

Annual Report

22

23



Acknowledgement of Country

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

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



Accessibility

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

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Community Vision

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



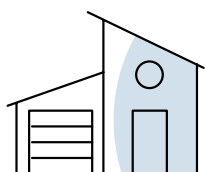
SUSTAINABILITY

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



ACCESSIBILITY

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



LIVEABILITY

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



COMMUNITY

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

Report of Operations

For the year ended 30 June 2023

Introduction

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

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

Council Snapshot

City Profile



20,429

Population
Median Age - 41



4,266

Sqkm of land



Major industries

- Healthcare
- Social Assistance Services
- Grain Growing



Major Centres

Horsham followed by Natimuk and 37 smaller localities



Major Employment Sectors:

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

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



Description of Operations

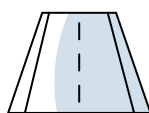
Horsham Rural City Council is responsible for more than 70 services to the community ranging from emergency, community services, arts, culture and recreation to matters concerning economic development, governance and finance. We deliver a comprehensive range of building, planning and regulatory services,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

Council's Strategic Objectives, Strategies, Initiatives and Priorities to further improve the health, prosperity and wellbeing of our community through the provision of services and facilities are described in the 2021-25 Council Plan and associated 2022-23 budget, and reported upon in the Performance section of this document.

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



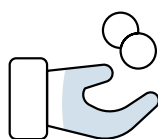
12,816
rateable properties housing
20,429 residents



Connecting family, friends,
work and play through
2,986 kilometres
of maintained roads



7,452 tonnes of waste
and 1,930 tonnes of recycling
diverted from landfill



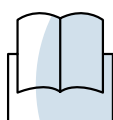
Connected community through
grants and donations provided
to not-for-profit groups to
the value of **\$366,837**



100%
participation in 4 week
Key Age and Stage visit by
Maternal Health Nurses



109 animals
were rehomed and
540 collected



57,568
library items loaned



Fitness and social
enjoyment through
102,562 aquatic centre
visits



151,031 square metres
of road resealed connecting
community across our region





Major Achievements

Hamilton Street Pedestrian Bridge

The Hamilton Street Pedestrian Bridge connecting the east and west banks of the Wimmera River was completed and opened for public use in June 2023.

The 74-metre cable-stay bridge will link Hamilton Street between Coughlin Park and the Showgrounds. The pedestrian bridge links the newly developed residential areas on the south-east side of the Wimmera River with Horsham's Central Activity District, several schools and the Wimmera Base Hospital, and provides improved economic, safety, recreational and liveability outcomes for our city.

This new bridge integrates the existing trails along the beautiful Wimmera River and when combined with the Anzac Centenary Bridge it creates a continuous 10 kilometre loop along the Wimmera River.

Horsham Rural City Council had successfully applied for \$1.225 million from the Victorian Government's Regional Infrastructure Fund, adding to the Federal Government's Local Roads and Community Infrastructure contribution. As a result, the entire project's construction was funded at no cost to our ratepayers.



Nature and Water Park

Horsham Rural City Council was honoured to have Prime Minister The Hon Anthony Albanese open our Nature and Water Play Park after Council secured \$2.45 million from State and Federal Governments to fully fund the region's first Nature and Water Play Park.

Located at Horsham's riverfront precinct near the rowing club, the park is free and accessible for all ages and abilities, all year round.

The Nature and Water Play Park includes a gently flowing water course, manually operated hand pumps, systems of adjustable dams and weirs, spray heads and pop jets – suited to operation by

children of all ages. There are also play elements that can be used all year without water flow, including small boulders for climbing, logs for balancing, stones for jumping along and Sandpits. The Park also features barbecue shelters and a fully accessible toilet, which will help families enjoy the park for decades to come.



Riverfront meeting place

The long-awaited Riverfront Meeting Place opened for use to the public over the Labour Day long weekend.

This free event featured a DJ and food trucks helping to attract a large crowd who enjoyed

the atmosphere surrounded by beautiful natural waterway of the Wimmera River. The new Riverfront Meeting Place is located where Firebrace Street meets the Wimmera River, this has created a place for our community and visitors to relax, connect and enjoy our stunning natural environment.

This work has been completed as part of the City to River Masterplan and was made possible through funding from state and federal governments.



Jubilee Hall

Horsham's Jubilee Hall underwent a revitalisation with a significant investment of \$225,000, providing a new venue for various local groups. The Horsham Rural City Council had successfully secured a Creative Victoria grant of \$150,000 through the Creative Neighbourhoods Infrastructure Support Program.

Recognising the sentimental value Jubilee Hall holds within the community, the Mayor expressed the Council's dedication to preserving this cherished landmark. With its establishment dating back to 1924, Jubilee Hall has served as a beloved gathering place for numerous community organisations. The renovation plans encompass enhancing acoustics, accessibility, and security, while

also establishing dedicated spaces for band rehearsals, dance/theatre performances, and visual arts.

Additionally, the project aims to create a shared meeting room and office facilities, further enhancing the hall's functionality and appeal.



Young Mayors Program

This year Horsham Rural City Council began a new partnership with the Foundation for Young Australians and launched the Young Mayors Program for our municipality.

The Young Mayors program supports people aged 17 years and under to become elected members to the municipality's Youth Council. The Youth Council will continue to play an active role in local democracy and decision-making capacity over issues affecting young people. This in turn will assist Council in establishing policies and programs better reflecting the concerns, needs and desires of local young people.

Horsham Rural City Council is dedicated to creating an inclusive community for all and for providing opportunities for young people succeed.

Mayor's Message

This Annual Report details Horsham Rural City Council's achievements against the 2021-2025 Council Plan strategic objectives and is the third report of this Council.

While producing an Annual Report is a statutory requirement, it is also time for an organisation to reflect on the previous 12 months and to highlight its achievements and report on the progress of key projects and service delivery.

It was a year where we delivered more long-awaited improvements to our riverfront precinct.

The Hamilton Street Pedestrian Bridge, Nature Play Park and Riverfront Meeting Place are projects that have activated Horsham's greatest natural asset – the Wimmera River.

I am pleased to say we completed some rural road projects as well – thanks to financial contributions from the Federal Government as well as our increased budget allocation in this area.

We've also had challenges.

As an organisation we all share a common goal to do the best we can for our community and we are always looking for opportunities to improve.

That's why we as a Council requested the appointment of a Municipal Monitor as part of its commitment to good governance and to help guide the Councillor team.

In her final report, Monitor Jude Holt recommend that Council invested in a community leadership program to support potential candidates at the 2024 local government election.

We thank Ms Holt for the assistance she provided across her six-month appointment. It's now up to us to deliver the improvements that have been highlighted.

We were fortunate to receive significant grant funding for a number of significant projects.

Attracting our fair share of funding from higher levels of government is crucial for the ongoing livability of our region, so the importance of continuing our advocacy efforts cannot be overstated.

Success in lobbying for extra funding is more important than ever, given the current environment of rate-capped Council income and challenges associated with escalating supply cost increases and skills and labour shortages.

This year also saw a new identity introduced to represent our municipality. A modern logo and blue and green colour scheme replaced the former purple and green corporate colours that had been in use since 2008.

The new logo's shapes represent iconic Wimmera aspects such as reeds, crops and yabbies and the typography is inspired by stencilling on historic landmarks in the city and the lettering used on wool bales.

The new branding now appears on locality council signs, building signs, websites, and all external correspondence. New entrance signs were also erected at both Western Highway entrances to the city.

It's been another big year of community engagement. Thank you to residents who completed a Council survey, sent us a letter or attended a Council forum or meeting.

The following strategies were adopted with the help of community input:

- Wimmera Regional Multisport Feasibility Study
- Horsham Skate Park Concept Plan
- Horsham North Local Area Plan
- Central Activity District Streetscape Plan
- Disability Access and Inclusion Plan

The feedback we receive from our engaged community is insightful, helpful and enters our considerations when we make decisions as a Council.

Thank you also to the dedicated Council staff for their work to deliver on the objectives of the Annual Action Plan.



Cr Robyn Gulline
Mayor

Chief Executive Officer's Message

The past financial year was extremely busy with major infrastructure projects under way or completed.

Key projects included:

- Hamilton Street Pedestrian Bridge
- City Oval netball upgrades
- Riverfront activation including the Nature Play Park
- New floor at Horsham Town Hall's Heritage Hall
- Resurfacing of the Quantong Oval.

It really is pleasing to see so many people in our community making the most of our new community assets.

The Nature Play Park has so far proven to be very popular and the new pedestrian bridge has made travelling to central Horsham quicker and more enjoyable for thousands of residents on the south side of the river.

I am pleased to say we have delivered all of these projects amid rising inflation and continuing shortages in the civil construction industry, all while maintaining our sound financial position.

Another challenging aspect to 2022-2023 was the spring floods.

We were fortunate that there was limited damage to property during the flooding event in October. However, the unremitting rainfall in the latter months of 2022 caused widespread damage to our road network.

We are still working hard to repair much of it. Where we can, we have accessed financial support via the Federal Government's Disaster Relief Package which provided half a million dollars to assist in the repair.

Hundreds of defective roads have been fixed, but there are still hundreds left that need work.

As with the floods of 2011 and 2016, this is a significant project that calls for long-term solutions over quick-fixes. We thank our community for your understanding while we roll out our high quality roadwork response, and for your support in continuing to report road maintenance issues.

The big wet required our staff to go above and beyond in other ways.

For example, roadside slashing and general mowing programs faced their biggest challenge with the highest growth rates of vegetation ever.

Likewise the stagnant water meant our environmental health team had to respond to outbreaks of mosquito-borne diseases, including Ross River Fever and Japanese Encephalitis, by stepping up their mosquito control programs.

Another major piece of work that is making a real difference in our community is our new Better Sorted Waste kerbside collections. For urban residents we introduced an additional collection for organics, and this has meant that we are sending 50 per cent less waste to the Dooen Landfill.

We are now also separating glass from our recycling collection and the crushed by-product will be used to build roads and footpaths.

Council's cash flow position remained stable allowing operational capabilities to continue to serve the community. Furthermore, it assists Council to deliver capital projects and works which benefits our community and places our municipality as an attractive region to visit and invest in.

I would like to take the opportunity to acknowledge Councillors, the local community and all Horsham Rural City Council staff who are working to ensure we are a growing regional city.



Sunil Bhalla
Chief Executive Officer

Horsham Rural City Talks EXPO



Major Changes

Strategic Engagement Expo

The Inaugural Strategic Planning Expo held in September 2022 was an important event organised by Council. The expo served as an essential platform for community engagement in our municipality. It allowed council to gain valuable input from residents regarding future planning initiatives. Council representatives sought feedback and suggestions from attendees, encouraging them to voice their

opinions on various aspects of strategic planning.

The expo had an overwhelming response from the community, with a diverse range of people attending the event. Through interactive displays, presentations, and workshops, attendees had the opportunity to learn about the Council's plans and contribute their ideas.

Council expresses its thanks to the community for their active participation and valuable contributions. The feedback gathered at the Strategic Planning Expo plays an essential role in shaping the Council's future strategic planning processes, ensuring that community's needs and goals are considered.



Major Capital Works

This year, Horsham Rural City Council worked on several capital works projects throughout the municipality as part of improving accessibility, connection and sustainability for the community. The table below provides details of some of the capital works projects that Council funded during 2022-23.

