies and strategies which are proposed each year and subsequently adopted in the annual budget process.

The Financial strategy is closely aligned to the Council Plan and provides Council with a broader understanding of the financial implications of its strategic decisions. It guides Council and management in the preparation of future corporate strategies and associated allocation of budgets.

Council's annual budget process is based on the following principles:

1. Deliver the results sought by Council as specified in the outcome statements in each program area.
2. Deliver outcomes as identified in Council's annual plan.
3. Reflect Council's capital expenditure priorities as identified in the 4 year Strategic Resource Plan, including no new major capital projects.
4. Emphasise the implementation of adopted strategies and priorities identified in Business Plans.
5. Increase funding levels for infrastructure asset renewal and maintenance.
6. Increase working capital and cash reserves.
7. Minimise rates and charges increases.
8. Not exceed existing staff levels.
9. Undertake no new loan borrowing's

The funding of assets is considered in Council's Long Term Financial Plan (LTFP). The process for development of the LTFP is:

AMP Process 12: Development of Long Term Financial Plan

Step	Description	Responsibility	Timeframe
1	Update financial projections in AMPs, based on identified maintenance, renewal, new and upgrade, operations and disposal requirements, and report to Finance Manager	Asset Engineer	Annually
2	Review financial projections and compare to Council's long term funding opportunities	Finance Manager	Annually
3	If any change required to the asset financial projections advise Asset Engineer	Finance Manager	Annually
4	As required: • Develop a renewal funding solution and,	Asset Engineer	As Required

Step	Description	Responsibility	Timeframe
	• Amend the financial projections. Comment on the implications of any funding shortfall and report back to the Finance Manager		
5	Review the funding solution and amended financial projections and implications and endorse	Executive Team/ CEO/ Finance Manager	As Required
6	Include any asset funding changes in LTFP	Finance Manager	As Required
7	Develop Annual Budget based on LTFP	Finance Manager	Annually

Improvement Action: 6 Develop Council's Long Term Financial Plan.

7.2.1 Funding Sources

The AMP details how works have been funded in the past and funding opportunities.

Sources for the funding of expenditure on municipal assets include the following:

- Council rate revenue,
- Roads to Recovery and AusLink program funding from the Federal Government,
- Special Charge Schemes, and
- Other State or Federal government funding programs (when available) e.g. Black Spot, Better Roads Funding Programs, Heavy Vehicle Safety and Productivity Program, Bridge Renewal Program.

In order to meet the needs of its rapidly developing community, Council has a role to:

- Ensure that there is sufficient funding to sustain growing levels of road assets for which it is responsible; and
- Promote awareness and understanding of road funding needs and renewal gap within the community.

In general, Council has the following priorities with respect to expenditure on road assets:

- Maintain the existing network in a "reasonable condition", approximating the present general condition of the network. These maintenance activities include:
  - Asset maintenance activities, and
  - Asset renewal activities.
  - Accept donated assets from subdividers to extend the network and to similarly maintain those assets.
  - Upgrading of existing road assets to meet the demands of changing population, traffic patterns, traffic volumes and traffic type.

Strategies for asset maintenance and renewal are discussed below.

7.2.2 Funding of Asset Maintenance

Maintenance activities are not only important to ensuring the maximum 'useful' life of an asset is achieved, but also impacts directly on aspects of risk management and the delivery of expected levels of service to the community.

In most cases, the commencement of a maintenance or operational activity is triggered by

the asset showing certain measurable defects or conditions. This trigger is termed the maintenance intervention criteria. Examples of these defects include size of potholes or corrugations in a road, or the length of grass on a roadside.

Budget constraints may result in undesirable asset deterioration. Council is responsible to ensure that budget funding levels are allocated adequately to ensure undesirable asset deterioration does not occur.

Funding for assets must compete against a wide range of services that Council delivers. The following factors are considered by Council during its annual budget process to determine and review its maintenance funding levels:

- The ability to meet the specified levels of service in regards to its adopted maintenance performance criteria within the limitations of funding levels,
- Maximisation of asset life and reduction in whole of life costs,
- Priorities for maintenance are consistent with the objectives of the Road Management Plan,
- All relevant information relating to the gap between what maintenance works are funded by Council and listings of any deferred maintenance required to be completed, and
- Annual Community Satisfaction Survey outcomes.

In terms of future funding for maintenance activities:

- Funding availability in maintenance programs requires adjustment in successive years due to asset growth. Growth will immediately impact some expenditure area whilst others will 'lag', pending future deterioration,
- Funding allocations based on providing a level of service require flexibility for changing priorities,
- Work method improvements,
- Effects of some plant replacement on unit costs, and
- Research towards better funding prediction could be based on performance / deterioration indicators e.g.
  - Seal patching sq. m / network km / year
  - Unsealed road grading km / network km / year
  - Sign replacement numbers / network km / year

7.3 Key Assumptions Made in the Financial Forecasts

The following general assumptions have been made in preparing the 10-year expenditure forecasts/projections:

- Current construction and maintenance techniques and materials;
- Current maintenance funding levels are meeting agreed level of service requirements;
- Capitalisation is being applied as per Council's policy on capitalisation;
- Operational and administration overheads and other non-asset maintenance costs are not considered in the renewal modelling, but are included in the Long Term Financial Plan costs, as separate projections;

- There is no allowance for CPI, as the continuing re-valuation and condition inspection process will make necessary adjustments to the current maintenance and capital works rates.

This AMP may also consider an assessment of the accuracy of the financial forecast and actions by which future forecasts may be improved.

7.3.1 Actions for Improving Future Financial Forecasts

Future financial forecast may be improved by the following Improvement Actions:

- Nil

8 ASSET MANAGEMENT PRACTICES

This section outlines the information available on Council assets, the information systems used, and the processes used to make decisions on how the assets will be managed.

8.1 Information Systems

8.1.1 Asset Data

Key information relating to Council assets, such as location, dimensions, materials, surface treatment, classification or hierarchy, condition, construction date, etc. is held within the asset register and asset management systems.

8.1.1.1 Data Quality

The quality of the data, held within Council's asset registers and asset management systems, is dependent upon a sound system of advice and updating. Asset data is updated regularly following advice received from inspections, condition surveys and changes to asset profile.

8.1.1.2 Asset Handover Process

The Asset Handover Procedure documents the process and responsibilities.

Following changes to assets asset registers/asset management systems and other corporate information must be amended to reflect the change in the asset portfolio.

The changes may occur from both Council (internal) and gifted (external) (e.g. subdivision) works.

AMP Process 13: Asset Handover

Step	Description	Responsibility	Timeframe
1	Complete the asset handover forms and forward it to Asset Engineer for updating the asset database	Project Supervisors	After Completion of projects
2	Update the asset database and forward the report to Finance Manager.	Asset Engineer	Quarterly
3	Update the financials	Finance Manager	Annually**

**Move towards updating financials quarterly following the receipt of information from Asset Engineer.

Improvement Action: 7 Develop Asset Handover Framework

8.1.1.3 How Often Data is Collected/Reviewed

Asset data is collected and reviewed as part of the asset condition survey. The frequency of asset condition survey is detailed in relevant AMPs.

8.1.2 Accounting / Financial Systems

The accounting and financial systems used at Horsham Rural City are:

- Civica Authority;
- Moloney AM Systems Modelling software

Responsibility for the outputs from the financial accounting system and compliance with the Australian accounting standards, regulations and guidelines resides with the Manager Finance.

The Moloney modelling is used in the formulation of asset management plans, required annual modelling for state-wide MAV benchmarking, and inputs into the MAV sustainability program. Inputs into the modelling software are the responsibility of the Assets Engineer.

8.1.3 Asset Management Systems

The asset management systems used at Horsham Rural City are:

- Moloney AM Systems Assets spreadsheets – for roads, footpaths, kerb & channel, stormwater drainage, and bridges;
- Assetic MyData (not yet implemented) – for all assets;
- Pitt and Sherry AssetAsyst – maintenance management system for inspection, programming maintenance works and logging for roads and footpaths.

Details on Asset Management Systems used by Council are summarised in various sections of this AMP. Information includes the software or asset management system used, and how often the data is collected or reviewed.

8.2 Information Flow Requirements and Processes

8.2.1 Information Flows To and From This Plan

The key information flows ***into*** this asset management plan are:

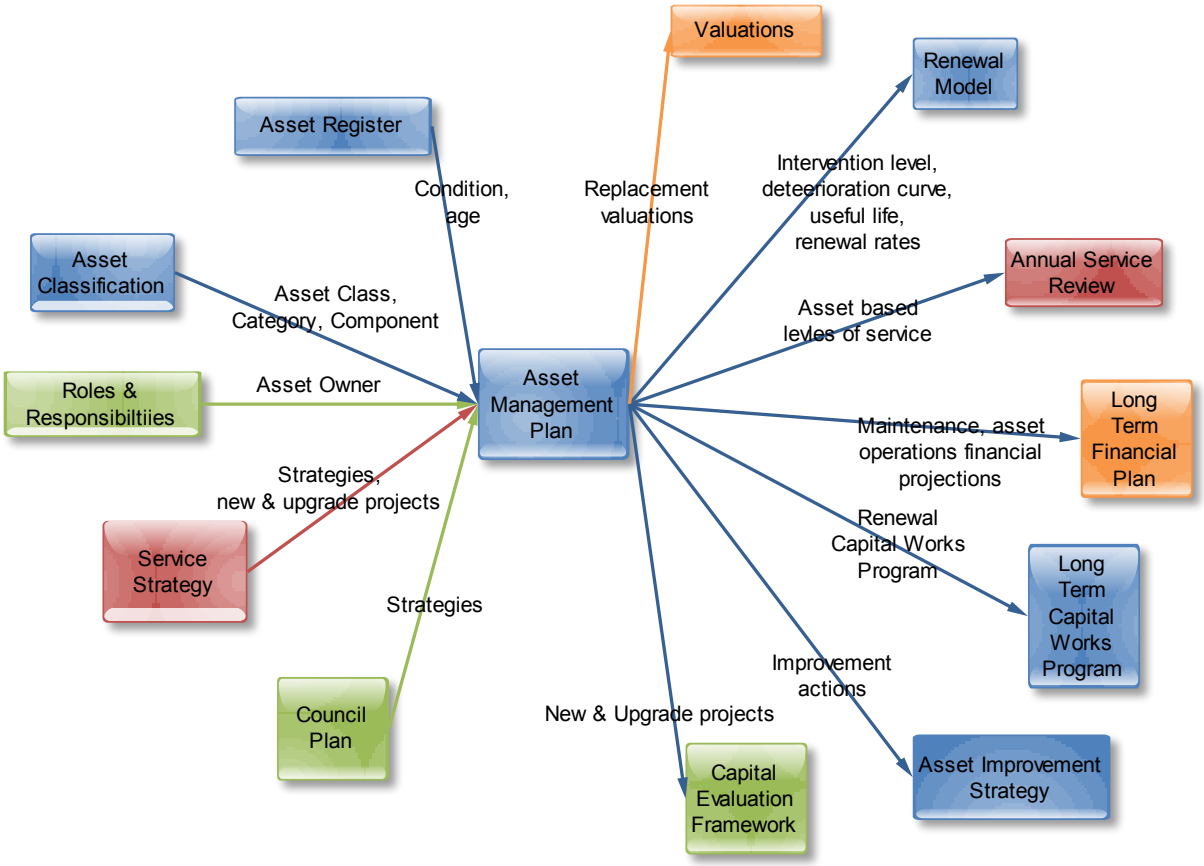
- Asset management system data, including physical parameters, location, condition and value;
- Asset replacement values/cost, including unit rates for different asset classifications, construction and maintenance unit rates, and treatments;
- Documented levels of service;
- Projections for various factors affecting future demand for services;
- Maintenance and renewal projections and modelling;
- Council strategies and data that impact on provision of new or upgrade assets.

The key information flows ***from*** this asset management plan are:

- Definition of the nature, value and type of Council's assets to enable the community and other stakeholders to play a key role in balancing the services and service levels provided by the assets, with the resources available;
- Forecast / modelled medium and long term expenditure requirements for asset maintenance, renewal and new / upgraded assets;
- The basis for expenditure decisions, including asset hierarchy, the Capital Works Evaluation tool, renewal and maintenance requirements for the current asset portfolio, and alternative asset-based service options.

These outputs will help define *'how Council does business'* in the asset management area, and provide input into the Council Plan, Long Term Financial Plan and annual budgets.

The key information flows to and from this AMP are:



8.3 Standards and Guidelines

The following asset management policies, procedures and references were used in the preparation of this AMP:

- International Infrastructure Management Manual (IIMM) – Version 4.0, 2011;
- MAV 2013, 'National Asset Management Assessment Framework';
- HRCC Asset Management Policy – Version 4.0, Sep. 2014;
- HRCC Asset Management Improvement Strategy – Version 4.0, March 2015;
- HRCC Risk Management Plan – Sept. 2012

9 PLAN IMPROVEMENTS AND MONITORING

9.1 Improvement Program

Through the development of each AMP, improvement actions will be identified and documented and then summarised in this plan to ensure a consolidated improvement plan. The responsibility, timetable and resources required to implement the actions are identified.

AMP Process 14: Improvement Action Reporting

Step	Description	Responsibility	Timeframe
1	Update status of identified improvement actions and report status to AWG	Asset Engineer, with attendance of relevant Asset Providers, Maintenance Providers and Service Providers as required	Quarterly
2	Status considered and corrective actions identified and report status to Executive Management Group/CEO	Assets Working Group	Quarterly
4	Status report considered and endorsed	Executive Management Group /CEO	Quarterly
5	Corrective actions implemented	Relevant officer	As Specified

Improvement Action: 1 Develop Asset Management and Financial Planning skills matrix ... 18
Improvement Action: 2 Add Levels of Service to the relevant AMP upon development..... 24
Improvement Action: 3 Review and confirm AMP processes as they are undertaken 25
Improvement Action: 4 Develop condition rating manual for each of the asset classes 36
Improvement Action: 5 Develop a Rationalisation / Disposal Policy, including justification criteria 50
Improvement Action: 6 Develop Council's Long Term Financial Plan. 52
Improvement Action: 7 Develop Asset Handover Framework 55

The program to undertake the above actions is included in the AMP Attachment #1 Improvement Actions Status

9.2 Monitoring and Review Procedures

9.2.1 Review Procedure

The Asset Management Plan is a living document which is integral to Council's asset management activities. To ensure the plan remains useful and relevant the following ongoing process of monitoring and review activities are proposed to be undertaken:

- **Review contents of the plan annually** and incorporate new knowledge, including any changes in service levels and/or resources available to provide those services, during the annual budget preparation and decision process.
- **Revision and updating of the plan on a four (4) yearly basis**, with this review to occur within 12 months of each Council election.

The next review is due by **October 2019** as per the process detailed below.

AMP Process 15: AMP Review

Step	Description	Responsibility	Timeframe
1	Review AMP content and report to AWG	Asset Engineer, with attendance of relevant Asset Providers, Maintenance Providers and Service Providers	Annually (During budget process)
2	Proposed amendments to AMP content considered and reported to Executive Management Group /CEO	Assets Working Group / Assets Engineer	Annually
3	Amendments to AMP content adopted	Executive Management Group / CEO	Annually
4	Review and update AMP and report to AWG	Asset Engineer, with attendance of relevant Asset Providers, Maintenance Providers and Service Providers	4 Yearly (Within 12 mths of Council Elections)
5	Proposed amendments and improvement actions considered and reported to Executive Management Group /CEO	Assets Working Group / Assets Engineer	4 Yearly (Within 12 mths of Council Elections)
6	Amended AMP reviewed and endorsed	Executive Management Group / CEO	4 Yearly (Within 12 mths of Council Elections)
7	Amended AMP reported to Council	Executive Management Group / Relevant Director	4 Yearly (Within 12 mths of Council Elections)
8	Amended AMP adopted	Council	4 Yearly (Within 12 mths of Council Elections)

9.2.2 AMP Performance Monitoring

Performance measures will be developed to ensure that work practices and the Asset Management Plan are reflective of each other.

The performance of the AMP shall be monitored against the following criteria in accordance with the process detailed below.

a) **Maintenance and renewal programs** - to confirm that allocated budget projects were delivered on time, within budget and to the specified level of service.
b) **Inspection programs** - to confirm that they were undertaken as specified in the AM Plans, Service Level Agreement for maintenance of the road reserve and the Road Management Plan.
c) **Scheduled condition surveys** – to confirm that they were undertaken as required.
d) **Data installation into the Asset Information System** - to ensure that stored data is current.
a) **The consideration of any external factors**, including legislative requirements, ongoing development of Council Policies, Plans, and other major system implementations, that may affect the contents of the Asset Management Plan.

AMP Process 16: AMP Performance Monitoring

Step	Description	Responsibility	Timeframe
1	Report on AMP performance against audit criteria	Asset Engineer Risk Manager	July
2	Review audit outcomes	Asset Engineer Director	August
3	Report to AWG	Asset Engineer	August
4	Report to EMT	AWG	
5	Corrective action as required	Relevant officer	Ongoing

10 REFERENCES

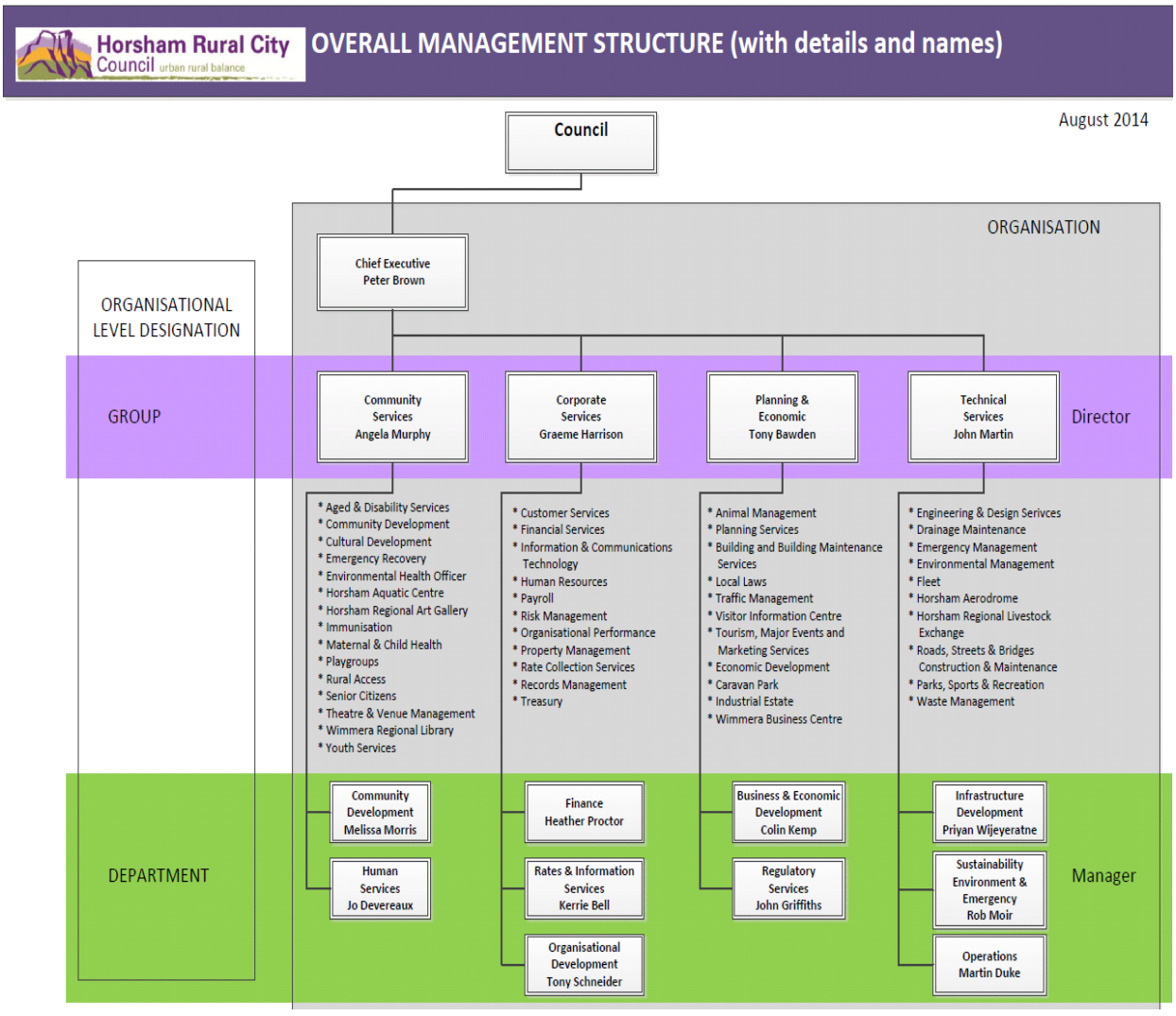
1. Horsham RCC, *Council Plan 2014 – 2018*
2. Horsham RCC, *Strategic Resource Plan 2014 – 2018*
3. Horsham RCC, *Asset Management Policy V4.0 Sep. 2014*
4. Horsham RCC, *Asset Management Improvement Strategy – Version 4.0, March 2015*
5. Horsham RCC, *Annual Report 2014/15*
6. Horsham RCC, *Risk Management Framework and Plan Sept. 2012*
7. *International Infrastructure Management Manual (IIMM),* V4.0, 2011
8. MAV 2013, *National Asset Management Assessment Framework*
9. Moloney Asset Management Systems, *Modelling Manual*
10. Colac Otway Shire Council, Nov. 2013, *Asset Management Plan – General Information*

11 APPENDICES

11.1 Summary of Condition Surveys Undertaken

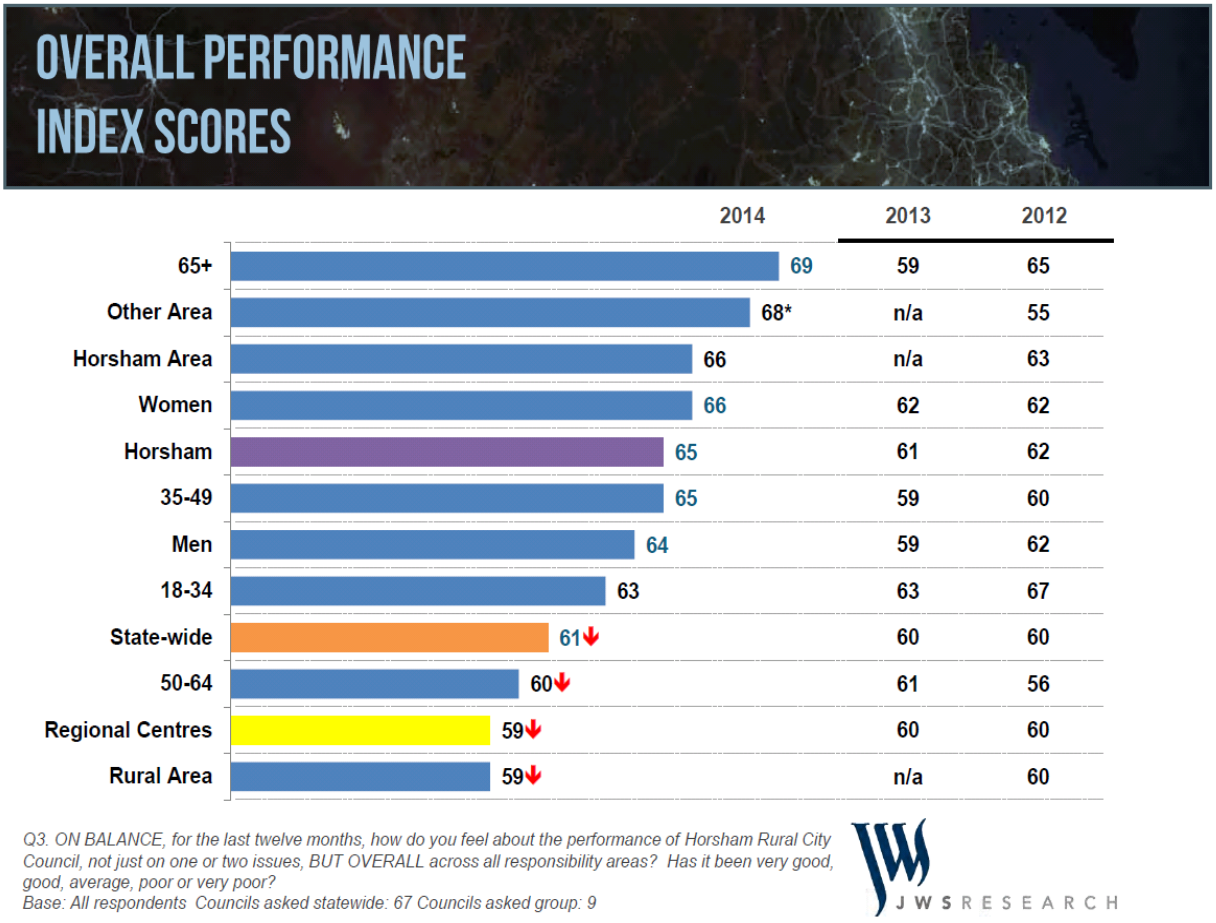
Relevant AMP Section		Asset Category Included and Consultant Used	Last Date Completed	Next Due
B	ROADS	Moloney AM Systems – Sealed and Unsealed Roads (including kerbing)	July. 2014	July. 2017
C	BRIDGES and MAJOR CULVERTS	Stirling Group Consultants – Bridges and Major Culverts	Aug. 2012	Aug. 2015
D	BUILDINGS and STRUCTURES	In-house – 100 out of 160 Buildings	Aug. 2010	Aug. 2013
E	FOOTPATHS and PATHWAYS	Moloney AM Systems – Footpaths	July. 2014	Ongoing
E	FOOTPATHS and PATHWAYS	Moloney AM Systems – Bike Paths	July. 2014	Jan. 2017

11.2 Council's Organisation Chart

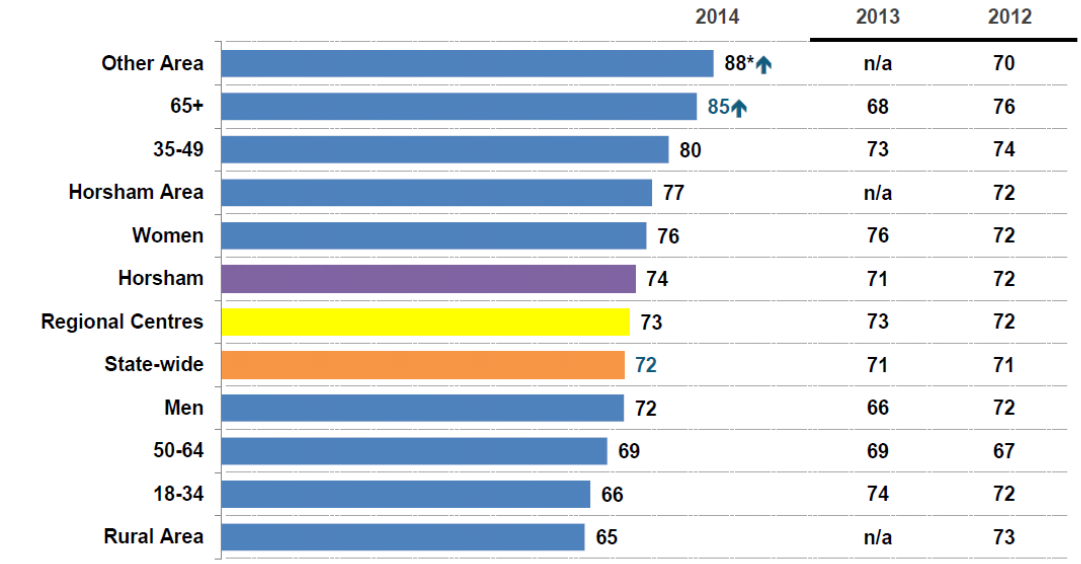


11.3 Summary of Latest Community Satisfaction Survey

Core Performance Measure	Score				
	HRCC 2014	HRCC 2013	HRCC 2012	State-Wide Average	Rural Cities and Regional Centres Group
Overall Performance	65	61	62	59	61
Customer Service	72	71	72	73	72
Community Consultation and Engagement	61	60	61	56	57
Advocacy	59	57	59	56	56
Overall Council Direction	55	54	55	53	53



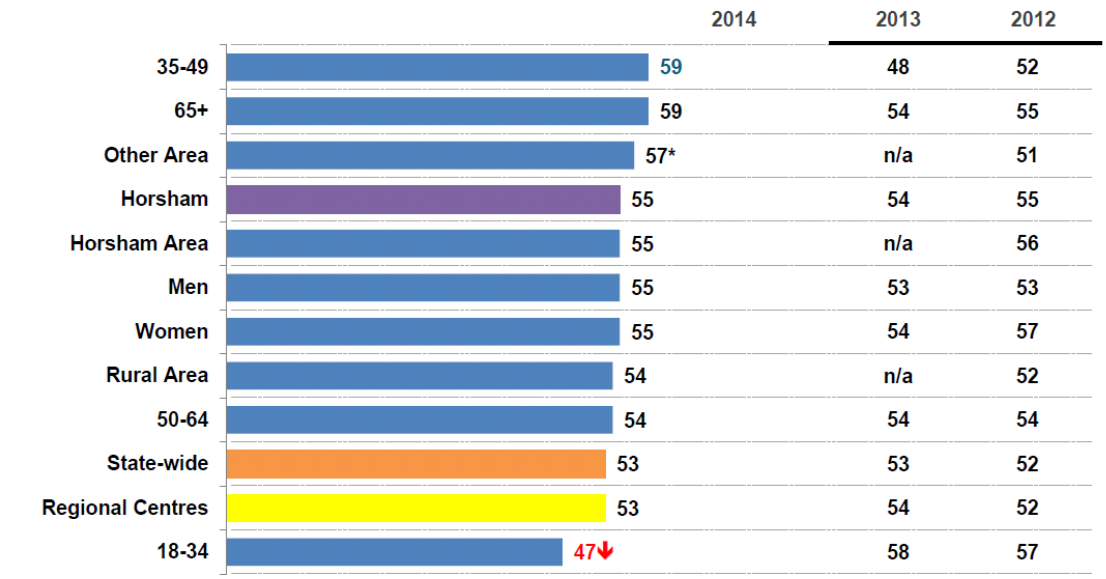
2014 CONTACT CUSTOMER SERVICE INDEX SCORES



Q5c. Thinking of the most recent contact, how would you rate Horsham Rural City Council for customer service? Please keep in mind we do NOT mean ACTUAL OUTCOME but rather the actual service that was received.
Base: All respondents who have had contact with Council in the last 12 months.
Councils asked statewide: 67 Councils asked group: 9

JWS RESEARCH

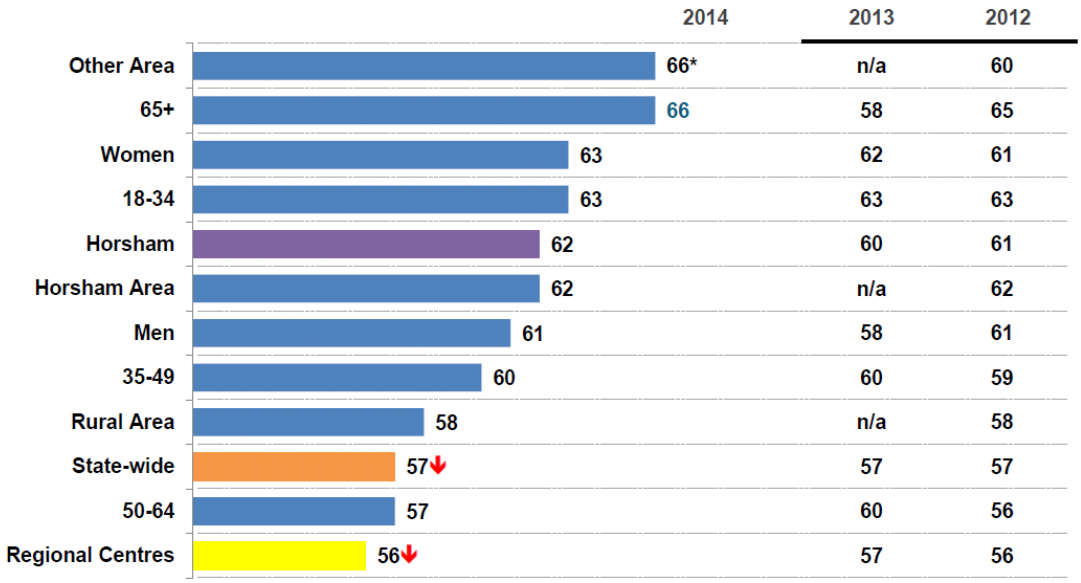
2014 OVERALL HORSHAM RURAL CITY COUNCIL DIRECTION LAST 12 MONTHS INDEX SCORES



Q6. Over the last 12 months, what is your view of the direction of Horsham Rural City Council's overall performance?
Base: All respondents. Councils asked statewide: 67 Councils asked group: 9

JWS RESEARCH

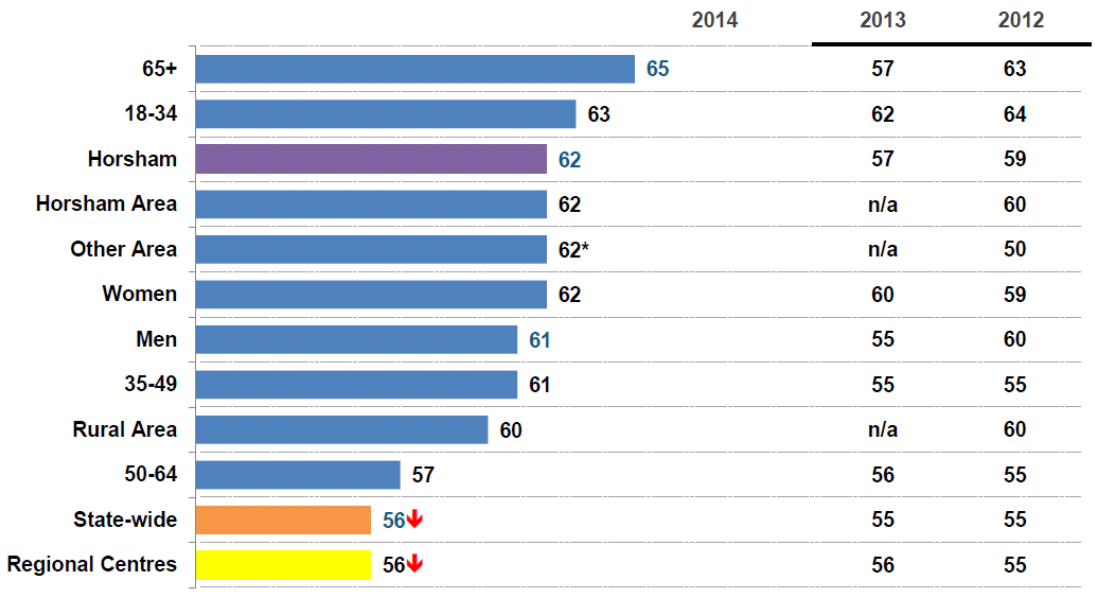
2014 COMMUNITY CONSULTATION AND ENGAGEMENT PERFORMANCE INDEX SCORES



Q2. How has Horsham Rural City Council performed on 'Community Consultation and Engagement' over the last 12 months?
Base: All respondents. Councils asked statewide: 67 Councils asked group: 9

JWS RESEARCH

2014 LOBBYING ON BEHALF OF THE COMMUNITY PERFORMANCE INDEX SCORES



Q2. How has Horsham Rural City Council performed on 'Lobbying on Behalf of the Community' over the last 12 months?
Base: All respondents. Councils asked statewide: 67 Councils asked group: 9

JWS RESEARCH

Horsham Rural City Council urban rural balance

RATES STRATEGY

2015-16

HRCC Rates Strategy 2015-16

Table of Contents **Page**

1. EXECUTIVE SUMMARY 3
2. SUMMARY OF CHANGES TO STRATEGY IN 2015-16 4
   1) Municipal Charge 4
   2) Differential Rates – Farm Sector 4
   3) Eligibility for the Farm Differential 4
   4) Cultural and Recreational Exemptions and Concessions 4
   5) Rating Policy 4
3. LEGISLATIVE FRAMEWORK 5
   3.1 Rating Objectives set out in Legislation 5
   3.2 Property Rates and Local Government 5
   3.3 Available Rating Options 5
   3.3.1 General Rate (or Ad valorem rate) 5
   3.3.2 Differential Rates 5
   3.3.3 Municipal Charges 6
   3.3.4 Service Rates and Service Charges 6
   3.3.5 Special Rates and Charges 7
   3.3.6 Other Rating System Considerations 7
   3.4 Accepted Rating Principles 7
   3.4.1 Equity 7
   3.4.2 Simplicity 7
   3.4.3 Efficiency and Effectiveness 8
4. HISTORIAL ANALYSIS 8
   4.1 Council Rates Changes 8
   4.2 Valuations 9
   4.3 The Municipal Charge 9
   4.4 Use of Differentials 9
   4.5 Concessions and Rebates 10
   4.6 Payment of Rates 10
   4.7 Garbage and Recycling Services 10
5. RATING PRINCIPLES AND COUNCIL POLICIES 11
   5.1 Horizontal Equity 11
   5.2 Vertical Equity 11
   5.3 User Pays Principle 11
   5.4 Capacity to Pay 12
   5.5 Rate Exemptions for Charitable and Other Properties 12
   5.6 Flat Municipal Charge 13
   5.7 Cultural and Recreational Exemptions and Concessions 13
   5.8 Valuation Method 14
   5.9 Classification of Farming Assessments 14
   5.10 Supplementary Valuations 15
   5.11 Deferments Discounts and/or Waivers 15
   5.12 Rebates and Concessions 16
   5.13 Differential Farm Rates 16
   5.14 Differential for Retirement Villages 17
   5.15 Differential for Other Classes of Land Use 17
   5.16 Differential for Geographic Reasons 18
   5.17 Garbage & Recycling Services – User Pays 18
   5.18 Special Rates and Charges 18
   5.19 Payment Options and Interest Charges 18
   5.20 Early Payment Discounts 19

Appendices

1. Extracts from the Local Government Act 1989

1 EXECUTIVE SUMMARY

The Local Government Act 1989 does not require Council to develop a Rating Strategy, however it has been strongly encouraged for Council to implement a Strategy and make it available to the public through the budget process.

