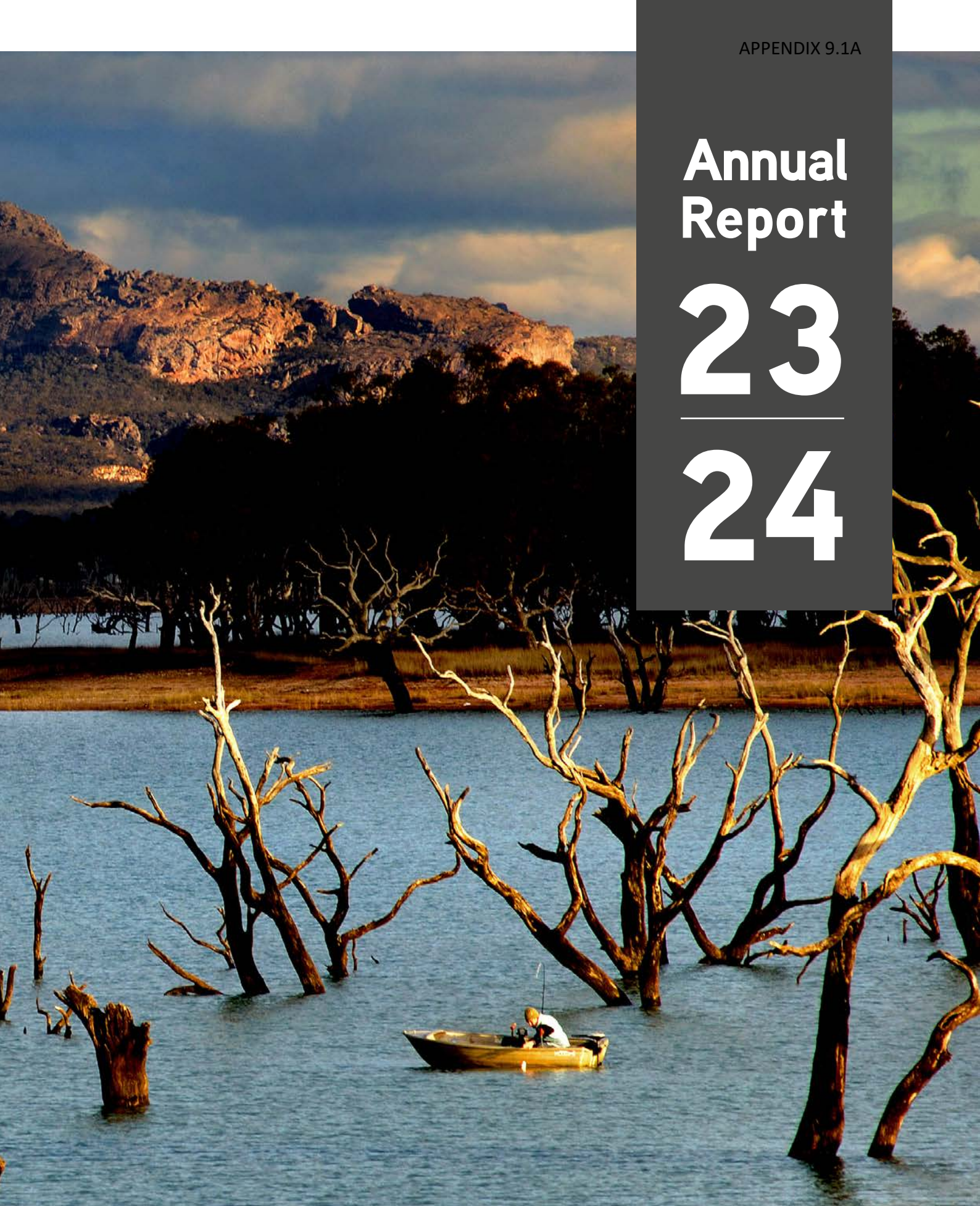
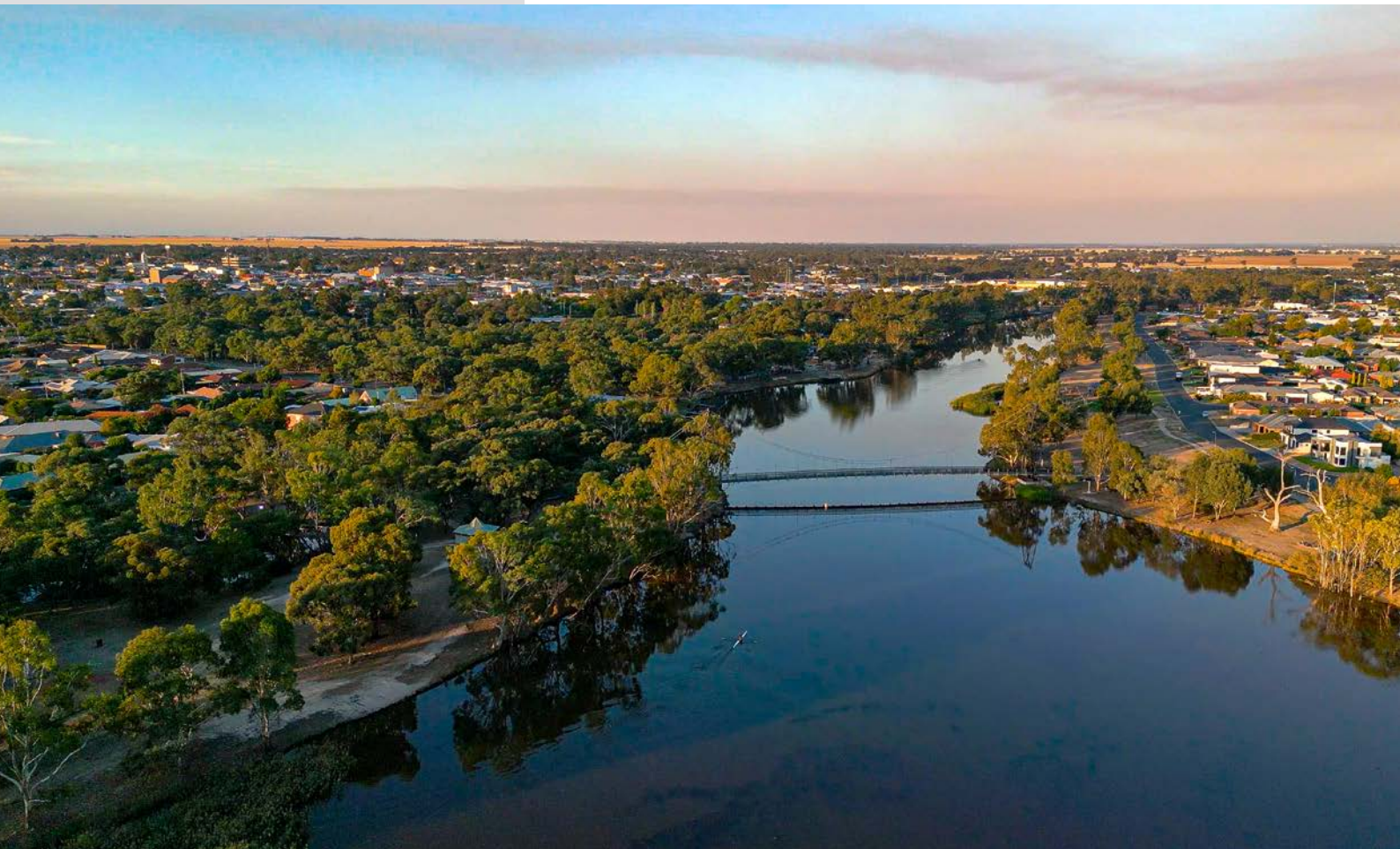


Annual Report

23

24





Acknowledgement of Country

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

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

Accessibility

To receive this publication in another format: telephone (03) 5382 9777 or email council@hrcc.vic.gov.au

TTY service (text only communication): telephone 133 677 and ask them to contact Horsham Rural City Council on (03) 5382 9777

Translating and Interpreting Service (TIS National): telephone 131 450 and ask them to contact Horsham Rural City Council on (03) 5382 9777

This report is available on the Horsham Rural City Council website – www.hrcc.vic.gov.au or by contacting Council on email council@hrcc.vic.gov.au or telephone (03) 5382 9777

All documents produced by Horsham Rural City Council and referred to in this document can be found on our website – <https://www.hrcc.vic.gov.au/Our-Council/Governanceand-Transparency/PublicDocuments/Council-Publications>

Graphic Design – AR Graphic Design | www.argraphicdesign.com.au

Cover image courtesy of Chris O’Connell
Images courtesy of HRCC staff

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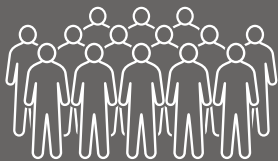
Welcome to the report of operations

2023-2024

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2023-2024 is the primary means of advising the Horsham Rural City Council community about Council's operations and performance during the financial year.

Snapshot of Council

Population



20,429 median age 41

29% are less than 25 years old

21% are over 65 years old

Home owner



71%

of residents own their home
which is above both the state
and national average

Major Industries of employment



Healthcare

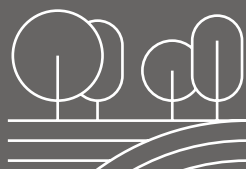
Social Assistance Services

Grain Growing

Secondary Education

Local Government

Land



4,266 KM² of land

Major Centres



Horsham followed by Natimuk
and 37 smaller localities

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



Highlights of the year

Q1

July – September 2023

- Horsham Rural City Council assumed direct management of library services, Wimmera Libraries (formerly Wimmera Regional Library Corporation).
- Council held its annual Engagement Expo which provided the community with an opportunity to engage with Council on various plans and projects.
- Council allocated \$6.8 million to roads in its 2023-2024 Budget, with \$5.5 million assigned for rural roads.

Q2

October – December 2023

- The widening and reconstruction of Polkemmet Road, Horsham-Lubeck Road and the Dimboola Minyip Road at Murra Warra.
- New accessible change rooms and function room at Horsham Aquatic Centre were completed and are now available for community enjoyment.
- Council's new visual identity rollout was completed and was delivered significantly under budget.

Q3

January – March 2024

- The Riverfront was buzzing with excitement, hosting fantastic events like the Summer Series, Australia Day awards, and the thrilling Southern Water Ski Show.
- City Oval Netball Courts project was completed and ready for everyone to enjoy.
- Horsham hosted state junior squash and tennis tournaments. This boosted our local economy and showcased Horsham's excellent sporting facilities.

Q4

April – June 2024

- Upgrades to The Station Youth Centre were successfully completed, providing our youth with a modern and well-equipped space for various activities.
- The reconstruction of Hocking Street was completed.
- The HRCC community grants were announced, providing essential funding to various community projects and events.

Challenges and Future outlook

The 2023-2024 year has been a period of significant activity and progress for Horsham Rural City Council. Although we have celebrated successes, we have also faced challenges whilst continuing to work towards our goal of making our municipality a vibrant, inclusive, and sustainable community.

The rainfall our municipality received in June 2023 posed a significant challenge for our road maintenance teams. Horsham Airport recorded a rainfall of 87.2mm, marking the wettest start to winter since records began in 1998. This weather setback delayed our grading program. However, the arrival of more favourable weather later in the season enabled our teams to resume work on the 1,830 kilometres of unsealed roads in our municipality.

Community feedback plays a vital role in helping the Council enhance the services we provide to the community. This fiscal year, the Council encouraged residents to share their thoughts on the new bin system and parking arrangements introduced last year. We received substantial feedback on these issues, leading to a comprehensive review. Based on the invaluable input from the community, we made amendments to the rules for the Food & Garden Organics (FOGO) and improved city centre parking, including the addition of 30 minutes of free parking for motorists.

This summer, our community faced a significant challenge with the Dadswells Bridge fire, which occurred on one of the two catastrophic fire days declared in our region.

The extraordinary resilience and unity demonstrated by our community during this time were commendable. Council staff worked relentlessly to respond to the situation and support those affected. The Council continues to focus on recovery and rebuilding efforts, providing ongoing support to the Dadswells Bridge community.

The Council also encountered challenges with the unsuccessful application for federal funding for the new community pavilion and change rooms at Horsham City Oval. Despite this setback, the Council remains committed to the project and will continue to seek external funding, recognising the value this facility will bring to our community.





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 24 October 2020.

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

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

Our Councillors are listed here.



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



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



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



Cr Claudia Haenel
First elected: 24 October 2020
 claudia.haenel@hrcc.vic.gov.au
 0437 971 592



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



Cr Bob Redden
 Served as a Councillor from
 September 2022 to August 2024



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

Mayors Message



As your Mayor, I am privileged to share with you a broader perspective on the journey we have embarked upon in the past year, and the strategic decisions that have shaped the Horsham Rural City Council in 2023-2024.

This year, we embraced change and took on new responsibilities. The transition of the Wimmera Libraries and the municipality's transfer stations to our management was a significant step towards enhancing our service delivery.

Our commitment to sustainability was reflected in the successful implementation of the Better Sorted Waste services initiative. I am deeply grateful to all residents who have contributed to this success by diligently sorting their waste, helping us divert a substantial amount of waste from going to landfill.

The bushfire in February tested the resilience of our community in Dadswells Bridge. I want to take a moment to acknowledge the strength and resilience shown by the residents during this challenging time and in the ongoing recovery. Your courage and unity are commendable.

We made significant progress in enhancing our community infrastructure, with the redevelopment of the City Oval and Sawyer Park, and the completion of the second stage of improvement works at The Station Youth Centre. These projects reflect our strategic focus on creating vibrant and inclusive spaces for our community.

It was wonderful to see families and friends come out in such significant numbers to support the Riverfront Summer Series demonstrating our vibrant community spirit. These events, featuring live music and street food along the refurbished riverfront area, brought our community together in celebration.

As we look to the future, our strategic decisions will continue to be guided by our commitment to enhancing the liveability and quality of life in Horsham, promoting sustainability and ensuring efficient use of resources.

I would like to express my heartfelt gratitude to my fellow Councillors for their unwavering dedication and to you, our residents, for your active engagement with HRCC. Your participation is invaluable in shaping the future of our city.

Thank you for your continued support. Together, we are building a vibrant and sustainable Horsham municipality.

Cr Robyn Gulline
Mayor

CEO Message



It is with great pleasure that I present to you the key achievements of our Council for the 2023-2024 period.

This year marked a significant transition as we assumed management of the Wimmera Libraries, following the dissolution of the Wimmera Regional Library Corporation. In addition, we took over the operation of the municipality's transfer stations and kerbside recycling collections, ensuring continuity of these essential services.

Our Better Sorted Waste services initiative has been a resounding success. In its first full financial year, our residents have saved more than 3000 tonnes of waste from going to landfill. This initiative has effectively diverted 250 tonnes of organics and 10 tonnes of glass per month from ending up buried at the Dooen landfill. As landfill operating costs continue to rise, this achievement represents a significant win for both our environment and our community.

We are also proud to announce the completion of our visual identity project, which came in under budget. Our new logo, colour scheme, typography, and style guide truly encapsulate the unique spirit of our municipality. We appreciate your positive feedback on our new look.

In response to the bushfire in February, we provided essential support to the residents of Dadswells Bridge as part of our disaster recovery services. Our operations team worked tirelessly during the fire to help establish containment lines, significantly reducing the blaze's impact.

This year also saw progress in the redevelopment of the City Oval and Sawyer Park. While we continue to seek external funding for the City Oval pavilion after our recent application to the Federal Government was unsuccessful, we are pleased to report the completion of the Hocking Street reconstruction, the addition of two new netball courts, and the erection of a multipurpose event stage. We eagerly anticipate the first confirmed event – The Horsham RegFest in March.

One of the highlights of the year was the Horsham Riverfront Summer Series. This sequence of live music and street food events along the recently refurbished riverfront area brought our community together in celebration and enjoyment. Each of the events attracted a large crowd which was a testament to the vibrant and dynamic spirit of Horsham.

Finally, we are excited to announce the completion of the second stage of improvement works at The Station Youth Centre in Horsham. The new look centre is a testament to our commitment to our youth.

In the year 2023-2024, the Horsham Rural City Council undertook numerous capital works projects across the municipality. These projects were part of an initiative to enhance accessibility, foster connections, and promote sustainability within the community. The following outlines some of the key projects that received funding from the Council during this period.

Thank you for your continued support and engagement. Together, we are making Horsham a vibrant and sustainable place to live.

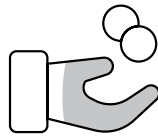
Sunil Bhalla
Chief Executive Officer
April 2018 – September 2024

Description of operations

Horsham Rural City Council oversees more than 70 community services, including emergency response, community services, arts, culture, recreation, economic development, governance, and finance. We provide a wide array of building, planning, and regulatory services, and maintain essential infrastructure such as buildings, roads, drains, and parks for the community's use and enjoyment.

Our Strategic Objectives, Strategies, Initiatives, and Priorities, aimed at enhancing the health, prosperity, and wellbeing of our community, are outlined in the 2021-2025 Council Plan and the 2023-2024 budget. These are detailed in the Performance section of this document.

The effectiveness of our services, facilities, support, and advocacy in achieving these strategic objectives is measured by a set of service performance indicators and measures. Additionally, the Council has numerous responsibilities under both Victorian and Commonwealth legislation.



Community grants and donations provided to not-for-profit groups to the value of
\$411,269



88.56%
participation in 4 week Key Age and Stage visit by Maternal Health Nurses



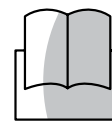
116,698 square metres
of road resealed connecting community across our region



124
animals were rehomed and
250 collected



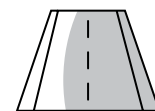
21.58%
of waste diverted from landfill



50,918
Library visits



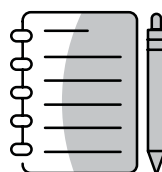
46
Days taken to decide on
planning applications



Connecting family, friends,
work and play through **1,020**
kilometres of maintained
roads



Fitness and social
enjoyment through
105,310 aquatic centre
visits



13 Council meetings and
145 Council decisions

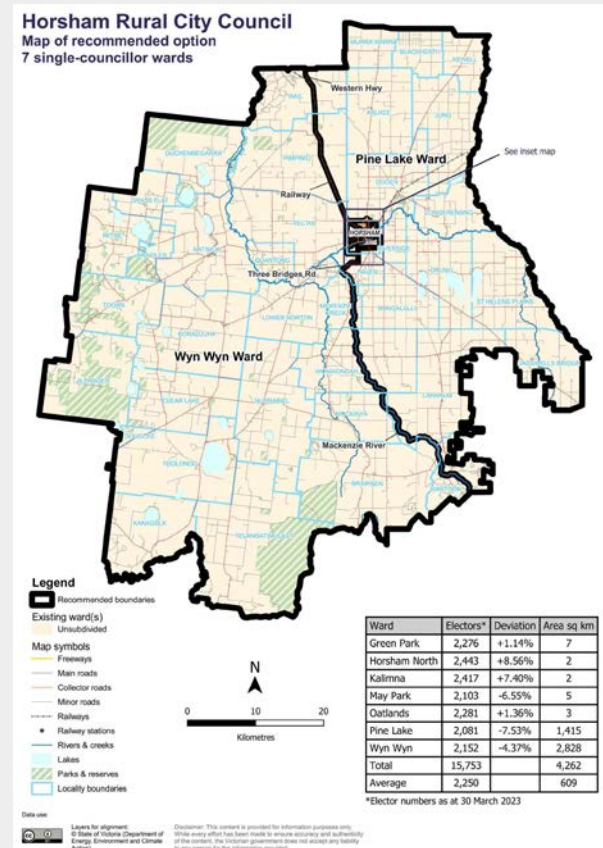
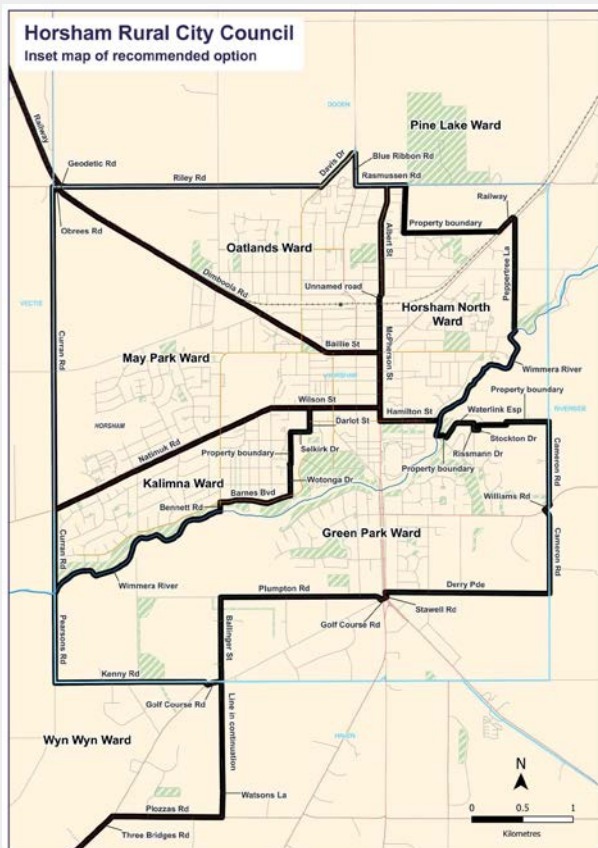


\$50,138 average cost per
elected representative

Major Capital Works

Major Capital Works	Amount (\$)
Public Conveniences Upgrades Program to modernise and add public toilets. Thirty-six related projects form part of the Long-Term Capital Works Plan.	505,044
City Oval: Netball & Football Courts, Events Stage, Pavilion and Clubrooms Second stage of City to River Master Plan. Continues from the stage one works associated with river frontage area.	3,464,298
Urban & Rural Roads Priorities based primarily on regular asset inspections, ensuring those in worst condition prioritised. Gravel road re-sheeting, and heavy patching and upgrades to priority freight routes.	8,516,775
Natural Disaster Asset restoration Council undertook significant works to restore assets damaged by natural disasters. Works were performed on drainage, road and culvert assets.	4,182,685
Aquatic Centre Change Rooms Construction of four private change spaces (two family/two accessible).	429,370
Footpaths and Cycle ways Maintaining and enhancing Council's network of footpaths, and on and off-road cycle paths.	824,103
Parks & Open Spaces Council's portfolio of parks and open spaces assets such as bench seats, irrigation systems and shade sails These require periodic renewal to ensure that open spaces are maintained to a suitable standard.	670,970
Sustainability & Zero Carbon Plan Council is committed to reducing its greenhouse gas emissions and carbon emissions.	100,904
Depot Relocation Council's new Depot and detailed planning to adapt that site to Council's needs.	62,898
Total	18,757,047

Major changes



Electoral wards

In 2023, an independent electoral structure review panel was appointed by the Minister for Local Government. The panel was tasked with reviewing 39 electoral structures with one of them being the Horsham Rural City Council. The purpose of this review was to provide advice to the Minister on the appropriate number of councillors, the electoral structure, and ward names for the Council.