Major Capital Works	Amount (\$)
Horsham Town Hall – Stage 2 heritage hall, staff room & workstations, upgrade boiler & theatre lighting.	485,591
City to River – Nature Play Park, waterfront activation and City Oval Netball courts.	3,154,009
City Oval – Netball & football clubrooms, changerooms & stage 1 Sawyer Park event stage & broadcast box.	547,840
Urban Roads – Micro surfacing, Otta Seals, urban reseals and renewal of kerbs and channels.	1,226,323
Rural Roads – Micro surfacing, heavy patching, final seals, resheeting, upgrades (Horsham-Lubeck Rd, North East Wonwondah Rd, Polkemmet Rd).	3,154,093
Plant & Equipment – Council's renewal and replacement program for plant.	2,081,547
Footpaths and Cycleways – Horsham North footpaths, includes Mary St, bike path renewals and extensions (includes Wimmera River Pedestrian Footbridge).	1,921,352
Aquatic Centre – Accessible change rooms.	575,288
Industrial Estate – Roads & drainage at WAL Hub, Burnt Creek & Enterprise Industrial Estates.	168,917
Parking management plan implementation.	616,247
Total	13,931,207

Our Council

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

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

Our Councillors are listed here.



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



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



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



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



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



Cr Bob Redden
First elected: 8 September 2022
bob.redden@hrcc.vic.gov.au
0409 490 285



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



Cr Di Bell
First elected: 24 October 2020
Resigned: 5 August 2022

Our People

Organisational Structure

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



Chief Executive Officer Sunil Bhalla

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

- Responsible for management and performance of all Council operations including \$60 million budget
- Ensures that day-to-day management of Council's operations are in accordance with the Local Government Act 2020 and align with the Council Plan
- Provides advice and support to Council
- Has direct responsibility for Council's Directors

Senior Officers Reporting Directly to the Chief Executive Officer



Director Communities and Place Kevin O'Brien

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

Arts, Culture and Recreation

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

Community Services and Safety

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

Investment Attraction and Growth

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



Director Corporate Services Kim Hargreaves

BA, LLB

Finance

- General Accounting
- Revenue

Governance and Information

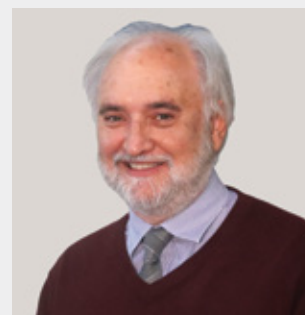
- Community Relations and Advocacy
- Customer Service
- Governance
- Information Technology

People and Culture

- Business Efficiency
- Human Resources
- Occupational Health and Safety

Property Management

- Property acquisition and disposal
- Property use agreements



Director Infrastructure John Martin

BE (Agric)

Engineering Services

- Engineering Design
- Facilities management
- Project Office

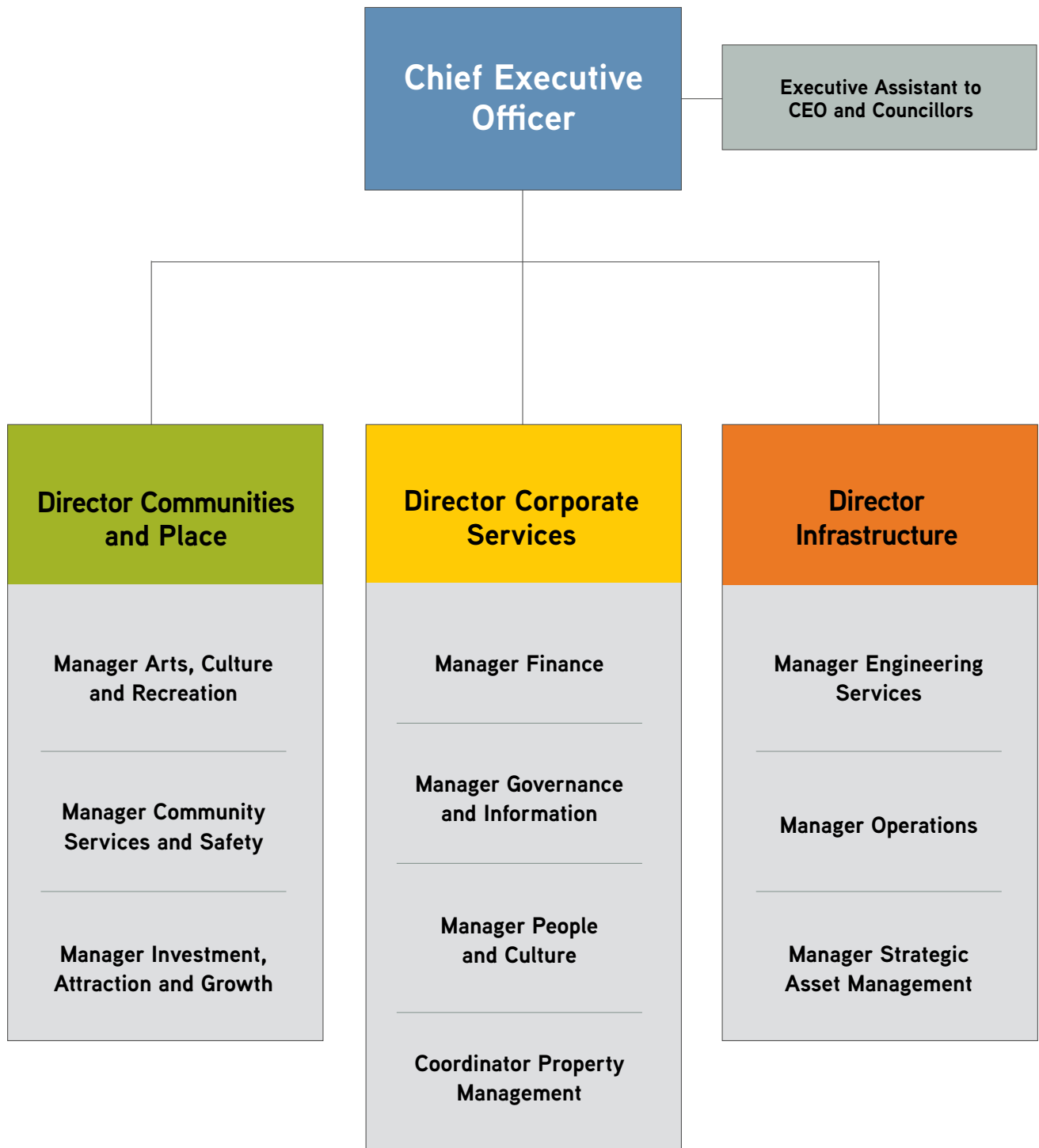
Operations

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

Strategic Asset Management

- Assets
- Fleet
- Waste and Sustainability

Organisational Structure



Organisational Vision, Values and Behaviours Statement

Our Organisational VISION

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

Our Organisational VALUES



F



A



I



R

WE VALUE

FLEXIBILITY

We are adaptable
to changing
circumstances

ACCOUNTABILITY

We are responsible
for our behaviour
and actions

INTEGRITY

We are ethical,
transparent and
honest in
our conduct

RESPECT

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

MY BEHAVIOUR

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

MY BEHAVIOUR

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

MY BEHAVIOUR

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

MY BEHAVIOUR

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

Community Grants and Donations

2022-2023

Each year, Council's Community Development Grants and Donations program allocates funding to an increasingly diverse cohort of local not-for-profit organisations, groups and associations. The program helps groups in the Horsham and district community to deliver vital projects with outcomes like improving community facilities and events, and working together for more engaged and healthy communities. Council provided a total of \$366,837 in Community Grants and Donations this year. Details are provided below.

Sport and Recreation	Council Donations (\$)	Council Grants (\$)
Central Park Tennis Club (Hsm) Inc		2,050
Central Wimmera Clay Target Club Inc		1,000
Horsham Calisthenics College		1,000
Horsham City Rowing Club		1,500
Horsham Colts Cricket Club Inc		423
Horsham Cricket Association		2,392
Horsham Golf Club		3,500
Horsham Lawn Tennis Club Inc		678
Horsham Saints Cricket Club		989
Horsham Swimming Club Inc		1,620
Horsham Table Tennis & Community Centre		4,000
Kalkee Football Netball Club		2,965
Mid West Riding Club		1,000
Natimuk and District Gymnastics Club		2,030
Natimuk Bowling Club		3,300
Natimuk Climbing Club Inc		2,232
Natimuk Golf Club		2,455
Natimuk United Football Netball Club		2,145
Noradjuha Recreation Reserve		7,150
Noradjuha-Quantong Football Netball Club		1,000
Sunnyside Horsham Bowling Club		900
Taylors Lake Football Netball Club		950
Toolondo Golf Club Inc		1,000
Wimmera Equestrian Club Inc		5,000
Wimmera HPV Racing Team		6,480
Wimmera Kart Racing Club Inc		10,000
Specific Donation - Horsham Basketball Stadium (Lease)	15,500	

Sport and Recreation	Council Donations (\$)	Council Grants (\$)
Community maintained Recreation Reserve maintenance allocation		
Clear Lake	540	
Dock Lake	12,750	
Dooen Recreation Reserve	540	
Laharum	12,750	
Kalkee	6,375	
Pimpinio	6,375	
Quantong	12,750	
Riverside (Equestrian Outdoor Surface)	540	
Noradjuha	3,165	
Natimuk Showgrounds	6,375	
Toolondo	540	
Coughlin Park (HRCC allocation of outdoor staff resources)	12,199	
Total Community Grants for Sport and Recreation	90,399	67,759
Halls Infrastructure		
Council Donations (\$) Council Grants (\$)		
Dooen Public Hall COM Inc		3,000
Laharum Hall/School		4,000
Insurance levy for Public Halls	12,580	
(Brimpaen, Dadswells Bridge, Dooen, Haven, Jung, Kanagulk, Laharum, Mitre, Natimuk, Noradjuha, Riverside, Sailors Home Hall, Taylors Lake, Telangatuk, Toolondo, Wonwondah, Clear Lake School, Hamilton Lamb Hall)		
Insurance levy for other community facilities	9,809	
Total Community Grants for Halls	22,389	7,000
Kindergartens		
Council Donations (\$) Council Grants (\$)		
Haven Bush Playgroup		1,000
Natimuk Kindergarten		3,800
Natimuk Road Horsham Kindergarten		1,667
Maintenance Grants of \$900 for Council's 5 Kindergartens	4,500	
Total Community Grants for Kindergartens	4,500	6,467

General Welfare and Community Services	Council Donations (\$)	Council Grants (\$)
St John Ambulance Australia (Vic) Inc - Horsham Division		1,612
Christian Emergency Food Centre Inc	5,165	
Horsham College Chaplaincy Committee	5,900	
Wimmera River Imp Committee	8,635	
Wimmera River Imp Committee - Police Paddock	2,535	
Total Community Grants for Welfare & Community Services	22,235	1,612
Organisations	Council Donations (\$)	Council Grants (\$)
4th Horsham Scout Group		600
ACT Natimuk		3,500
Arapiles Historical Society Inc		2,500
Gariwerd Artists		1,727
Horsham Agricultural Society		5,772
Horsham Historical Society Inc		2,500
Horsham Men's Shed		4,092
Lions Club of City of Horsham Inc		600
Oasis Wimmera		2,000
Rotary Club of Horsham East		1,000
Salvation Army (Patch Community Garden)		1,500
Sunnyside Lutheran Retirement Village		908
Voices of the Wimmera		704
West Vic Business (formerly Business Horsham)		1,800
Wimmera Filipino- Australian Club		2,000
Wimmera Mobility Group		800
Dadswells Bridge Newsletter	280	
Horsham City Pipe Band	1,800	
Horsham Pipe Band	10,000	
Horsham Rural City Brass Band	1,800	
Natimuk Brass Band	1,800	
Wonwondah North Hall Newsletter	280	
Natimuk & Dist Progress Assoc Inc	1,800	
North West Grampians Newsletter	1,800	
Federation University Horsham Campus Nursing Award	300	
Longerenong Citizenship Award	300	
Horsham College Senior Achievement Award	200	
Horsham College - Alternate Pathways Achievement Award	200	
St Brigid's College Senior Achievement Award	200	
Holy Trinity Lutheran College Senior Achievement Award	200	
Wimmera Assoc for Genealogy	340	
Charitable Organisations - refund of rates (Red Cross, St Vincent de Paul, Salvation Army, WHCG Op Shop, Craft for a Cause, Jacobs Well)	5,949	
Total Community Grants to Organisations	27,249	32,003

