

AGENDA

MEETING OF THE **HORSHAM RURAL CITY COUNCIL**

To be held on
30 September 2024
At 5.30pm

In the
Council Chamber, Civic Centre
18 Roberts Avenue, HORSHAM



**COUNCILLORS are respectfully requested to attend the Council Meeting
of the Horsham Rural City Council to be held on 30 September 2024
in the Council Chamber, Civic Centre, Horsham at 5.30pm**

Order of Business

PRESENT

ALSO IN ATTENDANCE

1. PRAYER

Almighty God, we pledge ourselves to work in harmony for, the social, cultural and economic well-being of our Rural City. Help us to be wise in our deliberations and fair in our actions, so that prosperity and happiness shall be the lot of our people. AMEN

2. ACKNOWLEDGEMENT OF COUNTRY STATEMENT

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.

3. OPENING AND WELCOME

Chairman, Cr Robyn Gulline formally welcomed those in attendance to the meeting. The Mayor advised that the meeting will be recorded to maintain a video archive, which will be available on the Horsham Rural City Council website as soon as practicable.

Chairman, Cr Robyn Gulline to read the following statement:

My role as Mayor is to ensure the Council meeting is conducted in accordance with the Council's Governance Rules (sub rule 69.2). Members of the public do not have a right to address Council and may only do so with the consent of the Chair or by prior arrangement (sub rule 69.1). It is important for a successful Council meeting that the members of the gallery respect the setting and do not disrupt the meeting, particularly during the debate and discussion on Council items (sub rule 69.3). If required, as Chair, I may order the removal of any person (other than a Councillor) who disrupts the meeting or fails to comply with sub rule 69.2 (rule 70).

4. APOLOGIES

5. LEAVE OF ABSENCE REQUESTS

6. CONFIRMATION OF MINUTES

Recommendation

That the minutes emanating from the Council Meeting of the Horsham Rural City Council held in the Council Chamber, Civic Centre, Horsham at 5.30pm on 26 August 2024, 5.00pm on 2 September 2024 and 5.30pm on 16 September 2024 be adopted.

7. CONFLICTS OF INTEREST

Declarations of Interest

A Councillor who has declared a conflict of interest, must leave the meeting and remain outside the room while the matter is being considered, or any vote is taken.

Members of Staff

Under Section 130 of the *Local Government Act 2020*, officers or people engaged under contract to the Council providing a report or advice to Council must disclose any conflicts of interests in the matter, including the type of interest.

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CLOSE



KIM HARGREAVES
Acting Chief Executive Officer

REPORTS FOR COUNCIL DECISION

9. OFFICERS REPORTS

9.1 ANNUAL FINANCIAL AND PERFORMANCE STATEMENTS 2023-2024

Author's Name:	Belinda Johnson	Director:	Kim Hargreaves
Author's Title:	Chief Financial Officer	Directorate:	Corporate Services
Department:	Finance	File Number:	F18/A14/000001

Officer Conflict of Interest

Officer disclosure in accordance with *Local Government Act 2020* – Section 130:

☐ Yes ☒ No

Reason: Nil

Status

Defined as confidential information in accordance with *Local Government Act 2020* – Section 3(1):

☐ Yes ☒ No

Reason: Nil

Appendices

Financial Statement 2023-2024 (**Appendix 9.1A**)

Performance Statement 2023-2024 (**Appendix 9.1B**)

Purpose

To seek Council's in-principle approval of the Financial and Performance Statements for 2023-2024 and authorise their submission to the Victorian Auditor-General's Office.

Summary

- The Annual Financial and Performance Statements for 2023-2024 have been prepared and presented to the auditor.
- The Annual Financial and Performance Statements for 2023-2024 have been reviewed by Council's Audit and Risk Committee on 23 September 2024.
- They are now presented to Council with a recommendation from the Audit and Risk Committee that Council approves in-principle the 2023-2024 Financial Statements and Performance Statement for Horsham Rural City Council, subject to any changes that are recommended or agreed by the Auditor in accordance with Section 98(2) of the *Local Government Act 2020*
- In accordance with section 98 of the *Local Government Act 2020*, nominates the Mayor, Councillor Robyn Gulline and Councillor Penny Flynn to certify and approve the 2023-2024 Financial Statements and Performance Statement in their final form.

