

APPENDIX 9.1A

Annual Report

25

26





Acknowledgement of Country

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

We recognise the important and ongoing place that all Indigenous people hold in our community. We pay our respects to the Elders, both past and present, and commit to working together in the spirit of mutual understanding and respect for the benefit of the broader community and future generations.”

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Introduction

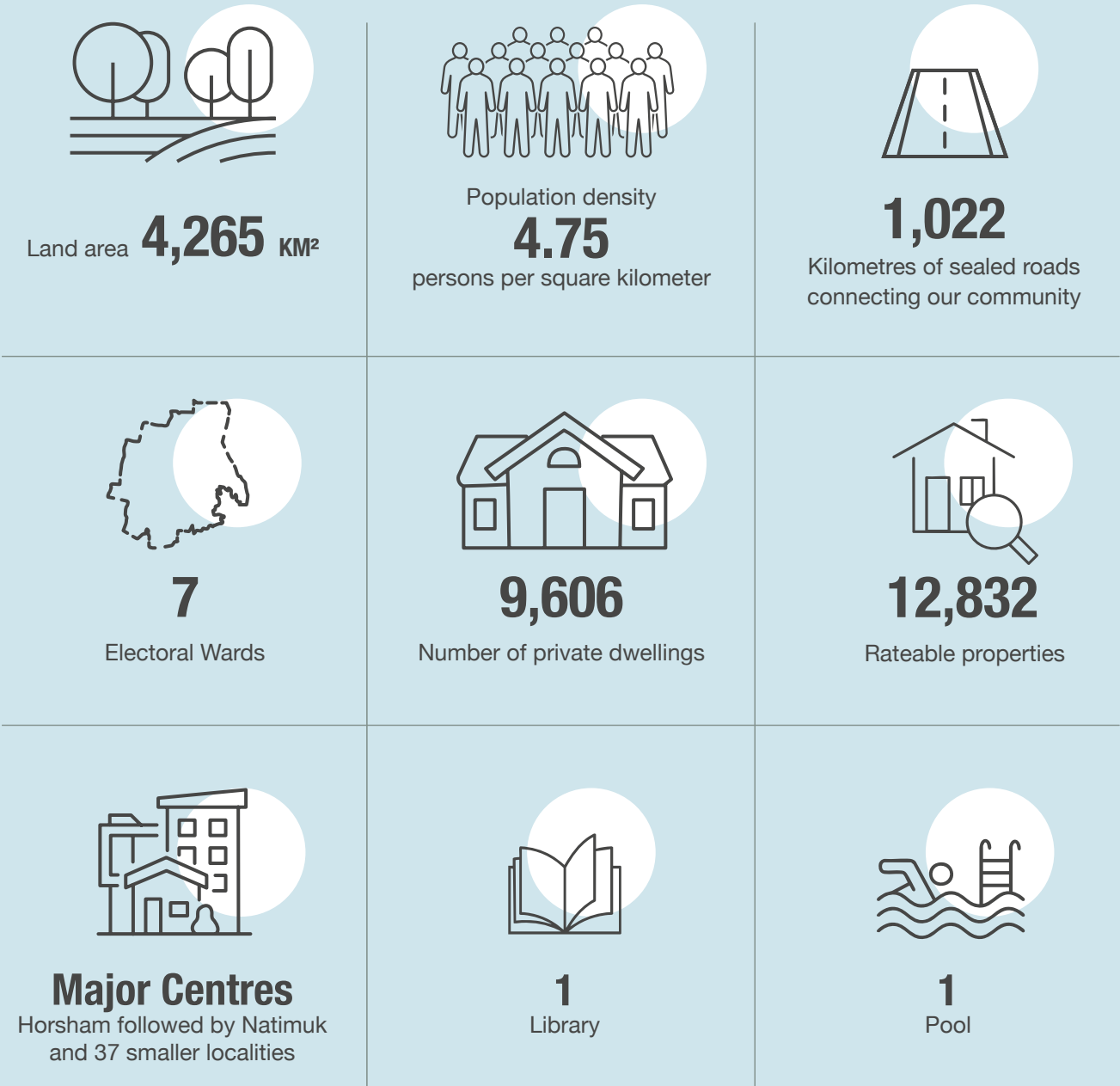
Welcome to the Report of Operations 2025-26

Council is committed to transparency and accountability to the community. The Report of Operations 2025-26 is the primary mechanism for reporting to the Horsham Rural City Council community on Council's operations, activities and performance for the financial year.



Snapshot of Council

Our place



Our community

Resident population



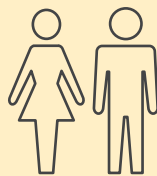
20,429
Population



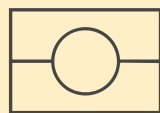
49.0%
Male



51.0%
Female



41
Median age



1.8%
Aboriginal and/or
Torres Strait Islanders



7.1%
Population
born overseas



Our economy

Top industries of employment in our community:



Health care and
social assistance



Construction



Accommodation and
food services



Retail trade



Education and training



Public administration
and safety



10,969
Jobs



\$1.2 billion
Regional exports



\$3.7 billion
Economic output



Top industry exporter
Agriculture, Forestry and Fishing
\$355 million



1. ABS 2021 Census – 2021 Horsham, Census All persons QuickStats | Australian Bureau of Statistics
2. Profile ID <https://profile.id.com.au/horsham/>
3. Source: Remplan Economy

Challenges and future outlook

During 2025-26, Horsham Rural City Council continued to navigate a range of significant challenges while advocating strongly on behalf of the community. From responding to the impacts of natural disasters and supporting recovery efforts, to championing local priorities through strategic advocacy, Council remained focused on building a resilient, sustainable and prosperous municipality. As the community's needs continue to evolve, Council is committed to working collaboratively with government, industry and stakeholders to address current challenges, seize future opportunities and secure positive outcomes for the Horsham Rural City region.



Grass Flat fire 9th January 2026

The communities of Grass Flat, Natimuk, Quantong and Vectis were impacted by one of the fastest moving grassfires our municipality has seen. Driven by extreme heat, dry conditions and strong winds, the fire destroyed 17 homes, numerous backyards, sheds, fences, and machinery as it burnt through 8,383 hectares (7844ha private land and 539ha public land). The event occurred during some of the most severe fire conditions experienced in Victoria since the 2019-20 Black Summer fires.

A relief centre operated in Horsham providing immediate support for displaced residents. The communities of Natimuk and Quantong rallied and provided incredible support for each other. A dedicated recovery hub was established in Natimuk and provided a central point of

support for affected residents, connecting people with information, services, financial assistance and wellbeing support. The hub has become a vital resource for community members navigating the challenges of fire recovery. For a period of time a second hub operated in Quantong.

A number of volunteer agencies provided support including BlazeAid who operated within the area for 3 months clearing 50km of fencing and rebuilding 55km of farm fencing. Rural Aid volunteers came and undertook a range of clean-up tasks on farming properties. Locals coordinated fodder supplies, clean-up supplies and donations of clothing. The local Lions Club coordinated financial donations. The community has since hosted a parliamentary inquiry, Governor of Victoria and the Emergency Management Commissioner visits.

State government funding was provided to employ dedicated recovery staff who currently operate the recovery hub and conduct numerous events and activities supporting the community's wellbeing and capability building. During autumn, the focus was on clean-up and understanding the impacts. The fire destroyed the Natimuk Bowling Club, impacted the Natimuk Gymnastics Club and impacted the Lake Natimuk boat ramps. Council continues to work strongly with state government agencies to seek funding for these vital community facilities. During winter, the program of recovery has moved to wellbeing, rebuild and renewal. Preparing for next season is on people's minds and Council continues to provide coordination for a range of events, activities and support for these communities.



Working for our community

Advocacy and lobbying to advance Council's strategic direction and attract funding for key projects and policies remained a defining focus for Horsham Rural City Council in 2025-26. Council also advocated on behalf of the community to the state and federal governments through submissions and hearings on matters of significance to the Horsham Rural City community. This work took on particular significance in 2025-26 as major renewable energy, mining and transmission investment began reshaping the region's future.

During the year, the six councils of the Wimmera Southern Mallee region including Buloke, Hindmarsh, Horsham, Northern Grampians, West Wimmera and Yarriambiack formed the Wimmera Southern Mallee Alliance, creating a stronger, united voice on housing, transport, workforce development and community wellbeing.

Central to this work was the Resource Ready Strategy

developed as the region enters a period of unprecedented economic transition driven by major renewable energy, mining and transmission infrastructure investment. Across all proposed projects, \$27.7 billion in potential capital investment could deliver 9,000 construction jobs and 2,400 ongoing operational jobs, creating a generational opportunity to strengthen regional economies and deliver long-term community benefits.

However, this scale of change will also place significant pressure on productive agricultural land, local infrastructure, housing, workforce availability, roads, community services and local government resources. Council's message throughout was simple: strategic investment is needed now to ensure these projects succeed and regional communities share in the benefits. This translated into targeted advocacy on several fronts.

On the proposed Avonbank Mineral Sands Project, Council sought assurances from the Victorian Minister for Energy and Resources that Environment Effects Statement (EES)

recommendations be enforced through any mining licence, balancing critical minerals opportunity against farmland and environmental protection. On energy transmission, Council made submissions to VicGrid's Victorian Transmission Plan and Access Regime in both 2025 and 2026, calling for farmland protection, transparent planning and fair compensation for affected landholders. These themes extended to national food security, with Council advocating for stronger protection of productive agricultural land and coordinated planning to avoid land-use conflict.

Council further strengthened its voice with four motions to the Municipal Association of Victoria (MAV) State Council and three motions to the Australian Local Government Association (ALGA) National General Assembly.

Looking ahead to the state election, Council began advocating for seven transformational local projects, supported by its ongoing engagement through the Regional Cities Victoria platform.

The year in review



Mayor's message

As I reflect on the past year, I am reminded that the true strength of Horsham Rural City lies in its people. In my first year as Mayor, I had the privilege of witnessing the resilience, compassion and generosity that define our community and continue to make Horsham Rural City such a remarkable place to call home.

The Grass Flat fire in January was one of the most significant challenges our community faced during the year. The devastation experienced by residents, families and farmers was heartbreaking, but the recovery effort showcased the very best of our community. Neighbours supported neighbours, volunteers stepped forward without hesitation, emergency services worked tirelessly, and countless acts of kindness helped people rebuild and recover.

While supporting recovery efforts and responding to immediate needs, Council continued to invest in services, facilities and infrastructure, advocate for projects that improve connectivity, safety, recreation and economic growth, and provide grants that strengthened community connections and delivered lasting local benefits.

Arts, culture and community life continued to thrive through the Horsham Regional Art Gallery and Horsham Town Hall, while Council's commitment to restoring The Wesley marked a significant step towards expanding cultural and community opportunities and preserving a valued piece of local heritage.

The Station remained a vibrant hub for young people, with programs such as 2VOX and Jam Sandwich providing opportunities to connect, create and build confidence while showcasing local creativity and supporting emerging musicians.

As our region entered a period of significant change, Council stepped forward as a strong and determined advocate for the Horsham community. Major renewable energy and mineral sands projects promised new jobs, investment and economic opportunities, while also raising important questions about impacts on agricultural land, local infrastructure and community wellbeing. Throughout the year, Council worked to ensure local voices were heard in government and industry decision-making. Whether advocating for the protection of productive farmland, seeking fair outcomes for affected landholders, or calling for greater transparency, accountability and community benefit, Council consistently championed the interests of the people it serves.

Council also worked to ensure the benefits of this growth were matched by investment in the communities expected to support it.

Through the Resource Ready Strategy, the formation of the Wimmera Southern Mallee Alliance, submissions to state and federal inquiries, and direct advocacy on major development proposals, Council pushed for improvements in housing, roads, workforce development, community services and critical infrastructure. In doing so, Council helped shape the regional conversation and promote a coordinated approach that recognises both the opportunities and challenges this transformation presents.

A significant initiative during the year was the establishment of the Horsham Bypass Planning Community Reference Group, bringing together community members to help assess future freight and transport needs. The process reflected Council's commitment to genuine community engagement, ensuring local knowledge and community priorities helped shape discussions about Horsham's future.

These achievements reflect the dedication of our Councillors, staff, volunteers, community groups, businesses, partners and residents. Together, we have embraced opportunities, navigated challenges and continued building a resilient, connected and forward-looking community. It is a privilege to serve as Mayor, I am proud of what we have achieved together and optimistic about the future.

Cr Brian Klowss
Mayor, Horsham Rural City Council



CEO's message

Rocklands Road on a bend and crest, and widening a section of the Horsham – Lubeck Road near Fischers Road.

The road program also continues an increased focus on resheeting of gravel roads, with some \$1.29 million of these works this year. Some \$750,000 was also spent on the vital resealing of existing road surfaces to maintain their longevity.

Council continued to deliver significant community infrastructure projects during the year, including the completion of the Dadswells Bridge Pedestrian Bridge replacement and the new City Oval netball pavilion. Redevelopment of Lukin Court Park was completed, enhancing access to quality open space and recreation opportunities for residents.

Another notable accomplishment was the strengthening of Gross Bridge at Drung to ensure it will continue to have the capacity for B-doubles into the future. The works included a novel installation of carbon fibre strengthening on the steel beams, after some leading-edge research into the applicability of this technology. Further modelling after completion of the works proved its capacity to cater to A-double loads as well.

Council also worked in partnership with the Wimmera Catchment Management Authority to deliver two new pedestrian bridges connecting either end of Apex Island, to provide additional connectivity along the length of the island.

Other key milestones included adopting the Horsham Municipal Community Facilities Strategy and Active Horsham Strategy and Action Plan, providing a long-term framework to guide future community infrastructure, sport, recreation and physical activity investment.

Strong partnerships and effective advocacy continued to drive Council's success, helping unlock opportunities for economic growth and regional development. During the year, construction commenced on the Farm Frites development, while continued investment across the agriculture and food production sectors reinforced the region's reputation as a leader in innovation and primary industry.

Council's annual Community Satisfaction Survey reflected strong progress, with overall performance exceeding regional city and state-wide averages. The results highlighted growing community confidence in Council's direction while also identifying priorities for further improvement.

These achievements are the result of many people contributing in different ways throughout the year. From council staff and volunteers to community groups, businesses, partners and residents, each has played a part in helping our municipality grow and thrive. It has been encouraging to see what can be achieved when people work together, and I thank everyone who has contributed to making Horsham Rural City the strong and vibrant community it is today.

Gail Gatt
**Chief Executive Officer,
Horsham Rural City Council**

Description of operations

Horsham Rural City Council delivers more than 70 services that support social, economic and environmental wellbeing of the community. These services include emergency management, community and family services, arts and culture, recreation, economic development, governance and financial management. Council also provides a broad range of building, planning and regulatory services and is responsible for the maintenance of essential infrastructure such as buildings, roads, drainage networks and parks to ensure safe access and community enjoyment.

Council's strategic objectives, strategies, initiatives and priorities are focused on improving the health, prosperity and wellbeing of the Horsham community. These are set out in the 2025-2029 Council Plan and the 2025-26 Budget. Progress against these commitments are reported in the Performance section of this document.

The effectiveness of Council's services, facilities, support and advocacy is measured through a suite of service performance indicators and measures. In delivering these services, Council also fulfills a wide range of statutory responsibilities under Victorian and Commonwealth legislation.



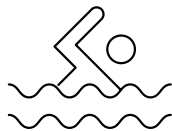
\$178,170
of grants provided to community groups to strengthen connection



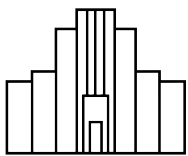
1,022 km
of sealed local roads connecting community across our region



79.06% animals were rehomed and 55.68% were reclaimed



Fitness and social enjoyment through **10,240 Aquatic Centre** visits



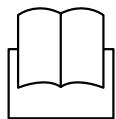
67 Horsham Town Hall performances and **94** Horsham Town Hall public programs



97.01% participation in 4-week Key Age and Stage visit by Maternal Health Nurses



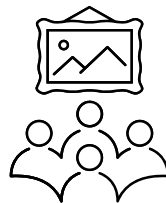
45.31% of waste diverted from landfill



60,334 library visits



16 council meetings and **114** council decisions



19 exhibitions and public art outcomes

Capital Works

Capital Works	Amount (\$)	Capital Works	Amount (\$)
Roads and associated infrastructure Roadworks were undertaken across Council to improve overall conditions. The works can be divided into the following works categories: • Heavy vehicle improvements \$462,789 • Reconstruction of urban streets \$412,545 • Reconstruction of urban roads \$29,409 • Gravel roads resheeting \$1,289,027 • Resealing works on rural roads \$560,618 • Resheeting works on rural roads \$359,286 • Kerb and channel works \$394,779 • Resealing works on urban streets \$192,725 • Drainage works in urban areas \$90,121 • Heavy patching works on rural roads \$279,873 • Heavy patching works on urban roads \$112,707 • Final seals on rural roads \$143,347 • Final seals on urban streets \$57,286 • Reconstruction of rural roads \$1,149,289 • Speed and safety treatments \$155,510 • Bridges on roads \$149,281	\$5,838,591	Livestock Exchange Maintenance and renewal works at the Livestock Exchange.	\$13,378
		Furniture, equipment and information technology Information technology upgrades to enable greater use of livestreaming meetings to the public. Upgrades and equipment across the organisation including Visitor Services, Town Hall and Civic Centre. Also included are furniture purchases for Wimmera Libraries.	\$420,469
		Footpaths and cycle ways Maintaining and enhancing Council's network of footpaths and walking trails including on-road and off-road cycle paths.	\$500,346
		Recreation, leisure and community facilities Works included shade sails at the Aquatic Centre, final works on the City Oval Events Stage and netball courts together with planning for future recreation and leisure facilities.	\$107,843
Plant and machinery purchases Purchase of machinery and large items of plant to enable efficient operations of services such as road maintenance, waste collection and processing.	\$1,291,362	Industrial land development Further development of Burnt Creek Industrial Estate, Enterprise Estate, Wimmera Agricultural and Logistics (WAL) Hub and Wimmera Intermodal Freight Terminal (WIFT).	\$678,813
City Oval: netball court clubrooms Construction of Clubrooms at City Oval Netball Courts.	\$1,072,470	Wimmera libraries lending materials Lending materials to service the Wimmera Libraries. Includes books and audio visual materials.	\$107,924
Building renewals and minor upgrades Renewal works and minor upgrades included the Horsham Aquatic Centre, Rowing Club, Scout Hall, Laharum Hall, Natimuk Hall, Quantong Community Centre, Public conveniences at Telangatuk and Sawyer Park, Performing Arts Centre, Civic Centre and Apex Jardwa Shed. Minor works were also undertaken at a number of other facilities as well as planning for other locations.	\$461,415	Wimmera libraries – open access fit out Works commenced on the fit out of the Wimmera Libraries to allow more flexible access to facilities to increase participation in the service. The project will continue into the following year.	\$137,398
Parks, open spaces and streetscapes A new playground was installed at City Oval/ Sawyer Park. Lights were installed at the Pedestrian Footbridge over the Wimmera River and works undertaken on a bus shelter at Natimuk. Other works included DDA compliant seats, patching on footpaths, water supply works, irrigation systems and CCTV updates.	\$229,951	Waste facilities Minor works at waste facilities to enable Council to deliver efficient and effective services to the community.	\$88,060
O'Callaghan Parade Streetscape and safety works to improve traffic conditions and appearance of O'Callaghan Parade	\$506,382	Off street car parks and accessibility improvements Improvement to existing carparks for all users.	\$32,358
Pedestrian bridge The pedestrian bridge at Dadswells Bridge was replaced.	\$298,463	Emergency response and preparation initiatives Works to assets required to assist with emergency response or maintenance to ensure preparedness. This year renewal works were carried out to a number of bores across the municipality.	\$26,424
Total		Total	\$11,811,647

Major changes

This year marked the beginning of a new chapter for Horsham Rural City Council. As Councillors settled into their second year and Council welcomed their newly appointed Chief Executive Officer, the organisation embraced a period of renewal, opportunity and fresh thinking.

Council also experienced a change in leadership when Mayor Cr Ian Ross took extended leave due to illness and Cr Brian Klowss assumed the role of Acting Mayor. In November 2025, Cr Brian Klowss was elected Mayor and Cr Rebecca Sluggett was elected Deputy Mayor. Both were appointed for 12-month terms.

A fifth-generation farmer from Natimuk, Cr Klowss also brought a strong connection to the region and a deep commitment to the community, ensuring Council also continued to move forward.

Councillors also led the implementation of Council's pioneering Ways of Working Charter, which reinforces a culture of respect, accountability and collaboration. Together, these changes have strengthened Council's ability to serve the community while remaining focused on delivering the projects, services and infrastructure that matter most to residents.

Over the past year, Council has also completed an important body of strategic planning work, establishing a clear direction for the municipality's future. Guided by extensive community consultation, several key plans were adopted or updated to support long-term decision-making across planning, finance, asset management and service delivery.

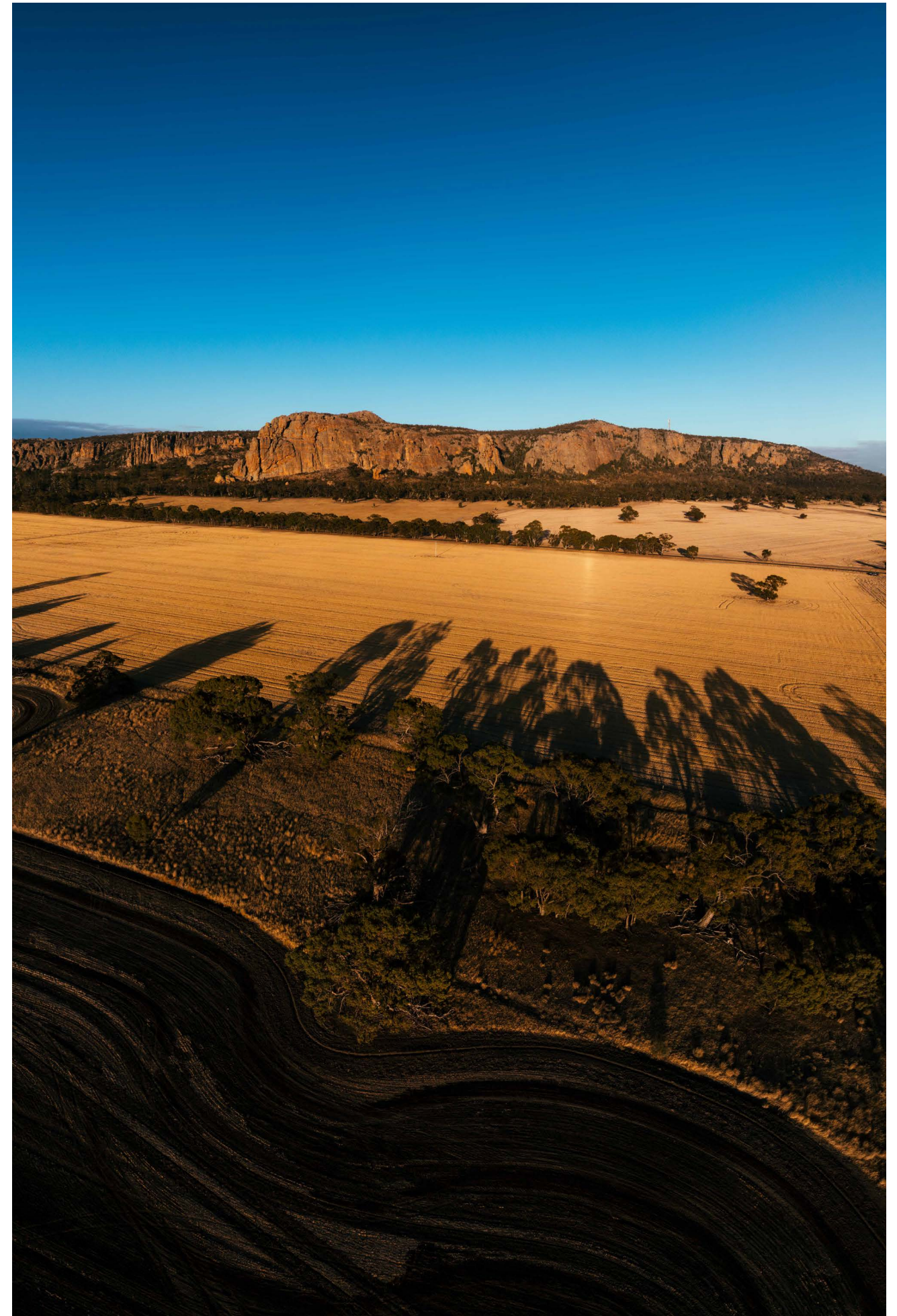
These include the Community Vision 2041, Council Plan 2025-2029, Revenue and Rating Plan 2025-2029, Financial Plan 2025-2035, Asset Plan 2025-2035 and Municipal Community Facilities Strategy 2025-2035.

Together, these documents provide a roadmap for the years ahead, helping ensure Council can continue to invest in people, places and services while responding to the changing needs of the community.

At the centre of this work is the Community Vision 2041, a community-led document that captures local aspirations and outlines what residents want Horsham Rural City to look and feel like in the future.

To help shape this vision, Council partnered with a contractor to deliver Horsham Rural City Talks, a comprehensive engagement program that included workshops, surveys and community conversations. Through this initiative, along with a range of other engagement activities, residents shared their ideas, priorities and hopes for the future.

The insights gathered through these conversations have played a key role in shaping Council's strategic direction and ensuring community voices remain at the heart of decision-making. As Council looks ahead, it remains committed to working alongside its community to create a vibrant, resilient and prosperous future for Horsham Rural City.



Major achievements - highlights of the year



Horsham Youth Council welcomed young leaders

Young leaders aged 11 to 18 shared their aspirations and values with families, council executives and staff as they commenced their two-year term as Horsham Youth Councillors. The swearing-in ceremony marked the beginning of an exciting journey for this passionate group, who will help shape community decisions, programs and opportunities for young people. Meeting monthly, the 11-member Youth Council plays a vital role in championing and strengthening the voices of youth across the Horsham community.

Live music program hits the right notes

Horsham’s dedicated youth space, The Station, hosted a free, six-week live music program for young people interested in performing or joining a band. Led by local musician and music teacher, the Jam Sandwich sessions were aimed at young people aged 10-25, offering mentorship and the chance to jam with others, or just have fun making music. The multi-purpose centre, operated by Council’s Youth Team, is a place for young people to hang out, create, and connect.

Livestock Exchange celebrated new sales record

A record-setting sale at the Horsham Regional Livestock Exchange (HRLE) in August saw a pen of extra heavy lambs from the Goroke area reach a remarkable \$466 per head, smashing the previous local record of \$403 set in May. The sale highlighted the strength of the region’s producers and the reputation of the HRLE as a prime livestock selling centre.



Global manufacturer chooses Horsham for landmark \$300 million investment

Horsham secured a major economic win with Victorian Government approval for the establishment of a \$300 million Farm Frites food manufacturing plant in Dooen, creating 250 new jobs. Farm Frites, a global producer of frozen potato products supplied to outlets including KFC and Hungry Jack’s, will establish its first southern hemisphere facility at the Wimmera Agriculture and Logistics Hub. Operating 24 hours a day, the plant will have the capacity to process up to 250,000 tonnes of Australian-grown potatoes annually. The landmark investment reinforces Horsham Rural City’s position as a key agricultural and manufacturing hub, building on its strong farming heritage and strategic transport connections.