Events	Council Donations (\$)	Council Grants (\$)
Arapiles Community Theatre		6,500
Art is Festival Inc		6,000
Beyond Community Inclusion Inc		3,052
Horsham & District Orchid Society Inc		950
Horsham Arts Council Inc		6,000
Horsham Carols by Candlelight	4,130	
Horsham Fishing Competition Inc		5,000
Horsham Karen Community Group		6,000
Horsham Mothers Day Classic Horsham Committee		1,000
Horsham Rockers Inc		2,000
Horsham Urban Landcare		500
Kannamaroo Festival		6,000
Lions Clubs International 201V2 District		3,192
Natimuk Agricultural and Pastoral Society Inc		2,000
The Rotary Club of Horsham East (Grant 1)		6,000
The Rotary Club of Horsham East (Grant 2)		6,000
Horsham Combined Probus Club		500
The Wimmera Pride Project Inc		3,000
Wimmera Catchment Management		1,000
Wimmera Hospice Care Auxillary		900
Wimmera Machinery Field Days Inc		2,000
Wimmera Rockers Danceworld Inc		2,000
Youth grants program		10,000
Total Community Grants for Events	4,130	79,594



Council Plan

The Council Plan 2021-25 sets the strategic direction of Council over a four year period, linking the Community Vision to Strategies, Initiatives and Priorities for Horsham Rural City Council.

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



Theme 1 – Community

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



Theme 2 – Liveability

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



Theme 3 – Sustainability

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



Theme 4 – Accessibility

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



Theme 5 – Leadership

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



Theme 1 – Community

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

Strategies and Actions

“An inclusive, accessible, connected and safe community”

Daughters of the West

Horsham Rural City Council has joined forces with the Western Bulldogs' "Daughters of the West" initiative to empower women in our local community.

This 10-week health program, which is offered free of charge, is designed to provide support to women aged 18 and above in terms of their overall health and well-being. It aims to foster connections within the community and encourage active participation through the guidance of exercise professionals.

Mayor Robyn Gulline emphasised the importance of "Daughters of the West" in creating a safe and inclusive environment, where women can come together as a team to improve their health and fitness. She further expressed the Council's commitment to providing accessible fitness and health programs for women in the Wimmera region, which is why Council have allocated \$20,000 to support the implementation of "Daughters of the West."

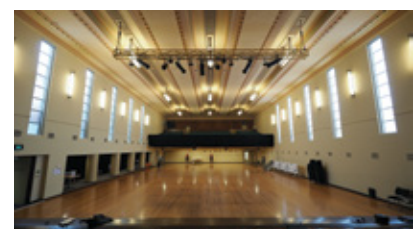
“A community that encourages and celebrates all cultures, heritage and diversity”

Heritage Hall floor gets a new lease on life

In June 2023, work was completed on replacing the floor in Horsham Town Hall's Heritage Hall.

The timber boards in the 1939-built hall were in need of repair and updating to ensure the beautiful 1930's art deco hall could continue to provide meaningful events and functions for our residents and visitors alike. Council had successfully applied for a \$200,000 grant from Heritage Victoria to replace the room's entire surface with like-for-like boards.

The reopened Heritage Hall facilitates the return of large community functions and activities hosted at the auditorium, and preserves the structural integrity of this state heritage listed building.



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

Grant Finder

In March 2023 Horsham Rural City Council's new Grant Finder website platform went live.

Council recognised that business and community groups often struggled in the past on where to start looking to find suitable grants to improve their organisations. This is why Council partnered with the Grant Guru website to assist our municipality's community groups and businesses, easing the burden of the time consuming and often daunting task of finding suitable grant opportunities.

Horsham Rural City Council's new Grant Finder section is easily accessible on the Council's website and allows businesses and community groups to create a free account. This account allows them to be provided with the most up-to-date information on available and upcoming grants from all levels of government as well as philanthropic grant programs – all in the one place.

The free website is available for both community and businesses to use and provides these groups with the option to save grants to favourites, prioritise grants, track applications and keep up to date with the opening and closing dates of grants.

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

National Reconciliation Week

During this year's National Reconciliation Week, the Horsham Rural City Council actively supported the theme "Be a Voice for Generations" by organising various activities throughout the municipality. National Reconciliation Week took place from May 27 to June 3.

As part of the week-long event, Firebrace Street and Sawyer Park were temporarily renamed. Firebrace Street became Yangga Tyerrang Street ("Walk Together"), while Sawyer Park was renamed Warta Tyerrang Muwil Park ("Come Together All"). Yangga Tyerrang Street proudly displayed National Reconciliation Week Banners, and new town entrance signs were installed on Natimuk Road, Dimboola Road, Dooen Road, and O'Callaghans Parade.

To engage children, colouring activities were made available at Horsham Town Hall and Kalkee Road Children's and Community Hub. Additionally, Horsham Town Hall hosted a morning tea event whilst an event in Natimuk highlighted the talent of Wotjobaluk artists.





Theme 2 – Liveability

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

Strategies and Actions

"A destination to live, work, explore and invest"

Christmas in the city

Central Horsham's Christmas Extravaganza returned in 2022 with two Friday nights of street activation in the lead up to the festive season.

On Friday 2 December and Friday 16 December, central Horsham came alive with activity and music, with celebrations centred around Friday night shopping and a giant Christmas tree.

The 5pm-to-9pm activities were family-focussed and included a scavenger hunt run by the Horsham Youth Council, live music and a visit from Santa.

The Christmas festivities in the centre of Horsham created a wonderful atmosphere to enjoy for visitors and residents alike. Events of this kind create a warm and welcoming environment in our city.



“A region with a defined identity”



New visual identity

In March 2023 Horsham Rural City Council unveiled its new visual identity, marking a significant change for the organisation.

Council believes that this new brand will improve our municipality's image whilst promoting our municipality as an attractive place to live, work, visit and invest.

The things that set the Horsham municipality apart from other regions - our geology, agriculture, waterways and soils, inspired the new branding. The new logo's shapes represent iconic Wimmera aspects such as reeds, crops and yabbies and the typography is inspired by stencilling on the T&G tower and the lettering used on wool bales.

The design creates a meaningful and long term legacy for the organisation and the community.

The rebranding strives to modernise and create a distinctive image that reflects Council's values and aspirations. Our municipality's stunning natural beauty, agricultural heritage and community spirit have inspired the new branding.

Council believes that this new branding will position Horsham well for the future by fostering a strong connection with its residents and other stakeholders, whilst attracting tourism and investment opportunities to the region.

“Diverse and connected open spaces”

Central Activity District Revitalisation continues

In recent times, Horsham has had a significant transformation in its laneways. These projects are aimed to revitalising the urban areas and enhancing their appeal. The initiative involved a complete modernization for the laneways, resulting in an improvement in their overall appearance.

Artist Jack Rowland painted the laneway wall of Cafe Jas in Roberts Avenue, while Steve Cross painted the Roberts Avenue arcade

between the businesses of Gypsy Willow and Imeldas. Jimmy Dvate installed artwork on the Ward Street facing wall of Horsham Newsagency.

The project received positive feedback from both residents and visitors, who appreciated the revitalized atmosphere and the artistic elements integrated into the laneways.





Theme 3 – Sustainability

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

Strategies and Actions

"Achieve a sustainable and sound environmental future"

Waste education workshops

This year, the Horsham Rural City Council organised a series of workshops to actively engage our community in the recently introduced Better Sorted Waste service. These workshops were thoughtfully scheduled to align with World Environment Day on June 5th.

One of the workshops took place at Horsham Neighbourhood House, where Council's Waste Education Officer conducted a composting workshop. Additionally, Council visited St. Brigid's College and Horsham College to educate secondary school students on the proper usage of the four different bins. Furthermore, Council made

a visit to "Beyond Community Inclusion" to interact with individuals living with disabilities, engaging in conversations and gathering their valuable feedback.



"A region where climate change impacts are addressed and remediated"



Better Sorted Waste Program

Horsham Rural City Council is committed to addressing issues affecting Climate Change. March 2023 saw the rollout of the municipality's Better Sorted Waste program. This comes after the State Government's Circular Economy Policy was introduced meaning all Victorian councils must introduce food and garden organics (FOGO) collection for all urban households and separate glass recycling collection. This will mean a four-bin system will be introduced across the state of Victoria.

In March approximately 16,000 bins were delivered throughout the municipality with one new bin type for the collection of food and organics, and another for the collection of glass. Helpful information booklets and calendars were also provided to assist residents prepare for the changes.

Council delivered ongoing community engagement to assist the community with improving our collective approach to waste management, and we look forward to reporting to the community on our sustainability outcomes.





Theme 4 – Accessibility

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

Strategies and Actions

"A resilient, inclusive and socially connected community"

Flood affected roads

Horsham Rural City Council used federal government disaster relief funding to tackle the enormous task of fixing rural roads impacted by 2022 Spring Floods.

Council has reported more than 1,700 flood-related defects across the municipality. Council treated this work as a high priority to ensure the residents, farmers and businesses could return to their normal travel routines with minimal delays.

The process Council followed in order to access this disaster relief funding was an arduous one

with Council having to apply for each defected road. This included supplying approximately 12,000 before and after photos.

The plan involved a systematic approach to identify and prioritise the damaged roads, ensuring that the most critical areas were addressed first. Council engaged in assessments and evaluations of roads to determine the extent of the damage and the repairs that would be required. Council worked with various stakeholders, including contractors and engineers, to expedite the process.

By implementing this strategy, Council aimed to enhance the

safety and accessibility of the road network, ensuring continuous transportation for residents and visitors alike. The repair blitz demonstrated Council's commitment to efficiently and effectively address the aftermath of the floods and restore the infrastructure vital for the community's safety and well-being.

While these state and federally funded emergency works were underway, Council's ongoing road construction and maintenance activities, as part of the Capital Works Program, continued as normal.



"Diverse services, programs and facilities that are accessible to all"

Footpaths accessible for all

Horsham Rural City Council is taking steps to make footpaths inclusive and accessible to everyone, including individuals with limited mobility or vision impairments. Council recognises the significance of creating an environment that allows all residents and visitors to move around safely and independently.

Outdoor dining furniture and other objects such as signage must be set back a minimum of 1.8 metres from the shopfront to allow for unobstructed pedestrian movement. By implementing measures such as tactile ground surface indicators and ramps, they aim to improve accessibility and eliminate barriers for people with disabilities.

Council worked with the Central Activity District business operators to assist them in understanding and becoming compliant with the footpath guidelines.