In 2005 Council developed a Rating Strategy, which was adopted in conjunction with the adoption of the 2005/06 Budget. Council has annually reviewed this strategy as part of its budget process, but in 2013/14 as a response to budget submissions received, it undertook to do a more detailed review of its entire Rating Strategy in order to investigate the concerns raised by some sectors within the community. Further to this the Victorian Auditor General's Report into the results from the 2012/13 audits highlighted the need for Council's to "apply a robust and strategic approach to the collection and use of revenue through rates and charges" and to improve the quality of our strategy and to implement a rating policy.

Council during the 2013-14 review looked in depth at the various elements of its current rating package, the objective being to consider ways in which these could be varied to "more equitably and efficiently distribute the rates burden in the municipality".

In determining if services should be funded by specific charges or through rates, Council has to consider the aspect of whether services are either entirely or partially "public goods", these being services providing a broad benefit to the community rather than a particular benefit to individuals or groups. In the case of public goods it is often difficult or impractical to exclude non-payers from the benefits or to attribute costs.

Where possible, Council sets user charges based on the cost of provision of those services where there is clearly a direct benefit to users, such as the garbage collection service, in which the revenue from the charges for household garbage services are set to meet the total cost of all waste services, including collection, treatment and disposal (but excluding Council overheads).

At the same time small scale services or those where it would be difficult to attribute costs or collect fees are funded through rates.

The strategy balances the need to fund the various Council services available to ratepayers with the need to consider equity in the levying of rates and services provided. To this end rates are levied based on property capital improved values, with consideration of a differential for the farming sector, a flat municipal charge, and user charges for garbage services.

During the 2013-14 review Council considered all aspects of its current rating strategy to ask the question as to whether the current policy in place is still appropriate in terms of the key equity and efficiency principles. Council also called for submissions from the public and submissions received through the process were considered in the drafting of this final strategy. Preliminary 2014 Revaluation information was also taken in to account in the final strategy.

Council fully understands the need to maintain stability in the rate burden and that equity principles need to be considered, where possible. Council believes that the review of the rating strategy has been comprehensive and that ultimately the existing rating strategy satisfies the key principles.

For 2015-16 Council has continued to deliver on the recommendations of the 2013-14 review and has made a change to the rating of Cultural and Recreational Organisations and is improving the information around what properties are eligible for the farm differential. Council has also considered the farm differential rate and elected to make no change to this and has also considered the Municipal Charge and agreed to hold it at $268 for a further year.

2 SUMMARY OF CHANGES TO STRATEGY IN 2015-16

The following summarises the changes for the 2015-16 Rating Strategy:

Full detail of all policy positions and background information considered, is shown in section 5 of this Rating Strategy.

1) Municipal Charge

Council will maintain the municipal charge at the current rate of $268 for the 2015-16 year. This is in recognition that the rate is at the higher end of the scale and therefore impacts more greatly on lower valued properties.

2) Differential Rates – Farm Sector

Council proposes to continue with a differential for the farm sector in recognition of the changes to relative property values, the high value of land as an input to farm operations, and in recognition of some lesser access to services associated with the rural isolation of the majority of the farming sector.

Council will maintain the farm differential at 80% of the General Rate.

3) Eligibility for the Farm Differential

Council is conducting a review of properties within the farm zone that are under 60 Hectares in size to confirm whether they are in fact operating as a farm or not in terms of the definition of the Valuation of Land Act.

4) Cultural & Recreational Exemptions and Concessions

Council has undertaken a detailed review of cultural and recreational assessments within the municipality and has developed a policy to guide officers in applying the principles. This policy clearly defines eligibility criteria and reduces the previous 20% concessional rate to 0% ie no rates to be levied, and reduces the upper rate of 60% to 50%.

5) Rating Policies

Council undertook to develop formal rating policies in support of its strategy and current practises, as well as formal policies around the Farm Differential, Rebates & Concessions, Debt Collection and Hardship Assessment. These are still in development and will be issued during 2015-16.

3 LEGISLATIVE FRAMEWORK

3.1 Rating Objectives set out in Legislation

Council Objectives in the Local Government Act 1989 (The Act) Section 3C(2)(f) require the "equitable imposition of rates and charges".

Section 136 (2)(b) requires Council to pursue spending and rating policies that are consistent with a "reasonable degree of stability in the level of rates burden". (See Appendix 1)

3.2 Property Rates and Local Government

Current Victorian legislation originates from the *English Ratings Act*, including the *Poor Relief Act 1601*, the *Poor Rate Act 1801* and the *Rating and Valuation Act 1925*. It is the accepted philosophy that "property" benefits in a particular way from the services provided by local government, and therefore "property" should contribute to the cost of local government. From a tax system perspective, it is very practicable as the rate payer does not have to keep records or lodge a return.

3.3 Available Rating Options

3.3.1 General Rate (or Ad valorem rate)

A general (or Ad valorem) rate is struck based on cents in the dollar of each property's valuation. Under Section 157 of The Act Council can use one of three valuation methods, capital improved value (CIV), net annual vale (NAV) or site value (SV). Valuations are undertaken on a two year basis, with supplementary valuations able to be done where there are sales in subdivisions and consolidations, as well as following the construction and demolition of buildings. Under the Valuation of land Act, valuations can be undertaken by an independent valuer appointed under contract or can be done "in-house" or through the Valuer General's Office.

3.3.2 Differential Rates

Section 161A of The Act allows Council to strike a different rate in the dollar for separate property classes, if Council uses CIV as the system of valuation. Section 161 (2) states that Council must specify the characteristics of the land which are the criteria for declaring a differential rate and the objectives of the differential rate. These objectives must include: a definition of the types and classes, a statement of the reasons for the level of the rate and the identification of the types or classes of land.

Section 161 (5) of The Act states the highest differential rate must be no more than 4 times the lowest differential rate.

Under Section 161 (2A) Council must have regard to any Ministerial Guidelines made before declaring a differential rate. The Minister issued Guidelines in April 2013. These guidelines attempt to spell out clearly what types and classes of land may be considered for differentials and also those that are not appropriate for differentials or need to be "carefully considered". Geographic Location may also be considered as a basis for the use of a differential.

The guidelines summarize the types and classes of land as follows:

"Must give consideration" to reducing the rate burden through a reduced differential rate

- Farm land
- Retirement villages

"Appropriate" for differential rates

- General land
- Residential land

- Farm land
- Commercial land
- Industrial land
- Retirement villages
- Vacant land
- Derelict land
- Cultural & recreational

"Carefully considered" as to whether they are appropriate for a differential rate
- Holiday Rental
- Extractive
- Landfill
- Dryland farming
- Irrigation farm land
- Automobile manufacturing land
- Petroleum Production
- Aluminium Production

"Would not be appropriate" to declare a differential
- Electronic gaming venue
- Liquor licensed venues
- Business premises defined by hours of trade
- Fast food franchises

3.3.3 Municipal Charges

Under Section 159 of the Act Council may issue a flat rate Municipal charge "to cover some of the administrative costs of Council". The total revenues raised from a Municipal Charge cannot be more than 20% of the total raised from the combination of municipal charge and general rates, and there are also provisions which allow exemptions for farmland making up single farm enterprises. The Local Government Act defines a "single farm enterprise" as being 2 or more rateable properties which are farmland and are farmed as a single enterprise and occupied by the same person or persons, whether or not they are contiguous.

Alternatively, a "single farm enterprise" can be 2 or more properties if all except one are farmland that is farmed as a single enterprise occupied by the same person or persons and one which is contiguous with at least one of the other properties is the principal place of that person or one of those persons.

The Act provides for a person to apply for exemption on such land providing it is not claimed for at least one other rateable property in that enterprise and, where a farm enterprise is occupied by more than one person, an exemption is not claimed for more than one principal place of residence.

Using criteria applied since 1996 in accordance with the above, separate properties making up a single farm enterprise, with or without one principal place of residence, pay one charge only and for every additional principal place of residence within that farming enterprise another charge is made.

3.3.4 Service Rates and Service Charges

Section 162 of The Act allows Council to set a service rate or charge across a broad range of Council services. In determining if services should be funded by specific charges or through rates, Council has to consider the aspect of whether services are either entirely or partially "public goods", these being services providing a broad benefit to the community rather than a particular benefit to individuals or groups. In the case of public goods it is often difficult or impractical to exclude non-payers from the benefits or to attribute costs.

Where possible, Council sets user charges based on the cost of provision of those services where there is clearly a direct benefit to users, such as the garbage collection service, in which the revenue from the charges for household garbage services and others are set to meet the total cost of all waste services, including collection, treatment and disposal.

At the same time small scale services or those where it would be difficult to attribute costs or collect fees are funded through rates.

3.3.5 Special Rates and Charges

A Special Rate or Charge may be applied under Section 163 of The Act. Council may declare a special rate if Council considers that a specific project "is or will be of special benefit to the persons required to pay the special rate". This section of the Act has been the subject of many challenges as to what is a "special benefit". A 1999 VCAT ruling said "if a benefit accrues to the land so as to make it more desirable and therefore more valuable for sale, the owner derives a special benefit even if his or her present use of the land does not provide it there and then".

3.3.6 Other Rating System Considerations

- Payment options – use of a variety of payment options can be considered but quarterly options must be offered
- Incentives can be offered for prompt or early payment
- Rebates and concessions can be offered under Section 169
- Waivers and deferrals can be granted under Section 171
- Interest is charged on late payments under Section 172
- Council debt collection policies
- The ability to sell properties to recover unpaid rates under Section 181

3.4 Accepted Rating Principles

A Rating Strategy must allow Council to carry out its functions efficiently, simply and transparently with Council striking a balance between the following competing objectives. How we balance between these conflicting goals is largely a political decision and needs to take into account the views and opinions of the community.

As rates are based on property values it is essentially a wealth based tax. There is a direct relationship between property holdings and disadvantage – less wealthy people tend to own lower valued housing stock. Property owners with higher valued assets generally have a greater capacity to pay.

3.4.1 Equity

Issues of equity are judgemental in nature and are complex and subjective. There are a number of key aspects of equity that need to be considered:

Horizontal equity - ratepayers in similar situations should pay similar amounts.
Vertical equity – the view that those better off should pay more than those worse off.

However, these can conflict with the next two equity principles, the benefit or "user pays" principle and that of capacity to pay.

Benefit principle points to the fact that some groups may have more access to Council services.
Capacity to Pay principle is that some will have a greater or lesser capacity to pay the assessed rates, particularly as property value is unrealized wealth and a ratepayer may be asset rich and cash poor.

3.4.2 Simplicity

All reviews of taxation have argued that simplicity is a critical goal. Certainly the simpler the rating system is the easier it is for ratepayers to understand, although the simplicity goal can often conflict with other goals.

3.4.3 Efficiency and Effectiveness

Efficiency can be defined as the ratio of ends produced (outputs) to means used (inputs). Being more efficient, means that the burden on ratepayers can be reduced or ratepayer's utility can be increased by limited resources being diverted to more productive areas. Effectiveness is measured in the ability of Councils to achieve specific objectives. For services where users are price sensitive, direct charging can influence demand patterns and thus lead to greater allocative efficiency.

4 HISTORICAL ANALYSIS

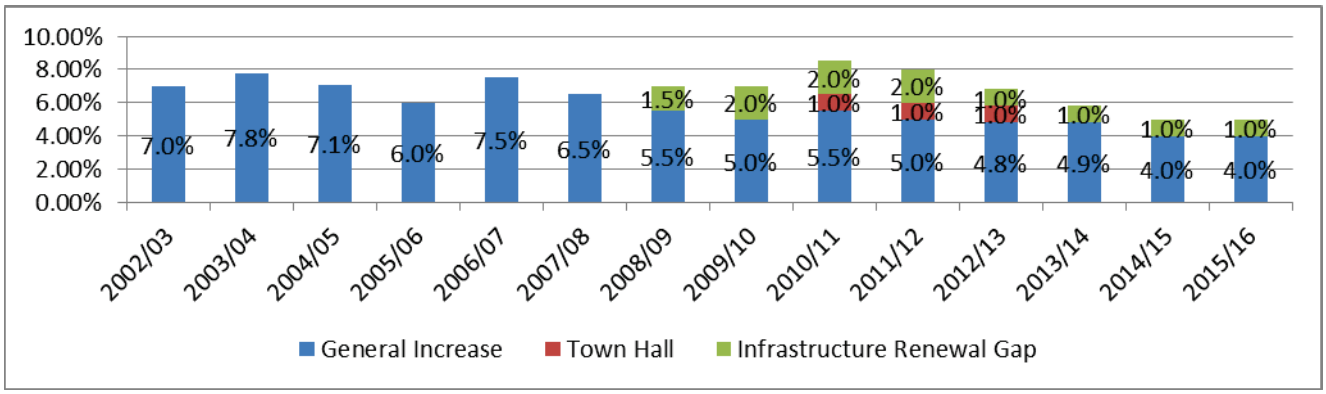
The system currently in use in Horsham Rural City Council consists of the following:

- Differential Rates based on Capital Improved Valuations multiplied by specified rates in the dollar, being General (Residential, Commercial & Industrial) and Farm rates.
- A flat Municipal Charge levied on all rateable properties, with exemptions for properties making up single farm enterprises and cultural and recreational lands.
- Cultural and Recreational Rates levied on recreational land based on Capital Improved Valuations at concessional rates in the dollar.
- Rate exempt status for specified charitable and other properties, both as required by legislation and under Council discretion.
- Garbage Service charges based on the type and size of the services provided, with a discretionary service for those outside the residential urban areas of Horsham and Natimuk, including the provision of a free-to-user recycling service for residential garbage service recipients.
- Deferments and/or waivers of rates and charges in specific hardship cases.
- Rebates and Concessions are offered in some circumstances as set out in legislation such as for the State funded Pensioner Rebate Scheme but also as per Council policy and other agreements.

4.1 Council Rate Changes

Council in 2015/16 is expected to raise 37.5% of its total revenue from rates. In 2003/04 the percentage was 36.5%. Individual years in between may have varied slightly due to specific non-recurrent grants which may distort this measure but essentially the percentage has remained relatively constant.

Council Rate increases since 2002/03 are shown in the following graph:



4.2 Valuations

Council currently chooses to value properties based on the Capital Improved Value (CIV) method, on the basis that this more accurately reflects the true value of the property, and also under the Act it allows Council to be able to apply differential rates when they believe they are applicable. Council also currently undertakes its valuations over a two year cycle and has appointed the Valuer General as the Valuation Authority who in turn employs an independent contract valuer.

Council valuations were renewed in 2014. The change between all current properties valued at the 2012 valuations versus the 2014 Valuations are shown in the following table:

Suburb	Assess	2012 Valuations $'s	2014 Valuations $'s	Average % Valuation Increase from 2012
01 Residential	8,732	1,769,907,000	1,940,779,000	9.7%
05 Commercial	528	252,935,000	260,185,000	2.9%
06 Industrial	394	135,775,000	141,580,000	4.3%
General Sector	9,654	2,158,617,000	2,342,544,000	8.5%
02 Farm	2,245	952,670,000	1,166,008,000	22.4%
03 Cult/Rec/Other	39	22,653,000	23,838,000	5.2%
Overall Average	11,938	3,133,940,000	3,532,390,000	12.7%

The impact of the 2014 Revaluations were considered by Council when setting the farm differential for 2014-15.

During the period since 2002/03 there have been some years where the relative valuations have varied significantly between the farm sector and the general sector. In 2012 the General Sector rose on average by 7.6% whilst the Farm Sector only rose on average by 3.9%. However from the preliminary numbers available from the 2014 valuations show, on average, the Farm Sector has risen by 22.4% whilst the General Sector has only risen by 8.5%.

This larger valuation increase for the Farm Sector shows there has been significant growth in wealth (in terms of property values) for this sector relative to the general sector, however it also means that the Farm sector has increasingly had to shoulder a higher portion of the rate burden.

New property assessments and additional value has been created by way of new sub-divisions and constructions in the General Sector specifically but to a lesser extent in the Farm Sector as well. These new properties have helped contribute to rate revenue in total and have thus reduced the rate burden for all categories of properties.

The next General Revaluation is scheduled for 2016.

4.3 The Municipal Charge

The municipal charge cannot be more than 20% of the total rates charged, Council's 2015/16 charge of $268.00 will raise 14.0% of this total. A 20% charge in 2015/16 would be $382.

The municipal charge is intended to cover some of the "administrative costs" of a Council, examples of which are elections, governance, valuations and corporate expenses. The present level in Horsham is the result of applying the charge of $95.00 set at the time of municipal restructure in 1995 until 1997-98, after which changes in the amount of the charge have followed the annual rate percentage increases declared by Council, except for 2014/15 and 2015/16 when there has been no increase to the municipal charge.

4.4 Use of Differentials

Until the year 2000, Council levied a uniform rate in the dollar on all properties, whether they are residential, commercial, industrial or farm. It then resolved that the equity of the rating system would be enhanced if the different characteristics of the farming sector were recognized by applying a differential rate at 95% of the general rate applied to all other non-concessional rateable properties.

Taking the above into account the farm rate was determined in the year 2000 after noting the relative changes in valuations between the farming and residential sectors in particular following the 2000 revaluation, and the lower accessibility of the farming sector to some of the services provided in the municipality generally. In doing so Council was mindful that a concession granted to one sector has to paid for by all others but it believes that the equity principle is furthered by the application of this differential.

In 2010/11, Council reduced its differential rate to benefit the farming sector from 95% to 90% (of the general rate) having considered the outcomes of its biennial revaluation, the impact of low commodity prices on farming incomes and uncertainty about the continuation of the Exceptional Circumstances financial support (which was subsequently withdrawn). In doing so, it considered the issue of geographical distance from standard Council services and the ability of farmers to use and access those services.

In 2014/15, Council reduced its differential by a further 10% to 80% of the general rate, in recognition of the changes to relative property values, the high value of land as an input to farm operations, and in recognition of some lesser access to services associated with the rural isolation of the majority of the farming sector. No further change has been made to the differential in 2015/16.

4.5 Concessions and Rebates

The most important rate concession available to ratepayers is the Municipal Rates Pension Concession set at half the rates and charges levied on eligible pensioners, in 2014/15it is now a maximum of $208.000. This is fully funded by the State Government. Eligible pensioners will also be entitled to receive a $50.00 concession on their Fire Services Property Levy. No additional rebate is offered to pensioners as Council is mindful that a concession given to one sector has to be paid for by another.
Other concessions are given to the Office of Housing (Department of Human Services) 50% of their total general rates (excluding the Municipal charge) on the low value rental units, for disadvantaged sectors of the community. Council provides rebates for properties which are involved in Sport, Cultural & Recreational activities under the Culture and Recreational Rates Concession policy to be adopted with the 2015-16 Council Budget..

4.6 Payment of Rates

Rates may be paid by quarterly instalment or as a yearly lump sum payment in February. The Council also widely publicises the opportunity it allows for paying rates by arrangement throughout the year as it can be managed and encourages ratepayers who may be having difficulty to discuss payment arrangements with rates staff. Council considered moving to quarterly only payment options for the 2013/14 year, but elected to continue to offer a lump sum option in February, in consideration of the benefits specifically to the farm sector.

4.7 Garbage and Recycling Services

Council provides for the collection and disposal of household garbage, as well as providing for the depositing of industrial and other waste to landfill. A wheeled 240 litre bin service has been in existence since before municipal restructure, with weekly collection using bins supplied by the Council to householders in the urban area, and to commercial and industrial premises on request. The service is mandatory for all residential tenements in the urban areas of Horsham and Natimuk.
From the year 2000 Council has offered a residential 240 litre bin service to rural properties where this is feasible, as well as to residential properties in rural townships. The service is optional and the charge the same as in urban areas, although the provision cost is substantially greater due to the increased travelling involved in collection. However, Council's view is that rural dwellers should not be financially penalized to provide the service and that cross subsidization is justified in this case.

In 2001 Council extended the garbage service by providing an optional 120 litre service at a reduced charge with the two-fold purpose of leading to a reduction of garbage going to landfill and to encourage recycling.

Again some cross subsidization occurs as the collection costs are not substantially less for the small bins, but Council believes the strategy outlined justifies this.

Council resolved in 2002 to add a recycling bin service for residential users using distinctively coloured wheeled bins. Recycling bins are provided only on request. Not all rural users have been offered the service as it is not practical at this stage. The residential recycling service is at no additional cost to users as Council believes that the encouragement of recycling is of greater importance than the generation of specific income. Again some cross subsidization occurs.

At the request of the occupiers of some commercial premises the Council agreed in 2008 to provide a recycling service. This chargeable service will be restricted to occupiers not using the Council's commercial garbage service, for which the recycling service is at no additional cost.

5 RATING PRINCIPLES AND COUNCIL POLICY

5.1 HORIZONTAL EQUITY

Principle: Council considers issues of horizontal equity when developing its rating strategy

Rationale: To ensure that people in similar economic circumstances are treated similarly

Issues: • Levels of Government with more diverse taxing and investigative powers and resources struggle to achieve this and use a broad range of taxing instruments from income and assets tests, consumption versus income taxation etc. It is difficult to expect a property tax system alone to deal practically with this issue.

Council Policy Position: Council will consider (where possible) issues of horizontal equity in its rating strategy.

5.2 VERTICAL EQUITY

Principle: Council considers issues of vertical equity when developing its rating strategy

Rationale: The amount of tax to be paid varies in accordance with an individual's economic circumstances.

Issues: • Economic circumstances can be very subjective, depending upon how we define and measure this. Similar circumstances may be judged differently based on wealth, income and expenditure.
•Information around individual economic circumstances is not freely available to Council

Council Policy Position: Council will consider (where possible) issues of vertical equity in its rating strategy.

5.3 USER PAYS PRINCIPLE

Principle: Council considers the "benefit" or "user pays" principle

Rationale: The benefit principle points to the fact that some groups may have more access to Council services.

Issues:
- More use of user charges, special rates and service charges lend themselves better to dealing with the issue of benefit.
- Another issue to consider here is that of the degree of "public" good in a service. A public good is something where it is difficult or impractical to exclude non-payers from the benefit. A user charge can be used where the benefit of a particular service can be mapped to an individual ratepayer.

- A comprehensive analysis of access to services is extremely costly, complex and difficult to determine with many subjective judgement calls to be made. In some ways arguing of the benefit principle with respect to Council rates is like trying to do the same for income tax that is used to fund a wide range of universally accessed services.
  It might be argued that a country ratepayer derives less benefit from library services or street lighting than their town counterparts but the reverse may be argued with respect to the cost of repairing rural roads that are seldom travelled on by the urban ratepayer.
- Many services are not location specific.
- Access is not synonymous with consumption.
- Residents can travel or use technology to access services.
- Services provided in different locations within the municipality have different costs e.g. waste collection in rural areas may be more costly than in urban areas etc.
- Rates are a property wealth tax based on valuation of properties and not based upon access to services.
- Services are available on a "whole of life" basis i.e. different services are accessed at different points during a person's life.

Council Policy Position: Council will consider user pays opportunities where-ever practicable.

5.4 CAPACITY TO PAY

Principle: Council considers issues of capacity to pay when developing its rating strategy

Rationale: Some groups may have a greater or lesser capacity to pay ie asset rich but income poor

Issues: • Council does not have access to income information for all ratepayers. This would be necessary to assess this aspect of rating equity, however individuals may apply on hardship grounds to have their rates deferred or interest waived and in doing so need to provide Council with some of this information

Council Policy Position: Council will consider (where possible) issues of capacity to pay in its rating strategy.

5.5 RATE EXEMPTIONS FOR CHARITABLE AND OTHER PROPERTIES

Principle: Rate exempt status for specified charitable and other properties, both as required by legislation and under Council discretion.

Rationale: The Local Government Act provides for limited exemption of certain categories of properties from rating, Section 154 sets out what land is non-rateable. Primarily those regarded as being used for charitable purposes, as well as specified types of property, such as those used for mining. Most Government and Council owned properties, including educational institutions and hospitals, are also included in non-rated categories.

Issues: • However some degree of discretion needs to be applied when looking at some charities as they may often be almost commercial in nature.
• A detailed review of non-rateable assessments needs to be undertaken on a regular basis.

Council Policy Position: Council provides exemptions in accordance with Section 154 of the Local Government Act. Additional to this Council applies a policy to refund rates payable by charities which are conducting revenue raising activities involving second hand retail shops (These facilities are specifically excluded from exemption under Section 154 (4)(c)).
Council is seeking to have the State Government review the exemption granted to the mining industry.

5.6 FLAT MUNICIPAL CHARGE

Principle: A flat Municipal Charge may be levied.

Rationale: A fixed component of the rating structure is provided as recognition of the fact that all rateable properties have an obligation to contribute to the basic operations of Council i.e. its Administrative functions

Issues:

- The higher the municipal charge the more regressive the tax i.e. benefits higher valued properties
- The higher the municipal charge the greater is the benefit to farms with multiple assessments that are eligible for the "single farm enterprise" exemption.
- A municipal charge may be used by a council to collect a portion of revenue not linked to property value but paid equally by all ratepayers
- The charge cannot be more than 20% of total rates
- Because the municipal charge is a fixed charge, it is regressive, meaning that as the value of properties decrease, the municipal charge increases as a percentage of rates paid, thus the total burden is reduced on higher value properties.
- A reduction in the level of the municipal charge would benefit lower valued properties, but any reduction would need to be balanced by an increase in the ad-valorem rate accordingly which would increase the rates on all properties across all sectors.
- Some Council's tie the municipal charge to specific administrative or governance costs and set it accordingly.
- Council has considered the effect of lowering the level of the charge and consequently raising the ad-valorem rate to compensate.

Council Policy Position: On the grounds of equity and transparency the Council has considered different levels of municipal charge and the effects on different classes of ratepayers and different valued properties. It has also looked at the great variation in municipal charges levied in neighbouring municipalities, some having no municipal charge at all. It has reviewed the level of administrative costs that this charge contributes towards and believes that the current rate does reflect a reasonable recovery of these fixed costs of Council, be it at the higher end of the scale across the state.

Council will retain the municipal charge at the current rate of $268 for 2015-16, and will review this again in future years. This is in recognition that the rate is at the higher end of the scale and therefore impacts more greatly on lower valued properties.

5.7 CULTURAL AND RECREATIONAL EXEMPTIONS AND CONCESSIONS

Principle: Rates levied under the Cultural and Recreational Lands Act 1993 are levied at concessional rates of 0% and 50% of the general rate.

Rationale: Under the provisions of the Cultural and Recreational Lands Act 1963 most Councils levy rates on outdoor cultural and recreational facilities at concessional rates. These lands must be occupied by a body which exists for an outdoor recreational purpose and which applies its profits in promoting the furthering of this purpose. The lands must be owned by the body or owned by the Crown or Council to be eligible. Agricultural showgrounds are specifically included. Indoor bodies may be exempt as charities under Section 154 of the Local Government Act 1989, on the basis of providing a general community benefit.

Council has during 2014-15 undertaken a detailed review of culture and recreational assessments within the municipality and has developed a policy to guide officers in applying the principles. This policy clearly defines eligibility criteria and reduces the previous 20% concessional rate to 0% ie no rates to be levied and the upper rate of 60% has been reduced to 50%. Council believes this recognises the role that Culture and

Recreational groups play in the provision of services to the community. These groups do have access to some services in their own right but largely, themselves, are part of the cultural and recreational service provision within the community. This new policy reduces the rate burden on these groups within the community and attempts to clarify the grey areas in the decision process, to help provide consistency and fairness in the way in which Council approaches this matter.

Issues:

- The rates payable are to be determined by Councils according to the amount considered by them to be reasonable having regard to the services provided and the benefit to the community.
- Council sets rates which differentiate between those which have significant fund raising capacity and those which do not.
- The levels are discretionary and as a consequence have been reviewed so that the lower rate aligns with the full exemption that may be granted to groups under Section 154 of the Local Government Act.
- The upper rate has been reduced from 60% to 50% to provide some further concession to these groups in recognition of the general community benefit they provide.

Council Policy Position: Rates are set at 50% (for those with significant revenue raising capacity) and 0% (for those with little revenue raising capacity) of the General rate. No municipal charge is made on these properties.

5.8 VALUATION METHOD

Principle: Rates are levied based on property Capital Improved Values (CIV)

Rationale: Recognises the impact of Capital improvements and hence is more progressive taxation.

Issues:

- Of the 79 Councils in the state 75 use CIV as the valuation method.
- Use of CIV allows the use of differential rates

Council Policy Position: Council believes that using CIV values satisfies the equity principles and allows council to utilize differential rates within its strategy.

5.9 CLASSIFICATION OF FARMING ASSESSMENTS

Principle: Council uses the definition of "farm land' as set out in the Valuation of Land Act 1960.

Rationale: Requirement is that land be not less than 2 hectares in area and be used primarily for grazing, dairying and other animal raising, horticulture, or the growing of crops of any kind and is used by a business with a significant commercial purpose or character, which seeks to make a profit from those activities. The classification is made by the Council Valuer during biennial revaluations.

Issues:

- Councils with a farm differential may introduce a policy whereby only farms that meet additional selection criteria are eligible for the farm rate differential.
- Council would need to consider minimum assessment size, how to take in to account single farm enterprises, how to take in to account leasing arrangements, provide a process for exceptions following written application from the ratepayer and any other factors that Council may wish to consider.
- Costs of administering such system would be high and therefore may only be justifiable were the differential to be significantly increased

Council Policy Position: Council believes that the current policy of linking the definition of Farm Land to what is contained in the Valuation of Land Act is consistent with other government policies and is

easy and low cost to administer. Council is in the process of reviewing the eligibility for the farm differential for properties under 60 hectares in size that are within the farm zone and are not known to be a part of a larger farming enterprise.

5.10 SUPPLEMENTARY VALUATIONS

Principle: Supplementary valuations are completed during the year as required.

Rationale: The Valuation of Land Act allows for Councils to have its Valuer make regular inspections following sales in subdivisions and consolidations as well as following the construction and demolition of buildings so that the maximum financial benefit can be gained from development as it occurs in the municipality, while at the same time ensuring that rates are levied equitably and transparently on new and changed properties

Issues: • there is some discretion as to what is an appropriate level of change in value upon which a supplementary valuation should be made.

Council Policy Position: Council has the policy to undertake supplementary valuations on a regular basis throughout the year, where the estimated value change is in excess of $5,000 or where there is a new assessment or property consolidation required. The additional revenue generated during the year assists in maintaining the rate in the dollar at the lowest level and is both transparent and satisfies the equity principles within the rating strategy.

5.11 DEFERMENTS DISCOUNTS AND/OR WAIVERS

Principle: Deferments, discounts and/or waivers of rates and charges are available in specific hardship cases

Rationale: Section 169, 170 & 171 of the Act allows for people in designated groups to access this i.e. pensioner rate discount or for individual cases of hardship

Issues: • Council has traditionally not granted waivers or discounts

• Deferrals mean little lost revenue to Council and it picks up on the equity issue of capacity to pay, by delaying payment until assets are realised at a later date.

Council Policy Position: Council has adopted a policy for the handling of hardship cases which allows deferment of all or part of rates for varying times depending on circumstances, interest may also be waived in hardship cases. Applicants are required to specify the hardship grounds, on consideration of which Council may grant a deferment, which would generally continue until circumstances change, the land is sold or the person dies, when the rates and interest deferred would be taken from the sale proceeds. Council has in the past only granted interest waivers for hardship.