The panel's final advice to the Minister included a recommendation for a new electoral structure for Horsham Rural City Council, which would meet the requirements of the *Local Government Act 2020*.

The panel proposed that Horsham Rural City Council adopt a 7 single-councillor ward structure, with one councillor per ward. The recommended names for these 7 wards are Green Park Ward, Horsham North Ward, Kalimna Ward, May Park Ward, Oatlands Ward, Pine Lake Ward, and Wyn Wyn Ward.

In July last year, Council lodged a joint submission that opposed the ward structure and requested that the municipality's current unsubdivided electoral structure be retained. Horsham Rural City Council has a history of low candidate numbers at elections, with nine at the 2020 election, 14 at the 2016 election, and 11 at the 2012 election.

The panels recommendation was endorsed by the Victorian Government and made public in February 2024. The mandated single-councillor ward structure will take effect from the next Local Government election in October 2024.



Community Leadership Program

In March 2023, Horsham Rural City Council welcomed the final report from Municipal Monitor Jude Holt.

In this report Ms Holt called for action to encourage more community leaders to consider becoming a councillor and recommended that Council invest in a community leadership program to support potential candidates at the 2024 local government election.

Ms Holt noted in her final report that “community members and community groups appear to be interested in Council’s activities, programs, and projects through social media interactions and attendance at

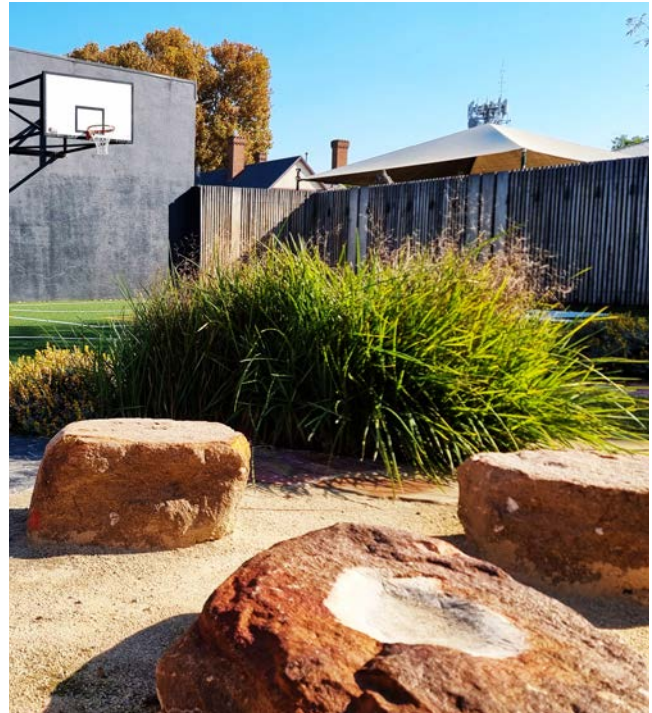
Council Meetings. However, this interest does not appear to be translating into candidates. To foster community members’ interest in contesting an elected position and building knowledge of community members around the operations of Council and roles, responsibilities, and expectations of Councillors, it is recommended that Council invest in a community leadership program to support potential candidates at the 2024 election.”

In September 2023 Council endorsed the Community Leadership Program which was facilitated by the Victorian Local Governance Association. Expressions of interest were opened earlier this year for commencement of the program in May 2024.

Selection for the program was determined by an independent panel of three members drawn from the community. This panel selected 12 people to participate in the Program.

These participants worked together to learn about a range of topics including Horsham Rural City Council and services we provide the community, local government in general, understanding the role and relationship a council has, values and codes of conducts, inclusive leadership, strategic planning, and decision making and good governance.

Major achievements



The Station

This year Council marked the completion of the second stage of upgrades to The Station Youth Centre, located on Pynsent Street, which is a significant milestone for the Horsham community.

The project, which included extensive landscaping at the front of the site, complemented the initial improvements made to the property. New additions such as a barbecue and shelter, two lawn areas, concrete

seating, bike hoops, and trees transformed the centre into a vibrant, multi-purpose hub. Inside the main building, accessibility was enhanced, and energy-efficient heating and cooling systems were installed. These upgrades underscored Horsham Rural City Council's commitment to providing safe and inclusive spaces for the municipality's youth.

The Station Youth Centre's redevelopment has a profound impact on the community.

The new indoor/outdoor space provides a safe environment for gatherings and socialisation. The removal of the old house not only cleared the way for the new public area but also ensured safe access to the rear section of the site.

The Station fosters a sense of belonging and inclusiveness.



Wimmera Libraries

In July 2023 Horsham Rural City Council took on the management of all Library services in our municipality.

The change in management to Wimmera Libraries, overseen by Horsham Rural City Council, marks a significant milestone in enhancing community services. This transition has brought numerous benefits to the local community, reinforcing the library's role as a vital hub for learning, culture, and social interaction.

One of the key achievements during the 2023-2024 financial year has been the expansion of library services and programs offered to the community. Under Council's management, Wimmera Libraries have introduced a range of new

initiatives aimed at promoting literacy and lifelong learning. These include expanded digital resources, such as e-books and online databases, as well as increased access to educational workshops and cultural events. By providing these resources, the Council has ensured that all community members, regardless of age or background, have access to valuable information and opportunities for personal growth and opportunity to feel connected within our community.

This year, Council has improved infrastructure and facilities within the libraries. Significant investments have been made to upgrade library spaces, making them more welcoming and accessible. This includes the introduction of modern technology and comfortable study areas, which have transformed the

libraries into vibrant community centres. These improvements have not only enhanced the user experience but has also encouraged greater community engagement and participation in library activities.

Through expanded services, improved facilities, and strengthened community ties, Council has ensured that the libraries continue to be a cornerstone of community life, supporting education, culture, and social cohesion.

Major achievements *continued...*



City Oval Netball Courts

In March 2024, Council welcomed Jacinta Ermacora MP to officially open the City Oval's two new netball courts, marking a significant milestone in the Council's City to River Masterplan.

This \$3 million project, fully funded by the State and Federal Governments, aimed to redevelop all netball facilities at Horsham City Oval. The project was designed to provide female-friendly, compliant, competition-standard, safe, and accessible facilities.

The benefits of this project to the community are substantial. The new netball courts, equipped with supporting shelters and LED lighting suitable for Wimmera League competition, will enhance the sporting experience for players and spectators alike. The inclusion of environmentally sustainable design elements and accessible amenities ensures that the facilities are inclusive and environmentally responsible.

This comprehensive redevelopment of the netball facilities at Horsham City Oval will significantly improve the quality and accessibility of sports infrastructure in the community, encouraging greater participation in netball and other activities.



Summer Series

Horsham Rural City Council's Summer Series at the new Riverfront Meeting Place stands out as a major achievement, embodying our community vision of fostering community, accessibility, and liveability.

This series of events, featuring family-friendly activities, live music, and diverse food and drink options, has successfully brought together locals and visitors to enjoy the scenic Wimmera Riverfront. From the Christmas-themed festivities to the Australia Day celebrations with the Southern Waters Ski Show Team, each event has provided a platform for social

interaction, cultural enrichment, and community bonding. The inclusion of local musicians and food vendors has not only showcased our region's talent and culinary delights but also supported local businesses, enhancing the economic vibrancy of our community.

The benefits of the Summer Series extend beyond entertainment, significantly contributing to the social fabric of our community. These events have provided opportunities for residents to connect and share experiences, fostering a supportive and inclusive environment.

Accessibility in Council's Summer Series events has been a key focus, with the Riverfront Meeting Place designed to be inclusive and welcoming to all. The venue's strategic location and thoughtful amenities, ensuring everyone can participate in the events comfortably. These efforts align with our commitment to creating a liveable city where residents and visitors can enjoy high-quality public spaces and community events.

Council Staff

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



Chief Executive Officer

April 2018 – September 2024

Sunil Bhalla

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

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



Director Communities and Place

Kevin O'Brien

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

Arts, Culture and Recreation

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

Community Services

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

Investment Attraction and Growth

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



Director Corporate Services

Kim Hargreaves

BA, LLB

Finance

- General Accounting
- Revenue
- Information Technology

Governance and Community Relations

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

People and Safety

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



Director Infrastructure

John Martin

BE (Agric)

Assets and Engineering Services

- Assets
- Engineering
- Fleet
- Project Office

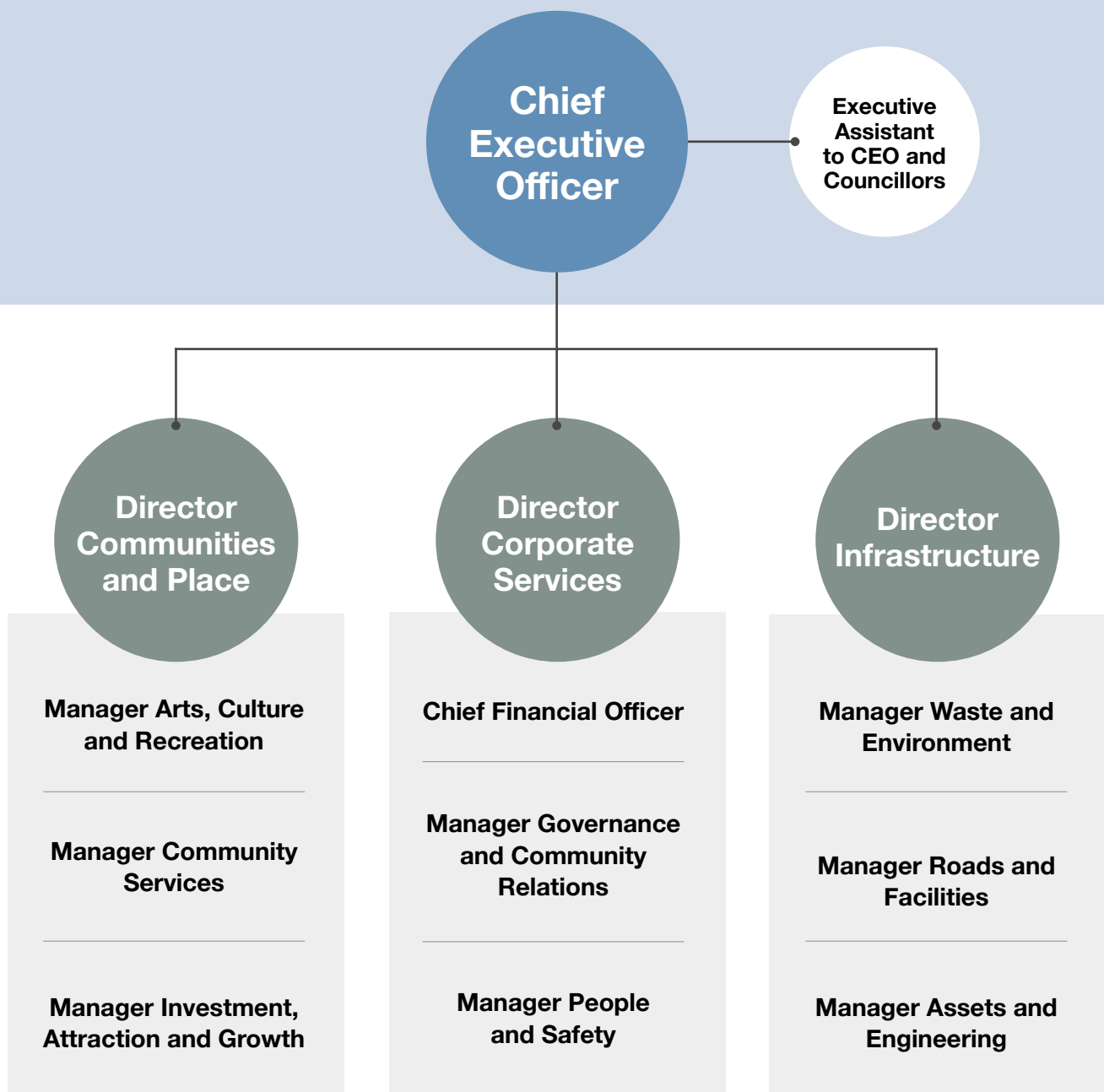
Roads and Facilities

- Civil Works
- Commercial Enterprises
- Facilities

Waste and Environment

- Parks and Gardens
- Waste Operations
- Waste Infrastructure and Sustainability

Organisational Structure



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

Employment type / gender	CEO	Communities & Place	Corporate Services	Infrastructure	Total
Full Time					
Female		24	14	9	47
Male	1	15	18	94	128
Part Time					
Female	0.8	17.74	10.24	1.66	30.44
Male		4.15	1.78	3.02	8.94
Casual					
Female		3.67	0.26		3.93
Male		0.68			0.68
Total	1.8	65.24	44.28	107.68	218.99

In the 2023-2024 period there were no persons of self-described gender employed at Council

NUMBER OF STAFF (FTE) by Employment Classification

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	1.33	0.39	1.72
Band 2			0
Band 3	6.23	57.7	63.93
Band 4	16.49	29.84	46.33
Band 5	14.17	14.39	28.56
Band 6	13.66	12.78	26.44
Band 7	12.33	11	23.33
Band 8	0.8	3	3.8
Band not applicable	16.35	8.53	24.88
Total	81.36	137.63	218.99

Equal Employment Opportunity

Horsham Rural City Council aspires and actively engages to ensure the absence of discrimination based on the characteristics contained in the *Equal Opportunity Act 2010*, such as race, sex, marital status, parental status, disability, age, religious belief or activity, gender identity and sexual orientation. Additionally, in accordance with the Act, Council aspires to ensure the workplace is free from sexual harassment, victimisation, bullying and harassment.

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

Preventing violence against women

The prevention of violence against women works primarily through the promotion of gender equity and building respectful and safe relationships and breaking down stereotypes of women.

In February 2024, Council was awarded a grant as part of the Free from Violence Local Government Program 2024-2027, by the Minister for Prevention of Family Violence.

Local Government Victoria, in the Department of Government Services, manages contractual and payment issues associated with the program, with Family Safety Victoria in the Department of Families, Fairness and Housing responsible for coordinating management, monitoring and evaluation of the program.

Working closely with the Municipal Association of Victoria, Family Safety Victoria will support councils to implement the Local Government Guide for Preventing Family Violence and All Forms of Violence Against Women (the Guide) as part of the program. In conjunction with the program, Council has contributed funding towards the fixed-term appointment of a Gender Equity and Family Violence Prevention Officer,

who will commence duties in July 2024. This role will primarily focus on delivery of the Guide, but also be responsible for gender equity and inclusion strategies, programs and practices that promote the development of a diverse and inclusive workforce.

Elevation of the Diversity Equity and Inclusion Working Group, to Committee status, is currently under consideration by the executive. If established, its objective will be to work with the Senior Leadership Team to support a range of People & Safety driven initiatives, Gender Equality Action Plan matters, Prevention of Family & Domestic Violence commitments and our Reconciliation Action Plan objectives.



Other staff matters

Gender Equity Action Plan

In 2021 Council finalised its Gender Equality Action Plan, in accordance with the requirements of the *Gender Equality Act 2020*. The Plan comprises a four-year outline of commitments and actions that aim to promote and ensure gender equality within Council, through a process of structural change.

In accordance with the *Gender Equality Act 2020*, Council was required to provide the Gender Equality Commission with audit data and a progress report by 20 February 2024. Having been comprehensively reviewed and considered by the Executive Management Team, the report was successfully completed and submitted by the due date.

A key aspect of the progress report includes details of action taken by Council in relation to seven workplace gender equality indicators, as outlined in the *Gender Equality Act 2020*. The indicators that measure the effectiveness of the Plan, and reported on in the progress report, are:

Indicator 1: Gender composition of all levels of the workforce

Indicator 2: Gender composition of governing body (Council)

Indicator 3: Equal remuneration for work of equal or comparable value across all levels of the workforce, irrespective of gender

Indicator 4: Sexual harassment in the workplace

Indicator 5: Recruitment and promotion practices in the workplace

Indicator 6: Availability and utilisation of terms, conditions and practices relating to family violence leave, flexible working arrangements and working arrangements supporting employees with family or caring responsibilities

Indicator 7: Gendered segregation (diversity) within the workplace

The Horsham Rural City Council Gender Equality Action Plan outlines an extensive number of actions against each indicator. Details of Council's performance in relation to the indicators can be found in the progress report, which will be published on the Council's internet site after the Commission for Gender Equality has reviewed the document for compliance. It is anticipated that the review and publication on the website will occur prior to 30 September 2024.

The report shows that many actions have progressed in part, but further effort is required to ensure delivery by 30 June 2025 (which is when the next report is due to the Commission for Gender Equality).

Enterprise Bargaining Agreement

Enterprise Agreement Number Nine (2019-2022) (EA9) nominally expired on 30 June 2022. After extensive negotiation Enterprise Agreement Number Ten (2022-2025) (EA10) was formally endorsed by the Fair Work Commission on 6 September 2023, with official commencement from 13 September 2023. The nominal expiry date of the new agreement is 30 June 2025.

EA10 consolidates the three distinct parts of EA9 (local provisions, the Victorian Local Authorities Award 2001, and the Nurses (ANF – Victorian Local Government) Award 2015). Consolidation has aided in interpretation, use and understanding of the provisions of the enterprise agreement, and in these ways has made the document entirely more accessible to all staff.

Other amendments to the agreement include the addition of leave provisions for staff in various circumstances, such as adoption/permanent care arrangements, IVF treatment and gender transition.

EA10 provides for three wage increases. The first increase applied from July 2022 and was paid in May 2023. The second increase applied in and was paid in July 2023. The final increase will be applied in the first pay period commencing in July 2024.

Professional Development

Horsham Rural City Council offers study assistance and support for staff undertaking tertiary education. In the past year, three staff have been successful in obtaining this form of support. 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 and in response to needs identified through performance and development plans. A variety of learning methodologies are used including e-learning and facilitated workshops. Some of the courses and training that officers undertook this year included the Leadership Wimmera Program and Cert IV HR Management.

Health and Safety

Council aims to maintain a safety culture that supports an incident and injury-free workplace for all employees, Councillors, contractors, visitors and the public.

In December 2023 Council engaged the Victorian Chamber of Commerce and Industry to conduct a comprehensive ‘gap analysis’ of its Occupational Health and Safety Management System. The report identified a range of opportunities for improvement, to enhance performance and operational culture. Resourcing to support the recommendations from the report was committed by the Executive Management Team.

The People & Culture Department has been re-established and is now the People & Safety Department. The engagement of a new Manager People & Safety, with an extensive occupational health and safety background, skills and knowledge, has emphasised Council’s focus on ensuring an effective safety culture. A review of the health and safety-related responsibilities of other staff within the department has also been undertaken, with a revised ‘Senior OHS & HR Officer’ role established to assist the existing Occupational Health & Safety Officer, and the appointment of a Health Safety & Wellbeing Specialist on a fixed term basis was under consideration.

Implementation of new ‘Riskware’ software to support the capture of health and safety-related information and data, and to enable effective review and reporting, is currently underway. Full rollout of this comprehensive system is anticipated in September 2024.

Integrated strategic planning and reporting framework

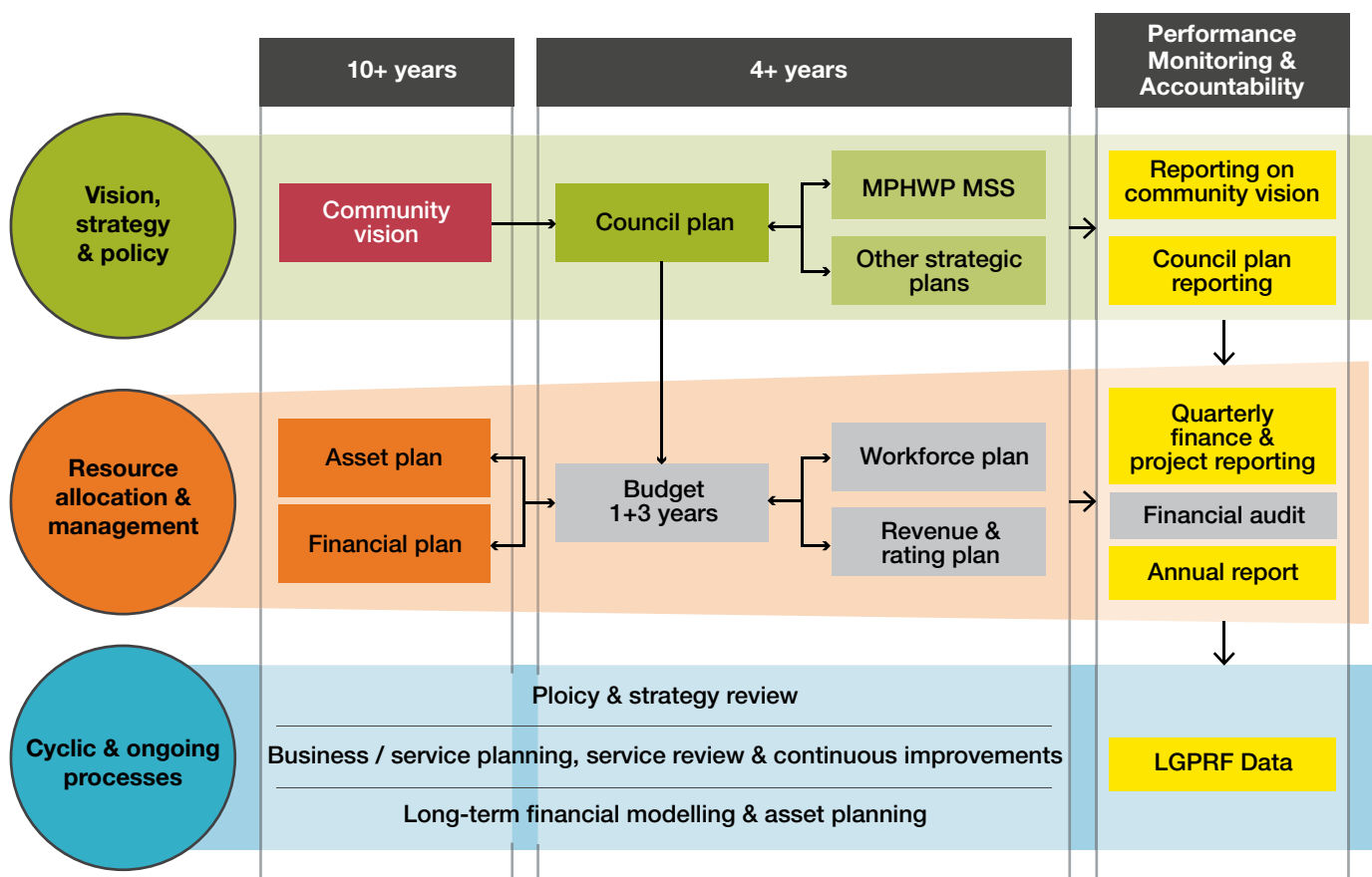
Part 4 of the *Local Government Act 2020* requires councils to prepare the following:

- A Community Vision (for at least the next 10 financial years);
- A Council Plan (for at least the next 4 financial years);
- A Financial Plan (for at least the next 10 financial years);
- An Asset Plan (for at least the next 10 financial years);
- A Revenue and Rating Plan (for at least the next 4 financial years);
- An Annual Budget (for each financial year and the subsequent 3 financial years);
- An Annual Report (for each financial year); and
- Financial Policies.