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

Plan to offer long day care at Kalkee Road Children's Hub

In January 2023 Horsham Rural City Council provided the very welcome news to its community with young families that a new 90 place long day care centre would be available within the next year. Which is directly aimed at elevating the Wimmera's severe childcare shortage. There are approximately 215 children on the waiting lists across Horsham's four long day care centres.

Council is committed to providing a suitable solution, to our residents as it recognises that the inability to return to work or to move to Horsham to take up skilled positions disadvantages our whole community, putting businesses and services under further pressure to find suitable staff.

Expressions of interest were invited from providers to run the new long day care and all-day kindergarten program out of the Kalkee Road Children's Hub. The Maternal and Child Health Services and Supported Playgroup will continue to operate from the Kalkee Road Children's Hub.

Horsham North Local Area Plan

In May 2023, Council adopted the Horsham North Local Area Plan. A local area plan is a comprehensive plan that sets out a long term vision for a defined area. It aims to address local planning and urban design issues, capitalising on local opportunities. A Local Area Plan provides strategic direction for sustainable change and locally focused outcomes.

Prior to the adoption of the Horsham North Local Area Plan, significant community engagement was undertaken to ensure the community's concerns and ideas were considered and addressed. This ensures that the Local Area Plan meets the expectations of the community with benefits well into the future.





Theme 5

– Leadership

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

Strategies and Actions

"Position Horsham Rural City Council as a leader in local government"

Wimmera Emergency Management Team partnership benefiting our community

The Wimmera Emergency Management Team is an excellent example of Council collaboration and resource sharing that benefits our community by providing effective emergency management. The councils involved in this collaboration include Horsham Rural City Council, Hindmarsh Shire Council, West Wimmera Shire Council and Yarriambiack Shire Council.

This year has seen an upgrade to Emergency Relief Centres, providing each venue with the capacity to run essential services on generator power during an emergency. Another important project in the pipeline is the construction of a stockyard facility at the Horsham pound. This will enable us to provide safe shelter for larger animals across the four municipalities during an emergency. In addition to upgrading the Emergency Relief Centres, the Wimmera Emergency Management Team also developed important resources including emergency awareness and preparedness brochures and fire ready guides for areas of extreme bushfire risk, which allows important emergency messages to reach vulnerable community members.





Advocacy

It is a key function of Council to advocate for state and federal government support so that we can deliver projects our residents, communities and businesses want and need.

Advocacy priorities are established by Council and relate to major capital infrastructure projects developed by Council, as well as regional level services to enhance the liveability and sustainability of the Wimmera into the future.

Council engaged in targeted lobbying and advocacy during the lead up to the state election in November 2022, as well as during the state and federal annual budget processes. This advocacy work at times involves collaboration with other key stakeholders to progress key projects and priorities for the Wimmera and Grampians regions. The results of effective advocacy is seen in funding support for new major projects and new municipal

and regional services.

Throughout the past year, Council attracted specific project funding in excess of \$2.58M from the state and federal governments to undertake a range of infrastructure and service-related projects.

Highlights of this included:

- State funding of \$800,000 to construct new netball facilities at Horsham City Oval
- \$772,500 of Federal funding for specific road infrastructure improvements
- \$129,000 from Regional Development Victoria to complete the redevelopment of The Station
- Ongoing Flood Recovery support from the state and federal governments in relation the October 2022 Wimmera River Flood event.

Council have continued to advocate

for City to River projects, with the first stage of the Horsham City Oval redevelopment partially funded. Work will commence on the fully funded netball facilities and the new major events stage in 2023-24. Council is still seeking funding support for the last remaining component of stage 1, a new community facility and change rooms.

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

Priority Projects for

Government and Private-Sector Investment

Alternative Truck Route – The Department of Transport is leading this Feasibility Study investigating a possible alternative truck route for Horsham. Barengi Gadjin Land Council and Horsham Rural City Council are key partners in this process. A Cultural Heritage Impact Assessment Study has been progressed throughout the year.

Completion of the Murray Basin Freight Rail Freight Project (MBFRP) – Council has advocated strongly to the State Government for the completion of this major project with one important outcome for our region being reduced heavy vehicle traffic on the Henty Highway to the Port of Portland.

Advocate for upgrade to the Maroona to Portland railway to enable efficient movement of freight to the Port.

Council's Disability Action and Inclusion Plan 2023-2026 was adopted in April 2023. This is a key strategic plan that identifies the work that Council is doing to improve inclusion and reduce discrimination for people living with a disability, both for our own service provision and in the wider municipality.

The Horsham North Local Area Plan was completed in May 2023 including a range of projects for future funding advocacy. Key projects are:

- The investigation of a third underpass and development of the rail corridor landscape plan;
- Land acquisition of surplus Vic Track land in the rail corridor; and
- A Housing Diversity and Affordability Strategy.

Increased long-day care provision

in Horsham – Council commenced the process to provide long day care at the Kalkee Road Children's and Community Hub to support the acute shortage of long day care places.

Horsham Rail Corridor – continued discussion with Vic Track mainly focussed on process of transfer of land to Council to progress future development of the area. This included finalising with State Government land available to Council, which is considered surplus to Transport requirements and agreement to future location of a new Pedestrian Underpass.

A Horsham Central Activity District (CAD) Streetscape Plan was adopted by Council in August 2022 providing direction and priority advocacy projects. A CAD Community Reference Group was formed in Oct 2022 and the first advocacy projects to be developed are O'Callaghans Parade arrival corridor, Town Square and Children's Park.

Advocacy around the current operations of the Wimmera Intermodal Freight Terminal, the infrastructure constraints at the terminal, and future opportunities for the WAL Hub.

Continued advocacy for the return of passenger rail services to Horsham, in addition to the continuation of the limited Overlander service.

Development of the Natimuk Economic and Social Plan to enhance the business, tourism economy and sustainability of Natimuk.

Avonbank Mineral Sands Project Environmental Effects Statement

Council made a submission to the Project Inquiry and Advisory Committee on key areas of interest as follows:

- Radiation
- Monitoring
- Heavy Minerals Haulage – Road verses Rail
- Socio –Economic Impacts
- Noise and Vibration
- Land Use Planning.






Performance and Major Initiatives

Council's performance for 2022-23 has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2021-25 Council Plan. Performance has been measured as follows:

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

Theme 1: Community

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

Monitoring Achievements	Result	Comments
Implementation of 100% actions identified in the 2019-2022 Community Inclusion Plan		42.4% of actions were completed. 24.3% of actions are in progress and incorporated in the new Disability Access & Inclusion Plan 2022-2026. 33.4% of actions were not completed.
In consultation with Barengi Gadjin Land Council, develop a partnership agreement		As part of recognition and settlement agreement actions, community engagement plans will be developed with Local Government Areas.
Improved diversity in community and programmed events by 10% over the four year period of the Council Plan		Post event evaluation has been introduced after performances at the Horsham Town Hall. Audience feedback informs the quality and diversity of its program. Diversity measures and targets have been set to meet key program metrics.
Ensure gender equity on all Council Committees		This action is currently underway and is addressed in the Gender Equality Action Plan (2021-2025).
Increased reach and diversity of allocation of Annual Community Grants program with a 10% increase of new successful applicants over the four year period of the Council Plan		The 2021-2022 and 2022-23 Community Grants Program attracted successful applications from seven new community groups. This represents a 9.6% increase in reach and diversity over the reporting period for this measure. HRCC is tracking towards exceeding the 10% target by end of FY 2024-25, with ongoing work underway to continually improve reach and diversity.



Completed



Underway



Not Achieved

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2022-23 budget for the year.








Major Initiatives	Progress
Daughters/Sons of the West Program	This event was held successfully in 2022 and is currently underway again.

The following statement provides information in relation to the services funded in the 2022-23 Budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost \$'000		
Provision of the following to support Council's direct service delivery areas:		Actual	Budget	Variance
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, ensure public safety. It also includes the operation of Council's dog and cat rehousing program.	22	1	-21
Community Safety	This service deals with matters concerning Local Laws including permits and licences, enforcement and fines and fire hazard enforcement.	85	107	22
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.	-196	18	214
Emergency Support	This service supports community health and wellbeing during times of an emergency and to support the community to recover from emergency events. Includes support provided to the SES.	336	8	-328
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.	7	113	106
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.	1,130	1,241	111

Theme 2: Liveability

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

Monitoring Achievements	Result	Comments
1. Number of visits to aquatic facilities per head of municipal population to increase 5% over 4 year period of Council Plan		Number of visits to aquatic facilities in 2021-22 were 74,664 with a total of 102,562 for the year 2022-23. This is a 27% increase.
2. Participation in Horsham Town Hall programs to increase by 5% over 4 years of Council Plan		Total Gallery, Education and public program attendance for 22-23 was 16,625, an increase of 22.7% from previous year. Attendance to theatre performance for 22-23 was 12,053 an increase of 5.6% from previous year.
3. Participation in Maternal and Child Health service at or over 95% annually		Participation is at 90.58% over all and 93.55% of Aboriginal children for attendance once a year at MCH. This is a nearly 5% improvement on last years figures.
4. Active library borrowers in municipality to increase by 5% over 4 year period of Council Plan		Active borrowers have increased by 11.86% in the past year from 1,366 in 2020-2021 to 1,528 in 2022-2023.
5. Increased number of new planning permits approved for new housing by 2% annually		Planning - 26 for 2022-23 financial year and 68 for 2021-22 financial year.
6. Increase Horsham Rural City population by 5% over 4 year period of Council Plan		2021 Census data lists Horsham municipalities population as 20,429 this is an 4% increase from the 2016 population.
7. Increased number of new building/planning permits approved for commercial development by 2% annually		Building - 51 for 2023 and 64 for 2022



Completed



Underway








Not Achieved

The following statement provides information in relation to the services funded in the 2022-23 Budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost \$'000		
Provision of the following to support Council's direct service delivery areas:		Actual	Budget	Variance
Aquatic Recreation	Management of the strategic use of the Aquatic Centre, including major refurbishment and upgrades.	1,309	838	-471
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.	636	652	16
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.	3,879	3,223	-656
Parks and Gardens	Provision of managed areas for sport, recreation and amenities – includes sports grounds, parks, gardens, the Botanic Gardens and playgrounds throughout the municipality.	3,821	3,229	-592
Performing Arts Centre & Visitor Services	This service encompasses the running of the Horsham Performing Arts Centre operations, including performing arts, the Regional Art Gallery and support to visitors accessing the Visitor Services.	1,834	1,878	44
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.	737	4,014	3,277
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.	1,601	1,569	-32
Youth and Early Services	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.	325	786	461

Theme 3: Sustainability

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

Monitoring Achievements	Result	Comments
1. Reduce Council's net carbon emissions by 24% by 2025		Target achieved earlier than planned, more carbon projects being scoped in line with each years sustainability budget.
2. Reduce the municipality's net carbon emission		Number of solar panel projects executed in 2022-2023. Project sites included The Station, Horsham Pavilion and Horsham Town Hall solar extension.
3. Maintain employment in government and health services at current level (as at 2021)		Council continues this through advocacy work for regional employment.
4. Increase the diversion of recyclables from landfill by 40% by 2025		Target achieved – 4 Bin system implemented in April 2023 increasing the diversion rates from approximately 22% to 50%.
5. Increase the utilisation of alternative water sources by 10% by 2025 (reduced use of potable water)		The Council is collaborating with GWMWater on the Integrated Water Management program, which aims to provide reclaimed wastewater to several key facilities in Horsham, including Horsham Racecourse Reserve, College Community Oval, Dudley Cornell Park, Langlands Park, and Horsham Cemetery. Currently, some of these facilities rely on stormwater, but during drier periods, they run out of this resource and have to use potable water for most of the summer. With this project underway, a dependable supplementary water supply will be available for these sites, eliminating the need for potable water usage.