Recommendation

That Council:

1. Provide in-principle approval of the Financial and Performance Statements for 2023-2024 and authorise their submission to the Victorian Auditor-General's Office [VAGO].
2. Authorise Mayor Cr Robyn Gulline and Cr Penny Flynn to certify the Statements in their final form after any changes recommended or agreed to by VAGO or their sub-contractors, Crowe, have been made, pursuant of section 99 of the *Local Government Act 2020*.

REPORT

Background

The Annual Financial and Performance Statements for the financial year 2023-2024 were prepared and presented to the Council's external auditor, Crowe via email on 13 September 2024. The Financial Statement (**Appendix 9.1A**) and Performance Statement (**Appendix 9.1B**) have been forwarded to the Victorian Auditor-General's office for review, and minor changes to notes and presentation of the Statements may be required/requested.

It is recommended that Council provide its in-principle approval on the Statements in accordance with the *Local Government Act 2020*. The Statements will form part of the Council's Annual report which is required, by legislation, to be presented at an open Council meeting within 4 months of the end of the financial year. No changes other than those which might be recommended by the Victorian Auditor-General's Office are anticipated.

Discussion

The Audit and Risk Committee reviewed the Statements at its meeting on 23 September 2024. Representatives from Crowe, the external auditors appointed by the Victorian Auditor-General's Office, discussed the Statements and presented their audit findings at that meeting.

Specifically the Audit Committee adopted the following recommendations.

That the Audit and Risk Committee recommends that Council:

- Approves in-principle the 2023-2024 Financial Statements and Performance Statement for Horsham Rural City Council, subject to any changes that are recommended or agreed by the Auditor in accordance with Section 98(2) of the *Local Government Act 2020*;
- Makes provision, that if there is any significant change prior to certification of the 2023-2024 Financial Statements or Performance Statement, they be referred to the Audit and Risk Committee for endorsement; and
- In accordance with section 98 of the *Local Government Act 2020*, nominates The Mayor, Councillor Robyn Gulline and Councillor Penny Flynn to certify and approve the 2023-2024 Financial Statements and Performance Statement in their final form, after any changes recommended or agreed with the Auditor and the Audit and Risk Committee, have been made on behalf of Council.

Options to Consider

Council can decide not to provide in-principle approval for the financial statements but doing so would make Council non-compliant with the requirements of the legislation. Where there are any issues identified with the statements they will be addressed in accordance with the requirements of the Victorian Auditor-General's Office noting they will be referred back to the Audit and Risk Committee for endorsement as part of that process as outlined above.

Sustainability Implications

Not applicable

Community Engagement

Not applicable

Innovation and Continuous Improvement

Not applicable

Collaboration

Not applicable

Financial Implications

The cost of the audit is included in the 2023-2024 Budget

Regional, State and National Plans and Policies

Not applicable

Council Plans, Strategies and Policies

2021-2025 Council Plan

Theme 5 – Leadership

Preparation of the Annual Financial and Performance Statements are a statutory requirement.

Risk Implications

There is a requirement for the Council to adopt its Annual Financial and Performance Statements in accordance with the *Local Government Act 2020*, and, to not to do so may result in loss of reputation and concern about Council's financial management capabilities.

Conclusion

The Financial and Performance Statements for 2023-2024 have been completed in accordance with the relevant legislation and with the reference to relevant Accounting Standards. They are now presented, with the recommendation of the Audit and Risk Committee, that they be approved in-principle by the Council.

10. COUNCILLOR REPORTS AND ACKNOWLEDGEMENTS

Cr Robyn Gulline (Mayor)