The *Local Government Act 2020* also requires councils to prepare:

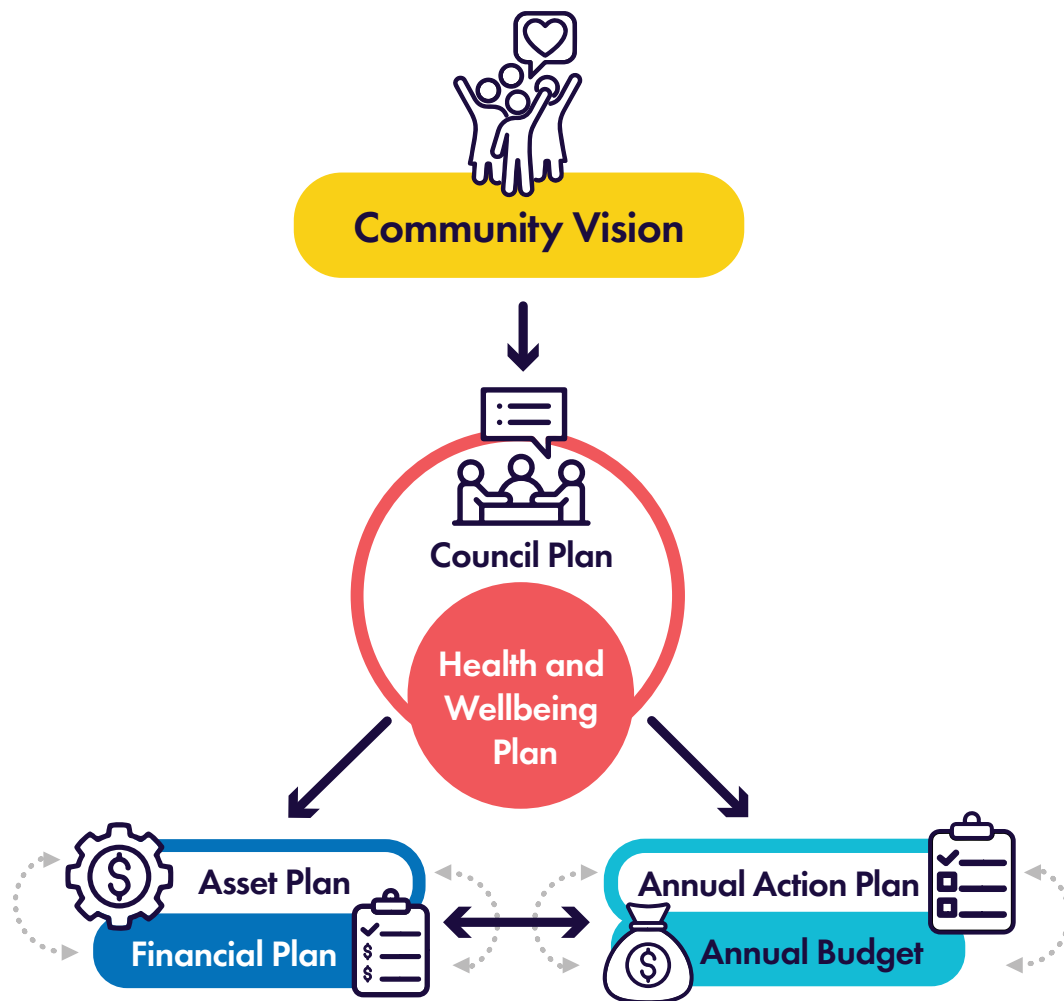
A Workforce Plan (including projected staffing requirements for at least 4 years);

The following diagram shows the relationships between the key planning and reporting documents that make up the integrated strategic planning and reporting framework for local government.



Council's Planning and Budgeting Framework

Council has in place a Planning and Budgeting Framework that reflects these requirements. The diagram below depicts the planning relationships for Horsham Rural City Council's planning processes.



Community Vision

Our community's hopes, ideas and aspirations for the future

Asset Plan

Documents how Council manages its assets

Financial Plan

Plans how Council financially achieves the Community Vision

Council Plan

How Council achieves the Community Vision whilst improving the health and wellbeing of our community

Annual Action Plan

Encompasses key activities that achieve the Council Plan

Annual Budget

How Council financially accomplishes the Annual Action Plan

Community Vision

THE HORSHAM 2041 COMMUNITY VISION

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

SUSTAINABILITY

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

LIVEABILITY

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

ACCESSIBILITY

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

COMMUNITY

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



Council Plan

The Council Plan 2021-2025 sets the strategic direction of Council over a four year period, linking the Community Vision to Strategies, Initiatives and Priorities for Horsham Rural City Council. The following pages provide details of some of the highlights achieved this year. Further information in relation to outcomes, initiatives and priorities contained in the Council Plan are provided in the Performance section.



Performance

Council's performance for 2023-2024 has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2021-2025 Council Plan.

Performance has been measured as follows:

- Results achieved in relation to Monitoring Achievements in the Council Plan
- Progress in relation to the Major Initiatives identified in the budget
- Services funded in the Budget and the persons or sections of the community who are provided those services



Theme 1 – Community

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

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

Monitoring Achievements	Result	Comments
Implementation of 100% actions identified in the 2019-2022 Community Inclusion Plan		The 2019-2022 Community Inclusion Plan was superseded by the Disability Access and Inclusion Plan 2022-2026 noting two-thirds of the Community Inclusion Plan had been delivered at the time of change. Some 25% of actions within the new Plan have been completed so far with some of these actions to now recur annually or biannually.
In consultation with Barengi Gadjin Land Council, develop a partnership agreement		As part of recognition and settlement agreement actions, community engagement plans will be developed with Local Government Areas.
Improved diversity in community and programmed events by 10% over the four year period of the Council Plan		Programming across the HTH venue has focused on broadening programming, participation and access for the LGBTIQA+ community, First Nations artists and community, as well as increasing access to programs and services for regional and remote schools and their students.
Ensure gender equity on all Council Committees		All Committee Terms of Reference reviews will result in a change that requires Gender Equity to be considered during recruitment of members as part of the updated Terms of Reference.
Increased reach and diversity of allocation of Annual Community Grants program with a 10% increase of new successful applicants over the four year period of the Council Plan		With the introduction of four separate grants streams under the Community Grants Program in 2023-2024 - Community Development, Community Events, Youth and Quick Response grants - Council have seen growth above 10% in new successful applicants over the four year period.



Completed



Underway



Not Achieved

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2023-2024 budget for the year.

Major initiatives	Progress
Update HRCC advocacy priority resources to support funding applications	Advocacy Priorities resources have been reviewed with updated documents endorsed by Council.
Grants Guru community workshops	Grant Guru has been further rolled out during the year and includes a series of 'How to' videos available to assist the community with grant finding and grant writing. All of which are accessed via the Council's website. There have also been three grants workshops held during the financial year, two in Horsham and one in Natimuk, as well as hosted via Council's media channels.
Community Panel - Horsham Regional Art Gallery 40th Anniversary Gala	Planning for this event was scheduled, however, due to low public registration, resources were redirected to an exhibition collaboration between the Gallery and Barengi Gadjin Land Council and local First Nations female artists called 'Dont Define Me', this exhibition was very well received and followed on from the nationally recognised Know My Name exhibition.
Community Panel - Heritage Hall 80th Anniversary	Planning for this event was scheduled, however, due to low public registration, resources were redirected to the delivery of additional public programs offered through the venue. This modest increase to resourcing, has seen significant increases in participation.

The following statement provides information in relation to the services funded in the 2023-2024 Budget and the persons or sections of the community who are provided the service.

Service Area	Description of Service Provided		2023-24 Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000
Animal Management	This service provides animal management through implementation of appropriate rules and regulations in relation to keeping of cats, dogs and other animals and livestock within the municipality to minimise disturbance to residents and the community, and ensure public safety. It also includes the operation of Council's dog and cat rehoming program.	Rev	419	567	148
		Exp	(469)	(542)	(73)
		Net	(50)	25	75
Community Safety	This service deals with matters concerning Local Laws including permits and licences, enforcement and fines and fire hazard enforcement.	Rev	117	162	44
		Exp	(342)	(480)	(137)
		Net	(225)	(318)	(93)
Emergency Management	To prepare for and mitigate if possible the impacts of an emergency on HRCC and the community through good planning and interoperability with all agencies, includes the Wimmera Emergency Management Resource Sharing Partnership.	Rev	240	247	7
		Exp	(240)	(301)	(61)
		Net	0	(54)	(54)
Environmental Health	This service provides health administration, health vending machines and other preventative measures including needle exchange, <i>Tobacco Act</i> reforms and mosquito monitoring. A variety of legislative based services and functions around environmental health issues are also provided.	Rev	150	259	109
		Exp	(328)	(265)	63
		Net	(179)	(6)	172
Social Infrastructure Support	This service provides Recreational and Open Space planning plus the maintenance, insurance and other ongoing costs for the municipality's recreation groups and community facilities. Also includes the community inclusion and the oversight of the Horsham Centre Cinema contract.	Rev	53	140	87
		Exp	(982)	(919)	63
		Net	(928)	(779)	149
Net Cost to Council for Theme 1 – Community			(1,382)	(1,133)	250



Theme 2 – Liveability

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

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

Monitoring Achievements	Result	Comments
Number of visits to aquatic facilities per head of municipal population to increase 5% over 4 year period of Council Plan		Number of visits to aquatic facilities in 2022-2023 FY were 102,562, with a total of 105,307 for the year 2023-2024. A 2.6% increase over the past year. No. of visits to the facility as a proportion of the population is 5.18 visits.
Participation in Horsham Town Hall programs to increase by 5% over 4 years of Council Plan		Total Gallery attendance for 2022-2023 was 16,625, in 2023-2024 17,746 an increase of 6.7% from previous year. Attendance to Theatre Performances for 2022-2023 was 12,053 for 2023-2024 21,012, an increase of 74% from previous year. Education & Public Programs attendance was 3974, (new data collected).
Participation in Maternal and Child Health service at or over 95% annually		Participation is at 89.11% overall and 88.89% of Aboriginal children for attendance at least once a year at MCH.
Active library borrowers in municipality to increase by 5% over 4 year period of Council Plan		Active borrowers currently sits at 1513. There is a plateau for 2023-2024 period. The target has been reached ie.15% over three years.
Increased number of new planning permits approved for new housing by 2% annually		There has been a 29.2% decrease in building activity.
Increase Horsham Rural City population by 5% over 4 year period of Council Plan		Council's population growth remained steady during the 2023-2024 period.
Increased number of new building/planning permits approved for commercial development by 2% annually		56 commercial building permits were issued in the 2023-2024 period. Compared to 51 in the 2022-2023 resulting in a 9% increase between the two periods.



Completed



Underway



Not Achieved

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2023-2024 budget for the year.

Major initiatives	Progress
Staff training on the implementation of the Disability Access and Inclusion plan	Council conducted staff training in topics relevant to deliverables within the Plan including: inclusive customer support training, accessible communication training for library staff, disability inclusion training for library staff, access and inclusion training for customer service staff, understanding universal design in the built environment for project staff, and business assessments on accessibility.
Wimmera River Discovery Trail Feasibility Study	This project is awaiting funding. An application was submitted to the Enabling Tourism fund and the outcome has not yet been announced.

The following statement provides information in relation to the services funded in the 2023-2024 Budget and the persons or sections of the community who are provided the service.

Service Area	Description of Service Provided		2023-24 Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000
Aquatic Recreation	Management of the strategic use of the Aquatic Centre, including major refurbishment and upgrades.	Rev	-	-	-
		Exp	(762)	(871)	(109)
		Net	(762)	(871)	(109)
Library	Provides resources and programs aimed at meeting the information, creation, educational and cultural needs of the diverse community of Horsham in an equitable, effective, efficient, responsive and forward looking manner in accordance with the values and objectives of the Library Plan.	Rev	543	582	39
		Exp	(974)	(1,040)	(66)
		Net	(431)	(458)	(27)
Management & Administration	This service provides local and regional facilitation and leadership for planning, developing and delivering community services to meet the needs of the community.	Rev	-	-	-
		Exp	(512)	(481)	31
		Net	(512)	(481)	31
Parks & Gardens	Provision of managed areas for sport, recreation and amenity – includes sports grounds, parks, gardens, the Botanic Gardens and playgrounds throughout the municipality.	Rev	20	32	12
		Exp	(2,961)	(4012)	(1,052)
		Net	(2,941)	(3,980)	(1,039)
Performing Arts Centre & Visitor Services	This service encompasses the running of the Horsham Performing Arts Centre operations, including Performing Arts, the Regional Art Gallery and support to visitors accessing the Visitor Services.	Rev	1,197	1,691	495
		Exp	(2,743)	(3,545)	(802)
		Net	(1,546)	(1,853)	(307)

Service Area	Description of Service Provided		2023-24 Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000
Sports & Recreation	Provision and maintenance of outdoor and indoor sports and recreation facilities throughout the municipality, and works with community groups and user groups to increase participation.	Rev	105	73	(32)
		Exp	(739)	(1,198)	(459)
		Net	(634)	(1,125)	(491)
Streetscape & Public Conveniences	This service provides street tree maintenance, tree planting and removal, along with city centre maintenance on lighting, signage and street furniture, and street cleaning. Climate change initiatives such as environmental footprint reduction program fall within this service. This service also provides operations and maintenance of the public conveniences in Horsham, Natimuk and several rural facilities.	Rev	-	-	-
		Exp	(1,313)	(1,558)	(246)
		Net	(1,313)	(1,558)	(246)
Youth & Early Years Aquatic Recreation	This service provides support to families with parenting, health and development, promotion of health, wellbeing and safety, social supports, youth facility "The Station", referrals and linking with local communities.	Rev	798	949	39
		Exp	(1,584)	(1,485)	98
		Net	(786)	(536)	249
Net Cost to Council for Theme 2 – Liveability			(8,925)	(10,864)	(1,938)



Theme 3 – Sustainability

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

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

Monitoring Achievements	Result	Comments
Reduce Council's net carbon emissions by 24% by 2025		Target achieved in 2022-2023.
Reduce the municipality's net carbon emission		Solar panels were installed in 2023-2024 across several locations, including Natimuk Rd Kindergarten, Senior Citizens Centre, and Jubilee Hall.
Maintain employment in government and health services at current level (as at 2021)		Council continues this through advocacy work for regional employment.
Increase the diversion of recyclables from landfill by 40% by 2025		Target achieved- 4 Bin system implemented in April 2023 increasing the diversion rates from approximately 22% to nearly 50%.
Increase the utilisation of alternative water sources by 10% by 2025 (reduced use of potable water)		HRCC is working with GWMWater to finalise the water use and site management plan agreements. HRCC is also organising infrastructure connections for reuse water application at the sites and are in ongoing negotiations with third-party users regarding the application of reuse water on their land.



Completed



Underway



Not Achieved

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2023-2024 budget for the year.

Major Initiatives	Progress
Natimuk Social and Economic Plan Implementation	A Project Advisory Committee has been formed and is meeting monthly to implement the Natimuk Social and Economic Plan. Several actions have been completed however this project will continue over multiple years.
Develop and implement the Dadswells Bridge Community Plan	The Dadswells Bridge Plan is being implemented, with the community choosing to form their own group to implement the plan.
Recycling service regulatory compliance and customer compliance support	Fixed term education officer position in place to support compliance with requirements of new four-bin waste system.
Significant Tree Register	Not completed

The following statement provides information in relation to the services funded in the 2023-2024 budget and the persons or sections of the community who are provided the service.

Service Area	Description of Service Provided		2023-24 Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000
Business Development & Tourism	This service provides covers tourism marketing and development as well as promotion for major events and festivals.	Rev	1	0	(1)
		Exp	(475)	(519)	(44)
		Net	(474)	(519)	(45)
Commercial Operations	This service includes the contracted facilities such as the Caravan Park and the Wimmera Intermodal Freight Terminal. Also included is the Horsham Regional Livestock Exchange, which provides weekly sheep sales at the Burnt Creek Drive facility servicing primary industry across the Wimmera. Horsham Regional Livestock Exchange is the fourth largest sheep selling centre in Victoria. This service also includes the operations of the Horsham Aerodrome which provides a regional airport for commercial and private aircraft.	Rev	950	908	(42)
		Exp	(673)	(1,308)	(635)
		Net	277	(400)	(677)
Economic Development	This service provides support to the Wimmera Development Association, maintenance and administration for the Wimmera Business Centre and general economic development and promotion for the municipality. Land sales and acquisitions, tree plantation and land management costs for the Burnt Creek and Enterprise Industrial estates and Wimmera Agricultural Logistics (WAL) Hub, are also provided under this service.	Rev	349	278	(71)
		Exp	(1,050)	(1,406)	(356)
		Net	(702)	(1,128)	(427)
Natural Resource Management	This service provides a mix of environmental services covering fire hazards, fire disaster clean up, grass removal, fire plugs, their replacement and markers, footpath cleaning in the CBD and weir operations.	Rev	59	30	(29)
		Exp	59	(140)	(8)
		Net	(73)	(110)	(37)
Statutory Planning & Regulations	This service provides statutory planning services such as planning permits, notice of applications, information certificates, scheme appeals, subdivision costs, administration of building control services including building approval, inspection fees, easement approval and State Government levies.	Rev	365	381	16
		Exp	(970)	(932)	38
		Net	(605)	(551)	54
Strategic Planning Services	The function of strategic planning, aims to strategically plan the municipality's land use needs for the future.	Rev	-	42	42
		Exp	(400)	(400)	-
		Net	(400)	(358)	42
Sustainability	This service manages a range of sustainability related projects from Council's Sustainability Strategy. A reserve has been established to facilitate future energy and water deficiency projects.	Rev	5	95	90
		Exp	(355)	(416)	(61)
		Net	(350)	(321)	29
Waste Management Services	This service manages a range of sustainability related projects from Council's Sustainability Strategy. A reserve has been established to facilitate future energy and water deficiency projects.	Rev	3,683	4,232	549
		Exp	(8,335)	(8,569)	(234)
		Net	(4,652)	(4,337)	315
Net Cost to Council for Theme 3 – Sustainability			(6,979)	(7,725)	(746)



Theme 4 – Accessibility

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

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

Monitoring Achievements	Result	Comments
A reduction in the number of vehicle crashes and their impacts (e.g. number of injuries/fatalities) by 5% by 2025		Council is actively engaged in widening key rural sealed roads. Council staff regularly monitor compliance with Council's Road Management Plan. Both proactive and reactive measures are employed to ensure road users have access to high-quality, safe roads, leading to a substantial decrease in road injuries and fatalities over time.
Increase the % of urban population within 400 m of a fully developed open space by 5% by 2025		The Horsham Play Spaces Strategy will provide mapping to identify 400m walkable catchments, the strategic and equitable development of a network of public play spaces and opportunities to embed landscaping in public parks and play spaces.
Increase the percentage of Tree canopy in Horsham urban areas with a 1% increase by 2025		Canopy area is able to be measured every 3 to 5 years. Planting of two out of eight sectors completed with approximately 675 new trees planted.
Improve sealed road satisfaction – excluding arterial roads by 5% annually		<p>Throughout the year, Council has undertaken multiple efforts to improve the condition of sealed roads, with work still ongoing. In the 2023-24 financial year, Council widened 9.4 km of single-lane sealed roads to double-lane roads, completed 13,000 m² of heavy patching, and applied 20,000 m² of microsurfacing to reduce road roughness. Additionally, 24 km of sealed roads were resurfaced. Council also conducted 6,300 inspections and repaired 2,200 potholes, contributing to a total of 17,000 road issues addressed during the year.</p> <p>These efforts have significantly improved the condition of sealed roads. However, customer satisfaction has not increased as much as expected, and further work to enhance satisfaction is already underway.</p>



Completed



Underway



Not Achieved

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2023-2024 budget for the year.

Major Initiatives	Progress
Support PCP deliver the Sons and Daughters of the West wellness program	Council supported PCP to deliver the Sons and Daughters of the West wellness program this year.
Asset Management System Phase 2 - Proactive Planning and Maintenance System Improvement	Condition assessment data is being compiled for various asset types which is refining our dataset. Assets Technical officer is conducting site visits to verify asset condition, thereby increasing confidence in the collected data. Additional data layers have been integrated into the POZI web map to efficiently showcase asset information.
Energy Efficiency High Consuming Site (Phase-I) - upgrade light globes	Work has not commenced.
Safety audit of lighting deficiencies across Council Facilities and Open Spaces	Due to budget constraints, a lighting audit was conducted on a subset of CBD streets during 2023-2024. This included Firebrace Street, between Baillie Street and Hamilton Street, which met the required standards. However, the audit of Roberts Avenue, from Darlot Street to McLachlan Street, identified lighting deficiencies. Based on these findings, a project will be developed and incorporated into Council's Long Term Capital Works Plan.

The following statement provides information in relation to the services funded in the 2023-2024 Budget and the persons or sections of the community who are provided the service.