Completed



Underway



Not Achieved

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2022-23 budget for the year.

Major Initiatives	Progress
Housing Affordability and Diversity Strategy	Evaluation of tenders almost complete. Successful consultant to be engaged the week of 31 July 2023.
Horsham South Structure Plan - Technical Background Reports	A draft Future Urban Structure (land use plan only) has been prepared and considered by the PCG. Agency consultation on the FUS to occur in late August prior to public consultation.

The following statement provides information in relation to the services funded in the 2022-23 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost \$'000		
Provision of the following to support Council's direct service delivery areas:		Actual	Budget	Variance
Business Development and Tourism	This service covers tourism marketing and development as well as promotion for major events and festivals.	482	464	-18
Commercial Activities	This service includes the contracted facilities such as the Caravan Park and the Wimmera Intermodal Freight Terminal.	67	11	-56
Commercial Operations	This service includes the Horsham Regional Livestock Exchange, which provides weekly sheep sales at the Burnt Creek Drive facility servicing primary industry across the Wimmera. Horsham Regional Livestock Exchange is the fourth largest sheep selling centre in Victoria. This service also includes the operations of the Horsham Aerodrome which provides a regional airport for commercial and private aircraft.	-82	309	391
Economic Development	This service provides support to the Wimmera Southern Mallee Development (previously Wimmera Development Association), maintenance and administration for the Wimmera Business Centre and general economic development and promotion for the municipality. Land sales and acquisitions, tree plantation and land management costs for the Burnt Creek and Enterprise Industrial estates and Wimmera Agricultural Logistics (WAL) Hub, are also provided under this service.	796	363	-433





Service	Description	Net Cost \$'000		
Provision of the following to support Council's direct service delivery areas:		Actual	Budget	Variance
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.	78	85	7
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.	470	554	84
Strategic Planning Services	The function of strategic planning, aims to strategically plan the municipality's land use needs for the future.	371	363	-8
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	288	78	-210





Theme 4: Accessibility

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

Monitoring Achievements	Result	Comments
1. A reduction in the number of vehicle crashes and their impacts (e.g. number of injuries/fatalities) by 5% by 2025		The Council has undertaken a strategic effort to enhance safety on local roads by implementing various projects, including funding for widening 35 km of sealed roads. A strong compliance system has been developed and implemented in accordance with the Road Management Plan. These collective efforts will continue to contribute to a significant reduction in injuries and fatalities on our local roads.
2. Increase the % of urban population within 400 m of a fully developed open space by 5% by 2025		Smaller (local/ neighbourhood) parks areas had concept plans developed including Anzac Park (Haven), Sunnyside Park and the (municipal parks) including Horsham Skatepark Precinct.
3. Increase the percentage of Tree canopy in Horsham urban areas with a 1% increase by 2025		A tree audit was undertaken by Council's Operations team to establish benchmarks to measure tree numbers and canopy coverage according to the Greening Greater Horsham Municipal Tree Strategy.
4. Improve sealed road satisfaction – excluding arterial roads by 5% annually		Council has made a strong commitment to the community, ensuring that all rural sealed roads will be comfortably drivable at 80 km/hr. To identify rough sections, Council conducted laser roughness collection for all sealed roads. Subsequently, over \$1.5 million was invested to address the rough sections in rural areas, and an additional \$1 million was allocated for fixing issues in urban areas. As a result of these efforts, all sealed roads across the Council's jurisdiction now meet the agreed roughness level.



Completed



Underway



Not Achieved

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2022-23 budget for the year.






Major Initiatives	Progress
Project Management System	The Rural Council Corporate Collaboration (RCCC) is currently implementing the Civica Altitude ERP system as the first stage of the project, with additional software modules for Community Engagement, Records Management and invoicing to commence implementation 2023-24. The Civica Altitude implementation is progressing well, with Go-Live for the new system scheduled for March 2024. The system will see improvements to the way business is managed internally and also provide better opportunities for ratepayers engage electronically with Council.

The following statement provides information in relation to the services funded in the 2022-23 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost \$'000		
Provision of the following to support Council's direct service delivery areas:		Actual	Budget	Variance
Engineering Services	Has overall responsibility for delivery of Council's capital works delivery and annual programming, traffic planning, waste planning, road, street and drain design and monitoring of standards adherence (quality assurance) for the infrastructure.	96	504	408
Infrastructure - Rural	This service is responsible for maintaining and constructing roads, bridges and related assets in all non-urban areas of Horsham and Natimuk. This includes the Rural Roads Victoria maintenance contract (which excludes major highways).	4,792	3,923	-869
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.	-694	-171	523
Management and Administration	This service provides administration and support services for the Infrastructure Services department.	3,879	3,223	-656
Operations Management	This service includes management and administration of the Operations Department to facilitate the delivery of core functions and capital programs.	88	157	69
Parking and Traffic Management	This service provides management of parking infringements, maintenance on parking meters, car parking fees, fines and associated costs.	104	106	2
Strategic Asset Management	Responsible for the strategic management of Council's Infrastructure, including the long term planning of asset renewal and capital works.	571	615	44

Theme 5: Leadership

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

Monitoring Achievements	Result	Comments
1. Improvement in community satisfaction with customer service by 5% annually (Community Satisfaction Survey)		This year's result was 56, down from 64 (a 12.5% decrease). Customer service outcomes were impacted during the year by a combination of challenging issues including the 2022 spring floods, a Municipal Monitor appointment, and delivery of controversial projects including Council's branding renewal, updated parking meters in the Central Activity District, and the Better Sorted Waste four-bin program rollout.
2. Improvement in community satisfaction with overall Council direction by 5% annually (Community Satisfaction Survey)		This year's result was 34, down from 50 (a 32% decrease). A Municipal Monitor was requested by Council and appointed to oversee internal governance for elected representatives, primarily during the first two quarters of the financial year. During this period, the composition of the elected Council changed, with one resignation and subsequent election of a replacement Councillor.
3. Improve community satisfaction with Council decisions by 5% annually (Community Satisfaction Survey)		This year's result was 42, down from 52 (a 19.2% decrease).
4. Community satisfaction with consultation and engagement by 5% annually		This year's result was 43, down from 53 (an 18.9% decrease).
5. Community satisfaction with Council lobbying on behalf of the community		Data not available. No longer measured through Council's Annual Community Satisfaction Survey.



Completed



Underway



Not Achieved

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2022-23 budget for the year.

Major Initiatives	Progress
Rural Councils Corporate Collaboration	The Rural Councils Corporate Collaboration (RCCC) is a collaborative project to implement a range of cloud based software solutions that will assist the three member councils (Rodham, Hindmarsh & Loddon) in providing an enabling environment for the future sharing of corporate functions. RCCC's Vision, is that through shared software solutions RCCC will lead to business efficiencies through improved processes and opportunities for sharing. This directly gives rise to economic benefits by way of improved financial sustainability and opportunity to keep jobs in the region and ultimately drive better social outcomes.
Rural Councils Corporate Collaboration Project/ Software Implementation	The RCCC is currently implementing the Civica Altitude ERP system as the first stage of the project, with additional software modules for Community Engagement, Records Management and invoicing to commence implementation 2023-24. The Civica Altitude implementation is progressing well, with Go-Live for the new system scheduled for March 2024. The system will see improvements to the way business is managed internally and also provide better opportunities for ratepayers engage electronically with Council.

Customer Service Data and Complaints

For the year of 2022-23 Horsham Rural City Council addressed 8,520 customer service requests, representing a 20.6% increase from the previous financial year.

Waste management and animal issues were the two highest demand categories for service requests. While this is consistent with previous years, it is noted that waste related enquiries notably spiked during quarters 3 and 4 as a result of Council's four-bin Better Sorted Waste program rollout.

A total of 199 customer service complaints were lodged at Council during the year.

A breakdown of complaints data can be seen as follows:

Complaints	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Finalised	31	31	29	40
Open	5	7	42	14
Total	36	38	71	54

The following statement reviews the progress of Council in relation to Major Initiatives identified in the 2022-23 budget for the year.

Service	Description	Net Cost \$'000		
Provision of the following to support Council's direct service delivery areas:		Actual	Budget	Variance
Accounting Services	Provides financial services internally to all staff, department managers, project leaders, Council, plus delivers external services in the form of information to government and the community and specific services to Wimmera Development Association and the Wimmera Regional Library Board.	967	936	-31
Community Relations and Advocacy	Responsible for three key areas: Advocacy and grant seeking, media and communications and community engagement.	494	515	21
General Revenue	Provides treasury management including additional borrowings and interest repayments	-32,435	-31,449	986
Governance & Leadership	This service manages and facilitates Council's governance services, the implementation of Council decisions and policies, and compliance with legislative requirements. This also includes the Customer Service, the management of Council's property portfolio (including Leases/Licenses & land sales/purchases), Records Management, the office of the Mayor and Councillors, and the office of the Chief Executive.	1,725	1,788	63
Information Technology	Provides IT hardware and software systems, IT support services to staff, customer services at Horsham and Natimuk and the Council's Records Management service. The goal of this service is to provide efficient and effective access to the information needs of staff and the community, and the management of systems that support this whilst at all times keeping secure Council's information assets from accidental or malicious access, modification or destruction.	1,314	1,427	113
Management and Administration	This service provides management across the areas of finance, IT, rates and organisation development	3,879	3,223	-656
People & Culture	This service is responsible for human resources, payroll, OHS, risk management, industrial relations and organisational performance functions. Payroll also provides services to three separate Council related entities	1,242	857	-385
Revenue Services	Rate collection services encompasses collection of Council rateable income, which ensures consistency in debt management, general rate, municipal and garbage charges. Property services encompasses, collection of property valuations, maintaining a strategically focused property management system.	322	425	103



Service Performance Indicators

Results					
Service / <i>indicator</i> / <i>measure</i>	2020	2021	2022	2023	Comments
Aquatic Facilities					
<i>Service standard</i>					
<i>Health inspections of aquatic facilities</i>	0	1	1	1	
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]					
<i>Utilisation</i>					
<i>Utilisation of aquatic facilities</i>	6.73	3.03	4.17	5.05	
[Number of visits to aquatic facilities / Municipal population]					
<i>Service cost</i>					
<i>Cost of aquatic facilities</i>	\$5.69	\$13.30	\$12.54	\$8.86	
[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]					



Aquatic Centre frameworks for change rooms.