Celebrating positive ageing through community connection

Council partnered with five local community groups to deliver another successful Horsham Seniors Festival. Held throughout October, the festival featured a diverse program of events, giving seniors across the municipality opportunities to connect, participate and celebrate through activities including a rock’n’roll tribute show, afternoon teas, displays, a riverside walk and a country concert.

The Wesley’s next chapter

Council committed \$2.28 million towards the restoration of The Wesley, one of Horsham’s most treasured cultural landmarks. The investment follows an outstanding community-led fundraising effort, with local supporters contributing more than \$423,000 towards the project. Built in 1912, The Wesley has long held a special place in Horsham’s cultural history and identity. Its restoration will strengthen the municipality’s arts and events infrastructure, creating new opportunities for community connection, cultural experiences and economic activity. The project is a testament to the community’s passion for preserving local heritage and investing in the region’s vibrant cultural future.

Major achievements - highlights of the year *continued...*



Netball pavilion a jewel in Horsham's sporting crown

Dignitaries, community members and sporting representatives came together at Horsham City Oval to celebrate the official opening of the new Hocking Street Community Pavilion. The \$3 million redevelopment has delivered modern, safe and accessible facilities, including upgraded netball courts, new lighting and spectator shelters. Designed to support female participation in sport, the pavilion features contemporary change rooms and amenities that meet current competition standards. Beyond netball, the versatile council-owned facility provides a welcoming space for clubs, events and community groups, creating lasting benefits for the wider region. Construction was completed by local company Locks Construction, supporting local jobs and investment.

Regional students benefit from renewed SPARK investment

Horsham's innovative SPARK Arts Education Program secured significant funding to deliver another two years of enriching opportunities for thousands of students across the region. Delivered through Horsham Town Hall, the program is led by SPARK Education Officers who develop an annual arts education program for schools across nine local government areas in western Victoria. Through workshops, performances and exhibitions, students from regional and rural schools engage with professional artists, experience live performances and explore emerging technologies. The program received \$174,727 through the Department of Education's Strategic Partnerships Program. Since 2022, SPARK has engaged more than 5,300 students and

achieved 87% participation from government schools.

Advancing reconciliation through partnership and action

National Reconciliation Week in Horsham highlighted the power of partnership, respect and shared commitment, bringing Wotjobaluk Nations peoples, community organisations and local businesses together to advance reconciliation in meaningful and lasting ways. Council hosted the All In for Reconciliation event at Horsham Town Hall, celebrating the First Nations voices, culture and the knowledge while encouraging practical action. Organisations and individuals pledged their commitment through Reconciliation Commitment Boards, demonstrating strong community support for positive change.



Welcoming new Australians to our community

Throughout the year, Horsham Rural City Council proudly hosted citizenship ceremonies on behalf of the Australian Government, welcoming 78 new Australian citizens from diverse cultural backgrounds into our community. Across multiple ceremonies, residents from countries including the United Kingdom, Fiji, India, Sri Lanka, Lithuania, the Philippines and others formally pledged their commitment to Australia and its shared values.

These ceremonies celebrated more than citizenship. They recognised the rich cultural diversity that strengthens our region and the contributions new citizens make to community life. Each new citizen received a citizenship certificate and a native plant, symbolising their growing connection and future in the Horsham community.

Ballet Under the Stars dazzles City Oval audience

Ballet Under the Stars transformed Horsham's City Oval into a spectacular open-air theatre, as The Australian Ballet brought world-class performance to the heart of the region. The free community event attracted audiences from across the municipality and beyond, showcasing a diverse program that blended beloved classical works with contemporary innovation. Local high school students joined the celebration through a special curtain-raiser performance, while community workshops for children, adults and seniors extended the experience beyond the stage. The unforgettable evening highlighted Horsham's ability to host nationally significant cultural events, strengthening community connections and providing unique arts experiences for residents and visitors alike.

Our Council

Councillors

Horsham Rural City Council has seven Councillors elected every four years by the residents of the municipality. Voting is conducted via postal vote, with the most recent election held on 24 October 2024. The seven Councillors are the elected representatives of all residents and ratepayers across the municipality. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation.

The Mayor is elected for a one-year period each November and is voted in by the Councillors. Our Councillors are listed here:



Mayor Cr Brian Klowss
Wyn Wyn Ward
First elected 26 October 2024
brian.klowss@hrcc.vic.gov.au
0488 392 798



Cr Rebecca Sluggett
Deputy Mayor
Kalimna Ward
First elected 26 October 2024
rebecca.sluggett@hrcc.vic.gov.au
0418 682 065



Cr Dean O'Loughlin
Green Park Ward
First elected 26 October 2024
dean.oloughlin@hrcc.vic.gov.au
0409 921 150



Cr Cam McDonald
May Park Ward
First elected 26 October 2024
cam.mcdonald@hrcc.vic.gov.au
0408 884 040



Cr Ian Ross
Pine Lake Ward
First elected 24 October 2020
Re-elected 26 October 2024
ian.ross@hrcc.vic.gov.au
0409 330 603



Cr Angela Munn
Oatlands Ward
First elected 26 October 2024
angela.munn@hrcc.vic.gov.au
0428 083 079

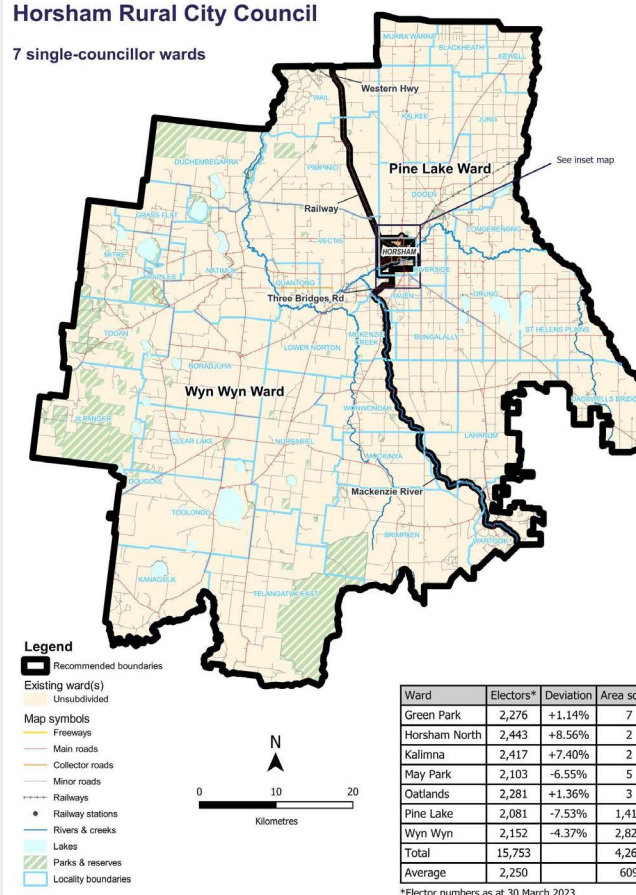


Cr Todd Wilson
Horsham North Ward
First elected 26 October 2024
todd.wilson@hrcc.vic.gov.au
0418 963 814

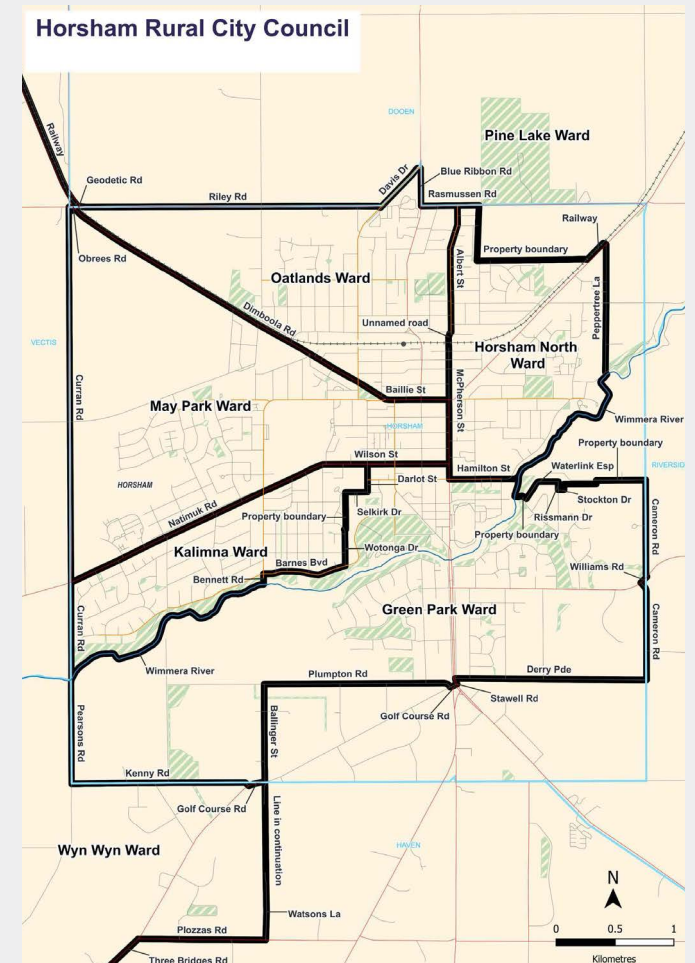


Horsham Rural City Council

7 single-councillor wards



Horsham Rural City Council



Our people

Council staff

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

During the 2025-26 financial year, Council implemented changes to its organisational structure as part of a broader realignment to ensure the organisation is well positioned to meet current and future strategic priorities. The realignment was undertaken to strengthen role clarity, improve coordination across service areas, enhance Council's ability to respond to evolving community needs, regulatory requirements, and financial pressures.

Effective from 18 May 2026, Council commenced operating under the organisational structure outlined right and below.



Chief Executive Officer
Gail Gatt
Investment Attraction and Advocacy
• Business Development and Tourism
• Advocacy and Communications
• Major Projects and Partnerships



Director Community Liveability
Justine Kingan*

Arts, Culture and Recreation

- Creative Services and Events
- Recreation and Open Space
- Grants

Community Services

- Municipal Emergency Recovery
- Wimmera Emergency Management Project
- Youth and Early Years
- Maternal Child Health
- Customer Service

Planning and Development

- Statutory Planning and Building Services
- Strategic Planning and Heritage



Director Organisational Performance
Kim Hargreaves

Finance

- General Accounting
- Revenue and Rates
- Information Technology

Governance and Regulatory Services

- Community Safety
- Environmental Health
- Governance

People, Culture and Safety

- Organisational Development
- Human Resources
- Occupational Health and Safety
- Payroll

Property Management



Director Infrastructure
John Martin

Assets and Engineering

- Project Office
- Assets
- Fleet

Roads and Facilities

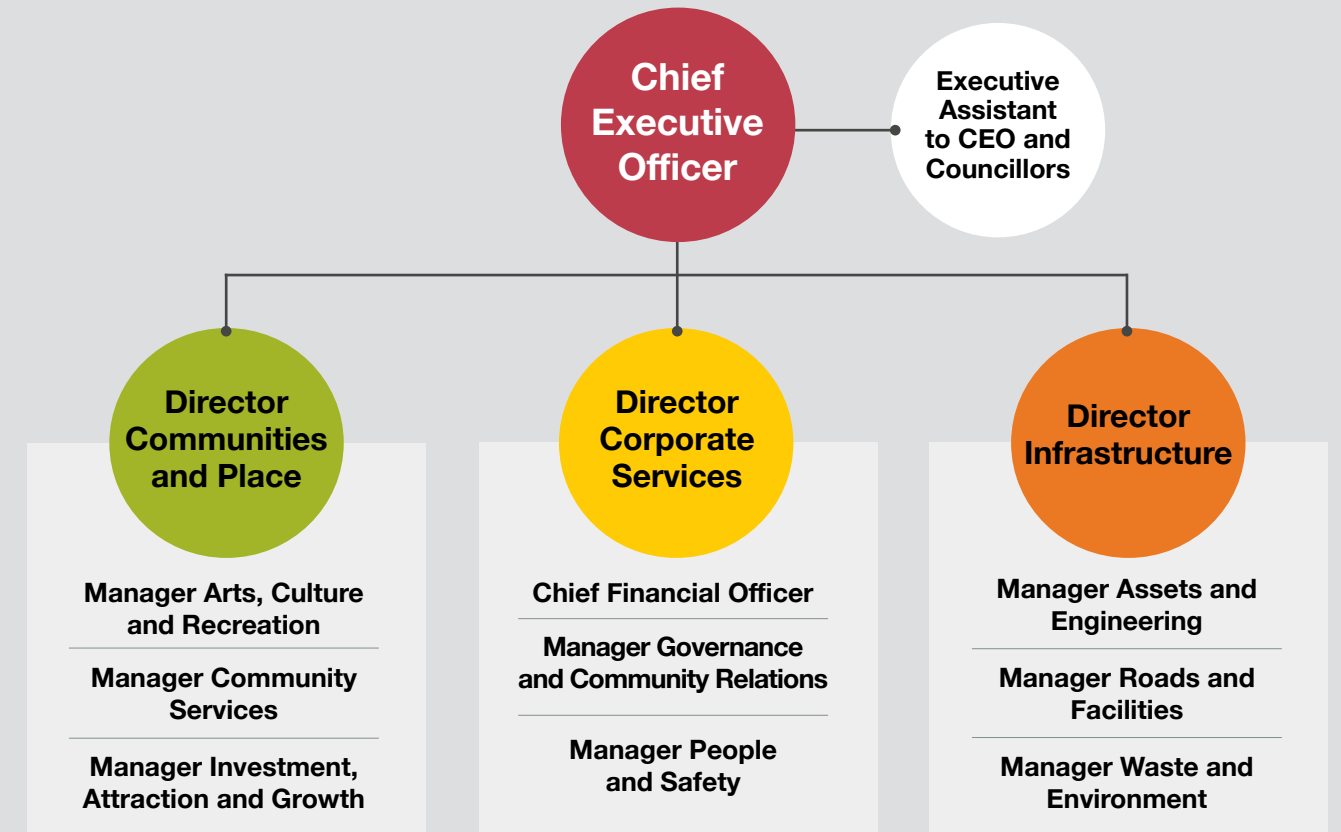
- Commercial Enterprises
- Civil Works
- Facilities

Waste and Environment

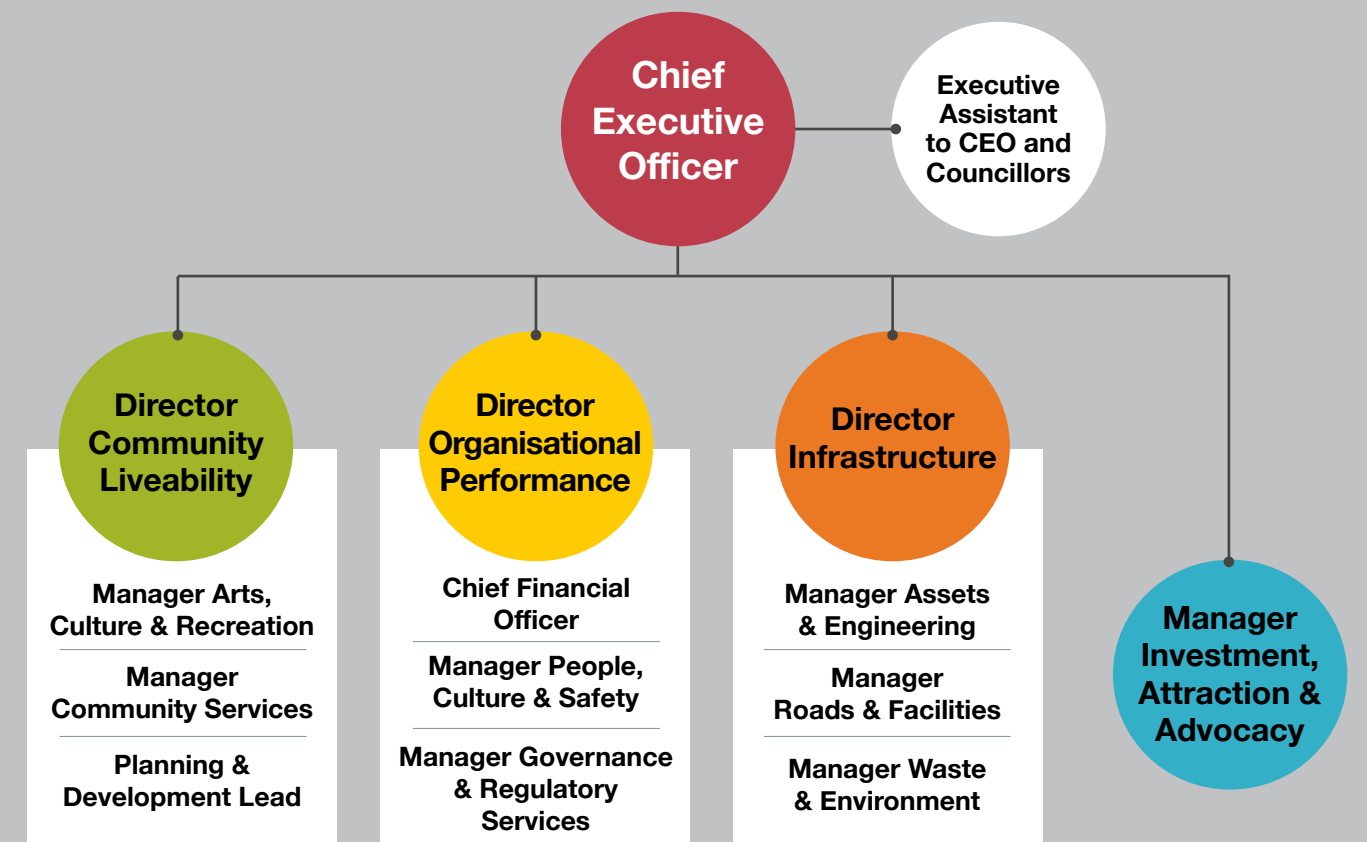
- Waste Infrastructure and Sustainability
- Parks and Gardens
- Waste Operations

*Kevin O'Brien held the position of Director Communities and Place for the period of 1 July 2025 to 9 January 2026. Brett Luxford held the interim position of Director Communities and Place for the period of 10 November 2025 to 15 May 2026. Justine Kingan commenced the role of Director Community Liveability on the 18 May 2026.

Organisational structure



The above organisational structure was in effect from 1 July 2025 to 17 May 2026.



The above organisational structure has been in effect since 18 May 2026.

Council staff *continued...*

A summary of the number of full-time equivalent (FTE) council staff by organisational structure, employment type and gender is set out below. The implementation of the internal staffing realignment was not fully completed as at 30 June 2026. While the overall totals are correct, the allocation of positions within individual directorates may vary.

Employment type / gender	Office of the CEO	Community Liveability	Organisational Performance	Infrastructure Services	Total
Full time					
Female	4.00	15.00	20.00	10.00	49.00
Male	1.00	5.00	10.00	90.00	106.00
Part time					
Female	0.78	21.07	10.81	0.94	33.60
Male	0.00	1.36	1.42	5.04	7.82
Casual					
Female	0.00	3.29	0.47	0.00	3.76
Male	0.00	0.57	0.89	0.00	1.46
Total	5.78	46.29	43.59	105.98	201.64

In the 2025-26 period there were no persons of self-described gender employed at Council.

Number of staff (FTE) by employment classification

Employment classification	Female FTE	Male FTE	Total FTE
Band 1	1.51	0.77	2.28
Band 2	0.00	0.00	0.00
Band 3	9.27	55.20	64.47
Band 4	11.66	22.51	34.17
Band 5	20.05	14.00	34.05
Band 6	13.71	6.00	19.71
Band 7	18.73	6.80	25.53
Band 8	0.81	5.00	5.81
Band not applicable	10.62	5.00	15.62
Total	86.36	115.28	201.64

Other staff matters

Gender Equity Action Plan

Council adopted its second Gender Equality Action Plan (GEAP) 2026-2030 during the year, building on the achievements of its inaugural Plan and reaffirming its commitment to advancing gender equality across the organisation and broader community. Developed in accordance with the *Gender Equality Act 2020*, the Plan was informed by a workplace gender audit, employee consultation and analysis of organisational performance against the seven legislated gender equality indicators. The GEAP establishes Council's strategic priorities for promoting a safe, respectful and inclusive workplace and embedding gender equality considerations in decision-making, policies, services and programs.

A biennial workplace gender audit completed in December 2025 informed development of the 2026–2030 GEAP, supported by analysis of organisational actions, training initiatives and capacity-building activity.

Audit results indicated that Council continues to perform strongly across a range of gender equality measures, particularly in workforce participation and remuneration. Improvements in data collection and reporting have enhanced Council's ability to monitor workforce trends, measure progress and identify opportunities for continuous improvement. Key priorities for the next four years include supporting pathways for women

into leadership and traditionally male-dominated occupations, reducing barriers to career progression, responding to workforce demographic change and expanding access to flexible work arrangements.

Council will continue to monitor and report on progress through the biennial reporting framework, with the next report due in 2027 and a comprehensive review of the Plan scheduled for 2030.

Enterprise Bargaining Agreement

Negotiations for Enterprise Agreement Number Eleven (2025–2028) (EA11) commenced in May 2025 and continued into the 2025–26 financial year. Council progressed negotiations with employees and successfully finalised a proposed agreement for employee consideration.

Following completion of the bargaining process, a ballot of eligible employees was then conducted in October 2025 in accordance with the requirements of the Fair Work Act. A total of 211 of 301 eligible employees participated (70.1 per cent). The proposed agreement received strong support, with 196 employees (92.9 per cent of votes cast) voting in favour of its adoption.

EA11 builds on the framework established under the previous agreement and maintains a contemporary suite of employment conditions that support employee wellbeing, workplace flexibility and the ongoing attraction and retention of a skilled workforce.

Following submission to the Fair Work Commission, EA11 was approved on 27 November 2025 and came into operation on 4 December 2025.

Council thanks those employees who exercised their right to participate directly in the bargaining process and contribute to the development of the proposed agreement. Council also acknowledges the broader employee group for their strong engagement in the ballot process and overwhelming support for the adoption of EA11.

Professional development

Council continued to invest in the development of its workforce throughout 2025–26, with a focus on strengthening leadership capability, supporting accredited qualifications and improving the systems used to manage learning and performance across the organisation.

A significant milestone during the year was the continued implementation of Council's Human Resource Information System, ELMO, and particularly the rollout of its Learning and Development module. This module is progressively becoming Council's central platform for the management of training, providing improved capability for training enrolment, record-keeping, compliance monitoring and reporting. The establishment of Council's Organisational Development Unit during the latter part of the reporting period will enable the organisation to maximise the benefits of the system, including

Other staff matters *continued...*

stronger oversight of training investment, improved budgeting processes and a greater ability to measure the effectiveness and value of professional development activities. The system is also now being used to support the administration of Council's probationary and annual performance review processes, creating a more integrated approach to employee development.

Investment in leadership development remained a priority throughout the year. Council invited expressions of interest from employees wishing to participate in the Leadership Wimmera 2026 Changemakers Program, a highly regarded regional leadership initiative that has developed leaders across western Victoria for many years. The program provides participants with opportunities to broaden their leadership skills, strengthen regional networks and contribute to positive change within their workplaces and communities. Council has a strong history of supporting employee participation in the program and, during the reporting period, supported applications from two employees, committing to fund program fees and associated attendance costs. At the end of the reporting period, applicants were awaiting the outcome of the selection process.

Council also continued to support participation in recognised leadership programs within the local government sector. One member of Council's Executive Leadership

Team is being supported to complete the LGPro Executive Leadership Program, a premier development program designed for current and emerging senior local government leaders. The program focuses on strategic leadership, organisational performance, sector-wide collaboration and contemporary challenges facing local government, supporting the continued development of executive leadership capability within the organisation.

In addition, Council's Coordinator Project Office, was selected to participate in the LGPro Emerging Leaders Program 2026, one of the sector's flagship leadership development programs. Selection was highly competitive, with 70 nominations received for 25 available places across Victoria. Participation in the program will provide opportunities to further develop leadership capability, strategic thinking and professional networks within the local government sector.

Council continued to invest in employee development through accredited qualifications aligned with organisational priorities and workforce needs. During the reporting period, employees completed formal training that enhanced professional capability and strengthened expertise within key service areas. This investment supports compliance with regulatory requirements, promotes continuous learning and helps ensure the delivery of high-quality services to the community.

Through these initiatives, Council continues to build organisational capability, support employee growth and ensure the workforce remains equipped to meet evolving community needs and service delivery expectations.

Preventing violence against women

Council continued its participation in the Free from Violence Local Government Program 2024–2027, supported through external funding. The program supports Victorian councils to address the drivers of family violence and all forms of violence against women by promoting positive workplace culture, strengthening organisational capability and embedding a whole-of-council approach to primary prevention.

During the year, Council continued implementation of the *Local Government Guide for Preventing Family Violence and All Forms of Violence Against Women* and strengthened partnerships with key regional stakeholders. Training was delivered through both face-to-face and online formats, with a focus on recognising the drivers and indicators of gendered violence, active bystander action, workplace response and support pathways, and factors that can increase vulnerability to gendered violence and discrimination.

Council will continue to work with community partners to deliver education and prevention initiatives, with a particular focus in the final year of the program on integrating primary prevention

principles into emergency management planning and response activities.

Council submitted its Year 2 program activity report on 1 May 2026, together with a delivery plan for the final year of program delivery.

Health and safety

Maintaining a safe and healthy workplace remains a priority for Council. During 2025–26, Council continued to focus on improving safety systems and supporting employees to work safely across a diverse range of roles and work environments.

Key initiatives undertaken during the year included:

- Continued refinement of the RiskWare incident reporting system to improve incident and hazard reporting, investigation and follow-up processes.
- Implementation of an updated chemical register system, enhancing access to Safety Data Sheets and supporting compliance with hazardous substances requirements.
- Delivery of manual handling training to 94 employees from a range of business units, supporting safer work practices and helping to reduce the risk of workplace injuries.

Council also continued to review and update safety documentation and processes as part of its ongoing commitment to continuous improvement in workplace health and safety.

At the end of the reporting period, Council commenced a project to better understand the occupational health and safety risks associated with the maintenance of public amenities and facilities. The project is examining potential employee exposures and control measures, with a particular focus on operational staff who may come into contact with biological hazards and other contaminants during the course of their work.

Council remains committed to fostering a workplace culture in which health and safety considerations are embedded in day-to-day operations and decision-making.