Service Area	Description of Service Provided		2023-24 Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000
Engineering Services	Has overall responsibility for delivery of Council’s capital works delivery and annual programming, traffic planning, waste planning, road, street and drain design and monitoring of standards adherence (quality assurance) for the infrastructure.	Rev	38	196	158
		Exp	(541)	(659)	(119)
		Net	(503)	(463)	39
Infrastructure - Rural	This service is responsible for maintaining and constructing roads, bridges and related assets in all non-urban areas of Horsham and Natimuk. This includes the Rural Roads Victoria maintenance contract (which excludes major highways).	Rev	891	763	(128)
		Exp	(2,736)	(2,630)	106
		Net	(1,845)	(1,867)	(22)
Infrastructure - Urban	This service provides maintenance and construction of roads, streets, bridges and related assets to the required standards within Horsham and Natimuk. This also includes maintenance of bicycle tracks, drainage, footpaths and off-street car parks.	Rev	3	10	7
		Exp	(14,629)	(13,099)	1,530
		Net	(14,626)	(13,088)	1,537
Management & Administration	This service provides administration and support services for the Infrastructure Services department.	Rev	38	6	(32)
		Exp	(890)	(825)	65
		Net	(852)	(820)	32
Facilities and Operations Management	This service includes management and administration of the Operations Department to facilitate the delivery of core functions and capital programs.	Rev	24	15	(9)
		Exp	420	(289)	(709)
		Net	444	(275)	(718)
Parking & Traffic Management	This service provides management of parking infringements, maintenance on parking meters, car parking fees, fines and associated costs.	Rev	348	329	(19)
		Exp	(252)	(219)	33
		Net	97	110	13
Strategic Asset Management	Responsible for the strategic management of Council’s Infrastructure, including the long term planning of asset renewal and capital works.	Rev	-	-	-
		Exp	(638)	(567)	71
		Net	(638)	(567)	71
Net Cost to Council for Theme 4 – Accessibility			(17,923)	(16,970)	954



Theme 5

– Leadership

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

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

Monitoring Achievements	Result	Comments
Improvement in community satisfaction with customer service by 5% annually (Community Satisfaction Survey)		This year's result was 62, up from 56 in 2023 (a 9.6% increase). More than half of residents who had contact with Council (56%) provide a positive customer service rating of 'very good' or 'good'.
Improvement in community satisfaction with overall Council direction by 5% annually (Community Satisfaction Survey)		This year's result was 37, up from 34 in 2023 (an 8.1% increase).
Improve community satisfaction with Council decisions by 5% annually (Community Satisfaction Survey)		This year's result was 40, down from 42 in 2023 (a 5% decrease).
Improvement in community satisfaction with consultation and engagement by 5% annually		This year's result was 43 representing no change from the results in 2023.
Improvement in community satisfaction with Council lobbying on behalf of the community by 5% annually		This achievement is no longer measured through Council's Annual Community Satisfaction Survey.



Completed



Underway



Not Achieved

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2023-2024 budget for the year.

Major Initiatives	Progress
Targeted planning compliance a customer/ stakeholder focused approach	Targeted Shipping Container compliance underway within the central business district.
Implement the actions from the Gender Equality Action Plan	The GEAP progress report and audit was submitted to the Gender Equality Commission in February 2024. The focus is now on delivery of actions in the plan by the next reporting date of 30 June 2025. This work will be supported through the employment of a Gender Equality & Family Violence Prevention Officer funded largely through a grant under the Free From Violence Funding. This role will commence in 2024-2025.
Strategic and Operational Risk Registers	A review of strategic and operational risks were undertaken during the financial year. Information from those reviews will be imported into the new risk management system when implemented in 2024-2025.
Implement recommendations from the Operations Efficiency Project	A key objective of the Operations Efficiency Project was the capture of jobs completed by the operations department. The Civil and Parks and Gardens teams are now capturing all work completed. Stage two, the setting of service levels has commenced to define the work that we do in Parks and Gardens to demonstrate to the community the level of service we will deliver to Council maintained facilities.
Community Leadership Program	The final session of the Community Leadership Program will be delivered on 6th July 2024, with 11 participants completing the program. Graduation is scheduled for 24th July 2024.

The following statement provides information in relation to the services funded in the 2023-2024 Budget and the persons or sections of the community who are provided the service.

Service Area	Description of Service Provided		2023-24 Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000
Financial Services	Provides financial services internally to all staff, department managers, project leaders, Council, plus delivers external services in the form of information to government and the community.	Rev	148	478	330
		Exp	(905)	(2,244)	(1,339)
		Net	(756)	(1,765)	(1,009)
Community Relations & Advocacy	Responsible for three key areas: Advocacy and grant seeking, media and communications and community engagement.	Rev			
		Exp	(559)	(548)	10
		Net	(559)	(548)	10
Governance & Leadership	This service manages and facilitates Council's governance services, the implementation of Council decisions and policies, and compliance with legislative requirements. This also includes the Customer Service, the management of Council's property portfolio (including Leases/Licenses & land sales/purchases), Records Management, the office of the Mayor and Councillors, and the office of the Chief Executive.	Rev	548	2,235	1,688
		Exp	(3,060)	(4,228)	(1,168)
		Net	(2,512)	(1,992)	520
Information Technology	Provides IT hardware and software systems, IT support services to staff, customer services at Horsham and Natimuk and the Council's Records Management service. The goal of this service is to provide efficient and effective access to the information needs of staff and the community, and the management of systems that support this whilst at all times keeping secure Council's information assets from accidental or malicious access, modification or destruction.	Rev	0	82	82
		Exp	(1,401)	(1,481)	(80)
		Net	(1,401)	(1,399)	3
Management & Administration	This service provides management across the areas of finance, IT, rates and organisation development.	Rev	6	20	14
		Exp	(1,410)	(1,770)	(360)
		Net	(1,404)	(1,750)	(345)
People & Safety	This service is responsible for human resources, payroll, OHS, risk management, industrial relations and organisational performance functions.	Rev	0	4	4
		Exp	(953)	(998)	(44)
		Net	(953)	(994)	(41)
Revenue Services	Rate collection services encompasses collection of Council rateable income which ensures consistency in debt management, general rate, municipal and garbage charges. Property services encompasses, collection of property valuations, maintaining a strategically focused property management system.	Rev	85	78	(7)
		Exp	(641)	(538)	103
		Net	(556)	(460)	97
Net Cost to Council for Theme 5 – Leadership			(8,142)	(8,908)	(766)

Reconciliation of Council Plan theme service performance to the financial report

The financial tables under each of the Council Plan themes demonstrates how Council allocates the various service revenues and expenses to support the activities and initiatives outlined in the Council Plan.

Non attributable revenues and expenses are then added to demonstrate the surplus or deficit as shown in the Comprehensive Income statement in both the Adopted Budget and Financial Report.

It should be noted, that during the year some services under the theme headings were realigned to more accurately reflect the Council Plan Theme under which they belong. This has meant some minor differences in service revenue and expense numbers, however the sum of all services plus unattributable matches to the Adopted 2023-2024 Budget and Financial Report.



Adopted Budget 2023-2024				Financial Report 2023-2024		
Annual Actuals	Income	Expenditure	NET Cost	Income	Expenditure	NET Cost
Theme 1 - Community	980	(2,362)	(1,382)	1,375	(2,508)	(1,133)
Theme 2 - Liveability	2,662	(11,587)	(8,925)	3,327	(14,191)	(10,864)
Theme 3 - Sustainability	5,412	(12,391)	(6,979)	5,966	(13,691)	(7,725)
Theme 4 - Accessibility	1,341	(19,265)	(17,923)	1,319	(18,289)	(16,970)
Theme 5 - Leadership	787	(8,928)	(8,142)	2,898	(11,806)	(8,908)
NET Cost	14,886	(54,533)	(43,352)	14,886	(60,484)	(45,598)
Non-attributable Expenses						
– Borrowing Costs			(171)			(172)
– Loss on disposal of Assets			0			(2,582)
– Capital Program items expensed			0			(5,887)
– Share of Associates Loss			0			(63)
– Other Non-attributable Expenses			(17)			2
Total costs before funding sources			(43,540)			(54,301)
Funding Sources						
– Rates & Charges Revenue			27,973			27,928
– Waste Charge Revenue			4,664			4,656
– Financial Assistance Grants			7,205			346
– Interest Revenue			600			1,421
– Capital Project Revenue			8,840			14,025
– Investment Property Fair Value Adjustments			0			95
– Gain on disposal of assets			140			636
Operating Surplus/(Deficit) <i>(as per Comprehensive Income Statement)</i>			5,882			(5,194)

Service performance indicators

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

Results					
Service / <i>indicator</i> / <i>measure</i>	2021	2022	2023	2024	Comments
Aquatic Facilities					Council aquatic facility inspected once annually.
Service standard					
<i>Health inspections of aquatic facilities</i>	1.00	1.00	1.00	1.00	
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]					
Utilisation	3.03	4.17	5.05	5.18	Utilisation of the aquatic facilities has gradually increased compared to previous years.
<i>Utilisation of aquatic facilities</i>					
[Number of visits to aquatic facilities / Municipal population]					
Service cost	\$13.30	\$12.54	\$8.86	\$8.28	
<i>Cost of aquatic facilities</i>					
[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]					



Results					
Service / indicator / measure	2021	2022	2023	2024	Comments
Animal Management					
Timeliness	1.00	1.00	1.00	1.00	
<i>Time taken to action animal management requests</i>					
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]					
Service standard	52.83%	57.17%	51.11%	57.34%	
<i>Animals reclaimed</i>					
[Number of animals reclaimed / Number of animals collected] x100					
Animals rehomed	28.70%	27.00%	20.19%	66.67%	Indicator has changed to now exclude animals reclaimed.
[Number of animals rehomed / Number of animals collected] x100					
Service cost					
Cost of animal	\$18.65	\$22.41	\$28.28	\$26.57	
<i>management service per population</i>					
[Direct cost of the animal management service / Population]					
Health and safety	100.00%	0.00%	0.00%	0.00%	No animal management prosecutions in 2023-2024.
<i>Animal management prosecutions</i>					
[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100					

Results					
Service / indicator / measure	2021	2022	2023	2024	Comments
Food Safety					
Timeliness <i>Time taken to action food complaints</i>	1.25	1.00	1.20	2.20	Responses are actioned consistently, apart from an isolated incident that impacted this indicator for 2023 calendar year.
[Number of days between receipt and first response action for all food complaints / Number of food complaints]					
Service standard <i>Food safety assessments</i>	75.31%	67.76%	103.40%	94.20%	Due to resourcing constraints Council were unable to complete all 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 <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100					
Service standard <i>Food Samples</i>	New	New	New	130.00%	New indicator.
[Number of food samples obtained / Required number of food samples] × 100					
Service cost <i>Cost of food safety service</i>	\$569.69	\$742.39	\$616.65	\$518.17	Resourcing constraints within the functional unit.
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>]					
Health and safety <i>Critical and major non-compliance outcome notifications</i>	76.47%	70.00%	100.00%	59.50%	Due to resourcing constraints Council were unable to complete all food 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 a food premises] x100					

Results					
Service / indicator / measure	2021	2022	2023	2024	Comments
Governance					
Transparency <i>Council decisions made at meetings closed to the public</i>	9.03%	3.77%	34.96%	23.45%	Council continues to deal with sensitive matters in closed meetings as recommended by the (2022-2023) Municipal Monitor.
[Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100					
Consultation and engagement <i>Satisfaction with community consultation and engagement</i>	48.00	53.00	43.00%	43.00	Council are continuing to explore opportunities to improve engagement with the community.
[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]					
Attendance <i>Councillor attendance at council meetings</i>	96.43%	96.94%	89.29%	89.01%	
[The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of Councillors elected at the last Council general election)] x100					
Service cost <i>Cost of elected representation</i>	\$35,874.87	\$45,389.00	\$55,496.08	\$50,138.99	
[Direct cost of the governance service / Number of Councillors elected at the last Council general election]					
Satisfaction <i>Satisfaction with council decisions</i>	48.00	52.00	42.00	40.00%	
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					

Results					
Service / indicator / measure	2021	2022	2023	2024	Comments
Libraries					
Resource currency <i>Recently purchased library collection</i>	39.87%	41.65%	44.83%	37.05%	Council has reviewed all Library assets and book stock which has lead to the re-categorisation and correction of book stock classifications and numbers.
[Number of library collection items purchased in the last 5 years / Number of library collection items] x100					
Service cost <i>Cost of library service per population</i>	\$24.53	\$25.67	\$26.38	\$29.80	Council changed its service delivery model from being part of a library corporation to providing direct services to the community which has resulted in some additional implementation costs.
[Direct cost of the library service / Population]					
Utilisation <i>Loans per head of population</i>	New	New	New	3.78	New indicator.
[Number of library collection item loans / Population]					
Participation <i>Library membership</i>	New	New	New	19.10%	New indicator.
[Number of registered library members / Population] x100 Library visits per head of population					
<i>Library visits per head of population</i>	New	New	New	2.51	New indicator.
[Number of library visits / Population]					

Results					
Service / <i>indicator</i> / <i>measure</i>	2021	2022	2023	2024	Comments
Maternal and Child Health (MCH)					
Service standard Infant enrolments in the MCH service	101.44%	101.07%	102.00%	100.86%	
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100					
Service cost Cost of the MCH service	\$62.31	\$64.49	\$61.12	\$65.20	
[Cost of the MCH service / Hours worked by MCH nurses]					
Participation Participation in the MCH service	91.31%	85.91%	90.58%	88.56%	
[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	97.30%	89.13%	93.55%	90.91%	
[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					
Satisfaction Participation in 4-week Key Age and Stage visit	96.65%	93.93%	100.00%	96.12%	
[Number of 4-week key age and stage visits / Number of birth notifications received] x100					
Roads Satisfaction of use Sealed local road requests	10.76%	10.89%	11.46%	10.88%	
[Number of sealed local road requests / Kilometres of sealed local roads] x100					
Condition Sealed local roads maintained to condition standards	99.30%	99.55%	100.00%	98.71%	
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100					
Service cost Cost of sealed local road reconstruction	\$36.62	\$35.13	\$36.96	\$42.26	Rise in costs is generally attributed to higher prices for materials and associated expenses.
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]					

Results					
Service / indicator / measure	2021	2022	2023	2024	Comments
Service Cost <i>Cost of sealed local road resealing</i>	\$5.20	\$7.18	\$8.95	\$10.48	Council has also implemented an enhanced micro-surfacing program which is slightly more expensive than regular resealing, but provides enhanced benefits.
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]					
Satisfaction <i>Satisfaction with sealed local roads</i>	47	45	38	38.00	
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					
Statutory Planning Timeliness <i>Time taken to decide planning applications</i>	63.00	47.00	56.00	46.00	Variation in number of permits allowed for improved timeframes in 2024.
[The median number of days between receipt of a planning application and a decision on the application]					
Service standard <i>Planning applications decided within required time frames</i>	78.49%	100.00%	100.00%	93.51%	Council discovered an error in their data source for the prior years. Recalculated ratios would be 2021-2022: 93.75% and 2022-2023: 93.92%. The current year is therefore on trend with prior years.
[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100					
Service cost <i>Cost of statutory planning service</i>	\$2,328.04	\$2,378.54	\$2,841.25	\$4,628.39	Change in regulation requirements saw some shed planning applications no longer being required (i.e. lower number of planning applications), however costs remained consistent with prior years due to increasing complexity of planning applications, the need for liaison and panel representation.
[Direct cost of the statutory planning service / Number of planning applications received]					

Results					
Service / indicator / measure	2021	2022	2023	2024	Comments
Decision making <i>Council planning decisions upheld at VCAT</i>	0.00%	0.00%	0.00%	0.00%	
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 Management Service standard <i>Kerbside collection bins missed</i>	0.99	1.9	2.71	3.98	Introduction of an additional two kerbside recycling services (FOGO and glass) for urban residents lead to a increase in missed bins.
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000					
Service cost <i>Cost of kerbside garbage bin collection service</i>	\$123.97	\$140.81	\$151.66	\$111.13	Council introduced glass recycling and FOGO services to a large proportion of the community. This has led to a decrease in tonnes of kerbside waste sent to landfill.
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]					
Service cost <i>Cost of kerbside recyclables collection service</i>	\$68.42	\$73.58	\$88.12	\$52.34	Council introduced glass recycling services to a large proportion of the community. Whilst cost of the services has increase by 17% the number of services collected has almost doubled, resulting in a decrease of the overall indicator.
[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]					
Waste diversion <i>Kerbside collection waste diverted from landfill</i>	19.91%	19.07%	25.90%	48.63%	The introduction of an additional 2 kerbside recycling services has led to a reduction in of kerbside waste being sent to landfill.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

Governance

Horsham Rural City Council is constituted under the *Local Government Act 2020* to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

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

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

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

Meetings of Council

Council conducts open public meetings on the fourth Monday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to the council, make a submission or speak to an item. For the 2023-2024 year council held the following meetings:

- 13 council meetings

The following table provides a summary of councillor attendance at council meetings for the 2023-2024 financial year.

Councillor	2023-2024 Council Meeting's attended
Cr Robyn Gulline (Mayor)	13
Cr David Bowe	13
Cr Penny Flynn*	10
Cr Claudia Haenel	8
Cr Les Power	13
Cr Bob Redden	12
Cr Ian Ross	12

*A leave of absence was approved for Cr Penny Flynn from 27 November 2023 to 4 February 2024.

Delegated committees

The Act allows councils to establish one or more delegated committees consisting of:

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

Horsham Rural City Council does not have any delegated committees.

Code of Conduct

The Local Government Act 2020 requires all councils to have a Councillor Code of Conduct. Horsham Rural City Council adopted a revised Code of Conduct in 2023 which is designed to:

- Councillors maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter
- Attract the highest level of confidence from Council's stakeholders
- Assist the Mayor and councillors to discharge the responsibilities of their public office appropriately.

In addition to setting out the Councillor Conduct Principles, the Code also outlines:

- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest
- Roles and relationships
- Dispute resolution procedures

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 a committee, the committee or officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it.

Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all council and Committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2023-2024, two conflicts of interest were declared at council there was one conflict of interest exemption.



Image courtesy of Fleetwood Urban

Councillor allowances

In accordance with Section 39 of the Act, councillors are entitled to receive an allowance while performing their duty as a councillor. The Mayor is also entitled to receive a higher allowance.

The State Government sets the upper and lower limits for all allowances paid to councillors and Mayors. Councils are divided into three categories based on the income and population of each council. In this instance Horsham Rural City Council is recognised as a category two council.

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

Councillor	Allowance \$
Cr Robyn Gulline (Mayor)	104,141.27
Cr David Bowe	28,869.48
Cr Penny Flynn*	39,770.35
Cr Claudia Haenel	32,462.26
Cr Les Power	32,462.26
Cr Bob Redden	32,462.26
Cr Ian Ross	32,462.26

*Cr Penny Flynn served as Deputy Mayor for part of the 2023-2024 reporting period, resulting in a higher allowance.



Councillor expenses

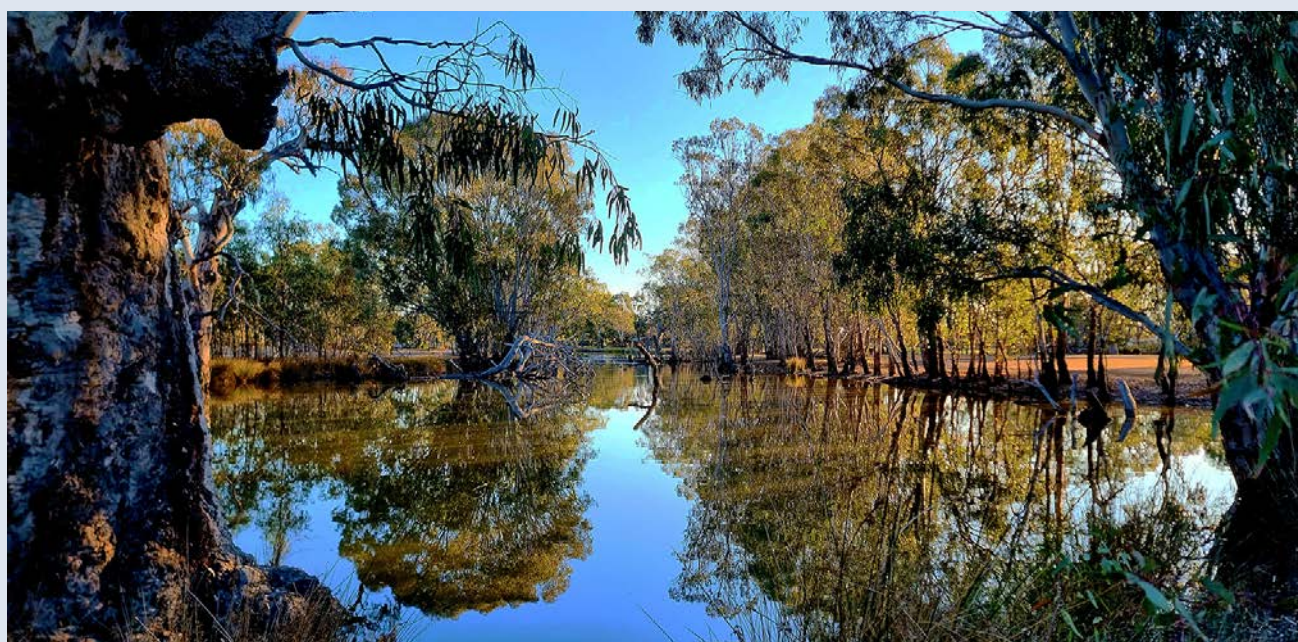
In accordance with Section 40 of the Act, council is required to reimburse a councillor for expenses incurred whilst performing their duties as a councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the mayor and councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each councillor and member of a council committee paid by the council.

The details of the expenses including reimbursement of expenses for each councillor and member of a council committee paid by the council for the 2023-2024 year are set out in the following table.

Councillors	TR \$	CM \$	IC \$	CT \$	Total \$
Cr Robyn Gulline (Mayor)	1,758.16		598.28	2,473.60	4,830.04
Cr David Bowe			685.94	500.00	1,185.94
Cr Penny Flynn	1,909.82		521.38	1,963.18	4,394.38
Cr Claudia Haenel	2,151.78	5,187.83	832.57	2,396.06	10,568.24
Cr Les Power	1,365.36		521.99	1,268.18	3,155.53
Cr Bob Redden	283.41		572.33	0.00	855.74
Cr Ian Ross	302.38	7,552.43	438.11	500.00	8,792.92

Legend:

TR-Travel | **CM**-Car Mileage | **IC**-Information and Communication expenses | **CT**-Conferences and Training expenses



Management

Council has implemented several statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads 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 in the section below. The following items have been highlighted as important components of the management framework.

Audit and Risk Committee

The Audit and Risk Committee's role is to oversee and monitor the effectiveness of council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit and Risk Committee consists of three independent members, Mr Mark Knights (Chair), Mr Richard Trigg and Ms Marilyn Kearney, and two councillors. Independent members are appointed for a three-year term, with a maximum of two terms.

A person who has been an independent member for up to six years is eligible to serve as Chair providing that the total length of combined continued service in both roles does not exceed three terms. The chair is elected from amongst the independent members.

The Audit and Risk Committee meets four times a year. The Internal and External Auditors, Chief Executive Officer and Director Corporate Services attend all Audit and Risk Committee meetings. Other management representatives attend as required to present reports. The external auditors are invited to attend each year to present the audit plan, interim management letter and independent audit report.

Recommendations from each Audit and Risk Committee meeting are subsequently reported to council.

Internal Audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across council. The department is jointly resourced by an Internal Auditor who has extensive local government experience and an external provider. A risk based three-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers council's risk framework, the council plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit and Risk Committee annually.

The Internal Auditor attends each Audit and Risk Committee meeting to report on the status of the SIAP to provide an update on the implementation of audit recommendations and to present findings of completed reviews. All audit issues identified are risk rated.

Quality assurance is measured through the annual Audit and Risk Committee self-assessment, completion of the internal audit plan and benchmarking against other internal audit functions.