Results					
Service / <i>indicator</i> / <i>measure</i>	2020	2021	2022	2023	Comments
Animal Management					
<i>Timeliness</i>					
<i>Time taken to action animal management requests</i>	1	1	1	1	
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]					
<i>Service standard</i>					
<i>Animals reclaimed</i>	53.10%	52.83%	57.17%	51.11%	Due to higher rates of animal registration and lower rates of animals collected, the remaining animals tend to be strays without a home.
[Number of animals reclaimed / Number of animals collected] x100					
<i>Animals rehomed</i>	20.73%	28.70%	27.00%	20.19%	Uncontrolled cat breeding and the high prices of sterilisation have led to a large number of feral cats being trapped and humanely euthanised.
[Number of animals rehomed / Number of animals collected] x100					
<i>Service cost</i>					
<i>Cost of animal management service per population</i>	\$16.58	\$18.65	\$22.41	\$28.28	
[Direct cost of the animal management service / Population]					
<i>Health and safety</i>					
<i>Animal management prosecutions</i>	0.00%	100.00%	0.00%	0.00%	
[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100					

Results					
Service / <i>indicator / measure</i>	2020	2021	2022	2023	Comments
Food Safety					
Timeliness					
<i>Time taken to action food complaints</i>	2	1.25	1	1.2	
[Number of days between receipt and first response action for all food complaints / Number of food complaints]					
Service standard					
<i>Food safety assessments</i>	90.80%	75.31%	67.76%	103.40%	A catch up campaign was undertaken in 2022 which has resulted in a higher number than was due. Also introduction of Class 3A resulted in some Class 2 premises being reclassified.
[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					
Service cost					
<i>Cost of food safety service</i>	\$767.58	\$569.69	\$742.39	\$616.65	Council staffing has temporarily decreased from previous year.
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]					
Health and safety					
<i>Critical and major non-compliance outcome notifications</i>	75.86%	76.47%	70.00%	100.00%	All major and critical non-compliance items were followed up.
[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					

Service / indicator / measure	Results				Comments
	2020	2021	2022	2023	
Governance					
Transparency					
<i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100	18.44%	9.03%	3.77%	34.96%	Changes made in response to recommendations by the Municipal Monitor.
Consultation and engagement					
<i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	41	48	53	43	Council has publicly committed to an action plan addressing community satisfaction in response to recent results.
Attendance					
<i>Councillor attendance at council meetings</i> [The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of Councillors elected at the last Council general election)] x100	87.76%	96.43%	96.94%	89.29%	
Service cost					
<i>Cost of elected representation</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$31,418.08	\$35,874.87	\$45,389.00	\$55,496.08	In 22-23 FY Council introduced the role of deputy mayor.
Satisfaction					
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	39	48	52	42	Council has publicly committed to an action plan addressing community satisfaction in response to recent results.

Results					
Service / <i>indicator</i> / <i>measure</i>	2020	2021	2022	2023	Comments
Libraries					
Utilisation					
<i>Physical library collection usage</i>	1.86	1.2	1.35	1.26	
[Number of physical library collection item loans / Number of physical library collection items]					
Resource standard					
<i>Recently purchased library collection</i>	45.82%	39.87%	41.65%	44.83%	
[Number of library collection items purchased in the last 5 years / Number of library collection items] x100					
Participation					
<i>Active library borrowers in municipality</i>	10.84%	9.08%	7.68%	6.97%	
[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100					
Service cost					
<i>Cost of library service per population</i>	\$22.13	\$24.53	\$25.67	\$26.38	
[Direct cost of the library service / Population]					

Results					
Service / indicator / measure	2020	2021	2022	2023	Comments
Maternal and Child Health (MCH)					
Service standard	100.85%	101.44%	101.07%	102.00%	
<i>Infant enrolments in the MCH service</i>					
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100					
Service cost					
<i>Cost of the MCH service</i>	\$64.72	\$62.31	\$64.49	\$61.12	
[Cost of the MCH service / Hours worked by MCH nurses]					
Participation					
<i>Participation in the MCH service</i>	87.94%	91.31%	85.91%	90.58%	
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
Participation					
<i>Participation in the MCH service by Aboriginal children</i>	88.76%	97.30%	89.13%	93.55%	
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100					
Satisfaction					
<i>Participation in 4-week Key Age and Stage visit</i>	100.42%	96.65%	93.93%	100.00%	
[Number of 4-week key age and stage visits / Number of birth notifications received] x100					

Results					
Service / indicator / measure	2020	2021	2022	2023	Comments
Roads					
Satisfaction of use					
Sealed local road requests	9.8	10.76	10.89	11.46	
[Number of sealed local road requests / Kilometres of sealed local roads] x100					
Condition					
Sealed local roads maintained to condition standards	96.62%	99.30%	99.55%	100.00%	
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100					
Service cost					
Cost of sealed local road reconstruction	\$30.73	\$36.62	\$35.13	\$36.96	
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]					
Service Cost					
Cost of sealed local road resealing	\$5.47	\$5.20	\$7.18	\$8.95	Mainly due to the steep increase in Bitumen, labour and fuel costs in 22-23 FY. Council has also incurred higher cost due to improved Micro-surfacing layer to maintain road safety and condition.
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]					
Satisfaction					
Satisfaction with sealed local roads	39	47	45	38	Council has been aware that the Roads under Vic Roads have deteriorated significantly and are in touch with the concerned department. However, this has been misunderstood by the public as Council responsible roads. Efforts are in place to inform the public in the appropriate forum and form.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					

Results					
Service / indicator / measure	2020	2021	2022	2023	Comments
Statutory Planning					
Timeliness					
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	42	63	47	56	Increase in the number and complexity of applications and support required for strategic and major projects.
Service standard					
<i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	85.57%	78.49%	100.00%	100.00%	
Service cost					
<i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$2,898.33	\$2,328.04	\$2,378.54	\$2,841.25	Increase in the number and complexity of applications and support required for strategic and major projects.
Decision making					
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	0.00%	0.00%	0.00%	

Results					
Service / <i>indicator</i> / <i>measure</i>	2020	2021	2022	2023	Comments
Waste Collection					
Satisfaction					
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	82.87	89.56	102.66	184.15	Introduction of the 4 bin system has resulted in more bin collection requests than last year.
Service standard					
<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	1.45	0.99	1.9	2.71	Introduction of the 4 bin system including 2 additional waste streams i.e. Glass & FOGO has doubled the number of bins in the municipality resulting in increase in the missed bins percentage.
Service cost					
<i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$121.42	\$123.97	\$140.81	\$151.66	Cost of garbage collection has gone up based on the on the additional service, increase in EPA levy and plant hire rates.
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$61.64	\$68.42	\$73.58	\$88.12	This has increased due to increase in service numbers as recycling service was extended to rural Horsham + increase in cost of processing.
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	20.49%	19.91%	19.07%	25.90%	Since the launch of glass & FOGO bin diversion rates have increase to 50%.

Governance and Compliance

Council Meetings

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

In 2022-23, Horsham Rural City Council held 16 Council meetings. This included 15 face-to-face meetings in the Council Chamber and one online Council meeting.

Council meetings are live streamed on the Council website www.hrcc.vic.gov.au. Audio recordings were made available following all meetings.

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

Live streaming of meetings makes them more accessible to a wider audience. Previous meetings are available on Council's website www.hrcc.vic.gov.au. Meetings can be watched at any time and

previous meetings are indexed to the meeting agenda allowing you to skip directly to the items of interest.

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

During this period, 62 questions were submitted to Public Question Time up from 45 the previous year.

The following table provides a summary of Councillor attendance at Council meetings for the 2022-23 financial year.

Councillor	Scheduled Council Meeting Attendance (16)
Cr Robyn Gulline	16
Cr Penny Flynn	16
Cr David Bowe	16
Cr Claudia Haenel	12
Cr Les Power	15
Cr Bob Redden (Sworn in as Councillor on 8.9.22)	10
Cr Ian Ross	14
Cr Di Bell (Resigned 5/8/22)	1

*Cr. Claudia Haenel was absent for the July 2022 scheduled Council Meeting due to authorised leave (where authorised leave can include sick leave or WorkCover leave)

Council Briefings

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

In 2022-23, Council held 27 Council Briefing Meetings (down from 33 the previous year).

The following table provides a summary of Councillor attendance at Council Briefing Meetings for the 2022-23 financial year.

Councillor	Scheduled Council Briefing Attendance (27)
Cr Robyn Gulline	27
Cr Penny Flynn	25
Cr David Bowe	26
Cr Claudia Haenel	19
Cr Les Power	26
Cr Bob Redden (Sworn in as Councillor on 8.9.22)	20
Cr Ian Ross	21
Cr Di Bell (Resigned 5/8/22)	1

*Cr. Claudia Haenel was absent for the July and August 2022 briefings due to authorised leave (where authorised leave can include sick leave or WorkCover leave)

Governance and Compliance *continued...*

Conflict of Interest

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

they may declare their Conflict of Interest at the meeting.

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

During 2022-23, there were 4 conflicts of interest declared at Council meetings.

Councillor Allowances

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

The State Government sets the upper and lower limits for all allowances paid to Councillors and Mayors.

Councils are divided into three categories based on the income and population of each Council. In this instance, Horsham Rural City Council is recognised as a Category 2 Council.

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

Councillor	Allowance \$
Cr Robyn Gulline (Mayor)	98,710.36
Cr Penny Flynn (Deputy Mayor)	42,425.00
Cr David Bowe	28,869.48
Cr Claudia Haenel	30,739.00
Cr Les Power	30,739.00

Councillor	Allowance \$
Cr Bob Redden	25,067.00
Cr Ian Ross	30,739.00
Cr Di Bell (Resigned)	5,004.00
Total	292,291.81

Councillor Expenses

In accordance with Section 40 of the *Local Government Act 2020*, Council is required to reimburse a Councillor for expenses incurred whilst performing their duties as a

Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment

of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties.

Expense Category	Cr Robyn Gulline (Mayor)	Cr Penny Flynn (Deputy Mayor)	Cr David Bowe	Cr Claudia Haenel	Cr Les Power	Cr Robert Redden	Cr Ian Ross	Cr Di Bell (Resigned)	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Communication	430	417	394	421	200	362	195	44	2,463
Conferences and Seminars	1,182	1,018		1,635	1,018	626			5,479
Development And Training	7,221	8,321	7,221	9,821	7,221	7,221	7,221		54,247
Memberships	185	185		185				90	645
Transportation				6,140			5,441		11,581
Travel and Accommodation	1,395	1,604		1,960	1,579				6,538
Other	98	89	23	749	159	59	284		1,462
Total \$	10,511	11,634	7,638	20,911	10,177	8,269	13,142	134	82,415

Note:

- Figures in this table may include expenses that were processed but not incurred in the reporting period
- No reimbursements for expenses to members of Council committees were paid by Council during 2022-23

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

Conferences and Seminars

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

Development and Training –

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

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

Transportation – Taxi fares, public transport costs, parking and toll fees and reimbursements for authorised use of private vehicles for kilometres travelled whilst conducting Council business within and outside the municipality.

Travel and Accommodation –

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

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

Staff Profile

Equal Employment Opportunity

In employment, but also more generally, Council aims to ensure there is no discrimination relating to the characteristics listed under the *Equal Opportunity Act 2010* such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. A further aim is to ensure the workplace is free from bullying and harassment.

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

Occupational Health and Safety

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

Post-Covid, the Occupational Health & Safety Officer has returned to regular attendance at the Selkirk Drive Depot, spending mornings at that location and afternoons at the Civic Centre. This arrangement ensures easier and more immediate access to support and advice for operations management, supervisors and employees, who comprise the highest proportion of staff and whose work encompasses an extensive and high degree of health and safety risk.

Changes of management throughout the year in the Corporate Services Directorate have presented fresh perspectives on Council's OH&S direction and practices. Various changes to incident and hazard reporting have been explored and introduced, along with a revised OHS Committee meeting structure. Meetings of the full group are now conducted bi-monthly, with Designated Workgroup Representatives also able to attend a meeting in alternate months to ensure that they have the fullest opportunity to raise and explore issues and concerns.

The online incident and reporting system and associated software have previously been identified for review, with the current roll-out of the new Civica Altitude business enterprise system enabling the assessment of suitable options to get underway in early 2023-24. The review will consider how organisational OHS needs can be best met, whilst ensuring compatibility and efficiency between the old and new systems.