Council has an adopted policy relating to the Rating of Granny Flats, where a flat that is constructed on land on which there had previously been one dwelling only and where such flat is occupied by the elderly pensioner relatives of the occupier of the adjacent house, Council will waive the rates and charges over and above the pensioner concession granted, providing the pensioners make an application for such a waiver each year before rate payment is due.

5.12 REBATES AND CONCESSIONS

Principle: Rebates and Concessions may be offered for a number of reasons as defined in Section 169 of the Act.

Rationale: Primarily "to assist the proper development of the municipal district" or to assist the preservation and /or restoration of places "of historical or environmental interest"

Issues:
- Council may offer rebates and concessions as it deems appropriate, and as established through clear policy direction.
- Council provides for the state funded pensioner rebate scheme
- Other rate concession considered in the past were on land with Conservation Covenants issued by the Trust for Nature for landowners undertaking conservation of their land, which has been suggested by the Trust as being appropriate and desirable. The valuation of such land is reviewed by the Council Valuer in light of the use allowed under the Covenant and the Council believes that the valuation resulting from that review would be reflected in the rates which ought to be payable.
- An option for a rebate or concession to be offered for relevant landholders in return for weed management has been discussed. However the administrative burden for such a scheme would be significant and outweigh the benefits.
- A specific rebate has been granted under an historical agreement, to provide 50% general rate concession (excluding the Municipal charge) on the low value rental units owned by the Department of Human Services.

Council Policy Position: Council has, in 2015/16 developed a new policy for the rating of Cultural and Recreational Organisations this provides policy direction on the application of concessional rates to this category of ratepayers. Other concessional arrangements that are in place are covered off with specific contractual agreements.

5.13 DIFFERENTIAL FARM RATES

Principle: A differential may be offered for farming land

Rationale: A differential is considered appropriate for farm land under the Ministerial Guidelines for use of differentials, and it is a specific requirement of these Guidelines for Council to consider a reduced differential for this category of land use.

Issues:
- Whilst the Ministerial Guidelines say Council "must" consider farmland for a reduced differential, they also say that Dryland farming and Irrigation farm land needs to be "carefully considered" as to whether a differential is appropriate.
- Can be based on a reduced access to services compared to residential properties, and this reduced access is not reflected in the property values.
- In taking in to account the extent of usage of services or capacity to pay Council needs to satisfy itself that the situation is consistent across the majority of properties within a property class.
- The extent to which relative property values may have varied between sectors may also be considered as an aspect that has made the rates burden inequitable for this particular sector
- An excessive rate burden is applied on farmers due to their land holding having a significantly greater value than for other small businesses
- A lower valuation base encourages land use consistent with farming activities and conservation of areas which are suited to agricultural pursuits.
- Agriculture producers are unable to pass on increases in costs to prices
- Farms are seen as more susceptible or fragile than other commercial or industrial operations

• Rates are an allowable deduction for tax purposes and often include the principle place of residence

Council Policy Position: Council will continue with a differential for the farm sector in recognition of changes to relative property values, the high value of land as an input to farm operations, and in recognition of some lesser access to services associated with their rural isolation of the majority of the sector.

The farm differential to remain at 80% of the General Rate, effective for 2015/16.

5.14 DIFFERENTIAL FOR RETIREMENT VILLAGES

Principle: A differential may be offered for Retirement Villages

Rationale: A differential is considered appropriate for Retirement Villages under the Ministerial Guidelines for use of differentials, and it is a specific requirement of these Guidelines for Council to consider a differential for this category of land use.

Issues:
• A lower differential for this class of properties may be considered appropriate, based on the reduced number of services accessed by residents of retirement villages.
• Savings in capital investment to council for roads, footpaths, drainage, street lighting, car parking and landscaping
• Council benefits from increased rate revenue because of the density of retirement village housing

Council Policy Position: Council has reviewed the Retirement Villages within the Municipality and does not believe there is any basis on which to offer a differential. The average value of assessments within a Retirement Village is on the lower end of the scale and hence these assessments will benefit marginally from not increasing the Municipal Charge in 2014-15 and many of the services of Council are available to and utilised by tenants of Retirement Villages.

5.15 DIFFERENTIAL FOR OTHER CLASSES OF LAND USE

Principle: A differential may be offered for range of other classes of land use under the current Ministerial Guidelines (See section 3 "Legislative Framework" and Appendix 2)

Rationale: A differential may be offered under the Ministerial Guidelines.

Issues: • A higher differential for other class of properties as defined in the Guidelines may be argued for a number of other policy reasons of Council.

Council Policy Position: Council does not consider any other differential as appropriate for any of the other listed categories of land use within the Ministerial Guidelines.

5.16 DIFFERENTIAL FOR GEOGRAPHIC REASONS

Principle: A differential may be offered for definable Geographic areas

Rationale: A differential may be offered under the Ministerial Guidelines.

Issues: • A lower differential for this class of properties may be considered appropriate based upon, the distance from Horsham and therefore the ability to access services.

• In practice this would be very difficult to measure as to where the line should be and how to administer.
• Council has attempted to undertake some modelling work on this aspect, but in doing so has identified many complicating factors that would make this concept difficult to implement in practice.
• In taking in to account the extent of usage of services Council needs to satisfy itself that the situation is consistent across the majority of properties within a property class.

Council Policy Position: Whilst Council recognises the issue as being applicable to outer geographic areas of the Municipality the costs and inability to position and administer a suitable line on a map would outweigh the benefits of introducing such a differential.

5.17 GARBAGE & RECYCLING SERVICES – USER PAYS

Principle: Garbage Services are compulsory for Natimuk and Horsham and are charged on a user pays principle. Recycling Services are included as part of the Garbage Services.

Rationale: Appropriate to have a user charge as the service can be clearly tagged to those that use it. The calculation is done on a cost recovery basis. Recycling is included to encourage recycling which helps reduce landfill costs. To charge separately may result in some people cancelling the service.

Issues: • The calculation of the garbage charge is on a cost recovery basis but does not currently pick up on a contribution towards Council's general administration or overhead.

Council Policy Position: Council will continue to charge Garbage and Recycling Service combined and on a cost recovery basis, with the exclusion of Council overheads.

5.18 SPECIAL RATES AND CHARGES

Principle: Special rates and Charges may be utilised

Rationale: These have been utilised principally for drainage, footpaths and road schemes where the "benefit" to individual ratepayers can be clearly identified.

Issues: • Greater use of Special Charges when there are clearly "special benefits" that can be identified would help address some of the Equity issues around the benefit principle.

Council Policy Position: Council will continue to use special rates and charges where-ever it believes these may be appropriate.

5.19 PAYMENT OPTIONS AND INTEREST CHARGES

Principle: Payment options – we must offer quarterly instalments but may also offer other options such as a lump sum payment

Rationale: Lump sum payment option has remained largely due to the preference by the farming community to pay annually. Interest can be charged on overdue payments.

Issues: • Farming has changed in recent years and farm incomes are now often spread differently across the year.
• Compulsory quarterly payments would offer opportunities for improved efficiencies in how the rates department operates and better debt management and cash-flow management for Council and potentially ratepayers alike.

• Quarterly payments have been modelled to show there would be minimal extra costs to annual payers and can still be paid in full at the time of the first instalment on 30 Sept.
• Council has a policy for the charging of interest on late payments in accordance with the Local Government Act provisions and in the interests of fairness and transparency.
• Council authorises a credit management company to take prompt action where payment is not made by due dates or where payment arrangements are not followed by ratepayers.

Council Policy Position: Payment method, current offering: In person, BPay, PostBillPay, credit card. Others not currently offered: direct debit, online, smartphone App, etc. Council will look to expand the options available for payment as and when possible.

Council in 2012/13 reviewed the 17th February lump sum payment option, and does not believe that this position needs further consideration at this point in time.

5.20 EARLY PAYMENT DISCOUNTS

Principle: Early payment discount may be offered if rates are paid early.

Rationale: Early payment benefits council by improvements to cashflow.

Issues:
• The question of a discount on early payment of rates has been looked at previously by Council. In a survey in 2003 few ratepayers indicated that they would be attracted by a discount.
• There is a cost to the discount itself, plus additional administrative and system costs.

Council Policy Position: Council does not offer a discount for early payment.

Appendix 1

Extracts from the Local Government Act 1989

3C. Objectives of a Council

S. No

(1) The primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.

(2) In seeking to achieve its primary objective, a Council must have regard to the following facilitating objectives—

(a) to promote the social, economic and environmental viability and sustainability of the municipal district;

(b) to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;

(c) to improve the overall quality of life of people in the local community;

(d) to promote appropriate business and employment opportunities;

(e) to ensure that services and facilities provided by the Council are accessible and equitable;

(f) to ensure the equitable imposition of rates and charges;

(g) to ensure transparency and accountability in Council decision making.

136. Principles of sound financial management

S. 13
by N
s. 71

(1) A Council must implement the principles of sound financial management.

(2) The principles of sound financial management are that a Council must—

(a) manage financial risks faced by the Council prudently, having regard to economic circumstances;

(b) pursue spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden;

(c) ensure that decisions are made and actions are taken having regard to their financial effects on future generations;

(d) ensure full, accurate and timely disclosure of financial information relating to the Council.

Division 1—Declaration of Rates and Charges

154. What land is rateable?

(1) Except as provided in this section, all land is rateable.

(2) The following land is not rateable land—

(a) land which is unoccupied and is the property of the Crown or is vested in a Minister, a Council, a public statutory body or trustees appointed under an Act to hold that land in trust for public or municipal purposes;

(b) any part of land, if that part—

(i) is vested in or owned by the Crown, a Minister, a Council, a public statutory body or trustees appointed under an Act to hold that land in trust for public or municipal purposes; and

(ii) is used exclusively for public or municipal purposes;

(c) any part of land, if that part is used exclusively for charitable purposes;

(d) land which is vested in or held in trust for any religious body and used exclusively—

(i) as a residence of a practising Minister of religion; or

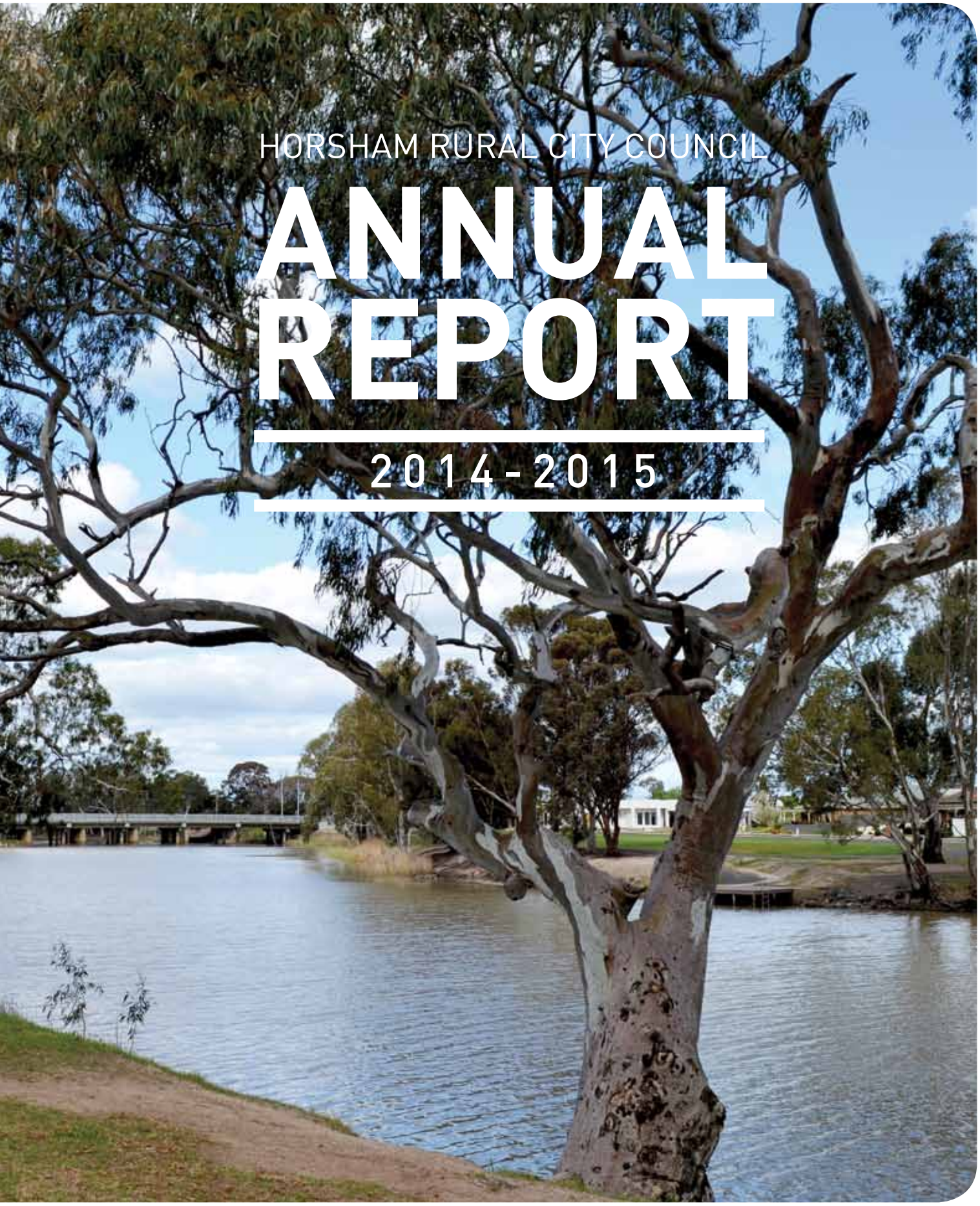
(ii) for the education and training of persons to be Ministers of religion; or

(iii) for both the purposes in sub-paragraphs (i) and (ii);

(e) land which is used exclusively for mining purposes;

(f) land held in trust and used exclusively—

(i) as a club for or a memorial to persons who performed ***service or duty*** within the meaning of section 3(1) of the **Veterans Act 2005**; or



HORSHAM RURAL CITY COUNCIL

ANNUAL REPORT

2014-2015

Horsham Rural City Council urban rural balance

THE wimmera Everything you need.

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Table of Contents

ABOUT THIS REPORT 3

INTRODUCTION 4-5
- Vision, Mission and Core Values 4
- Snapshot of our Council 5
- At a Glance 5

FAST FACTS 6-7

HIGHLIGHTS OF OUR YEAR 8-9

THE YEAR IN REVIEW 10-11
- Mayor's Message 10
- Chief Executive's Message 11

OUR COUNCIL 12-15
- Our Council 12
- Our Story 13
- Our Councillors 14-15

OUR PEOPLE 16-23
- Senior Officers 16-17
- Organisational Structure 18
- Our Staff 19-20
- Equal Employment Opportunity Program 21
- Other Staff Matters 22-23

SNAPSHOT OF OUR YEAR 24-27

OUR COUNCIL PLAN 28-41
- Goal 1 – Community and Cultural Development 28-32
- Goal 2 – Sustaining our Economy and Environment 33-34
- Goal 3 – Maintaining our Assets 35-36
- Goal 4 – Governance and Business Excellence 37-41

OUR PERFORMANCE 42-53
- Goal 1 – Community and Cultural Development 42-45
- Goal 2 – Sustaining our Economy and Environment 46-48
- Goal 3 – Maintaining our Assets 49-51
- Goal 4 – Governance and Business Excellence 52-53

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION 54-69
- Governance 54
- Meetings of Council 55
- Special Committees 56-57
- Code of Conduct 58
- Conflict of Interest 58
- Councillor Allowances 58
- Councillor Expenses 59
- Management 59
- Audit Committee 59-60
- Risk Management 60
- Competitive Tendering 60
- Organisational Plans, Policies and Strategies 61
- Community Satisfaction Survey 62
- Charter of Human Rights and Responsibilities 63
- Domestic Animal Management Plan 64
- Freedom of Information 64
- Legislative Objectives of Council 65
- Protected Disclosures 65
- Governance and Management Checklist 66-67
- Community Grants 68-69

STATUTORY INFORMATION 70-72
- Documents Available for Public Inspection 70
- Victorian Local Government Indicators 71
- Where Our Money Comes From – Where Our Money Goes 72

PERFORMANCE STATEMENT 73-85

FINANCIAL STATEMENTS 87-145

ABOUT THIS REPORT

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

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

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

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

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

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

Designed By: Adelle Rohrsheim

Printed By: HCPro

Images Courtesy Of: Chris Johnson, Department of Premier and Cabinet, Horsham Historical Society, LGPro, Lynton Brown, Mark Radford, Melissa Powell, Thea Jane Photography and The Wimmera Mail-Times

Cover Image: The Wimmera River - view from Sawyer Park, courtesy of Mark Radford

INTRODUCTION

Welcome to the Annual Report 2014-2015.

Council is committed to transparent reporting and accountability to the community and the Annual Report 2014-2015 is the primary means of advising the Horsham Rural City Council community about Council's operations and performance during the financial year.

OUR VISION

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

OUR MISSION

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

OUR CORE VALUES

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

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

SNAPSHOT OF OUR COUNCIL

Horsham Rural City is a vibrant, diverse community situated approximately 300 kilometres north-west of Melbourne and north of the Grampians National Park, in the heart of the Wimmera region of Victoria. Horsham Rural City Council has a population of 19,691 and covers an area of 4,267 square kilometres. Almost three quarters of residents live in the urban area of Horsham.

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

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

AT A GLANCE

Population	19,691
Road Length	2,976 kilometres
Number of Council Employees	183 (FTE)
Number of Councillors	7
Rateable Properties	12,028
Rates and Charges Revenue	$22,312,000
Total Revenue (including grants)	$49,770,000
Municipal Charge	$268
Garbage Charge	$205/$335
Major Employment Sector in Municipality	Agriculture, Retail, Health Care and Social Assistance

FAST FACTS

- **171** kilometres of footpaths maintained
- **132** kilometres of underground drainage pipes maintained
- **150** hours spent cleaning graffiti

- **12,028** rateable properties
- **11,851** rate notices issued
- **22** positions recruited, 8% workforce turnover
- **17** Workcover claims processed
- **2** Internal Audits Completed (Volunteer Management and a follow-up review)
- Customer Service Charter adopted
- Quarterly financial report to Council implemented
- Local Government Performance Reporting Framework implemented

- **13,969** visitors provided with assistance at the Horsham and Grampians Visitor Information
- **1,860** international visitors at the Horsham and Grampians Information Centre from Germany, the United Kingdom, Switzerland, France, The Netherlands and China
- **18** business development workshops conducted and 48 individual business mentoring sessions facilitated at the Wimmera Business Centre
- **7** incubator tenants (3 graduating this year) and 3 anchor tenants at the Wimmera Business Centre

- **17,516** hours of ageing and disability care support provided
- **106,039** library items borrowed from the Wimmera Regional Library Corporation
- **180,472** attendees at the Horsham Aquatic Centre
- **114** events held at the Wesley Performing Arts Centre with a total of 16,505 attendees
- **8,813** attendances at events and exhibitions staged by Horsham Regional Art Gallery including 31 public programs
- **11** exhibitions delivered by the Horsham Regional Art Gallery involving the work of 39 artists including 14 from our region
- **78** education programs delivered by the Horsham Regional Art Gallery to 1,363 students from our region
- **21,051** meals provided through Meals on Wheels
- **241** planning applications received

- **33** insurance claims processed
- **$444** million infrastructure assets managed
- **57,218** cash receipts processed
- **10,114** creditor invoices processed
- **12,055** debtor invoices raised
- **$15** million total annual wages

- **7,010** tonnes of waste collected
- **5,667** animals registered
- **115** building permits issued valued at over $7.5 million
- **676** fire prevention notices issued
- **2,036** parking infringement notices issued
- **416** unregistered animals investigated
- **129** animal infringement notices issued
- **87** dogs and **173** cats rehomed

HIGHLIGHTS OF OUR YEAR

GOAL 1: COMMUNITY & CULTURAL DEVELOPMENT

We support our diverse community by developing an environment that aims to cater to the shifting needs of our residents. We support innovation and encourage artistic and cultural expression to develop our municipality as a great place to live (see Our Performance, pages 42 - 45).

Public Art in Jos' Lane in the Horsham CBD.

ACHIEVEMENTS:

- Completion of the Horsham Early Years Services and Social Infrastructure Plan
- Completion of the Children's Hub concept plans
- Adoption of Community Engagement Policy
- Funding attained for Art Gallery Education program for talented and gifted students
- Participation in 150th anniversary of Lost in the Bush celebrations (see page 31).

GOAL 2: SUSTAINING THE ECONOMY & ENVIRONMENT

As our community grows, so our region grows. We welcome new development and we aim to support enterprise, small and large, whilst advocating for the community to shop locally. We continue to promote and develop sustainable projects and encourage environmental practice within Council and the community (see Our Performance, pages 46 - 48).

Council's Planning and Economic Director Tony Bawden (centre) congratulates Southern Cross Parks Matt Williams and Mark Lindsay on taking over the long term lease for the Horsham Caravan Park.

ACHIEVEMENTS:

- Winner of State and National awards for excellence for our animal rehoming program in conjunction with Horsham PAWS, local businesses, and volunteers (see page 34)
- Horsham Caravan Park long term lease arrangements finalised - this 21 year lease will see $1.14 million capital redevelopment works completed
- Completion of Horsham Enterprise Industrial Estate final land sales - this three stage development has seen the creation of 27 industrial lots which to date have attracted over $13.1 million of capital investment and the creation or retention of 118 full time employment outcomes
- Assistance with building advice, support and permits provided to victims of the Brimpaen/Wartook fires

GOAL 3: ASSET MANAGEMENT

We strive to ensure infrastructure is in place to support our growing community as well as upgrading and maintaining our infrastructure to attract more visitors to the municipality (see Our Performance, pages 49 - 51).

Horsham businesses, Service groups and individuals contributed $160,000 in cash and in-kind support towards a new aeromedical transfer station at the Horsham Aerodrome due for completion in late 2015.

ACHIEVEMENTS:

- Horsham Town Hall, Art Gallery and new Performing Arts Centre – near completion
- Aerodrome Upgrade and Aeromedical Transfer Station
- Pedestrian bridge – contract awarded – design review near completion – for construction early in 2015-16 financial year
- Norton Creek bridge – replacement of a bridge due to unexpected bridge failure
- Lighting the Regions – replacing street lights with high efficiency LEDs
- $3.3 million general road construction program
- Mt William Flood Study
- Horsham CBD Public Place Litter Recycling

GOAL 4: GOVERNANCE & BUSINESS EXCELLENCE

Our goal is to excel in what we deliver and how we deliver it, both within Council and to our community. Our staff are our greatest asset, so their wellbeing is key to learning and high performance (see Our Performance, pages 52 - 53).

"The Pulse", Council's new intranet site.

ACHIEVEMENTS:

- Public Wi-Fi made available in areas of Horsham Central Business District (see page 38)
- Extensive review of non-rateable properties within the municipality undertaken
- New intranet developed for the management of information and documents for staff
- Cambron system to manage the monitoring of achievements against Council's plans and strategies, risk management, audit actions and for the management of staff performance reviews successfully implemented
- Major update and rework of Council's Business Continuity Plan completed
- "Easypark" mobile meter payment system introduced (see page 39)

THE YEAR IN REVIEW

MAYOR'S MESSAGE

Our municipality is represented by our seven Councillors, each bringing a unique skill set, employment background, expertise and experience, with a united desire to progress our community.

In November 2014, it was my privilege to be elected by the Councillors to be the Mayor of Horsham Rural City. This role has created the opportunity to experience and gain a greater understanding of the excellent work, particularly by volunteer groups, to improve our community. Whilst in this role, I have also observed Mr Peter Brown, Chief Executive, Council Officers and State and Federal Local Members, who have a genuine desire to work together for the common good in our region.

Over recent years, we have welcomed families from all around the world to make the Wimmera their home. Council has an active role in attracting new business and residents, and providing services for a growing regional community.

With our recently reviewed Rating Strategy, Council continues to work towards providing good value to our ratepayers in a variety of ways. The needs of a community are diverse, and we work hard to strike a balance to provide services and facilities that support existing residents and also attract newcomers to the municipality. This is particularly the case with the provision of sporting and cultural facilities.

Our Councillors and Executive Management Group - Cr Pam Clarke, John Martin, Tony Bawden, Cr David Grimble, Cr Heather Phillips, Cr Tony Phelan, Cr Mark Radford (Mayor), Cr Sue Exell, Graeme Harrison, Angela Murphy, Peter Brown and Cr Robin Barber

Currently, the refurbishment of the Horsham Town Hall is well underway. With over 50 tradespeople working on-site, our biggest infrastructure project to date is now nearing completion (see page 35).

At this year's Regional Victoria Living Expo in Melbourne, it was interesting to talk to potential residents about what they are looking for in a new place to call home. Quality medical facilities and services were a common theme (see page 33).

It was very exciting to welcome Australia's Prime Minister, Tony Abbott, to Horsham earlier this year. His practical commitment of $1 million towards the Wimmera Cancer Centre was very encouraging.

Council is intent on improving the way we communicate with our community. We support and use our local media, and the importance of an accurate, up-to-date on-line presence should not be under estimated. The investment in community Wi-Fi is a practical example of this intent (see page 38). We are also committed to improving the listening ear of Council. With our new Community Engagement policy we will improve the opportunities for residents and ratepayers to be part of the solution.

This Year's Annual Report contains a detailed snapshot of both the financial and social position of our municipality over the last 12 months.

I commend this document to you and thank the staff that worked to put it together.

Read on to learn more about what is happening in our municipality … it's a great place to live!

Cr Mark A Radford
Mayor

CHIEF EXECUTIVE'S MESSAGE

On behalf of the Horsham Rural City Council, I am proud to present the Annual Report for 2014-2015. The Chief Executive is responsible for:

- establishing and maintaining an appropriate organisational structure for the Council;
- ensuring that the decisions of the Council are implemented without undue delay;
- the day-to-day management of the Council's operations in accordance with the Council Plan;
- developing, adopting and disseminating a Code of Conduct for Council staff;
- providing timely advice to the Council; and
- carrying out the Council's responsibilities as a deemed employer with respect to Councillors, as deemed workers, which arise under or with respect to the ***Accident Compensation Act 1985*** or the ***Accident Compensation (WorkCover Insurance) Act 1993.***

I encourage residents and people outside the municipality to read this year's Annual Report. It outlines the work of Council and provides an excellent overview of our municipality.

In December, Council launched the Horsham Free Wi-Fi project in Roberts Place.

Horsham Rural City Council finances remain in a very sound position and we continue to work to hold rates to moderate levels. Council is positioning itself to ensure that we are able to meet the obligations of the rate capping regime being introduced by the Victorian State Government, notwithstanding the pressures that have been brought to bear by the removal of indexation to financial assistance grants provided by the Commonwealth Government. I acknowledge the important part that the Commonwealth's Financial Assistance Grants and other grant funding play in contributing to the delivery of important services and infrastructure, and helping to ensure Council continues to be financially sustainable. Our sound financial position is reflected in this Annual Report and supported by the performance statement (see pages 73–85).

I would like to point to a number of highlights of the year which I'm particularly pleased about. The 150th anniversary of Lost in the Bush was commemorated in conjunction with the West Wimmera Shire (see page 31). Council undertook a number of technological improvements and initiatives including the Easy Park mobile parking meter system, free public Wi-Fi project in the central business district and May Park, and the new mobile app and service request system for iPhones and iPads (see page 38-39). Council also adopted a Customer Service Charter outlining Council's commitment to the delivery of high quality customer service to the community (see page 63).

In closing, I reiterate my appreciation to all Council staff and Councillors for the combined effort that has seen 2014-2015 be particularly productive for this municipality, and set the groundwork for the important delivery of future projects, programs and services to our community.

Peter F Brown
Chief Executive

Firebrace Street, Horsham - circa 1910.

OUR COUNCIL

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

Horsham Rural City Council is committed to working with the community to develop the municipality through strong leadership, vision, good governance, responsive services and quality infrastructure, whilst enhancing our liveability and natural environment. The 2014-2018 Council Plan and the associated Strategic Resource Plan and 2014-2015 Budget set the strategic direction for Council over the next four years. These documents provide direction to management and include the key indicators that Council will use to deliver key outcomes (see Our Performance pages 42 - 53).

Firebrace Street, Horsham - circa 1940.

Firebrace Street, Horsham - current.

OUR STORY

Horsham, Victoria, Australia is the centre of the Wimmera wheat and wool growing district. The first inhabitants of the area were the Djura Balug indigenous Australian tribe who spoke the Jardwadjali language. The Wimmera district was previously known by the aboriginal word “bogambilor”, meaning place of flowers because the area was covered with a dense scrub of wattles at the time.

Major Thomas Mitchell was the first European to pass through the area, naming the Wimmera River in 1836. The town itself was named by James Monckton Darlot, the first squatter to take up land in 1842. He named it after his native town of Horsham in England.

The Horsham Post Office opened in 1848 with an elaborate building and clock tower erected in 1880.

In the 1870s, when squatting runs were divided up for smaller selection, a large German population settled in the area and many descendants still remain today.

The main railway from Melbourne reached Horsham in 1879 and was later extended to Adelaide, South Australia, while a branch line west to Carpolac began in 1887 and closed in 1988.

The Horsham Borough Council and the Wimmera Shire operated the McKenzie Creek Tramway from the town to a stone quarry, some eight kilometres to the south. The horse tramway opened in 1885 and ceased operating in 1927.

Major flooding affected the area in both 1894 and 1909 with the Wimmera River reaching 3.87 metres.

Green Lake was constructed in 1933 with a capacity of 5,350 ML and was originally planned as an agricultural irrigation reservoir. Horsham was officially declared a town in 1932 and a city in 1949.

The Black Saturday bushfires of 2009 were devastating, with 5,700 hectares burnt around the city’s fringe including the golf club and eight homes. Horsham experienced significant flooding in successive years in 2010 and 2011. During these events, the Wimmera River reached 3.32 metres and 4.71 metres, respectively. The 2011 event was particularly severe with the Wimmera River reaching a record peak level. Over 1,000 residents were evacuated as flood waters divided the city and damaged 600 houses, pushing up to a metre of water into parts of the central business district.

The municipality currently boasts a population of 19,691 and is aptly named The Capital of the Wimmera.

OUR COUNCILLORS

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

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

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

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

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

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

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

CR MARK RADFORD MAYOR

First elected:
29 November 2008

Date re-elected:
27 October 2012

mark.radford@hrcc.vic.gov.au

P: (03) 5382 9726 BH
(03) 5384 0324 AH

M: (0428) 383 681
(0427) 840 324

Cr Mark Radford was first elected to Council in November 2008 and is currently in his first term as Mayor.

Cr Radford is a self-employed electrical contractor. He is committed to working for the community, with a passion for improving services for our young people.

Committees: Audit, Australia Day, Chief Executive Evaluation, Finance, Horsham Aquatic Centre Advisory, Horsham Town Hall Project Control Group, Internal Working Group and Fundraising Committee, Municipal Association of Victoria, North Western Municipalities Association, Regional Cities Victoria Delegate, Planning Committee, Tourism Advisory, Victorian Local Government Association and Wimmera River Improvement Committee.

CR ROBIN BARBER

Date elected:
27 October 2012

robin.barber@hrcc.vic.gov.au

P: (03) 5382 4417 BH
(03) 5389 1502 AH

M: (0417) 109 816

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

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

Committees: Chief Executive Evaluation, Finance, Haven Recreation Reserve, Parking Consultative and Advisory, Planning, Tidy Towns and Wimmera Development Association.

CR SUE EXELL

Date elected:
27 October 2012

sue.exell@hrcc.vic.gov.au

P: (03) 5382 6313

M: (0409) 257 256

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

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

Committees: Australia Day, Basketball Stadium, Chief Executive Evaluation, Children's Hub, Green Lake, Horsham College Oval, Horsham North Neighbourhood Watch, Horsham Racecourse, Horsham Recreation Reserve, Planning, Sport and Recreation Advisory, Rail Corridor Master Plan and Sunnyside Recreation Reserve.

CR PAM CLARKE

First elected:
November 2003 – November 2008

Date re-elected:
27 October 2012

pam.clarke@hrcc.vic.gov.au

P: (03) 5381 0870

M: (0439) 810 870

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

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

Committees: Business and Industry Liaison Group, Chief Executive Evaluation, Finance, Horsham Town Hall Fundraising Committee, Municipal Association of Victoria, Natimuk Community Centre, Planning, Public Art and Wimmera Disability Access Forum.

CR DAVID GRIMBLE

First elected:
29 November 2008

Date re-elected:
27 October 2012

david.grimble@hrcc.vic.gov.au

P: (03) 5383 6286

M: (0417) 528 636

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

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

Committees: Audit, Chief Executive Evaluation, Grampians Round Table, Horsham Town Hall Internal Working Group and Project Control Group, Horsham Regional Livestock Exchange (chair), Planning, Regional Recreation Water Users Group, Wartook Valley Strategic Working Group, Western Highway Action, Wimmera Intermodal Freight Terminal (chair) and Wimmera and Southern Mallee Regional Transport Group.

CR TONY PHELAN

Date elected:
27 October 2012

tony.phelan@hrcc.vic.gov.au

P: (03) 5388 1317

M: (0409) 945 720

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

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

Committees: Chief Executive Evaluation, Haven Recreation Reserve, Horsham Aerodrome Advisory, Horsham Regional Art Gallery, Local Advisory Fire Prevention, Municipal Fire Management Planning, Planning, Rail Freight Alliance, Wartook Valley Strategic Working Group, Wimmera Business Centre and Wimmera Regional Library Corporation.

CR HEATHER PHILLIPS

Date elected:
27 October 2012

heather.phillips@hrcc.vic.gov.au

M: (0448) 715 036

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

Committees: Chief Executive Evaluation, Domestic Animal Management Advisory Group, Grampians Central West Waste and Resource Recovery Group, Municipal Emergency Management, North Western Municipalities Association, Planning, Sport and Recreation Advisory, Victorian Local Government Association and Wimmera Mallee Sustainability Alliance.