Committee Representation	
27/08/24	Wimmera Southern Mallee Board Meeting
23/09/24	Audit and Risk Committee meeting
Other Council Activities	
27/08/24	ABC Wimmera Radio interview (phone)
27/08/24	Attended the Federation University Innovation Series Event - Communities in Transition - Change and Opportunity
28/08/24	Attended the "Hello Red Planet" performance at Horsham Town Hall
30/08/24	Triple H radio interview with Di Trotter
3/09/24	Chaired Wesley Fundraising Committee meeting
10/09/24	WSM Wind Energy ad Farm Business Information Day at Longerenong College
12/09/24	Attended MAV Annual Conference and Gala Dinner where I received the Mayor Emeritus Award
13/09/24	Attended the "Tamara Dean: Leave Only Footprints and Ian Kemp: Neverlasting" Photography exhibition openings at Horsham Art Gallery
15/09/24	Attended the Wimmera District Scout ARAP
17/09/24	ABC Wimmera Radio interview (phone)
17/09/24	Welcomed 11 new Australians at Citizenship Ceremony
18/09/24	Attended the opening of the Haven Homes social housing project
23/09/24	Attended the Kalkee Rec Reserve AGM
27/09/24	Laid wreath at National Police Remembrance Day

Cr Penny Flynn

Committee Representation	
Date	Description
23/09/24	Audit and Risk Committee Meeting - Council Office
Other Council Activities	
Date	Description
01/09/24	Celebrating Sr Jacinta 70th year as a Brigidine Sister and her 90th Birthday – Parish Hall
06/09/24	Farewell Morning Tea for CEO Sunil Bhalla – Council Office
11/09/24	Horsham Special School Senior Formal – Horsham Town Hall
16/09/24	End of Term Assembly Acknowledging Sr Jacinta – St Brigid’s College
17/09/24	Citizenship Ceremony – Council Office

Cr David Bowe

Committee Representation	
Date	Description
10/09/24	CEO Employment and Remuneration Committee meeting - online
Other Council Activities	
02/09/24	Council meeting – Council Chambers
09/09/24	Council Briefing meeting – Council Chambers
16/09/24	Council meeting – Council Chambers
17/09/24	Citizenship Ceremony

Cr Claudia Haenel

Committee Representation	
Date	Description
10/09/24	Municipal Monitor meeting
11/09/24	Local Government Working Group on Gambling meeting
12/09/24	2024 MAV Annual Conference & Dinner – <i>Celebrating our work, reimagining the future, and creating optimism for what’s ahead.</i> Building thriving communities, 2023 ALGA Vic Award winners, Confronting the climate crisis and Combating disinformation. Conference speakers: Fabian Dattner, Elaine Chia, Jess Scully, Linda Scott (GAICD), Tiffany Crawford, Dan Cowdell, Ben Hart, Ika Trijsburg, Matteo Bonotti, Mario Peucker, Illaria Walker and many other guests, hosts and sponsors.
Other Council Activities	
27/08/24	Horsham Red Cross 110 years celebration welcome speech
6/9/24	CEO Farewell – Council Chambers
09/09/24	Council briefing
17/09/24	Citizenship Ceremony (Citizenship Day)
23/09/24	Council briefing
27/09/24	National Police Remembrance Day 2024 - St Michael & John's Catholic Church

11. URGENT BUSINESS

12. PETITIONS AND JOINT LETTERS

13. PROCEDURAL BUSINESS

13.1 INFORMAL MEETINGS OF COUNCILLORS – RECORD OF MEETINGS

- Council Briefing meetings held on 9 and 23 September 2024 at 5.00pm.

Refer to **Appendix 13.1A**

13.2 SEALING OF DOCUMENTS

Nil

13.3 INWARD CORRESPONDENCE

Nil

13.4 COUNCIL COMMITTEE MINUTES

Nil

Recommendation

That Council receive and note agenda items:

- 13.1 Informal Meetings of Councillors – Record of Meetings
- 13.2 Sealing of Documents
- 13.3 Inward Correspondence
- 13.4 Council Committee Minutes.

14. NOTICE OF MOTION

Horsham Rural City Council



ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2024

Horsham Rural City Council

Financial Report

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Horsham Rural City Council

Financial Report

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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 : <Date>
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 : <Date>
Horsham

Cr Penny Flynn
Councillor

Dated : <Date>
Horsham

Craig Niemann
Interim Chief Executive Officer

Dated : <Date>
Horsham

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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.

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		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.

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
		682,972	244,106	419,937	18,929
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
		657,679	250,225	389,450	18,004
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.

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.

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.

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.

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)	

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 & fines - dog and cat infringements, swimming pool inspection fees, animal collection fees, parking fees and local laws infringements - see also note 12
- 2 Fees association 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 on 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) & Kerb & 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 not 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. 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 inaccordance 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 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 of 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.