Our performance

Integrated Strategic Planning and Reporting Framework

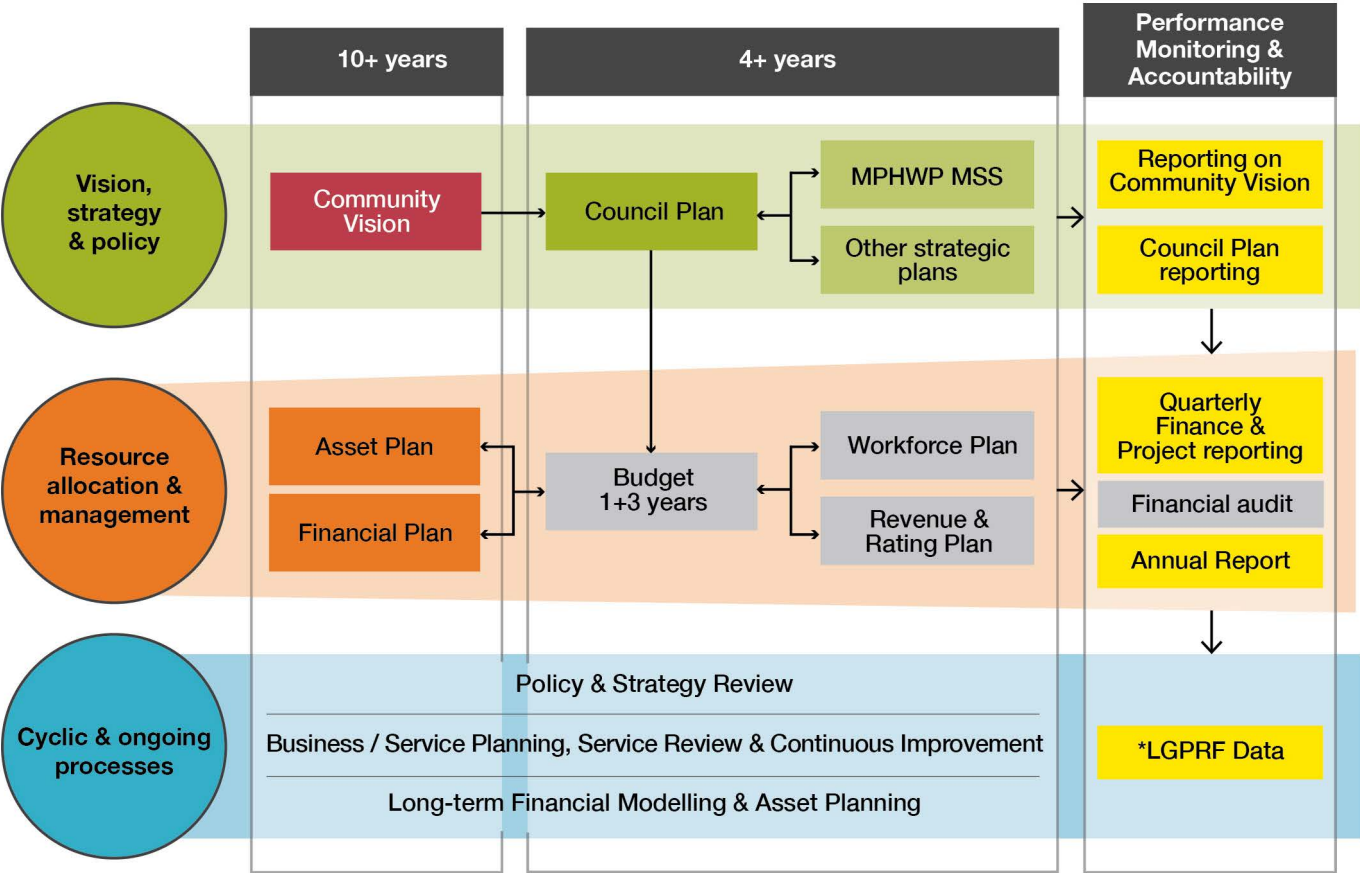
Part 4 of the *Local Government Act 2020* requires Councils to prepare the following:

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

The *Local Government Act 2020* also requires councils to prepare a Workforce Plan which includes projected staffing requirements for at least four (4) years.

The *Public Health and Wellbeing Act 2008* requires councils to prepare A Municipal Public Health and Wellbeing Plan (MPHWP MSS) to be consistent with the Council Plan for at least the next four (4) years and be reviewed annually.

The following diagram shows the relationships between the key planning and reporting documents that make up the Integrated Strategic Planning and Reporting Framework for local government.



*Local Government Performance Reporting Framework



Horsham 2041 Community Vision

In 2041, Horsham Rural City is the vibrant, liveable heart of the region, thriving on growth and social connectedness. Empowering people to live, work and access opportunities for wellbeing, recreation and culture, now and into the future.



Liveability

We are a place where open spaces are valued, housing is diverse, and health and wellbeing are prioritised.

Our community is diverse yet connected, and everyone feels a strong sense of belonging.



Sustainability

We are driven by economic growth in a healthy and safe, natural environment.



Accessibility

We are an accessible rural community welcoming people from across the Wimmera and beyond.

Our infrastructure makes it easier for everyone to participate fully in community life.



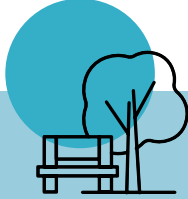
Leadership

We are an engaged population contributing to decisions that affect our lives, with a trusted and capable Council leading with integrity and responsibility.

Council Plan

The Council Plan 2025-2029 sets out the Council’s strategic direction for the next four years. It defines our objectives and key strategic moves. The Council Plan is a requirement under the Local Government Act 2020 and seeks to advance the Horsham 2041 Community Vision, which describes the community’s long-term aspirations for the municipality.

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

Service excellence	 Liveability A healthy, connected and vibrant community that supports people to live, work and thrive. 1. Promote health and wellbeing for people of all ages and abilities. 2. Celebrate and grow recreation, arts and cultural opportunities. 3. Support community leadership and local action. 4. Create welcoming places that reflect our identity and encourage connection.	 Sustainability A region that grows sustainably and protects what matters. 5. Protect biodiversity and care for natural and built assets. 6. Adapt to minimise climate impacts. 7. Support business and stimulate investment. 8. Use sound planning to balance growth and protect what matters.	 Accessibility A municipality that is easy to access, move through and participate in. 9. Improve transport networks within our community and beyond. 10. Improve access to quality services, public space and facilities. 11. Ensure our community can access resilient and reliable assets and services.	
	Corporate operations	 Leadership A trusted and capable Council that leads with integrity and responsibility.	12. Make transparent and evidence-based decisions. 13. Demonstrate sound financial and asset management. 14. Foster a high performing organisation. 15. Strengthen engagement, advocacy and partnerships.	

Performance

Council's performance for 2025-26 has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2025-2029 Council Plan.

- Performance has been measured as follows:
- Results achieved in relation to commitments and measures in the Council Plan
 - Progress in relation to the major initiatives identified in the budget
 - Services funded in the budget and the persons or sections of the community who are provided those services



Liveability

A healthy, connected and vibrant community that supports people to live, work and thrive.

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

COMMITMENTS	MEASURE	RESULT	COMMENTS
1. Promote health and wellbeing for people of all ages and abilities	• Participation in MCH Service	86.15%	Participation in Maternal and Child Health services was generally positive, particularly for Aboriginal children and the four-week Key Age and Stage visit. Food safety results were more mixed, with lower completion of assessments than sampling activity.
	• Participation in MCH Service by Aboriginal children	95.74%	
	• Infant enrolments in the MCH service	100.50%	
	• Participation in 4-week Key Age and Stage visit	97.01%	
	• Time taken to action food complaints	4.43 days	
	• Food safety assessments	14.47%	
	• Food safety samples	72.50%	
2. Celebrate and grow recreation, arts and cultural opportunities	• Number of Horsham Town Hall performances	67	A broad range of performances, public programs, exhibitions and public art outcomes was delivered during the year. The opportunities recorded a high level of audience satisfaction.
	• Number of Horsham Town Hall public programs	94	
	• Number of exhibitions and public art outcomes	19	
	• Horsham Town Hall audience satisfaction rates	95%	
3. Support community leadership and local action	• Number of community and events grants provided by Council	96	Council's grants program continued to support community groups, events and local initiatives. Municipal award nominations provided another avenue for community recognition. While the Community Leadership Program was not offered this year, opportunities for young people to participate in community leadership were provided through the Horsham Youth Council.
	• Number of nominations received for municipal Australian of the year awards	12	
	• Number of participants in Community Leadership Program	0	

COMMITMENTS	MEASURE	RESULT	COMMENTS
4. Create welcoming places that reflect our identity and encourage connection	• Number of community events supported by Council	5	Council-supported events and a broad program of performances, public programs, exhibitions and public art provided opportunities for community participation and connection.
	• Number of community events hosted by Council	1	
	• Number of Horsham Town Hall performances	67	
	• Number of Horsham Town Hall public programs	94	
	• Number of exhibitions and public art outcomes	19	

Major initiatives

The following statement outlines Council's progress against the major initiatives identified in the 2025-26 Budget. This also includes new initiatives introduced and funded during 2025-26 and continuing initiatives carried forward from previous budget years that were not completed within the original financial year.

Continuing initiative	Initiative description				
<i>Community Buildings co-location and needs assessment</i>	The Community Facilities Plan will provide an understanding of the utilisation, current demand, future use and gaps in the provision of community facilities within the municipality. It will also ensure there is equity and fairness in how Council's community facilities are used and by whom. The strategy will also inform Council's Property Policy and how community facilities are planned for and considered, into the future.				
2025-26 Progress comment	Project progress	Budget	YTD Actual	Variance	
The Community Facilities Plan has been completed and adopted. It will inform how Council's community facilities are planned and managed into the future.	100%	\$0	\$0	\$0	

Continuing initiative	Initiative description				
<i>Development of a Masterplan for Social Infrastructure Assessment</i>	To develop Master Plans for key municipal level assets as listed in the Social Infrastructure Framework: Plan: Funds allocated are for the development of a Conservation Management Plan and Concept Plan for Horsham Cinema.				
2025-26 Progress comment	Project progress	Budget	YTD Actual	Variance	
The Conservation Management Plan and Concept Plan for the Horsham Cinema is due for completion early 2026-27.	98%	\$0	\$0	\$0	

Major initiatives continued...

Continuing initiative		Initiative description			
Outdoor Play Space Plan		The Outdoor Play Space Plan will provide a strategic framework and plan for action that responds to the challenges of upgrading existing and planning for new public play spaces.			
2025-26 Progress comment		Project progress	Budget	YTD Actual	Variance
Development of the Outdoor Play Space Strategy will guide future priorities and projects to improve play spaces across the municipality.		98%	\$0	\$4,963	(\$4,963)
New initiative		Initiative description			
Active Recreation and Sporting Strategy		Funding to hire a consultant who will develop a comprehensive plan for promoting active recreation and sports within our municipality. This strategy will enhance the health and wellbeing of the Horsham and surrounding communities by providing suitable infrastructure, open spaces and opportunities for various recreational and sports activities.			
2025-26 Progress comment		Project progress	Budget	YTD Actual	Variance
The Active Horsham Strategy has been adopted by Council and implementation has commenced.		100%	\$60,290	\$48,005	\$12,285
New initiative		Initiative description			
Horsham Town Hall Website and Point of Sale Software Upgrade		This project aims to improve the customer experience of the HTH website, especially around ticket and product purchases.			
2025-26 Progress comment		Project progress	Budget	YTD Actual	Variance
Horsham Town Hall website has been reviewed, updated and improved for use in the 2026-27 year.		95%	\$10,000	\$10,245	(\$245)

Liveability services

The following statement provides information in relation to the services funded in the 2025-26 Budget and the persons or sections of the community who are provided the service.

Service area	Description of service provided		2025-26 Budget \$'000	2025-26 Actual \$'000	2025-26 Variance \$'000
Aquatic Recreation	Management of the strategic use of the Aquatic Centre, including major refurbishment and upgrades.	Rev	0	41	41
		Exp	(1,040)	(1,249)	(209)
		Net	(1,040)	(1,208)	(168)
Community Safety	This service deals with matters concerning Local Laws including permits and licences, enforcement and fines and fire hazard enforcement.	Rev	288	207	(81)
		Exp	(710)	(724)	(14)
		Net	(422)	(517)	(95)

Service area	Description of service provided		2025-26 Budget \$'000	2025-26 Actual \$'000	2025-26 Variance \$'000
Library	Provides resources and programs aimed at meeting the information, creation, educational and cultural needs of the diverse community of Horsham in an equitable, effective, efficient, responsive and forward-looking manner in accordance with the values and objectives of the library plan.	Rev	542	583	41
		Exp	(1,133)	(1,199)	(67)
		Net	(591)	(616)	(26)
Facilities and Operations Management	This service includes management and administration of the Operations Department to facilitate the delivery of core functions and capital programs.	Rev	19	27	8
		Exp	327	86	(242)
		Net	346	112	(233)
Parks and Gardens	Provision of managed areas for sport, recreation and amenity – includes sports grounds, parks, gardens, the Botanic Gardens and playgrounds throughout the municipality.	Rev	14	10	(4)
		Exp	(3,967)	(4,169)	(202)
		Net	(3,953)	(4,159)	(205)
Performing Arts Centre and Visitor Services	This service encompasses the running of the Horsham Performing Arts Centre operations, including Performing Arts, the Regional Art Gallery and support to visitors accessing the Visitor Services.	Rev	1,491	1,578	87
		Exp	(3,426)	(3,703)	(278)
		Net	(1,935)	(2,125)	(191)
Social Infrastructure Support	This service provides recreational and open space planning plus the maintenance, insurance and other ongoing costs for the municipality's recreation groups and community facilities. Also includes the community inclusion and the oversight of the Horsham Centre Cinema contract.	Rev	72	15	(57)
		Exp	(819)	(736)	83
		Net	(747)	(721)	26
Sports and Recreation	Provision and maintenance of outdoor and indoor sports and recreation facilities throughout the municipality and works with community groups and user groups to increase participation.	Rev	57	42	(15)
		Exp	(1,325)	(2,207)	(881)
		Net	(1,268)	(2,165)	(897)
Youth and Early Years	This service provides support to families with parenting, health and development, promotion of health, wellbeing and safety, social supports, youth facility 'The Station', referrals and linking with local communities.	Rev	1,166	1,252	86
		Exp	(1,698)	(1,648)	51
		Net	(532)	(396)	136
Net cost to Council for theme 1 – Liveability			(10,142)	(11,794)	(1,652)



Sustainability

A region that grows sustainably and protects what matters.

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

COMMITMENTS	MEASURE	RESULT	COMMENTS
5. Protect biodiversity and care for natural and built assets	• Number of trees planted annually	1,500 Native Trees	Native tree planting and roadside pest management activities contributed to protecting biodiversity and maintaining healthy natural environments.
	• Number of roadside rabbit burrows ripped/fumigated	330	
6. Adapt to minimise climate impacts	• Kerbside collection waste diverted from landfill	45.31%	Kerbside waste diversion contributed to improved resource recovery and reduced reliance on landfill.
	• Waste management measure in Customer Satisfaction Survey	70	
7. Support business and stimulate investment	• Visitation rates for Visitor Information Centre	22,386	Investment attraction and growth remained a focus throughout the year with visitor activity, local card expenditure and business occupancy indicating strong economic activity across the municipality.
	• Report on credit card expenditure in municipality (Spend map)	466.78M	
	• Business occupancy rates (HRCC captures)	90%	
8 Use sound planning to balance growth and protect what matters	• Planning applications decided within required timeframes	92.71%	Planning applications were decided within the reported timeframe, and all Council planning decisions considered by VCAT were upheld.
	• Council planning decisions upheld at VCAT	100%	

Major initiatives

The following statement outlines Council's progress against the major initiatives identified in the 2025-26 Budget. This also includes new initiatives introduced and funded during 2025-26 and continuing initiatives carried forward from previous budget years that were not completed within the original financial year.

Continuing initiative	Initiative description			
<i>Events Stage Activation – Music Event</i>	The initiative aims to engage a music promoter to source a large-scale event to be held at the Horsham Events Stage, located at the City Oval. The Events Stage Activation project will provide the community with an opportunity to enjoy live music. There will also be a boost to the local economy resulting from an increase in visitation to our municipality by those attending the event.			
2025-26 Progress comment	Project progress	Budget	YTD Actual	Variance
The Event Stage Activation project resulted in the identification of the need for an Events Strategy. The successful delivery of Ballet Under the Stars, attracting more than 1,500 attendees, highlighted opportunities for further activation of the Horsham Events Stage through creative and performing arts programs.	100%	\$0	\$0	\$0
Continuing initiative	Initiative description			
<i>Housing Affordability and Diversity Strategy</i>	The Housing Strategy seeks to inform Council’s strategic direction to implement Planning Scheme provisions, which support alternative and innovative ways of providing affordable housing options within Horsham and Natimuk as well as providing equitable housing outcomes for the community.			
2025-26 Progress comment	Project progress	Budget	YTD Actual	Variance
Final draft strategy under review for alignment with State Planning Reforms.	95%	\$30,000	\$16,740	\$13,260
Continuing initiative	Initiative description			
<i>Dooen Land Fill Master Plan</i>	Development of long-term Master Plan to optimise utilisation of landfill site for waste management.			
2025-26 Progress comment	Project progress	Budget	YTD Actual	Variance

Continuing initiative	Initiative description			
Development of Landscape Design Guidelines	Development of Landscape Design Guidelines for use by individual and commercial property developers. The Landscape Design Guidelines will empower individual and commercial property developers in our community. By adhering to Horsham’s Planning Scheme, these guidelines will enhance urban spaces, improve liveability, reduce maintenance costs for public areas and ensure project quality and compliance.			
2025-26 Progress comment	Project progress	Budget	YTD Actual	Variance
Landscape Guidelines prepared. Design and layout in progress ready for implementation in late 2026.	80%	\$0	\$14,750	(\$14,750)
Continuing initiative	Initiative description			
Significant Tree Register	Develop a register of significant trees in the municipality to enable them to be appropriately protected or managed in the long-term.			
2025-26 Progress comment	Project progress	Budget	YTD Actual	Variance
Project not progressed due to the need to undertake a Tree Audit and rescope project.	25%	\$25,000	\$0	\$25,000
Continuing initiative	Initiative description			
Climate Change Adaptation Plan	Develop a Climate Change Adaptation Plan to guide how Council and the municipality will adapt to the impacts of Climate Change.			
2025-26 Progress comment	Project progress	Budget	YTD Actual	Variance
Project scope developed and request for quotes from suitable consultants undertaken. Work to commence early in new financial year.	15%	\$20,000	\$0	\$20,000
New initiative	Initiative description			
Three Lakes Feasibility Study (Green Lake, Taylors Lake and Dock Lake)	This project will consist of a Feasibility Study and Master Plan for a Lake Precinct including Green Lake, Taylors Lake and Dock Lake to evaluate each lake’s future role, identify how they can be differentiated while complementing one another, explore the various development opportunities for each lake, and assess the feasibility of these opportunities.			
2025-26 Progress comment	Project progress	Budget	YTD Actual	Variance
Draft Feasibility Report is under review and is expected to be presented at Council Briefing session in Q1 of FY2026-27.	60%	\$54,000	\$25,000	\$29,000

Sustainability services

The following statement provides information in relation to the services funded in the 2025-26 Budget and the persons or sections of the community who are provided the service.

Service area	Description of service provided		2025-26 Budget \$'000	2025-26 Actual \$'000	2025-26 Variance \$'000
Animal Management	This service provides animal management through implementation of appropriate rules and regulations in relation to keeping of cats, dogs and other animals and livestock within the municipality to minimise disturbance to residents and the community and ensure public safety. It also includes the operation of Council's dog and cat rehousing program.				
		Rev	656	473	(183)
		Exp	(316)	(351)	(35)
		Net	340	122	(218)
Business Development and Tourism	This service covers tourism marketing and development as well as promotion for major events and festivals.				
		Rev	0	0	0
		Exp	(536)	(475)	61
		Net	(536)	(475)	61
Commercial Operations	This service includes contracted facilities such as the Caravan Park and the Wimmera Intermodal Freight Terminal. Also included is the Horsham Regional Livestock Exchange, which provides weekly sheep sales at the Burnt Creek Drive facility servicing primary industry across the Wimmera. Horsham Regional Livestock Exchange is the fourth largest sheep selling centre in Victoria. This service also includes the operations of the Horsham Aerodrome which provides a regional airport for commercial and private aircraft.				
		Rev	1,012	777	(235)
		Exp	(1,244)	(1,265)	(22)
		Net	(232)	(488)	(257)
Economic Development	This service provides support to the Wimmera Southern Mallee Development, maintenance and administration for the Wimmera Business Centre and general economic development and promotion for the municipality. Land sales and acquisitions, tree plantation and land management costs for the Burnt Creek and Enterprise Industrial estates and Wimmera Agricultural Logistics (WAL) Hub, are also provided under this service.				
		Rev	316	277	(39)
		Exp	(1,465)	(1,263)	202
		Net	(1,149)	(986)	163
Emergency Management	To prepare for and mitigate if possible the impacts of an emergency on HRCC and the community through good planning and interoperability with all agencies, includes the Wimmera Emergency Management Resource Sharing Partnership.				
		Rev	300	523	223
		Exp	(306)	(276)	30
		Net	(6)	247	253

Service area	Description of service provided		2025-26 Budget \$'000	2025-26 Actual \$'000	2025-26 Variance \$'000
Environmental Health	This service provides health administration, health vending machines and other preventative measures including needle exchange, Tobacco Act reforms and mosquito monitoring. A variety of legislative based services and functions around environmental health issues are also provided.				
		Rev	206	178	(28)
		Exp	(379)	(280)	99
		Net	(173)	(102)	71
Natural Resource Management	This service provides a mix of environmental services covering fire hazards, fire disaster clean-up, grass removal, fire plugs, their replacement and markers, footpath cleaning in the CBD and weir operations.				
		Rev	48	1,060	1,012
		Exp	(114)	(253)	(139)
		Net	(67)	806	873
Statutory Planning and Regulations	This service provides statutory planning services such as planning permits, notice of applications, information certificates, scheme appeals, subdivision costs, administration of building control services including building approval, inspection fees, easement approval and State Government levies.				
		Rev	445	402	(43)
		Exp	(1,110)	(1,050)	60
		Net	(665)	(648)	17
Strategic Planning Services	The strategic planning function plans for the municipality's future land-use needs.				
		Rev	0	0	0
		Exp	(466)	(288)	178
		Net	(466)	(288)	178
Sustainability	This service manages a range of sustainability related projects from Council's Sustainability Strategy. A reserve has been established to facilitate future energy and water deficiency projects.				
		Rev	96	88	(8)
		Exp	(417)	(343)	74
		Net	(321)	(255)	66
Net cost to Council for theme 2 - Sustainability			(3,274)	(2,066)	1,208



Accessibility

A municipality that is easy to access, move through and participate in.

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

COMMITMENTS	MEASURE	RESULT	COMMENTS
9. Improve transport networks within our community and beyond	• Sealed local roads maintained to condition standards	99.83%	The sealed road network was maintained to a high standard, with only a small proportion requiring intervention. Community satisfaction with both sealed and unsealed roads also reflected an improved community view of the road network. The majority of sealed roads noted as being of concern in the survey were state roads.
	• Sealed local roads requiring intervention to meet condition standards	0.02%	
	• External funding received for transport upgrades	\$2.195M*	
	• Sealed roads measure in Customer Satisfaction Survey	54	
	• Unsealed roads measure in Customer Service Satisfaction Survey	46	
10. Improve access to quality services, public space and facilities	• Number of accessibility audits on new capital projects	0	Library and aquatic-facility results demonstrate continued community use of important services and facilities. Gender impact assessments also supported consideration of accessibility and inclusion in Council projects.
	• Number of Gender Impact Assessments on Council projects	10	
	• Library Membership	21.30%	
	• Library visits per head of population	2.98 visits	
	• Utilisation of Aquatic Facilities	6.72 visits	
11. Ensure our community can access resilient and reliable assets and services	• Number of formal advocacy submissions made to State and Federal Governments	7	Council continued its advocacy to other levels of government and maintained its regional emergency management relationship.
	• Maintain relationship with Wimmera Emergency Management Councils	100%	

* This amount excludes Financial Assistance Grants for Local Roads and Roads to Recovery annual funding allocations.

Major initiatives

The following statement outlines Council's progress against the major initiatives identified in the 2025-26 Budget. This also includes new initiatives introduced and funded during 2025-26 and continuing initiatives carried forward from previous budget years that were not completed within the original financial year.

New initiative	Initiative description
Community Road Safety Grants Program – Heavy Vehicle Forum	Conduct a road safety event in partnership with relevant agencies and neighbouring Councils to provide road safety information and education to heavy vehicle drivers and operators.
2025-26 Progress comment	Project progress Budget YTD Actual Variance
Council participated in the Horsham Truck Show in November 2025, featuring a display about a range of heavy vehicle safety information.	100% \$10,000 \$6,063 \$3,937

Accessibility services

Service area	Description of service provided		2025-26 Budget \$'000	2025-26 Actual \$'000	2025-26 Variance \$'000
Infrastructure - Rural	This service is responsible for maintaining and constructing roads, bridges and related assets in all non-urban areas of Horsham and Natimuk. This includes Rural Roads Victoria maintenance contract (which excludes major highways).	Rev	369	830	461
		Exp	(2,225)	(2,669)	(443)
		Net	(1,857)	(1,839)	18
Infrastructure - Urban	This service provides maintenance and construction of roads, streets, bridges and related assets to the required standards within Horsham and Natimuk. This also includes maintenance of bicycle tracks, drainage, footpaths and off-street car parks.	Rev	3	11	8
		Exp	(12,805)	(13,008)	(203)
		Net	(12,802)	(12,997)	(195)
Parking and Traffic Management	This service provides management of parking infringements, maintenance on parking meters, car parking fees, fines and associated costs.	Rev	94	89	(5)
		Exp	(221)	(195)	26
		Net	(127)	(107)	21
Streetscape and Public Conveniences	This service provides street tree maintenance, tree planting and removal, along with city centre maintenance on lighting, signage and street furniture, and street cleaning. Climate change initiatives such as environmental footprint reduction program fall within this service. This service also provides operations and maintenance of the public conveniences in Horsham, Natimuk and several rural facilities.	Rev	0	0	0
		Exp	(1,645)	(1,678)	(33)
		Net	(1,645)	(1,678)	(33)
Waste Management Services	This service manages a range of sustainability related projects from Council's Sustainability Strategy. A reserve has been established to facilitate future energy and water deficiency projects.	Rev	4,234	4,656	422
		Exp	(10,900)	(10,836)	64
		Net	(6,667)	(6,180)	486
Net cost to Council for theme 3 - Accessibility			(23,098)	(22,801)	297



Leadership

A trusted and capable Council that leads with integrity and responsibility.

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

COMMITMENTS	MEASURE	RESULT	COMMENTS
12. Make transparent evidence-based decisions	• Council decisions made at meetings closed to the public	23.68%	Councillor attendance remained high and community satisfaction with Council's decision-making was positive, increasing from last year. The number of Council decisions made in meetings closed to the public refer to matters including commercial in confidence or private information.
	• Councillor attendance at council meetings	90.18%	
	• Community decisions measure in Customer Satisfaction Survey	58	
13. Demonstrate sound financial and asset management	• LGPRF Financial Indicators	100%	Council continued to invest in the maintenance and use of community assets and facilities. Community perceptions of value for money provide a further measure of Council's financial and service performance.
	• Expenditure on Community Assets (maintenance costs)	\$6.727M	
	• Value for money measure in Customer Satisfaction Survey	53	
	• Number of bookings on Council community facilities (IMS)	259	
14. Foster high performing organisation	• Number of Gender Impact Assessments	10	Community perceptions of Council's overall performance and direction were positive. Gender impact assessment and continued improvement in community performance reporting also supported organisational accountability.
	• Overall direction measure in Customer Satisfaction Survey	68	
	• Overall performance measure in Customer Satisfaction Survey	63	
	• Continue to improve performance reporting to the Community	Yes	
15. Strengthen engagement, advocacy and partnerships	• Customer service measure in the Customer Satisfaction Survey	70	Community engagement activity supported connections with residents and stakeholders. Customer service, consultation and decision-making results indicate positive community perceptions of Council's engagement and responsiveness.
	• Overall direction measure in Customer Satisfaction Survey	68	
	• Community decisions measure in Customer Satisfaction Survey	58	
	• Continue to improve performance reporting to the Community	Yes	
	• Community consultation and engagement measure in the Customer Satisfaction Survey	60	
	• Number of community engagements led by Council	15	

Major initiatives

The following statement outlines Council's progress against the major initiatives identified in the 2025-26 Budget. This also includes new initiatives introduced and funded during 2025-26 and continuing initiatives carried forward from previous budget years that were not completed within the original financial year.