The SIAP for 2023-2024 was completed with the following reviews conducted:

- Councillor Expense Review
- Asset Management
- ICT General Controls

External Audit

Council is externally audited by the Victorian Auditor-General. For the 2023-2024 year the annual external audit of council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend Audit and Risk Committee meetings and present the annual audit plan, interim management letter and Independent Audit Report in preparation for the completion of the Annual Report

Horsham Rural City Council has implemented a Risk Management Framework, which encompasses the Council's Risk Management Strategy.

In the early part of the 2024-2025 financial year, Council plans to conduct a review of its risk management practices ensuring they remain aligned with the latest best practices and guidelines.

Risk Management

Horsham Rural City Council acknowledges that risk management is a crucial component of effective management practices. The Council is dedicated to fostering an organisational culture that prioritises effective risk management through an Enterprise Risk Management (ERM) approach.

Risk management is becoming increasingly vital in Local Government, necessitating commitment throughout the entire organisation. Council's approach to risk management aims to maximise opportunities and minimise losses. This approach supports informed decision-making and promotes the identification of opportunities for ongoing improvement through sound governance and best practices.



Governance and management checklist

The following are the results in the prescribed form of council's assessment against the prescribed governance and management checklist.

Governance and Management Items	Assessment
1. Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date of adoption: 27 May 2024
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Date of adoption: 15 February 2016 Community engagement guidelines are currently under review.
3. Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the act Date of adoption: 27 June 2022
4. Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act Date of adoption: 25 October 2021
5. Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act Date of adoption: 26 June 2023
6. Annual budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Council experienced a delay in the development of the budget. The 2024-25 Budget was adopted by Council on 22 July 2024
7. Risk policy (policy outlining council's commitment and approach to minimising the risks to council's operations)	Policy Date of commencement of current policy: 22 April 2024
8. Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of commencement of current policy: 26 June 2023
9. Municipal emergency management planning (council's participation in meetings of the Municipal Emergency Management Planning Committee (MEMPC))	MEMPC meetings attended by one or more representatives of Council (other than the chairperson) during the financial year Date of MEMPC meetings attended 8 December 2023 and 14 March 2024
10. Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	Adopted in accordance with section 108 of the Act Date of adoption: 31 January 2023
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)	Current plan in operation commencement 23 March 2018
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation commencement 29 June 2015
13. Complaint policy (Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints)	Developed in accordance with section 107 of the Act Date of commencement of policy: 13 December 2021
14. Workforce plan (Plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation)	Established in accordance with section 46 of the Act Date of commencement of current plan: 31 December 2021
15. Payment of rates and hardship policy (Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates)	Policy Date of commencement of current policy: 28 August 2023

Governance and Management Items	Assessment
16. Risk management framework (Framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of adoption of current framework: 22 April 2024
17. Audit and Risk Committee (Advisory committee of Council under section 53 and section 54 of the Act whose role is to monitor the compliance of Council policies and procedures, monitor Council's financial reporting, monitor and provide oversight on internal and external audit functions)	Established in accordance with section 53 of the Act 24 August 2020
18. Internal Audit (Independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance risk and management controls)	Engaged Date of engagement of current provider: 23 September 2019
19. Performance reporting framework (A set of indicators measuring financial and non-financial performance indicators referred to in section 98 of the Act)	Date of current framework: 30 June 2022
20. 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)	Reports Date of reports: 27 November 2023, 26 February 2023 and 27 May 2024
21. Quarterly budget reports (Quarterly reports presented to Council under section 97 of the Act comparing actual and budgeted results and an explanation of any material variations)	Reports presented to Council in accordance with section 97(1) of the Act Dates presented: 27 November 2023, 26 February 2024 and 27 May 2024
22. Risk reports (Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies.)	Reports: Date of reports: 20 September 2023 and 21 March 2024
23. Performance reports (Six-monthly reports of indicators measuring results against financial and non-financial performance including the performance indicators referred to in section 98 of the Act 2020.)	Reports: Dates presented: 27 November 2023, 26 February 2024 and 27 May 2024
24. Annual Report (Annual report under sections 98, 99 and 100 of the Act 2020 to the community containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 100 of the Act Date of presentation: 23 October 2023
25. Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act Date reviewed: 24 July 2023
26. Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of review: 25 September 2023 and 25 March 2024
27. Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules adopted: 26 June 2023

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



Craig Niemann

Interim Chief Executive Officer

Dated: 10 October 2024



Cr Robyn Gulline

Mayor

Dated: 10 October 2024

Statutory information

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

Documents available for public inspection

In accordance with regulation 12 of the Local Government (General) Regulations 2015 the following are prescribed documents that are available for public inspection or copies of the documents can be obtained for the purposes of section 222 of the Act:

- a document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by Councillor or any member of Council staff in the previous 12 months
- minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act
- a document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease
- a register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- a list of donations and grants made by Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Contracts

Council contracts greater than a value of \$150,000, conduct strategic reviews to determine:

- whether the service is still required
- the strategic approach for delivering and providing the service
- how the service aligns to Council's strategic objectives
- analysis of the supplier market
- the best procurement methodology and delivery
- Council awarded 16 tenders in 2023-2024, covering the following service categories:
 - community services
 - consultancy and other work
 - capital and infrastructure works
 - operational services
 - plant and equipment
 - technology

Council did not enter any other contracts valued at \$150,000 or more for goods or services without engaging in a competitive process.

Disability Access and Inclusion Plan

In accordance with section 38(3) of the *Disability Act 2006*, as Council has prepared a Disability Action Plan it must report on the implementation of the Disability Action Plan in its annual report.

Council has prepared a Disability Access and Inclusion Plan and implemented the following actions:

- Establish a Disability Advisory Committee to provide feedback on key Council projects, policies and processes.
- Staff working on community-facing projects are required to engage with people with lived experience of disability on a regular basis through the Disability Advisory Committee or other external advocacy groups.
- Recognise and celebrate International Day of People with a Disability and Carers Week.
- Improve the accessibility of Council's website and content, complying with accessibility standards.
- Coordinate and deliver staff training on providing inclusive and accessible customer support.
- Organise Universal Design Training for appropriate Council staff to participate in.
- Continue the development of design specifications for amenities to ensure best practice accessibility.
- Support local businesses to become more inclusive by considering physical access, communication, disability awareness and inclusive employment.

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994* Section 68a, Council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report.

Council adopted the Domestic Animal Management Plan 2022–2025 in June 2022. The plan was prepared in consultation with the Domestic Animal Management Advisory Group, and extensive public engagement in accordance with the requirements and responsibilities under Section 68A of the Act and with reference to the Council Plan and Council Local Laws.

In the 2023-2024 financial year Council made significant progress towards the achieving the actions identified in the Domestic Animal Management Plan which are listed below:

- Reviewed all processes to ensure best practices and transparency in investigations.
- Supported a desexing clinic organised by Phoenix Animal Rescue, resulting in 60 cats being desexed and microchipped, with free registration provided.
- Conducted a review of inadequate animal related signage along the riverfront.
- Educated the community about dog expectations in public places through media channels.
- Used social media to reunite impounded animals with their owners, reducing euthanasia rates.
- Applied for funding to desex animals in hotspot areas, promoting responsible pet ownership.

Statutory information *continued...*

Food Act Ministerial directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report. No such Ministerial Directions were received by Council during the financial year.

Road Management Act Ministerial direction

In accordance with section 22 of the *Road Management Act 2004*, a Council must publish a copy or summary of any Ministerial direction in its annual report. No such Ministerial Directions were received by Council during the financial year.

Infrastructure Development Contributions

In accordance with sections 46GM and 46QD of the *Planning and Environment Act 1987*, a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. No such contributions were received by Council during the financial year.

Council's financial position continues to remain sound. A summary of our performance is outlined below with detailed information relating to council's financial performance included within the financial statements and performance statement sections of this report.

Freedom of information

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982*, Council is required to publish certain statements in their annual report or separately such as on its website, concerning its functions and information available.

Council has chosen to publish the statements separately however provides the following summary of the application and operation of the *Freedom of Information Act 1982*.

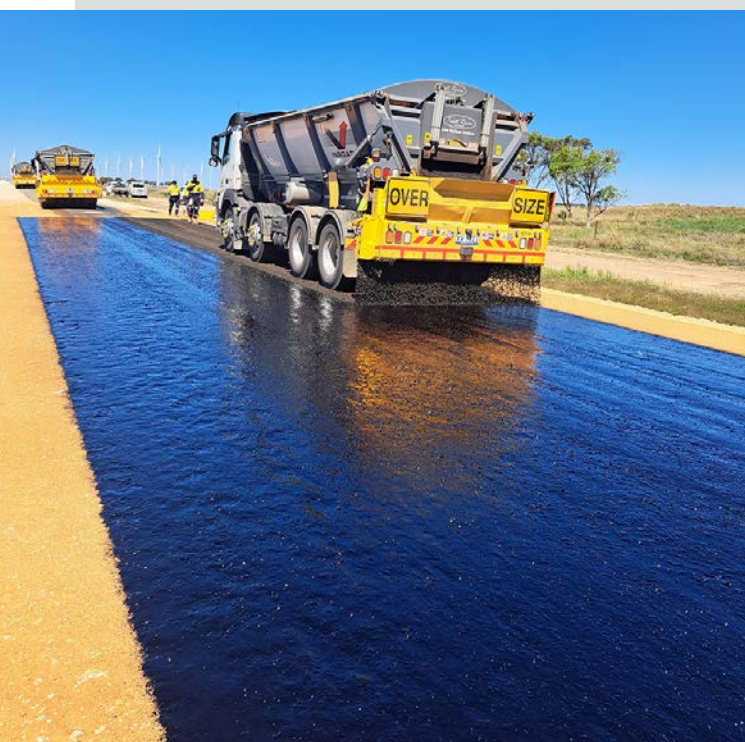
Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the *Freedom of Information Act 1982* and in summary as follows:

- it should be in writing
- it should identify as clearly as possible which document(s) is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of Council should be addressed to the Team Leader Information Management. Requests can also be lodged online or by email.

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

Further information regarding FOI can be found at www.foi.vic.gov.au and on the Horsham Rural City Council's website.





Protected disclosure procedures

In accordance with section 69 of the *Protected Disclosure Act 2012* a Council must include in their annual report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

The *Protected Disclosure Act 2012* 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. Procedures on how to make a disclosure are publicly available Council's website.

During the 2023 - 2024 financial year, no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.



Financial summary

Operating Position

Council achieved an operating deficit of \$5.194 million in 2023-2024. This deficit compares to the prior year operating surplus of \$6.392 million. This variance is due partly to the timing of financial assistance grants received from the Commonwealth Government. In other years, these grants have been prepaid requiring Council to recognise them in the year received rather than the year they relate to. The amount of grants received for 2023-2024 was \$7.6m with funds receipted in the 2022-2023 financial year and therefore captured in last year's annual report.

Other factors accounting for the deficit included \$4m of works carried out to restore previously damaged infrastructure assets during natural disasters. These works increased materials and services costs substantially. The write-off of the residual value of renewed assets was also higher than the prior year (\$2.582m compared to \$0.671m respectively).

Asset revaluations were also undertaken during the year resulting in an adjustment of \$22.8m compared to the prior year of \$62.8m. The assets impaired (\$7.673m) in the 2022-2023 year were reversed in the 2023-2024 year. The combined result being a comprehensive result of \$25.292 million surplus for the year compared to \$61.438 million in the prior year.

Council's underlying result (the operating result after removing non-recurrent capital grants, contributions to capital works and the gain on disposal of assets) was a deficit of \$17.849m compared to \$2.838m in the 2022-2023 year. These items of revenue distort the operating statement as they are for specific purposes related to one-off transactions and not of a repetitive or operating nature.

The below graph demonstrates Council's underlying result for the past 4 years noting the current reporting year is substantially more than the prior years for the reasons outlined above. Ideally, Council would have a ratio >0% to demonstrate they are able to fund operational expenses from underlying revenue.

Adjusted Underlying Result Ratio %

2020-21	2021-22	2022-23	2023-24
-1.22%		-5.01%	
	-11.15%		
			-34.77%

[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100

Financial summary *continued...*

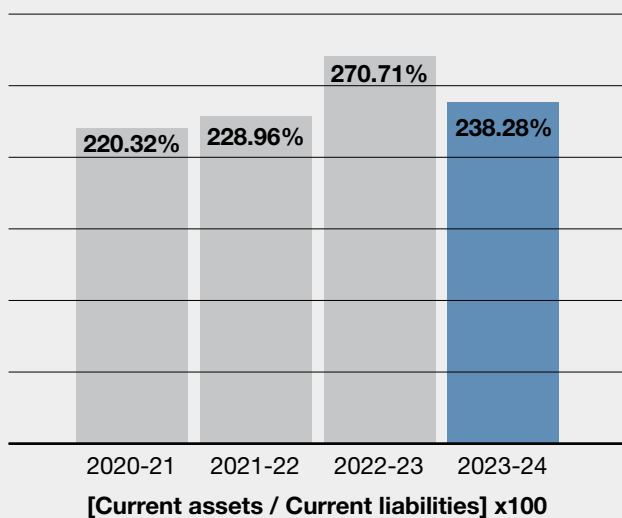
Liquidity/Working Capital

Total Cash has decreased by \$14.287m from the prior year. This has been predominantly due to ongoing progress of planned capital works, which are funded from retained cash as well as grant funds and reserves, coupled with less revenue in the year (see note regarding receipt of financial assistance grants). Council also completed substantial restorative works for impaired assets (over \$4m) which had not been reimbursed from the State Government at year end. This amount is part of trade and other receivables which is higher than the previous year.

The Liquidity Ratio or Working Capital Ratio presented below reflects an assessment of council's ability to meet its current commitments. The ratio is calculated by measuring council's current assets as a percentage of its current liabilities.

Council's result of 238.28% is an indicator of a satisfactory financial position and is above the expected target band of 120% to 200%.

Liquidity Ratio %



Obligations

Council aims to ensure that it can maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community.

Council invested \$12.993m in renewal works during the 2023-2024 year. A further \$6.250m was invested in upgraded or new assets taking the total capital expenditure to \$19.243m.

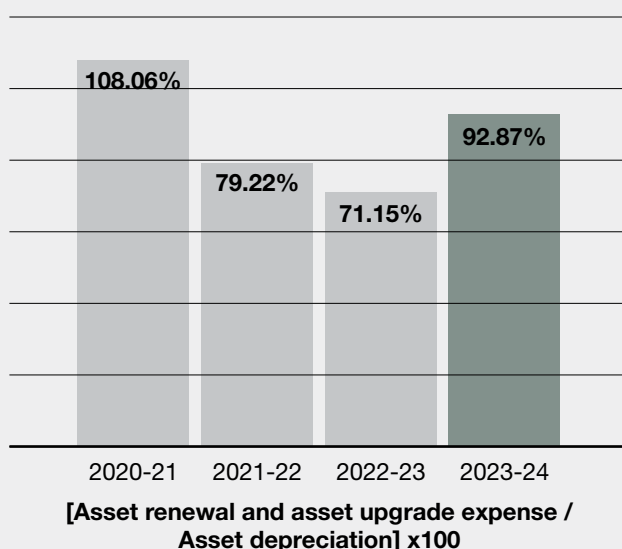
This was funded from \$11.881m in grants, \$3.166m of specific purpose reserves and \$0.401m in contributions, with the remaining \$3.795m from retained cash from prior years.

Council's asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 92.87%. This is within the expected target band of 90%-110%.

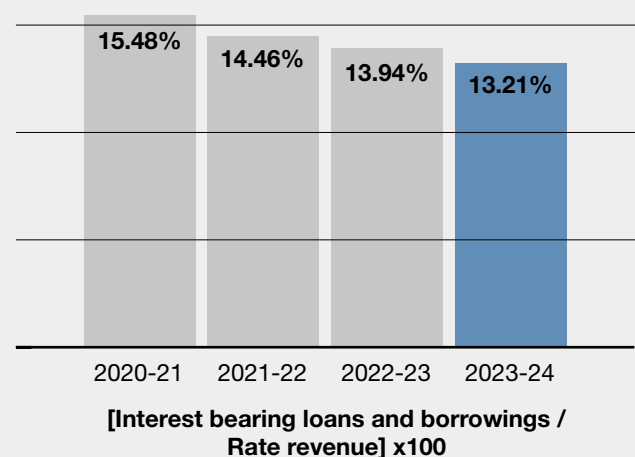
Council did not borrow during the financial year and has no immediate plans to borrow. Outstanding borrowings at year end were \$4.305m against an interest only loan until the 2025-2026 year when the loan will be repaid in full. Council has been setting aside funds in a reserve to make this repayment.

At the end of the 2023-2024 financial year council's debt ratio, which is measured by comparing interest bearing loans and borrowings to rate revenue, was 13.21%. This was well below the expected target band of 20%-60%.

Asset Renewal Ratio %



Loans & Borrowings Ratio %



Financial summary *continued...*

Stability and efficiency

Council collects a wide range of revenues including rates, user fees, fines, grants and contributions. Of these, Council's rates concentration (a comparison of rate revenue to adjusted underlying revenue) was 63.47% for the 2023-2024 year which is within the expected target band of 40%-80%.

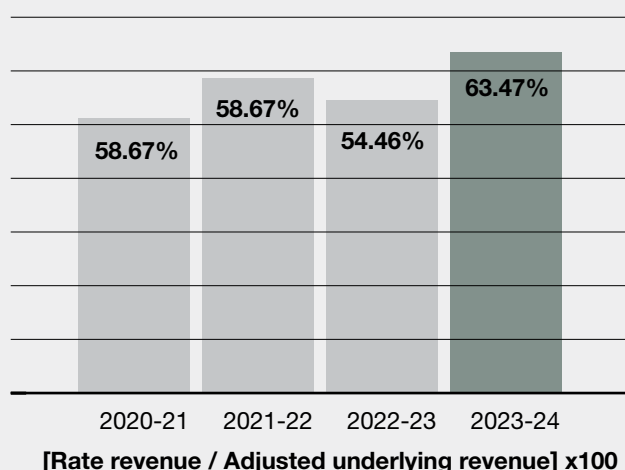
Council continues to generate rates in accordance with the Ministerial Rate Capping mechanism. However, noting property values are increasing at a rate higher than this percentage, rate revenue as a % of the Capital improved values of rateable properties is decreasing.

Economic Factors

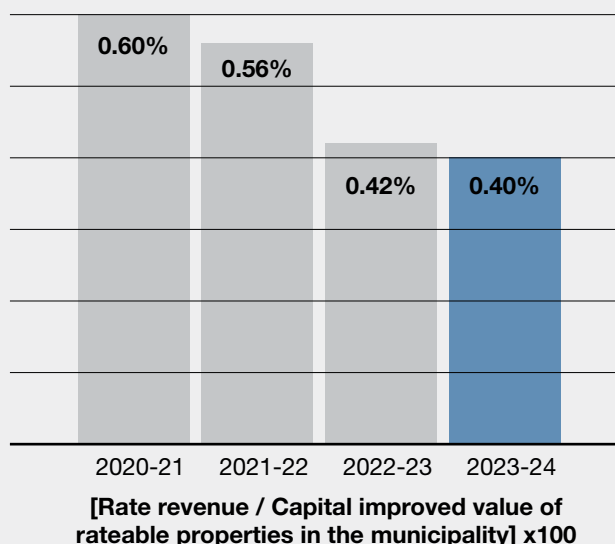
Horsham's profile as a regional city and service centre to the surrounding area continues to place pressure on Council to provide high quality assets and services despite the absence of increased revenue sources to support these needs.

Council also continues to be faced with the challenges of availability of resources coupled with the escalating costs of materials required to deliver both operational programs and capital works resulting in delayed delivery. This has been particularly evident with the cost and completion of contracted large scale construction projects.

Rates Concentration Ratio %



Rates Effort Ratio %







Horsham Rural City Council



ANNUAL PERFORMANCE REPORT

For the Year Ended 30 June 2024

Performance Statement

For the year ended 30 June 2024

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Horsham Rural City Council
2023/2024 Performance Statement

Certification of the Performance Statements

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



Belinda Johnson, CPA, BComm
Chief Financial Officer

Dated : 10 October 2024
 Horsham

In our opinion, the accompanying performance statement of the Horsham Rural City Council for the year ended 30 June 2024 presents fairly the result of Council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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

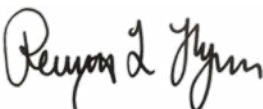
At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statements to be misleading or inaccurate.

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



Cr Robyn Gulline
Councillor

Dated : 10 October 2024
 Horsham



Cr Penny Flynn
Councillor

Dated : 10 October 2024
 Horsham



Craig Niemann
Interim Chief Executive Officer

Dated : 10 October 2024
 Horsham

Horsham Rural City Council
2023/2024 Performance Statement

<INSERT VAGO REPORT - PAGE 1>

Horsham Rural City Council
2023/2024 Performance Statement

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Performance Statement

For the year ended 30 June 2024

Section 1 - Description of municipality

Horsham Rural City is a regional city in the Wimmera Southern Mallee region of Western Victoria. The Wimmera Southern Mallee encompasses 20 percent of the area of Victoria and only 1 percent of the population. Horsham Rural City Council has an estimated residential population of 20,429 people (2021). Approximately three quarters of residents live within the urban area of Horsham.

Horsham is a hub in the Wimmera for health care, niche retail, community services and arts and culture opportunities. A dryland and broad acre agricultural municipality, Horsham is home to the Grains Innovation Park (a nationally acclaimed agricultural research centre) and quality educational facilities including private and public secondary colleges, a university and an agricultural college.

The municipality also has a rich indigenous history and an abundance of diverse natural assets including recreational lakes, wetlands, the Wimmera River, Mount Arapiles and the Wartook Valley with the Grampians National Park nearby.

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

Localities covered with the authority boundaries include:

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

Section 2 - Service Performance Indicators

			Results			
	2021	2022	2023	2024		Comment
Service / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.03	4.17	5.05	N/A	5.18	Utilisation of the aquatic facilities has gradually increased compared to previous years.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	0%	0%	N/A	0%	No animal management prosecutions in 2023-24.
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	76.47%	70.00%	100.00%	N/A	59.50%	Due to resourcing constraints Council were unable to complete all food notifications.
Governance Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement.]	48	53	43	54	43	Council are continuing to explore opportunities to improve engagement with the community.
Libraries Participation <i>Library membership</i> [Number of registered library members / Population] x100	#N/A	#N/A	#N/A	N/A	19.10%	New indicator.
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	91.31%	85.91%	90.58%	N/A	88.56%	
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	97.30%	89.13%	93.55%	N/A	90.91%	
Roads Condition <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	99.30%	99.55%	100.00%	98.00%	98.71%	
Statutory Planning Service standard <i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	78.49%	100.00%	100.00%	100.00%	93.51%	Council discovered an error in their data source for the prior years. Recalculated ratios would be 2021-22:93.75% and 2022-23:93.92%. The current year is therefore on trend with prior years.
Waste Management Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	19.91%	19.07%	25.90%	40.00%	48.63%	The introduction of an additional 2 kerbside recycling services has led to a reduction of kerbside waste being sent to landfill.