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)	

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 for 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 expenses via the income statement.

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 Services Directorate

Infrastructure Services is responsible for the maintenance and constructing 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 Services	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 Services	21,288	(27,750)	(6,462)	10,118	541,445
	66,364	(59,972)	6,392	20,720	683,084

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.

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 Council 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

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.

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

	2024	2023
	\$'000	\$'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.

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.

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.

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

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

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS

	2024	2023
5.1 Financial assets	\$'000	\$'000
(a) Cash and cash equivalents		
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.

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

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.

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.

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

5.4 Interest-bearing liabilities

	2024 \$'000	2023 \$'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

2023/2024

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:

- discount rate	4.35%	4.06%
- index rate	4.45%	6.80%

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:

- 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

2023/2024

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

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

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		
Less than one year	56	54
One to five years	179	236
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	235	290

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.

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

Industrial land held for sale - at fair value

Total non current assets classified as held for sale

2024	2023
\$'000	\$'000
79	134
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.

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

**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

**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

**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

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

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.

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

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	-	Jul-21	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		

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

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

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	-	854
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	-	693
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	-	161
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	-	854
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.

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.

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

	2024 \$'000	2023 \$'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	2,650	2,520

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.

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

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	219	355

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

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

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).

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 it 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.

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.

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.

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.

2023/2024

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

Note 9 OTHER MATTERS

9.1 Reserves

(a) Asset revaluation reserves

2024

Property

Land and land improvements

Buildings

Plant and Equipment

Works of Art

Infrastructure

Roads

Bridges

Footpaths and cycleways

Kerb and Channel

Drainage

Other infrastructure

Other

Land held for sale

Total asset revaluation reserves

2023

Property

Land and land improvements

Buildings

Plant and Equipment

Work of Art

Infrastructure

Roads

Bridges

Footpaths and cycleways

Kerb and Channel

Drainage

Other infrastructure

Other

Land held for sale

Total asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Balance at end of reporting period \$'000
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.

2023/2024

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.

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 (Triennial)	2022 (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.

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.

**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.

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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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 : *Date*
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 : *Date*
Horsham

Cr Penny Flynn
Councillor
Dated : *Date*
Horsham

Craig Niemann
Interim Chief Executive Officer
Dated : *Date*
Horsham

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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.

Localities covered with the authority boundaries include:

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

Section 2 - Service Performance Indicators

Service / Indicator / Measure [Formula]	Results					Comment
	2021 Actual	2022 Actual	2023 Actual	2024 Target as per budget	2024 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 in 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 in of kerbside waste being sent to landfill.

Section 3 - Financial Performance Indicators

	2021	2022	Results 2023	2024		2025	Forecasts 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%		

Section 4 - Sustainable Capacity Indicators

Results					
	2021	2022	2023	2024	Comment
Indicator / Measure [Formula]	Actual	Actual	Actual	Actual	
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.

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 Aboriginal Heritage Act 2006
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 Food Act 1984 , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
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 Food Act 1984
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 Road Management Act 2004
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
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.

**MINUTES OF INFORMAL MEETINGS OF COUNCILLORS
 COUNCIL BRIEFING HELD IN THE COUNCIL CHAMBERS
 MONDAY 9 SEPTEMBER 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; Kim Hargreaves, Acting Chief Executive Officer; Kevin O'Brien, Director Communities and Place; (Attending online) John Martin, Director Infrastructure

ATTENDED BY: Cr Robyn Gulline, Mayor; Cr David Bowe, Cr Penny Flynn, Cr Claudia Haenel, Cr Les Power, Cr Ian Ross; Kim Hargreaves, Acting Chief Executive Officer; Kevin O'Brien, Director Communities and Place; (Attended online) John Martin, Director Infrastructure, Steven Kingshott, Council Monitor; Fiona Gormann, Manager Investment Attraction & Growth; Jasmine Butler, Co-ordinator Strategic Planning; Joel Hastings, Co-ordinator Statutory Planning & Building Services; Jackson Hanlon, Co-ordinator Environmental Health; Emily Killin (Mesh), Cabon Petersen (Mesh), Belinda Johnson

APOLOGIES: Nil

1. WELCOME AND INTRODUCTION

Mayor, Cr Gulline welcomed Steven Kingshott who provided an overview of the role of Monitor.