Continuing initiative	Initiative description				
<i>Project Management System</i>	Implement an electronic project management system to enhance Council's management and reporting on capital and other projects.				
2025-26 Progress comment	Project progress	Budget	YTD Actual	Variance	
The project management software has been implemented including staff training.	100%	\$0	\$24,000	(\$24,000)	
Continuing initiative	Initiative description				
<i>Replacement of Electronic Document Management System</i>	Replacement of the current Records Management System with an improved system that operates as a complete Electronic Document Management System with contemporary functionality.				
2025-26 Progress comment	Project progress	Budget	YTD Actual	Variance	
The project was delayed due to ongoing issues experienced by Council's project partner. Implementation planning commenced; however, delivery will continue through operational business planning in 2026-27.	55%	\$93,000	\$0	\$93,000	
Continuing initiative	Initiative description				
<i>Strategic and Operational Risk Registers</i>	Development of centralised documents that identify, assess and monitor high-level risks to Council's objectives. The work will enable proactive risk management by providing decision makers with information to evaluate risk exposure, prioritise mitigation actions and ensure business continuity, aligning risks with strategic goals.				
2025-26 Progress comment	Project progress	Budget	YTD Actual	Variance	
Progress was made on the development of Council's Strategic and Operational Risk Registers, including endorsement of the Operational Risk Work Plan and advancement of strategic risk identification activities. Preparatory work was also completed to support ongoing risk analysis and management actions in 2026-27.	70%	\$55,000	\$0	\$55,000	

Leadership services

Service area	Description of service provided		2025-26 Budget \$'000	2025-26 Actual \$'000	2025-26 Variance \$'000
Community Relations and Advocacy	Responsible for three key areas: Advocacy and grant seeking, media and communications and community engagement.	Rev	0	0	0
		Exp	(750)	(667)	83
		Net	(750)	(667)	83
Engineering Services	Has overall responsibility for Council's capital works delivery and annual programming, traffic planning, waste planning, road, street and drain design and monitoring of standards adherence (quality assurance) for the infrastructure.	Rev	70	107	37
		Exp	(850)	(737)	113
		Net	(780)	(630)	150
Financial Services	Provides financial services internally to all staff, department manager, project leaders, Council, plus delivers external services in the form of information to government and the community.	Rev	111	144	33
		Exp	(1,726)	(2,149)	(423)
		Net	(1,615)	(2,005)	(390)
Governance and Leadership	This service manages and facilitates Council's governance services, the implementation of Council decisions and policies, and compliance with legislative requirements. This also includes Customer Service, the management of Council's property portfolio (including Leases/Licenses and land sales/purchases), Records Management, the office of the Mayor and Councillors, and the office of the Chief Executive.	Rev	0	31	31
		Exp	(2,938)	(2,586)	353
		Net	(2,938)	(2,555)	383
Information Technology	Provides IT hardware and software systems, IT support services to staff, customer services at Horsham and Natimuk and the Council's Record Management service. The goal of this service is to provide efficient and effective access to the information needs of staff and the community, and the management of systems that support this whilst at all times keeping secure Council's information assets from accidental or malicious access, modification or destruction.	Rev	32	46	14
		Exp	(1,980)	(1,971)	9
		Net	(1,948)	(1,925)	23

Service area	Description of service provided		2025-26 Budget \$'000	2025-26 Actual \$'000	2025-26 Variance \$'000
Management and Administration	This service provides management across the areas of finance, IT, rates and organisation development.	Rev	15	47	32
		Exp	(2,050)	(1,882)	168
		Net	(2,036)	(1,835)	200
Management and Administration	This service provides local and regional facilitation and leadership for planning, developing and delivering community services to meet the needs of the community.	Rev	0	0	0
		Exp	(496)	(550)	(55)
		Net	(496)	(550)	(55)
Management and Administration	This service provides administration and support services for the Infrastructure Services department.	Rev	0	0	0
		Exp	(533)	(411)	122
		Net	(533)	(411)	122
People and Safety	This service is responsible for human resources, payroll, OHS, risk management, industrial relations and organisation performance functions.	Rev	0	3	3
		Exp	(1,187)	(1,335)	(148)
		Net	(1,187)	(1,332)	(145)
Revenue Services	Rate collection services encompass collection of Council rateable income which ensures consistency in debt management, general rate, municipal and garbage charges. Property services encompass the collection of property valuations, maintaining a strategically focused property management system.	Rev	83	139	56
		Exp	(676)	(565)	111
		Net	(593)	(426)	167
Strategic Asset Management	Responsible for the strategic management of Council's Infrastructure, including the long-term planning of asset renewal and capital works.	Rev	0	0	0
		Exp	(538)	(332)	206
		Net	(538)	(332)	206
Net cost to Council for theme 4 - Leadership			(13,413)	(12,669)	744

Reconciliation of Council Plan theme service performance to the Financial Report

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

Non-attributable revenues and expenses are then added to demonstrate the surplus or deficit as shown in the Comprehensive Income Statement in both the Adopted Budget and Financial Report. It should be noted that during the year some services under the theme headings were realigned

to more accurately reflect the Council Plan theme under which they belong. This has meant some minor differences in service revenue and expense numbers. However, the sum of all services and non-attributable expenses matches the Adopted 2025-26 Budget and Financial Report.



Annual Actuals	Adopted Budget 2025-26			Budget Restated 2025-26			Actual Budget 2025-26		
	Revenue	Expenditure	NET Cost	Revenue	Expenditure	NET Cost	Revenue	Expenditure	NET Cost
Theme 1 – Community	1,523	(2,529)	(1,006)						
Theme 1 - Liveability	3,270	(14,729)	(11,459)	3,649	(13,790)	(10,141)	3,755	(15,549)	(11,795)
Theme 2 - Sustainability	6,150	(16,251)	(10,101)	3,079	(6,351)	(3,273)	3,778	(5,844)	(2,066)
Theme 3 - Accessibility	554	(16,845)	(16,291)	4,699	(27,797)	(23,097)	5,585	(28,386)	(22,801)
Theme 4 - Leadership	241	(11,307)	(11,067)	311	(13,723)	(13,413)	517	(13,186)	(12,669)
NET Cost	11,738	(61,661)	(49,924)	11,738	(61,661)	(49,924)	13,635	(62,965)	(49,330)
Non-attributable Expenses									
- Borrowing costs	(171)			(171)					(168)
- Loss on disposal of Assets	0			0					(629)
- Capital Program items expensed	0			0					(738)
- Share of Associates Loss	0			0					(1,022)
- Other Non-attributable expenses	0			0					0
Total costs before funding sources	(50,094)			(50,094)					(51,886)
Funding Sources									
- Rates and Charges Revenue	29,850			29,850					30,045
- Waste Charge Revenue	5,037			5,037					5,145
- Financial Assistance Grants	8,569			8,569					11,357
- Interest Revenue	600			600					1,834
- Capital Project Revenue	7,317			7,317					11,836
- Investment Property Fair Value Adjustments	0			0					58
- Gain on disposal of assets	4,333			4,333					1,348
Operating Surplus/(Deficit) <i>(as per Comprehensive Income Statement)</i>	5,611			5,611					9,737

Service performance indicators

Liveability results					
Service indicator measure	2023	2024	2025	2026	Comments
Aquatic facilities					
Utilisation of aquatic facilities	5.05	5.18	6.14	6.72	
(Number of visits to aquatic facilities/Municipal Population)					
Health inspections of aquatic facilities	1.0	1.0	1.0	1.0	
[Number of authorised officer inspections of Council aquatic facilities/Number of Council aquatic facilities]					
Cost of aquatic facilities per visit	\$8.86	\$8.28	\$9.33	\$5.36	Attendance at facility was close to target, cost of facility saw favourable movement due utilities costing less than forecast, maintenance costing less than forecast, and receiving more revenue than forecast.
[Direct cost of the aquatic facilities less income received/Number of visits to aquatic facilities]					
Libraries					
Library membership	NEW	19.10%	19.89%	21.30%	
Number of registered library members/Population] x100					
Recently purchased library collection	44.83%	37.05%	36.71%	40.47%	Intensive usage-informed de-acquisition work has removed many of the old and inactive items from the collection, freshening the collection and surpassing the year's target.
[Number of library collection items purchased in the last 5 years/Number of library collection items] x100					
Cost of library service per head of population	\$26.38	\$29.80	\$37.37	\$35.24	
[Direct cost of the library service/Population]					
Library loans per head of population	NEW	3.78	3.42	4.14	Collection maintenance activities like de-acquisition, which increases collection appeal, coupled with increased engagement with eCollections, has driven loans above this year's target.
[Number of collection item loans/Population]					
Library visits per head of population	NEW	2.51	2.78	2.98	
[Number of library visits/population]					

Liveability results					
Service indicator measure	2023	2024	2025	2026	Comments
Maternal and Child Health					
Participation in the MCH service	90.58%	88.56%	86.95%	86.15%	
[Number of children who attend the MCH service at least once (in the year)/Number of children enrolled in the MCH service] x100					
Participation in the MCH service by Aboriginal Children	93.55%	90.91%	91.67%	95.74%	
[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					
Infant enrolments in the MCH service	102.00%	100.86%	101.36%	100.50%	
[Number of infants enrolled in the MCH service/Number of birth notifications received] x100					
Participation in 4-week Key Age and Stage Visit	100.00%	96.12%	94.12%	97.01%	
[Number of 4-week key age and stages visits/Number of birth notifications received]					
Cost of MCH service per hour of service delivered	\$61.12	\$65.20	\$90.04	\$91.74	
[Cost of the MCH service/Hours worked by MCH nurses]					

Service indicators continued...

Sustainability results					
Service indicator measure	2023	2024	2025	2026	Comments
Animal Management					
Animal Management prosecutions	0.00%	0.00%	100.00%	100.00%	
(Percentage of animal management prosecutions which are successful)					
Cost of Animal Management per head of population	\$28.28	\$26.57	\$16.61	\$17.04	
[Direct cost of the animal management service/Population] x100					
Time taken to action animal management requests	1.00	1.00	2.45	3.12	Improvements in reporting the 'time to first response' has identified process improvements to ensure animal management request are updated as they are being actioned and not as they are completed.
[Number of days between receipt and first response action for all animal management requests/Number of animal management requests] x100					
Animals reclaimed	59.47%	57.34%	57.11%	55.68%	
[Number of animals reclaimed/Number of animals collected] x100					
Percentage of animals rehomed	23.13%	66.67%	70.86%	79.06%	Council staff have been working closely with rehoming agencies to improve rehoming outcomes.
[Number of unclaimed collected animals rehomed/Number of unclaimed collected animals] x100					
Statutory Planning					
Planning applications decided within required timeframes	100.00%	93.51%	89.89%	92.71%	
[(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					
Time taken to decide planning applications	56.00	46.00	49.00	49.00	
(The median number of days between receipt of a planning application and a decision on the application)					
Council planning decisions upheld at VCAT	0.00%	0.00%	33.33%	100.00%	Only one VCAT decision was determined which was upheld by VCAT.
[Number of VCAT decisions that did not set aside council's decision in relation to a planning application/ Number of VCAT decisions in relation to planning applications] x 100					
Cost of statutory planning process per application	\$2,841.25	\$4,628.39	\$4,391.35	\$4,858.00	
[Direct cost of the statutory planning service/Number of planning applications received]					

Sustainability results					
Service indicator measure	2023	2024	2025	2026	Comments
Food Safety					
Cost of food safety service	\$616.65	\$518.17	\$845.15	\$904.51	
[Direct cost of the food safety service/Number of food premises registered or notified in accordance with the Food Act 1984]					
Food Safety (Calendar Year)	100.00%	59.50%	57.45%	34.38%	Staff shortages and recruitment challenges, unable to follow up every critical or major non-compliance outcome.
Critical and major non-compliance outcome notifications					
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100					
Time taken to action food complaints - days	1.20	2.20	3.33	4.43	Some food complaints were not actioned within the targeted two-day timeframe due to staffing constraints and competing statutory priorities.
[Number of days between receipt and first response action for all food complaints/Number of food complaints]					
Food safety assessments	103.40%	94.20%	45.71%	14.47%	Priority has been placed on registration complaints and any outbreaks. An external contractor has been appointed to specifically focus on food safety assessments.
[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984/Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100					
Food safety samples	New	130%	103.85%	72.50%	Council's Environmental Health team collected 29 samples for the period. Shortly before collecting the remaining 11 samples we were advised by our NATA Accredited Laboratory that courier issues would render the samples unviable and we should not undertake the collection. To address this issue in the coming year Council will undertake samples throughout the year to minimise risk of issues with processing the samples.
[Number of food samples obtained/Required number of food samples] x100					

Service indicators continued...

Accessibility results					
Service indicator measure	2023	2024	2025	2026	Comments
Roads					
Sealed local roads below the intervention level	100.00%	98.71%	99.83%	99.83%	
[Number of kilometres of sealed local roads below the renewal intervention level set by Council and not requiring renewal/Kilometres of sealed local roads] x100					
Community satisfaction with sealed local roads	38.00	38.00	46.00	54.00	Improvement in score from 46 to 54 this year. Note that most of the roads named as being problems are State roads, not Council roads.
(Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)					
Sealed local road requests per 100km of sealed road	11.46	10.88	11.95	14.58	Condition of roads across the state has become a community focus, of the requests received there continues to be community confusion on which roads are Council's or Rural Roads Victoria's responsibility.
[Number of sealed local road requests/Kilometres of sealed local roads] x100					
Cost of sealed local road reconstruction per m2	\$36.96	\$42.26	\$45.25	\$54.17	Cost increase associated with inclusion of rural construction works, and the Ballinger St roundabout work, the latter involving a significant asphalt component.
[Direct cost of the sealed local road reconstruction/Square metres of sealed local roads reconstructed]					
Cost of sealed local road resealing per m2	\$8.95	\$10.48	\$7.49	\$7.27	
[Direct cost of sealed local road resealing/Square metres of sealed local roads resealed]					

Accessibility results					
Service indicator measure	2023	2024	2025	2026	Comments
Waste collection					
Kerbside collection waste diverted from landfill	25.90%	48.63%	43.62%	45.31%	
[Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins] x100					
Kerbside collection bins missed per 10,000 scheduled bin lifts	2.71	3.98	4.16	2.13	Council has committed to improving levels of service and responding to customer queries.
[Number of kerbside garbage and recycling collection bins missed/Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000					
Cost of kerbside garbage collection service – per bin	\$151.66	\$111.13	\$105.30	\$121.10	Council continues to monitor all aspects of waste disposal costs amid various external factors that continue to escalate.
[Direct cost of the kerbside garbage bin collection service/Number of kerbside garbage collection bins]					
Cost of kerbside recyclables bin collection service – per bin	\$88.12	\$52.34	\$57.65	\$57.29	
[Direct cost of the kerbside recyclables bin collection service/Number of kerbside recyclables collection bins]					

Service indicators continued...

Leadership results					
Service indicator measure	2023	2024	2025	2026	Comments
Governance					
Satisfaction with community consultation and engagement	43.00	43.00	48.00	60.00	Opportunities to Give Feedback improved significantly, increasing 12 points to 60 in 2026, reflecting positive community perceptions of Council's engagement and consultation opportunities.
(Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement)					
Council resolutions made at meetings closed to the public	34.96%	23.45%	30.00%	23.68%	Most of the resolutions related to commercially sensitive transactions with a small number containing personal information.
[Number of Council resolutions made at meetings of Council, or at meetings of delegated committee consisting of only Councillors, closed to the public/Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100					
Councillor attendance at council meetings	89.29%	89.01%	93.28%	90.18%	
[The sum of the number of Councillors who attended each council meeting/(Number of council meetings) x (Number of Councillors elected at the last Council general election)] x100					
Cost of elected representative	\$55,496.08	\$50,138.99	\$58,894.04	\$58,640.01	
[Direct cost of the governance service/Number of Councillors elected at the last Council general election]					
Community satisfaction with Council decisions	42.00	40.00	47.00	58.00	Making Decisions improved by 12 points to 58 in 2026, exceeding both the State average and Regional City average. This strong improvement indicates growing community confidence that Council is making decisions in the best interests of the community.
(Community satisfaction rating out of 100 with the performance of council in making decisions in the best interests of the community)					



Governance, management and other information

Governance

Horsham Rural City Council is established under the *Local Government Act 2020* to lead and support good governance across the municipal district and its community. Council’s responsibilities include:

- Making decisions that take into account the varied needs of the community
- Providing direction by setting strategic goals and reviewing progress against them
- Using and managing resources responsibly, openly and transparently
- Strengthening community connection and supporting participation in civic life.

Council is committed to effective and sustainable democratic and corporate governance, with administration that reflects community priorities. The community is provided with a range of opportunities to contribute to Council decision-making, including through community consultation and public forums.

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

Meetings of Council

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

During 2025–26 Council conducted 16 council meetings comprising 12 ordinary council meetings, three additional Council meetings and one Statutory Meeting for the election of the Mayor and Deputy Mayor.

The following table provides a summary of Councillor attendance at council meetings for the 2025–26 financial year.

Councillor	Council meetings attended 2025–26
Cr Brian Klowss (Mayor)	16
Cr Cam McDonald	16
Cr Rebecca Sluggett	13
Cr Dean O’Loughlin	15
Cr Angela Munn	15
Cr Todd Wilson	15
Cr Ian Ross*	10

**Cr Ross was granted an approved leave of absence from 21 October 2025 to 21 April 2026 and returned to Council duties early on 23 February 2026.*

Internal resolution procedure

Section 140 of the *Local Government Act 2020* requires Council to adopt procedures for dealing with alleged breaches of the Model Councillor Code of Conduct. No alleged breaches of the Model Councillor Code of Conduct were reported during 2025–26.

Delegated committees

Under the *Local Government Act 2020*, Councils may create one or more delegated committees made up of:

- Councillors
- Council staff
- Other individuals
- Any combination of these groups.

Horsham Rural City Council does not have any delegated committees.

Conflict of interest

Councillors are chosen by residents and ratepayers to represent the community and make decisions in its best interests. As elected representatives, they are expected to act in the public interest at all times. Where Council delegates powers to a council officer or committee, those individuals or groups are also required to meet the same standard and exercise those powers in the community’s best interests. This includes appropriately identifying and managing conflicts of interest. A conflict of interest arises when a personal or private interest may affect, or be perceived to affect, a person’s ability to act in the public interest. It can exist even where no improper conduct has occurred.

Council has established procedures to support the disclosure and management of conflicts of interest. Declarations of conflicts of interest are included as a standing agenda item at all council and committee meetings. Although the specific process may vary depending on the role and circumstances, it generally requires the relevant interest to be disclosed and the person to remove themselves from the related decision-making process or public duty. A register is kept to record all declared conflicts of interest. During 2025–26, ten (10) conflicts of interest were declared at Council, and there were nil (0) conflict of interest exemptions.



Councillor remuneration and reimbursed expenses

In accordance with section 39 of the *Local Government Act 2020*, Councillors are entitled to receive remuneration for performing the duties of office. The Mayor is entitled to receive a higher level of remuneration reflecting the additional responsibilities of the role.

Remuneration levels for Councillors and Mayors are determined by the Victorian Independent Remuneration Tribunal. Horsham Rural City Council is classified as a Category 2 Council for the purposes of the Tribunal's Determination.

In accordance with section 40 of the *Local Government Act 2020*, Council reimburses Councillors for expenses reasonably incurred in the performance of their duties and provides the resources, facilities and support necessary to enable them to undertake their role. Council maintains a Councillor Support and Reimbursement Policy which governs the reimbursement of expenses and provision of support to Councillors.

The following table sets out the remuneration applicable to the Mayor and Councillors during 2025-26 together with details of expenses reimbursed and support provided in accordance with Council's Councillor Support and Reimbursement Policy.



Councillor allowances and expenses

Councillor	A	C	C&S	D&T	M	T	T&A	O	IPH	Actual 2025-26
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cr Brian Klowss <i>(Mayor from 27/11/2025)</i>	92,390.63	917.15	1,441.37	3,974.62	0	3,496.50	372.67	304.36	9,690.00	112,587.30
Cr Rebecca Sluggett <i>(Deputy Mayor from 27/11/2025)</i>	49,231.86	880.60	2,825.45	2,474.60	0	0	2,283.90	2,838.12	218.46	60,752.99
Cr Dean O'Loughlin	35,049.00	913.62	0	2,474.60	0	0	0	190.73	0	38,627.95
Cr Cam McDonald	35,049.00	884.68	0	2,474.61	0	8,395.18	0	190.72	0	46,994.19
Cr Ian Ross <i>(Mayor from 22/11/2024)</i>	51,488.06	1,009.88	0	2,474.60	0	1,544.62	204.55	225.23	5,130.00	62,076.94
Cr Angela Munn	35,049.00	865.95	0	2,474.61	0	615.62	0	190.72	0	39,195.90
Cr Todd Wilson	35,049.00	881.13	2,485.46	2,474.59	0	0	2,061.36	136.16	0	43,087.70

Legend:
A-Allowance | C-Communication | C&S-Conferences and Seminars | D&T-Development and Training
M-Memberships | T-Transportation | T&A-Travel and Accommodation | O-Other | IPH-Internal Plant Hire

Management

The council has introduced various statutory and best practice measures to strengthen its management framework. Effective governance and management structures support better decision-making. As required by the Act, the council must assess itself against the prescribed governance and management checklist and include the results in its report of operations. The section below presents the council’s Governance and Management Checklist results, highlighting key elements of the management framework.

Audit and Risk Committee

The Audit and Risk Committee is an independent advisory committee established under the Local Government Act 2020 to assist Council in fulfilling its governance and oversight responsibilities. The Committee provides advice and assurance on Council’s financial and performance reporting, risk management, governance, compliance and internal control frameworks.

The Committee oversees:

- Financial and performance reporting.
- Risk management and internal controls.
- Internal and external audit activities.
- Legislative and policy compliance.
- Fraud prevention and ethical conduct.

The Committee comprises three independent members and two Councillor representatives, with the Chair appointed from the independent members.

The Committee met quarterly during 2025-26, with recommendations reported to Council following each meeting. Regular audit and risk reports were also provided to Council, together with the Committee’s annual self-assessment against its Charter.

Members of the Executive Leadership Team, internal auditors and external auditors attended meetings as required. External auditors presented their audit strategy, interim findings and annual audit results to support the Committee’s oversight of Council’s financial reporting obligations.

Internal audit

Council’s internal audit function provides independent and objective assurance that governance, risk management, and internal control processes are operating effectively and supporting the achievement of Council’s strategic and operational objectives.

The internal auditor reviews Council’s activities and systems to:

- Assess compliance with legislation, policies, and local government practice.
- Evaluate the effectiveness of internal controls and governance arrangements.

- Identify emerging risks and opportunities for improvement.
- Provide recommendations to strengthen processes, accountability, and decision making.
- Monitor the implementation of agreed management actions arising from audit reviews.

Council’s internal audit activities are guided by a Strategic Internal Audit Plan (SIAP), which adopts a risk-based approach to determining audit priorities across a rolling multi-year period. The SIAP is reviewed annually to ensure audit resources remain focused on Council’s highest risk areas and strategic priorities. Consideration is given to Council’s strategic and operational risk registers, Council Plan objectives, organisational change, legislative developments, previous audit outcomes, and management input.

Internal audit findings and management responses are reported directly to the Audit and Risk Committee. The Internal Auditor attends each Committee meeting to provide updates on audit activities, findings, and progress against agreed recommendations.

Through this process, internal audit supports continuous improvement, strengthens governance and internal controls, promotes accountability, and provides assurance to the Audit and Risk Committee, Council and the community that identified risks are being appropriately managed.

External audit

The Victorian Auditor-General’s Office (VAGO) is responsible for conducting independent audits of Council’s Financial Report and Performance Statement in accordance with the *Local Government Act 2020* and applicable auditing standards.

For the 2025–26 financial year, the audit was undertaken on behalf of VAGO by Crowe Australasia. The external audit provides independent assurance regarding the accuracy and completeness of Council’s financial and performance reporting and confirms whether these reports comply with relevant legislative and accounting requirements.

The audit process includes the assessment of key financial controls, financial sustainability indicators, significant accounting estimates, and performance reporting systems. Audit findings and recommendations are reported to management and the Audit and Risk Committee to support ongoing improvement in governance and control processes.

Council received an unmodified audit opinion on both its Financial Report and Performance Statement, indicating that the reports accurately present Council’s financial position and performance in accordance with relevant legislative and accounting requirements.

Risk management

Effective risk management supports informed decision-making, strengthens organisational resilience, and assists Council to achieve its strategic objectives while maintaining community confidence.

Council is committed to embedding a risk-aware culture across all levels of the organisation and integrating risk management into governance, planning, project delivery, and operational decision-making processes. Council’s approach is informed by the principles of ISO 31000 Risk Management – Guidelines and supports the systematic identification, assessment, treatment and monitoring of risks and opportunities.

During 2025–26, Council continued to strengthen its enterprise risk management framework through the implementation and utilisation of a risk management software platform. The system has improved the consistency of risk assessment, monitoring and reporting across the organisation and provides enhanced oversight of strategic and operational risks.

Council’s strategic and operational risks reports are regularly presented to the Audit and Risk Committee, which provides independent oversight of Council’s risk management framework and associated controls.

Following adoption of the 2025–2029 Council Plan, Council commenced a review of its strategic risk profile to ensure alignment between organisational objectives, emerging risks, and risk treatment strategies. This work will continue to support informed decision-making, effective resource allocation, and ongoing organisational improvement.

Through the combined activities of internal audit, external audit, risk management and Audit and Risk Committee oversight, Council continues to strengthen governance practices, improve accountability and support effective stewardship of public resources. These mechanisms provide assurance that risks are being appropriately managed and that Council remains focused on delivering value and sustainable outcomes for the community.

Governance and management checklist

The results below present Council's assessment against the Governance and Management Checklist in the required format.