An overall audit of OHS systems and practices has been considered and discussed throughout the year and is planned to be undertaken in early 2023-24.

WorkCover Claims

Throughout 2022-23, and since returning to the WorkCover insurance scheme in 2021-22, Council has established a strong working relationship with its designated insurer, DXC. Most claims that arose whilst Council was in the MAV WorkCover self-insurance scheme prior to this have now been resolved.

Having completed two years of service, DXC is now fully established as Council's insurer and has a comprehensive understanding of recent claims and the few remaining from the self-insurance period.

In November 2022 Council utilised the services of Aegis Risk Management Services on a temporary/short-term basis to ensure that resourcing was in place to support the effective management of WorkCover claims during a period of leave taken by the relevant officer. Based on the success of this arrangement, and mindful of the increasing complexity of the WorkCover system, the need for sustained/focused management of claims, and expanding return-to-work compliance obligations, in late 2022-23 Council entered into an extended partnership with Aegis (until at least June 2024) for the intensive management of HRCC WorkCover claims.

As at the end of the Financial Year there are nine active WorkCover claims impacting current Council staff and being managed by HRCC/Aegis in conjunction with DXC:

- Seven extensive claims, for which occupational rehabilitation provider assistance has been engaged; and
- Two minor "under excess" claims

In addition, there are two matters which involve staff who no longer work with Horsham Rural City Council. These claims are managed directly by the insurer, DXC.

Incident Reports

Total incidents reported for the year were 175. Plant and Vehicle incidents totalled 55. Personal incidents totalled 46. Hazards, near miss, property damage and security incidents account for the remainder of the incidents reported.

WorkSafe notifiable incidents totalled five. All were satisfactorily resolved without any major recommendations being made.

One incident was notified to Energy Safe Victoria and subsequently investigated. A number of recommendations were received and actioned.

Proactive housekeeping inspections across various areas of operation continued throughout the year in Parks & Gardens, Town Hall and Art Gallery, Engineering Services, Asset Management and Governance & Information Management.

Enterprise Bargaining Agreement

Negotiations for Enterprise Agreement Number Ten (2022-2025) (EA10) commenced in September 2022 and concluded in June 2023, with Enterprise Agreement Number Nine (EA9) having nominally expired on 30 June 2022.

A key difference in EA10 is that the three distinct parts of EA9 (local provisions, the Victorian Local Authorities Award 2001 and the Nurses (ANF – Victorian Local Government) Award 2015) were consolidated into a single agreement. In addition, the following quantum increases will apply to staff rates of pay over the course of EA10:

Year 1 (FY2022-23): 2% or \$32 per week, whichever is higher.

Year 2 (FY 2023-24): 3% or \$40 per week, whichever is higher.

Year 3 (FY 2024-25): 3% or \$40 per week or 75% of the applicable rate cap, whichever is higher.

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

Staff Profile *continued...*

Gender Equality Act 2020

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

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

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

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

In accordance with the *Gender Equality Act 2020* which requires local councils to demonstrate positive progress towards achieving gender equality in the workplace and in the community Council is in the process of implementing its 2021-2025 Gender Equality Action Plan. Key actions this year have included:

- Making a commitment to support flexible working, including at senior levels

- Staff consultation to address barriers that may prevent women from applying for senior leadership positions
- Collecting and reporting on intersectional data
- Introduction of mandatory training for staff and Councillors on sexual harassment, including 'bystander' training
- Strengthened transparency and robustness in recruiting, including unconscious bias and gender equality training for selectors and interview panellists
- Introduction of Exit Interviews for exiting staff, reporting data and themes to the Executive to inform retention strategies.

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

Victoria's Compulsory Child Safe Standards

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

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

On 1 July 2023, the new Victorian Child Safe Standards became effective, having been introduced 12 months prior. There are now 11, rather than seven, Child Safe Standards. Council has updated its online training package to reflect these changes and will be ensuring that all staff over the 2023-2024 year complete the training, and that they are aware of and comply with the new requirements and standards.

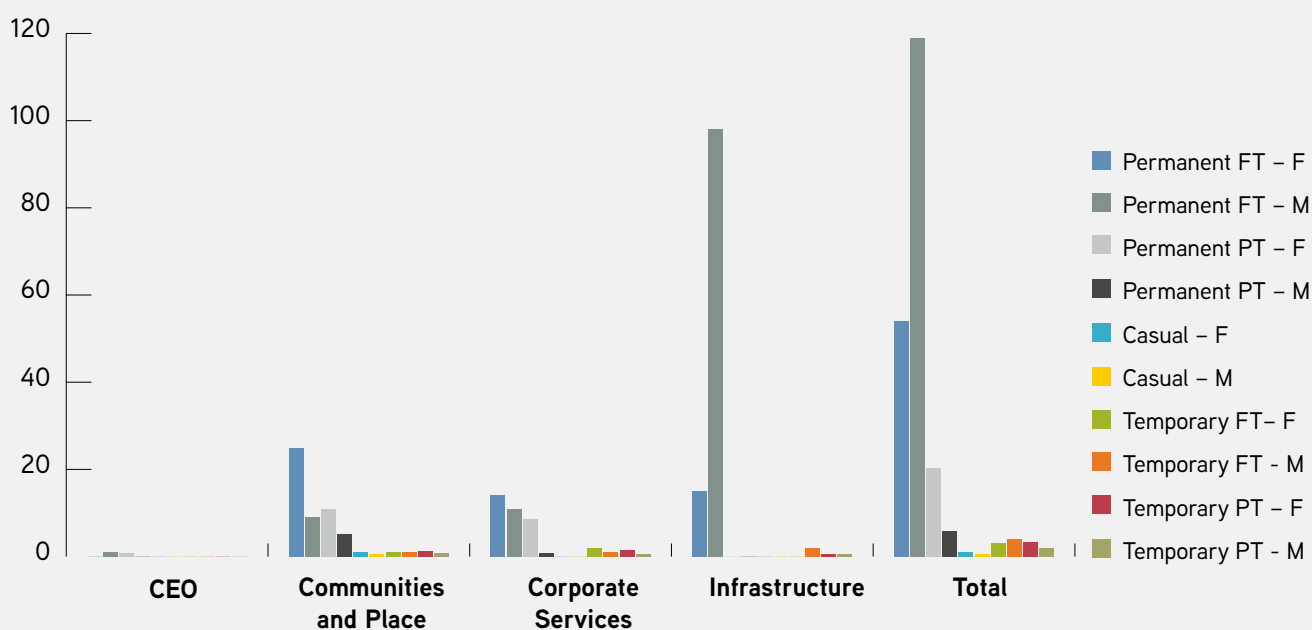


Number of Staff (FTE)

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

Employee type/gender	CEO	Communities and Place	Corporate Services	Infrastructure	Total
	FTE	FTE	FTE	FTE	FTE
Permanent FT – F	0	25.00	14.00	15.00	54.00
Permanent FT – M	1	9.00	11.00	98.00	119.00
Permanent PT – F	0.80	10.99	8.58	0	20.37
Permanent PT – M	0	5.09	0.80	0	5.89
Casual – F	0	1.09	0	0	1.09
Casual – M	0	0.59	0	0	0.59
Temporary FT – F	0	1.00	2.00	0	3.00
Temporary FT – M	0	1.00	1.00	2.00	4.00
Temporary PT – F	0	1.16	1.50	0.68	3.34
Temporary PT – M	0	0.77	0.60	0.60	1.97
Total	1.8	55.69	39.48	116.28	213.25

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



NUMBER OF STAFF (FTE) by Employment Classification

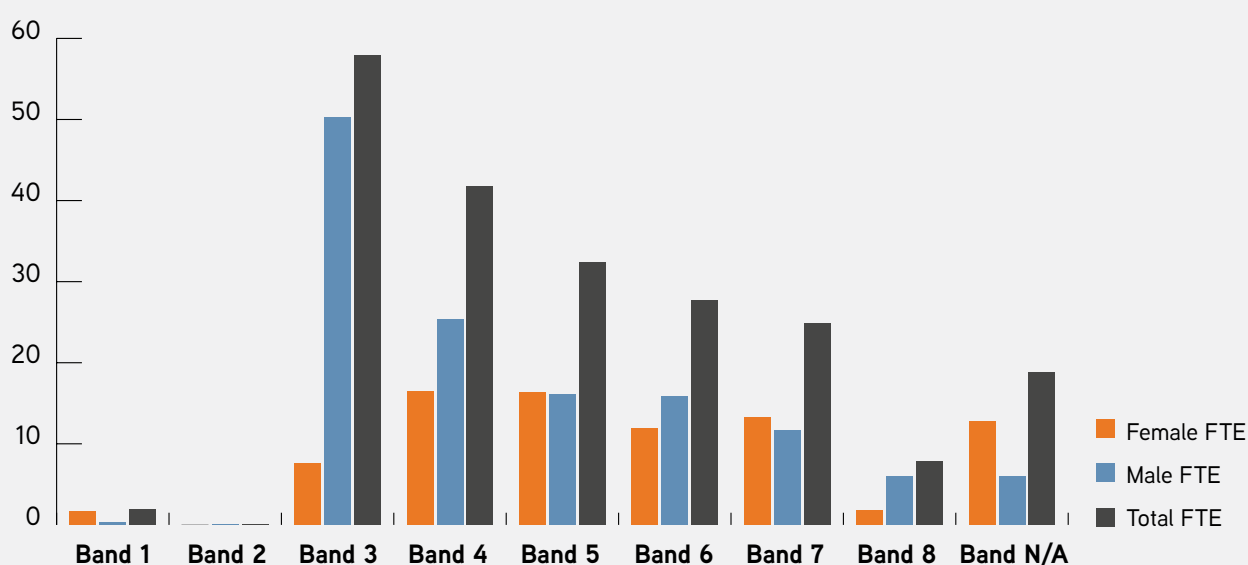
Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	1.66	0.27	1.93
Band 2	0	0.12	0.12
Band 3	7.55	50.32	57.87
Band 4	16.51	25.29	41.80
Band 5	16.33	16.05	32.38
Band 6	11.95	15.80	27.75
Band 7	1.25	11.60	12.85
Band 8	1.80	6.00	7.80
Band not applicable	12.75	6.00	18.75
Total	81.80	131.45	213.25

Professional Development

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

During 2022 - 23 Council staff were undertaking the following:

- Wimmera Leadership Program
- LG Pro Emerging Leaders Program
- Human Resource Management
- Rural and Environmental Planning
- Fair Leaders Program
- LG Pro Australasian Management Challenge (team of five staff members)
- Diploma of Project Management
- Master of Infrastructure Engineering and Management



Governance

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

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

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

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

processes including community engagement, public forums and the ability to make submissions to Council.

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

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

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

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks lead to better decision making by Council. The *Local Government Act 2020* requires Council to undertake an assessment against the prescribed Governance and Management Checklist and include this in its Report of Operations. Council's Governance and Management Checklist results are set out on pages 74–75.

Audit and Risk Committee

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

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

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

Responsibilities

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

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

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

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

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

Membership

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

Members over the past 12 months were:

- Richard Trigg – Chair Independent member
- Mark Knights – Independent member
- Marilyn Kearney – Independent member (first meeting June 2023)
- Vito Giudice – Independent member (final meeting December 2022)
- Cr Robyn Gulline – Councillor representative/Mayor
- Cr Les Power – Councillor representative (first meeting March 2023)
- Cr Penny Flynn – Councillor representative (final meeting December 2022)

Ex-officio members:

- Horsham Rural City Council
- Sunil Bhalla (CEO),
- Kim Hargreaves (Director Corporate Services)
- Internal Auditor – RSD Audit (contractor)
- Auditor General's agent Crowe (attends meetings to report matters of significance in relation to the financial statements)

Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the operations of Council.