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

Cr Penny Flynn noted she does not have a conflict of interest at Items 3.1, 4.1 and 4.2

3. PRESENTATIONS

3.1 Draft Horsham South Structure Plan Presentation by MESH (Kevin) **5:00pm – 5:45pm**

Attending: Emily Killin (Mesh), Jacob Petersen (Mesh) Fiona Gormann, Jasmine Butler, Joel Hastings (left 5:45pm) *(everyone attending virtually)* **Appendix 3.1**

3.2 LG Inspectorate Investigation Outcome – Budget 2025-26 Plan (Kim) **5:45pm – 6:00pm**

Attending: Belinda Johnson

4. COUNCIL MEETING REPORTS FOR DISCUSSION

4.1 Onsite Wastewater Management Plan (Kevin) **Appendix 4.1** **6:00pm – 6:15pm**

Attending: Jackson Hanlon *(virtual)*

4.2 Depot Site EOI (Kevin) **Appendix 4.2** **6:15pm – 6:30pm**

Attending: Fiona Gormann *(virtual)*

4.3 Public Transparency Policy (Kim) **Appendix 4.3** **6:30pm – 6:40pm**

4.4 Plozzas Road Speed Limit (John) – Verbal report on consultation **6:40pm – 6:45pm**

5. CONFIDENTIAL ITEMS

5.1 Bituminous Products Supply Tender **Appendix 5.1** **6:45pm – 6:50pm**

5.2 Riverside Road Bridge Sidewalk Construction Tender **Appendix 5.2** **6:50pm – 7:00pm**

5.3 North East Wonwondah Widening Tender (Final Section) (John) **7:00pm – 7:10pm**

5.4 Achievement on Rural Road Network Plan & Road Management Plan (John) **Appendix 5.4** **7:10pm – 7:15pm**

6. REPORTS FOR INFORMATION ONLY

6.1 Investment Attraction & Growth Report **Appendix 6.1**

7:15pm -7:25pm

Attending: Fiona Gormann (virtual)

6.2 VCAT/Planning/Building Update **Appendix 6.2**

7:25pm – 7:35pm

Attending: Fiona Gormann (virtual)

6.3 Haven 4-bins extension survey outcomes (John)

7:35pm – 7:40pm

7. GENERAL DISCUSSION (Kim Hargreaves) 15mins

- Dadswells Bridge post fire
- Council meeting date changes
- Personal Interest Returns
- Caretaker Period

8. CLOSE

The meeting closed at 7:55pm

DINNER

KIM HARGREAVES

Acting Chief Executive Officer



**MINUTES OF INFORMAL MEETINGS OF COUNCILLORS
COUNCIL BRIEFING HELD IN THE COUNCIL CHAMBERS
MONDAY 25 SEPTEMBER 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; Kim Hargreaves, Acting Chief Executive Officer; Kevin O'Brien, Director Communities and Place; John Martin, Director Infrastructure; Steven Kingshott, Municipal Monitor

ATTENDED BY: Cr Robyn Gulline, Mayor; Cr David Bowe, Cr Penny Flynn, Cr Claudia Haenel, Cr Les Power, Cr Ian Ross; Kim Hargreaves, Acting Chief Executive Officer; Kevin O'Brien, Director Communities and Place; John Martin, Director Infrastructure; Steven Kingshott, Municipal Monitor; Belinda Johnson.

APOLOGIES: Nil

1. WELCOME AND INTRODUCTION

The Mayor welcomed everyone at 5pm.

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

Nil conflicts recorded

3. COUNCIL MEETING REPORTS FOR DISCUSSION

3.1 2023-2024 Finance Statements (Kim) **Appendix 4.1** **5.00pm – 5.30pm**
Attending: Belinda Johnson (*in person*)

3.2 Pedestrian Crossings Feedback (John) **Appendix 4.2** **5.30pm – 5.40pm**

4. GENERAL DISCUSSION (Kim Hargreaves) 15mins

An update on various items will be presented at the last briefing to close out Council term.

5. CLOSE

The meeting closed 6.30pm

KIM HARGREAVES
Acting Chief Executive Officer