Governance and management items	Assessment
1. Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act. Date of adoption: 27/05/2024
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation. Date of commencement: 15/02/2016
3. Financial Plan (Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act. Date of adoption: 27/10/2025
4. Asset Plan (plan that sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act. Date of adoption: 27/10/2025
5. Revenue and Rating Plan (plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act. Date of adoption: 23/06/2025
6. Annual budget (plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 94 of the Act. Date of adoption: 15/06/2026
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to council's operations)	Current policy in operation. Date of commencement: 22/04/2024
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation. Date of commencement: 26/06/2023
9. Municipal emergency management planning (Participation in meetings of the Municipal Emergency Management Planning Committee (MEMPC))	Municipal Emergency Management Planning Committee (MEMPC) meetings attended by one or more representatives of Council (other than the chairperson of the MEMPC) during the financial year. Dates of MEMPC attended: 11/09/2025, 11/12/2025, 12/03/2026, 11/06/2026
10. Procurement policy (policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Adopted in accordance with section 108 of the Act. Date of adoption: 12/02/2026
11. Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation. Date of commencement: 10/02/2026
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation Date of commencement: 29/06/2015
13. Complaint policy (policy under section 107 of the Act outlining Council's commitment and approach to managing complaints)	Policy developed in accordance with section 107 of the Act. Date of commencement: 13/12/2021
14. Workforce plan (plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation)	Plan developed in accordance with section 46 of the Act. Date of commencement: 31/12/2021
15. Payment of rates and charges hardship policy (policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates)	Current policy in operation. Date of commencement: 28/08/2023

Governance and management items	Assessment
16. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation. Date of commencement: 22/04/2024
17. Audit and Risk Committee (advisory committee of Council under section 53 and section 54 of the Act)	Established in accordance with section 53 of the Act. Date of commencement: 24/08/2020
18. Internal audit (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged. Date of engagement: 06/06/2025
19. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Current framework in operation. Date of adoption: 30/06/2022
20. Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report. Dates of reports: Q1: 24/11/2025, Q2 - 23/02/2026 & Q3 25/05/2026
21. Quarterly budget reports (quarterly reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	Quarterly reports presented to Council in accordance with section 97(1) of the Act. Dates of reports: Q1: 24/11/2025, Q2 - 23/02/2026 & Q3 25/05/2026
22. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reported at meetings on: 18/09/2025, 04/12/2025, 11/02/2026 & 23/04/2026
23. Performance reporting (six-monthly reports of indicators measuring results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act)	Performance reports prepared. Dates of reports: Q1: 24/11/2025, Q2 - 23/02/2026 & Q3 25/05/2026
24. Annual report (Annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements)	Annual report presented at a meeting of Council in accordance with section 100 of the Act. Date of presentation: 27/10/2025
25. Councillor Code of Conduct (Code setting out the standards of conduct to be followed by Councillors and other matters)	Code of conduct reviewed and adopted in accordance with section 139 of the Act. Date reviewed and adopted: 26/10/2024, all Councillors must adhere to the Model Councillor Code of Conduct outlined in Schedule 1 of the Local Government (Governance and Integrity) Amendment Regulations 2024.
26. Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act. Date reviewed: 22/09/2025, 28/01/2026, 01/06/2026 & 22/06/2026
27. Meeting procedures (Governance Rules governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Date rules adopted: 26/06/2023

Statutory Information

Contracts

The following list details contracts entered by the Horsham Rural City Council valued at \$150,000 or more during the financial year. As per the Horsham Rural City Council's Procurement Policy, this value is the public tender threshold above which tenders or expressions of interest for contracts must be publicly invited, unless an approved Procurement Exemption applies. Contracts valued at \$150,000 or more that were awarded following a competitive process are listed below:

- O'Callaghan's Parade Upgrade
- Natimuk Road cycle path
- Wimmera Libraries 24 hour access project
- Security Services
- Three Bridges Safety Upgrade

During 2025-26, Council entered the following contracts based on schedule of rates. While these agreements do not carry a fixed total value, the expected expenditure over their duration is anticipated to exceed \$150,000:

- Fire safety equipment checks
- Fencing
- Tree care services
- Stormwater drainage cleaning
- Supply and delivery of concrete

During 2025-26, Council procured goods and services valued at or above \$150,000, without engaging in a public competitive tender process, in accordance with Council's Procurement Policy:

- Concrete pipes and headwalls

Documents available for public inspection

Horsham Rural City Council adopted a Public Transparency Policy in September 2024 in accordance with section 57 of the Local Government Act 2020. Information available under the policy includes governance documents, council meeting information, strategic plans, procurement information and other documents identified in the policy.

This policy is available on Council's website.

Disability Access and Inclusion Plan

Council continued to implement its Disability Access and Inclusion Plan 2023–2026 through initiatives that promote accessibility, inclusion, and

participation across the municipality. During 2025–26, Council sought feedback and engagement from the Disability Advisory Committee on key strategic documents, including the Community Vision, Council Plan incorporating the Municipal Public Health and Wellbeing Plan, and the Road Management Plan, providing opportunities for people with disability to contribute to Council decision-making processes.

Through the Disability Advisory Committee, Council also sought feedback on accessibility needs and how information can be communicated more effectively before, during and after emergency events, including accessible communication formats and channels. Feedback received informed Council's ongoing work to improve the accessibility of emergency management communications, services and facilities.

Council continued to support accessibility and inclusion through ongoing website accessibility improvements, access and inclusion training for staff, and initiatives that support community participation. Council also increased the representation of people with disability in Council publications and communications, supporting visibility and reinforcing Council's commitment to an inclusive and accessible community. Council recognised International Day of People with Disability through a community afternoon tea, celebrating the contribution of people with disability and promoting a more inclusive municipality.

Domestic Animal Management Plan

Council adopted its Domestic Animal Management Plan 2026–2029 during 2025–26 and commenced implementation of key actions aimed at promoting responsible pet ownership, community safety, compliance and animal welfare across the municipality.

During the year, Council delivered targeted education and awareness initiatives through social media campaigns, educational materials and community engagement activities covering pet registration, microchipping, desexing, leash laws and cat curfews. Lost and found animal notices were also published to assist with pet reunification.

Council progressed infrastructure and compliance initiatives, including the review of leash and off-leash signage and planning for additional visual

reminders in high-use areas. Compliance and enforcement activities continued through ranger patrols, complaint investigations and community education relating to nuisance animals and owner responsibilities.

Community education was further supported through participation in Cat Safe Wildlife Week activities and public information sessions. Council also secured an extension of external funding for its subsidised cat desexing program, improving access to affordable desexing services and supporting positive animal welfare outcomes. Ongoing staff training and professional development strengthened Council's capacity to deliver effective animal management, compliance and community safety services.

Food Act Ministerial directions

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

Freedom of Information

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

The following summary is provided to outline Council's application and operation of the *Freedom of Information Act 1982*.

- Access to documents may be obtained via a request to the Freedom of Information Officer, as detailed in section 17 of the *Freedom of Information Act 1982*. In summary the request should:
- Be in writing ideally using the FOI request form
- Identify as clearly as possible the document(s) being requested
- Be accompanied by the appropriate statutory application fee (the fee may be waived in certain circumstances).
- Requests for documents in the possession of Council should be lodged online using the relevant form or made via email to FOI@hrcc.vic.gov.au.

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

Further information regarding freedom of information can be found on the Horsham Rural City Council's website or at the Victorian Information Commissioner website.

Protected disclosure procedures

Section 69 of the *Public Interest Disclosures Act 2012* requires Council to include information in its annual report about how the public can access the procedures it has established under Part 9 of the Act and to report certain information relating to disclosures notified to the Independent Broad-based Anti-corruption Commission (IBAC).

The *Public Interest Disclosures Act 2012* aims to ensure openness and accountability in government by encouraging the reporting of improper conduct in the public sector and providing protections for persons who make disclosures. Procedures outlining how to make a disclosure are available on Council's website.

During the 2025–26 financial year, Council notified two disclosures to the Independent Broad-based Anti-corruption Commission (IBAC). Neither disclosure was determined by IBAC to be a public interest disclosure. No public interest complaints were referred to Council by IBAC, investigated or dismissed by Council, and no applications for an injunction were made under section 50 of the Act.

Road Management Act Ministerial direction

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

Infrastructure and Development Plan

In accordance with section 46GM and 46QD of the Planning and Environment Act 1987, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a council's report of operations. No such contributions were received during the financial year.

Financial summary

Council continues to maintain a sound financial position. The following provides a summary of Council's financial performance, with more detailed information provided in the Financial Report and Performance Statement sections of this Annual Report.

Operating position

Council achieved an operating surplus of \$9.737 million in 2025–26, compared with an operating surplus of \$7.186 million in 2024–25.

A number of factors contributed to the movement in the operating result. Most significantly, non-monetary contributions increased to \$5.140 million, compared with \$1.609 million in the prior year. This increase was partially offset by a \$2.484 million increase in depreciation expense and the one-off derecognition of Council's investment in an associate of \$1.022 million.

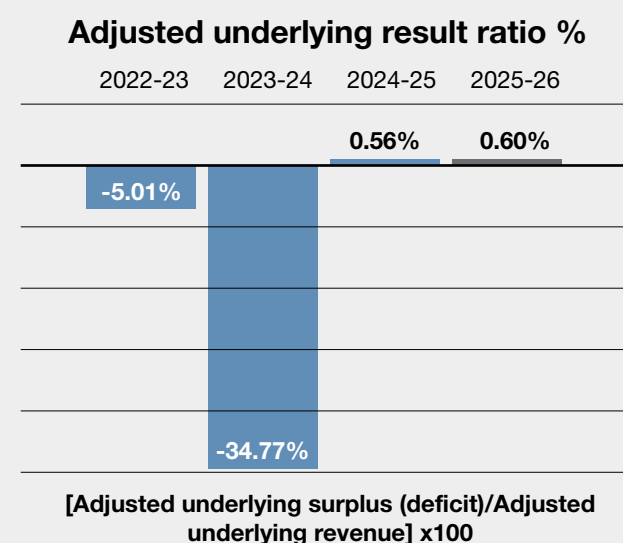
While operating grant income appears broadly consistent with the prior year, the reported result is affected by the timing of Financial Assistance Grant funding. A total of \$7.132 million relating to Council's 2026-27 allocation was received and recognised in 2025-26. A similar advance payment occurred in the prior year. Consequently, the reported operating result benefits from grant revenue relating to the following financial year. Should the advance payment of this grant not occur in a future year, Council's operating and underlying results in that year would be adversely affected due to the timing difference.

During 2025–26, Council also undertook a number of asset revaluations, resulting in increases in both the replacement or fair value and written-down value of Council assets. The revaluations resulted in a net increase in asset values of \$57.108 million. As a result, Council recorded a total comprehensive surplus of \$66.845 million for 2025–26, compared with \$11.470 million in the prior year.

Council's underlying result, which adjusts the operating result for non-recurrent capital grants and contributions associated with capital works, was a surplus of \$0.308 million, compared with an underlying surplus of \$0.363 million in 2024-25. Removing these items provides a clearer indication of Council's underlying operating performance, as these revenues generally relate to specific capital projects or one-off transactions rather than Council's recurrent operations.

The graph below demonstrates Council's underlying result over the past four years. Ideally, Council seeks to maintain an underlying result ratio greater than 0%, indicating that recurrent revenue is sufficient to meet operating expenditure.

Although Council recorded an underlying surplus in 2025–26, the result was materially influenced by the early receipt of \$7.132 million in Financial Assistance Grant funding relating to 2026–27. Excluding this advance payment, Council's underlying result would have been a deficit of \$6.824 million. This highlights the importance of considering the timing of Financial Assistance Grant payments when assessing Council's underlying financial sustainability.



Liquidity/Working Capital

The Liquidity Ratio, or Working Capital Ratio, presented below provides an indication of Council's ability to meet its short-term financial obligations as they fall due. The ratio is calculated by expressing current assets as a percentage of current liabilities.

Council's total cash holdings increased by \$12.226 million from the prior year to \$49.465 million at 30 June 2026, compared with a forecast balance of \$40.939 million. The higher-than-forecast cash balance of approximately \$8.526 million was predominantly attributable to \$6.548 million of capital works that remained incomplete at year end.

Other current assets remained broadly consistent with the prior year. Current liabilities decreased by \$4.076 million, primarily due to the repayment in full of an interest-only loan(\$4.305m) during 2025–26. Other current liabilities remained at levels broadly consistent with the prior year.

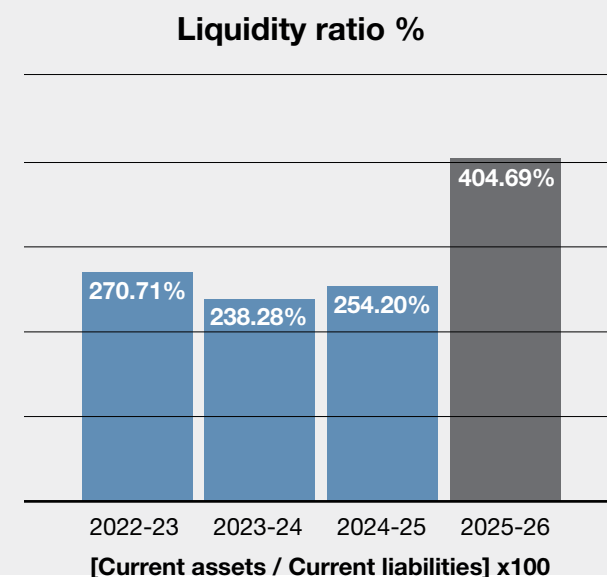
As a result of these movements, Council's 2025–26 Working Capital Ratio was 404.69%. This indicates that Council held approximately \$4.05 of current assets for every \$1 of current liabilities at year end and demonstrates that Council has a strong capacity to meet its current financial obligations.

It should be recognised, however, that the year-end cash balance includes funds associated with incomplete capital works and other committed expenditure. Accordingly, the Working Capital Ratio should be considered alongside Council's broader cash commitments and unrestricted cash position when assessing its overall liquidity and financial sustainability.

Economic factors

Council operates in an increasingly challenging economic environment. Rising construction and material costs, constrained labour and contractor availability, and competition for specialist resources have increased the cost and complexity of delivering Council's operational and capital programs. Larger and more complex projects are particularly exposed to these pressures, resulting in increased delivery time frames and financial pressures.

Horsham's role as a regional city and key service centre further influences Council's financial position. Council is required to provide and maintain infrastructure and services that support both local residents and the wider region, without equivalent growth in the revenue base available to fund these responsibilities. Managing these competing pressures remains an important consideration in Council's long-term financial and asset planning.



Financial summary *continued...*

Obligations

Council aims to ensure that its infrastructure assets are maintained and renewed at appropriate levels while continuing to deliver the services and infrastructure required by the community.

During 2025–26, Council invested \$7.499 million in asset renewal and upgrade works. A further \$4.313 million was invested in asset expansion and new assets, bringing total capital expenditure for the year to \$11.812 million.

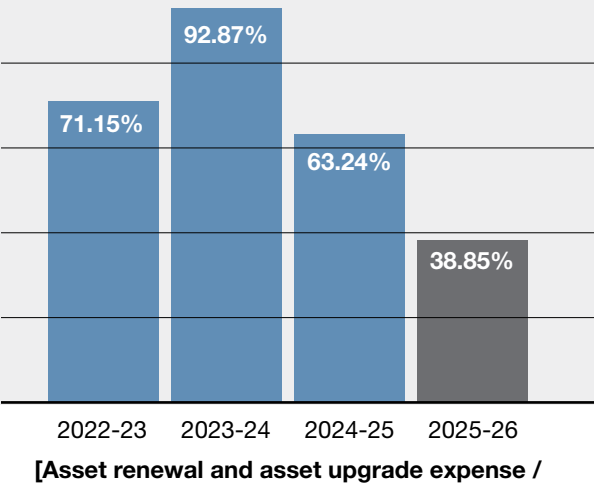
The capital works program was funded through \$6.611 million in grant funding, \$2.961 million from specific-purpose reserves held by Council and \$0.085 million in monetary contributions. The remaining \$2.155 million was funded from cash retained from prior years.

In addition to Council's capital expenditure, Council received \$5.140 million of non-monetary asset contributions, representing assets transferred to Council at no direct cost.

Council's asset renewal ratio, which compares expenditure on asset renewal and upgrades with depreciation expense, was 38.85% for 2025–26. The ratio provides an indication of the extent to which Council is investing in the renewal and upgrade of its existing asset base relative to the rate at which those assets are being consumed.

Council will continue to monitor the composition of its capital works program, balancing the need to renew and upgrade existing infrastructure with increasing demands to expand existing assets and invest in new infrastructure. Maintaining an appropriate level of renewal investment remains important to ensuring Council's assets can continue to support required service levels over the long term.

Asset renewal and upgrade ratio %



Debt management

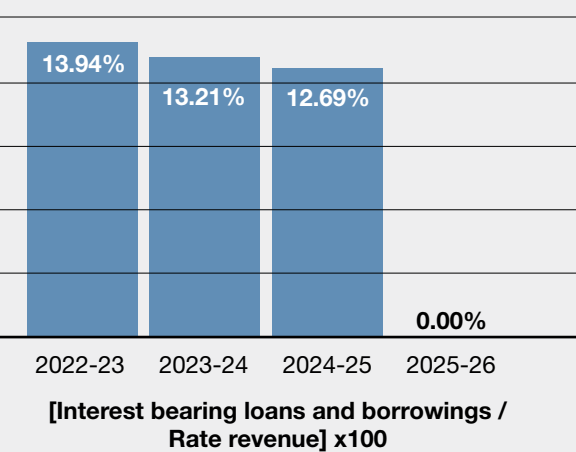
Council did not undertake any new borrowings during 2025–26 and repaid all outstanding external borrowings during the year. As a result, Council had no interest-bearing loans or borrowings outstanding at 30 June 2026.

Council's four-year Financial Plan, adopted in June 2026, provides for \$3.537 million in new borrowings across the 2026–27 and 2027–28 financial years. These borrowings are planned to assist with funding Council's capital works program and will result in an increase in Council's debt levels over the coming years.

At the end of the 2025–26 financial year, Council's debt ratio was 0.00%. This ratio measures interest-bearing loans and borrowings as a proportion of rate revenue. The result reflects Council's debt-free position at 30 June 2026 and indicates that there were no existing debt servicing commitments associated with external borrowings at year end.

Council will continue to monitor its level of borrowings to ensure that future debt remains financially sustainable and supports appropriate investment in long-term infrastructure while maintaining capacity to meet ongoing service and financial commitments.

Loans and borrowing ratio %



Stability and efficiency

Council receives revenue from a range of sources, including rates and charges, user fees, fines, grants and contributions. The rates concentration ratio measures Council's rate revenue as a proportion of adjusted underlying revenue and provides an indication of Council's reliance on rate revenue to fund its ongoing operations.

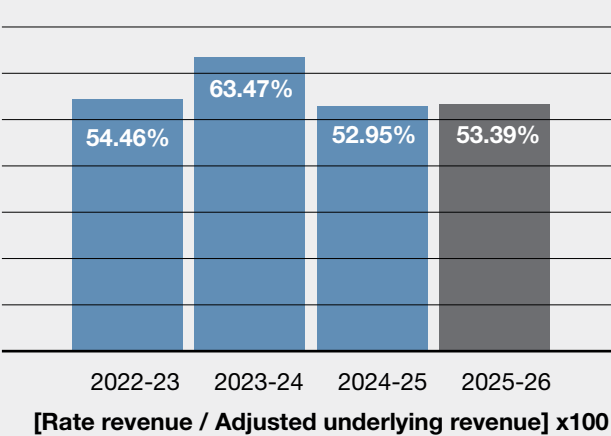
For 2025–26, Council's rates concentration ratio was 53.39%, indicating that just over half of Council's adjusted underlying revenue was derived from rates.

The ratio can be significantly affected by the timing of Financial Assistance Grant payments. Variations in the timing of these payments can increase or decrease adjusted underlying revenue recognised in a particular financial year and, consequently, influence the reported rates concentration ratio.

The 2023–24 result was materially affected by the timing of Financial Assistance Grant payments, with approximately 1.5 years of grant funding recognised during that financial year. As a result, the ratio for that year is not directly comparable with years in which funding was received on a more consistent basis. The results for the other years shown provide a more representative indication of Council's underlying rates concentration.

Council continues to receive a portion of its Financial Assistance Grant allocation in advance. Should this advance payment practice cease in a future financial year, adjusted underlying revenue for that year would be lower and the rates concentration ratio would also be impacted. The timing of these grants payments should therefore be considered when assessing trends in Council's reliance on other revenue.

Rates concentration ratio %



Rates effort

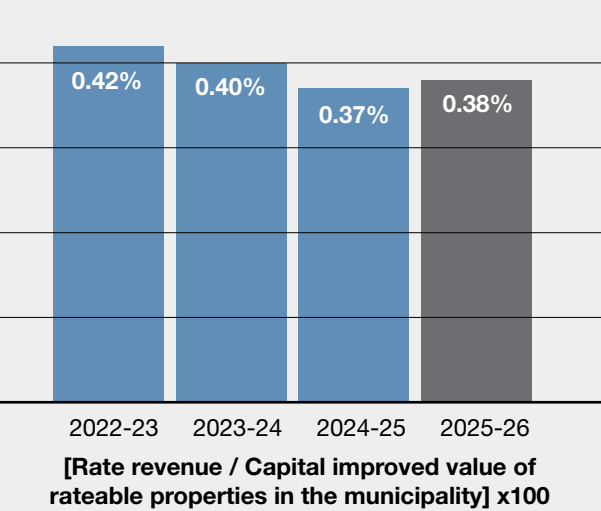
Council continues to raise rate revenue in accordance with the Victorian Government's rate cap. While property valuations have increased at a rate greater than the rate cap in recent years, increases in property values do not, in themselves, result in a corresponding increase in Council's total rate revenue.

Council's rate revenue as a percentage of the Capital Improved Value (CIV) of rateable properties has remained relatively stable. This reflects the interaction between movements in property valuations, Council's rate revenue requirements and the application of the rate cap.

Changes in individual property valuations may affect how the overall rates burden is distributed between ratepayers, particularly where the value of an individual property changes by a different percentage to the municipality as a whole. However, increases in the overall value of the property base do not provide Council with an equivalent increase in total rate revenue.

Council will continue to monitor this indicator as part of its assessment of rating levels, revenue capacity and long-term financial sustainability.

Rates effort ratio %





ANNUAL PERFORMANCE STATEMENT
For the Year Ended 30 June 2026

*Horsham Rural City Council
2025-2026 Performance Statement*

Performance Statement
For the year ended 30 June 2026

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Certification of the Performance Statement

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 : 07 October 2026
Horsham

In our opinion, the accompanying performance statement of the Horsham Rural City Council for the year ended 30 June 2026 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 Brian Klowss
Councillor
Dated : 07 October 2026
Horsham



Cr Angela Munn
Councillor
Dated : 07 October 2026
Horsham



Gail Gatt
Chief Executive Officer
Dated : 07 October 2026
Horsham



Independent Auditor’s Report

To the Councillors of Horsham Rural City Council

Opinion	I have audited the accompanying performance statement of Horsham Rural City Council (the council) which comprises the: - description of municipality for the year ended 30 June 2026 - service performance indicators for the year ended 30 June 2026 - financial performance indicators for the year ended 30 June 2026 - sustainable capacity indicators for the year ended 30 June 2026 - notes to the accounts - certification of the performance statement. In my opinion, the performance statement of Horsham Rural City Council in respect of the year ended 30 June 2026 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and <i>Local Government (Planning and Reporting) Regulations 2020</i>.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the performance statement</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the performance statement	The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

Horsham Rural City Council
2025/2026 Performance Statement

Performance Statement

For the year ended 30 June 2026

Section 1 - Description of municipality

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

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

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

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

Localities covered with the authority boundaries include:

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

Auditor’s responsibilities for the audit of the performance statement

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

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

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



Travis Derricott
as delegate for the Auditor-General of Victoria

MELBOURNE
9 October 2026

Horsham Rural City Council
2025/2026 Performance Statement

Section 2 - Service Performance Indicators					Results		Comment
Service / Indicator / Measure [Formula]		2023 Actual	2024 Actual	2025 Actual	2026 Target as per budget	Actual	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities (Number of visits to aquatic facilities / Municipal population)</i>		5.05%	5.18%	6.14%	6.37%	6.72%	
Animal Management Health and safety <i>Animal management prosecutions / Number of animal management prosecutions</i> x100		0.00%	0.00%	100.00%	N/A	100.00%	
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications (Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises)</i> x100		100.00%	59.50%	57.45%	N/A	34.38%	Staff shortages and recruitment challenges, unable to follow up every critical or major non-compliance outcome.
Governance Consultation and engagement <i>Satisfaction with community consultation and engagement (Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement)</i>		43	43	48	45	60	Opportunities to Give Feedback improved significantly, increasing 12 points to 60 in 2026, reflecting positive community perceptions of Council's engagement and consultation opportunities.
Libraries Participation <i>Library membership (Number of registered library members / Population) x100.</i>		#N/A	19.10%	19.89%	19.50%	21.30%	
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service (Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x100</i>		90.58%	88.56%	86.95%	90.00%	86.15%	
Roads Condition <i>Sealed local roads maintained to condition standards (Number of kilometres of sealed local roads below the renewal intervention level set by Council / (Number of sealed local roads) x100)</i>		100.00%	98.71%	99.83%	100.00%	99.83%	
Service standard 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)</i> x100		100.00%	93.51%	89.89%	90.00%	92.71%	
Waste Management Waste diversion <i>Kerbside collection waste diverted from landfill (Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x100</i>		25.90%	48.63%	43.62%	45.00%	45.31%	

Horsham Rural City Council
2025/2026 Performance Statement

Section 3 - Financial Performance Indicators					Results		Comments
Dimension / Indicator / Measure [Formula]		2023 Actual	2024 Actual	2025 Actual	2026 Target as per budget	Actual	
Efficiency Expenditure level <i>Expenditures per property assessment (Total expenses / Number of property assessments)</i>		\$4,579.62	\$5,322.08	\$4,965.87	\$4,801.00	\$5,063.76	\$5,275.07
Revenue level <i>Average rate per property assessment (Sum of all general rates and municipal charges / Number of property assessments)</i>		\$2,032.15	\$2,123.23	\$2,228.10	N/A	\$2,287.16	\$2,462.75
Liquidity Working capital <i>Current assets compared to current liabilities (Current assets / Current liabilities) x100</i>		270.71%	238.28%	254.20%	220.00%	404.69%	266.79%
Unrestricted cash <i>Unrestricted cash compared to current liabilities (Unrestricted cash / Current liabilities) x100</i>		79.66%	29.66%	73.27%	N/A	96.23%	16.54%
Obligations Loans and borrowings <i>Loans and borrowings compared to rates (Interest bearing loans and borrowings / Rate revenue) x100</i>		13.94%	13.21%	12.69%	N/A	0.00%	9.36%
Loans and borrowings repayments compared to rates <i>(Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x100</i>		0.55%	0.52%	0.50%	N/A	12.71%	2.12%
Indebtedness <i>Non-current liabilities compared to own source revenue (Non-current liabilities / Own source revenue) x100</i>		22.29%	20.25%	11.05%	N/A	12.22%	17.92%
Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation (Asset renewal and asset upgrade expense / Asset depreciation) x100</i>		71.15%	92.87%	63.24%	80.00%	38.85%	92.04%
Operating position <i>Adjusted underlying surplus (or deficit) (Adjusted underlying surplus (deficit) / Adjusted underlying revenue) x100</i>		-5.01%	-34.77%	0.56%	N/A	0.60%	-4.63%
Stability Rates concentration <i>Rates compared to adjusted underlying revenue (Rate revenue / Adjusted underlying revenue) x100</i>		54.46%	63.47%	52.95%	56.00%	53.39%	59.06%
Rates effort <i>Rates compared to property values (Rate revenue / Capital improved value of rateable properties in the municipality) x100</i>		0.42%	0.40%	0.37%	N/A	0.38%	39.00%

Section 4 - Sustainable Capacity Indicators							Results			Comments
Indicator / Measure [Formula]		2022 Actual	2023 Actual	2025 Actual	2026 Actual					
Population										
<u>Expenses per head of municipal population</u> (Total expenses / Municipal population)		\$2,928.86	\$3,405.71	\$3,127.31	\$3,235.33					
<u>Infrastructure per head of municipal population</u> (Value of infrastructure / Municipal population)		\$28,796.77	\$30,344.43	\$32,709.61	\$35,574.71					
<u>Population density per length of road</u> (Municipal population / Kilometres of local roads)		6.81	6.80	6.81	6.77					
Own-source revenue										
<u>Own-source revenue per head of municipal population</u> (Own-source revenue / Municipal population)		\$2,045.98	\$2,217.47	\$2,313.60	\$2,401.44					
Recurrent grants										
<u>Recurrent grants per head of municipal population</u> (Recurrent grants / Municipal population)		\$626.31	\$175.19	\$902.73	\$771.63					
Disadvantage										
<u>Relative Socio-Economic Disadvantage</u> (Index of Relative Socio-Economic Disadvantage by decile)		4.00	4.00	4.00	4.00					
Workforce turnover										
<u>Percentage of staff turnover</u> (Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year) x100		15.2%	14.7%	17.1%	16.1%				Council underwent a realignment of services, this has resulted in a number of longstanding vacancies being filled. Staff turnover continues to fluctuate from year to year pending organisational changes. Council continues to implement strategies to reduce the workforce turnover through staff engagement strategies, recruitment and retention initiatives.	