OUR PEOPLE

ORGANISATIONAL STRUCTURE

Council is the governing body that appoints the Chief Executive. The Chief Executive has responsibility for the day-to-day management of operations in accordance with the strategic directions of the Council Plan. Four Directors and the Chief Executive form the Executive Management Group and lead the organisation. Details of the Chief Executive and senior officers reporting directly to the Chief Executive are provided below:

PETER BROWN
CHIEF EXECUTIVE

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

Areas of Responsibility:

- Management and performance of all Council operations including the $46 million budget
- Ensuring that the day-to-day management of Council's operations are in accordance with the *Local Government Act* and align with the Council Plan
- Provision of advice and support to Council
- Direct responsibility for Council's four Directors and the Governance and Communications Unit

Senior Officers Reporting Directly to the Chief Executive

ANGELA MURPHY
DIRECTOR COMMUNITY SERVICES

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

Areas of Responsibility:

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

OUR PEOPLE

ORGANISATIONAL STRUCTURE

GRAEME HARRISON
DIRECTOR CORPORATE SERVICES

B Econ, Dip GAICD, CPA

Areas of Responsibility:

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

TONY BAWDEN
DIRECTOR PLANNING AND ECONOMIC

Dip LGA, Grad CLGM, FIMM, JP

Areas of Responsibility:

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

JOHN MARTIN
DIRECTOR TECHNICAL SERVICES

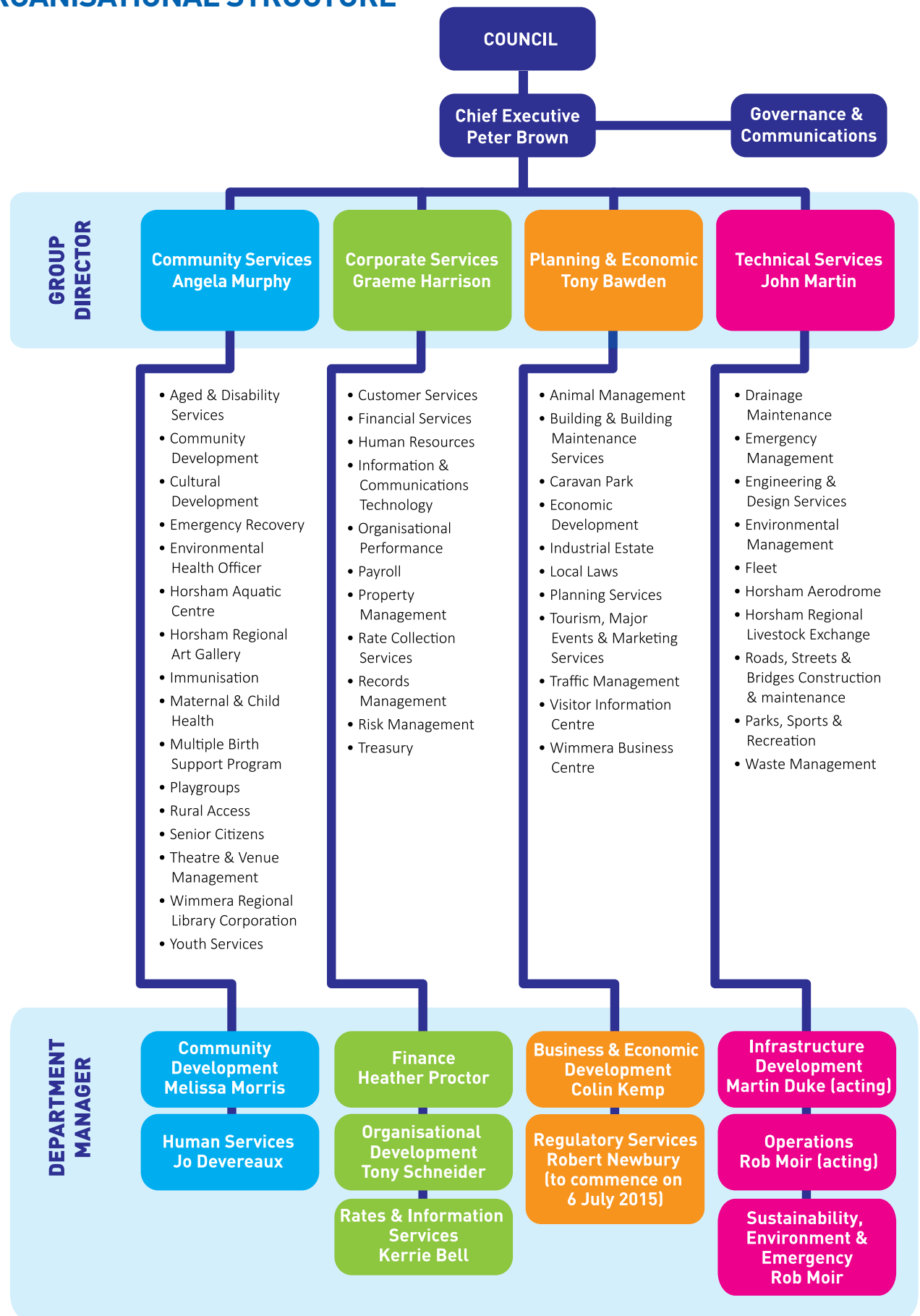
BE (Agric)

Areas of Responsibility:

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

OUR PEOPLE

ORGANISATIONAL STRUCTURE



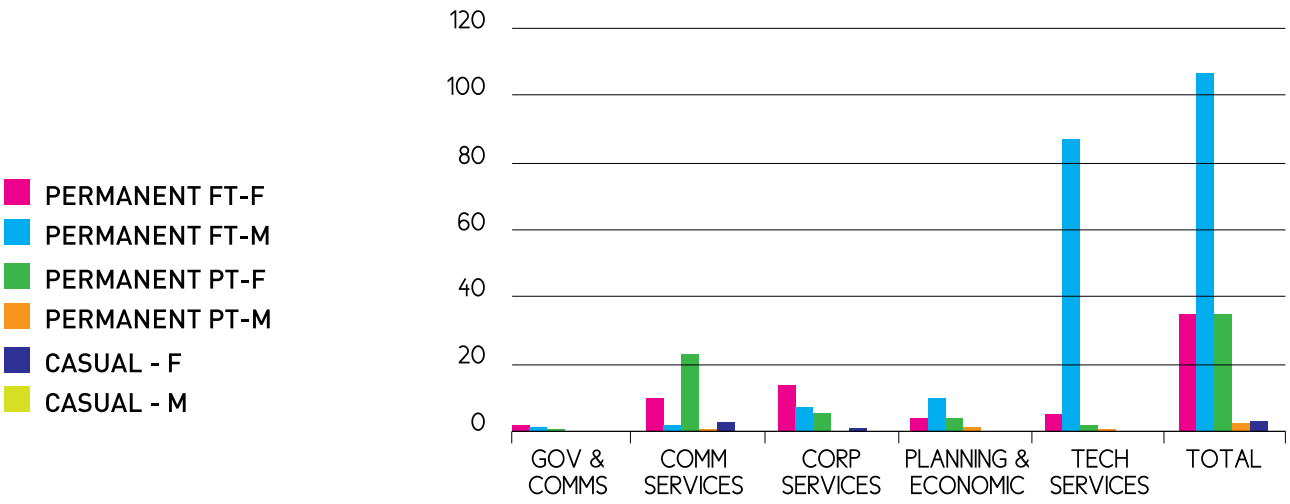
OUR STAFF

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

NUMBER OF STAFF (FTE)

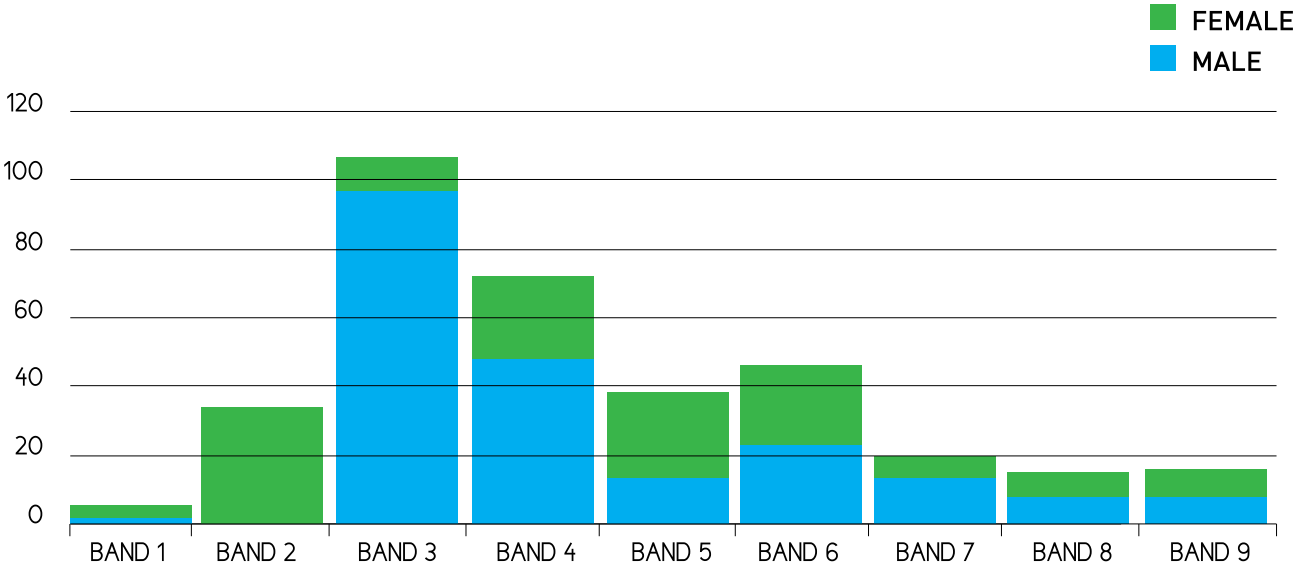
Employee type/gender	Governance & Communications FTE	Community Services FTE	Corporate Services FTE	Planning & Economic FTE	Technical Services FTE	Total FTE
Permanent FT – F	2	10	14	4	5	35
Permanent FT – M	1	2	7	10	87	107
Permanent PT – F	0.62	22.74	5.12	3.97	2.15	34.6
Permanent PT – M	0	0.8	0	1.3	0.8	2.9
Casual – F	0	2.86	0.33	0.12	0	3.31
Casual – M	0	0	0	0	0	0
Total	**3.62**	**38.40**	**26.45**	**19.39**	**94.95**	**182.81**

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



NUMBER OF STAFF (FTE)

EMPLOYMENT CLASSIFICATION	FEMALE FTE	MALE FTE	TOTAL FTE
Band 1	1.83	0.76	2.59
Band 2	17.39	-	17.39
Band 3	4.89	50.45	55.34
Band 4	12.53	24.76	37.29
Band 5	12.84	7	19.84
Band 6	12.08	11.8	23.88
Band 7	3.22	7	10.22
Band 8	3.8	4	7.8
Band not applicable	4.46	4	8.46
Total	**73.04**	**109.77**	**182.81**



Council's Mario Malibiran, Ram Upadhyaya, Sachita Pudasaini and Marta Najfeld with Mayor David Grimble at a special morning tea to celebrate Australian Citizenship Day in September.

Parks and Gardens staff Grant Preece, David Gove, Robbie Robinson, Ryan Johnstone and Luke Spasic have been busy replanting nature strip trees throughout the municipality this year.

Horsham Rural City Council's Relay for Life team raised over $4,000 for the Cancer Council this year.

EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

A Council with 40 or more members of staff must have developed and implemented an equal opportunity program. The objective of Council's Equal Employment Opportunity Program is to ensure there is no discrimination relating to the characteristics listed under the ***Equal Opportunity Act 2010*** such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. Further objectives include ensuring the workplace is free from bullying and harassment.

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

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

Over the past 12 months, in response to our Equal Employment Opportunity Program, biennial refresher training was made available to all managers and staff. The Victorian Employer's Chamber of Commerce and Industry was engaged to provide separate programs for managers and staff, focusing on the successful management of equal opportunity, bullying and diversity within the workplace. The training was very positive and well-received by all participants. In addition, a Human Rights policy was adopted by Council and revision of the Equal Opportunity Policy commenced. As a part of this process, an Equal Opportunity procedure was also developed and is awaiting finalisation and authorisation.

OTHER STAFF MATTERS

ENTERPRISE BARGAINING AGREEMENT

The current Horsham Rural City Council Enterprise Agreement has an operative period from 30 June 2013 to 30 June 2016. It is the seventh agreement in a series extending since 1996. The agreement provides for three wage increases of 3.5% (or a varying dollar amount) throughout the life of the agreement. The second increase of 3.5% (or $38) was introduced on 7 July 2014. The third and final increase of 3.5% (or $35) will be effective on 6 July 2015. The enterprise agreement will be renegotiated throughout 2015-2016, with the introduction and implementation of the eighth enterprise agreement anticipated in July 2016.

Organisational Development Manager Tony Schneider and Payroll Co-ordinator Julie Schmidt prepare for the third and final wage increase in the current agreement that will come into effect on 6 July 2015.

PROFESSIONAL DEVELOPMENT

Council supports and promotes further education and development, including undergraduate and postgraduate qualifications. One member of staff this year commenced a Masters of Infrastructure Engineering and Management. Other staff are currently completing a variety of higher-level studies, including Advanced Diploma of Engineering Design/Civil Engineering, Diploma of Risk Management and Business Continuity, Advanced Diploma of Management (Human Resources) and Certificate IV in Record Keeping. A revision of the organisation's Study Leave Policy and the Staff Training and Development Policy were undertaken and, together with a Staff Training and Development procedure, are awaiting finalisation and authorisation.

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

PREVENTING VIOLENCE AGAINST WOMEN

Council is committed to the prevention of violence against women and a Statement of Commitment for the prevention of violence against women in the Horsham municipality was adopted by Council in October 2014 (see page 29).

In recent years, Council has actively supported and promoted the "White Ribbon" campaign against domestic violence (see page 30).

In the current Enterprise Agreement, Council has acknowledged the problems associated with family violence and introduced provisions to support staff who may be affected by this serious issue in the community. The Enterprise Agreement also commits to the provision of training to focus on the prevention and discouragement of family violence and it is anticipated that this education and awareness will be delivered in 2015-2016.

Through its values, policies and procedures, Council actively promotes gender equity and the establishment of trusting and safe relationships between all staff, which in turn helps to break down gender stereotypes and build respect for women and their contributions at all levels of the workforce.

Approximately 300 people (including a large number of Council staff) participated in the White Ribbon march this year.

OCCUPATIONAL HEALTH AND SAFETY

Compliance with the *Victorian Occupational Health & Safety Act 2004* is a continuing priority for Horsham Rural City Council, with an aim to have an incident and injury-free workplace for all employees. The last 12 months has seen the implementation of Council's OHS Management System (OHSMS) which has included the development and/or review of over 30 policies, procedures, forms and templates to support the OHSMS.

Achievements:

- Hazard Identification Profiles completed within each site and department
- Consultation with employees in developing policies and procedures
- Development of lead/lag indicators for OHS Reporting
- Further embedding a safety culture across the organisation
- OHS Strategic Plan developed

The focus for 2015-2016 is to continue strengthening our safety culture and enhance the full integration of our systems to ensure a safety culture is embedded in all functions across Council.

Council's Occupational Health and Safety Committee. Back - Joy Cowie, Wendy Davies, Andy Van, Graeme Harrison, Martin Duke and Ryan Johnstone. Front - Thelma Shaw, Simon Clark (Chair), Anthony Woodhead and Diana McDonald.

SNAPSHOT OF OUR YEAR

JULY 2014

- Council resolves to forward a letter of appreciation under seal to Mr Keith Lockwood for his contribution to the Wimmera community through his work as a Journalist at the Wimmera Mail-Times for 35 years and his long-term involvement as a volunteer.
- The Horsham RSL and Horsham Rural City Council host a visit from the Vignacourt Youth Assembly as part of a national tour to research some of the lost diggers of Vignacourt, including former Horsham resident and Mayor, Sergeant Robert Edward Charles. During their visit, the group planted a Lone Pine and unveiled a plaque near the cenotaph to commemorate their visit, honour Sergeant Charles and acknowledge the ongoing friendship with Vignacourt.
- The Wimmera Southern Mallee Regional Growth Plan is launched by former Minister for Planning, Matthew Guy. The plan, one of eight regional growth plans in Victoria, provides a regional scale view of the development issues and opportunities for each of the five Wimmera Councils and a way to work together to address them.

AUGUST 2014

- The 150th anniversary of "Lost in the Bush" is commemorated with a range of activities to highlight this incredible story of survival and collaboration (see page 31).
- Council resolves to trial an "EasyPark" mobile parking meter payment system in the Horsham central business district (see page 39).
- Consultants are appointed to conduct precinct planning projects at Haven and Laharum to ensure that any new or improved facilities will be sustainable and match community needs.
- A community consultation and briefing meeting is held in Quantong where a variety of issues such as community group insurance, the original Quantong hall, decommissioned channel maintenance, rates and roads are discussed with local residents.
- A community consultation and briefing meeting is held in Natimuk where a variety of issues such as the museum, property sales, flood monitoring, central business district speed limits, the Verj project, drainage, culverts, roads, excavation and sheep droving are discussed.

SEPTEMBER 2014

- A Customer Service Charter, outlining Council's commitment to the delivery of high quality customer service to the community is adopted.
- Council's Environmental Health Department introduces a new food sampling app to be used on mobile devices for food sampling activities (see page 39).
- The Wimmera Southern Mallee Regional Transport Strategy, which identifies priority transport projects of regional significance and ensures that the region's transport directions align with State and regional policy, is endorsed by Council.
- Council receives a $30,000 regional public place recycling grant to create twin bins with local artwork in the Horsham central business district and the Laharum Recreation Reserve.
- Council celebrates Australian Citizenship Day with a display in the Civic Centre foyer and a special morning tea with presentations by staff who have moved to Australia from other countries.
- The Wimmera and the Great War Exhibition opens at the Horsham Regional Art Gallery, providing an opportunity to commemorate the significance of the First World War and reflect on what it meant to Wimmera families.

Horsham RSL Sub-Branch President John Brondsema, Mayor David Grimble and Vignacourt Youth Embassy's Lucile Werkin unveil a plaque near the Horsham cenotaph to acknowledge their ongoing friendship.

OCTOBER 2014

- The Flame of Hope passes through the Wimmera on its way to Melbourne for the Special Olympics National Games.
- A joint meeting of Councillors from Horsham Rural City Council and the Northern Grampians Shire Council is held in Laharum to discuss issues of mutual interest.
- Council adopts a Statement of Commitment for the prevention of violence against women in the Horsham municipality (see page 29).
- Horsham surgeon Ian Campbell is honoured at a civic reception hosted by Horsham Rural City Council, where he is presented with an award from the Royal Australasian College of Surgeons for outstanding community service over many years.
- Horsham Rural City Council hosts a civic reception to acknowledge the Horsham Cup and racing in the Wimmera.
- A community consultation and briefing meeting is held in Taylors Lake where a variety of issues such as the hall, mineral sands, Green Lake and seasonal conditions are discussed with local residents.
- Horsham Golf Club members and Horsham Rural City Council are presented with the Community Government Partnership Award at the Victorian Tidy Towns Sustainability Awards ceremony in Beechworth.

NOVEMBER 2014

- Council's Managers and Supervisors participate in drug and alcohol awareness training.
- More than 200 Wimmera residents participate in the city's annual White Ribbon Walk Against Violence (see page 30).
- Cr Mark Radford is formally elected as Mayor of Horsham Rural City Council for a 12-month term.

DECEMBER 2014

- The 2014 – 2017 Horsham and District Early Years Plan and Horsham Early Years Social Infrastructure Plan is endorsed by Council.
- Council launches it's free Public Wi-Fi Project enabling users to access free internet at eight access points around the central business district (see page 38).
- A special morning tea for Council's valued volunteers is held at the Civic Centre to celebrate International Volunteer Day (see page 28).

Mayor David Grimble with local surgeon Ian Campbell and Jason Chuen, from the Royal Australasian College of Surgeons at a civic reception in honour of Mr Campbell.

JANUARY 2015

- Australia Day is celebrated throughout the municipality with special events in Horsham, Natimuk, Brimpaen and Dadswells Bridge (see page 31).
- A lightning strike ignites a fire in the Black Range State Park, burning through private property and impacting on a number of wildflower businesses to the north of the park.

Law Enforcement Officer, Garry Kennett, trials the new "Easy Park" app in Horsham.

SNAPSHOT OF OUR YEAR

FEBRUARY 2015

- Council adopts a Micro Business Drug and Alcohol Management Plan for activities relating to the Horsham aerodrome.
- Horsham Rural City Council launches a new mobile app and service request system for iPhones and iPads, enabling users to submit and keep track of service requests and keep up to date with Council news, public notices, events, roadworks, jobs and tenders (see page 39).
- A delegation of students and teachers from Nujiang National Middle School spend one week in Horsham as part of a cultural education exchange program with Horsham College (see page 37).
- Council's Animal Rehousing Program is announced winner of the LGPro Award for Excellence – Community Partnerships, at their annual conference in Melbourne (see page 34).
- A special morning tea is held to present Mr Donald Carter with a letter under seal from Council in acknowledgement of his enormous contribution to municipality, including 24 years' involvement with the Wimmera Development Association.

Donald Carter shows off the letter under seal he received from Council in February.

MARCH 2015

- A team of 20 Council staff enter the annual Relay for Life event in Horsham, raising over $4,000 for the Cancer Council.
- Council hosts a very successful Digital Community Forum in Horsham bringing together key stakeholders from the health, community services, education and volunteer sectors to share information on the rapidly changing pace of digital technology.
- Horsham Rural City Council hosts a visit from representatives from the People's Government of Nujiang Prefecture (see page 37).
- A community consultation and briefing meeting is held in Telangatuk where a variety of issues such as tennis courts, the hall, Iluka, table drains, roads, VicRoads policy, rates and the budget are discussed with local residents.
- Council's civil engineer Sachita Pudasaini talks about her journey leaving a male dominated society in Nepal to settling in Australia at a special International Women's Day luncheon at the Wesley Performing Arts Centre.
- Australia's Prime Minister, Tony Abbott, announces a $1 million pledge from the Federal Government towards the Wimmera Cancer Centre at a special fundraising breakfast at Wimmera Health Care Group.

Staff member Suchita Pudasaini (right) with Carly Werner, Jan Morris, Steph Meyer and Bronwen Clark at the International Women's Day luncheon in Horsham.

APRIL 2015

- In conjunction with Wimmera Development Association and the five Wimmera regional Councils, Horsham Rural City Council hosts an information display at the fourth annual Regional Victoria Living Expo in Melbourne (see page 33).
- Horsham Rural City Council is one of 12 regional centres in Australia to host Camp Gallipoli to commemorate the ANZAC Centenary (see page 32).

MAY 2015

- Council hosts a special morning tea for its many valued volunteers to celebrate National Volunteers Week (see page 28).
- An Australia's Biggest Morning Tea event at the Horsham and Grampians Visitor Information Centre raises $272.25 for the Cancer Council (see page 28).
- Victorian Premier, Daniel Andrews opens stage one of the Grampians Peaks Trail project in Halls Gap. The State and Federal Governments have contributed $19 and $10 million, respectively, towards the trail which will cover 100 kilometres from Mt Zero to Dunkeld when completed. Horsham Rural City Council is the lead agency in a consortium comprising of the Victorian State Government, Grampians Councils and Grampians Tourism.
- The 20th annual Art is... festival opens in Horsham (see page 30).
- A community consultation and briefing meeting is held in Laharum where a variety of issues such as animal overlays, Wartook Strategy Plan, traffic calming along Northern Grampians Road, signage, Zumsteins, bike trail scoping, Laharum Precinct Plan, Wartook study, mobile black spot, Grampians Peaks Trail, Roses Gap Road and Fire Recovery funds are discussed with local residents.
- Horsham Rural City Council's Animal Rehousing Program is announced winner of the National Local Government Management Association Award for Community Partnerships and Collaboration (see page 34).

Mayor Mark Radford, Member for Lowan, Emma Kealy MP, Uncle Kevin Coombs, Aunty Nancy Harrison, Cr Leo Tellefson and Minister for Aboriginal Affairs, Natalie Hutchins, at the launch of the Victorian Aboriginal Honor Roll roadshow in Horsham.

JUNE 2015

- A Henty Highway Action Committee, comprising of representatives from the Horsham, Mildura, Yarriambiack, Southern Grampians and Glenelg Shires, VicRoads and the Department of Transport, Planning and Local Infrastructure is formed to advocate for improvements to the Henty Highway.
- Minister for Aboriginal Affairs, Natalie Hutchins, officially opens the Victorian Aboriginal Honour Roll roadshow exhibition at the Horsham Library. The honour roll plays a vital part in sharing the achievements of Aboriginal Victorians with communities across the Victoria.
- Council adopts a Human Rights policy to ensure that legislative obligations and corporate responsibilities in relation to all aspects of human rights are met.
- A Community Engagement policy is adopted by Council, providing key principles to ensure that Council effectively engages with the community.

OUR COUNCIL PLAN

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

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

The following pages provide stories against some of the outcomes and priorities contained in the Council Plan. Further information is provided in the 'Our Performance' section (see pages 42-53).

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

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

GOAL 1
COMMUNITY AND CULTURAL DEVELOPMENT

DEVELOP HORSHAM AND THE MUNICIPALITY AS A DIVERSE, INCLUSIVE AND VIBRANT COMMUNITY

OUR VOLUNTEERS

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

Mayor Mark Radford with Visitor Information Centre volunteers and friends Pauline, Carol, Maureen and Gwen at an Australia's Biggest Morning Tea event at the centre.

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

- Advisory Committees and Committees of Management (eg, public facilities such as recreation reserves, halls, etc)
- Art is ... Festival
- Community Arts
- Emergency Management – Natural Disasters (eg, fire, flood, etc)
- Horsham and Grampians Visitor Information Centre
- Horsham Regional Art Gallery
- Meals on Wheels
- Multiple Birth Families Support Program
- Portsea Camp
- Supported Playgroups

This year Council hosted two special morning tea events, on International Volunteers Day in December and during National Volunteers Week in May, to say thank you to our many valued volunteers.

75.3 per cent of family violence victims in Victoria this year were women!

In HORSHAM there is MORE THAN ONE reported incidence of FAMILY VIOLENCE EVERY DAY!

Monday
Tuesday
Wednesday
Thursday
Friday
Saturday
Sunday

www.crimestatistics.vic.gov.au

Horsham Rural City Council is concerned about these statistics and a Statement of Commitment for the prevention of violence against women in the Horsham municipality was adopted by Council in October 2014.

Council has a leadership role to influence culture and social norms through our interaction with individuals, families, organisations and the community to eliminate attitudes that support violence.

STATEMENT OF COMMITMENT

Horsham Rural City Council provides leadership and support for the prevention of violence against women in the Horsham municipality by making a commitment to:

Addressing the causes of violence

- Promote gender equity between women and men, girls and boys
- Challenge beliefs in rigid gender roles and stereotypes
- Challenge sexism

Being involved

- In the annual White Ribbon Day march
- In International Women's Day activities
- In networks with a focus on preventing family violence and violence against women

Building capacity

- Investigate training opportunities for staff and the community to ensure an understanding of violence against women and how it can be prevented
- Endorse the Victorian Women's Local Government Charter to increase women's participation in Local Government

Developing a culture of respect

- Include a Family Violence clause in the Enterprise Bargaining Agreement

Sustaining action

- Embed prevention of violence against women principles into the Council Plan and Municipal Public Health and Wellbeing Plan

WHITE RIBBON

White Ribbon is the world's largest male-led movement to end men's violence against women. The White Ribbon Campaign recognises the positive role that men play in preventing violence against women. It fosters and encourages male leadership in the prevention of violence against women, based on the understanding that most men are not violent.

The campaign works through primary prevention initiatives which include awareness raising and education programs with youth, schools, workplaces and the broader community.

There is a local Wimmera White Ribbon Committee comprising of representatives from local agencies and community members. The committee is responsible for raising awareness and co-ordinating local activities such as the annual White Ribbon Day march and White Ribbon round in the Wimmera Football League.

Approximately 300 people (including a large number of Council staff) participated in this year's White Ribbon march on 25 November, more than double the number involved last year. The group walked from the Horsham Aquatic Centre through Firebrace Street to May Park, where they gathered for speeches and a barbeque lunch. Some Year 9 students from Horsham College also spoke about a school project around family violence awareness.

For the first time this year, the committee supported Wimmera ambassadors to champion the White Ribbon message. They are Council's Chief Executive Peter Brown, Legal Aid Family Lawyer Slav Subbotin and Grampians Integrated Family Violence Committee Region Integration Co-ordinator Ross Anders (pictured below).

Our White Ribbon Ambassadors – Peter Brown, Slav Subbotin and Ross Anders.

ART IS... FESTIVAL

Belinda Eckermann presenting her puppet assisted by Jarrod Hill at the Art is... Debutante Ball.

Art is... celebrated its 20th successful festival from 29 May through to 7 June 2015. The nine day program included a total of 47 events.

The 2015 Art is...Festival is in the second year of a three year theme "Layers of Time". The program reflected our community's rituals, celebrations and ceremonies of the Wimmera region with a birthday for the Queen, debutante ball, bus and walking tours, visual art exhibitions and much more, ensuring there was something for all ages and interests.

An estimated 12,060 people attended this year's Art is... Festival. This figure includes every workshop, event and rehearsal in the lead up to and during the nine day period of the festival.

A number of art making workshops were held during this years Art is... Festival.

150TH ANNIVERSARY OF LOST IN THE BUSH

August 2014 marked the 150th anniversary of Lost in the Bush, an extraordinary true story of human survival and resilience.

On Friday, 12 August 1864, the three Cooper Duff children - Isaac, Jane and Frank - aged nine, seven and four, ventured into the Wimmera scrub to collect broom for their mother and became lost. Nine days later, on Saturday, 20 August 1864, after a search of massive proportions, involving a combined effort of the pioneering farmers and the skills of black trackers, the children were found, weak and barely alive.

Their story of incredible survival and collaboration between Aboriginal and pioneering Australians has gripped the public imagination and ensured an evolving legacy of decades of retelling.

A Lost in the Bush 150th Anniversary Committee was established in November 2013 to create and deliver a calendar of events and associated activities program from "Lost Day" to "Found Day", 12 to 20 August 2014.

Some of the initiatives included: a Lost in the Bush Education Pack distributed to 72 primary and secondary schools across the region, signage and shelter projects at the memorial site and new 150th anniversary plaque signage at the Jane Duff Memorial Park.

Activities included: a creative writing competition, facilitated discussion panel, film screening, school picnic program, Duffholme museum tour, Horsham Cemetery tour, historical displays, found day picnic and commemoration, ceremony readings, shadow and light exhibition and more.

In total, 2,350 people attended/participated in the official events and activities, with 1,450 of those being students.

The 150th anniversary celebrations were extremely successful due to the strong collaboration between Horsham Rural City Council, West Wimmera Shire Council, Barengi Gadjin Land Council, Wimmera Regional Library Corporation, Department of Education and Early Childhood Development, Duffholme Museum, the Arapiles, Edenhope and Horsham Historical Societies, local farmers and many other community organisations and individuals.

Students participated in environment art workshops as part of the 150th anniversary of Lost in the Bush.

AUSTRALIA DAY CELEBRATIONS

Australia Day was celebrated throughout the municipality in Horsham, Natimuk, Dadswells Bridge and Brimpaen.

Horsham Rural City Council hosted the Horsham celebrations on the banks of the Wimmera River at Sawyer Park. The event attracted approximately 400 community members, who enjoyed a free community barbeque, provided by the Combined Service Clubs, followed by the official ceremony.

The 2015 Australia Day Awards were presented to:

- Ronald Goudie – Citizen Award
- Greg McKinnon – Youth Citizen Award
- Operation 19:14 Children's Festival – Community Event of the year Award

Citizen of the Year Ronald Goudie, Young Citizen of the Year Greg McKinnon and Mayor Mark Radford at the Australia Day celebrations in Horsham.

Elder and member of the Barengi Gadjin Land Council, Jennifer Beer, presented a Welcome to Country and attendees were entertained by the Horsham Pipe Band, Horsham Brass Band, Sing Australia Choir and the Horsham Arts Council. The Australian national flag was raised by the Horsham Guides and Scouts and an Australian children's story "Possum Magic" was read by Mary Dalgleish from the Wimmera Regional Library Corporation. The event also included an Australian Citizenship Ceremony (see page 32).

Sue Calwell, Australia Day Ambassador, addressed attendees at both the Horsham and Natimuk celebrations. Ms Calwell was formerly the Executive Director of Australia's Tourism Promotion Authority and her role was to implement policy planning and direction of programs and budgets.

Ms Calwell spoke about her work with the tourism and conventions industries to promote Melbourne by establishing co-operative advertising strategies. She also directly influenced international organisations to hold major conferences and conventions in Melbourne. Since leaving Melbourne Tourism, Ms Calwell has continued to dedicate herself to many tourism related organisations including a number of charities.

AUSTRALIAN CITIZENSHIP CEREMONIES

Australian citizenship is an important step for people from other countries who have made the choice to call Australia their home. In becoming an Australian citizen, they are making an ongoing commitment to Australia and all that our country stands for.

Horsham Rural City Council is proud and honoured to conduct citizenship ceremonies on behalf of the Department of Immigration and Border Protection. These ceremonies are performed by the Mayor, providing an important opportunity to officially welcome new Australian citizens to our community.

Citizenship ceremonies are held on a regular basis at the Civic Centre Municipal Offices immediately prior to Council meetings. The Australian National Anthem led by the Sing Australia Group at the conclusion of the formalities, is a highlight at these special events.

Mayor Mark Radford with nine new Australian citizens at the annual Australia Day celebrations at Sawyer Park in Horsham.

In addition, citizenship ceremonies are held as part of the annual Australia Day celebrations at Sawyer Park in Horsham, which this year saw nine community members become Australian citizens.

During the past year, Council has conducted eight citizenship ceremonies to naturalise 43 candidates from 15 counties – India, South Africa, Philippines, Egypt, Bulgaria, Poland, Turkey, Nepal, China, Thailand, United Kingdom, Iran, Botswana and Myanmar.

ANZAC CENTENARY

100 YEARS OF ANZAC
THE SPIRIT LIVES
2014 - 2018

The Centenary of ANZAC was commemorated in a special way in Horsham this year.

In partnership with the Horsham RSL Sub-Branch, Horsham was one of 12 regional centres in Australia to host Camp Gallipoli.

ANZAC Day eve featured a unique presentation which included music, song, a battle scene re-enactment and a series of documentaries and guest speakers all explaining the events of 1915. Students from Horsham, Ararat and Hopetoun camped under the stars at the Horsham City Oval and were awoken by a bugle call before sunrise to attend the dawn service at the Horsham Cenotaph, on the banks of the Wimmera River. The service was attended by an estimated 2,000 people. The young people took part in the service by reading the names of the 48 local young men killed at Gallipoli, on the tolling of the HMAS Horsham Bell.