Section 3 - Financial Performance Indicators

	Results			Forecasts						
	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,354.31	\$4,339.08	\$4,579.62	\$4,374.00	\$5,322.08	\$4,852.46	\$4,945.46	\$5,015.77	\$5,109.54	Council's expenses increased due to the cost of delivering services, increased depreciation following asset revaluations and the write off of disposed assets.
Revenue level <i>Average rate per property assessment</i> [Sum of all general rates and municipal charges / Number of property assessments]	\$1,914.08	\$1,965.38	\$2,032.15	N/A	\$2,123.23	\$2,185.23	\$2,246.00	\$2,308.38	\$2,372.62	
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	220.32%	228.96%	270.71%	210.00%	238.28%	150.04%	153.03%	149.34%	120.49%	Decrease in working capital for reporting year is largely reflective of the planned consumption of cash for the funding of the expanded capital works program.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	-45.88%	-32.14%	79.66%	N/A	29.68%	131.48%	120.17%	115.93%	87.18%	Council is consuming cash - both general funds and reserve funds (which are cash backed) to fund the expanded capital works program whilst liabilities have remained steady.
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	15.48%	14.46%	13.94%	N/A	13.21%	12.78%	0.00%	0.00%	3.72%	
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.39%	1.05%	0.55%	N/A	0.52%	0.51%	12.66%	0.00%	0.08%	
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	23.01%	26.80%	22.29%	N/A	20.25%	10.92%	13.45%	12.72%	15.36%	
Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	108.06%	79.22%	71.15%	127.00%	92.87%	100.71%	106.21%	124.41%	136.15%	Council has delivered a higher level of capital works in the renewal/upgrade programs compared to the increase in depreciation expense. Future years will be recalculated during preparation of the next long term financial plan in 2024/25.
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-1.22%	-11.15%	-5.01%	N/A	-34.77%	-8.86%	-3.74%	-0.38%	-2.61%	Timing of Financial Assistance Grants (nil received in 2023/24) has significantly impacted this indicator. Council will be reviewing its long term financial plan and important financial indicators and measures in the coming 12 months.
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	51.22%	58.67%	54.46%	60.00%	63.47%	58.14%	55.95%	54.94%	56.76%	Timing of Financial Assistance Grants (nil received in 2023/24) has significantly impacted this indicator. Council will be reviewing its long term financial plan and important financial indicators and measures in the coming 12 months.
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.60%	0.56%	0.42%	N/A	0.40%	0.37%	0.38%	0.39%	0.40%	

Horsham Rural City Council
2023/2024 Performance Statement

Section 4 - Sustainable Capacity Indicators

Indicator / Measure [Formula]	Results				Comment
	2021	2022	2023	2024	
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,827.76	\$2,825.91	\$2,928.86	\$3,405.71	Council's expenses increased due to the cost of delivering services, increased depreciation following asset revaluations and the write off of disposed assets whilst the population has remained stagnant.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$24,432.96	\$26,502.28	\$28,796.77	\$30,344.43	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	6.86	6.69	6.81	6.80	
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,852.98	\$1,918.44	\$2,045.98	\$2,217.47	
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$526.03	\$559.94	\$626.31	\$175.19	Timing of Financial Assistance Grants (nil received in 2023/24) has significantly impacted this indicator.
Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	4.00	4.00	4.00	4.00	
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	24.8%	22.0%	15.2%	14.7%	

Section 5.1 - 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, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the *Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2024-25 to 2027-28 by the council's financial plan.

The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

Horsham Rural City Council
2023/2024 Performance Statement

Section 5.2 - Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the <i>Aboriginal Heritage Act 2006</i>
adjusted underlying revenue	means total income other than:
	· non-recurrent grants used to fund capital expenditure; and
	· non-monetary asset contributions; and
	· contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
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
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , 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
non-current liabilities	means all liabilities other than current liabilities
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
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, 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
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

Section 5.3 - Other Matters

There were no significant overarching events impacting the performance statement.

Horsham Rural City Council



ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2024

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Horsham Rural City Council
2023/2024

Certification of the Financial Statements

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



Belinda J Johnson, CPA, B Comm
Chief Financial Officer

Dated : 10 October 2024
Horsham

In our opinion, the accompanying financial statements present fairly the financial transactions of the Horsham Rural City Council for the year ended 30 June 2024 and the financial position of the Council as at that date.

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

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



Cr Robyn Gulline
Councillor

Dated : 10 October 2024
Horsham



Cr Penny Flynn
Councillor

Dated : 10 October 2024
Horsham



Craig Niemann
Interim Chief Executive Officer

Dated : 10 October 2024
Horsham

Horsham Rural City Council
2023/2024

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Horsham Rural City Council
2023/2024

Comprehensive Income Statement For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income / Revenue			
Rates and charges	3.1	32,584	30,877
Statutory fees and fines	3.2	1,164	480
User fees	3.3	6,692	7,118
Grants - operating	3.4	4,848	13,680
Grants - capital	3.4	11,881	7,040
Contributions - monetary	3.5	401	365
Contributions - non monetary	3.5	1,815	3,253
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	636	1,092
Fair value adjustments for investment property	6.4	95	-
Other income	3.7	3,877	2,459
Total income / revenue		63,993	66,364
Expenses			
Employee costs	4.1	23,163	19,513
Materials and services	4.2	25,977	22,598
Depreciation	4.3	16,317	15,577
Amortisation - intangible assets	4.4	330	330
Depreciation - right of use assets	4.5	55	55
Allowance for impairment losses	4.6	123	137
Borrowing costs	4.7	172	181
Finance costs - leases	4.8	8	10
Share of net loss of associates and joint ventures	6.3	63	436
Written down value of assets disposed	3.6	2,582	671
Other expenses	4.9	397	464
Total expenses		69,187	59,972
Surplus/(deficit) for the year		(5,194)	6,392
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.2	22,813	62,719
Net impairment of revalued assets increment/(decrement)	6.2	7,673	(7,673)
Total other comprehensive income		30,486	55,046
Total comprehensive result		25,292	61,438

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

Horsham Rural City Council
2023/2024

Balance Sheet As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	4,566	12,853
Trade and other receivables	5.1	6,868	1,682
Other financial assets	5.1	21,000	27,000
Inventories	5.2	217	253
Prepayments	5.2	468	318
Non-current assets classified as held for sale	6.1	79	134
Other assets	5.2	3,459	1,436
Total current assets		36,657	43,676
Non-current assets			
Trade and other receivables	5.1	418	413
Investments in associates, joint arrangements and subsidiaries	6.3	1,022	1,939
Property, infrastructure, plant and equipment	6.2	665,493	633,272
Right-of-use assets	5.8	219	274
Investment property	6.4	2,650	2,520
Intangible assets	5.2	1,020	990
Total non-current assets		670,822	639,408
Total assets		707,479	683,084
Liabilities			
Current liabilities			
Trade and other payables	5.3	7,016	4,370
Trust funds and deposits	5.3	823	693
Contract and other liabilities	5.3	892	4,517
Provisions	5.5	6,597	6,500
Lease liabilities	5.8	56	54
Total current liabilities		15,384	16,134
Non-current liabilities			
Provisions	5.5	4,639	4,730
Interest-bearing liabilities	5.4	4,305	4,305
Lease liabilities	5.8	179	236
Total non-current liabilities		9,123	9,271
Total liabilities		24,507	25,405
Net assets		682,972	657,679
Equity			
Accumulated surplus		244,106	250,225
Discretionary Reserves	9.1	18,929	18,004
Reserves	9.1	419,937	389,450
Total Equity		682,972	657,679

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

Horsham Rural City Council
2023/2024

Statement of Changes in Equity For the Year Ended 30 June 2024

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2024					
Balance at beginning of the financial year		657,679	250,225	389,450	18,004
Surplus/(deficit) for the year		(5,194)	(5,194)	-	-
Net asset revaluation gain/(loss)	6.2	30,487	-	30,487	-
Transfers to other reserves	9.1	-	3,166	-	(3,166)
Transfers from other reserves	9.1	-	(4,091)	-	4,091
		<u>682,972</u>	<u>244,106</u>	<u>419,937</u>	<u>18,929</u>
Balance at end of the financial year		682,972	244,106	419,937	18,929

		Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Discretionary Reserves \$'000
2023					
Balance at beginning of the financial year		596,242	244,996	334,405	16,841
Surplus/(deficit) for the year		6,392	6,392	-	-
Net asset revaluation gain/(loss)	6.2	55,045	-	55,045	-
Transfers to other reserves	9.1	-	4,827	-	(4,827)
Transfers from other reserves	9.1	-	(5,990)	-	5,990
		<u>657,679</u>	<u>250,225</u>	<u>389,450</u>	<u>18,004</u>
Balance at end of the financial year		657,679	250,225	389,450	18,004

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

Horsham Rural City Council

2023/2024

Statement of Cash Flows For the Year Ended 30 June 2024

		2024	2023
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Rates and charges		32,204	30,801
Statutory fees and fines		973	590
User fees		6,185	7,696
Grants - operating		1,134	13,199
Grants - capital		6,864	6,091
Contributions - monetary		408	365
Interest received		72	723
Rent		-	333
Trust funds and deposits taken		130	-
Other receipts		2,874	1,318
Net GST refund/payment		-	1,662
Employee costs		(22,679)	(20,097)
Materials and services		(23,528)	(24,881)
Other payments		(449)	(1,361)
Net cash provided by/(used in) operating activities		4,188	16,439
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(19,306)	(17,311)
Proceeds from sale of property, infrastructure, plant and equipment		1,065	2,057
Proceeds from sale of investments		6,000	2,600
Net cash provided by/(used in) investing activities		(12,241)	(12,654)
Cash flows from financing activities			
Finance costs		(171)	(181)
Repayment of borrowings		-	11
Interest paid - lease liability		(8)	(54)
Repayment of lease liabilities		(55)	(53)
Net cash provided by/(used in) financing activities		(234)	(277)
Net increase (decrease) in cash and cash equivalents		(8,287)	3,508
Cash and cash equivalents at the beginning of the financial year		12,853	9,345
Cash and cash equivalents at the end of the financial year		4,566	12,853

Financing arrangements

5.6

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

Horsham Rural City Council

2023/2024

Statement of Capital Works For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Property			
Land		-	-
Works in Progress		-	200
Total land		-	200
Buildings		1,916	626
Works in Progress		2,682	2,148
Total buildings		4,598	2,774
Total property		4,598	2,974
Plant and equipment			
Plant, machinery and equipment		2,274	2,042
Fixtures, fittings and furniture		78	136
Art Collection		9	232
Library books		81	-
Work in Progress		39	40
Total plant and equipment		2,481	2,450
Infrastructure			
Roads		7,569	3,088
Bridges		-	59
Footpaths and cycleways		475	312
Drainage		130	45
Recreational, leisure and community facilities		1,198	88
Waste management		452	-
Parks, open space and streetscapes		473	1,088
Aerodromes		31	334
Off street car parks		53	16
Other infrastructure		160	150
Work in Progress		1,623	6,707
Total infrastructure		12,164	11,887
Total capital works expenditure		19,243	17,311
Represented by:			
New asset expenditure		4,090	6,228
Asset renewal expenditure		12,993	8,183
Asset upgrade expenditure		2,160	2,900
Total capital works expenditure		19,243	17,311

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

Horsham Rural City Council

2023/2024

Notes to the Financial Report For the Year Ended 30 June 2024

Note 1 OVERVIEW

Introduction

The Horsham Rural City Council was established by an Order of the Governor in Council on 20th January 1995 and is a body corporate. The Council's main office is located at 18 Roberts Avenue Horsham.

Statement of compliance

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

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

Accounting policy information

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

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

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

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

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

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

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

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

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Horsham Rural City Council

2023/2024

Notes to the Financial Report For the Year Ended 30 June 2024

Note 2 ANALYSIS OF OUR RESULTS

2.1 Performance against budget

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

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

2.1.1 Income / Revenue and expenditure

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	32,636	32,584	(52)	(0.2)	
Statutory fees and fines	539	1,164	625	116.0	1
User fees	6,212	6,692	480	7.7	2
Grants - operating	9,563	4,848	(4,715)	(49.3)	3
Grants - capital	8,257	11,881	3,624	43.9	4
Contributions - monetary	509	401	(108)	(21.2)	
Contributions - non monetary	410	1,815	1,405	342.7	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	1,415	636	(779)	(55.1)	6
Fair value adjustments for investment property	21	95	74	352.4	
Share of net profits/(losses) of associates and joint ventures	32	-	(32)	(100.0)	
Other income	2,355	3,877	1,522	64.6	7
Total income / revenue	61,949	63,993	2,044	3.3	
Expenses					
Employee costs	22,724	23,163	(439)	(1.9)	8
Materials and services	19,837	25,977	(6,140)	(31.0)	9
Depreciation	12,554	16,317	(3,763)	(30.0)	10
Amortisation - intangible assets	261	330	(69)	(26.4)	
Depreciation - right of use assets	56	55	1	2.1	
Allowance for impairment losses	65	123	(58)	(88.9)	
Borrowing costs	171	172	(1)	(0.5)	
Finance costs - leases	11	8	3	26.4	
Share of net profits/(losses) of associates and joint ventures	-	63	(63)	-	
Other expenses	388	397	(9)	(2.2)	
Written down value of assets disposed	-	2,582	(2,582)	-	11
Total expenses	56,067	69,187	(13,120)	(23.4)	
Surplus/(deficit) for the year	5,882	(5,194)	(11,076)	(188.3)	

Horsham Rural City Council

2023/2024

Notes to the Financial Report For the Year Ended 30 June 2024

(i) Explanation of material variations

NOTE: During the year, Council implemented a new financial management system. At this time, Council recategorised some revenues and expenses to more accurately reflect their line item categorisation. Whilst the total has remained the same, some variances between budget categories and actual categories has occurred.

- 1 Council received higher than anticipated revenue for the following statutory fees and fines - dog and cat infringements, swimming pool inspection fees, animal collection fees, parking fees and local laws infringements.
- 2 Fees associated with the operation of the Horsham Town Hall were not budgeted correctly to reflect the level of service offered (\$523k), the remaining variance is a multitude of minor variances.
- 3 Council budgeted to receive \$7.2m from the Federal Financial Assistance Grants in the 2023/24 year. This amount was paid in June 2023 and therefore recognised as revenue in the 2022/23 financial year. This is offset by \$1.6m of grant revenue associated with the Rural Councils Corporate Collaboration Project which was held in unperformed contracts.
- 4 Council did not received funding in relation to an aerodrome lighting upgrade (\$196k) or the Wesley PAC refurbishment (\$1.4m) in 2023/24, however additional grant funding was received in relation to the aquatic centre changerooms (\$222k), Local Road and Community Infrastructure Projects (\$1.421m), waste stream collection points (\$334k) and flood restoration works (\$4.021m).
- 5 Donated assets are from the following classes: Drainage (\$735k), Roads (\$727k), Footpaths (\$216k) and Kerb and Channel (\$88k). Other immaterial donations were received for open space assets, art works and library materials.
- 6 Council estimated gains on specific asset sales. Whilst some asset sales were not achieved, thereby no gain made on their sale, Council did achieve a \$577k gain on the sale of land and \$59k gain on the sale of plant, equipment and other minor assets.
- 7 Council received interest of \$821k more than budgeted due to higher than anticipated cash holdings throughout the year and higher interest rates than expected. Additional revenue was received in relation to workers compensation reimbursements (\$245k) and the adjustment to landfill provision was \$545k. These were offset by less than anticipated revenue from external works (\$273k).
- 8 Employee costs were generally in accordance with budget. The movement relates to a number of minor variations and the amount of wages distributed between operating and capital expenses.
- 9 The main variation between budget and actual was the works carried out to remediate assets impacted by floods. These works were not budgeted and do not form part of capital expenses. These works amounted to \$4.1m. The other major unbudgeted expense was the software licence and support included as part of the Rural Councils Corporate Collaboration Project. These amounted to \$1.489m.
- 10 The 2023/24 depreciation budget was estimated in early 2023 based on the known asset values as at 30 June 2022. Since that time, Council revalued infrastructure assets late in the 2022/23 year (after the budget had been set) and again in the 2023/24 year. i.e. the estimated depreciation did not take into account the impact of these revaluations on depreciation expense.
- 11 Council writes off the residual value of infrastructure assets which have been reconstructed during the year. This amount is not budgeted as it is not easily able to be measured reliably due to various factors affecting deterioration.

Horsham Rural City Council
2023/2024

Notes to the Financial Report For the Year Ended 30 June 2024

2.1.2 Capital works

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	2,505	-	(2,505)	(100)	1
Total land	2,505	-	(2,505)	(100)	
Buildings	7,863	1,916	(5,947)	(76)	2
Works in Progress	-	2,682	2,682	-	
Total buildings	7,863	4,598	(3,265)	(42)	
Total property	10,368	4,598	(5,770)	(56)	
Plant and equipment					
Heritage plant and equipment	-	-	-	-	
Plant, machinery and equipment	2,720	2,274	(446)	(16)	3
Fixtures, fittings and furniture	231	78	(153)	(66)	
Art Collection	-	9	9	-	
Library books	-	81	81	-	
Works in Progress		39	39	-	
Total plant and equipment	2,951	2,481	(470)	(16)	
Infrastructure					
Roads	6,848	7,569	721	11	4
Bridges	214	-	(214)	(100)	
Footpaths and cycleways	429	475	46	11	
Drainage	144	130	(14)	(10)	
Recreational, leisure and community facilities	881	1,198	317	36	
Waste management	54	452	398	736	
Parks, open space and streetscapes	185	473	288	156	
Aerodromes	258	31	(227)	(88)	
Off street car parks	54	53	(1)	(1)	
Other infrastructure	475	160	(315)	(66)	
Works in Progress		1,623	1,623	-	
Total infrastructure	9,542	12,164	2,622	27	
Total capital works expenditure	22,861	19,243	(3,618)	(0)	
Represented by:					
New asset expenditure	6,877	4,090	(2,787)	(41)	
Asset renewal expenditure	12,039	12,993	954	8	
Asset upgrade expenditure	3,945	2,160	(1,785)	(45)	
Total capital works expenditure	22,861	19,243	(3,618)	(16)	

Horsham Rural City Council

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Notes to the Financial Report For the Year Ended 30 June 2024

(i) Explanation of material variations

Variance Ref	Item	Explanation
1		Council budgeted to complete 3 land purchases, unfortunately these were not able to be completed and will be carried forward into the next financial year.
2		Council budgeted to construct changerooms and clubrooms at City Oval (\$2.1m), these two projects had not started at year end. The Wesley PAC refurbishment project had also not commenced as this is dependant on external funding. Depot Relocation (\$545k) expenses were also not to the expected level. Of the other projects budgeted, \$2.7m was transferred to work in progress as being partially complete - mainly \$2.1m for the City Oval Events Stage.
3		Council operates a planned replacement program for its fleet. At year end, 3 items of plant which had been ordered had not arrived and are carried forward into the 2024/25 year (\$931k) this is offset by one item of plant which was not budgeted but was purchased during the year (\$456k).
4		Council aims to maximise external funding to undertake capital works. Some of these funding program run over multiple years and expenses are dependant on various issues such as climatic conditions, availability of works teams or contractors as well as materials. Therefore it is not unusual for variances to occur from year to year. In the 203/24 year, an additional \$172k was spent on Roads to Recovery Projects and \$318k on Heavy Vehicle routes. The remaining variance is the culmination of a number of smaller amounts.

NOTE: There was \$5.887m spent against the capital program which didn't meet Council's capitalisation requirements. Of this, \$4.1m related to previously impaired assets. These amounts have been expensed via the income statement.

Horsham Rural City Council

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Notes to the Financial Report For the Year Ended 30 June 2024

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Communities and Place Directorate

Communities and Place Directorate provides community care, family services, emergency management, arts and culture, performance and events, recreation and open space planning. The directorate also provides planning and building services, health and community safety, investment and attraction services, commercial operations, tourism and events.

Corporate Services Directorate

Corporate Services provides administration, management and governance of the municipality including financial services, revenue services (rates), information technology, human resource management, payroll, governance, communications, customer service and information and knowledge.

Infrastructure Directorate

Infrastructure is responsible for the maintenance and construction of new infrastructure across the municipality. This includes capital works, engineering services, project management, environmental and water, parks and gardens, emergency management, facilities management and strategic asset management.

2.3 Summary of income / revenue, expenses, assets and capital expenses by program

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Communities and Place	7,240	(15,813)	(8,573)	2,454	40,220
Corporate Services	33,615	(12,222)	21,393	3,572	39,309
Infrastructure	23,138	(41,152)	(18,014)	10,703	627,950
	63,993	(69,187)	(5,194)	16,729	707,479
	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Communities and Place	9,561	(19,389)	(9,828)	3,190	77,259
Corporate Services	35,515	(12,833)	22,682	7,412	64,380
Infrastructure	21,288	(27,750)	(6,462)	10,118	541,445
	66,364	(59,972)	6,392	20,720	683,084

Horsham Rural City Council
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Notes to the Financial Report For the Year Ended 30 June 2024

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 Rates and charges

2024 **2023**
\$'000 **\$'000**

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all its improvements.

The valuation base used to calculate general rates for 2023/24 was \$8,078 million (2022/23 \$6,905 million).

General rates	25,303	24,141
Municipal charge	2,299	2,292
Waste Management Charge	4,656	4,152
Interest on rates and charges	35	20
Revenue in lieu of rates	291	272
Total rates and charges	32,584	30,877

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2023 and the valuation was first applied in the rating year commencing 1 July 2023.

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

3.2 Statutory fees and fines

Infringements and costs	307	32
Court recoveries	96	8
Land information certificates	26	25
Local Laws - permits & licences	38	38
Town planning fees	191	252
Building fees	64	-
Health registrations	130	125
Animal registrations	312	-
Total statutory fees and fines	1,164	480

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

3.3 User fees

Administration charges	203	113
Animal control	33	560
Building fees & other charges	126	199
Fees - parking meters	190	228
Performance ticket sales*	1,364	1,215
Sporting and recreation facilities	58	86
Freight Hub user charge	-	93
Supervision of private subdivisions	143	46
Plan checking fees	43	15
Aerodrome	4	38
Saleyards	606	531
Wimmera business centre income	11	95
Rural revegetation scheme	10	8
Waste management fees	3,656	3,760
Fire hazards grass removal	16	4
Library	173	-
Other user fees	56	127
Total user fees	6,692	7,118

User fees by timing of revenue recognition

User fees recognised over time	1,364	1,215
User fees recognised at a point in time	5,328	5,903
Total user fees	6,692	7,118

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms. *Ticket income consists of ticket sales through Horsham Town Hall.