Horsham Rural City Council
2025/2026 Performance Statement

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 2026-27 to 2029-30 by the council's financial plan/adopted budget.

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 <i>Aboriginal Heritage Act 2006</i>
adjusted underlying revenue	means total income other than: · non-recurrent grants used to fund capital expenditure; and · non-monetary asset contributions; and · contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

Section 5.3 - Other Matters

There were no significant overarching events impacting the performance statement.

Horsham Rural City Council



ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2026

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.



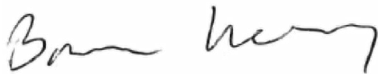
Belinda J Johnson, CPA, B Comm
Chief Financial Officer

Dated : 07 October 2026
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 2026 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 Brian Klowss
Councillor
Dated : 07 October 2026
Horsham



Cr Angela Munn
Councillor
Dated : 07 October 2026
Horsham



Gail Gatt
Chief Executive Officer
Dated : 07 October 2026
Horsham



Independent Auditor’s Report

To the Councillors of Horsham Rural City Council

Opinion	I have audited the financial report of Horsham Rural City Council (the council) which comprises the: - balance sheet as at 30 June 2026 - comprehensive income statement for the year then ended - statement of changes in equity for the year then ended - statement of cash flows for the year then ended - statement of capital works for the year then ended - notes to the financial statements, including material accounting policy information - certification of the financial statements. In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2026 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the financial report	The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Councillors are responsible for assessing the council’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor’s responsibilities for the audit of the financial report

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

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

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

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



Travis Derricott
as delegate for the Auditor-General of Victoria

MELBOURNE
9 October 2026

Horsham Rural City Council
2025/2026

Comprehensive Income Statement
For the Year Ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Income / Revenue			
Rates and charges	3.1	35,190	33,931
Statutory fees and fines	3.2	1,108	1,197
User fees	3.3	7,035	6,386
Grants - operating	3.4	14,553	15,178
Grants - capital	3.4	6,611	6,105
Contributions - monetary	3.5	321	874
Contributions - non monetary	3.5	5,140	1,609
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	1,348	416
Fair value adjustments for investment property	6.4	58	50
Other income	3.7	3,895	5,162
Total income / revenue		75,259	70,908
Expenses			
Employee costs	4.1	23,195	24,016
Materials and services	4.2	19,114	20,999
Depreciation	4.3	19,302	16,818
Amortisation - intangible assets	4.4	132	330
Depreciation - right of use assets	4.5	80	67
Allowance for impairment losses	4.6	(14)	129
Borrowing costs	4.7	168	170
Finance costs - leases	4.8	14	12
Written down value of assets disposed	3.6	629	823
Other expenses	4.9	1,880	358
Derecognition of investment in associates	4.10	1,022	-
Total expenses		65,522	63,722
Surplus/(deficit) for the year		9,737	7,186
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss) - property, infrastructure, plant and equipment	6.2	57,108	1,894
Net asset revaluation gain/(loss) - land held for sale	9.1	-	2,390
Total other comprehensive income		57,108	4,284
Total comprehensive result		66,845	11,470

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

Horsham Rural City Council
2025/2026

**Balance Sheet
As at 30 June 2026**

	Note	2026 \$'000	2025 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	13,465	13,239
Trade and other receivables	5.1	4,178	3,944
Other financial assets	5.1	36,000	24,000
Inventories	5.2	323	344
Prepayments	5.2	348	343
Non-current assets classified as held for sale	6.1	1,675	3,490
Other assets	5.2	639	571
Total current assets		56,628	45,931
Non-current assets			
Trade and other receivables	5.1	301	363
Investments in associates, joint arrangements and subsidiaries	6.3	-	1,022
Property, infrastructure, plant and equipment	6.2	720,459	666,491
Right-of-use assets	5.8	412	492
Investment property	6.4	2,800	2,700
Intangible assets	5.2	622	723
Total non-current assets		724,594	671,791
Total assets		781,222	717,722
Liabilities			
Current liabilities			
Trade and other payables	5.3	5,871	6,486
Trust funds and deposits	5.3	804	813
Contract and other liabilities	5.3	305	89
Provisions	5.5	6,932	6,297
Interest-bearing liabilities	5.4	-	4,305
Lease liabilities	5.8	81	79
Total current liabilities		13,993	18,069
Non-current liabilities			
Provisions	5.5	5,594	4,781
Interest-bearing liabilities	5.4	-	-
Lease liabilities	5.8	348	430
Total non-current liabilities		5,942	5,211
Total liabilities		19,935	23,280
Net assets		761,287	694,442
Equity			
Accumulated surplus		257,847	248,554
Discretionary Reserves	9.1	22,111	21,667
Reserves	9.1	481,329	424,221
Total Equity		761,287	694,442

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

Horsham Rural City Council
2025/2026

**Statement of Changes in Equity
For the Year Ended 30 June 2026**

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2026					
Balance at beginning of the financial year		694,442	248,554	424,221	21,667
Surplus/(deficit) for the year		9,737	9,737	-	-
Net asset revaluation gain/(loss) - property, infrastructure, plant and equipment	6.2	57,108	-	57,108	-
Transfers from other reserves	9.1	-	7,266	-	(7,266)
Transfers to other reserves	9.1	-	(7,710)	-	7,710
		761,287	257,847	481,329	22,111
Balance at end of the financial year		761,287	257,847	481,329	22,111
2025					
Balance at beginning of the financial year		682,972	244,106	419,937	18,929
Surplus/(deficit) for the year		7,186	7,186	-	-
Net asset revaluation gain/(loss) - property, infrastructure, plant and equipment	6.2	1,894	-	1,894	-
Net asset revaluation gain/(loss) - land held for sale	9.1	2,390	-	2,390	-
Transfers from other reserves	9.1	-	4,240	-	(4,240)
Transfers to other reserves	9.1	-	(6,978)	-	6,978
		694,442	248,554	424,221	21,667
Balance at end of the financial year		694,442	248,554	424,221	21,667

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

Horsham Rural City Council
2025/2026

Statement of Cash Flows
For the Year Ended 30 June 2026

		2026	2025
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Rates and charges		34,832	33,778
Statutory fees and fines		985	1,000
User fees		7,593	7,200
Grants - operating		14,466	16,645
Grants - capital		6,611	9,147
Contributions - monetary		392	945
Interest received		1,802	1,423
Other receipts		1,992	3,681
Employee costs		(23,199)	(23,912)
Materials and services		(19,658)	(21,451)
Trust funds and deposits repaid		(10)	(10)
Other payments		(454)	(439)
Net cash provided by/(used in) operating activities		25,352	28,007
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(12,054)	(16,965)
Proceeds from sale of property, infrastructure, plant and equipment		3,493	880
Payments for investments		(12,000)	(3,000)
Net cash provided by/(used in) investing activities		(20,561)	(19,085)
Cash flows from financing activities			
Finance costs		(167)	(171)
Repayment of borrowings		(4,305)	-
Interest paid - lease liability		(14)	(11)
Repayment of lease liabilities		(79)	(67)
Net cash provided by/(used in) financing activities		(4,565)	(249)
Net increase (decrease) in cash and cash equivalents		226	8,673
Cash and cash equivalents at the beginning of the financial year		13,239	4,566
Cash and cash equivalents at the end of the financial year		13,465	13,239

Financing arrangements 5.6

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

Horsham Rural City Council
2025/2026

Statement of Capital Works
For the Year Ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Property			
Land		-	313
Works in Progress		-	-
Total land		-	313
Buildings		1,469	2,325
Works in Progress		271	1,944
Total buildings		1,740	4,269
Total property		1,740	4,582
Plant and equipment			
Plant, machinery and equipment (including Heritage)		1,292	1,691
Fixtures, fittings and furniture		377	285
Art Collection		18	77
Library books		108	104
Work in Progress		-	1
Total plant and equipment		1,795	2,158
Infrastructure			
Roads		5,318	7,628
Bridges		595	-
Footpaths and cycleways		294	207
Drainage		99	204
Recreational, leisure and community facilities		23	152
Waste management		-	17
Parks, open space and streetscapes		462	614
Aerodromes		-	7
Off street car parks		-	23
Other infrastructure		74	96
Work in Progress		1,412	1,186
Total infrastructure		8,277	10,134
Total capital works expenditure		11,812	16,874
Represented by:			
New asset expenditure		3,164	5,720
Asset renewal expenditure		6,594	10,596
Asset expansion expenditure		1,149	-
Asset upgrade expenditure		905	558
Total capital works expenditure		11,812	16,874

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

Horsham Rural City Council
2025/2026

Notes to the Financial Report
For the Year Ended 30 June 2026

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 3.4)
- 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

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.

1.2 Impact of emergencies and natural disasters

During 2025-26, one fire event impacted Council's operations. Whilst the community was impacted, including loss of community and personal assets, Council assets were not significantly impacted or impaired. Council responded to the emergency and continues to support the community through recovery. Council has noted the following significant impacts on its financial operations:

- Additional revenue – \$1m of Council Support and Community Recovery funds were received to assist to offset costs incurred in the event and aid recovery activities.
- Revenue reductions – No revenue reductions were incurred excepting minor rate revenue supplementary valuations.
- Revenue foregone – No significant revenue sources were impacted.
- Additional costs – Costs were incurred in responding to the emergency and the operation of the emergency relief centre. Post response costs were also incurred in making infrastructure assets safe for use such as clearance of debris from roadsides and minor repairs. No impairment losses were recorded.
- Asset valuations – No assets were recorded as impaired.

Refer also to note 8.1 for further details of contingent assets and liabilities.

Horsham Rural City Council
2025/2026

Notes to the Financial Report
For the Year Ended 30 June 2026

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 2026 \$'000	Actual 2026 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	34,887	35,190	303	0.87%	
Statutory fees and fines	1,448	1,108	(340)	-23.48%	
User fees	6,804	7,035	231	3.40%	
Grants - operating	10,460	14,553	4,093	39.13%	1
Grants - capital	7,283	6,611	(672)	-9.23%	
Contributions - monetary	248	321	73	29.44%	
Contributions - non monetary	35	5,140	5,105	14585.71%	2
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	4,333	1,348	(2,985)	-68.89%	3
Fair value adjustments for investment property	-	58	58	-	
Share of net profits/(losses) of associates and joint ventures	-	-	-	-	
Other income	1,946	3,895	1,949	100.15%	4
Total income / revenue	67,444	75,259	7,815	11.59%	
Expenses					
Employee costs	24,619	23,195	1,424	5.78%	
Materials and services	19,872	19,114	758	3.81%	
Depreciation	16,317	19,302	(2,985)	-18.29%	5
Amortisation - intangible assets	330	132	198	60.00%	
Depreciation - right of use assets	56	80	(24)	-42.86%	
Allowance for impairment losses	35	(14)	49	140.00%	
Borrowing costs	171	168	3	1.75%	
Finance costs - leases	5	14	(9)	-180.00%	
Other expenses	428	1,880	(1,452)	-339.25%	6
Written down value of assets disposed	-	629	(629)	-	7
Derecognition of investment in associates	-	1,022	(1,022)	-	8
Total expenses	61,833	65,522	(3,689)	-5.97%	
Surplus/(deficit) for the year	5,611	9,737	4,126	73.53%	

Notes to the Financial Report
For the Year Ended 30 June 2026

(i) Explanation of material variations

Variance Ref	Explanation
1	Council received an additional \$2.754m of Financial Assistance Grants to the budgeted amount. This was due to the timing of payments and is net of 80% of the 2026/27 allocation in the 2025/26 year, offset by 75% of the 2025/26 allocation paid in the 2024/25 financial year. Council also received \$1m of funding relating to the fire event experienced on 9 January 2026.
2	Council received assets in the form of roads, kerbs, footpaths, stormwater drainage, drainage basins and wetlands assets in relation to the Stockton Park Estate, Kenny Road Industrial Estate and Plumpton Road Industrial Estate which were not budgeted to be received.
3	Whilst the sale of some industrial land and routine plant sales occurred, the sale of some industrial land was delayed and will be recognised in the 2026/27 financial year.
4	Council held cash in excess of anticipated due to some funds being received early, lower expenditure profile and better than anticipated interest rates, resulting in \$1.234m additional interest revenue. Council also received \$328k for external works provided and \$200k towards Disaster Recovery works.
5	Council has undertaken asset revaluations and condition assessment for its buildings, Recreation & Leisure, Parks & Open Space, Aerodrome and Waste Facilities. This resulted in a \$57m increase in valuations. Depreciation expenses for these classes of assets increased by \$2.387m for the year. Some of this increase (and increases in other classes) is due to additional value added through the capital works program to maintain and improve assets.
6	Council revised its future liabilities for management of its landfills from \$5.403m to \$6.829m resulting in an expense of \$1.426m.
7	Council disposed of the parking meters from the Central Business District resulting in an expense of \$478k. Other disposals related to drainage, kerb and channel, and minor culvert assets that were no longer in use or had been removed and not replaced.
8	As a result of Council's decision to resign as a member of Wimmera Southern Mallee Development Limited effective 26 August 2025, Council has derecognised this Investment in Associate.

Notes to the Financial Report
For the Year Ended 30 June 2026

2.1.2 Capital works

	Budget 2026 \$'000	Actual 2026 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	830	-	(830)	-100.00%	9
Total land	830	-	(830)	-100.00%	
Buildings	1,759	1,469	(290)	-16.49%	
Works in Progress	-	271	271	-	10
Total buildings	1,759	1,740	(19)	-1.08%	
Total property	2,589	1,740	(849)	-32.79%	
Plant and equipment					
Plant, machinery and equipment (including Heritage)	3,250	1,292	(1,958)	-60.25%	11
Fixtures, fittings and furniture	677	377	(300)	-44.31%	
Art Collection	-	18	18	-	
Library books	113	108	(5)	-4.42%	
Works in Progress	-	-	-	-	
Total plant and equipment	4,040	1,795	(2,245)	-55.57%	
Infrastructure					
Roads	7,992	5,318	(2,674)	-33.46%	12
Bridges	924	595	(329)	-35.61%	
Footpaths and cycleways	818	294	(524)	-64.06%	13
Drainage	145	99	(46)	-31.72%	
Recreational, leisure and community facilities	70	23	(47)	-67.14%	
Waste management	657	-	(657)	-100.00%	14
Parks, open space and streetscapes	2,018	462	(1,556)	-77.11%	15
Aerodromes	50	-	(50)	-100.00%	
Off street car parks	-	-	-	-	
Other infrastructure	923	74	(849)	-91.98%	16
Works in Progress	-	1,412	1,412	-	17
Total infrastructure	13,597	8,277	(5,320)	-39.13%	
Total capital works expenditure	20,226	11,812	(8,414)	-41.60%	
Represented by:					
New asset expenditure	7,191	3,164	(4,027)	-56.00%	
Asset renewal expenditure	11,357	6,594	(4,763)	-41.94%	
Asset expansion expenditure	-	1,149	1,149	-	
Asset upgrade expenditure	1,678	905	(773)	-46.07%	
Total capital works expenditure	20,226	11,812	(8,414)	-41.60%	

Notes to the Financial Report

For the Year Ended 30 June 2026

(i) Explanation of material variations

Variance Ref	Explanation
9	Council provided budget allocation for the purchase of land associated with the Railway Corridor project, however later resolved not to proceed with the purchase of the land.
10	When preparing Council budgets, estimates are made regarding the completeness and readiness of assets for use in service provision. If expenditure occurs but the asset is not ready for use, the amounts are recognised as Work in Progress rather than assets. Works not completed during the year were the Open Libraries fit out \$137k (delays due to electrical works), Works Depot Planning \$42k (Council has made a decision to place this project on hold to consider other options), Wesley PAC refurbishment \$27k (delays due to Council legally acquiring ownership of the site prior to commencement of works), Laharum Oval Kitchen Upgrade \$30k and City Oval Community Centre \$24k. Other amounts are of a minor nature.
11	Council has experienced difficulties in the procurement of plant, particularly large specialised items. Whilst contracts have been awarded for some, the delivery of these items will occur in the 2026/27 financial year. Changes in State-wide procurement contracts has also delayed some projects, together with re-assessment of the timing of replacement items due to increases in operational costs, in particular, fuel prices.
12	The major underspending relates to the following projects: Enterprise Estate roads and drainage \$1.362m, Burnt Creek Industrial Estate roads and drainage \$759k and Three Bridges Road Safety Treatments \$400k. Other amounts are of a minor nature. The delays in the development of the Estates has been deliberate due to cost escalations and revised sales predictions. The delay to Three Bridges Road was due to the contract award taking place late in the financial year, with works continuing across the winter months.
13	Footpath renewal on Henty and Western Highways were not completed \$107k due to inclement weather casuing safety concerns at the time the works were originally programmed (April to June). Bike track extensions in accordance with the Bike Plan were underspent by \$105k and Disability Strategy works by \$40k. Both these projects were unspecified allocations. Council has now prepared a prioritised list to deliver projects in the 2026/27 financial year.
14	Council continues to work with the Environment Protection Authority Victoria (EPA) to ensure planned works align with legislated requirements and are appropriate for Council and the region in general. Works continue to be planned and delivered across the multi-stages of the waste management life cycle, including waste collection, transfer station upgrades (Kenny Road), Landfill cell capping and rehabilitation (Dooen Landfill) and new cell planning.
15	Works not completed include the O'Callaghan's Parade Streetscape and Safety work \$605k (contractor delays), works associated with the Greening Greater Horsham Strategy \$193k (works delayed pending the outcome of a funding application to maximise Council funds) and general urban open space asset renewals \$135k. These works will continue into the 2026/27 financial year.
16	The boardwalk and fishing platform at Apex (Adventure) Island is a partnership project with the Wimmera Catchment Management Authority who are leading the project and did not commence prior to year end (\$330k). Water and power supply at Burnt Creek Industrial Estate was commenced but not completed \$175k, as with the Enterprise Estate Water and Power Supply \$131k - See also Note 12. Depot fuel tank remediation works were \$60k less than budgeted, but are continuing to progress under guidance from Council's environmental auditor.
17	When preparing Council budgets, estimates are made regarding the completeness and readiness of assets for use in service provision. If expenditure occurs but the asset is not ready for use, the amounts are recognised as Work in Progress rather than assets. Major works not completed during the year were Natimuk Road Cycle Path \$184k (Note 13), Burnt Creek Industrial Estate works \$296k (Note 12), O'Callaghan's Parade Streetscape and Safety Works \$506k (Note 15), Three Bridges Road Safety Treatments \$50k (Note 12) and Enterprise Estate Roads and Drainage \$85k (Note 12). Other amounts are of a minor nature.

Notes to the Financial Report

For the Year Ended 30 June 2026

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Communities and Place Directorate

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

Corporate Services Directorate

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

Infrastructure Directorate

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

Office of CEO

The Office of the CEO is responsible for the administration and support of the Chief Executive Officer. The Office of the CEO function also includes expenses relating to the operation of the Rural Councils Corporate Collaboration Project.

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
2026					
Communities and Place	9,361	(16,576)	(7,215)	2,068	76,607
Corporate Services	39,839	(15,101)	24,738	7,565	57,243
Infrastructure Services	26,059	(33,062)	(7,003)	11,531	647,372
Office of the CEO	-	(783)	(783)	-	-
	75,259	(65,522)	9,737	21,164	781,222
	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2025					
Communities and Place	6,224	(14,868)	(8,644)	1,846	57,470
Corporate Services	39,750	(13,151)	26,599	8,709	44,777
Infrastructure	24,934	(35,703)	(10,769)	10,728	615,475
	70,908	(63,722)	7,186	21,283	717,722

Horsham Rural City Council
2025/2026

Notes to the Financial Report
For the Year Ended 30 June 2026

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES	2026	2025
3.1 Rates and charges	\$'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 2025/26 was \$9,209 million (2024/25 \$9,176 million).

General rates	27,341	26,290
Municipal charge	2,312	2,301
Waste Management Charge	5,145	4,974
Interest on rates and charges	84	65
Revenue in lieu of rates	308	301
Total rates and charges	35,190	33,931

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2025 and the valuation was first applied in the rating year commencing 1 July 2025.
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	143	317
Court recoveries	72	72
Land information certificates	66	34
Local Laws - permits & licences	34	44
Town planning fees	234	181
Building fees	117	93
Health registrations	132	133
Animal registrations	310	323
Total statutory fees and fines	1,108	1,197

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	127	66
Animal control	55	39
Building fees & other charges	82	67
Fees - parking meters	-	61
Performance ticket sales*	1,230	1,129
Sporting and recreation facilities	30	49
Supervision of private subdivisions	82	29
Plan checking fees & other charges	32	13
Aerodrome	5	5
Saleyards	436	654
Wimmera business centre income	17	10
Rural revegetation scheme	3	-
Waste management fees	4,620	3,883
Fire hazards grass removal	15	20
Library	227	201
Other user fees	74	160
Total user fees	7,035	6,386

User fees by timing of revenue recognition

User fees recognised over time	1,230	1,129
User fees recognised at a point in time	5,805	5,257
Total user fees	7,035	6,386

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

Horsham Rural City Council
2025/2026

Notes to the Financial Report
For the Year Ended 30 June 2026

	2026	2025
	\$'000	\$'000

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	16,178	18,394
State funded grants	4,986	2,890
Total grants received	21,164	21,284

(a) Operating Grants

Recurrent - Commonwealth Government

Commonwealth Government family and children	8	7
Financial Assistance Grant - general purpose	7,265	7,897
Financial Assistance Grant - local roads	4,092	4,461

Recurrent - State Government

School crossing supervisors	65	63
Community services	483	243
Maternal and child health	731	707
Youth services	121	92
Library	200	199
Arts and art gallery	170	170
Environmental and landcare grants	85	85
Total recurrent operating grants	13,220	13,924

Non-recurrent - Commonwealth Government

Australia Day grants	14	10
Employment schemes	-	3

Non-recurrent - State Government

Rural Councils Corporate Collaboration Project	-	802
Community services and safety	14	24
Fire Support	1,010	19
Family and children	24	10
Public and community health	132	175
Youth services	-	23
Recreation	4	10
Arts and art gallery	88	86
Environmental and landcare grants	47	67
Employment schemes	-	9
Road Safety	-	16
Total non-recurrent operating grants	1,333	1,254
Total operating grants	14,553	15,178

Horsham Rural City Council
2025/2026

Notes to the Financial Report
For the Year Ended 30 June 2026

	2026	2025
	\$'000	\$'000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	2,400	1,500
<i>Recurrent - State Government</i>		
Premiers Reading Challenge	7	7
Total recurrent capital grants	2,407	1,507
<i>Non-recurrent - Commonwealth Government</i>		
Local Roads and Community Infrastructure	857	901
Physical Services	1,541	3,615
<i>Non-recurrent - State Government</i>		
Outdoor recreation	305	-
Indoor recreation	36	39
Halls, historic buildings & monuments	45	41
Local roads & ancillary assets	1,420	2
Total non-recurrent capital grants	4,204	4,598
Total capital grants	6,611	6,105

(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 unspent grants.

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

<i>Operating</i>		
Balance at start of year	2,888	1,796
Received during the financial year and remained unspent at balance date	892	2,599
Received in prior years and spent during the financial year	(2,826)	(1,507)
Balance at year end	954	2,888
<i>Capital</i>		
Balance at start of year	878	921
Received during the financial year and remained unspent at balance date	1,666	654
Received in prior years and spent during the financial year	(617)	(697)
Balance at year end	1,927	878

Unspent grants are determined and disclosed on a cash basis.

Horsham Rural City Council
2025/2026

Notes to the Financial Report
For the Year Ended 30 June 2026

	2026	2025
	\$'000	\$'000
3.5 Contributions		
Monetary	321	874
Non-Monetary	5,140	1,609
Total contributions	5,461	2,483
<i>Contributions of non-monetary assets were received in relation to the following asset classes.</i>		
Land	116	3
Library Books	11	6
Art Collection	-	119
Roads	1,538	181
Footpaths and cycleways	187	10
Drainage	3,288	1,276
Parks open space and streetscapes	-	5
Aerodromes	-	9
Total non-monetary contributions	5,140	1,609

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 - property, infrastructure, plant and equipment	193	455
Written down value of assets disposed - property, infrastructure, plant and equipment	(160)	(326)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	33	129
Proceeds of sale - land held for sale	3,300	425
Written down value of assets disposed - land held for sale	(1,985)	(138)
Net gain/(loss) on disposal of land held for sale	1,315	287
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	1,348	416
Written down value of assets written off - property, infrastructure, plant and equipment	(629)	(823)

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

3.7 Other income

Interest	1,834	1,521
External works	200	443
Main roads maintenance VicRoads	625	289
Art gallery	4	2
Information office	54	41
Children's hub rent	221	51
Theatre rent	6	7
Mibus centre rent	4	4
Commercial properties rent	498	450
Caravan park rent	78	76
Adjustment to landfill provision	-	138
Insurance Settlement	-	1,526
Other	371	614
Total other income	3,895	5,162

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 2026

	2026	2025
	\$'000	\$'000
Note 4 THE COST OF DELIVERING SERVICES		
4.1 (a) Employee costs		
Wages and salaries	20,875	21,604
WorkCover	688	727
Superannuation *	2,370	2,375
Fringe benefits tax	73	85
Less Labour costs capitalised in non-current assets constructed by Council	(811)	(775)
Total employee costs	23,195	24,016

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super) and other funds	80	125
--	----	-----

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super) and other funds	2,290	2,250
Employer contributions payable at reporting date.	-	169

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

*Superannuation includes deemed contributions for eligible contractors.