An impressive ANZAC Day Parade followed, marching down Firebrace Street to the applause of the crowd. In a poignant tribute, the Light Horse Brigade and a solitary Red Cross Nurse concluded the march. The ANZAC Day Service was also very well attended. A feature of the centenary events was the ANZAC Centenary Flame, personally collected by the Mayor and representatives from the Horsham RSL Sub-Branch at a special ceremony in Canberra in February. Another highlight was the locally hand-crafted red poppies and rosemary springs.

Private James Fiddler and returned digger Rex Dumesny with the ANZAC centenary Flame at the dawn service in Horsham.

GOAL 2
SUSTAINING OUR ECONOMY & ENVIRONMENT

LEAD IN SUSTAINABLE DEVELOPMENT AND ENHANCE THE ENVIRONMENT

HORSHAM REGIONAL LIVESTOCK EXCHANGE

The Horsham Regional Livestock Exchange had a throughput of 526,376 sheep and 1,510 cattle this year.

The Horsham Regional Livestock Exchange has been operating at the Burnt Creek Industrial Estate since November 1999 and in its 15 years at this location, has proven to be an important part of the local economy. The Exchange has surpassed all sheep and cattle sale expectations and is now one of regional Victoria's main livestock selling centres.

The Livestock Exchange, originally based in Horsham central, always achieved good trade at its fortnightly auctions with a throughput of between 250,000 to 300,000 sheep and lambs per year. Since its relocation approximately five kilometres out of Horsham central, and the change to a weekly auction, those numbers have doubled to over 600,000 per year. In the past financial year, the Livestock Exchange throughput was 526,376 sheep and 1,510 cattle.

The Exchange is Victoria's fourth largest sheep and lamb market and the major livestock selling centre in the Wimmera region, attracting vendors not only from the Western District and Mallee, but from as far afield as the South Australian border and southern New South Wales. The knock-on effect from visiting vendors not only boosts the livestock sale market, but brings financial gain to the local economy through accommodation and visitors shopping locally. The saleyards have also proven to be of great benefit to the wellbeing of farmers, giving them an outlet to socialise with others living in rural communities on a weekly basis.

The Horsham Regional Livestock Exchange is accredited as part of the National Livestock Quality Assurance (NSQA) program and is committed to a quality approach in the provision of service for the marketing of livestock. Sheep and lambs arrive on Tuesday afternoons and are sorted and categorised (size and weight) and any animal welfare issues checked. The livestock are housed in concrete or dirt pens until the following day, where they are placed in their allocated pens ready for the Wednesday morning auction. The Livestock Exchange has the capacity to comfortably house 17,500 head per week in the pens, however, in spring, the average sale is 20,000 per week. Along with sheep and lambs, there is also a cattle sale every second Wednesday, with cattle being sold by weight.

REGIONAL VICTORIA LIVING EXPO

The Regional Victorian Living Expo was held from 1 to 3 May at the Melbourne Convention Centre. Horsham Rural City Council participated in this event alongside the Wimmera Development Association and other Wimmera Councils. This year "The Wimmera" branding had a unique opportunity of being the first of the 48 regional displays inside the exhibition arena.

The 2015 expo achieved a record attendance of 10,156 people across the three days, with people looking at their options to relocate into Regional Victoria. The Wimmera Councils were able to display a combined listing of 50 employment and 43 business opportunities to discuss with interested attendees. From this initial interest, Wimmera Councils received 150 active enquiries which have been closely followed up since the expo. Horsham Rural City Council continues to liaise with interested parties looking at relocation options in the municipality.

The Regional Victoria Living Expo was introduced in 2011 by the former State Government as a core component of their Regional Victoria Marketing Campaign, designed to entice people to relocate from the city to regional Victoria. This is the fourth year Horsham Rural City Council has been represented at the expo with its regional partner Councils.

OUR AWARD WINNING ANIMAL REHOUSING PROGRAM

An extensive Animal Rehousing Program has been operating within the municipality since 2009. The aim of the program is to rehouse as many stray or surrendered animals as possible.

The Animal Rehousing Program is a partnership between Council and Horsham PAWS (People for Animal Welfare and Support), supported by local veterinary clinics and Petstock. Lost, abandoned and surrendered animals are assessed for rehousing suitability. If the animal meets the program's criteria, they are de-sexed, microchipped, vaccinated, wormed and registered, and foster care is provided until they are matched with their forever home.

The Animal Rehousing Program in Horsham is highly regarded throughout Australia. Since the program commenced, almost 1,000 dogs and cats have been rehoused.

This year, the program received two significant Local Government awards in recognition of the collaborative approach taken to save lives and make a difference to the lives of lost and abandoned pets. In February, the program won the Community Partnerships Initiative Award at the 2015 Annual LGPro (Local Government Professionals) State Conference held in Melbourne. The program then went on to win the inaugural 2015 LGMA (Local Government Managers Australia) Federation Award in Darwin.

These awards are a fitting tribute to the Council Officers, Horsham PAWS volunteers and businesses who have worked hard to ensure the ongoing success of this important animal welfare program.

In February, the Animal Rehousing Program won the Community Partnerships Initiative Award at the LGPro State Conference in Melbourne.

Ranger Wayne Lane with a kitten that was rehoused through the Animal Rehousing Program.

The newly constructed theatre will have a 10 metre stage and the capacity to seat 500 people.

GOAL 3
MAINTAINING OUR ASSETS

MEET COMMUNITY AND SERVICE NEEDS THROUGH PROVISION AND MAINTENANCE OF INFRASTRUCTURE

HORSHAM TOWN HALL AND REGIONAL ART GALLERY REDEVELOPMENT

Works are progressing well on the Horsham Town Hall and Regional Art Gallery redevelopment, with construction reaching 64 per cent. This is Council's largest community and economic development infrastructure project to date. The redevelopment is due for completion in October/ November, with the proposed official opening to be held in February 2016.

On-site activity has continued at a very high level. During June, more than 50 tradespeople were working on-site, peaking at 60 for several days. The economic benefits of the construction period cannot be underestimated, particularly in terms of the positive flow-on effect to local trade businesses, retail, hospitality and accommodation providers.

The building is almost at lock-up stage with key construction milestones being:

- Pynsent Street front section wall framing completed
- Fly tower walls and ceiling painted, with sprinkler rough in and mechanical exhaust baffles fitted
- New theatre ceiling plastering completed and painting commenced
- Glazing installed to the main row of windows on the east side of the building

Key features of the redevelopment will include:

- Refurbishment of the heritage listed Town Hall and Regional Art Gallery
- Heritage features such as the façade, foyer, terrazzo seal, box office, stair case and the hall itself, will all be carefully retained
- The gallery, town hall, theatre, entries and backstage facilities will be fully accessible for people of all abilities
- Wilson and Pynsent Streets will be connected by a foyer running the length of the building
- Construction of a 500 seat theatre with the capacity to remove some seats to accommodate up to 24 wheelchairs
- A 10 metre stage with 5 metre backstage area either side
- The latest sound and lighting technology
- A 17 metre fly tower for scenery changes
- Five dressing rooms, accessible for people of all abilities
- A green room for performers to gather before performances
- A lift and stairs to the first floor
- Toilets and laundry facilities

Significant preparation for operating the facility is well under way, including programing, marketing, developing venue hire fees and policy, meeting with users and hirers and recruiting staff.

The Horsham Town Hall and Regional Art Gallery redevelopment will enhance liveability and attract visitors and new residents to the municipality by offering educational and skill development opportunities, hosting professional exhibitions, performances and major conferencing.

The Pynsent Street entrance to the Horsham Town Hall and Regional Art Gallery.

View from the new theatre stage.

ROAD WORKS

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

Below is a description of road works completed in 2014-2015.

WORK DESCRIPTION	LENGTH (KILOMETRES)	AREA (SQUARE METRES)
Road Construction New Urban	-	-
Road Construction New Rural	-	-
Road Reconstruction Urban	1.01	8,937
Road Reconstruction Rural	6.72	37,860
New Sealed Road Construction (subdivisions)	1.94	16,514.70
Rural Reseals	22.08	115,325
Urban Reseals	3.67	32,923
Sealed Road Shoulder Re-sheeting	17.84	71,360
Gravel Road Re-sheeting	32.22	128,880
Footpaths New	2.474	3463.32
Footpaths Renew	0.389	544
Kerb and Channels New	2.61	-
Kerbs and Channels Renew	1.872	-
Norton Creek Bridge reconstruction	0.04	388

MAJOR CAPITAL WORKS

This year, Horsham Rural City Council spent $19,430,000 on capital works throughout the municipality. The table below provides details of some of the capital works projects that Council funded during 2014-2015.

ROAD INFRASTRUCTURE CONSTRUCTION	AMOUNT ($)
Horsham	1,237,857
Rural	2,656,296
Country Roads and Bridges Program	1,103,655
Roads to Recovery Program	1,073,931
OTHER	
Aquatic Centre Indoor/Outdoor Pool Refurbishment	158,543
Wimmera River Foreshore Improvements	145,661
Enlarge Racecourse Stormwater Basin	210,774
Soccer Playing Field	96,486
Clubroom Purchase	201,872
Mibus Centre Air Conditioning Renewal and Lift	395,908
Wimmera Business Centre Building Refurbishment	78,049
Aerodrome Redevelopment	471,473
Dooen Landfill Completion Hardwaste Cell	338,806
Works in Progress	9,697,000
Other Works (including Plant Purchases)	1,563,689
TOTAL	**19,430,000**

GOAL 4
GOVERNANCE & BUSINESS EXCELLENCE

EXCEL IN COMMUNICATION, CONSULTATION, GOVERNANCE, LEADERSHIP AND RESPONSIBLE USE OF RESOURCES

NUJIANG – OUR CHINESE SISTER CITY

Our relationship with the People's Government of Nujiang Lisu Autonomous Prefecture has continued to strengthen during the past year.

In September 2014, a group of Year 9 and 10 students from Horsham College visited Nujiang National Middle School as part of an education exchange program established between the two schools. The students stayed with host families where they experienced the Chinese way of life and participated in cultural and class activities at the school.

In February 2015, seven students from Nujiang National Middle School made a return visit to Horsham College, enabling them to cement the friendships they had formed in 2014 and learn about the Australian culture. The student education exchange program has been a very positive experience for the all the students involved.

In March 2015, Council welcomed a delegation of six representatives from the People's Government of Nujiang Lisu Autonomous Prefecture to Horsham. Guests experienced an Australian Citizenship Ceremony and a formal welcome dinner. They also visited some of our local attractions including a vineyard, broadacre cropping property, dairy, the Grains Innovation Park, Longerenong College, Horsham College and the Wimmera River.

Horsham Rural City Council has had a sister city friendship agreement with Nujiang since 2008. Nujiang is situated in the Yunnan Province in south-west China and is known for its rivers, valleys, landscapes and mineral resources, along with its rich, colourful and diverse heritage culture.

The delegation from the People's Government of Nujuang Lisu Autonomous Prefecture with Chief Executive Peter Brown, Mayor Mark Radford and Cr Pam Clarke.

Mayor Mark Radford presented students and leaders from Nujiang National Middle School with traditional Australian hats during their visit to Horsham in February.

Chinese students Steve, Noodle and Jan enjoy a barbeque at Horsham's Weir Park during their visit to Horsham.

KEEPING PEOPLE INFORMED

Council proactively uses a number of social media channels to provide residents with information on events, services, initiatives, community engagement opportunities, community service announcements and disaster management.

Council's communication is strategically aligned with its organisational goals, objectives and priorities. Our approach delivers real impact and builds value and reputation for external and internal customers. We will continually use technology effectively to improve business functions and deliver benefits to the community. By increasing our engagement through these channels over the past year, the number of residents interacting with Council via social media has grown significantly:

- Facebook 1,092 Likes
- Twitter 80 Followers
- YouTube 4,423 Views
- Key Web Stats 67,201 Unique Visitors
  300,572 Average Hits Per Month

FREE CITY WI-FI

Residents and visitors can surf the internet for free throughout Horsham's Central Business District. With the use of any Wi-Fi enabled device, users can access the internet at key access points across the city, including Firebrace Street, Roberts Place, the bus station on Roberts Avenue, the Visitor Information Centre, Sawyer Park and May Park.

This project is part of the city's Digital Community Strategy with the purpose of building a network that puts Horsham on the map. Internet access is now an essential part of our everyday working and private lives.

Council thanks the contractors involved in the project, including local company CHS Group and Geelong based DuxTel Communication Services.

Horsham freewifi

Horsham Rural City Council urban rural balance

Horsham freewifi

NEW APPS

Council has launched a number of new applications (apps) this year. Details are provided below.

EasyPark

Council has introduced the EasyPark app as an option for paying parking meter fees in Horsham. EasyPark enables motorists to pay parking meter fees on their mobile phone instead of feeding their parking meter with coins. People can download the EasyPark app on their smartphone, enter their vehicle registration number and parking code, and set an initial parking time. The app will send an SMS reminder 15 minutes before the parking is due to expire and people can extend their time if they wish. When using EasyPark, fees are debited to a credit or debit card and parking can be ceased at any time, meaning that you only pay for the time you are parked at the meter.

Service Request

Council has launched a mobile app which includes a mobile and internet service request system. The new app makes it simpler and more efficient for customers to get in touch with Council. The app is currently available for iPhones and iPads and provides a mobile resource for residents and visitors to the municipality.

The main feature of the new mobile app is the service request option. Residents and visitors can easily submit a service request to Council using the GPS on the device, which populates the location details automatically and photos can be attached to the service request. Service requests can also be submitted through Council's website.

SERVICE REQUESTS

HRCC

Food Sampling

The food sampling app has been designed to assist Council Officers in recording and submitting food samples to the lab for testing. The Department of Health and Human Services (DHHS) issue single use barcodes to identify these samples. The barcodes are scanned by a phone or tablet and the information is entered into an electronic form. The information is then submitted to the laboratory via a PDF document.

The app cuts down on time that was spent completing a standard paper form and allows for quick and easy submission of food samples for analysis. It was developed by DHHS in conjunction with the Municipal Association of Victoria, which they will support for five years. Council participated in the trial of the app prior to its release late 2014.

Food Sample

RECOGNISING EMPLOYEES

Council has a team of professional employees to support our regional city. Our staff strive to enhance the way we do things in Council by streamlining processes and doing things smarter and more efficiently. This enables customers to access information and interact with Council more effectively. Some you see in the community each day and some are behind the scenes, supporting the front line services. Our staff are essential to achieving our key priorities now and into the future.

THE FOLLOWING AWARDS WERE PRESENTED TO STAFF THIS YEAR:

Monthly Staff Awards

- The Bitumen Road Patching Team (Ron James, Rod Schumann, Andy Hogart, Jarrod Morrison) Fiona O'Brien, Kaylee Scott, Jillian Pearce, Charee Bolwell, Lyndon White, Rosemary Lehmann, Tracey Arbuckle, Martin Bride, Mary-Anne Duke, The Visitor Information Centre Team (Gloria McRae, Julie Anson, Tamara Hallam-Brook, Colin Kemp)

Annual Departmental Achievement Awards

- Gloria McRae - Planning & Economic
- Kathy Newton - Corporate Services
- Marta Najfeld & Rhonda McNeil - Technical Services
- Cindy Francis - Community Services

Special Awards

- Thelma Shaw - OH&S Committee Award for Encouragement
- Rod Lawson and Parks and Recreation Team - Overall OH&S Award
- Mibus Lift Project - Cross Functional Team Award
- Warren Kennedy - Ian Maria Customer Service Award
- Warren Kennedy - Rob Jory Award
- Mark Purtle - Bob Young Award
- 25 Years of Service - Michael Neal, Kelvin Howe, Jan Bahr, Irene Jones, Sandra McClure, Robyn Tomlins
- 40 Years of Service - John Klemm

INAUGURAL AWARD FOR EXCELLENCE IN RISK MANAGEMENT – DIANA MCDONALD

Council's Risk Management Co-ordinator Diana McDonald won the inaugural Municipal Association for Excellence in Risk Management award this year.

Diana McDonald has made significant contributions to the understanding and acceptance of risk management and associated concepts at the Horsham Rural City Council, and was the inaugural recipient of the Municipal Association Victoria (MAV) Award for Excellence in Risk Management. This State-wide award has been established by MAV Insurance to recognise outstanding practice in risk management across the local government sector, and support the professional development of risk managers.

Diana has employed a dedicated and innovative approach to Risk Management, and her willingness to participate in regional approaches and lead a State-wide Special Interest Group has benefited not only Horsham Rural City Council but Councils across Victoria.

As part of the award, Diana attended the RIMS'15 (Risk Management and Insurance Society's) annual conference held in New Orleans from 26-29 April 2015.

ADVOCACY

Advocacy on behalf of the Horsham and wider Wimmera community is an important role for Council. The Council Plan highlights the following key advocacy issues as priorities for Horsham Rural City Council:

- Improved weather forecasting including Bureau of Meteorology radar coverage
- The rebuilding of Horsham College – ***Funding achieved***
- Improved education and health outcomes for our community
- Total mobile phone coverage across the municipality – ***18 blackspots to be improved in the Wimmera, two in Horsham, disappointingly Wartook Valley not included at this stage***
- The retention of recreational lakes or other recreational water facilities with the purpose of securing water based recreational opportunities in the municipality – ***Advocacy continues with Green Lake and Toolondo receiving water announcements***
- Improved facilities at Horsham Police Station
- Improved residential aged care facilities
- More flexibility and less onerous conditions in compliance with Environment Protection Authority requirements for landfill
- Support upgrade of student accommodation and new facilities at Longerenong College – ***Funding announced for improvements***
- Investigate relocation of the railway line from the centre of Horsham as part of the Horsham Road Bypass
- Encourage the establishment of a passenger air service from Horsham to Melbourne and Adelaide
- Duplication of the Western Highway and improved safety through to Stawell – ***Further stages to Ararat announced***
- Cherrypool roadside toilets – ***Funding obtained, toilets constructed and functioning well***
- Passenger rail – ***Continued advocacy to secure funding for a feasibility study***
- Horsham Road Bypass (alignment) and construction – ***Now into planning amendment stage***

In addition, Council has successfully advocated for funding for the Grampians Peaks Trail.

Council has raised its concerns with the State Government in relation to the declaration of additional public holidays on Easter Sunday and the Friday prior to the grand final.

Victorian Premier Daniel Andrews and Minister for Regional Development Jaala Pulford at the opening of the Grampians Peaks Trail Project.

OUR PERFORMANCE

COUNCIL PLAN

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

1. Community and Cultural Development	Develop Horsham and the municipality as a diverse, inclusive and vibrant community
2. Sustaining the Economy and the Environment	Lead in sustainable development and enhance the environment
3. Asset Management	Meet community and service needs through provision and maintenance of infrastructure
4. Governance and Business Excellence	Excel in communication, consultation, governance, leadership and responsible use of resources

PERFORMANCE

Council's performance for the 2014-2015 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2014-2018 Council Plan. Performance has been measured as follows:

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

GOAL 1: COMMUNITY & CULTURAL DEVELOPMENT

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

MEASURE	RESULT	COMMENTS
Substantially complete the Town Hall/Art Gallery construction project	64%	Construction anticipated to be completed in November 2015. Official opening of the venue in February 2016.
Complete demolition of Grampians fire affected properties and cancel associated 43 emergency orders	100%	34 emergency orders and 9 building orders have been cancelled.
Increase the number of cultural events held each year	100%	In 2014-2015 there were 114 Cultural events with 16,505 patrons, compared with 75 events with 14,122 patrons for 2013-2014.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014-2015 budget for the year.

MAJOR INITIATIVES	PROGRESS
Refurbishment of the Horsham Town Hall and Art Gallery and construction of a new Performing Arts Centre.	Project was 64% complete at the end of June. Completion date was delayed due to an issue with soil contamination and is now tracking well against revised timeline.
Fitment of a lift and replacement of air-conditioning at the Mibus Centre, home to the Wimmera Regional Library, and the Makers Gallery.	Completed.

The following statement provides information in relation to the services funded in the 2014-2015 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION
Community Services	Provision of the following to support Council's direct service delivery areas:
	• Community Housing – providing grounds maintenance for specific low rental housing.
	• General Community Services – support surrounding education in preschools and schools, Senior Citizen Centres, Service Clubs and the State Emergency Service. Emergency management, community engagement and development, disability access services and Horsham Youth Centre (Nexus).
	• Home and Community Care – provision of care to frail aged and disabled persons with home care, personal care, respite care along with property maintenance services, meals on wheels and disabled parking permits.
	• Maternal and Child Health Services – support to families with parenting, health and development, promotion of health, wellbeing and safety, social supports, referrals and linking with local communities, and sponsoring of a Koori service.
	• Preventative Services – provision of health administration, immunisation, health vending machines and other preventative measures under the health plan including needle exchange, ***Tobacco Act*** reforms and mosquito monitoring.
	• Administration – administration and support to the Community Services group.
Recreation, Culture and Leisure	Provision of the following to support Council's direct service delivery areas:
	• Art Gallery – visual art resource for the local community and visitors to Horsham.
	• Cultural Centre Activities – community development and education to enhance the capacity and strength of communities in the municipality by developing community plans as a resource.
	• Halls - running of public halls, the Hamilton Lamb Memorial Hall, Horsham Town Hall and new Performing Arts Centre plus assistance to rural halls.
	• Other Recreation Groups and Clubs – providing maintenance, insurance and other ongoing costs for recreation groups and clubs including Guides/ Scouts, Cenotaph and War Memorials, Brass and Pipe Bands and Sawyer Park Soundshell

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

As this is the first year of this data, there is no prior year's data against which a variance can be measured.

SERVICE/INDICATOR/MEASURE	RESULT	MATERIAL VARIATIONS
Libraries ***Utilisation*** *Library collection usage* [Number of library collection item loans / Number of library collection items]	2.57	No material variations
Resource standard *Standard of library collection* [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	50.67%	No material variations
Service cost *Cost of library service* [Direct cost of the library service / Number of visits]	$392,134	No material variations
Participation *Active library members* [Number of active library members / Municipal population] x100	18.42%	No material variations
Maternal and Child Health (MCH) ***Satisfaction*** *Participation in first MCH home visit* [Number of first MCH home visits / Number of birth notifications received] x100	97.93%	No material variations
Service standard *Infant enrolments in the MCH service* [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	97.93%	No material variations
Participation *Participation in the MCH service* [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	81.43%	No material variations
Participation in the MCH service by Aboriginal children [Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	79.46%	No material variations
Food Safety ***Timeliness*** *Time taken to action food complaints* [Number of days between receipt and first response action for all food complaints / Number of food complaints]	0.50	No material variations
Service standard *Food safety assessments* [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	80.49%	No material variations

SERVICE/INDICATOR/MEASURE	RESULT	MATERIAL VARIATIONS
Service cost *Cost of food safety service* [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	$173,574	No material variations
Health and safety *Critical and major non-compliance outcome notifications* [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises] x100	100%	No material variations
Service standard *Compliance with Community Care Common Standards* [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100	72.22%	No material variations
Participation *Participation in HACC service* [Number of people that received a HACC service / Municipal target population for HACC services] x100	27.77%	No material variations
Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	9.09%	No material variations
Aquatic Facilities ***Service standard*** *Health inspections of aquatic facilities* [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0	No material variations
Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	1	No material variations
Service cost *Cost of indoor aquatic facilities* [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	$499,369	No material variations
Utilisation *Utilisation of aquatic facilities* [Number of visits to aquatic facilities / Municipal population]	9.17	No material variations

GOAL 2: SUSTAINING THE ECONOMY & THE ENVIRONMENT

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

MEASURES	RESULT	COMMENTS
90% of planning permits issued within the 60 day statutory period	80%	The average gross processing days to make a determination on planning permits was 69 days, with Council's median processing being 47 days. 199 of the 249 planning decisions were made within the statutory timeframe of 60 days.
Facilitate further development of private industrial land. Target 10 new lots by 2016	100%	New private subdivisions approved and infrastructure works underway for 17 new lots. Further subdivisions and works proposed.
WIFT Precinct – Establish framework and implementation plan for the first stage of infrastructure, land availability and planning regime by June 2015	100%	Stage 1 plan complete comprising 22 lots over 166 hectares. Land securement being finalised prior to lodgement of funding application with State Government.
Tender the leasing of Horsham Caravan Park by March 2015	100%	Lease negotiated and commenced with Horsham Riverside Caravan Park Pty Ltd.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014-2015 budget for the year.

MAJOR INITIATIVES	PROGRESS
The Dooen Landfill site earmarked for significant works with $600,000 allocated to rehabilitation works for the Ladlow's site, $600,000 (capital) for a new hard waste cell at Ladlow's site and $540,000 (capital) for the new putrescible cell No 2 at the John's site.	Rehabilitation works commenced late 2014. Unexpected shallow waste was discovered, leading to further site investigation and re-design. New hard waste cell – completed New putrescible cell 2 – due for construction commencing soon.
Further development of the Wimmera Intermodal Freight Terminal site to facilitate future development of the industrial precinct $600,000 (capital). Funds to come 50% from reserves and 50% from grant funding to complete a storage basin, road works and related drainage works.	Negotiations with landholders are well advanced but need to be finalised prior to securing State Government support funding.

The following statement provides information in relation to the services funded in the 2014-2015 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION
Regulatory Services	Provision of the following to the municipal community as a whole:
	• Building Control – building approvals, inspection fees, easement approvals and State Government levies.
	• Health registrations – legislative services surrounding environmental health, inspection services, health registrations, food safety, complaint investigation and enforcement.
	• Local Laws and Animal Control – permits and licences, enforcements and fines and fire hazard enforcement. Animal management services for dogs and cats including rehousing, microchipping and investigation of complaints and registrations.
	• Parking Control – management of parking infringements, maintenance on parking meters, car parking fees, fines and associated costs.
	• School Crossing Supervision – supervision of school crossings and school crossing maintenance.

SERVICE	DESCRIPTION
	• Town Planning – planning permits, notice of applications, information certificates, scheme appeals and subdivision costs, preparation of strategies, heritage studies and structure plans for the municipality.
Recreation, Culture and Leisure	Provision of the following to the municipal community as a whole:
	• Lakes and Beaches – maintenance and beach cleaning for Green Lake and Lake Toolondo along with maintenance of boat ramps and buoyage systems.
Economic Development	Provision of the following to the municipal community as a whole:
	• Economic Promotion – support to the Wimmera Development Association, maintenance and administration for the Wimmera Business Centre, general economic development and promotion for the municipality.
	• Industrial Estates – land sales and acquisitions, tree plantation and land management costs for Burnt Creek, enterprise estates and the Wimmera Intermodal Freight Terminal.
	• Visitor Information Centre – provides a comprehensive range of up to date information on tourism products, and support to visitors accessing the Visitor Information Centre.
	• Administration – administration and support services for the Economic and Planning department
Environment	Provision of the following to the municipal community as a whole:
	• Environmental Services – fire hazards, fire disaster clean up, grass removal, fire plugs, street sweeping, footpath cleaning in the CBD and weir operations.
	• Waste Management Services – management of the Dooen Landfill sites, Kenny Road transfer station, rural transfer stations, waste collection and recyclables collection across the urban and rural areas of the municipality.

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

As this is the first year of this data, there is no prior year's data against which a variance can be measured.

SERVICE/INDICATOR/MEASURE	RESULT	MATERIAL VARIATIONS
Waste Collection *Satisfaction* Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000	78.74	No material variations
Service standard *Kerbside collection bins missed* [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	0.00	No material variations
Service cost *Cost of kerbside garbage collection service* [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	$952,527	No material variations
Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	$415,568	No material variations

SERVICE/INDICATOR/MEASURE	RESULT	MATERIAL VARIATIONS
Waste Diversion *Kerbside collection waste diverted from landfill* [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	20.66%	No material variations
Statutory Planning *Timeliness* *Time taken to decide planning applications* [The median number of days between receipt of a planning application and a decision on the application]	47.00	No material variations
Service standard *Planning applications decided within 60 days* [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	79.92%	No material variations
Service cost *Cost of statutory planning service* [Direct cost of statutory planning service / Number of planning applications received]	$351,685	No material variations
Decision making *Council planning decisions upheld at VCAT* [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100%	No material variations
Service standard *Animals reclaimed* [Number of animals reclaimed / Number of animals collected]	39.07%	No material variations
Service cost *Cost of animal management service* [Direct cost of the animal management service / Number of registered animals]	$301,418	No material variations
Health and safety *Animal management prosecutions* [Number of successful animal management prosecutions]	0.00	No material variations

GOAL 3:
ASSET MANAGEMENT

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

MEASURES	RESULT	COMMENTS
Essential Safety measures – Complete annual reports of Council buildings with existing determinations – target 100%	15%	11 buildings issued with Occupancy Permits requiring annual essential safety measure reports. Essential safety measures have been partly completed in these buildings. Maintenance determinations completed on two of Council's highest risk buildings in June 2015.
Achieve building condition assessments for buildings valued at over $20,000 – target 100%	100%	All buildings have condition assessments.
Budgeted commitment of expenditure on Renewal of Council assets above condition 8 – target 70%	100%	Achieved over target – 75%.
The proportion of capital works projects completed at the conclusion of the financial year – target 90%	64%	Completed 82 out of 129 projects.
The proportion of capital works projects completed within the allocated budget – target 90%	61%	Completed 82 projects overall, 52 were completed within their budget allocation. Of the 30 that were not within budget, five were over by less than 10%.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014-2015 budget for the year.

MAJOR INITIATIVES	PROGRESS
The construction of a footbridge across the Wimmera River near the town centre to provide improved pedestrian access. $1,250,000 with $750,000 to be funded from grants and other external sources.	Design review nearing completion. On-ground works anticipated to start September 2015.
Lighting the regions – sustainability street light program replacing some street lights in Horsham with new LED lighting that will significantly reduce power consumption. This is a project with a number of other Councils within the region and the investment of $362,082 for stage 1, will initially be funded from reserves.	All relevant lights in municipality have been replaced with LED lighting. Savings starting to be realised.
May Park renewal project will see the revitalisation of May Park reserve through construction of a BBQ shelter, inline dripper water system, a shelter for a new display and the establishment of a "Changing Places" toilet facility. $140,000 of the $215,000 works will be funded from a State Government grant.	Funding application information prepared – ready for suitable fund. Grant application anticipated to be lodged soon.
Planning to be undertaken for a new Community Indoor Sports, Recreation and Cultural Activities Centre. The $65,000 cost includes investigation and feasibility of potential locations such as the showgrounds, and will be funded $30,000 from a grant.	Underway 40% complete. Needs analysis information collated for planning study. The next phase will be the concept design development, to commence shortly.
Establishment of a Biomass Boiler to burn municipal plant chipping product that will assist with the heating of the Horsham Aquatic Centre pool. $125,000 of the $250,000 project to be funded from a State Government grant.	Application was submitted before State Government election last year, still awaiting feedback and next opportunity.

The following statement provides information in relation to the services funded in the 2014-2015 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION
Recreation, Culture and Leisure	Provision of the following to the municipal population as a whole:
	• Aquatic Centre – providing equitable and affordable access to a diverse range of services including indoor and outdoor pools, gymnasium, multi-purpose group fitness facility, child care and café.
	• Parks and Gardens – development and maintenance of gardens and major reserves including the Botanic Gardens, May Park and 23 neighbourhood parks.
	• Sports Complexes – maintenance and operations of indoor and outdoor sport complexes including Racecourse Reserve, City Oval, Dudley Cornell Park, Skate bowl facilities and basketball stadium.
Physical Services	Provision of the following to the municipal population as a whole:
	• Aerodrome – provides a regional airport for commercial and private aircraft.
	• Caravan Park – provides affordable holiday accommodation on the Wimmera River.
	• Livestock Exchange – provides weekly sheep sales and fortnightly cattle sales at the Burnt Creek Drive facility servicing primary industry across the Wimmera. Horsham Regional Livestock Exchange is the fourth largest sheep selling centre in Victoria.
	• Other Council Properties – maintenance and operations for all of Council's commercial properties and residences.
	• Other Infrastructure Services – maintenance for bicycle tracks, drainage, footpaths and off street car parks.
	• Public Conveniences – operations and maintenance of the six public conveniences in Horsham, one in Natimuk and several rural facilities.
	• Road Construction and Maintenance – maintenance and construction of roads, streets, bridges and related assets to the required standards.
	• Street Beautification, Signage and Lighting – provides street tree maintenance, tree planting and removal, city centre maintenance of lighting, signage and street furniture.
	• Administration – administration and support services for the Technical Services department.

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

As this is the first year of this data, there is no prior year's data against which a variance can be measured.

SERVICE/INDICATOR/MEASURE	RESULT	MATERIAL VARIATIONS
Roads ***Satisfaction of use*** Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	0.00	No material variations
Condition *Sealed local roads below the intervention level* [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	99.04%	No material variations
Service cost *Cost of sealed local road reconstruction* [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	$46.67	No material variations
Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	$4.92	No material variations
Satisfaction *Satisfaction with sealed local roads* [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	48.00	No material variations

GOAL 4: GOVERNANCE & BUSINESS EXCELLENCE

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

MEASURES	RESULT	COMMENTS
Increase overall score in the Community Satisfaction Survey	-5%	Council's overall score for the 2015 survey decreased from 65 to 62 in 2015. Generally, Council's results were consistent with previous years on 4 of the 7 measures but showed decline in 3 measures; overall performance, advocacy and condition of sealed roads. Council's overall result was above the State average of 60 and well above the Large Rural Group average of 56.
Maintain staff turnover rates at under 10%	100%	Staff turnover rate was well below the 10% target at 8% for 2014-2015 (9.2% in 2013/14).
Review all policies and procedures and update into the new framework	65%	From 1 July 2014 to 30 June 2015, 37 Policies and 18 procedures were adopted. By the end of 2015 a further 76 (currently in draft) should be finalised.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014-2015 budget for the year.

MAJOR INITIATIVES	PROGRESS
$50,000 to establish a public Wi-Fi system, at Roberts Place in Horsham. To be funded from the CBD development reserve.	Completed - Wi-Fi established Roberts Avenue, Sawyer Park, Firebrace Street and May Park. Is being well utilised.

The following statement provides information in relation to the services funded in the 2014-2015 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION
Management and Administration	Provision of the following to support Council's direct service delivery areas:
	• Corporate Services – variety of organisational services provided internally and to ratepayers. Covers information technology, rates, financial management, customer service, general administration support to Director and the Civic centre building maintenance costs.
	• Finance – records the operational costs associated with Council's financing arrangements.
	• Governance and Leadership – facilitates Council's governance services, implementation of Council decisions and policies of compliance with legislative requirements.
	• Organisational Development – responsible for human resources, payroll, OH&S, risk management and organisational performance.

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

As this is the first year of this data, there is no prior year's data against which a variance can be measured.