Horsham Rural City Council
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Notes to the Financial Report For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	5,252	11,841
State funded grants	11,478	8,879
Total grants received	16,730	20,720
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Commonwealth Government family and children	7	52
Financial Assistance Grant - general purpose	223	6,370
Financial Assistance Grant - local roads	123	3,399
General Home Care	-	26
<i>Recurrent - State Government</i>		
School crossing supervisors	61	59
Community services	243	240
Maternal and child health	779	659
Youth services	116	53
Library	311	200
Arts and art gallery	170	170
Environmental and landcare grants	85	75
Total recurrent operating grants	2,118	11,303
<i>Non-recurrent - Commonwealth Government</i>		
Australia Day grants	10	-
Employment schemes	15	-
<i>Non-recurrent - State Government</i>		
Rural Councils Corporate Collaboration Project	2,193	996
Australia Day grants	-	12
Community services	48	49
Flood support	-	500
Family and children	-	73
Public and community health	119	84
Youth services	36	3
Recreation	57	1
Arts and art gallery	80	74
Economic development	39	70
Aerodrome	-	239
Environmental and landcare grants	60	107
Employment schemes	3	67
Road Safety	10	-
Covid 19 grants	60	102
Total non-recurrent operating grants	2,730	2,377
Total operating grants	4,848	13,680

Horsham Rural City Council
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Notes to the Financial Report For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,428	1,428
<i>Recurrent - State Government</i>		
Premiers Reading Challenge	13	-
Total recurrent capital grants	1,441	1,428
<i>Non-recurrent - Commonwealth Government</i>		
Local Roads and Community Infrastructure	1,364	52
Physical Services	2,079	513
<i>Non-recurrent - State Government</i>		
Outdoor recreation	2,161	3,068
Halls, historic buildings & monuments	64	225
Youth services	114	-
Local roads & ancillary assets	302	951
Flood recovery	4,022	624
Caravan Park	-	126
Recycling and waste grants	334	53
Total non-recurrent capital grants	10,440	5,612
Total capital grants	11,881	7,040

(c) Recognition of grant income

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

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the point in time or over time when services are rendered.

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

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

Income recognised under AASB 1058 Income of Not-for-Profit Entities

General purpose	346	9,769
Specific purpose grants to acquire non-financial assets	11,881	7,040
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	4,503	3,911
	16,730	20,720

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

Operating

Balance at start of year	9,067	11,710
Received during the financial year and remained unspent at balance date	737	8,966
Received in prior years and spent during the financial year	(8,008)	(11,609)
Balance at year end	1,796	9,067

Capital

Balance at start of year	291	1,919
Received during the financial year and remained unspent at balance date	1,310	291
Received in prior years and spent during the financial year	(680)	(1,919)
Balance at year end	921	291

Unspent grants are determined and disclosed on a cash basis.

Horsham Rural City Council
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Notes to the Financial Report For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
3.5 Contributions		
Monetary	401	365
Non-Monetary	1,815	3,253
Total contributions	2,216	3,618

Contributions of non-monetary assets were received in relation to the following asset classes.

Land	15	183
Library Books	8	-
Art Collection	26	1
Roads	815	1,842
Footpaths and cycleways	216	440
Drainage	735	787
Total non-monetary contributions	1,815	3,253

Monetary and non-monetary contributions are recognised as income at their fair value when Council obtains control over the contributed asset.

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

Proceeds of sale	1,065	2,057
Written down value of assets disposed	(429)	(965)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	636	1,092

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

Written down value of assets written off	(2,582)	(671)
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3.7 Other income

Interest	1,421	1,051
External works	190	268
Road maintenance/works	4	3
Main roads maintenance VicRoads	507	418
Community workshop income	-	4
Art gallery	6	21
Information office	34	30
Children's hub rent	10	34
Theatre rent	11	-
Mibus centre rent	3	12
Commercial properties rent	430	230
Caravan park rent	73	69
Adjustment to landfill provision	545	-
Other	643	319
Total other income	3,877	2,459

Interest is recognised as it is earned.

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

Horsham Rural City Council

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Notes to the Financial Report For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
Note 4 THE COST OF DELIVERING SERVICES		
4.1 (a) Employee costs		
Wages and salaries	21,231	17,835
WorkCover	440	314
Superannuation	2,132	1,846
Fringe benefits tax	105	128
Less Labour costs capitalised in non-current assets constructed by Council	(745)	(610)
Total employee costs	23,163	19,513

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super) and other funds	81	103
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super) and other funds	2,050	1,743
Employer contributions payable at reporting date.	156	148

Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Contract payments (by department)		
Arts, Culture & Recreation	539	741
Community Services & Safety	230	78
Assets & Engineering	85	2,993
Finance	1	21
Governance & Information	107	92
Investment, Attraction & Growth	701	870
Management	52	86
Roads & Facilities	5,928	-
Waste & Environment	2,237	-
Operations	-	1,029
People & Safety	144	340
Strategic Asset Management	-	278
Administration expenses	2,174	1,591
Utility expenses	888	947
Contract cleaning	564	473
Advertising	237	258
Agency staff - temporary	918	1,475
Consumables	2,931	2,652
Insurance	841	775
Donations	323	333
Legal costs	259	301
Maintenance & operating expenses	5,079	5,970
Library membership	-	536
WSMD membership	232	228
Rural Councils Corporate Collaboration	1,507	531
Total materials and services	25,977	22,598

Expenses are recognised as they are incurred and reported in the financial year to which they relate. During the year Council revised its service groupings which has led to some variances between years, particularly between the service areas of assets, engineering, roads, waste and environment.

4.3 Depreciation

Property	1,373	1,348
Plant and equipment	1,607	1,471
Infrastructure	13,337	12,758
Total depreciation	16,317	15,577

Refer to note 5.2(c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

Horsham Rural City Council

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Notes to the Financial Report For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
4.4 Amortisation - Intangible assets		
Landfill Airspace	330	330
Total Amortisation - Intangible assets	330	330
4.5 Depreciation - Right of use assets		
Property	55	55
Total Depreciation - Right of use assets	55	55
4.6 Allowance for impairment losses		
Parking fine debtors	2	9
Animal fine debtors	83	128
Other debtors	38	-
Total allowance for impairment losses	123	137
Movement in allowance for impairment losses in respect of debtors		
Balance at the beginning of the year	515	409
New allowances recognised during the year	123	106
Amounts already allowed for and written off as uncollectible	(53)	-
Balance at end of year	585	515
An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.		
4.7 Borrowing costs		
Interest - Borrowings	172	171
Finance costs airspace	-	10
Total borrowing costs	172	181
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		
4.8 Finance Costs - Leases		
Interest - Lease Liabilities	8	10
Total finance costs	8	10
4.9 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	55	52
Auditors' remuneration - Internal Audit	39	23
Councillors' allowances	303	389
Total other expenses	397	464

Horsham Rural City Council
2023/2024

Notes to the Financial Report For the Year Ended 30 June 2024

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS

5.1 Financial assets

(a) Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash on hand	5	4
Cash at bank	4,561	12,849
Total cash and cash equivalents	4,566	12,853

(b) Other financial assets

Current

Term deposits	21,000	27,000
Total other financial assets	21,000	27,000
Total cash and cash equivalents and other financial assets	25,566	39,853

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

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

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

Horsham Rural City Council
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Notes to the Financial Report For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	1,684	421
Parking infringement debtors	167	134
Other infringement debtors	666	510
Allowance for expected credit loss - infringements	(551)	(498)
Net GST receivable	595	343
<i>Non statutory receivables</i>		
Loans and advances to community organisations	11	11
Other debtors	4,331	778
Allowance for expected credit loss - other debtors	(35)	(17)
Total current trade and other receivables	6,868	1,682
Non-current		
<i>Non statutory receivables</i>		
Loans and advances to community organisations	358	369
Deferred property debts receivable	60	44
Total non-current trade and other receivables	418	413
Total trade and other receivables	7,286	2,095

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) Ageing of Receivables

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

Current (not yet due)	2,720	519
Past due by up to 30 days	1,556	199
Past due between 31 and 180 days	6	1
Past due between 181 and 365 days	3	70
Past due by more than 1 year	57	-
Total trade and other receivables	4,342	789

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$585K (2023: \$515K) were impaired. The amount of the allowance raised against these debtors was \$585K (2023: \$515K). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	48	19
Past due between 181 and 365 days	97	65
Past due by more than 1 year	440	431
Total trade & other receivables	585	515

Horsham Rural City Council

2023/2024

Notes to the Financial Report For the Year Ended 30 June 2024

5.2 Non-financial assets**(a) Inventories**

	2024	2023
	\$'000	\$'000
Inventories held for distribution	217	253
Total inventories	217	253

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

(b) Other assets

Prepayments	468	318
Accrued income	3,459	1,436
Total other assets	3,927	1,754

(c) Intangible assets

Library eAudiobooks	360	-
Landfill air space	1,320	1,320
less amortisation	(660)	(330)
Total intangible assets	1,020	990

Gross carrying amount

	Library \$'000	Landfill \$'000	Total \$'000
Balance at 1 July 2023	-	1,320	1,320
Other additions	360	-	360
Balance at 30 June 2024	360	1,320	1,680

Accumulated amortisation and impairment

Balance at 1 July 2023	-	(330)	(330)
Amortisation expense	-	(330)	(330)
Balance at 30 June 2024	-	(660)	(660)

Net book value at 30 June 2023	-	990	990
Net book value at 30 June 2024	360	660	1,020

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

Horsham Rural City Council

2023/2024

Notes to the Financial Report For the Year Ended 30 June 2024

5.3 Payables, trust funds and deposits and contract and other liabilities

(a) Trade and other payables	2024	2023
Current	\$'000	\$'000
<i>Non-statutory payables</i>		
Trade payables	6,836	4,181
Accrued expenses	3	3
<i>Statutory payables</i>	177	186
Total current trade and other payables	7,016	4,370

(b) Trust funds and deposits

Current		
Refundable deposits	75	502
Trust funds held for other bodies	325	-
Retention amounts	143	-
Other refundable deposits	280	191
Total current trust funds and deposits	823	693

(c) Contract and other liabilities**Contract liabilities**

Current		
Grants received in advance - operating	802	3,039
Grants received in advance - capital	-	1,366
Other	90	112
Total contract liabilities	892	4,517

Trust funds and deposits

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

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of unearned grants. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Purpose and nature of items

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

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

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

Horsham Rural City Council

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Notes to the Financial Report For the Year Ended 30 June 2024

5.4 Interest-bearing liabilities	2024	2023
	\$'000	\$'000
Current		
Borrowings - secured	-	-
Total current interest-bearing liabilities	-	-
Non-Current		
Borrowings - secured	4,305	4,305
Total non-current interest-bearing liabilities	4,305	4,305
Total	4,305	4,305

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

(a) The maturity profile for Council's borrowings is:

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

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

5.5 Provisions

	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
2024			
Balance at beginning of the financial year	5,145	6,085	11,230
Additional provisions	2,740	(545)	2,195
Amounts used	(2,190)	34	(2,156)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	(33)	(33)
Balance at the end of the financial year	5,695	5,541	11,236
<i>Provisions - current</i>	5,111	1,486	6,597
<i>Provisions - non-current</i>	584	4,055	4,639
2023			
Balance at beginning of the financial year	5,491	6,451	11,942
Additional provisions	2,519	(355)	2,164
Amounts used	(2,808)	147	(2,661)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(57)	(158)	(215)
Balance at the end of the financial year	5,145	6,085	11,230
<i>Provisions - current</i>	4,944	1,556	6,500
<i>Provisions - non-current</i>	201	4,529	4,730

Horsham Rural City Council

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Notes to the Financial Report For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,449	1,434
Long service leave	114	429
Sick Leave Gratuity	28	29
	1,591	1,892
Current provisions expected to be wholly settled after 12 months		
Annual leave	362	359
Long service leave	2,905	2,432
Sick Leave Gratuity	253	261
	3,520	3,052
Total current employee provisions	5,111	4,944
Non-Current		
Long service leave	450	100
Sick Leave Gratuity	134	101
Total non-current employee provisions	584	201
Aggregate carrying amount of employee provisions:		
Current	5,111	4,944
Non-current	584	201
Total aggregate carrying amount of employee provisions	5,695	5,145

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

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

Key assumptions:	2024	2023
- discount rate	4.35%	4.06%
- index rate	4.45%	6.80%

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Notes to the Financial Report For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
(b) Landfill restoration		
Current	1,486	1,556
Non-Current	4,055	4,529
	5,541	6,085

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

Key assumptions:	2024	2023
- discount rate	4.35%	4.06%
- index rate	4.45%	6.80%

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2024.

Bank overdraft	1,000	1,000
Credit card facilities	350	350
Other facilities	4,305	4,305
Total facilities	5,655	5,655
Used facilities	4,364	4,363
Unused facilities	1,291	1,292

Horsham Rural City Council

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Notes to the Financial Report For the Year Ended 30 June 2024

5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Operating					
Maintenance & Management of Facilities	541	272	272	-	1,085
Professional Services	370	370	-	-	740
Information Technology	808	376	659	-	1,843
Waste Management	913	913	2,248	615	4,689
Total	2,632	1,931	3,179	615	8,357
Capital					
Buildings	2,798	-	-	-	2,798
Plant	1,557	-	-	-	1,557
Roadworks/infrastructure	1,399	-	-	-	1,399
Total	5,754	-	-	-	5,754
	8,386	1,931	3,179	615	14,111
2023					
Operating					
Management of Facilities	303	303	909	-	1,515
Building maintenance	536	603	625	-	1,764
Waste management	257	904	2,714	-	3,875
Information Technology	235	235	571	-	1,041
Total	1,331	2,045	4,819	-	8,195
Capital					
Roadworks	4,909	-	-	-	4,909
Building projects	456	-	-	-	456
Total	5,365	-	-	-	5,365
	6,696	2,045	4,819	-	13,560

(b) Operating lease receivables

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold shops, a caravan park and a racing centre. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 13 years. All leases either include a CPI based revision or market review of the rental charge annually.

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

	2024	2023
	\$'000	\$'000
Not later than one year	530	256
Later than one year and not later than five years	711	490
Later than five years	1,413	945
	2,654	1,691

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5.8 Leases

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

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

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

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

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

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

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

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

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

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

Under AASB 16 *Leases*, Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Right-of-Use Assets

	Property \$'000	Other, etc. \$'000	Total \$'000
Balance at 1 July 2023	274	-	274
Depreciation charge	(55)	-	(55)
Balance at 30 June 2024	219	-	219

Lease Liabilities

	2024 \$'000	2023 \$'000
Maturity analysis - contractual undiscounted cash flows	55	53
Less than one year	251	314
One to five years	-	-
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	306	367

Lease liabilities included in the Balance Sheet at 30 June:

Current	56	54
Non-current	179	236
Total lease liabilities	235	290

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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Notes to the Financial Report For the Year Ended 30 June 2024

Note 6 ASSETS WE MANAGE

6.1 Non current assets classified as held for sale

	2024	2023
	\$'000	\$'000
Industrial land held for sale - at fair value	79	134
Total non current assets classified as held for sale	79	134

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

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Notes to the Financial Report For the Year Ended 30 June 2024

6.2 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2023		Investment in Associates Asset								Carrying amount 30 June 2024
	\$'000	Additions \$'000	Distributions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Impairment \$'000	\$'000
Property	118,089	1,916	-	15	-	(1,373)	(1,698)	-	1,703	-	118,652
Plant and equipment	18,035	2,442	646	34	-	(1,607)	(286)	-	40	-	19,304
Infrastructure	486,102	10,541	-	1,766	22,813	(13,337)	(893)	-	7,301	7,673	521,966
Work in progress	11,046	4,344	-	-	-	-	-	(696)	(9,123)	-	5,571
	633,272	19,243	646	1,815	22,813	(16,317)	(2,877)	(696)	(79)	7,673	665,493

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	2,647	2,682	(8)	(1,659)	3,662
Plant and equipment	40	39	-	(40)	39
Infrastructure	8,359	1,623	(688)	(7,424)	1,870
Total	11,046	4,344	(696)	(9,123)	5,571

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Notes to the Financial Report For the Year Ended 30 June 2024

(a) Property

	Land - specialised	Land - non specialised	Land improvements	Total Land & Land Improvements	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	1,190	47,920	-	49,110	96,852	96,852	2,647	148,609
Accumulated depreciation at 1 July 2023	-	-	-	-	(27,873)	(27,873)	-	(27,873)
	1,190	47,920	-	49,110	68,979	68,979	2,647	120,736
Movements in fair value								
Additions	-	-	-	-	1,916	1,916	2,682	4,598
Contributions	15	-	-	15	-	-	-	15
Disposal	-	-	-	-	(2,324)	(2,324)	-	(2,324)
Write-off	-	-	-	-	-	-	(8)	(8)
Transfers		(79)	-	(79)	1,782	1,782	(1,659)	44
	15	(79)	-	(64)	1,374	1,374	1,015	2,325
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	-	(1,373)	(1,373)	-	(1,373)
Accumulated depreciation of disposals	-	-	-	-	626	626	-	626
	-	-	-	-	(747)	(747)	-	(747)
At fair value 30 June 2024	1,205	47,841	-	49,046	98,226	98,226	3,662	150,934
Accumulated depreciation at 30 June 2024	-	-	-	-	(28,620)	(28,620)	-	(28,620)
Carrying amount	1,205	47,841	-	49,046	69,606	69,606	3,662	122,314

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Notes to the Financial Report For the Year Ended 30 June 2024

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Art Collection \$'000	Public Art \$'000	Library Books \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2023	19,494	3,238	4,966	879	-	40	28,617
Accumulated depreciation at 1 July 2023	(8,124)	(2,418)	-	-	-	-	(10,542)
	11,370	820	4,966	879	-	40	18,075
Movements in fair value							
Additions	2,274	78	9	-	81	39	2,481
Investment in Associates Asset Distributions	83	234	-	-	1,731	-	2,048
Contributions	-	-	26	-	8	-	34
Disposal	(841)	-	-	-	(118)	-	(959)
Transfers	40	-	-	-	-	(40)	-
	1,556	312	35	-	1,702	(1)	3,604
Movements in accumulated depreciation							
Depreciation and amortisation	(1,256)	(245)	-	-	(106)	-	(1,607)
Investment in Associates Asset Distributions	(17)	(165)	-	-	(1,220)	-	(1,402)
Accumulated depreciation of disposals	556	-	-	-	117	-	673
	(717)	(410)	-	-	(1,209)	-	(2,336)
At fair value 30 June 2024	21,050	3,550	5,001	879	1,702	39	32,221
Accumulated depreciation at 30 June 2024	(8,841)	(2,828)	-	-	(1,209)	-	(12,878)
Carrying amount	12,209	722	5,001	879	493	39	19,343

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**Notes to the Financial Report
For the Year Ended 30 June 2024**

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community facilities	Waste Management	Parks open space and streetscapes	Aerodromes	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	407,218	42,187	28,627	86,756	13,057	8,657	15,384	3,742	4,924	49,247	8,359	668,158
Accumulated depreciation at 1 July 2023	(90,513)	(9,938)	(14,562)	(26,006)	(5,163)	(4,287)	(4,857)	(1,536)	(2,627)	(14,208)	-	(173,697)
	316,705	32,249	14,065	60,750	7,894	4,370	10,527	2,206	2,297	35,039	8,359	494,461
Movements in fair value												
Additions	7,569	-	475	130	1,198	452	473	31	53	160	1,623	12,164
Contributions	815	-	216	735	-	-	-	-	-	-	-	1,766
Revaluation	12,108	-	11,499	-	-	-	-	-	166	-	-	23,773
Disposal	(620)	-	-	(3)	(379)	-	(45)	-	(34)	(530)	-	(1,611)
Write-off	-	-	-	-	-	-	-	-	-	-	(688)	(688)
Transfers	1,245	107	-	-	338	121	4,874	-	-	616	(7,424)	(123)
	21,117	107	12,190	862	1,157	573	5,302	31	185	246	(6,489)	35,281
Movements in accumulated depreciation												
Depreciation and amortisation	(8,211)	(424)	(613)	(847)	(438)	(1,067)	(660)	(100)	(109)	(868)	-	(13,337)
Accumulated depreciation of disposals	232	-	-	1	129	-	20	-	7	329	-	718
Revaluation	(2,840)	-	899	-	-	-	-	-	981	-	-	(960)
Impairment losses recognised in operating result *	7,673	-	-	-	-	-	-	-	-	-	-	7,673
	(3,146)	(424)	286	(846)	(309)	(1,067)	(640)	(100)	879	(539)	-	(5,906)
At fair value 30 June 2024	428,335	42,294	40,817	87,618	14,214	9,230	20,686	3,773	5,109	49,493	1,870	703,439
Accumulated depreciation at 30 June 2024	(93,659)	(10,362)	(14,276)	(26,852)	(5,472)	(5,354)	(5,497)	(1,636)	(1,748)	(14,747)	-	(179,603)
Carrying amount	334,676	31,932	26,541	60,766	8,742	3,876	15,189	2,137	3,361	34,746	1,870	523,836

* Note: Impairment losses relate to a natural disaster (flood) event in October 2022 - these were impaired in the 2022/23 financial year and restored in the 2023/24 year.

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Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

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

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

	Depreciation Period	Threshold Limit
		\$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Land & land improvements		
Land	N/A	-
Land improvements	10 - 100 years	5,000
Buildings		
Buildings	7 - 100 years	5,000
Plant and Equipment		
Plant, machinery and equipment	3 - 30 years	5,000
Office furniture and equipment	2 - 20 years	1,000
Library Books	10 years	-
Art purchases	N/A	-
Infrastructure		
Road pavements and seals	13 - 90 years	5,000
Road formation and earthworks	100 years	5,000
Road kerb, channel and minor culverts	15 - 117 years	5,000
Bridges substructure	110 years	5,000
Footpaths and cycleways	15 - 70 years	5,000
Drainage	10 - 150 years	5,000
Recreation, leisure and community facilities	5 - 100 years	5,000
Waste management	4 - 150 years	5,000
Parks, open space and streetscapes	7 - 100 years	5,000
Aerodromes	9 - 100 years	5,000
Off street car parks	5 - 100 years	5,000
Other Infrastructure	10 - 150 years	5,000
Intangible assets		
Landfill Airspace	4 years	5,000
Library eAudio Books	N/A	-

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

Where 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.

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Valuation of buildings

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

Valuation of land

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

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land	-	47,841	-	Jun-22	full
Specialised land	-	-	1,205	n/a	n/a
Buildings	-	-	69,606	Jul-20	full
Total	-	47,841	70,811		

Valuation of infrastructure

Valuation of road, footpaths and cycleways and off street car park assets have been determined in accordance with an in-house valuation undertaken by Krishna Shrestha, Manager Strategic Asset Management, BEng (Civil), MEng (Structural), PhD(Bridge), MBA MIEAust CPEng NER RPEQ EA ID 3506525 Victorian Professional Engineer Registration No PE0009434.