4.2 Materials and services

Contract payments (by department)		
Arts, Culture & Recreation	540	639
Community Services & Safety	229	232
Assets & Engineering	122	652
Governance & Information	152	119
Investment, Attraction & Growth	620	635
Management	59	127
Roads & Facilities	769	754
Waste & Environment	2,349	2,195
People & Safety	48	42
Administration expenses	2,610	2,589
Utility expenses	1,001	1,228
Contract cleaning	614	589
Advertising	189	245
Agency staff - temporary	1,116	1,138
Consumables	2,458	2,505
Insurance	974	948
Donations & community grants	326	339
Legal costs	220	221
Maintenance & operating expenses	4,464	4,479
WSMD membership	-	235
Rural Councils Corporate Collaboration	254	923
Municipal Monitor	-	165
Total materials and services	19,114	20,999

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

4.3 Depreciation

Property	3,647	1,419
Plant and equipment	1,722	1,722
Infrastructure	13,933	13,677
Total depreciation	19,302	16,818

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 2026

	2026	2025
	\$'000	\$'000
4.4 Amortisation - Intangible assets		
Landfill Airspace	132	330
Total Amortisation - Intangible assets	132	330

4.5 Depreciation - Right of use assets

Property	80	67
Total Depreciation - Right of use assets	80	67

4.6 Allowance for impairment losses

Parking fine debtors	(16)	(9)
Animal fine debtors	(39)	69
Other debtors	41	69
Total allowance for impairment losses	(14)	129

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	632	585
New allowances recognised during the year	(14)	129
Amounts already allowed for and written off as uncollectible	(64)	(49)
Amounts allowed for but recovered during the year	(3)	(33)
	551	632

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	168	170
Total borrowing costs	168	170

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

4.8 Finance Costs - Leases

Interest - Lease Liabilities	14	12
Total finance costs	14	12

4.9 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	71	58
Auditors' remuneration - Internal Audit	49	6
Councillors' allowances	334	294
Adjustment to landfill provision	1,426	-
Total other expenses	1,880	358

4.10 Derecognition of assets

Loss on derecognition

Loss on derecognition-Investment in associates	1,022	-
Total derecognition of assets	1,022	-

As a result of Council's decision not to remain a member of the Wimmera Southern Mallee Development Limited, Council has derecognised this Investment in Associate.

Notes to the Financial Report
For the Year Ended 30 June 2026

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS	2026	2025
5.1 Financial assets	\$'000	\$'000
(a) Cash and cash equivalents		
Cash on hand	5	5
Cash at bank	13,460	13,234
Total cash and cash equivalents	13,465	13,239
(b) Other financial assets		
Current		
Term deposits	36,000	24,000
Total other financial assets	36,000	24,000
Total cash and cash equivalents and other financial assets	49,465	37,239

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 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.

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.

Notes to the Financial Report
For the Year Ended 30 June 2026

	2026	2025
(c) Trade and other receivables	\$'000	\$'000
Current		
Statutory receivables		
Rates debtors	2,406	1,946
Parking infringement debtors	170	166
Other infringement debtors	911	864
Allowance for expected credit loss - infringements	(545)	(613)
Net GST receivable	244	377
Non statutory receivables		
Loans and advances to community organisations	71	71
Other debtors	927	1,153
Allowance for expected credit loss - other debtors	(6)	(20)
Total current trade and other receivables	4,178	3,944
Non-current		
Non statutory receivables		
Loans and advances to community organisations	216	287
Deferred property debts receivable	85	76
Total non-current trade and other receivables	301	363
Total trade and other receivables	4,479	4,307

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)	662	707
Past due by up to 30 days	112	484
Past due between 31 and 180 days	1	2
Past due between 181 and 365 days	121	5
Past due by more than 1 year	102	26
Total trade and other receivables	998	1,224

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$551K (2025: \$633K) were impaired. The amount of the allowance raised against these debtors was \$551K (2025: \$633K). 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	65	88
Past due between 181 and 365 days	55	57
Past due by more than 1 year	431	488
Total trade & other receivables	551	633

Notes to the Financial Report
For the Year Ended 30 June 2026

5.2 Non-financial assets	2026	2025
(a) Inventories	\$'000	\$'000
Inventories held for distribution	323	344
Total inventories	323	344

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	348	343
Accrued income	639	571
Other	-	-
Total other assets	987	914

(c) Intangible assets

Library eAudiobooks	424	393
Landfill air space	1,320	1,320
less amortisation	(1,122)	(990)
Total intangible assets	622	723

Gross carrying amount

Balance at 1 July 2025	393	1,320	1,713
Other additions	31	-	31
Balance at 30 June 2026	424	1,320	1,744

Accumulated amortisation and impairment

Balance at 1 July 2025	-	(990)	(990)
Amortisation expense	-	(132)	(132)
Balance at 30 June 2026	-	(1,122)	(1,122)

Net book value at 30 June 2025	393	330	723
Net book value at 30 June 2026	424	198	622

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 2026

5.3 Payables, trust funds and deposits and contract and other liabilities	2026	2025
(a) Trade and other payables	\$'000	\$'000
Current		
<i>Non-statutory payables</i>		
Trade payables	5,203	5,835
Accrued expenses	486	489
<i>Statutory payables</i>	182	162
Total current trade and other payables	5,871	6,486

(b) Trust funds and deposits

Current		
Refundable deposits	90	81
Trust funds held for other bodies	405	414
Retention amounts	68	126
Other refundable deposits	241	192
Total current trust funds and deposits	804	813

(c) Contract and other liabilities

Contract liabilities		
Current		
Other	305	89
Total contract liabilities	305	89

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 performance ticket sales. 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

Emergency Services and Volunteers Fund - Council is the collection agent for the Emergency Services and Volunteers Fund 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 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 2026

5.4 Interest-bearing liabilities	2026	2025
	\$'000	\$'000
Current		
Borrowings - secured	-	4,305
Total current interest-bearing liabilities	-	4,305
Non-Current		
Borrowings - secured	-	-
Total non-current interest-bearing liabilities	-	-
Total	-	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	-	4,305
Later than one year and not later than five years	-	-
Total	-	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.

In classifying borrowings as current or non-current Council considers whether at balance date it has the right to defer settlement of the liability for at least twelve months after the reporting period. Council's loan arrangements include covenants based on Council's financial performance and position at the end of the reporting period. These covenants are assessed for compliance after the reporting period based on specified financial ratios.

5.5 Provisions

	Employee	Landfill restoration	Total
2026	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	5,675	5,403	11,078
Additional provisions	2,426	1,426	3,852
Amounts used	(2,404)	(38)	(2,442)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	38	38
Balance at the end of the financial year	5,697	6,829	12,526
<i>Provisions - current</i>	5,002	1,930	6,932
<i>Provisions - non-current</i>	695	4,899	5,594
2025			
Balance at beginning of the financial year	5,695	5,541	11,236
Additional provisions	2,384	(138)	2,246
Amounts used	(2,404)	(2)	(2,406)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	2	2
Balance at the end of the financial year	5,675	5,403	11,078
<i>Provisions - current</i>	4,882	1,415	6,297
<i>Provisions - non-current</i>	793	3,988	4,781

Notes to the Financial Report
For the Year Ended 30 June 2026

	2026	2025
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12		
Annual leave	1,398	1,402
Long service leave	257	175
Sick Leave Gratuity	30	28
	1,685	1,605
Current provisions expected to be wholly settled after 12		
Annual leave	350	350
Long service leave	2,697	2,677
Sick Leave Gratuity	270	250
	3,317	3,277
Total current employee provisions	5,002	4,882
Non-Current		
Long service leave	534	598
Sick Leave Gratuity	161	195
Total non-current employee provisions	695	793
Aggregate carrying amount of employee provisions:		
Current	5,002	4,882
Non-current	695	793
Total aggregate carrying amount of employee provisions	5,697	5,675

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:	2026	2025
- discount rate	4.74%	4.20%
- index rate	4.15%	4.25%

Notes to the Financial Report
For the Year Ended 30 June 2026

	2026	2025
(b) Landfill restoration	\$'000	\$'000
Current	1,930	1,415
Non-Current	4,899	3,988
Total	6,829	5,403

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:	2026	2025
- discount rate	4.74%	4.20%
- index rate	4.15%	4.25%

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2026.

Bank overdraft	-	1,000
Credit card facilities	350	350
Other facilities	-	4,305
Total facilities	350	5,655
Used facilities	38	4,363
Unused facilities	312	1,292

Notes to the Financial Report
For the Year Ended 30 June 2026

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

2026	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
Operating					
Maintenance & Management of Facilities	954	1,987	1,645	-	4,586
Professional Services	215	209	105	-	529
Information Technology	271	493	163	-	927
Roadworks/Infrastructure	438	909	463	-	1,810
Waste Management	1,028	2,149	2,113	-	5,290
Total Operating	2,906	5,747	4,489	-	13,142
Capital					
Buildings	48	105	56	-	209
Plant	1,074	-	-	-	1,074
Roadworks/Infrastructure	4,452	5,856	1,242	-	11,550
Total Capital	5,574	5,961	1,298	-	12,833
Total	8,480	11,708	5,787	-	25,975
2025	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
Operating					
Maintenance & Management of Facilities	705	719	-	-	1,424
Professional Services	709	412	150	-	1,271
Information Technology	61	-	-	-	61
Roadworks/Infrastructure	1,122	1,144	3,450	-	5,716
Waste Management	998	1,028	3,272	-	5,298
Total Operating	3,595	3,303	6,872	-	13,770
Capital					
Buildings	1,216	-	-	-	1,216
Plant	376	-	-	-	376
Roadworks/Infrastructure	3,745	1,885	3,600	-	9,230
Total Capital	5,337	1,885	3,600	-	10,822
Total	8,932	5,188	10,472	-	24,592

(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. Where a lease is in overholding, the next financial year's rental is included as receivable.

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

	2026	2025
	\$'000	\$'000
Not later than one year	606	595
Later than one year and not later than five years	1,562	1,610
Later than five years	1,709	2,052
Total	3,877	4,257

Notes to the Financial Report

For the Year Ended 30 June 2026

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	
Balance at 1 July 2025	492	
Additions	-	
Depreciation charge	(80)	
Balance at 30 June 2026	412	
Lease Liabilities	2026	2025
Maturity analysis - contractual undiscounted cash flows	\$'000	\$'000
Less than one year	79	67
One to five years	279	342
More than five years	215	245
Total undiscounted lease liabilities as at 30 June:	573	654
Lease liabilities included in the Balance Sheet at 30 June:		
Current	81	79
Non-current	348	430
Total lease liabilities	429	509

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 2026

Note 6 ASSETS WE MANAGE	2026	2025
6.1 Non current assets classified as held for sale	\$'000	\$'000
Industrial land held for sale		
Balance at beginning of financial year	3,490	79
Transfers	-	1,100
Fair value adjustments	-	2,390
Capitalised development costs	170	59
Disposal	(1,985)	(138)
Balance at end of financial year	1,675	3,490

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.

Refer also to note 3.6 for further details of disposal of land held for sale.

Notes to the Financial Report
For the Year Ended 30 June 2026

6.2 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	Carrying amount		Carrying amount	
	30 June 2025	30 June 2026	30 June 2025	30 June 2026
	\$'000	\$'000	\$'000	\$'000
Property	119,297	1,469	116	41,107
Plant and equipment	19,559	1,795	11	-
Infrastructure	523,410	6,865	5,013	16,001
Work in progress	4,225	1,683	-	-
Total	666,491	11,812	5,140	57,108
			(19,302)	(789)
			(1)	(1)
				720,459

Summary of Work in Progress

	Opening WIP		Transfers		Closing WIP	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	2,595	271	(1)	(1,966)	899	
Plant and equipment	14	-	-	(2)	12	
Infrastructure	1,616	1,412	-	(1,007)	2,021	
Total	4,225	1,683	(1)	(2,975)	2,932	

Notes to the Financial Report
For the Year Ended 30 June 2026

(a) Property

	Land - specialised		Land - non specialised		Land improvements		Buildings - non specialised		Total Buildings		Work In Progress		Total Property	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2025	1,208	47,254	-	48,462	100,796	100,796	100,796	100,796	100,796	2,595	2,595	151,853		
Accumulated depreciation at 1 July 2025	-	-	-	-	(29,961)	(29,961)	(29,961)	(29,961)	(29,961)	-	-	(29,961)		
	1,208	47,254	-	48,462	70,835	70,835	70,835	70,835	70,835	2,595	2,595	121,892		
Movements in fair value														
Additions	-	-	-	-	1,469	1,469	1,469	1,469	1,469	271	271	1,740		
Contributions	51	65	-	116	-	-	-	-	-	-	-	116		
Revaluation	-	4,129	-	4,129	72,262	72,262	72,262	72,262	72,262	-	-	76,391		
Disposal	-	-	-	-	-	-	-	-	-	-	-	-		
Write-off	-	-	-	-	-	-	-	-	-	(1)	(1)	-		
Transfers	-	-	-	-	1,966	1,966	1,966	1,966	1,966	(1,966)	(1,966)	-		
	51	4,194	-	4,245	75,697	75,697	75,697	75,697	75,697	(1,696)	(1,696)	78,246		
Movements in accumulated depreciation														
Depreciation and amortisation	-	-	-	-	(3,647)	(3,647)	(3,647)	(3,647)	(3,647)	-	-	(3,647)		
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-	-	-		
Revaluation movement	-	-	-	-	(35,284)	(35,284)	(35,284)	(35,284)	(35,284)	-	-	(35,284)		
Transfers	-	-	-	-	-	-	-	-	-	-	-	-		
	-	-	-	-	(38,931)	(38,931)	(38,931)	(38,931)	(38,931)	-	-	(38,931)		
At fair value 30 June 2026	1,259	51,448	-	52,707	176,493	176,493	176,493	176,493	176,493	899	899	230,099		
Accumulated depreciation at 30 June 2026	-	-	-	-	(68,892)	(68,892)	(68,892)	(68,892)	(68,892)	-	-	(68,892)		
Carrying amount	1,259	51,448	-	52,707	107,601	107,601	107,601	107,601	107,601	899	899	161,207		

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For the Year Ended 30 June 2026

(b) Plant and Equipment

	Plant machinery and equipment *	Fixtures fittings and furniture *	Art Collection	Public Art *	Library Books	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At cost */fair value 1 July 2025	21,915	3,479	5,140	936	1,692	14	33,176
Accumulated depreciation at 1 July 2025	(9,701)	(2,729)	-	-	(1,173)	-	(13,603)
	12,214	750	5,140	936	519	14	19,573
Movements in carrying value							
Additions	1,292	377	-	18	108	-	1,795
Contributions	-	-	-	-	11	-	11
Disposal	(582)	(4)	-	-	(252)	-	(838)
Transfers	-	-	-	-	2	(2)	-
	710	373	-	18	(131)	(2)	968
Movements in accumulated depreciation							
Depreciation and amortisation	(1,328)	(289)	-	-	(105)	-	(1,722)
Accumulated depreciation of disposals	422	4	-	-	252	-	678
	(906)	(285)	-	-	147	-	(1,044)
	22,625	3,852	5,140	954	1,561	12	34,144
At cost */fair value 30 June 2026	(10,607)	(3,014)	-	-	(1,026)	-	(14,647)
Accumulated depreciation at 30 June 2026							
Carrying amount	12,018	838	5,140	954	535	12	19,497

* Denotes assets carried at historical cost.

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For the Year Ended 30 June 2026

(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 2025	438,186	42,294	40,991	89,245	16,358	9,247	21,393	3,789	5,138	49,607	1,616	717,864
Accumulated depreciation at 1 July 2025	(101,623)	(10,785)	(14,884)	(27,751)	(5,951)	(6,427)	(6,199)	(1,739)	(1,858)	(15,621)	-	(192,838)
	336,563	31,509	26,107	61,494	10,407	2,820	15,194	2,050	3,280	33,986	1,616	525,026
Movements in fair value												
Additions	5,318	595	294	99	23	-	462	-	-	74	1,412	8,277
Contributions	1,538	-	187	3,288	-	-	-	-	-	-	-	5,013
Revaluation	-	-	-	-	3,266	269	(1,040)	378	-	(3,716)	-	(843)
Disposal	(230)	-	-	(16)	-	-	-	-	-	(552)	-	(798)
Write-off	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	124	205	2	107	-	-	569	-	-	-	(1,007)	-
	6,750	800	483	3,478	3,289	269	(9)	378	-	(4,194)	405	11,649
Movements in accumulated depreciation												
Depreciation and amortisation	(8,637)	(426)	(625)	(924)	(884)	(881)	(689)	(124)	(110)	(833)	-	(13,933)
Accumulated depreciation of disposals	91	-	-	5	-	-	-	-	-	73	-	169
Revaluation movement	-	-	-	-	3,302	1,042	2,494	605	-	9,401	-	16,844
	(8,546)	(426)	(625)	(919)	2,618	161	1,805	481	(110)	8,641	-	3,080
	444,936	43,094	41,474	92,723	19,647	9,516	21,384	4,167	5,138	45,413	2,021	729,513
At fair value 30 June 2026	(110,169)	(11,211)	(15,509)	(28,670)	(3,333)	(6,266)	(4,394)	(1,258)	(1,968)	(6,980)	-	(189,758)
Accumulated depreciation at 30 June 2026												
Carrying amount	334,767	31,883	25,965	64,053	16,314	3,250	16,990	2,909	3,170	38,433	2,021	539,755

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Notes to the Financial Report
For the Year Ended 30 June 2026

Acquisition

Initial measurement
Council initially measures its property, infrastructure, plant and equipment assets at cost. The cost of an acquired asset is the fair value of the consideration that Council has provided 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 to Note 8.4 for more information on how Council measures fair value.
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
Asset recognition thresholds and depreciation periods		
Land & land improvements		
Land	N/A	-
Land improvements	10 - 100 years	5
Buildings		
Buildings	3 - 100 years	5
Plant and Equipment		
Plant, machinery and equipment	3 - 30 years	5
Office furniture and equipment	2 - 20 years	1
Library Books	10 years	-
Art purchases	N/A	-
Infrastructure		
Road pavements and seals	2 - 90 years	5
Road formation and earthworks	100 years	5
Road kerb, channel and minor culverts	15 - 117 years	5
Bridges substructure	100 years	5
Footpaths and cycleways	15 - 70 years	5
Drainage	10 - 150 years	5
Recreation, leisure and community facilities	5 - 100 years	5
Waste management	5 - 150 years	5
Parks, open space and streetscapes	7 - 100 years	5
Aerodromes	9 - 100 years	5
Off street car parks	5 - 100 years	5
Other Infrastructure	10 - 150 years	5
Intangible assets		
Landfill Airspace	4 years	5
Library eAudio Books	N/A	-

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

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Valuation of land

Valuation of land was last undertaken in 2022 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. Where land use is not restricted, highest and best use is assumed to be current use, except where the land is held for sale, or highly likely to be used for an alternative purpose within 12 months of the reporting date.

Land was indexed in the current year in accordance with the Valuer-General's vacant land indexation factors, a full revaluation of these assets will be conducted in 2026/27.

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.

Valuation of buildings

The condition assessment was undertaken by Macutex Pty Ltd and the revaluation by APV Valuers & Asset Management, a qualified independent company. 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.

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 2026 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land	-	51,448	-	Jun-26	index
Specialised land	-	-	1,259	n/a	n/a
Buildings	-	-	107,601	Jul-25	full
Total	-	51,448	108,860		

Valuation of infrastructure

Valuation of road, kerb and minor culverts, footpaths and cycleways, recreational, leisure and community facilities, waste management, parks, open space and streetscapes, aerodromes, off street car park and other infrastructure 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 at the dates detailed in the table below.

Valuation of road bridge assets have been determined in accordance with an independent valuation undertaken by JJ Ryan Consulting Pty Ltd. Valuation of pedestrian bridges, within parks, open space and streetscape assets, have been determined in accordance with an independent valuation undertaken by Damage Control Project Management. Valuation of drainage assets have been determined in accordance with an independent valuation undertaken by AGIS Australian Geographic Information Systems.

For asset classes not revalued in the current financial year, the value of the infrastructure is reviewed taking into consideration industry construction guides, independent research and Council experience of relevant projects undertaken since the valuation and their costs. This includes projects undertaken by Council directly or where Council has paid for works to be undertaken on their behalf. This process is documented in detail and reviewed by both Asset and Finance staff. This analysis had seen minor movements however, the movement at class level has been immaterial and therefore these values have remained the same.

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 2026 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	309,646	Jul-22	full
Kerbs and minor culverts			25,121	Jul-23	full
Bridges	-	-	31,883	Jul-21	full
Footpaths and cycleways	-	-	25,965	Jul-23	full
Drainage	-	-	64,053	Jul-21	full
Recreational, leisure and community facilities	-	-	16,314	Dec-25	full
Waste management	-	-	3,250	Dec-25	full
Parks, open space and streetscapes	-	-	16,990	Dec-25	full
Aerodromes	-	-	2,909	Dec-25	full
Off street car parks	-	-	3,170	Jul-23	full
Other infrastructure	-	-	38,433	Dec-25	full
Total	-	-	537,734		

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Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$818 per square metre.

Non Specialised buildings The valuation of buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Significant unobservable inputs include the fair value and remaining useful lives of buildings. Fair value is calculated on a square metre basis and ranges from \$449 to \$15,053 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 3 years to 100 years. Fair value 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 2 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.

	2026	2025
Reconciliation of specialised land	\$'000	\$'000
Land under roads	1,259	1,208
Total specialised land	1,259	1,208

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	2026	2025
6.3 Investments in associates, joint arrangements and subsidiaries	\$'000	\$'000
(a) Investments in associates		
Council's interest in Equity	0.00%	42.73%
Investment in the Wimmera Southern Mallee Development Limited (previously Wimmera Development Association)	-	1,022
Fair value of Council's investment in Wimmera Southern Mallee Development Limited	-	1,022
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	858	858
Change in equity share apportionment	(858)	-
Reported surplus(deficit) for year	-	-
Transfers (to) from reserves	-	-
Council's share of accumulated surplus(deficit) at end of year	-	858
Council's share of reserves		
Council's share of reserves at start of year	164	164
Change in equity share apportionment	(164)	-
Transfers (to) from reserves	-	-
Council's share of reserves at end of year	-	164
Movement in carrying value of specific investment		
Carrying value of investment at start of year	1022	1,022
Change in equity share apportionment	(1,022)	-
Share of surplus(deficit) for year	-	-
Carrying value of investment at end of year	-	1,022
Council's share of expenditure commitments	Nil	Nil
Council's share of contingent liabilities and contingent assets	Nil	Nil

Council gave notice of its intention to resign as a member of Wimmera Southern Mallee Development Limited effective 26 August 2025.

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.

(b) Community Asset Committee

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

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6.4 Investment property	2026 \$'000	2025 \$'000
Balance at beginning of financial year	2,700	2,650
Additions	42	-
Fair value adjustments	58	50
Balance at end of financial year	2,800	2,700

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 Practicing 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.

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Notes to the Financial Report
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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:

	2026 No.	2025 No.
Councillors		
Cr I Ross (Mayor from 21/11/2024 to 27/11/2025)	1	1
Cr B Klowss (Councillor from 21/11/2024 & Mayor from 27/11/2025)	1	1
Cr R Sluggett (Councillor from 21/11/2024 & Deputy Mayor from 27/11/2025)	1	1
Cr C McDonald (Councillor from 21/11/2024)	1	1
Cr A Munn (Councillor from 21/11/2024)	1	1
Cr D O'Loughlin (Councillor from 21/11/2024)	1	1
Cr T Wilson (Councillor from 21/11/2024)	1	1
Cr R Gulline (Mayor to 26/10/2024)	-	1
Cr D Bowe (Councillor to 26/10/2024)	-	1
Cr P Flynn (Councillor to 26/10/2024)	-	1
Cr C Haenel (Councillor to 26/10/2024)	-	1
Cr L Power (Councillor to 26/10/2024)	-	1
Cr R Redden (Councillor to 8/08/2024)	-	1
Officers		
Chief Executive Officer - S. Bhalla (to 6/09/2024)	-	1
Chief Executive Officer - C. Niemann (30/09/2024 to 16/05/2025)	-	1
Chief Executive Officer - G. Gatt (from 19/05/2025)	1	1
Director - Communities and Place - K. O'Brien (to 09/01/26)	1	1
Director - Communities and Place - B Luxford (10/11/2025 to 15/05/2026)	1	-
Director - Community Liveability - J Kingan (from 18/05/2026)	1	-
Director - Corporate Services - K. Hargreaves	1	1
Director - Infrastructure - J. Martin	1	1
Total Number of Councillors	7	13
Total of Chief Executive Officer and other Key Management Personnel	6	6
Total Number of Key Management Personnel	13	19

(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.

	2026 \$'000	2025 \$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,523	1,586
Other long-term employee benefits	18	17
Post-employment benefits	120	108
Termination benefits	-	241
Total	1,661	1,952

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

	2026	2025
	No.	No.
\$'000 - \$9,999	-	2
\$10,000 - \$19,999	-	3
\$20,000 - \$29,999	1	5
\$30,000 - \$39,999	3	3
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	2	-
\$80,000 - \$89,999	-	1
\$110,000 - \$119,999	1	-
\$130,000 - \$139,999	1	-
\$220,000 - \$229,999	-	1
\$240,000 - \$249,999	1	1
\$250,000 - \$259,999	-	1
\$260,000 - \$269,999	2	1
\$350,000 - \$359,999	1	-
\$590,000 - \$599,999	-	1
Total	13	19

(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.

	2026	2025
	\$'000	\$'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	798	478
Other long-term employee benefits	17	5
Post-employment benefits	93	53
Termination benefits	-	-
Total	908	536

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

	2026	2025
	No.	No.
Income Range:		
\$170,000 - \$179,999	3	2
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	1	-
Total	5	3

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 are nil. (2024/25 nil).

Fees and charges charged to entities controlled by key management personnel are nil. (2024/25 nil).

Infrastructure contributions from entities controlled by key management personnel are nil. (2024/25 nil).

Purchase of materials and services from entities controlled by key management personnel are nil. (2024/25 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 are nil. (2024/25 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 are nil. (2024/25 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 are nil. (2024/25 nil).

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Notes to the Financial Report
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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 Council is 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 in note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Landfill

Council operates a landfill and will continue to carry out rehabilitation works into the future. At balance date, Council has made assessments and assumptions of known costs based on current estimates, however recognises that there may be residual risk with these estimates and assumptions level of accuracy. Annual revision of these estimates and assumptions will continue to occur with resulting financial liabilities amended.

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 payment is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. Any adjustments, which are expected to occur at the 3-year and 6-year periods during the liability period will affect participating members. The assessment from WorkSafe Victoria at the 3-year period was a deficiency of \$5.776 million payable to WorkSafe Victoria. This was due to evidence of higher-than-expected payments and higher claim lodgements during the first three years of the runoff period.

Contaminated Soil

Continued progress has been achieved with soil remediation at the Horsham Depot site during 2025-26. The most recent testing has indicated that some further extraction of groundwater is required. A reliable cost estimate for this extraction and subsequent monitoring has not yet been provided. An indicative estimate of less than \$100,000 is assumed based on preliminary information from the consultants.

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. The bridge is partially located on Parks Victoria land and privately owned land and was not recognised on Council's asset register. Council has constructed this bridge and assumed responsibility for it in the 2025-26 year, including the bridge in the appropriate aset register.

(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 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 2026

8.2 Australian Accounting Standards issued but not yet effective
Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period. Council assesses the impact of these new standards.
The Australian Accounting Standards Board (AASB) has issued AASB 18 *Presentation and Disclosure in Financial Statements* . When applicable AASB 18 supersedes AASB 101 *Presentation of Financial Statements* . AASB 18 aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. It is expected to result in presentation and disclosure changes, primarily to Council's Comprehensive Income Statement. AASB 18 is expected to first apply to Council for the 2028-29 financial year.