SERVICE/INDICATOR/MEASURE	RESULT	MATERIAL VARIATIONS
Governance ***Transparency*** *Council resolutions at meetings closed to the public* [Number of Council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	15.91%	No material variations
Consultation and engagement *Satisfaction with community consultation and engagement* [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	61.00	No material variations
Attendance *Council attendance at Council meetings* [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last council general election)] x100	95.65%	No material variations
Service cost *Cost of governance* [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	$271,428	No material variations
Satisfaction *Satisfaction with Council decisions* [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	58.00	No material variations

GOVERNANCE, MANAGEMENT & OTHER INFORMATION

GOVERNANCE

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

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

Cr Heather Phillips shows off a twin bin funded by the public place recycling program, with photographic competition winner Jarrod Risson and Council's Kelvin Howe.

IN THE PAST 12 MONTHS COUNCIL HAS SUCCESSFULLY:

» Introduced **Procurement Cards** across a range of Council departments to more efficiently manage the procurement of a range of minor purchases

» Introduced a new policy for the rating of **Cultural and Recreational** groups within the community and reviewed all Cultural and Recreational groups against that policy

» Developed a **business case** for investigating changes to the *Local Government Act* in order to commence rating of the mining industry

» Participated in a review of **Council's electoral representation** by the Victorian Electoral Commission

» Conducted a review of ratepayers' eligibility to receive the **farm differential**

» Entered into new arrangements for the Valuer General to become our agent for the management of **Council's revaluations** into the future

» Continued a review of **Policies and Procedures** – implementing 37 Policies and 18 Procedures

» Conducted a new approach to **community engagement** with the budget attending 10 separate community groups and speaking with over 220 people about Council's plans for the 2015–2016 budget

» Completed submission to the Local Government Grants Commission in relation to the **Financial Assistance Grants** methodology and the Essential Services Commission in relation to **Rate Capping**

» Progressed implementation of comprehensive **OH&S Management** system to ensure legislative and regulatory compliance

» Conducted an expression of interest process for the former **Rosebrook Restaurant** to be relocated for use as a community facility

» Purchased the former **Horsham United Clubrooms** and negotiated a lease for the facility with the AFL Wimmera Mallee

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

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

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

MEETINGS OF COUNCIL

Council conducts open public meetings on the first and third Monday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. For the 2014-2015 year, Council held:

- 22 ordinary Council meetings
- 1 special Council meeting

The following table provides a summary of Councillor attendance at Council meetings and Special Council meetings for the 2014–2015 financial year.

COUNCILLORS	COUNCIL MEETING	SPECIAL COUNCIL MEETING	TOTAL
Cr Mark Radford (Mayor)	21	1	22
Cr David Grimble	22	1	23
Cr Pam Clarke	21	1	22
Cr Heather Phillips	21	1	22
Cr Tony Phelan	22	1	23
Cr Sue Exell	20	1	21
Cr Robin Barber	20	1	21

SPECIAL COMMITTEES

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

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

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

SPECIAL COMMITTEE NAME	PURPOSE OF SPECIAL COMMITTEE	NO OF COUNCILLORS	NO OF COUNCIL STAFF	NO OF COMMUNITY MEMBERS
Art Craft Workshop	To promote the arts through the Art Craft Workshop located at the Mibus Memorial Cultural Centre.			11
Horsham Rural City Pride (Tidy Towns)	To develop, maintain, promote and beautify the area of the Horsham township and to educate the public.	1	1	6
Kanamaroo Festival	To arrange and stage the annual Kanamaroo Festival in Horsham.		1	3
Natimuk Community Centre (NC^2)	To co-ordinate, manage and develop the Natimuk Community Precinct (NC2).	1	1	6
Horsham Regional Art Gallery	To promote the arts through the Horsham Regional Art Gallery for the benefit of the community and provide advice to Council on the maintenance and upkeep of the Art Gallery.	1	2	5
Horsham Regional Livestock Exchange	To co-ordinate, manage, develop, maintain and promote the Horsham Regional Livestock Exchange.	1	1	11
Wimmera Business Centre	To co-ordinate, manage, develop, maintain and promote the Wimmera Business Centre.	1	2	8
Wimmera Intermodal Freight Terminal (WIFT)	To make recommendations to the Landlord regarding WIFT management and operation, further development or redevelopment, capital works and the renewal and replacement of major assets.	1	1	5
Dadswells Bridge Hall	To co-ordinate, manage and develop the Dadswells Bridge Hall and surrounds for the promotion and benefit of the community.			12
Hamilton Lamb Hall	To co-ordinate, manage and develop Hamilton Lamb Hall for the promotion and benefit of the community.			
Jung Hall	To co-ordinate, manage and develop the Jung Hall and surrounds for the promotion and benefit of the community.			12
Laharum Hall	To co-ordinate, manage and develop the Laharum Hall and surrounds for the promotion and benefit of the community.			12
Mitre Public Hall	To co-ordinate, manage and develop Mitre Public Hall for the benefit of the community.			

SPECIAL COMMITTEE NAME	PURPOSE OF SPECIAL COMMITTEE	NO OF COUNCILLORS	NO OF COUNCIL STAFF	NO OF COMMUNITY MEMBERS
Natimuk & District Soldiers Memorial Hall	To co-ordinate, manage and develop the Natimuk & District Soldiers Memorial Hall and surrounds for the promotion and benefit of the community.			12
Quantong Hall	To co-ordinate, manage and develop the Quantong Hall and surrounds for the promotion and benefit of the community.			12
Sailors Home Hall	To co-ordinate, manage and develop the Sailors Home Hall and surrounds for the promotion and benefit of the community.			12
Taylors Lake Hall	To co-ordinate, manage and develop the Taylors Lake Hall and surrounds for the promotion and benefit of the community.			20
Telangatuk East Hall	To co-ordinate, manage and develop the Telangatuk East Hall and surrounds and Telangatuk East Recreation Reserve for the promotion and benefit of the community.			6
Horsham Basketball Stadium	To co-ordinate, develop, maintain and promote the Horsham Basketball Stadium and surrounds.	1	1	5
Finance Committee	To monitor the operations and performance of Council against budget and actual expenditure, debtors, creditors, capital works, performance reporting framework and review accounts for payment.	3	3	
HRCC Tourism Advisory Committee	To develop out of region tourism marketing, tourism development and visitor servicing with the primary aim of increasing visitation and length of visitor stay in the municipality.	1	3	11
Camerons Oval	To co-ordinate, manage, and develop Camerons Oval, Laharum for promotion and benefit of sports and other activities for the benefit of the community.			
Dudley Cornell Park	To co-ordinate, manage, and develop Dudley Cornell Park for the promotion and benefit of sports and other activities for the benefit of the community.		1	16
Green Lake	To advise and support Council and GWMWater on the management, development, maintenance, promotion and beautification of the area.	1	2	9
Haven Recreation Reserve	To co-ordinate, manage, and develop the Haven Recreation Reserve and Haven Hall for the benefit of the community.	1	2	12
Horsham Racecourse Reserve	To co-ordinate and promote the use of the Horsham Racecourse and Recreation Reserve.	1	1	9
Horsham Recreation Reserve	To co-ordinate, manage, and develop Horsham Recreation Reserve for the promotion and benefit of sports and other activities for the benefit of the community.	1	1	9
Quantong Recreation Reserve	To co-ordinate, manage, and develop Quantong Recreation Reserve for the promotion and benefit of sports and other activities for the benefit of the community.			
Sunnyside Park Rec Reserve	To co-ordinate, manage and develop Sunnyside Park for the promotion and benefit of sports and other activities for the benefit of the community.	1	1	17

CODE OF CONDUCT

The *Local Government Act 1989* requires Councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. The Horsham Rural City Code of Conduct for Councillors was adopted on 18 March 2013.

Under the *Local Government Act 1989*, Councillors must:

- Act with integrity
- Act impartially in the interests of the local community
- Not improperly give anyone an advantage or disadvantage
- Avoid conflicts between their public duties and personal interests
- Act honestly and avoid statements or actions that may mislead or deceive someone
- Treat everyone's opinions, beliefs, rights and responsibilities with respect
- Take reasonable care and diligence
- Make sure public resources are used carefully and in the public interest
- Act lawfully and not breach the public's trust
- Protect confidential and privileged information

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

CONFLICT OF INTEREST

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

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

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

During 2014–2015, 21 conflicts of interest were declared at Council and Special Committee meetings.

COUNCILLOR ALLOWANCES

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

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

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

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

COUNCILLORS	ALLOWANCE $
Cr Mark Radford (Mayor from 13/11/14)	46,434.20
Cr David Grimble (Mayor to 13/11/14)	35,160.13
Cr Pam Clarke	20,462.06
Cr Heather Phillips	20,462.06
Cr Tony Phelan	20,462.06
Cr Sue Exell	20,462.06
Cr Robin Barber	20,462.06

Prime Minister Tony Abbott with Mayor Mark Radford and Mayoress Anne Radford during a visit to Horsham to announce the Federal Government's funding pledge of $1 million towards the new Wimmera Cancer Centre.

COUNCILLOR EXPENSES

In accordance with Section 75 of the *Local Government Act 1989*, Council is required to reimburse a Councillor for expenses incurred whilst performing their duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of allowances, expense reimbursements and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council's policy provides for reimbursement of travel costs to a Councillor for travel outside of urban areas only. Details of these expenses for the 2014-2015 year are set out in the following table.

COUNCILLORS	TRAVEL $
Cr Mark Radford (Mayor from 13/11/14)	631.63
Cr David Grimble (Mayor to 13/11/14)	5,786.65
Cr Pam Clarke	-
Cr Tony Phelan	10,714.73
Cr Heather Phillips	11,243.83
Cr Sue Exell	-
Cr Robin Barber	-

Note: No expenses other than travel reimbursements were paid by Council during the year

Horsham Salvation Army's Major Carolyn Wright and Councillor Pam Clarke cut a ribbon at the opening of their new thrift shop in Horsham in March.

MANAGEMENT

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

AUDIT COMMITTEE

Role

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

Responsibilities

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

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

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

Composition

The Audit Committee comprises of two appointed Councillors and three independent members with technical expertise and industry experience.

The current Audit Committee members are:

- Chair/independent member – Geoff Price
- Independent members – Roy Henwood and Pina Wallis
- Councillor representatives – Cr Mark Radford and Cr David Grimble

Ex-officio members:

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

Internal auditor:
Crowe Horwath (Contractor)

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

INTERNAL AUDIT

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

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

- Follow-Up of High Risk Matters Raised in Prior Internal Audit Reports Review
- Volunteer Management Review

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

EXTERNAL AUDIT

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

RISK MANAGEMENT

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

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

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

Achievements:

- Four Risk Management Committee Meetings Conducted – 25 August 2014, 24 November 2014, 16 March 2015 and 1 June 2015
- Focused on developing and maturing Business Continuity Management
- Implementation of new Risk Management Software system Cambron
- Further development of Horsham Rural City Council Risk Management Culture and Branding
- Business Continuity Plan Reviewed – February 2015
- Risk Management Strategy Reviewed – May 2015
- Definition of Risk Appetite Statement Reviewed – May 2015
- Council's Risk Management Co-ordinator, Diana McDonald awarded MAV Excellence in Risk Management Award for State of Victoria (see page 40)

COMPETITIVE TENDERING

In 2014-2015, Council submitted 34 projects to a competitive tender process for a total value of $7,204,055. Twenty six (26) annual supply tenders were maintained equating to an annual spend for these contracts of $3,840,985.

An additional 24 quotations were sought and awarded for procurement of works, goods or services in compliance with Council's Procurement Policy and obligations under Section 186 of the ***Local Government Act***, totalling $485,679.

Combined competitive procurement for 2014–2015 is $11,530,719.

ORGANISATIONAL PLANS, POLICIES & STRATEGIES

THIS YEAR, THE FOLLOWING PLANS, POLICIES AND STRATEGIES HAVE BEEN DEVELOPED AND/OR REVIEWED:

- Acceptable use of Communication and Mobile Devices Policy
- Acceptable Use of ICT Equipment and Services Policy
- Access Control Policy
- Anti Virus Policy
- Asset Management Policy
- Backup and Recovery Procedure
- Business Continuity Policy
- Cloud Computing Policy
- Community Engagement Policy
- Complaints Resolution Policy
- Computer Systems and Equipment Use Policy
- Confined Space Entry Procedure
- Culture and Recreational Rates Concessions Policy
- Cyber Crime and Security Incident Policy
- Dog Attack Policy
- Dog Attack Procedure
- Drug and Alcohol Management Policy
- Drug and Alcohol Management Procedure
- Electrical Safety Procedure
- Encryption Policy
- Firewall Management Policy
- First Aid Procedure
- Hardware Management Policy
- Health Wellbeing Monitoring Noise Procedure
- Human Rights Policy
- ICT Disaster Recovery Plan
- ICT Security Incident Procedure
- Information Management Policy
- Information Privacy Policy
- Internet use Policy
- Laptop and Tablet Security Policy
- Legal Compliance Policy
- Managing Bullying, Aggression and Occupational Violence Policy
- Managing Bullying, Aggression and Occupational Violence Procedure
- Manual Tasks Procedure
- Network Management Policy
- OHS Issue Resolution Procedure
- Online Services Policy
- Password and Authentication Policy
- Performance Reporting Procedure
- Personnel Management Policy
- Physical Access Policy
- Police Check Policy
- Prevention of Fall From Heights Procedure
- Records Management Policy
- Remote Access Policy
- Responsibility and Authority Procedure
- Software Management Policy
- Special Access Policy
- Staff Standards and Procedures for Managing Customers
- Work Health and Safety Procedure
- Workplace Environment and Amenities Policy
- Workplace Health and Safety Consultation and Communication Procedure
- Workplace Health and Safety Policy
- Workplace Inspection and Housekeeping Procedure

COMMUNITY SATISFACTION SURVEY

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

Horsham Rural City Council's performance in 2015 has been generally consistent with the results from 2014 on four of the seven core measures, however, three of the core areas – overall performance, advocacy and condition of sealed local roads – have seen a decline in this period.

Council's overall performance index of 62 is a three point decline from the previous year, but is still significantly higher than the Large Rural Group average of 56 and on a par with the State-wide average of 60.

There are areas of performance that remain unchanged, such as customer service with a result of 72, and decisions made in the interest of the community at an index score of 58.

Overall Council direction is slightly lower than 2014 at 53, but in all, Horsham scored significantly above the Large Rural Group average performance on all core measures except Overall Council Direction. Council also scored above the State-wide average on the service areas of consultation and engagement, advocacy and making decisions in the interest of the community.

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

CORE PERFORMANCE MEASURE	SCORE		
	Horsham	State	Rural
Advocacy	58	55	53
Customer Service	72	70	67
Community Consultation and Engagement	61	56	54
Overall Council Direction	53	53	51
Overall Performance	62	60	56

Council received a score of 61 for Community Consultation and Engagement this year, significantly higher than the State and Rural Group averages of 56 and 54, respectively.

CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES

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

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

1. Your right to recognition and equality before the law
2. Your right to life
3. Your right to protection from torture and cruel, inhuman or degrading treatment
4. Your right to freedom from forced work
5. Your right to freedom of movement
6. Your right to privacy and reputation
7. Your right to freedom of thought, conscience, religion and belief
8. Your right to freedom of expression
9. Your right to peaceful assembly and freedom of association
10. Your right to protection of families and children
11. Your right to taking part in public life
12. Cultural rights
13. Property rights
14. Your right to liberty and security of person
15. Your right to humane treatment when deprived of liberty
16. Rights of children in the criminal process
17. Your right to a fair hearing
18. Rights in criminal proceedings
19. Right not to be tried or punished more than once
20. Retrospective criminal laws

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

Protecting and promoting human rights is identified as a Guiding Principle in the 2014-2018 Council Plan. Council's newly adopted Human Rights policy also embeds the Council's corporate responsibility to respect human rights in all operations. The following are some examples of where Council has played a role in building understanding and respect for human rights.

LOCAL LAWS

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

Horsham Rural City Council has the following Local Laws:

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

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

CUSTOMER SERVICE CHARTER

Horsham Rural City Council has adopted a new Customer Service Charter along with a major review of the Staff Standards procedure. Both the Charter and the Procedure set out the standards to ensure that customer service is provided in a way that respects human rights. Horsham Rural City Council is committed to providing professional, quality services to both external and internal customers.

DISABILITY ACCESS AND ACTION PLAN

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

The plan identifies goals and actions to reduce barriers created by attitudes, practices and structures, to ensure that all people can participate equally in the life of our community.

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

- Ensure that disability parking permit holders are aware of their parking meter entitlements (ie, double time limit)
- Deliver access audit training for building and outdoor staff
- Support scooter safety and education initiatives
- Continue to support Art is..., Awakenings and other festivals/events that provide opportunities for social connection.

DOMESTIC ANIMAL MANAGEMENT PLAN

4,025 dogs and 1,642 cats were registered this year.

In accordance with the *Domestic Animals Act 1994*, Council adopted the Domestic Animal Management Plan 2013–2016 on 1 July 2013. The plan was developed through consultation with the Domestic Animal Management Advisory Group, consisting of a veterinarian, community representatives, and representatives from Horsham PAWS (People for Animal Welfare and Support).

During the 2014–2015 year, the following actions were completed:

- OH&S training – dealing with aggressive customers refresher course
- Bureau of Animal Welfare training and information days attended
- Firearms training undertaken
- Internal computer systems training
- South West Authorised Officer's Group meetings bi annually
- Media campaign highlighting requirement and benefits of pet registration increased the registration of dogs from 3,815 in 2013 to 4,025 in 2014, and 1,628 cats in 2013 to 1,642 in 2014
- Increase in registrations due to an action to increase phone calls and door knocks
- Council funded discounted microchipping days held annually
- Introduction of four off-leash areas
- Rehousing figures for dogs and cats has steadily increased through Facebook pages and other social media

FREEDOM OF INFORMATION

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

Requests for access to documents under the Act should be made in writing specifying the information required. Freedom of Information request forms can be obtained from the Municipal Offices, Civic Centre, 18 Roberts Avenue, Horsham. The application fee during the 2014-2015 financial year was $25.70 along with any access charges that may be levied in accordance with the Freedom of Information Regulations.

How many requests did Horsham Rural City Council receive?

Personal Requests	0
Non-Personal Requests	12

What happened?

Full access given	1
Part access given	2
Denied in full	0
Released outside the Act	9

- *No internal reviews were conducted.*
- *No appeals to VCAT or to the FOI commissioner were received.*

Applications

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

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

LEGISLATIVE OBJECTIVES OF COUNCIL

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

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

(a) to promote the social, economic and environmental viability and sustainability of the municipal district;

(b) to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;

(c) to improve the overall quality of life of people in the local community;

(d) to promote appropriate business and employment opportunities;

(e) to ensure that services and facilities provided by the Council are accessible and equitable;

(f) to ensure the equitable imposition of rates and charges; and

(g) to ensure transparency and accountability in Council decision making.

PROTECTED DISCLOSURES

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

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

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

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

For the purposes of Section 69 (6) of the P***rotected Disclosures Act 2012***, in the period to 30 June 2015, no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

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

GOVERNANCE & MANAGEMENT CHECKLIST

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT
1. Community Engagement Policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 15 June 2015
2. Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines 15 February 2010
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 1 June 2015
4. Annual Budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 1 June 2015
5. Asset Management Plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Asset Management Policy: 1 September 2014 Asset Management Improvement Strategy: 20 April 2015 Plans: Date of operation of current plans: Road Management Plan 6 December 2004
6. Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 1 June 2015
7. Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 8 July 2013
8. Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 9 December 2013
9. Municipal Emergency Management Plan (plan under section 20 of the *Emergency Management Act 1986* for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the *Emergency Management Act 1986* Date of preparation: 6 October 2014
10. Procurement Policy (policy under section 186A of the *Local Government Act 1989* outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the *Local Government Act 1989* Date of approval: 1 June 2015
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: 16 June 2014
12. Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 29 June 2015
13. Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 8 July 2013

14. Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: 15 December 2014
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: 21 July 2014
16. Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework Date of operation of current framework: 18 May 2015
17. Council Plan Reporting (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Report Date of Report: 2 February 2015
18. Financial Reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act Date statements presented: 17 November 2014, 2 March 2015 and 20 April 2015
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: 12 September 2014, 5 December 2014, 20 March 2015 and 9 June 2015
20. Performance Reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports Date of reports: 24 November 2014
21. Annual Report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of Council in accordance with section 134 of the Act Date statements presented: 20 October 2014
22. Councillor Code of Conduct (code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act Date reviewed: 18 March 2013
23. Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: 2 February 2015
24. Meeting Procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 7 March 2006

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

Peter Brown
Chief Executive

Dated: 23 August 2015

Cr Mark Radford
Mayor

Dated: 23 August 2015

COMMUNITY GRANTS

SPORTING CLUBS / RECREATION RESERVES – RURAL RECREATION RESERVES TURF MAINTENANCE	$
Dock Lake	5,200
Dooen	850
Haven	850
Kalkee	5,200
Laharum	5,200
Natimuk Showgrounds	9,400
Noradjuha	2,600
Pimpinio	5,200
Quantong	5,200
Riverside	850
Toolondo	2,600
Total	**43,150**

SPORT AND RECREATION GRANTS	$
Rosebrook Relocation	10,000
Total	**10,000**

ANNUAL ALLOCATION TO ASSIST MAJOR FUNDING APPLICATIONS	$
Central Park Tennis Club	5,000
Horsham Pistol Club	5,000
Total	**10,000**

SPORTING CLUBS / RECREATION RESERVES – OTHER GRANTS	$
Central Park Tennis Club	10,000
Central Wimmera Clay Target Club	6,000
Coughlin Park Labour	8,400
Horsham Golf Bowls	4,600
Horsham City Bowling Club – Lighting (Sport and Recreation Advisory Committee)	1,000
Horsham Lawn Croquet/Tennis Club	2,010
Horsham Little Athletics (Sport and Recreation Advisory Committee)	1,000
Horsham Motorcycle Club	9,978
Horsham Motorcycle Club – Junior World Championships (Sport and Recreation Advisory Committee)	3,000
Horsham Motor Sports Club	8,000
Horsham Swimming Club	400
Kalimna Park Croquet Club	500

SPORTING CLUBS / RECREATION RESERVES – OTHER GRANTS	$
Laharum Sports Inc	3,850
Pimpinio Sports and Community Centre	4,500
Riding for the Disabled	4,856
Taylors Lake Football/Netball Club	5,000
Wimmera Bushwalking Club	250
Wimmera Regional Sports Assembly	1,500
Total	**74,844**

WELFARE AND HEALTH	$
Bennett Road Kindergarten	3,000
Horsham and District Kindergarten Association	12,000
Horsham North Kindergarten	5,000
Natimuk Pre School Centre	1,000
Roberts Avenue Kindergaten	3,000
Maintenance Grants - $760 each for Council's six kindergartens	4,560
Total	**28,560**

HALLS	$
Capital Expenditure – Hamilton Lamb Memorial Hall	2,000
Capital Expenditure – Natimuk Community Centre	2,544
Capital Expenditure – Telangatuk East Hall	2,000
Insurance and Fire Services Levy for all Council Public Halls	17,098
Total	**23,642**

GENERAL WELFARE	$
Horsham College Chaplaincy Committee	5,000
Wimmera Toy Library	1,000
Total	**6,000**

COMMUNITY SERVICES	$
Horsham Christian Emergency Food Centre	2,000
Wimmera River Improvement Committee	7,600
Wimmera River Improvement Committee – Completion of Weir Park Pergolas	10,000
Wimmera River Improvement Committee – Police Paddock	2,200
Total	**21,800**

ORGANISATIONS	$
Charitable Organisations – Rate Refunds (Red Cross, St Vincent de Paul, Salvation Army, Wool Factory, Jacobs Well)	5,264
Service Clubs – Rate Refunds (Lions Club of Horsham, Lions Club of City of Horsham Inc, Apex Club, Horsham Rotary Club, Horsham East Rotary Club)	2,450
Arapiles Historical Society – Update and Replace Historical Markers	4,000
Business Horsham	10,000
Clear Lake Recreation Reserve – Public Toilet Cleaning	500
Federation University Horsham Campus – Nursing Achievement Award	300
Healthy Minds Horsham	300
Horsham A&P Society	10,000
Horsham City Brass Band Inc	1,550
Horsham City Pipe Band Inc	1,550
Horsham College – Senior Achievement Award	200
Horsham Combined Pensioners and Superannuants – Bus Trip	700
Horsham and District Harness Racing Club	700
Horsham and District Orchid Society	600
Horsham District Racing Club	1,000
Horsham Dog Obedience Club – Purchase/ Install Shipping Container	3,000
Horsham Girl Guides – Upgrade Switchboard and Replacement Power Points	1,000
Horsham Mens Shed – Equipment Purchases	4,500
Horsham Pop Up Café – Equipment Purchases	1,794
Horsham RSL Sub-Branch – Camp Gallipoli	2,000
Longerenong College – Citizenship Prize	300
Makers Gallery	500
Natimuk Brass Band	1,550
Natimuk and District Progress Press Association	1,100
North West Grampians Newsletter	1,343
Old Riverside School Recreation Reserve COM – Toilet Extension Plans	3,247
St Brigids College – Senior Achievement Award	200
Wimmera Association for Genealogy Inc	300
Wonwondah North Hall Volunteer Group – Newsletter	200
Wimmera and southern Mallee Careers Association – Expo 2015	1,100
Wimmera Mobility Group – Bus Trips	850
Total	**62,098**

PROMOTIONS, FESTIVAL AND CULTURE	$
Art Is ... Festival	6,000
Business Horsham – Community Seminars	3,000
Carols by Candlelight	2,500
Horsham Country Music Inc	1,800
Horsham Fishing Competition	5,000
Horsham Mothers Day Classic – Family Fun Run	700
Horsham Regional Arts Association Inc – Calendar of Events	3,000
Horsham Rockers – Rockin at the Races	2,000
Kannamaroo Festival Committee	4,000
OASIS Wimmera – Dance with Diversity	5,000
Operation 19:14 Family Fun Day	2,500
Wimmera Eisteddfod – Prizes	700
Wimmera Rockers Danceworld – Dance Extravaganza	2,000
Total	**38,200**
TOTAL – COMMUNITY GRANT FUNDED PROJECTS	**$318,294**

A new pergola and barbeque area at Green Lake was constructed this year thanks to the Horsham Sports and Community Club who provided a $40,000 grant towards the project.

STATUTORY INFORMATION

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

DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

In accordance with Part 5 of the *Local Government (General) Regulations 2004* the following is a list of the prescribed documents that are available for inspection or copies of the documents which can be obtained for the purposes of section 222 of the *Local Government Act 1989* at the Civic Centre, 18 Roberts Avenue, Horsham:

- Details of current allowances fixed for the Mayor and Councillors
- Details of senior officers' total salary packages for the current financial year and the previous year
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months
- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted
- Agendas for, and minutes of, ordinary and special meetings held in the previous 12 months (except if the minutes relate to parts of meetings which have been closed to members of the public)
- A list of all special committees established by Council and the purpose for which each committee was established
- A list of all special committees established by the Council which were abolished or ceased to function during the financial year
- Minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months (except if the minutes relate to parts of meetings which have been closed to members of the public)
- A register of delegations
- Submissions received in accordance with Section 223 of the Act during the previous 12 months
- Agreements to establish regional libraries
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease
- A register of authorised officers
- A list of donations and grants made by the Council during the financial year
- A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council
- A list of contracts valued at $150,000 or more which the Council entered into during the financial year without first engaging in a competitive process

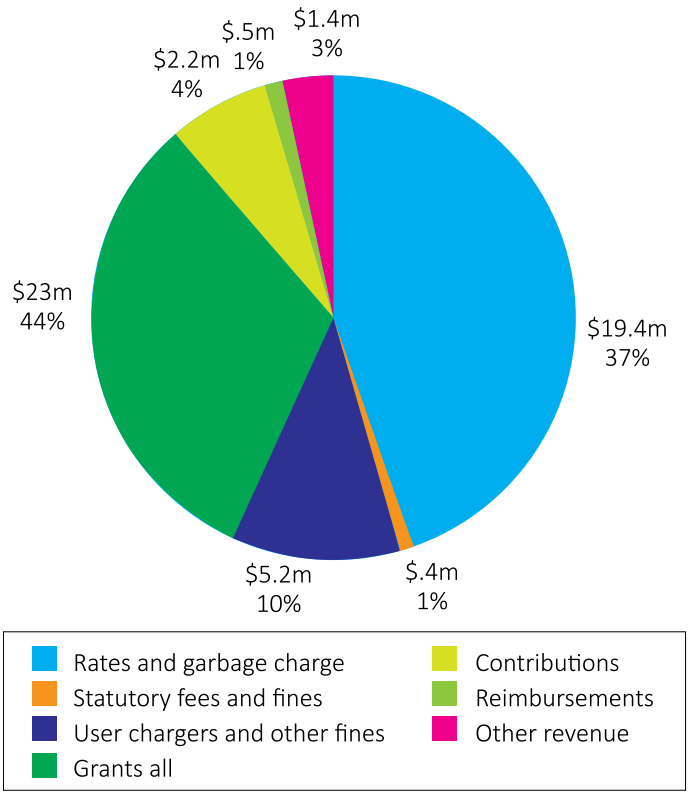
VICTORIAN LOCAL GOVERNMENT INDICATORS

The Victorian Government requires all Victorian Councils to measure and annually report against 11 Victorian Local Government Indicators (VLGIs). These indicators provide information regarding expenditure, cost of services and infrastructure provision, customer satisfaction and governance. The following table presents the results of the VLGIs for the 2014-2015 year.

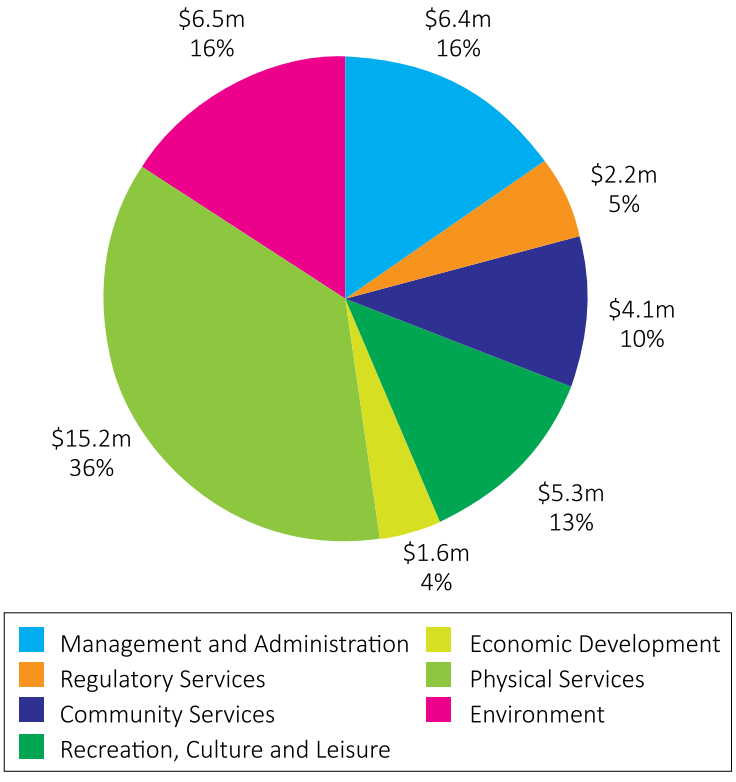
INDICATOR		CALCULATION	2014-2015
1.	Average rates and charges per assessment	Total rates and charges receivable at beginning of year/Number of assessments in the adopted budget	$1,855.86
2.	Average residential rates and charges per assessment	Rates and charges declared for residential assessments receivable at beginning of year/ Number of residential assessments in the adopted budget	$1,626.13
3.	Average liabilities per assessment	Total liabilities/Number of assessments in the adopted budget	$1,309.63
4.	Operating result per assessment	Net surplus/Number of assessments in the adopted budget	$714.24
5.	Average operating expenditure per assessment	Operating expenditure/Number of assessments in adopted budget	$3,461.73
6.	Community satisfaction rating for overall performance generally of Council	Result from the Annual Local Government Community Satisfaction Survey	62
7.	Average capital expenditure per assessment	Capital expenditure/ Number of assessments in the adopted budget	$1,780.57
8.	Renewal gap	Capital renewal/Average annual asset consumption	82.8%
9.	Renewal and maintenance gap	Capital renewal and maintenance/Average annual asset consumption plus planned maintenance	79.7%
10.	Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the Annual Local Government Community Satisfaction Survey	58
11.	Community satisfaction rating for Council's engagement in decision making on key local issues	Result from the Annual Local Government Community Satisfaction Survey	58

WHERE OUR MONEY COMES FROM – WHERE OUR MONEY GOES

INCOME



EXPENDITURE



HORSHAM RURAL CITY COUNCIL

PERFORMANCE STATEMENT

For the year ended 30 June 2015

PERFORMANCE STATEMENT

For the year ended 30 June 2015

DESCRIPTION OF MUNICIPALITY

Horsham Rural City Council is a vibrant, diverse community situated approximately 300 kilometres north-west of Melbourne and north of the Grampians National Park, in the heart of the Wimmera region of Victoria. Horsham Rural City Council has a population of 19,691 and covers an area of 4,267 square kilometres. Almost three quarters of residents live in the urban area of Horsham.