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

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

The valuation is at fair value based on current 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 2024 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	309,404	Jul-22	full
Kerbs and minor culverts	-	-	25,272	Jul-23	full
Bridges	-	-	31,932	Jul-21	full
Footpaths and cycleways	-	-	26,541	Jul-23	full
Drainage	-	-	60,766	Jul-21	full
Recreational, leisure and community facilities	-	-	8,742	Jun-21	full
Waste management	-	-	3,876	Jun-21	full
Parks, open space and streetscapes	-	-	15,189	Jun-21	full
Aerodromes	-	-	2,137	Jun-21	full
Off street car parks	-	-	3,361	Jul-23	full
Other infrastructure	-	-	34,746	Jun-21	full
Total	-	-	521,966		

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Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$750 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$1 to \$4,750 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 7 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 4 years to 150 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.

	2024	2023
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	1,204	1,190
Total specialised land	1,204	1,190

Horsham Rural City Council
2023/2024

Notes to the Financial Report For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
6.3 Investments in associates, joint arrangements and subsidiaries		
(a) Investments in associates		
Council's interest in Equity	-	70.73%
Investment in the Wimmera Regional Library - Expires 30 June 2023	-	854
Fair value of Council's investment in Wimmera Regional Library	<u>-</u>	<u>854</u>
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	693	680
Change in equity share apportionment	-	57
Reported surplus(deficit) for year	-	(22)
Transfers (to) from reserves	-	(22)
Distributions for the year	(693)	-
Council's share of accumulated surplus(deficit) at end of year	<u>-</u>	<u>693</u>
Council's share of reserves		
Council's share of reserves at start of year	161	321
Change in equity share apportionment	-	(182)
Transfers (to) from reserves	-	22
Distributions for the year	(161)	-
Council's share of reserves at end of year	<u>-</u>	<u>161</u>
Movement in carrying value of specific investment		
Carrying value of investment at start of year	854	1,001
Change in equity share apportionment	-	(125)
Share of surplus(deficit) for year	-	(22)
Distributions received	(854)	-
Carrying value of investment at end of year	<u>-</u>	<u>854</u>
Council's share of expenditure commitments	Nil	Nil
Council's share of contingent liabilities and contingent assets	Nil	Nil

Significant restrictions

In August 2022, Horsham Rural City Council announced their intention to withdraw from the Wimmera Library Services Corporation. The Corporation entered liquidation on 30 June 2023. As of 1 July 2023, Horsham Rural City Council assumed direct management of library services and a service level agreement was entered into with West Wimmera Shire Council to provide services to them.

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.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

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Notes to the Financial Report For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
(b) Investments in associates		
Council's interest in Equity	42.73%	48.14%
Investment in the Wimmera Southern Mallee Development (previously Wimmera Development Association)	1,022	1,085
Fair value of Council's investment in Wimmera Southern Mallee Development	1,022	1,085
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	869	1,199
Change in equity share apportionment	(97)	-
Reported surplus(deficit) for year	59	(289)
Transfers (to) from reserves	27	(41)
Council's share of accumulated surplus(deficit) at end of year	858	869
Council's share of reserves		
Council's share of reserves at start of year	216	175
Change in equity share apportionment	(25)	-
Transfers (to) from reserves	(27)	41
Council's share of reserves at end of year	164	216
Movement in carrying value of specific investment		
Carrying value of investment at start of year	1085	1,374
Change in equity share apportionment	(122)	-
Share of surplus(deficit) for year	59	(289)
Carrying value of investment at end of year	1,022	1,085
Council's share of expenditure commitments	Nil	Nil
Council's share of contingent liabilities and contingent assets	Nil	Nil

Significant restrictions

None

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2024, and their income and expenses for that part of the reporting period in which control existed.

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

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

(c) Community Asset Committee

All entities controlled by Council that have material income, expenses, assets or liabilities, such as community asset committees, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

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Notes to the Financial Report For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
6.4 Investment property		
Balance at beginning of financial year	2,520	2,520
Additions	35	-
Fair value adjustments	95	-
Balance at end of financial year	<u>2,650</u>	<u>2,520</u>

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

Valuation of investment property

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

Horsham Rural City Council

2023/2024

Notes to the Financial Report For the Year Ended 30 June 2024

Note 7 PEOPLE AND RELATIONSHIPS

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Horsham Rural City Council is the parent entity.

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.3.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

		2024 No.	2023 No.
Councillors	Councillor R. Gulline - Mayor	1	1
	Councillor D. Bell - Resignation 5 August 2022	-	1
	Councillor D. Bowe	1	1
	Councillor P. Flynn	1	1
	Councillor C. Haenel	1	1
	Councillor L.V. Power	1	1
	Councillor R. Redden	1	1
	Councillor I. Ross	1	1
	Chief Executive Officer - S. Bhalla	1	1
	Director - Communities and Place - K. O'Brien	1	1
	Director - Corporate Services - G. Harrison (to September 2022)	-	1
	Director - Corporate Services - K. Hargreaves	1	1
	Director - Infrastructure - J. Martin	1	1
Total Number of Councillors		7	8
Total of Chief Executive Officer and other Key Management Personnel		4	5
Total Number of Key Management Personnel		11	13

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

	2024 \$	2023 \$
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,257	1,107
Other long-term employee benefits	23	23
Post-employment benefits	102	92
Termination benefits	-	-
Total	1,382	1,222

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2024 No.	2023 No.
\$1,000 - \$19,999	-	2
\$20,000 - \$29,999	1	1
\$30,000 - \$39,999	4	4
\$40,000 - \$49,999	1	1
\$100,000 - \$109,999	1	1
\$180,000 - \$189,999	-	1
\$220,000 - \$229,999	-	2
\$230,000 - \$239,999	1	-
\$240,000 - \$249,999	2	-
\$270,000 - \$279,999	-	1
\$340,000 - \$349,999	1	-
	11	13

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Notes to the Financial Report For the Year Ended 30 June 2024

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$170,000 and who report directly to a member of the KMP.

	2024 \$	2023 \$
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	197	318
Other long-term employee benefits	1	7
Post-employment benefits	21	30
Termination benefits	-	-
Total	<u>219</u>	<u>355</u>

The number of other senior staff are shown below in their relevant income bands:

Income Range:	2024 No.	2023 No.
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	-	1
\$210,000 - \$219,999	1	-
	<u>1</u>	<u>2</u>

7.2 Related party disclosure**(a) Transactions with related parties**

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

Fees and charges charged to associates is nil. (2022/23 nil).

Fees and charges charged to entities controlled by key management personnel is nil. (2022/23 nil).

Infrastructure contributions from entities controlled by key management personnel is nil. (2022/23 nil).

Purchase of materials and services from entities controlled by key management personnel is nil. (2022/23 nil).

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties is nil. (2022/23 nil).

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party is nil. (2022/23 nil).

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party is nil. (2021/22 nil).

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Notes to the Financial Report For the Year Ended 30 June 2024

Note 8 MANAGING UNCERTAINTIES

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

At balance date the Council are not aware of any contingent assets.

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

Landfill

Council operates a landfill. Council will have to carry out site rehabilitation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.

Liability Mutual Insurance

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

MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

Contaminated Soil

Council continues to remediate soil at the Works Depot site in Horsham. Significant progress has been made towards removing the contamination from the soil, with a further extraction event planned for October 2024. It will not be known if further work is required until testing is conducted after that event. Council estimates a further \$150,000 may need to be spent to remediate the contaminated soil.

Pedestrian Bridge

Following a bushfire event at Dadswells Bridge in February 2024, a pedestrian bridge has been deemed not suitable for use. The bridge is an important link for foot traffic in the area, to avoid pedestrians needing to walk on the Western Highway across a road bridge. Council has not budgeted for this work to be conducted but will most likely need to carry out repair or reconstruction as soon as practicable to address the risk. The bridge is partially located on Parks Victoria land and privately owned land and was not recognised on Council's asset register however Council is currently considering that it probably has both control and ownership and therefore has a liability to repair or replace the asset. The estimated cost could be up to \$150,000.

(c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

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Notes to the Financial Report For the Year Ended 30 June 2024

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council assesses the impact of these new standards.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities to modify AASB 13 Fair Value Measurement. AASB 2022-10 amends AASB 13 Fair Value Measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The AASB 13 modifications:

- are applicable only to not-for-profit public sector entities;
 - are limited to fair value measurements of non-financial assets not held primarily for their ability to generate net cash inflows;
 - are to be applied prospectively for annual periods beginning on or after 1 January 2024;
 - would not necessarily change practice for some not-for-profit public sector entities; and
 - do not indicate that entities changing practice in how they measure relevant assets made an error in applying the existing requirements of AASB 13.
- Council will assess any impact of the modifications to AASB 13 ahead of the 2024-25 reporting period.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants. AASB 2022-6 amends AASB 101 Presentation of Financial Statements to improve the information an entity provides in its financial statements about long term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The amendments in AASB 2022-6 are effective for annual periods beginning on or after 1 January 2024. Council will assess any impact of the modifications to AASB 101 ahead of the 2024-25 reporting period.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

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

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

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Notes to the Financial Report For the Year Ended 30 June 2024

(c) Credit risk

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

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 1.50% and -1.50% in market interest rates (AUD) from year-end rates of 5.17%.

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.

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Notes to the Financial Report For the Year Ended 30 June 2024

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

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

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, 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. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis every 5 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation frequency
Land	5 years
Buildings	5 years
Art Collection	5 years
Library Books	5 years
Roads	5 years
Bridges	5 years
Footpaths and cycleways	5 years
Drainage	5 years
Recreational, leisure and community facilities	5 years
Waste management	5 years
Parks, open space and streetscapes	5 years
Aerodromes	5 years
Off street car parks	5 years
Other infrastructure	5 years

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

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

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Notes to the Financial Report For the Year Ended 30 June 2024

Note 9 OTHER MATTERS

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Balance at end of reporting period \$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2024			
Property			
Land and land improvements	38,136	-	38,136
Buildings	30,873	-	30,873
	69,009	-	69,009
Plant and Equipment			
Works of Art	2,259	-	2,259
	2,259	-	2,259
Infrastructure			
Roads	201,607	7,702	209,309
Bridges	22,272	-	22,272
Footpaths and cycleways	10,857	12,398	23,255
Kerb and Channel	11,351	9,240	20,591
Drainage	34,802	-	34,802
Other infrastructure	35,950	1,147	37,097
	316,839	30,487	347,326
Other			
Land held for sale	1,343	-	1,343
	1,343	-	1,343
Total asset revaluation reserves	389,450	30,487	419,937
2023			
Property			
Land and land improvements	38,136	-	38,136
Buildings	30,873	-	30,873
	69,009	-	69,009
Plant and Equipment			
Work of Art	2,259	-	2,259
	2,259	-	2,259
Infrastructure			
Roads	146,562	55,045	201,607
Bridges	22,272	-	22,272
Footpaths and cycleways	10,857	-	10,857
Kerb and Channel	11,351	-	11,351
Drainage	34,802	-	34,802
Other infrastructure	35,950	-	35,950
	261,794	55,045	316,839
Other			
Land held for sale	1,343	-	1,343
	1,343	-	1,343
Total asset revaluation reserves	334,405	55,045	389,450

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

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Notes to the Financial Report For the Year Ended 30 June 2024

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2024				
CBD Development Reserve	1,380	65	(341)	1,104
Industrial Reserves	3,187	681	(182)	3,686
Internal Loan Reserve	(1,917)	190	-	(1,727)
Loan Funds Reserve	3,710	-	-	3,710
Major Capex Reserve	5,277	180	(174)	5,283
Open Space Reserve	455	35	(10)	480
Plant Reserve	1,825	930	(1,934)	821
Small Projects Reserve	1,959	402	(214)	2,147
Waste Reserve	2,128	1,608	(311)	3,425
Total Other reserves	18,004	4,091	(3,166)	18,929
2023				
CBD Development Reserve	2,202	57	(879)	1,380
Industrial Reserves	1,878	1,665	(356)	3,187
Internal Loan Reserve	(2,107)	190	-	(1,917)
Loan Funds Reserve	2,875	835	-	3,710
Major Capex Reserve	4,805	932	(460)	5,277
Open Space Reserve	439	16	-	455
Plant Reserve	3,104	776	(2,055)	1,825
Small Projects Reserve	1,547	668	(256)	1,959
Waste Reserve	2,098	851	(821)	2,128
Total Other reserves	16,841	5,990	(4,827)	18,004

The above Discretionary Reserves represent an appropriation of funds for the future funding of operational or capital projects.

Loan Funds Reserve are held for the final loan repayment to the Department of Treasury and Finance for an interest only loan.

Internal Loan Reserves intended use is to borrow from Council's discretionary cash reserves rather than obtain an external loan.

The Waste reserves factors in over or under expenditure, which is then used to offset future waste charges or rehabilitation costs.

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Notes to the Financial Report For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	(5,194)	6,392
<i>Non-cash adjustments:</i>		
Depreciation and Amortisation	16,317	15,907
Profit/(loss) on disposal of property, infrastructure, plant and equipment	3,223	(421)
Fair value adjustments for investment property	(95)	-
Contributions - Non-monetary assets	(1,815)	(3,253)
Other	329	(20)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(5,147)	248
(Increase)/decrease in accrued income	(2,022)	669
(Increase)/decrease in prepayments	(149)	52
Increase/(decrease) in trade and other payables and other liabilities	(979)	(2,061)
(Decrease)/increase in contract and other liabilities	309	-
(Decrease)/increase in assets held for resale	(577)	(325)
(Increase)/decrease in inventories	33	(40)
(Decrease)/increase in provisions	(100)	(710)
(Decrease) in lease liabilities	-	(53)
Decrease in right-of-use assets	55	54
Net cash provided by/(used in) operating activities	4,188	16,439

9.3 Superannuation

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 MySuper/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 2024, this was 11.0% as required under Superannuation Guarantee (SG) legislation (2023: 10.5%)).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Horsham Rural City Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

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 Actuary.

A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2023 was 104.1%. Council was notified of the 30 June 2023 VBI during August 2023.

The financial assumptions used to calculate the 30 June 2023 VBI were:

Net investment returns 5.7% pa
Salary information 3.5% pa
Price inflation (CPI) 2.8% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2023 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Notes to the Financial Report For the Year Ended 30 June 2024

Employer contributions

(a) Regular contributions

On the basis of the results of the 2023 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2024, this rate was 11.0% of members' salaries (10.5% in 2022/23). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

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

(b) Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of 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 98% from 26 July 2024 (previously 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 Council) are required to make an employer contribution to cover the shortfall.

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

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

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

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

The 2023 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2023.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2023	2022
	(Triennial)	(Interim)
	\$m	\$m
- A VBI Surplus	84.7	44.6
- A total service liability surplus	123.6	105.8
- A discounted accrued benefits surplus	141.9	111.9

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 2023.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2023.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2023.

Horsham Rural City Council
2023/2024

Notes to the Financial Report For the Year Ended 30 June 2024

The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2024.

The VBI of the Defined Benefit category was 105.4% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

Net investment returns 5.6% pa
 Salary information 3.5% pa
 Price inflation (CPI) 2.7% pa

Council was notified of the 30 June 2024 VBI during August 2024.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2024 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

The 2020 triennial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

	2020 Triennial investigation	2023 Triennial investigation
Net investment return	5.6% pa	5.7% pa
Salary inflation	2.5% pa for two years and 2.75% pa thereafter	3.50% pa
Price inflation	2.0% pa	2.8% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2024 are detailed below:

Scheme	Type of Scheme	Rate	2024 \$'000	2023 \$'000
Vision super	Defined benefits	11.0% (2023:10.5%)	81	103
Vision super	Accumulation	11.0% (2023:10.5%)	2,050	1,743

Council has not paid any unfunded liability payments to Vision Super in 2023/24 or in 2022/23.

There were \$156,000 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$94,000.

Horsham Rural City Council
2023/2024

**Notes to the Financial Report
For the Year Ended 30 June 2024**

Note 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies in the 2023-24 year.



Council Office

Horsham Civic Centre

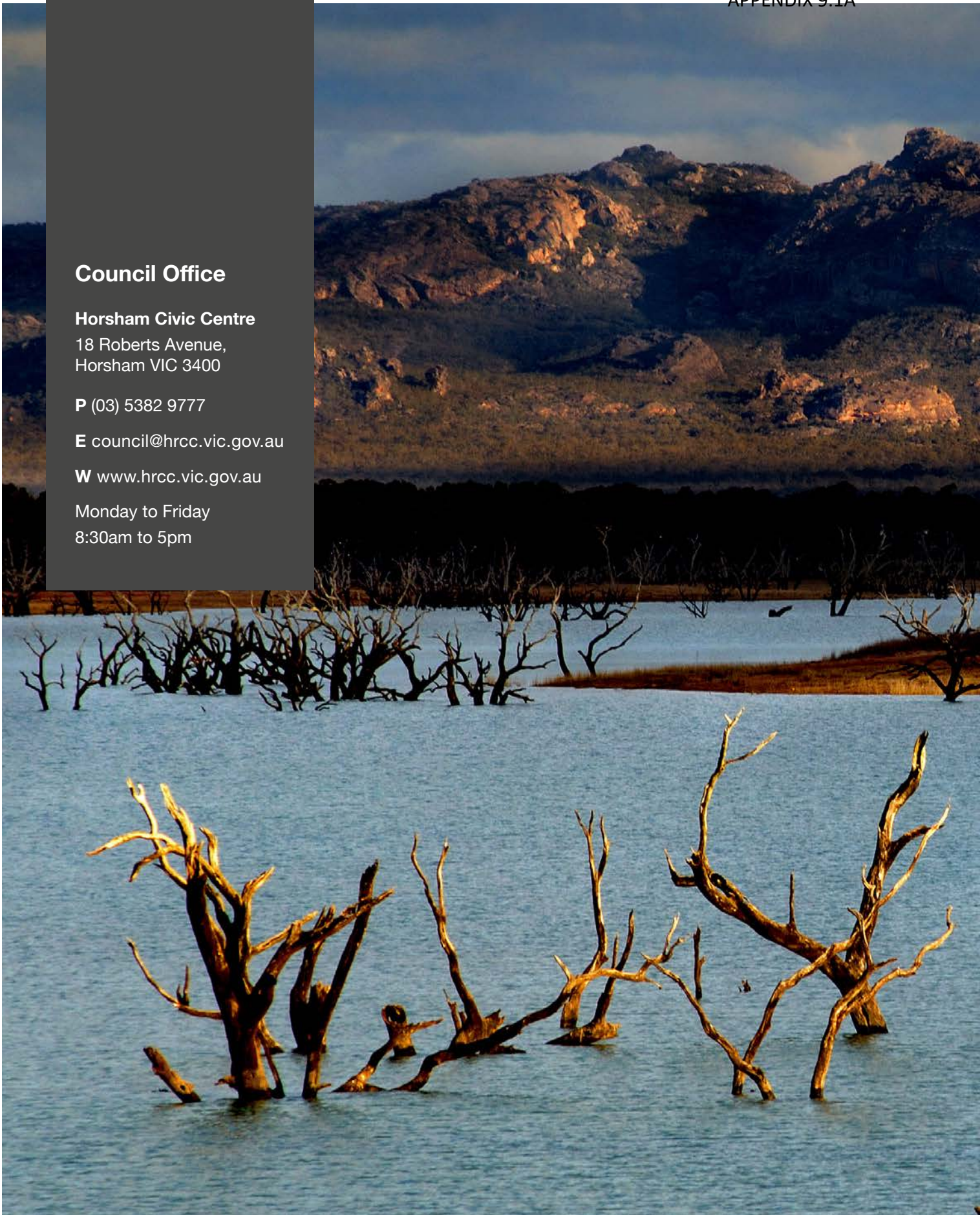
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Monday to Friday
8:30am to 5pm





**MINUTES OF INFORMAL MEETINGS OF COUNCILLORS
COUNCIL BRIEFING HELD IN THE COUNCIL CHAMBERS
MONDAY 14 OCTOBER 2024 AT 5:00PM**

TO ATTEND: Cr Robyn Gulline, Mayor; Cr David Bowe, Cr Penny Flynn Cr Claudia Haenel, Cr Les Power, Cr Ian Ross, Craig Niemann, CEO; Kim Hargreaves, Director Corporate Services; Kevin O'Brien, Director Communities and Place; John Martin, Director Infrastructure and Steven Kingshott, Municipal Monitor

ATTENDED BY: Cr Robyn Gulline, Mayor; Cr David Bowe, Cr Penny Flynn, Cr Claudia Haenel, Cr Les Power (arrived at 5.15pm), Cr Ian Ross (arrived at 5.30pm), Craig Niemann, CEO; Kim Hargreaves, Director Corporate Services; Kevin O'Brien, Director Communities and Place; John Martin, Director Infrastructure and Steven Kingshott, Municipal Monitor

APOLOGIES: Nil

1. WELCOME AND INTRODUCTION

2. DISCLOSURE OF CONFLICT OF INTEREST SEC 130 and 131, LOCAL GOVERNMENT ACT 2020 AND HORSHAM RURAL CITY COUNCIL GOVERNANCE RULES

Nil

3. CONFIDENTIAL REPORTS

3.1 Audit and Risk Committee Updates (Kim) **Appendix 3.1** **5:00pm – 5:15pm**

4. COUNCIL MEETING REPORTS FOR DISCUSSION

4.1 2023-2024 Annual Report (Kim) **Appendix 4.1** **5:15pm – 5:30pm**

5. REPORTS FOR INFORMATION ONLY

5:30pm – 6:00pm

1. RCCC update (Appendix 5.1)
2. Alternative truck route (Appendix 5.2)
3. City Oval Netball facility update – including compliance with code re. design (Verbal)
4. Bypass vs Alt Truck Route (Verbal)
5. Proposed changes to vaccination rules and impact on HRCC (Appendix 5.6)
6. Summary of community consultation in relation to Avon Bank Mine (Appendix 5.6)
7. Natimuk Economic & Social Plan & Dadswell Bridge Economic Plan (Appendix 5.6)
8. Proposed Childcare Facilities (Appendix 5.6)
9. Sports precinct and other sporting facilities update (Appendix 5.6)
10. Horsham North Local Area Plan and railway corridor plan update (Appendix 5.6)
11. Container Kiosk update (Appendix 5.6)
12. Pedal Boats update (Appendix 5.6)
13. Golf Course Rd hotel update (Appendix 5.6)
14. Developers' contributions update (Appendix 5.6)
15. Horsham North Open Space Development: Lukin Park Update (Appendix 5.6)

6. GENERAL DISCUSSION (Craig Niemann)

15mins

- Update from CEO about first weeks in the position
- Roads Maintenance Funding Update
- Firebrace Street Fire Update

7. CLOSE

The meeting closed at 6.42pm

CRAIG NIEMANN
Chief Executive Officer