8.3 Financial instruments

(a) Objectives and policies

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 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. 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 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 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 Council's year end result.

Notes to the Financial Report

For the Year Ended 30 June 2026

(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 has 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 has a policy for establishing credit limits for the entities Council deals with;
- Council may require collateral where appropriate; and
- Council only invests 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 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 provides 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:

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

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(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 + 1.00% and -1.25% in market interest rates (AUD) from year-end rates of 4.81%.

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 2026

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.

For assets where Council adopts a current replacement cost approach to determine fair value, Council considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

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, 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, 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. The impairment policy above does not apply to Council's property, infrastructure, specialised buildings and other non-current physical assets subsequently measured at fair value. These are primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity. Their recoverable amount is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 Impairment of Assets does not apply to such assets that are regularly revalued.

8.5 Events occurring after balance date

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

Notes to the Financial Report
For the Year Ended 30 June 2026

Note 9 OTHER MATTERS

9.1 Reserves

(a) Asset revaluation reserves

2026

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

2025

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

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

Horsham Rural City Council
2025/2026

Notes to the Financial Report
For the Year Ended 30 June 2026

	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				
2026				
CBD Development Reserve	1,029	-	(11)	1,018
Industrial Reserves	2,929	3,262	(823)	5,368
Internal Loan Reserve	(1,537)	190	-	(1,347)
Loan Funds Reserve	4,305	-	(4,305)	-
Major Capex Reserve	4,447	165	(110)	4,502
Open Space Reserve	508	23	-	531
Plant Replacement Reserve	1,585	1,632	(1,102)	2,115
Small Projects Reserve	1,996	323	(525)	1,794
Waste Reserve	6,405	2,115	(390)	8,130
Total Other reserves	21,667	7,710	(7,266)	22,111
2025				
CBD Development Reserve	1,104	-	(75)	1,029
Industrial Reserves	3,686	382	(1,139)	2,929
Internal Loan Reserve	(1,727)	190	-	(1,537)
Loan Funds Reserve	3,710	595	-	4,305
Major Capex Reserve	5,283	255	(1,091)	4,447
Open Space Reserve	480	51	(23)	508
Plant Replacement Reserve	821	1,533	(769)	1,585
Small Projects Reserve	2,147	345	(496)	1,996
Waste Reserve	3,425	3,627	(647)	6,405
Total Other reserves	18,929	6,978	(4,240)	21,667

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

CBD Development Reserve - is for the development of Horsham central business district and surrounds

Industrial Reserve - is for industrial land and building development including their associated costs.

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

Loan Funds Reserve - was held for the final loan repayment to the Department of Treasury and Finance for an interest only loan. This loan has been fully paid during 2025-26, resulting in no requirement for the reserve at year end.

Major Capex Reserve - is for major strategic projects, including the Livestock Exchange

Open Space Reserve - is mainly used for Developer Contributions

Plant Replacement Reserve - Funds Council's purchases of replacement plant and equipment.

Small Projects Reserve - This reserve is for sustainability projects, (such as solar and zero carbon) Information Technology and other initiatives.

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

Horsham Rural City Council
2025/2026

Notes to the Financial Report
For the Year Ended 30 June 2026

	2026 \$'000	2025 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	9,737	7,186
Non-cash adjustments:		
Depreciation and Amortisation	19,434	16,817
Profit/(loss) on disposal of property, infrastructure, plant and equipment	596	718
Fair value adjustments for investment property	(58)	(50)
Contributions - Non-monetary assets	(5,140)	(1,609)
Derecognition of investment in associates	1,022	-
Other	14	182
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(171)	2,979
(Increase)/decrease in accrued income	148	2,888
(Increase)/decrease in prepayments	(5)	124
Increase/(decrease) in trade and other payables and other liabilities	(626)	(1,342)
(Decrease)/increase in contract and other liabilities	168	330
(Decrease)/increase in assets held for resale	(1,315)	-
(Increase)/decrease in inventories	20	(126)
(Decrease)/increase in provisions	1,448	(157)
Decrease in right-of-use assets	80	67
Net cash provided by/(used in) operating activities	25,352	28,007

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 2026, this was 12% as required under Superannuation Guarantee (SG) legislation (2025: 11.5%)).

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 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. As at 30 June 2025, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2025 (of which Council is a contributing employer) was 110.5%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.7% pa
Salary information 3.5% pa
Price inflation (CPI) 2.6% pa

As at 30 June 2026, a triennial actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2026. Vision Super has advised that the VBI at 30 June 2026 was 116.9%. Council was notified of the 30 June 2026 VBI during August 2026 (2025: August 2025). The financial assumptions used to calculate this VBI were:

Net investment returns 6.2% pa
Salary information 3.5% pa
Price inflation (CPI) 3.0% pa to 30 June 2029 and 2.6% pa thereafter.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2025 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 2026

Employer contributions

(a) Regular contributions

On the basis of the results of the 2025 interim 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 2026, this rate was 12% of members' salaries (11.5% in 2024/25). 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 2025 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2025 and 30 June 2024 while 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:

	2025 (Interim) \$m	2024 (Interim) \$m	2023 (Triennial) \$m
- A VBI Surplus	200.1	108.4	85.7
- A total service liability surplus	229.4	141.4	123.6
- A discounted accrued benefits surplus	242.8	156.7	141.9

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 2025.

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 2025.

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 2025.

Notes to the Financial Report
For the Year Ended 30 June 2026

The 2026 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2026 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2026. The last interim actuarial investigation conducted prior to 30 June 2026 was at 30 June 2025. The VBI of the Defined Benefit category at that date was 110.5%. The financial assumptions used to calculate the 30 June 2025 VBI were:

Net investment returns 5.7% pa
Salary information 3.5% pa
Price inflation (CPI) 2.6% pa

Council was notified of the 30 June 2025 VBI during August 2025. Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2025 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 2023 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 were:

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

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2026 are detailed below:

Scheme	Type of Scheme	Rate	2026 \$'000	2025 \$'000
Vision super	Defined benefits	12.0% (2025:11.5%)	80	125
Vision super	Accumulation	12.0% (2025:11.5%)	2,290	2,250

Council has not paid any unfunded liability payments to Vision Super in 2025/26 or in 2024/25.

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2026.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2027 is \$79,000.

Notes to the Financial Report
For the Year Ended 30 June 2026

Note 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies in the 2025-26 year.



Council Office

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Monday to Friday
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COMMUNITY DONATIONS 2026/2027

Organisation name	Purpose	Amount \$
Category A - Recreation Reserve Maintenance of Grass Surfaces		
Coughlin Park	Community maintained Rec Reserve	\$ 13,560
Laharum - Camerons Oval	Community maintained Rec Reserve	\$ 13,560
Natimuk Showgrounds	Community maintained Rec Reserve	\$ 13,560
Quantong Recreation Reserve	Community maintained Rec Reserve	\$ 13,560
Dock Lake Recreation Reserve	Community maintained Rec Reserve	\$ 6,780
Kalkee Recreation Reserve	Community maintained Rec Reserve	\$ 6,780
Pimpinio Recreation Reserve	Community maintained Rec Reserve	\$ 6,780
Noradjuha Recreation Reserve	Community maintained Rec Reserve	\$ 6,780
Brimpaen Recreation Reserve	Community maintained Rec Reserve	\$ 575
Clear Lake Recreation Reserve	Community maintained Rec Reserve	\$ 575
Dooen Recreation Reserve	Community maintained Rec Reserve	\$ 575
Riverside Recreation Reserve	Equestrian outdoor surface	\$ 575
Toolondo Recreation Reserve	Community maintained Rec Reserve	\$ 575
Wonwondah Recreation Reserve	Community maintained Rec Reserve	\$ 575
Category B - Kindergarten Annual Maintenance		
Bennett Road Kindergarten	Maintenance support	\$ 960
Green Park Kindergarten	Maintenance support	\$ 960
Natimuk Pre-school	Maintenance support	\$ 960
Natimuk Road Kindergarten	Maintenance support	\$ 960
Category C - Public Halls Insurance		
Public Halls	Insurance Levy	\$ 20,000
Other Community Facilities	Insurance Levy	\$ 13,400
Category D - Charitable Retail Premise Refund of Rates		\$ 8,510
Category E - Sponsorship of awards		
Federation University	Horsham Campus Nursing Award	\$ 300
Longerenong College (Skill Invest)	Citizenship Award	\$ 300
Holy Trinity Lutheran College	Senior Achievement Award	\$ 200
Horsham College	Alternate Pathways Achievement Award	\$ 200
Horsham College	Senior Achievement Award	\$ 200
St Brigid's College	Senior Achievement Award	\$ 200
Category F - Specific other donations		
<u>Welfare and Community Services</u>		
Christian Emergency Food Centre	Welfare and Community Services	\$ 5,490
Haven Bush Play Group	Welfare and Community Services	\$ 1,000
Horsham College Chaplaincy (Access Ministries)	Welfare and Community Services	\$ 6,275
Horsham Tidy Towns	Welfare and Community Services	\$ 6,165
Wimmera Association for Geneology	Welfare and Community Services	\$ 360
Wimmera River Improvement Committee	Welfare and Community Services	\$ 9,180
Wimmera River Improvement Committee-Police Paddock	Welfare and Community Services	\$ 2,695
<u>Community Newsletters</u>		
Dadswell Bridge Community Newsletter	Community Newsletter	\$ 300
North West Grampians Newsletter	Community Newsletter	\$ 1,910
Wonwondah North Hall	Community Newsletter	\$ 300
<u>Support of community event</u>		
Christian Ministers Association	Carols by Candlelight	\$ 4,370
Horsham City Pipe Band	Support of community events	\$ 1,910
Horsham Rural City Band	Support of community events	\$ 1,910
Total Donations		\$ 173,825

1. PURPOSE

Horsham Rural City Council (HRCC) provides annual assistance to a range of community groups on a recurrent basis to support the activities of these groups within the municipality. These community donations are included in the Council Budget adopted each year.

This policy provides the framework for Council's annual donations program including where corporate donations are made to support Council programs.

2. INTRODUCTION

In each annual budget process, HRCC allocates recurrent funding assistance to support the activities of a range of community organisations that provide community facilities, services, social support and recreational opportunities for the municipality.

From time to time, Council may also receive donations or sponsorship from corporate organisations to support Council programs.

This policy outlines the rationale for community donations, eligibility, donation requests, assessment criteria, donation approval (including corporate donations or sponsorship) and payment processes.

3. SCOPE

This policy is applicable to community groups that operate in or provide activities for the benefit of the residents of Horsham Rural City Council and receive a donation from Council. The policy also applies to corporate organisations seeking to donate to support Council programs

4. PRINCIPLES

HRCC provides a range of community donations to local community groups. Council recognises there are many community groups that work to make our municipality a better place to 'live, work and play'. The key principle is that the donation supports recurrent operational aspects of organisations within our community that provide community facilities, services or recreational activities that benefit the health and wellbeing of residents of our municipality. The donations program supports Theme 1 of the Council Plan to *"Develop the municipality as a diverse, inclusive and vibrant community"*.

4.1 Eligibility

Community donations are allocated under the following categories:

A. Recreation Reserve – maintenance of grass playing surfaces

This is an annual cash donation to assist recreation reserve Committees of Management maintain the standard of watered grass playing surfaces for the benefit of wider community use. Donations are based on whether a recreation reserve maintains a **watered** grass playing surface for competition sport during summer and/or winter, for example, a reserve that is watered for **both** summer and winter competition will receive two allocations. A reserve that is watered for **either** summer or winter will receive one allocation.

A smaller pre-determined allocation is provided for recreation reserves with no competition sport or that have a **non-watered** grass playing surface.

Recreation reserves that receive direct support and maintenance via Council recreation staff are not eligible for recurrent cash donations.

B. Kindergartens (Council owned) – annual maintenance

Council provides a general maintenance allocation to all Council-owned kindergartens.

Council also provides a recurrent grant to support the operations of the Horsham District Kindergarten Association (Emerge).

C. Public Halls – insurance

Council provides Industrial Special Risk (ISR) insurance for public halls. ISR insurance essentially provides property damage cover for buildings and (in cases where these have previously been nominated and accepted by Council) contents. In addition, Council also provides public liability cover for “casual” (and some designated “regular”) hirers of community halls, together with public liability insurance cover for the delegated activities of the HRCC Community Halls Community Asset Committee (noting that public liability is provided through the Crown, for any Crown Land Committees of Management).

D. Charitable Retail Premises – refund of rate payments

In recognition of the outstanding community service work provided to our municipality, Council refunds payments for the general rate and municipal charge levied against eligible charitable retail premises.

E. Sponsorship of Prizes

Council sponsors a number of annual prizes to support the activities of schools and local events.

F. Specific Other Donations

Council recognises the important role that certain not-for-profit organisations play within our community to enhance the physical, recreational and/or social attributes of our municipality, through an annual cash donation.

The eligibility and amount of community donations is reviewed each year as part of Council's annual budget process. A full list of yearly community donations is included in Council's Annual Budget (available on the Horsham Rural City Council website – www.hrcc.vic.gov.au).

Note - groups receiving a community donation may also apply under the Community Grants Program if they require cash support for a specific project.

4.2 Application for a Community Donation

The allocation of recurrent community donations is only made to community groups in accordance with Section 4.1. If a community group believes that they fit under one of the eligible categories for a community donation or if a current donation recipient requests a variation, they may lodge a request in writing to:

Chief Executive Officer
Horsham Rural City Council
PO Box 511
HORSHAM Vic 3402

The request must provide details of their organisation, including current membership, and details of community facilities and services provided including public access. The request must state the reasons why the organisation is seeking on-going operational support from Council.

The Chief Executive Officer will make a recommendation to Council. Council must approve any new community donations as part of the annual budget process.

4.3 Payment of a Community Donation

Once approved and listed in Council's adopted budget for a financial year, the grant funds will be paid in October of that year, unless an alternative payment schedule is requested and approved by Council's Chief Financial Officer.

5. CORPORATE DONATIONS

Council may choose to receive corporate donations or sponsorship that support Council programs and Theme 1 of the Council Plan to "Develop the municipality as a diverse, inclusive and vibrant community".

Any donations or sponsorship Council accept must not compromise its reputation, image, probity or ability to fulfill its functions and responsibilities. Council retains the right to decline a donation or sponsorship agreement with any external party, in respect to particular products or services for which Council considers inappropriate, inopportune or if costs outweigh the benefits.

Council will not, under any circumstances enter into a donation or sponsorship agreement with external parties who:

- Conflict with Council's principles of equity, access, participation, rights and accessibility for all community groups.
- Pose a conflict with the broader policies and practices of Council or may be perceived in conflict.
- Undertakes any illegal or unethical activity that negatively impacts the community and/or natural environment.

Where Council receives offers of corporate donations or sponsorship to support Council's programs, such offers will be considered on a case-by-case basis. If approved, a Memorandum of Understanding for use of the funds will be developed and approved by Council.

6. COMMUNICATION

A list of Community Donations is contained in the Operating Budget adopted by Council each year. This policy will be available on the Horsham Rural City Council intranet and website.

7. RESPONSIBILITY

Policy Owner: Coordinator Community Relations and Advocacy

This Policy will be reviewed every 12 months or earlier as required by changed circumstances including changes to legislation and plans, strategies or policies of HRCC.

8. DEFINITIONS

Term	Meaning
Community donation	For the purposes of this policy, a community donation means HRCC giving a cash payment or other Council resources to assist the recurrent operations of community groups

9. SUPPORTING DOCUMENTS

Document	Location
HRCC Community Development Grants Policy (C04/024)	Internet/Intranet

10. DOCUMENT CONTROL

Version Number	Approval Date	Approval By	Amendment	Review Date
01	3 March 2014	Council	• New Policy	
02	January 2017	Council	• Removal of refund of rate payments for service clubs as properties no longer rateable • Clarification of eligibility D – refund of rates for charitable <u>retail premises</u> i.e. Opportunity shops • Removal of listing of organisations – this is now noted as included in Council budget	
03	19 March 2018	Council	• Clarification of donations to watered and non-watered grass playing surfaces	
04	14 December 2020	Council	• Minor grammatical changes • Addition of new name for Horsham District Kindergarten Association • Minor clarification of the Public Halls Insurance category • Minor clarification to Charitable retail premises category	14 December 2021
05	24 January 2022	Council	• Change in Council Plan wording	24 December 2022
	November 2022	Not required	• Reviewed by EMT – no changes required	24 December 2023
5.1	March 2023	n/a	• New logo	24 December 2023
06	29 January 2024	Council	• Inclusion of provision for corporate donations	24 December 2024
6.1	28 January 2025	Council	• Annual review • Addressed grammatical and numbering errors	24 December 2025

It is recognised that from time-to-time circumstances may change leading to the need for minor administrative changes to Council and Administrative Policies. Where an update does not materially alter a Policy, such a change may be made administratively, without the need for formal adoption by EMT or Council. Examples include a change to the name of a Council Department/Position Title, a change to the name of a Federal or State Government Department, and a minor update to legislation which does not have a material impact. However, all changes will be noted in the document control section and version number updated.



MINUTES OF INFORMAL MEETINGS OF COUNCILLORS
COUNCIL BRIEFING HELD IN RECEPTION ROOM AT THE HORSHAM RURAL CITY COUNCIL
MONDAY 5TH OCTOBER 2026 AT 6:19PM

ATTENDED: Cr Brian Klowss (Mayor), Cr Bec Sluggett (Deputy Mayor), Cr Cam McDonald, Cr Angie Munn, Cr Ian Ross, Cr Todd Wilson, Gail Gatt, Chief Executive Officer; Kim Hargreaves, Director Organisational Performance; John Martin, Director Infrastructure; Justine Kingan, Director Community Liveability

APOLOGIES: Cr Dean O'Loughlin

1. WELCOME AND INTRODUCTION

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

Nil

3. STRATEGIC PRIORITIES

3.1 2026 Planning Scheme Review

4. OPERATIONAL REPORTS

4.1 Planning and Development Update - 'VCAT, Building and Planning Permit Report and Proposed Refusals

4.2 Library Open Access Update

DINNER (Dinner at 8:03pm, reconvened at 8:10pm)

4.3 Councillor Connection Framework

4.4 Creating Safer Places Grant - Options for Council - CCTV or lighting

5. REPORTS FOR INFORMATION ONLY

5.1 Capex progress report

5.2 Councillor Briefing Action List

6. CONFIDENTIAL REPORTS

6.1 Audit and Risk Committee Minutes

7. GENERAL DISCUSSION (Gail Gatt)

8. CLOSE

The meeting closed at 9:44pm.

GAIL GATT

Chief Executive Officer



MINUTES OF INFORMAL MEETINGS OF COUNCILLORS
MINING AND RENEWABLES WORKING GROUP HELD IN RECEPTION ROOM AT THE HORSHAM
RURAL CITY COUNCIL ON MONDAY 5 OCTOBER 2026 AT 5:30PM

ATTENDED: Cr Brian Klowss (Mayor), Cr Bec Sluggett (Deputy Mayor), Cr Cam McDonald, Cr Angie Munn, Cr Ian Ross, Cr Todd Wilson, Gail Gatt, Chief Executive Officer; Kim Hargreaves, Director Organisational Performance; Justine Kingan, Director Community Liveability; John Martin, Director Infrastructure; Joel Hastings, Planning & Development Lead

APOLOGIES: Cr Dean O'Loughlin

1. WELCOME AND INTRODUCTION

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

Nil

3. PRESENTATION

3.1 Mining Councils Australia

Attending: James Sorahan (online)

4. CLOSE

The meeting closed at 6:18pm.

GAIL GATT
Chief Executive Officer



MINUTES OF INFORMAL MEETINGS OF COUNCILLORS
COUNCIL BRIEFING HELD IN RECEPTION ROOM AT THE HORSHAM RURAL CITY COUNCIL
MONDAY 12TH OCTOBER 2026 AT 5:31PM

ATTENDED: Cr Brian Klowss (Mayor), Cr Bec Sluggett (Deputy Mayor) (left at 8:35pm), Cr Cam McDonald, Cr Angie Munn, Cr Ian Ross (joined at 5:35pm), Cr Todd Wilson, Gail Gatt, Chief Executive Officer; Kim Hargreaves, Director Organisational Performance; John Martin, Director Infrastructure; Justine Kingan, Director Community Liveability

APOLOGIES: Cr Dean O'Loughlin

1. WELCOME AND INTRODUCTION

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

Nil

3. STRATEGIC PRIORITIES

3.1 Rural Road Network Plan Review

3.2 Climate Change Adaptation Plan

4. OPERATIONAL REPORTS

4.1 Horsham Hedge Planning – Consultation

4.2 Community Donations Allocation

4.3 Horsham Bypass Planning – Update

5. GENERAL DISCUSSION (Gail Gatt)

DINNER (Dinner at 7:12pm, reconvened at 7:30pm)

6. CLOSE

The meeting closed at 8:53pm.

GAIL GATT

Chief Executive Officer

MINUTES OF INFORMAL MEETINGS OF COUNCILLORS
COUNCIL BRIEFING (STRATEGIC) HELD IN COUNCIL RECEPTION ROOM AT THE HORSHAM
RURAL CITY COUNCIL ON MONDAY 19th OCTOBER 2026 COMMENCING AT 6:55PM.

ATTENDED: Cr Brian Klowss (Mayor), Cr Bec Sluggett (Deputy Mayor), Cr Cam McDonald, Cr Angie Munn, Cr Dean O'Loughlin (virtually, left at 9:17pm), Cr Ian Ross, Cr Todd Wilson, Gail Gatt, Chief Executive Officer; Kim Hargreaves, Director Organisational Performance; John Martin, Director Infrastructure; Justine Kingan, Director Community Liveability

APOLOGIES: Nil

1. WELCOME AND INTRODUCTION

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

Gail Gatt declared a Conflict of Interest for Item 7.2.

3. COUNCILLOR ONLY TIME

4. CEO/COUNCILLOR ONLY TIME

5. STRATEGIC ITEMS

- 5.1 Depot Transition Planning & Implementation
- 5.2 2026 Planning Scheme Review

DINNER (Dinner at 8:07pm, reconvened at 8:14pm)

6. STRATEGIC PRIORITIES - TIME CRITICAL

- 6.1 2025-2026 Annual Report

7. UPCOMING COUNCIL MEETING AGENDA REVIEW

- 7.1 Audit and Risk Committee Minutes CONFIDENTIAL
- 7.2 Chief Executive Officer Key Performance Indicators 2026_2027 CONFIDENTIAL
- 7.3 2025-2026 Annual Report
- 7.4 Horsham Bypass Planning – Update
- 7.5 Community Donations Allocation

8. GENERAL DISCUSSION (Gail Gatt)

9. CLOSE

The meeting closed at 9:37pm.

GAIL GATT

Chief Executive Officer



Minutes

Horsham Regional Livestock Exchange Board Meeting

Held on **20 August 2026**

At the Canteen, HRLE

1. Welcome

Present:

Cr Brian Klowss - Chair

Kevin Pymer

Ben Peucker

Ray Zippel

Paul Christopher

Josh Hammond

John Martin

Apologies

Richard Bansemer, Benn Molineaux, Brittany Price, Tim Martin.

Motion: That the apologies be accepted. Moved: Kevin Pymer / Ben Peucker. Carried.

2. Disclosure of Conflicts of Interest

Nil

3. Minutes of previous meeting – **18 June 2026**

Motion: That the minutes of the meeting of 18 June 2026 be accepted as a true and correct record of that meeting. Moved: Ray Zippel / Kevin Pymer. Carried.

4. Business arising from previous minutes

4.1 Update on Burnt Ck Developments (John)

Fuel station now in operation

4.2 Increased promotions of the Exchange

- Council's advocacy manager and senior media officer have met with Paul to develop a range of actions.
- This is a continuing item of work in progress

5. Correspondence

5.1 Nil

6. Reports

6.1 Chairman's Report

Nothing significant to report, as activities relating to HRLE are fairly quiet at the moment.

6.2 Infrastructure Director / Manager Roads and Facilities Reports

Finance report – only just received this arvo – JM to send out in with the minutes.

Reduced sales approach

- Will review costs with quarterly reporting to Council
- May influence budget process
- Too early in the year to assess the impact of the price increase

Thanks to Paul for the approach taken regarding fortnightly sales. Paul is able to deploy his staff to other areas to avoid costs arising to the Exchange in the off weeks.

6.3 Coordinator's Report

- As we know, the yardings have been very small during this period. The agent's association voted on going fortnightly until September, most likely the end when the new season lambs start being turned off.
- During this time in the off weeks, both Daryl and Liz have been helping in the waste team saving our budget.
- Paul has taken a few days of long service leave and has helped in a small way with the waste team and a few other areas as well. Hopefully moving forward numbers will get better.
- Sadly, on 30 June 2026, National Saleyards Quality Assurance (NSQA) wound up after 25 years due to yards pulling out, and lack of interest in people wanting to be on the board. This leaves the industry without a QA program now, so Saleyards Australia is debating on working on a new system for industry
- At the end of July, Paul attended the Saleyards Australia conference in Rockhampton. He stood for a seat on the board and was elected for a 2-year period. It was an interesting conference with 100 attendees. Some interesting speakers and networking being a big plus, an interesting one that stuck out with me was Charles Boog who was a consultant for Dubbo saleyards That were in the same situation we are in, 2.5 to three years ago. They got in this consultant, and he has turned things around. And one of the main things they did was lift their prices by 45% and they look to even increase them further (currently about \$2.10). Council is now spending a substantial amount to upgrade those yards, and it looks like their fate has been turned around.
- The Exchange offices were broken into Sunday fortnight ago. [REDACTED] These items have been recovered and doors fixed. (sentence redacted for security reasons).
- As usual mowing, spraying and slashing have been getting done as well as any maintenance that comes about.
- Hardly any sheep being put in the holding paddocks.

6.4 Horsham Stock Agents Association

Written report provided by Benn Molineaux

- Apologies I cannot be at the meeting, due to being away for work.
- Since going to fortnightly market, we have seen a positive response with increased buying support.
- Stock being sent to other selling centres has slowed down due to consistent results with the fortnightly markets.

- Our numbers seem more consistent each fortnight, with good rains in the area at the moment, there possibly won't be a huge rush to sell. Which could result in fortnightly markets continuing into September.
- At this point we are just taking it one fortnight at a time with hopes the spring flush will come.

6.5 VFF Representative

- Numbers are down everywhere, Hamilton had smaller numbers than us recently.
- Concerns about more contracts for over the hooks sales.

6.6 Transport – Apology

6.7 Agriculture Victoria – Apology

- Advised nothing to report

6.8 Throughput

- 7500 to end of July, second lowest.
- 2017-18 had 6775 to end of July.

Motion: That the reports be received. Moved; Ray Zippel / Ben Peucker. Carried.

7. General Business

7.1 Member recruitment

- David's replacement and any other vacancies – check ToR

7.2 The PIRSA video re EID featuring HRLE was viewed.

Videos can be viewed at <https://pir.sa.gov.au/animal-management/livestock-movement/eid-sheep-and-goats/eid-resources-and-support/traceability-videos>

7.3 Query about the back road entrance to the site.

- Advised that this can be considered as part of the commercial estate development

7.4 Items as raised by members - Nil

8. Next Meetings

- 15 October
- Consider the need one for in late Nov – early Dec.

Cr Brian Klowss

Chair