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

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

SUSTAINABLE CAPACITY INDICATORS

FOR THE YEAR ENDED 30 JUNE 2015

	RESULTS	
Indicator/*measure*	**2015**	**Comments**
Own-source revenue		
Own-source revenue per head of municipal population	$1,551	The result is towards the upper level expected for this measure which indicates that Council has a reasonably high capacity to service the community from its own revenue.
[Own-source revenue / Municipal population]		
Recurrent grants		
Recurrent grants per head of municipal population	$599	The result is in the mid-range of the expected result for this measure which indicates that Council has an average capacity to raise revenues from recurrent grants.
[Recurrent grants / Municipal population]		
Population		
Expenses per head of municipal population	$2,094	The result is in the mid-range of the expected result for this measure which indicates that Council has an average capacity to deliver services to the community.
[Total expenses / Municipal population]		
Infrastructure per head of municipal population	$20,614	The result is above the mid-range of the expected result for this measure which indicates that Council has a higher than average capacity to provide infrastructure for the community.
[Value of infrastructure / Municipal population]		
Population density per length of road	7	The result shows that Council has a very large road network compared to its overall population.
[Municipal population / Kilometres of local roads]		
Disadvantage		
Relative socio-economic disadvantage	6	Council's result is mid-range of the expected results, indicating a near average level of socio-economic disadvantage.
[Index of Relative Socio-economic Disadvantage by decile]		

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 *continued...*

	RESULTS	
Indicator/*measure*	**2015**	**Comments**
Governance		
Satisfaction		
Satisfaction with Council decisions	58	Result was within the expected range and equal to the 2014 result. It was five points higher than other large rural Councils and three points higher than the State average.
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]		
Statutory Planning		
Decision making		
Council planning decisions upheld at VCAT	100%	Only one matter went to VCAT and the decision was upheld.
[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		
Roads		
Satisfaction		
Satisfaction with sealed local roads	48	The result is just below the expected range, but is three points higher than other large rural Councils and seven points lower than the State average.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]		
Libraries		
Participation		
Active library members	18.42%	The result is near the middle of the anticipated range of this indicator which implies a near average use of the library services.
[Number of active library members / Municipal population] x100		
Waste Collection		
Waste diversion		
Kerbside collection waste diverted from landfill	20.66%	Result is at the bottom end of the expected range, but reflects the fact that due to a sparse population, kerbside recycling is not provided in all areas of the municipality and there are no green waste services provided.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100		

SUSTAINABLE CAPACITY INDICATORS *continued...*

	RESULTS	
Indicator/*measure*	**2015**	**Comments**
Aquatic facilities		
Utilisation		
Utilisation of aquatic facilities	9.17	Visits are at the upper end of the expected range showing a high degree of utilisation within the community. There are no planned developments that could potentially lead to any significant change in this result for the future.
[Number of visits to aquatic facilities / Municipal population]		
Animal management		
Health and safety		
Animal management prosecutions	0	Council has had no prosecutions for the year
[Number of successful animal management prosecutions]		
Food safety		
Health and safety		
Critical and major non-compliance notifications	100%	Council has had seven notifications which were all followed up during the year.
[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100		
Home and community care		
Participation		
Participation in HACC service	27.72%	Result was within the middle of the expected range, showing a good participation in this service within the community.
[Number of people that received a HACC service / Municipal target population for HACC services] x100		
Participation		
Participation in HACC service by CALD people	9.09%	Result is slightly below the expected range which indicates a lower level of demand for HACC services from CALD people within the municipality.
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100		

SUSTAINABLE CAPACITY INDICATORS *continued...*

	RESULTS	
Indicator/*measure*	**2015**	**Comments**
Maternal and child health		
Participation		
Participation in the MCH service	81.43%	Result is at the lower end of expected levels indicating that not all children enrolled utilise the MCH service. Future planned developments of a new Children's Hub in the municipality could see improvements in this measure.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100		
Participation		
Participation in the MCH service by Aboriginal children	79.46%	Participation rates for aboriginal children are similar to those of the general population. Future planned developments of a new Children's Hub in the municipality could see improvements in this measure.
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100		

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2015

	RESULTS	FORECASTS				
Dimension/*indicator*/measure	**2015**	**2016**	**2017**	**2018**	**2019**	**Material Variations**
Operating position						The adjusted underlying surplus/deficit will return to positive by 2019, due to a combination of slowly increasing recurrent operating grants, user fees, and rates and charges whilst containing operating expenditure.
Adjusted underlying result						
Adjusted underlying surplus (or deficit)	6%	-3%	-4%	-2%	0%	
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100						
Liquidity						The result for this measure is expected to decrease by 29 percentage points by 2019, which reflects the impact of large scheduled repayments of debt in 2019.
Working capital						
Current assets compared to current liabilities	229%	219%	225%	220%	200%	
[Current assets / Current liabilities] x100						
Unrestricted cash						By 2019 Council will have a high cash balance due to funds being accumulated to meet 2020's high loan repayment required.
Unrestricted cash compared to current liabilities	105%	161%	164%	164%	150%	
[Unrestricted cash / Current liabilities] x100						
Obligations						The result for this measure is expected to increase by 26 percentage points over the 4 year period to 2019. The increasing forecast trend reflects the scheduled increased borrowings over the four year period, in-line with forecast capital works program.
Loans and borrowings						
Loans and borrowings compared to rates	17%	31%	37%	38%	43%	
[Interest bearing loans and borrowings / Rate revenue] x100						
Loans and borrowings repayments compared to rates	3%	3%	3%	3%	3%	Not material
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100						
Indebtedness						The result for this measure is expected to increase by 27 percentage points over the 4 year period to 2019. The increasing forecast trend reflects the scheduled increased borrowings over the four year period, in-line with forecast capital works program.
Non-current liabilities compared to own source revenue	15%	35%	40%	40%	42%	
[Non-current liabilities / Own source revenue] x100						

FINANCIAL PERFORMANCE INDICATORS *continued...*

	RESULTS	FORECASTS				
Dimension/*indicator*/measure	**2015**	**2016**	**2017**	**2018**	**2019**	**Material Variations**
Asset renewal						The result for this measure is expected to decrease by 22 percentage points in 2017. Whilst the expenditure level remains constant for capital expenditure, there is a reduction on renewal works whilst funds are redirected to new assets.
Asset renewal compared to depreciation	92%	102%	70%	79%	100%	
[Asset renewal expenses / Asset depreciation] x100						
Stability						Not material
Rates concentration						
Rates compared to adjusted underlying revenue	51%	53%	57%	58%	58%	
[Rate revenue / Adjusted underlying revenue] x100						
Rates effort						Not material
Rates compared to property values	0.6%	0.6%	0.6%	0.7%	0.7%	
[Rate revenue / Capital improved value of rateable properties in the municipality] x100						
Efficiency						Not material
Expenditure level						
Expenses per property assessment	$3,437	$3,811	$3,772	$3,844	$3,611	
[Total expenses / Number of property assessments]						
Revenue level						The result for this measure is expected to increase by $165 per assessment by 2019. The increasing trend reflects measures taken by council since 2009 to address asset renewal gap and new assets required through rate increases above CPI.
Average residential rate per residential property assessment	$1,594	$1,684	$1,770	$1,860	$1,759	
[Residential rate revenue / Number of residential property assessments]						
Workforce turnover						Forecast figures for 2016-2018 are based on an average 9.5% turnover rate which has been our turnover rate for the period 2012-2015.
Resignations and terminations compared to average staff	11%	10%	9%	9%	9%	
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100						

Definitions

"adjusted underlying revenue" means total income other than—

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

(b) non-monetary asset contributions; and

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

"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 2015

1. Basis of Preparation

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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Council's Strategic Resource Plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. For 2014/15 there are no comparative indictors on which variations could be measured except the Financial Performance Indicators which have forecast data.

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 1 June 2015 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting Council or via Council's website www.hrcc.vic.gov.au incorporated within the Council Plan.

CERTIFICATION OF THE PERFORMANCE STATEMENT

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

Graeme Harrison B. Econ, CPA, GAICD
Principal Accounting Officer

Dated: 22 September 2015

In our opinion, the accompanying performance statement of the Horsham Rural City Council for the year ended 30 June 2015 presents fairly the results of council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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

Mark Radford
Councillor

Dated: 22 September 2015

David Grimble
Councillor

Dated: 22 September 2015

Graeme Harrison B. Econ, CPA, GAICD
Acting Chief Executive

Dated: 22 September 2015

VAGO
Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Horsham Rural City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2015 of the Horsham Rural City Council which comprises the statement, the related notes and the certification of performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Horsham Rural City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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

Auditor's Opinion

In my opinion, the performance statement of the Horsham Rural City Council in respect of the 30 June 2015 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
23 September 2015

Dr Peter Frost
Acting Auditor-General

HORSHAM RURAL CITY COUNCIL

FINANCIAL STATEMENT

For the year ended 30 June 2015

VAGO
Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Horsham Rural City Council

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Horsham Rural City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

The Councillors' Responsibility for the Financial Report

The Councillors of the Horsham Rural City Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989.*

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

Auditor's Responsibility

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

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

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

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

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Horsham Rural City Council as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
23 September 2015

for Dr Peter Frost
Acting Auditor-General

HORSHAM RURAL CITY COUNCIL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE, 2015

.

CONTENTS

	Page No.
Certification of the Financial Report	2
Table of Contents	3
Comprehensive Income Statement	4
Balance Sheet	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Statement of Capital Works	8
Notes to the Financial Report	9

CERTIFICATION OF FINANCIAL STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2015

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

.....

Mr G.A. Harrison, B Econ, CPA, GAICD
Principal Accounting Officer
22nd September 2015

Horsham

In our opinion, the accompanying financial statements present fairly the financial transactions of the Horsham Rural City Council for the year ended 30th June 2015, and the financial position of the Council as at that date.

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

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

.....

Cr M.A. Radford

22nd September 2015

Horsham

.....

Cr D.A. Grimble

22nd September 2015

Horsham

.....

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

22nd September 2015

Horsham

FINANCIAL REPORT
TABLE OF CONTENTS

	FINANCIAL REPORT	Page
	Financial Statements	
	Comprehensive Income Statement	4
	Balance Sheet	5
	Statement of Changes in Equity	6
	Statement of Cash Flows	7
	Statement of Capital Works	8
Note	**Notes to Financial Report**	
1	Significant accounting policies	9
2	Budget comparison	18
3	Rates and charges	21
4	Statutory fees and fines	22
5	User fees	22
6	Grants	23
7	Contributions	26
8	Reimbursements	26
9	Other income	26
10	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	27
11	Employee costs	28
12	Materials and services	29
13	Bad and doubtful debts	30
14	Depreciation and amortisation	30
15	Other expenses	30
16	Borrowing costs	30
17	Investments in associates	31
18	Cash and cash equivalents	33
19	Trade and other receivables	33
20	Other financial assets	35
21	Other assets	35
22	Inventories	35
23	Assets held for sale	35
24	Property, infrastructure, plant and equipment	36
25	Investment property	43
26	Trade and other payables	44
27	Trust funds and deposits	44
28	Provisions	44
29	Interest-bearing loans and borrowings	46
30	Equity - asset replacement reserves	47
31	Equity - asset revaluation reserves	48
32	Reconciliation of cash flows from operating activities to surplus/(deficit)	49
33	Reconciliation of cash and cash equivalents	49
34	Financing arrangements	49
35	Commitments	50
36	Operating lease commitments	51
37	Contingent liabilities and contingent assets	51
38	Financial instruments	53
39	Related parties transactions	55
40	Events occurring after balance date	56

COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2015

	Notes	2015 $'000	2014 $'000
INCOME			
Rates and charges	3	22,312	20,875
Statutory fees and fines	4	417	429
User fees	5	5,614	5,491
Grants - operating	6	11,906	6,320
Grants - capital	6	3,905	7,219
Contributions - cash	7 (a)	1,589	886
Contributions - non-monetary assets	7 (b)	1,828	601
Reimbursements	8	548	618
Other income	9	1,676	1,495
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	10	(91)	(48)
Share of net profits of associates accounted for by the equity method	17	66	82
Fair value adjustments for investment property	25	0	77
Total Income		49,770	44,045
EXPENSES			
Employee costs	11	(14,974)	(14,896)
Materials and services	12	(14,736)	(14,500)
Bad and doubtful debts	13	(76)	(72)
Depreciation and amortisation	14	(10,111)	(9,724)
Other expenses	15	(320)	(347)
Written down value of assets disposed	10	(813)	(1,543)
Borrowing costs	16	(212)	(255)
Total Expenses		(41,242)	(41,337)
Surplus/(deficit) for the year		8,528	2,708
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	48	19,493	8,475
Total comprehensive result		28,021	11,183

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

BALANCE SHEET
AS AT 30th JUNE, 2015

	Notes	2015 $'000	2014 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	18	16,486	19,195
Trade and other receivables	19	1,996	2,885
Other financial assets	20	7,050	3,000
Other assets	21	681	1,405
Inventories	22	702	618
Non current assets classified as held for sale	23	314	0
Total current assets		27,229	27,103
NON-CURRENT ASSETS			
Trade and other receivables	19	174	213
Investments in associates	17	1,161	1,095
Property, infrastructure, plant & equipment	24	444,292	415,015
Investment property	25	2,300	2,490
Total non-current assets		447,927	418,813
Total Assets		475,156	445,916
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	26	4,497	3,914
Trust funds and deposits	27	718	654
Provisions	28	5,354	4,793
Interest-bearing loans and borrowings	29	1,305	561
Total current liabilities		11,874	9,922
NON-CURRENT LIABILITIES			
Provisions	28	2,026	2,283
Interest-bearing loans and borrowings	29	2,455	2,931
Total non-current liabilities		4,481	5,214
Total Liabilities		16,355	15,136
NET ASSETS		458,801	430,780
EQUITY			
Accumulated surplus		226,681	217,619
Reserves - asset replacement	30	14,018	14,552
Reserves - asset revaluation	31	218,102	198,609
TOTAL EQUITY		458,801	430,780

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th JUNE, 2015

2015	Notes	Accumulated Surplus $'000	Asset Replacement Reserves $'000	Asset Revaluation Reserves $'000	TOTAL $'000
Balance at the beginning of the financial year		217,619	14,552	198,609	430,780
Surplus for the year		8,528	-	-	8,528
Net asset revaluation increment		-	-	19,493	19,493
Transfers to reserve	30	(5,212)	5,212	-	-
Transfers from reserve	30	5,746	(5,746)	-	-
Balance at the end of the financial year		226,681	14,018	218,102	458,801

2014	Notes	Accumulated Surplus $'000	Asset Replacement Reserves $'000	Asset Revaluation Reserves $'000	TOTAL $'000
Balance at the beginning of the financial year		217,607	11,856	190,134	419,597
Surplus for the year		2,708	-	-	2,708
Net asset revaluation increment		-	-	8,475	8,475
Transfers to reserve	30	(4,376)	4,376	-	-
Transfers from reserve	30	1,680	(1,680)	-	-
Balance at the end of the financial year		217,619	14,552	198,609	430,780

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30th JUNE, 2015

	Notes	2015 Inflows (Outflows) $'000	2014 Inflows (Outflows) $'000
Cash flows from operating activities			
Rates and charges		22,336	20,818
Statutory fees and fines		393	404
User charges		5,315	5,191
Grants - operating		6,952	6,952
Grants - capital		9,935	8,219
Contributions - monetary		1,589	886
Reimbursements		603	680
Interest received		650	552
Rent		249	240
Other receipts		1,614	118
Net GST refund		2,214	1,590
Employees costs		(14,761)	(14,501)
Material and services		(14,370)	(15,443)
Other payments		(2,339)	(1,546)
Net cash provided by (used in) operating activities	32	20,380	14,160
Cash flows from investing activities			
Payments for investments		(4,050)	(3,000)
Payments for property, infrastructure, plant and equipment		(19,432)	(11,103)
Proceeds from sale of property, infrastructure, plant and equipment		335	209
Payments for investment properties		-	(23)
Net cash provided by (used in) investing activities		(23,147)	(13,917)
Cash flows from financing activities			
Finance costs		(212)	(255)
Repayment of borrowings		(549)	(766)
Repayment of finance lease		(11)	(11)
Proceeds from borrowings		830	-
Net cash provided by (used in) financing activities		58	(1,032)
Net increase/(decrease) in cash and cash equivalents		**(2,709)**	**(789)**
Cash and cash equivalents at the beginning of the financial year		**19,195**	**19,984**
Cash and cash equivalents at the end of the financial year	18	**16,486**	**19,195**
Financing Arrangements	34		
Restrictions on cash assets	18		

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

STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDED 30th JUNE, 2015

	2015 $'000	2014 $'000
Property		
Land	70	29
Land improvements	-	59
Total land	70	88
Buildings	1,059	461
Works in Progress	8,468	2,450
Total buildings	9,527	2,911
Total property	9,597	2,999
Plant and equipment		
Plant, machinery and equipment	1,578	1,285
Office furniture and equipment	107	41
Art purchases	15	29
Total plant and equipment	1,700	1,355
Infrastructure		
Roads	4,825	4,741
Bridges	11	646
Footpaths and cycleways	479	419
Drainage	211	-
Recreation, leisure and community facilities	134	117
Waste management	414	61
Parks, open space and streetscapes	166	-
Aerodromes	471	8
Off street car parks	16	-
Other infrastructure	177	-
Works in Progress	1,229	758
Total Infrastructure	8,133	6,750
Total capital works expenditure	19,430	11,104
Represented by:		
Asset renewal expenditure	9,253	7,100
Asset upgrade expenditure	5,397	2,111
New asset expenditure	4,780	1,893
Total capital works expenditure	19,430	11,104

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

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

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

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

1 SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

(b) Change in accounting policies
There have been no changes in accounting policies from the previous period.

(c) Principles of consolidation
The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2015, and their income and expenses for that part of the reporting period in which control existed, if material.

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

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

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Principles of consolidation (cont.)

The entity that is controlled by Council and could be consolidated into Council financial statements is Horsham Performing Arts. This company is a cultural charitable organisation set up for the promotion of the performing arts and for other cultural purposes of the benefit of the community.

Horsham Performing Arts Company is controlled by 6 directors, of which 3 are Horsham Rural City Councillors and one officer, therefore Council has control of this entity, however due to the small turnover value, the Horsham Performing Arts accounts have not been consolidated, but are included below for information.

HORSHAM PERFORMING ARTS
STATEMENT OF PROFIT AND LOSS
FOR YEAR ENDED 30TH JUNE 2015

	2015 $'000
Revenue - fundraising	136
Expenses - fund raising	(2)
Surplus for Year	134

HORSHAM PERFORMING ARTS
STATEMENT OF FINANCIAL POSITION
FOR YEAR ENDED 30TH JUNE 2015

CURRENT ASSETS	
Cash	92
Receivables	42
Total Current Assets	134
EQUITY	
Retained Profits	134

HORSHAM PERFORMING ARTS
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30TH JUNE 2015

Balance at the beginning of the financial year	-
Surplus for the year	134
Balance at the end of the financial year	134

HORSHAM PERFORMING ARTS
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30TH JUNE 2015

Receipts from fundraising	94
Payments to suppliers	(2)
Net cash provided by operating activities	92
Cash at beginning of the financial year	-
Cash at end of the financial year	92

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Committee of Management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

(e) Accounting for investments in associates and joint arrangements

Associates

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

(f) Revenue Recognition

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

Rates and charges

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

Statutory fees and fines

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

User fees

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

Grants

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

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

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Other Income

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Fair value measurement

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

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

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

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

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

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

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

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

(h) Cash and cash equivalents

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

(i) Trade and other receivables

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

(j) Other financial assets

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

(k) Inventories

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

(l) Non-current assets held for sale

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

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

Revaluation

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

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

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

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

Land under Roads

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

(n) Depreciation and amortisation of property, infrastructure, plant and equipment

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

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

	Depreciation Period	Threshold Limit
Property		
Land		1,000
Land improvements	10 - 100 years	5,000
Buildings	20 - 143 years	5,000
Plant, machinery and equipment		
Plant, machinery and equipment	1 - 30 years	5,000
Office furniture and equipment	3 - 20 years	1,000
Art purchases		50
Infrastructure		
Road pavements and seals	13 - 60 years	5,000
Road formation and earthworks	100 years	5,000
Road kerb, channel and minor culverts	50 - 55 years	5,000
Bridges substructure	110 years	5,000
Footpaths and cycleways	40 - 50 years	5,000
Drainage	100 years	5,000
Recreation, leisure and community facilities	10 -100 years	5,000
Waste management	3 - 50 years	5,000
Parks, open space and streetscapes	10 - 75 years	5,000
Aerodromes	10 -100 years	5,000
Off street car parks	45 - 90 years	5,000

(o) Repairs and maintenance

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

(p) Investment property

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed in the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(r) Trust funds and deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned, transferred in accordance with the purpose of the receipt or forfeited (refer to note 27).

(s) Borrowings

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

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

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

(t) Employee costs and benefits

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

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

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

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 expert 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.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Employee costs and benefits (cont.)

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

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

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

(u) Landfill rehabilitation provision

Council is obliged to restore 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.

(v) Leases

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

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

(w) Goods and Service Tax (GST)

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

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

(x) Financial guarantees

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Contingent assets and contingent liabilities and commitments

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

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

(z) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(aa) Rounding

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

(ab) Trust funds and other deposits

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

On 31st July 2014, the Grampians Regional Waste Management Group and Desert Fringe Regional Waste Management Group wound up as individual entities with these two groups forming part of the Grampians Central Waste and Resource Recovery Group. As at that date Council transferred monies and administration to the new entity.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

2 BUDGET COMPARISON

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

The budget figures detailed below are those adopted by Council on 30th June 2014. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

(a) Income and expenditure

	Ref	Budget 2015 $'000	Actual 2015 $'000	Variance 2015 $'000	%
INCOME					
Rates and charges		22,221	22,312	91	0.4
Statutory fees and fines		405	417	12	3.0
User fees		5,404	5,614	210	3.9
Grants - operating	1	8,006	11,906	3,900	48.7
Grants - capital	2	6,200	3,905	(2,295)	(37.0)
Contributions - cash		1,430	1,589	159	11.1
Contributions - non-monetary asset	3	300	1,828	1,528	509.3
Reimbursements		500	548	48	9.6
Other income		1,648	1,676	28	1.7
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(111)	(91)	20	(18.0)
Share of net profits of associates accounted for by the equity method		-	66	66	-
Total Income		46,003	49,770	3,767	8.2
EXPENSES					
Employee costs	4	(15,927)	(14,974)	953	(6.0)
Materials and services	5	(15,886)	(14,736)	1,150	(7.2)
Bad and doubtful debts		(48)	(76)	(28)	58.3
Depreciation and amortisation	6	(9,695)	(10,111)	(416)	4.3
Other expenses		(340)	(320)	20	(5.9)
Written down value of assets disposed	7	(300)	(813)	(513)	171.0
Borrowing costs		(230)	(212)	18	(7.8)
Total Expenses		(42,426)	(41,242)	1,184	(2.8)
Surplus/(deficit) for the year		3,577	8,528	4,951	138.4

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

2 BUDGET COMPARISON (Cont.)

(i) Explanation of material variations

1. Grants - operating

Actual income reflects an increase of the Grants Commission payment, an early 50% payment of the 15/16 allocation was received 30th June 2015. The amount was $2.8m.

Additional grants were also received for planning studies $100k, community services $240k, emergency services $280k and community facilities $470k.

2. Grants - capital

$2.5m was due on completion of Town Hall Refurbishment project, since the project was still a works in progress at 30th June 2015, the final grant instalment of $1m will not be payable until the project is complete.
$1m for Country Roads and Bridges was received prior to 1st July 2014.

3. Contributions - non-monetary assets

Increased urban development saw road and land infrastructure assets valued at $1.78m provided to Council, exceeding the $300,000 budget.

4. Employee costs

Several staff left Council during the year with a number of vacancies still within Council at 30th June 2015. Some of these staff were replaced with contracted hired staff.

5. Materials and services

Several operating grants including grants for community services, disability services and outdoor recreation had not been expended at 30th June 2015. Also delays in commencing landfill rehabilitation $500,000 and Performing Arts commencement costs of $185,000 have added to the reduced expenditure in this area.

6. Depreciation and amortisation

Road infrastructure assets were revalued as at 1st July 2014, the higher replacement value of assets has increased the depreciation expense.

7. Written down value of assets disposed

Gravel road formations valuations reflect the changeability and variability of the road condition which this year has reflected in increased write offs of value.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

2 BUDGET COMPARISON (cont.)

(b) Capital Works	Ref	Budget 2015 $'000	Actual 2015 $'000	Variance 2015 $'000	%
Property					
Land		70	70	-	-
Total land		70	70	-	-
Buildings	8	13,214	1,059	(12,155)	(92.0)
Works in Progress		-	8,468	8,468	-
Total buildings		13,214	9,527	(3,687)	(27.9)
Total property		13,284	9,597	(3,687)	(27.9)
Plant and equipment					
Plant, machinery and equipment	9	2,239	1,578	(661)	(29.5)
Office furniture and equipment		239	107	(132)	(55.2)
Art purchases		15	15	-	-
Total plant and equipment		2,493	1,700	(793)	(31.8)
Infrastructure					
Roads		4,959	4,825	(134)	(2.7)
Bridges	10	500	11	(489)	(97.8)
Footpaths and cycleways		375	479	104	27.7
Drainage		200	211	11	5.5
Recreation, leisure and community facilities		495	134	(361)	(72.9)
Waste Management	11	1,150	414	(736)	(64.0)
Parks, open space and streetscapes		48	166	118	245.8
Aerodromes		88	471	383	435.2
Off street car parks		72	16	(56)	(77.8)
Other infrastructure	12	2,080	177	(1,903)	(91.5)
Works in Progress		-	1,229	1,229	-
Total Infrastructure		9,967	8,133	(1,834)	(18.4)
Total capital works expenditure		25,744	19,430	(6,314)	(24.5)
Represented by:					
Asset renewal expenditure		11,350	9,253	(2,097)	(18.5)
Asset upgrade expenditure		7,097	5,397	(1,700)	(24.0)
New asset expenditure		7,297	4,780	(2,517)	(34.5)
Total capital works expenditure		25,744	19,430	(6,314)	(24.5)

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

2 BUDGET COMPARISON (cont.)

(i) Explanation of material variations
8. Buildings
The budget included the capitalisation of the Town Hall Refurbishment, this project is a works in progress at 30 June 2015.

9. Plant, machinery and equipment
A contract was signed on 1st December 2014 for the purchase of a landfill compactor at a price of $608k, delivery and payment will occur in September 2015.

10. Bridges
Major renewal works have been occurring on Norton Creek Bridge and will be completed by December 2015, this project is a works in progress at 30 June 2015.

11. Waste Management
The 14/15 budget included the construction of a new hardwaste cell and a new putrescible cell.
The hardwaste cell was completed in October 2014. The planning and design of the putrescible cell has been delayed as staff were reassigned to redesigning the rehabilitation of another putrescible cell.
The new putrescible cell will commence in the second half of 15/16 financial year.

12. Other infrastructure
The delay in receiving grant funding for the Wimmera River Pedestrian Bridge has delayed the project.
This project will be completed by December 2015 and is currently a works in progress.
Two other projects in this area were grant dependent with one application being unsuccessful, whilst the funding opportunity for the other project was not forthcoming.

3 RATES AND GARBAGE CHARGES

	2015 $'000	2014 $'000
Residential	9,954	9,143
Commercial	1,374	1,305
Industrial	703	706
Farm/rural	4,716	4,457
Cultural	53	45
Municipal charge	2,894	2,872
Garbage charges	2,618	2,347
Total rates and charges	22,312	20,875

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

The valuation base used to calculate general, cultural and farm rates for 2014/15 was $3,532,247,000 (2013/14 $ 3,108,657,000).

The 2014/15 General rate in the CIV dollar was .5070 cents. (2013/14 .5196 cents).

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014 and the valuation first applied in the rating year commencing 1 July 2014.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

4 STATUTORY FEES AND FINES

	2015 $'000	2014 $'000
Infringements and costs	156	155
Perin court recoveries	30	34
Issue of certificates	15	16
Local laws - permits & licences	34	38
Town planning	87	93
Health registrations	95	93
Total statutory fees and fines	417	429

5 USER FEES

Administration charges	163	278
Animal control	347	320
Building fees & other charges	159	110
Fees - parking meters	432	430
Immunisations	8	5
Home based welfare services	846	908
Lord Mayors Camp	7	4
Other swimming income	1	1
Halls income	1	1
Performance ticket sales	136	75
Sporting and recreation facilities	63	73
Sports marketing	10	-
Freight Hub user charge	101	64
Supervision of private subdivisions	58	22
Private streets administration	-	16
Plan checking fees	17	7
Aerodrome	37	32
Saleyards	518	521
Caravan park	350	402
Wimmera business centre income	156	140
Rural revegetation scheme	7	9
Garbage charges	8	5
Garbage disposal	731	661
Transfer station	281	264
Waste management fees	1,174	1,142
Fire hazards grass removal	3	1
Total user fees	5,614	5,491

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

6 GOVERNMENT GRANT REVENUES

	2015 $'000	2014 $'000
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	2,130	2,009
State funded grants	13,681	11,530
Total	15,811	13,539
Operating Grants		
Recurrent - Commonwealth Government		
Commonwealth Government family and children	37	36
Victorian Grants Commission - general purpose	5,475	1,744
Victorian Grants Commission - local roads	3,053	999
Recurrent State Government		
School crossing supervisors	24	23
Community services	253	13
Maternal and child health	313	315
Senior citizens centres	15	14
Food services	49	53
Home and community care	909	864
Disability services	126	121
Library	163	162
Arts and art gallery	229	117
Environmental and landcare grants	50	50
Total recurrent operating grants	10,696	4,511
Non-recurrent State Government		
Regulatory services	100	-
Community services	111	72
Family and children	95	21
Public and community health	22	8
Home and community care	70	-
Community facilities	-	3
Youth services	-	3
Outdoor recreation	382	93
Indoor recreation	97	-
Arts and art gallery	7	63
Emergency management planning	26	221
Economic development	13	123
Local roads & ancillary assets	-	193
Environmental and landcare grants	64	210
Recycling and waste grants	-	45
Tourism promotion	47	10
Flood recovery grants	11	32
Fire recovery grants	165	712
Total non-recurrent operating grants	1,210	1,809
Total Operating Grants	11,906	6,320

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

6 GOVERNMENT GRANT REVENUES (cont.)	2015 $'000	2014 $'000
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery funding	1,093	973
Country roads and bridges	-	1,000
Total Recurrent Capital Grants	1,093	1,973
Capital non-recurrent		
Non-recurrent - Commonwealth Government		
Buildings	1,500	1,000
Recurrent State Government		
Community services	2	23
Family and children	-	311
Home and community care	28	13
Community facilities	284	-
Outdoor recreation	24	561
Indoor Recreation	10	-
Halls, historic buildings & monuments	-	2,043
Economic development	-	30
Local roads & ancillary assets	489	680
Aerodrome	394	-
Livestock Exchange	-	62
Caravan Park	-	21
Public convenience grants	-	60
Recycling grants	35	-
Flood recovery grants	46	112
Fire recovery grants	-	330
Total non-recurrent capital grants	2,812	5,246
Total capital grants	3,905	7,219
Total grants	15,811	13,539
Conditions on grants		
Grants recognised as revenue during the year that were obtained on the condition that they be expended in a specified manner that had not occurred at balance date were:		
Grants commission	2,835	-
Town planning studies	67	-
Family and children	15	321
Community services	219	63
Home and community care	70	-
Youth services	-	6
Rural disability access grant	128	114
Outdoor recreation	121	126
Halls, historic buildings & monuments	9	3,001
Arts and arts gallery	49	23
Economic growth	-	80
Environmental	39	116
Waste management	10	10
Road & streets infrastructure	130	65
Roads to recovery	20	-
Country roads and bridges	-	1,000
Pedestrian bridge	34	-
	3,746	4,925

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

6 GOVERNMENT GRANT REVENUES (cont.)

	2015 $'000	2014 $'000
Conditions on grants		
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Flood recovery grants	-	(102)
Town planning heritage study	-	(70)
Family and children	(182)	-
Community facilities	-	(16)
Community services	(63)	(51)
Kindergarten specific grants	-	(11)
Home and community care	-	(35)
Youth services	(6)	(24)
Rural disability access grant	(83)	(75)
Outdoor recreation	(69)	(66)
Halls, historic buildings & monuments	(3,001)	(3)
Arts and arts gallery	(23)	(30)
Economic growth	(80)	(73)
Environmental	(101)	(72)
Waste management	(10)	-
Road & streets infrastructure	(55)	(210)
Roads to recovery	-	(291)
Country roads and bridges	(1,000)	(1,000)
	(4,673)	(2,129)
Net increase/(decrease) in restricted assets resulting from grant revenues for the year:	(927)	2,796

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

7 CONTRIBUTIONS	2015	2014
(a) Monetary	$'000	$'000
Road Assets	1,212	398
Recreational, leisure and community facilities	266	385
Recreational, leisure and community services	111	103
	1,589	886
(b) Non-Monetary		
Assets contributed by developers		
Land public open space	30	23
Land under roads	131	55
Road Assets	1,615	481
Assets contributed by others		
Artworks	52	42
	1,828	601
Total Contributions	3,417	1,487

8 REIMBURSEMENTS		
Road maintenance/works	4	6
Main roads maintenance Vicroads	544	612
Total Reimbursements	548	618

9 OTHER INCOME		
Interest	610	539
Interest on Rates	40	35
External works	477	379
Pre-school income	5	5
Other welfare receipts	3	13
Youth resource centre income	60	60
Community workshop income	4	2
Art gallery	21	32
Information office	41	35
Quarry restoration Income	17	35
Theatre rent	7	7
Mibus centre rent	9	9
Industrial estate rent	25	24
Commercial properties rent	185	179
Caravan park rent	12	-
Other	160	141
	1,676	1,495

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

10 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT	2015 $'000	2014 $'000
Plant and Equipment		
Proceeds from sale of assets	334	200
Written down value of assets sold	(406)	(247)
(Loss) on sale of plant and equipment	(72)	(47)
Furniture and Equipment		
Proceeds from sale of assets	1	4
Written down value of assets sold	(20)	(6)
Profit/(loss) on sale of furniture and equipment	(19)	(2)
Sale of land and buildings		
Proceeds from sale of assets	-	5
Written down value of assets sold	-	(4)
Profit/(loss) on sale of land and buildings	-	1
Summary		
Total proceeds from sale of assets	335	209
Written down value of assets sold	(426)	(257)
Profit/(loss) on sale of assets	(91)	(48)
Disposal of council investment properties		
Written down value of assets written off	-	(175)
Disposal of council buildings		
Written down value of assets written off	(34)	(1,068)
Disposal of road infrastructure assets		
Written down value of assets written off	(774)	(299)
Disposal of other structures		
Written down value of assets disposed	(5)	(1)
Total Written down value of assets disposed	(813)	(1,543)

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

11 EMPLOYEE COSTS

	2015 $'000	2014 $'000
Wages and salaries	14,481	14,298
Workcover	152	219
Superannuation	1,257	1,204
Less: Amounts capitalised in non-current assets constructed by the Council	(916)	(825)
	14,974	14,896

Note 11(b) Superannuation
Council made contributions to the following funds

Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	185	186
Employer contributions payable to reporting date	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,038	986
Employer contributions - other funds	34	31
	1,072	1,017
Employer contributions payable to reporting date	80	77

Horsham Rural City Council makes all of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation
The Fund's accumulation category, Vision My Super/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings, for the year ended 30 June 2015, this was 9.5% required under Superannuation Guarantee Legislation, (for 2013/14, this was 9.25%).

Defined Benefit
Horsham Rural City Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result the level of participation of the Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

12 MATERIALS & SERVICES

	2015 $'000	2014 $'000
Contract payments		
Valuation services	66	169
Provision of meals for meals on wheels	195	176
Management youth centre	135	134
Management aquatic centre	107	101
Waste management contracts	771	669
Contract cleaning	351	337
Building service contractors	171	133
Strategies	90	77
Contracts less than $100,000	679	605
Materials and services		
Sporting group projects	320	176
Library	474	440
Caravan park management	-	229
Road maintenance contracts	397	339
Performing events expenses	129	67
General materials	489	607
Road maintenance materials	640	792
Waste management expenses	1,551	1,437
Other Materials & services less than $100,000	3,541	3,023
Other		
Insurances	427	465
Plant operating costs	1,085	1,137
Computer expenditure	353	352
Power, light & heating	602	680
Advertising	136	124
Telephone	196	204
External salaries	502	371
External plant hire	102	165
Donations	364	261
Wimmera Development Association membership	191	186
Water rates	216	201
Community engagement projects	135	-
Sustainability projects	67	354
Flood and fire emergency response works and projects	254	489
Total materials and services	14,736	14,500

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

13 BAD AND DOUBTFUL DEBTS

	2015 $'000	2014 $'000
Other debtors	14	24
Parking fine debtors	42	33
Animal fine debtors	20	15
Total bad and doubtful debts	76	72

14 DEPRECIATION AND AMORTISATION

Furniture and fittings	123	158
Plant and equipment	850	908
Roads	5,983	5,290
Kerb and channel	428	471
Drainage	29	27
Footpaths and cycleways	478	523
Bridges	193	191
Other land improvements	42	398
Buildings	750	703
Other structures	1,235	1,055
	10,111	9,724

15 OTHER EXPENSES

Auditors' remuneration - VAGO audit of financial statement, performance statement and grant acquittals	41	44
Fees for other services provided by other auditors	21	38
Councillor & mayoral allowances	184	179
Operating lease rentals	74	86
Total other expenses	320	347

16 BORROWING COSTS

Interest - borrowings	212	255

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

17 INVESTMENTS IN ASSOCIATES

	2015 $'000	2014 $'000
Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting. Refer note 1(e).		
Council's interest in equity	30.27%	30.50%
Equity in Wimmera Regional Library Corporation - at valuation	945	913
	945	913
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	421	405
Change in equity share apportionment	(6)	(3)
Reported surplus for year	42	26
Transfers to/(from) reserves	(35)	(7)
Council's share of accumulated surplus at end of year	422	421
Council's share of reserves		
Council's share of reserves at start of year	492	416
Change in equity share apportionment	(4)	(3)
Transfers to/(from) reserves	35	7
Share of asset revaluation	-	72
Council's share of reserves at end of year	523	492
Movement in carrying value of specific investment		
Carrying value of investment at start of year	913	821
Change in equity share apportionment	(10)	(6)
Share of Asset Revaluation	-	72
Share of surplus for year	42	26
Carrying value of investment at end of year	945	913
Council's share of expenditure commitments	Nil	Nil
Council's share of contingent liabilities and contingent assets	Nil	Nil

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

17 INVESTMENTS IN ASSOCIATES (cont.)

	2015 $'000	2014 $'000
Council's investment in the Wimmera Development Association is based on the equity method of accounting. Refer note 1(e).		
Council's interest in equity	48.14%	48.14%
Equity in Wimmera Development Association - at valuation	216	182
	216	182
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	121	142
Reported surplus for year	34	(10)
Transfers to/(from) reserves	(3)	(11)
Council's share of accumulated surplus at end of year	152	121
Council's share of reserves		
Council's share of reserves at start of year	61	50
Transfers to/(from) reserves	3	11
Council's share of reserves at end of year	64	61
Movement in carrying value of specific investment		
Carrying value of investment at start of year	182	192
Share of surplus for year	34	(10)
Carrying value of investment at end of year	216	182
Council's share of expenditure commitments	Nil	
Council's share of contingent liabilities and contingent assets	Nil	

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

18 CASH AND CASH EQUIVALENTS

	2015 $'000	2014 $'000
Cash on hand	3	3
Cash at bank	2,980	2,146
Overnight cash at 11am call	3,152	1,470
Short term deposits	10,351	15,576
	16,486	19,195
Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
- Trust funds and deposits (Note 27)	718	654
- Unexpended grants (Note 6)	3,746	4,925
- Reserve funds allocated to specific future purposes	263	231
Restricted Funds	4,727	5,810
Total unrestricted cash and cash equivalents	11,759	13,385
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	6,314	6,440
Total funds subject to intended allocations	6,577	6,671

19 TRADE AND OTHER RECEIVABLES

Current		
Rates debtors	337	361
Sundry debtors	1,108	1,987
Less doubtful debt provision - Sundry debtors	(14)	(22)
Parking infringement debtors	93	85
Less doubtful debt provision - Parking infringements	(36)	(28)
Other infringement debtors	117	93
Loans & advances to community organisations	32	47
Net GST receivable	359	362
	1,996	2,885
Non-current		
Sundry debtors	8	18
Loans & advances to community organisations	125	157
Deferred rates receivable	41	38
	174	213
Total Trade & Other Receivables	2,170	3,098

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

19 TRADE AND OTHER RECEIVABLES (Cont.)

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

	2015 $'000	2014 $'000
Current (not yet overdue)	989	1,813
Past due by up to 30 days	110	93
Past due between 31 and 180 days	26	87
Past due between 181 and 365 days	1	12
Past due by more than 1 year	-	7
Total Receivables	1,126	2,012
Non Current (not yet overdue)	133	175

(b) Movement in Provision for Doubtful Debts

Balance at the beginning of the year	50	37
New Provisions recognised during the year	23	14
Amounts already provided for and written off as uncollectable	(22)	(1)
Balance at end of year	51	50

c) Aging of individually impaired trade and other receivables
At balance date, other debtors representing financial assets with a nominal value of $51k, (2014 $50k) were impaired. The amount of the provision raised against these debtors was $50k, (2013 $37k). The individually impaired debtors relate to general and sundry debtors, 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 Trade and Other Receivables that have been individually determined as impaired at reporting date was:

	2015 $'000	2014 $'000
Past due between 31 and 180 days	1	32
Past due between 181 and 365 days	13	-
Past due by more than 1 year	36	18
Total Receivables	50	50

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

20 OTHER FINANCIAL ASSETS

	2015 $'000	2014 $'000
Term deposits	7,050	3,000

21 OTHER ASSETS

Prepayments	228	241
Accrued income	453	1,164
Total other assets	681	1,405

22 INVENTORIES

Inventories held for distribution	691	602
Inventories held for sale	11	16
Total inventories	702	618

23 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Industrial land held for sale - at cost	314	-

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

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

2015 Land and buildings	Land - specialised $'000	Land - non specialised $'000	Land improvements $'000	Total Land $'000	Buildings -non specialised $'000	Buildings - specialised $'000	Total Buildings $'000	Works in Progress $'000	Total Property $'000
At fair value 1 July 2014	382	38,604	16,315	55,301	65,633	-	65,633	4,861	125,795
Accumulated depreciation at 1 July 2014	-	-	(4,437)	(4,437)	(29,196)	-	(29,196)		(33,633)
	382	38,604	11,878	50,864	36,437	-	36,437	4,861	92,162
Movements in fair value									
Acquisition of assets at fair value	-	70	-	70	1,059	-	1,059	8,468	9,597
Contributions by developers and others	131	30	-	161	-	-	-	-	161
Fair value of assets disposed	-	-	-	-	(70)	-	(70)	-	(70)
Transfers	-	-	-	-	145	-	145	(145)	-
Transfers (to)/from other asset classes	-	(258)	(15,323)	(15,581)	134	-	134	-	(15,447)
	131	(158)	(15,323)	(15,350)	1,268	-	1,268	8,323	(5,759)
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	(42)	(42)	(750)	-	(750)	-	(792)
Accumulated depreciation of disposals	-	-	-	-	36	-	36	-	36
Transfers to/from other asset classes	-	-	4,162	4,162	-	-	-	-	4,162
	-	-	4,120	4,120	(714)	-	(714)	-	3,406
At fair value 30 June 2015	513	38,446	992	39,951	66,901	-	66,901	13,184	120,036
Accumulated depreciation at 30 June 2015	-	-	(317)	(317)	(29,910)	-	(29,910)	-	(30,227)
	513	38,446	675	39,634	36,991	-	36,991	13,184	89,809

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

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

2015 Plant and equipment	Plant machinery & equipment $'000	Office furniture & equipment $'000	Art Collection $'000	Public Art $'000	Total Plant & equipment $'000	Works in Progress $'000	Total Plant & equipment $'000
At fair value 1 July 2014	13,232	1,705	2,937	-	17,874	229	18,103
Accumulated depreciation at 1 July 2014	(4,864)	(1,305)	-	-	(6,169)	-	(6,169)
	8,368	400	2,937	-	11,705	229	11,934
Movements in fair value							
Acquisition of assets at fair value	1,578	107	15	8	1,708	-	1,708
Contributions by developers and others	-	-	52	-	52	-	52
Revaluation increments/decrements	-	-	567	-	567	-	567
Fair value of assets disposed	(1,186)	(161)	-	-	(1,347)	-	(1,347)
Transfers to/from other asset classes	-	-	-	174	174	-	174
	392	(54)	634	182	1,154	-	1,154
Movements in accumulated depreciation							
Depreciation and amortisation	(850)	(123)	-	-	(973)	-	(973)
Accumulated depreciation of disposals	780	141	-	-	921	-	921
	(70)	18	-	-	(52)	-	(52)
At fair value 30 June 2015	13,624	1,651	3,571	182	19,028	229	19,257
Accumulated depreciation at 30 June 2015	(4,934)	(1,287)	-	-	(6,221)	-	(6,221)
	8,690	364	3,571	182	12,807	229	13,036

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

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

2015 Infrastructure	Roads	Bridges	Footpaths & cycleways	Drainage	Recreational, leisure and community	Waste management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Other Infrastructure	Works in Progress	Total Infrastructure
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At fair value 1 July 2014	372,798	18,326	25,348	-	3,643	4,981	1,225	2,818	-	23,446	850	453,435
Accumulated depreciation at 1 July 2014	(113,543)	(7,888)	(12,074)	-	(1,683)	(1,369)	(429)	(975)	-	(4,555)		(142,516)
	259,255	10,438	13,274	-	1,960	3,612	796	1,843	-	18,891	850	310,919
Movements in fair value												
Acquisition of assets at fair value	4,825	11	479	211	134	414	166	471	16	169	1,230	8,126
Contributions by developers and others	1,301	-	313	-	-	-	-	-	-	-	-	1,614
Revaluation increments/decrements	26,752	-	(2,523)	-	-	-	-	-	-	-	-	24,229
Fair value of assets disposed	(1,849)	-	(59)	-	-	-	(18)	-	-	-	-	(1,926)
Impairment adjustment recognised in revaluation reserve	300	-	-	-	-	-	-	-	-	-	-	300
Transfers	520	-	24	-	-	169	-	-	-	-	(713)	-
Transfers to/from other asset classes	-	-	-	1,768	6,742	11	1,975	-	4,099	554	-	15,149
	31,849	11	(1,766)	1,979	6,876	594	2,123	471	4,115	723	517	47,492
Movements in accumulated depreciation												
Depreciation and amortisation	(6,413)	(193)	(478)	(29)	(255)	(182)	(139)	(91)	(75)	(490)	-	(8,345)
Accumulated depreciation of disposals	1,094	-	41	-	-	-	12	-	-	-	-	1,147
Revaluation increments/decrements	(6,795)	-	1,191	-	-	-	-	-	-	-	-	(5,604)
Transfers to/from other asset classes	-	-	-	(403)	(995)	(2)	(746)	-	(1,833)	(183)	-	(4,162)
	(12,114)	(193)	754	(432)	(1,250)	(184)	(873)	(91)	(1,908)	(673)	-	(16,964)
At fair value 30 June 2015	404,647	18,337	23,582	1,979	10,519	5,575	3,348	3,289	4,115	24,169	1,367	500,927
Accumulated depreciation at 30 June 2015	(125,657)	(8,081)	(11,320)	(432)	(2,933)	(1,553)	(1,302)	(1,066)	(1,908)	(5,228)	-	(159,480)
	278,990	10,256	12,262	1,547	7,586	4,022	2,046	2,223	2,207	18,941	1,367	341,447

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

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

2014 Land and buildings	Land - specialised $'000	Land - non specialised $'000	Land improvements $'000	Total Land $'000	Buildings -non specialised $'000	Buildings - specialised $'000	Total Buildings $'000	Works in Progress $'000	Total Property $'000
At fair value 1 July 2013	327	32,886	15,196	48,409	63,931	-	63,931	2,814	115,154
Accumulated depreciation at 1 July 2013	-	-	(4,496)	(4,496)	(28,641)	-	(28,641)	-	(33,137)
	327	32,886	10,700	43,913	35,290	-	35,290	2,814	82,017
Movements in fair value									
Acquisition of assets at fair value	-	29	59	88	461	-	461	2,450	2,999
Contributions by developers and others	55	23	-	78	-	-	-	-	78
Revaluation increments/decrements	-	5,202	1,060	6,262	3,167	-	3,167	-	9,429
Fair value of assets disposed	-	(4)	-	(4)	(2,479)	-	(2,479)	-	(2,483)
Transfers	-	-	-	-	403	-	403	(403)	-
Transfers from other asset classes	-	468	-	468	150	-	150	-	618
	55	5,718	1,119	6,892	1,702	-	1,702	2,047	10,641
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	(398)	(398)	(703)	-	(703)	-	(1,101)
Accumulated depreciation of disposals	-	-	-	-	1,411	-	1,411	-	1,411
Revaluation increments/decrements	-	-	457	457	(1,213)	-	(1,213)	-	(756)
Transfers to/from other asset classes	-	-	-	-	(50)	-	(50)	-	(50)
	-	-	59	59	(555)	-	(555)	-	(496)
At fair value 30 June 2014	382	38,604	16,315	55,301	65,633	-	65,633	4,861	125,795
Accumulated depreciation at 30 June 2014	-	-	(4,437)	(4,437)	(29,196)	-	(29,196)	-	(33,633)
	382	38,604	11,878	50,864	36,437	-	36,437	4,861	92,162

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

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

2014 Plant and equipment	Plant machinery & equipment $'000	Office furniture & equipment $'000	Art Collection $'000	Public Art $'000	Total Plant & equipment $'000	Works in Progress $'000	Total Plant & equipment $'000
At fair value 1 July 2013	12,819	1,716	2,866	-	17,401	229	17,630
Accumulated depreciation at 1 July 2013	(4,581)	(1,193)	-	-	(5,774)	-	(5,774)
	8,238	523	2,866	-	11,627	229	11,856
Movements in fair value							
Acquisition of assets at fair value	1,285	41	29	-	1,355	-	1,355
Contributions by developers and others	-	-	42	-	42	-	42
Fair value of assets disposed	(872)	(52)	-	-	(924)	-	(924)
	413	(11)	71	-	473	-	473
Movements in accumulated depreciation							
Depreciation and amortisation	(908)	(158)	-	-	(1,066)	-	(1,066)
Accumulated depreciation of disposals	625	46	-	-	671	-	671
	(283)	(112)	-	-	(395)	-	(395)
At fair value 30 June 2014	13,232	1,705	2,937	-	17,874	229	18,103
Accumulated depreciation at 30 June 2014	(4,864)	(1,305)	-	-	(6,169)	-	(6,169)
	8,368	400	2,937	-	11,705	229	11,934

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

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

2014 Infrastructure	Roads	Bridges	Footpaths & cycleways	Drainage	Recreational, leisure and community	Waste management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Other Infrastructure	Works in Progress	Total Infrastructure
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At fair value 1 July 2013	368,271	17,797	24,818	-	-	-	-	-	-	37,879	1,097	449,862
Accumulated depreciation at 1 July 2013	(109,270)	(7,757)	(11,551)	-	-	-	-	-	-	(9,541)	-	(138,119)
	259,001	10,040	13,267	-	-	-	-	-	-	28,338	1,097	311,743
Movements in fair value												
Acquisition of assets at fair value	4,741	646	419	-	-	-	-	-	-	186	758	6,750
Contributions by developers and others	378	-	103	-	-	-	-	-	-	-	-	481
Fair value of assets disposed	(3,281)	(117)	-	-	-	-	-	-	-	(62)	-	(3,460)
Impairment adjustment recognised in revaluation reserve	(198)	-	-	-	-	-	-	-	-	-	-	(198)
Transfers	823	-	8	-	-	-	-	-	-	174	(1,005)	-
Transfers to/from other asset classes	2,064	-	-	-	-	-	-	-	-	(2,064)	-	-
	4,527	529	530	-	-	-	-	-	-	(1,766)	(247)	3,573
Movements in accumulated depreciation												
Depreciation and amortisation	(5,761)	(191)	(523)	-	-	-	-	-	-	(1,082)	-	(7,557)
Accumulated depreciation of disposals	3,039	60	-	-	-	-	-	-	-	61	-	3,160
Transfers to/from other asset classes	(1,551)	-	-	-	-	-	-	-	-	1,551	-	-
	(4,273)	(131)	(523)	-	-	-	-	-	-	530	-	(4,397)
At fair value 30 June 2014	372,798	18,326	25,348	-	-	-	-	-	-	36,113	850	453,435
Accumulated depreciation at 30 June 2014	(113,543)	(7,888)	(12,074)	-	-	-	-	-	-	(9,011)	-	(142,516)
	259,255	10,438	13,274	-	-	-	-	-	-	27,102	850	310,919

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

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

Valuation of land and buildings
Valuation of land and buildings were undertaken by a qualified independent valuer include name and valuer registration number. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. This 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 significants impact on the fair value of these assets.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1 $ '000	Level 2 $ '000	Level 3 $ '000
Land	-	-	38,446
Specialised Land	-	-	513
Land Improvements	-	-	675
Buildings - non specialised	-	-	36,991
Total	-	-	76,625

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

The 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 2015 are as follows:

	Level 1 $ '000	Level 2 $ '000	Level 3 $ '000
Roads	-	-	278,990
Bridges	-	-	10,256
Footpaths and cycleways	-	-	12,262
Drainage	-	-	1,547
Recreation, leisure and community facilities	-	-	7,586
Waste management	-	-	4,022
Parks, open space and streetscapes	-	-	2,046
Aerodromes	-	-	2,223
Off street car parks	-	-	2,207
Other infrastructure	-	-	18,941
Total	-	-	29,439

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

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

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

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

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

	2015 $'000	2014 $'000
Reconciliation of specialised land		
Land under roads	513	382
Total specialised land	513	382

25 INVESTMENT PROPERTY

Balance at beginning of financial year	2,490	2,995
Additions	-	23
Disposals	-	(175)
Transfer land value to land assets	(56)	(330)
Transfer building value to building assets	(134)	(100)
Fair value adjustments	-	77
Balance at end of financial year	2,300	2,490

The valuations for the investment property were performed by an independent valuer, Wigg & Partners. The valuation of buildings is at fair value based on the current market value for property.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

26 TRADE AND OTHER PAYABLES

	2015 $'000	2014 $'000
Trade payables	4,384	3,801
Accrued expenditure	6	7
PAYG payable	107	106
Total trade and other payables	4,497	3,914

27 TRUST FUNDS AND DEPOSITS

Refundable building deposits	64	71
Refundable contract deposits	106	66
Refundable security deposits	422	366
Refundable retention amounts	19	13
Refundable miscellaneous trusts	107	138
	718	654

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

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

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

28 PROVISIONS

2015	Quarry Restoration $'000	Landfill Restoration $'000	Total $'000
Balance at the beginning of the financial year	182	2,615	2,797
Additional provisions	8	75	83
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-
Balance at the end of the financial year	190	2,690	2,880

2014	Quarry Restoration $'000	Landfill Restoration $'000	Total $ $'000
Balance at the beginning of the financial year	190	2,569	2,759
Additional provisions	9	46	55
Amounts used	(17)	-	(17)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-
Balance at the end of the financial year	182	2,615	2,797

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

28 PROVISIONS (cont.)

(a) Employee benefits	2015 $'000	2014 $'000
Current provisions expected to be settled wholly within 12 months		
Annual leave	1,121	1,021
Long service leave	140	109
	1,261	1,130
Current provisions expected to be settled wholly after 12 months		
Annual leave	295	424
Long service leave	2,438	2,246
	2,733	2,670
Total Current Provisions	3,994	3,800
Non-current		
Long service leave	506	479

	2015 $'000	2014 $'000
Aggregate carrying amount of employee provisions		
Current	3,994	3,800
Non-current	506	479
Total aggregate carrying amount of employee provisions	4,500	4,279

The following assumptions were adopted in measuring the present value of employee benefits.		
Weighted average increase in employee costs	4.44%	4.44%
Weighted average discount rates	2.54 %	3.13 %
Weighted average settlement period	6 years	6 years

(b) Restoration Provisions		
Quarry restoration provision		
Current	42	34
Non-current	148	148
	190	182

The following assumptions were adopted in measuring the present value of quarry restoration provision.		
Weighted average increase in costs	2.13%	3.57%
Weighted average discount rates	2.72 %	3.40 %
Weighted average settlement period	6 years	6 years

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

28 PROVISIONS (cont.)

Landfill restoration provision	2015 $'000	2014 $'000
Current	1,318	959
Non-current	1,372	1,656
	2,690	2,615

The following assumptions were adopted in measuring the present value of landfill rehabilitation.

Weighted average increase in costs	2.13%	3.57%
Weighted average discount rates	2.72 %	3.40 %
Weighted average settlement period	4 years	3 years

29 INTEREST BEARING LOANS AND BORROWINGS

	2015 $'000	2014 $'000
Current		
Finance leases	8	12
Borrowings - secured	1,297	549
	1,305	561
Non-current		
Finance leases	-	8
Borrowings - secured	2,455	2,923
	2,455	2,931
The Maturity profile for Council's borrowings is:		
Not later than one year	1,297	549
Later than one year and not later than five years	1,851	1,837
Later than five years	604	1,086
	3,752	3,472
The Maturity profile for Council's finance lease liabilities is:		
Not later than one year	8	12
Later than one year and not later than five years	-	8
	8	20
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	1,305	561
Non-current	2,455	2,931
	3,760	3,492

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

30 EQUITY - ASSET REPLACEMENT RESERVES

2015	Balance at beginning of reporting period $'000	Transfer to $'000	Transfer from $'000	Balance at end of reporting period $'000
Car park development	1,509	484	353	1,640
Office equipment replacement	254	210	72	392
Plant replacement	2,292	1,674	1,241	2,725
Recreation contribution	231	43	11	263
Waste management replacement	1,563	904	494	1,973
Contingency & redundancy	100	60	77	83
Firebrace St properties	423	54	5	472
Major capital projects	34	81	36	79
Aquatic centre replacement reserve	415	108	9	514
Aerodrome reseal	111	57	75	93
Industrial estate	4,060	-	-	4,060
Library asset replacement reserve	62	6	12	56
Livestock exchange	210	120	45	285
Loan funds	162	-	-	162
Quarry & road rehabilitation reserve	61	9	-	70
Road construction	32	-	-	32
Town Hall redevelopment reserve	2,494	985	3,316	163
Headworks drainage reserve	184	173	-	357
Unfunded superannuation reserve	200	100	-	300
Wimmera Business Centre reserve	65	48	-	113
Wimmera Freight Terminal	90	96	-	186
	14,552	5,212	5,746	14,018
2014				
Car park development	1,163	430	84	1,509
Office equipment replacement	147	123	16	254
Plant replacement	1,847	1,512	1,067	2,292
Recreation contribution	219	12	-	231
Waste management replacement	1,096	722	255	1,563
Contingency & redundancy	83	58	41	100
Firebrace St properties	392	54	23	423
Major capital projects	68	-	34	34
Aquatic centre replacement reserve	344	115	44	415
Aerodrome reseal	73	46	8	111
Industrial estate	4,062	3	5	4,060
Library asset replacement reserve	68	6	12	62
Livestock exchange	82	149	21	210
Loan funds	162	-	-	162
Quarry & road rehabilitation reserve	52	9	-	61
Road construction	32	-	-	32
Town Hall redevelopment reserve	1,606	893	5	2,494
Headworks drainage reserve	187	62	65	184
Unfunded superannuation reserve	100	100	-	200
Wimmera Business Centre reserve	40	25	-	65
Wimmera Freight Terminal	33	57	-	90
	11,856	4,376	1,680	14,552

The above transfers represent an appropriation of funds for the future replacement and expansion of assets.
The loan fund reserve is held to meet the future increased loan repayments required for planned capital renewal and expansion projects.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

31 EQUITY - ASSET REVALUATION RESERVES

2015	Balance at beginning of reporting period $'000	Impairments $'000	Revaluation increment $'000	Balance at end of reporting period $'000
Property				
Land	28,483	-	-	28,483
Other land improvements	2,975	-	-	2,975
Buildings	16,663	-	-	16,663
Total property	48,121	-	-	48,121
Plant and equipment				
Works of art	763	-	567	1,330
Total plant and equipment	763	-	567	1,330
Infrastructure				
Roads	104,635	300	18,626	123,561
Kerb and channel	9,383	-	-	9,383
Drainage	15,884	-	-	15,884
Footpaths and cycleways	8,330	-	-	8,330
Bridges	2,823	-	-	2,823
Other infrastructures	7,595	-	-	7,595
Total Infrastructure	148,650	300	18,626	167,576
Other				
Land held for sale	1,075	-	-	1,075
	198,609	300	19,193	218,102
2014				
Property				
Land	23,281	-	5,202	28,483
Other land improvements	1,458	-	1,517	2,975
Buildings	14,709	-	1,954	16,663
Total property	39,448	-	8,673	48,121
Plant and equipment				
Works of art	763	-	-	763
Total plant and equipment	763	-	-	763
Infrastructure				
Roads	104,833	(198)	-	104,635
Kerb and channel	9,383	-	-	9,383
Drainage	15,884	-	-	15,884
Footpaths and cycleways	8,330	-	-	8,330
Bridges	2,823	-	-	2,823
Other infrastructures	7,595	-	-	7,595
Total Infrastructure	148,848	(198)	-	148,650
Other				
Land held for sale	1,075	-	-	1,075
	190,134	(198)	8,673	198,609

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

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

	2015 $'000	2014 $'000
Surplus for the year	8,528	2,708
Depreciation and amortisation	10,111	9,724
Loss on disposal of property, infrastructure, plant and equipment	904	1,591
Contributions - Non-monetary assets	(1,828)	(601)
Share of (profits) of associates	(66)	(82)
Fair value (increment) adjustments for Investment property	-	(77)
Financing Costs	212	255
Change in assets and liabilities:		
Increase in employee benefits	221	409
Increase/(Decrease) in quarry provision	8	(8)
Increase in landfill provision	75	46
Decrease in prepaid expenses	13	2
Increase/(Decrease) in accounts payable and trust funds	648	(356)
(Decrease) in accrued expenditure	(1)	(2)
(Increase) in inventories	(84)	(132)
Decrease in accounts receivable	928	325
Decrease in accrued income	711	358
Net cash provided by/(used in) operating activities	20,380	14,160

33 RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents (see note 18)	16,486	19,195
Less bank overdraft	-	-
	16,486	19,195

34 FINANCING ARRANGEMENTS

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

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

35 COMMITMENTS

The Council has entered into the following commitments

2015	Not Later Than 1 Year $'000	Later Than 1 Year and Not Later Than 2 years $'000	Later Than 2 Years and Not Later Than 5 years $'000	TOTAL $'000
Operating				
Waste Collection Recycling	258	-	-	258
Various Studies	157	-	-	157
Telephone Lease	26	-	-	26
Building Surveyor Services	349	-	-	349
Recreation Facilities	90	-	-	90
Waste Rehabilitation	984	-	-	984
Valuation Services	41	-	-	41
Capital				
Roadworks	260	-	-	260
Town Hall Refurbishment	4,858	-	-	4,858
Pedestrian Bridge	707	-	-	707
Other Buildings Refurbishment	235	-	-	235
Plant	779	-	-	779
Total	8,744	-	-	8,744

2014	Not Later Than 1 Year $'000	Later Than 1 Year and Not Later Than 2 years $'000	Later Than 2 Years and Not Later Than 5 years $'000	TOTAL $'000
Operating				
Waste Collection Recycling	263	258	-	521
Various Studies	112	-	-	112
Telephone Lease	26	26	-	52
Youth Services	120	-	-	120
Building Surveyor Services	157	161	-	318
				0
Capital				0
Roadworks	279	-	-	279
Town Hall Refurbishment	14,029	-	-	14,029
Waste Facilities	395	-	-	395
Other Buildings Refurbishment	156	-	-	156
Recreation Facilities	92	-	-	92
Plant	225	-	-	225
Total	15,854	445	-	16,299

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

36 OPERATING LEASE COMMITMENTS

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

	2015 $'000	2014 $'000
Not later than one year	73	74
Later than one year and not later than 5 years	12	85
	85	159

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

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

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

Not later than one year	165	127
Later than one year and not later than 5 years	367	182
Later than 5 years	1,433	-
	1,965	309

37 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

Class action re damages incurred to council assets.
A contingent asset exists in relation to class action re damages incurred to council assets, in February 2009 Horsham bushfire. A settlement agreement has been entered into with the defendant but has not yet been finalised through the courts. It is reasonable to expect that some compensatory payment would eventuate in 2015/16.

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

37 CONTINGENT LIABILITIES AND CONTINGENT ASSETS (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.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Council is a contributing employer was 103.4%.
To determine the VBI, the fund Actuary used the following long-term assumptions:

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

Vision Super has advised that the actual VBI at quarter ended 30 June 2015 was 105.8%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined category's funding arrangements from prior years.

Regular contributions
On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 30 June 2014, 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 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

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

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

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

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July1993 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 likely that the Fund will be wound up.

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

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

37 CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Cont.)

Latest actuarial investigation surplus amounts
The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of $77.1 million; and
A total service liability surplus of $236 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2014.

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.

Horsham Rural City Council was notified of the results of the actuarial investigation during January 2015.

Contingent liabilities
The Council is presently involved in a confidential legal matter (known as Jillpanger rd), which are being conducted through Council's solicitors.
As this matter is yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for this contingency has been made in the financial statements.

38 FINANCIAL INSTRUMENTS

(a) Objectives and policies
The Council's principal financial instruments comprise cash assets, term deposits, receivables, (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings.
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement of the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements.
Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

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

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. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. 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 rate.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. We manage interest rate risk by ensuring:
- conformity with State and Federal regulations and standards,
- appropriate liquidity,
- diversification of financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

38 FINANCIAL INSTRUMENTS (cont.)

(b) Market risk (cont.)

There has been no significant change in the Council's exposure, or its objectives, polices 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 us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:
- we only invest surplus funds with financial institutions that conform with State and Federal regulations and standards.

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

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

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

To help reduce these risks 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.

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

(e) Fair value

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.
Fair value hierarchy
Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE, 2015

38 FINANCIAL INSTRUMENTS (cont.)

(f) Sensitivity disclosure analysis

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

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

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.

39 RELATED PARTIES TRANSACTIONS

(i) Responsible persons
Name of persons holding the position of a Responsible Person at the Council at any time during the year are:

	Cr M.A. Radford	Returned to office on 1/11/12.
	Cr R.L. Barber	Duly elected to office on 1/11/12.
	Cr P.N. Clarke	Duly elected to office on 1/11/12.
	Cr S.J. Exell	Duly elected to office on 1/11/12.
	Cr D.A. Grimble	Returned to office on 1/11/12.
	Cr A.J. Phelan	Duly elected to office on 1/11/12.
	Cr H.R. Phillips	Duly elected to office on 1/11/12.
Chief Executive Officer	P.F. Brown	Commenced 1/11/10

(ii) Remuneration of Responsible Persons
The number of responsible officers, whose total remuneration from council falls within the following bands:

	2015 No.	2014 No.
$10,000 - $19,999	-	3
$20,000 - $29,999	3	1
$30,000 - $39,999	2	2
$40,000 - $49,999	2	-
$50,000 - $59,999	-	1
$240,000 - $249,999	-	1
$250,000 - $259,999	1	-
	8	8
	$'000	$'000
Total Remuneration for the reporting year for Responsible Persons included above, amounted to	466	453

NOTES TO THE FINANCIAL STATEMENT (Cont.)
FOR THE YEAR ENDED 30th JUNE, 2015

39 RELATED PARTIES TRANSACTIONS (Cont.)

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council, who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds $136,000.

The number of senior officers other than the Responsible Persons, are shown below in their relevant income bands.

	2015 No.	2014 No.
Income Range:		
$160,000 - $169,999	-	3
$170,000 - $179,999	3	-
$190,000 - $199,999	1	1
	4	4

	$'000	$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	721	701

(iii) Responsible retirement benefits

The aggregate amount paid during the reporting period by Council in connection with the Councillors responsible persons was nil (2013/14 nil).

(iv) Loans to responsible persons

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

(v) Transactions with responsible persons

Cr Robin Barber is a joint owner of the firm Robin L. Barber Design Drafting Pty Ltd.
Council entered into the provision of design services on normal commercial terms and conditions.
The total value of design services provided by Robin L. Barber Design during the 2014/2015 financial year was $7,582. (2013/2014, $9,013).

Cr Pam Clarke is a part of the family owned firm, Kimpton Builders Pty Ltd.
Council entered into the provision of building services on normal commercial terms and conditions.
The total value of building services provided by Kimpton Builders Pty Ltd during the 2014/2015 financial year was nil. (2013/2014, $700).

Cr Sue Exell is a joint owner of the firm Exell Plumbing Pty Ltd.
Council entered into the provision of plumbing services on normal commercial terms and conditions.
The total value of building services provided by Exell Plumbing Pty Ltd during the 2014/2015 financial year was nil. (2013/2014, $5,396).

Cr Mark Radford is a joint owner of the firm Mark Radford Electrician.
Council entered into the provision of electrical services on normal commercial terms and conditions.
The total value of electrical services provided by Mark Radford Electrician during the 2014/2015 financial year was nil. (2013/2014, $3,875).

The Council has entered into the above transactions with Responsible Persons and Responsible Person related parties within normal customer or employee relationships on terms and conditions no more favourable than those available in similar arm's length dealings.

40 EVENTS OCCURRING AFTER BALANCE DATE

No matters have occurred since balance date that require disclosure in the financial report.

NOTES

NOTES

COUNCIL OFFICES

HORSHAM:

Civic Centre
18 Roberts Avenue, Horsham 3400

P: (03) 5382 9777
F: (03) 5382 1111

E: council@hrcc.vic.gov.au
W: www.hrcc.vic.gov.au

Monday to Friday – 8.30am to 5.00pm

Postal Address:
PO Box 511, Horsham 3402

Community and
Cultural Development Office
43 Firebrace Street, Horsham 3400

P: (03) 5382 9595
F: (03) 5381 0312

E: arts@hrcc.vic.gov.au

Monday to Friday – 8.30am to 5.00pm

DEPOT:

Selkirk Drive, Horsham 3400

P: (03) 5382 9600
F: (03) 5382 5358

Monday to Friday – 7.30am to 4.30pm

NATIMUK:

Natimuk Community Centre
62 Main Street, Natimuk 3402

P: (03) 5387 1304

Thursdays only