RSD Audit have been Council's internal auditors since November 2019. RSD Audit conducted a review of Risk Management, Human Resources and Service and Business Planning.

External Audit

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

Risk Management

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

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

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

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



Organisational Plans, Policies, Procedures and Strategies

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

Annual Action Plan 2023-2024

Business Continuity Policy

CEO Employment and Remuneration Policy

Child Safety & Wellbeing Policy

Civic Events Policy and Procedure

Community BBQ Trailer Policy

Compliance Policy

Council Resolutions Procedure

Creative Horsham 2023-2026 HRCC Arts & Cultural Strategy

Customer Service Standards Procedure

Diabetes Sharps Exchange Program Procedure

Disability Access and Inclusion Plan 2023-2026

Electrical Safety Procedure

Electronic Signature Procedure

Financial Delegations Policy

Fraud and Corruption Control Framework

Fraud and Corruption Control Policy

Governance Rules

Investment Attraction Policy

Kalkee Road Children's and Community Hub Health & Safety Emergency Evacuation & Response

Kerbside Waste Collection Policy

Mobile Food and Beverage Trading Vehicle Policy

Municipal Emergency Management Plan

Outside Work Policy

Password and Authentication Policy

Privately Initiated Planning Scheme Amendment Requests Policy

Procurement Policy and Procedure

Procurement Procedure

Records Management Policy

Recovery of Bugged Vehicles Procedure

Reporting a Child Safety Concern Procedure

Road Management Plan

Staff safety during "Catastrophic" fire danger declared days Policy

Community Satisfaction Survey

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

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

A total of 400 interviews were completed in Horsham Rural City Council from June 2021 to March

2022. The survey sample matched to the demographic profile of Horsham Rural City Council as determined by the most recent ABS population estimates.

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

Core Performance Measure	Score					
	Horsham 2023	Horsham 2022	Regional Centres 2023	Statewide 2023	Highest score	Lowest score
Overall performance	45	56	56	56	Other residents	Aged 50-64 years
Value for money	43	50	50	49	Aged 65+ years	Rural area residents
Overall Council direction	34	47	47	46	Other residents	Aged 50-64 years
Customer service	56	68	68	67	Other residents, Aged 50-64 years	Aged 18-34 years, Men
Waste management	64	70	67	66	Other residents	Aged 50-64 years
Community decisions	42	48	50	51	Other residents	Aged 50-64 years
Consultation and engagement	43	48	50	52	Other residents	Aged 50-64 years
Sealed local roads	38	47	49	48	Other residents	Rural area residents, Aged 50-64 years

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

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

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

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

Statutory Information

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

Freedom of Information

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

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

- Completing the Online FOI Request Form on Council's website – www.hrcc.vic.gov.au
- Writing to Horsham Rural City Council, PO Box 511, Horsham 3402
- Sending an email to council@hrcc.vic.gov.au
Before submitting a request, people should telephone the FOI Officer on (03) 5382 9777, or email council@hrcc.vic.gov.au, to clarify the information they are seeking, how they want to receive it, fees and charges, timelines, consultation with third parties and documents that may be exempt. The application fee during the 2022-23 financial year was \$30.60 plus any access charges that may be levied in accordance with the Freedom of Information Regulations. In 2022-2023 a total of seventeen requests were made, of which seven were processed under the Freedom of Information legislation, and eight processed outside of the legislation. Two requests were withdrawn.

How many requests did Horsham Rural City Council receive?

Personal Requests 11

Non-Personal Requests 6

- Applications fees of \$275.40 were collected. No application fees were waived due to financial hardship.
- Access charges applied \$25
- 2022-23 total charges - \$300.40

What happened?

Part access given	2
Full access given	4
Access denied in full	1
Unclear request, no further correspondence received	0
Withdrawn by applicant	2
Information provided outside FOI process	8
Lapsed after 28 days due to applicant fee not paid	0
No internal reviews were conducted.	
One new appeal to the FOI Commissioner was received challenging a decision made by HRCC.	
One new appeal was made to VCAT challenging a decision made by OVIC.	

Review Applications to OVIC and VCAT

Section 51 (1) review of a decision (OVIC)	1
Section 12 (1) notices served upon the Principal officer	0

Council's Principal Officer is Sunil Bhalla, Chief Executive Officer, however, under current Council delegations the officers with authority to make a decision in relation to a request under the *Freedom of Information Act 1982* are: Director Corporate Services

and Team Leader Information and Knowledge. They can be contacted by email council@hrcc.vic.gov.au or telephone (03) 5382 9777.

Documents Available for Public Inspection

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

Overseas and Interstate Travel

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

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

Council Agendas and Minutes

The agendas for, and minutes of, Council meetings held in the previous 12 months which are kept in accordance with the Horsham Rural City Council Governance Rules, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 66 of the *Local Government Act 2020* and contain confidential information within the meaning of sections 3(1) and 125 of the Act.

Community Asset and Delegated Committee Minutes

The minutes of Community Asset and Delegated Committees established under the *Local Government Act 2020*. Note: Horsham Rural City Council's committee structure has been reviewed and the implementation of the review is currently underway.

Delegations

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

Leases

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

Authorised Officers

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

Donations and Grants

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

Procurement Activity

In 2022-23, Council submitted 39 projects through a competitive tender process for the procurement of works, goods and services in compliance with Council's Procurement Policy and obligations under Section 108 of the *Local Government Act 2020* totalling \$11,954,546 based on available data at the time of this report. Seven major projects are currently under evaluation and contracts yet to be awarded. An additional 39 requests for quotation were awarded under a public Request for Quotation process in compliance with Council's Procurement Policy and obligations under Section 108 of the *Local Government Act 2020*, totalling \$2,596,669. Combined competitive procurement for 2022-23 is \$14,551,215. Council currently has 13 categories of annual supply contracts and has engaged 119 suppliers under these contracts.

Charter of Human Rights and Responsibilities

The Victorian Charter of Human Rights and responsibilities outlines the basic human rights of all people in Victoria. The Charter requires public authorities such as Victorian State and Local Government department and agencies, and people delivering services on behalf of government, to act consistently with the human rights in the Charter when developing policies, making laws, delivering services and making decisions. It aims to build a fairer, more inclusive community by giving specific legal protection to the following 20 fundamental human rights.

Your right to recognition and equality before the law

Your right to life

Your right to protection from torture and cruel, inhuman or degrading treatment

Your right to freedom from forced work

Your right to freedom of movement

Your right to privacy and reputation

Your right to freedom of thought, conscience, religion and belief

Your right to freedom of expression

Your right to peaceful assembly and freedom of association

Your right to protection of families and children

Your right to taking part in public life

Cultural rights

Property right

Your right to liberty and security of person

Your right to humane treatment when deprived of liberty

Rights of children in the criminal process

Your right to a fair hearing Rights in criminal proceedings

Right not to be tried or punished more than once

Retrospective criminal laws

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

Local Laws

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

Horsham Rural City Council has the following Local Laws:

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

2023-26 Disability Access and Inclusion Plan

Council adopted the 2023-26 Disability Access and Inclusion Plan in April 2023 in accordance with section 38 of the Disability Act 2006.

The Plan aims to reduce barriers and increase inclusion for people with a disability within the Horsham Rural City community.

In the 2022 Census, 6.3 percent (1,272) of local residents reported needing help with self-care, mobility, or communication due to a long-term health condition, disability, or old age. This figure does not capture all people living with disability in Horsham and surrounding communities, which is estimated at approximately 4,000.

Key highlights for disability action in the municipality for the year:

- Develop an internal Access and Inclusion Statement of Intent for Council, and renew the Accessible Events Guide.
- Improve Council's website and content accessibility, in compliance with accessibility standards.
- Review council service delivery processes to ensure adequate support for people with disability.
- Deliver staff training on important skillsets including Easy English and Universal Design for Learning.
- Coordinate and deliver staff training on providing inclusive and accessible customer support.
- Organise Universal Design Training for appropriate Council staff to participate in.
- Continue the development of design specifications for amenities to ensure best practice accessibility.

- Promote relevant local laws and physical access needs to residents and businesses to improve accessibility for people with disability
- Review recruitment processes to ensure job advertisements and application processes are inclusive and support participation.
- Support local businesses to become more inclusive by considering physical access, communication, disability awareness and inclusive employment.

Domestic Animal Management Plan

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

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

The Domestic Animal Management Plan:

- Documents Council's current animal management processes and practices
- Evaluates whether animal control services provided by Council meet strategic objectives, as set by the legislature and community standards

- Sets out a program of action Council intends to pursue to meet those strategic objectives
- Provides a benchmark against which progress in meeting the strategic objectives can be evaluated
- Provides a review of existing orders made by Council under the Act and Local Laws regarding the management of dogs and cats in the municipality.

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

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

Food Act Ministerial Directions

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

Road Management Act Ministerial Direction

In accordance with section 22 of the *Road Management Act 2004*, Council is required to publish a copy or summary of any Ministerial Directions received.

No such Ministerial Directions were received by Council during this financial year.

Infrastructure and Development Contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind.

For the 2022-23 year Council had no infrastructure or development contributions.

Victoria's Compulsory Child Safe Standards

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

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

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

Public Interest Disclosures

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

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

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

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

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

Governance and Management Checklist

Governance and Management Items	Assessment
1. Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act. Date of adoption: 22 February 2021
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Implemented to support the policy.
3. Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date of adoption: 27 June 2022
4. Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act. Date of adoption: 25 October 2021
5. Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act Date of adoption: 26 June 2023
6. Annual budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act Date of adoption: 26 June 2023
7. Risk policy (policy outlining council's commitment and approach to minimising the risks to council's operations)	Policy Date of commencement of current policy: 1 June 2021
8. Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of commencement of current policy: 26 June 2023
9. Municipal emergency management plan (plan under section 60ADB of the Emergency Management Act 2013 for emergency mitigation, response and recovery)	Prepared and maintained in accordance with section 60ADB of the <i>Emergency Management Act 2013</i> Date of preparation: September 2022
10. Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	Adopted in accordance with section 108 of the Act Date of adoption: 30 January 2023
11. Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Business Continuity Management Policy Date of adoption: 27 June 2023
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)	Disaster Recovery Plan 29 June 2015
13. Risk management framework (framework outlining council's approach to managing risks to the council's operations)	Framework Date of commencement of current framework: 1 June 2021
14. Audit and Risk Committee (see sections 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date of re-establishment: 24 August 2020

Governance and Management Items	Assessment
15. Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Engaged Date of engagement of current provider: 23 September 2019
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the <i>Local Government Act 2020</i>)	Framework Date of adoption of current framework: 30 June 2022
17. Council Plan report (report reviewing the performance of the council against the council plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Report Date reports presented: July - December (27 February 2023) and January to March (26 June 2023)
18. Financial reporting (quarterly statements to the Council under section 97(1) of the <i>Local Government Act 2020</i> , comparing actual and budgeted results and an explanation of any material variations)	Reports presented to the Council in accordance with section 97(1) of the <i>Local Government Act 2020</i> Date reports presented: July - December (27 February 2023) and January to March (26 June 2023)
19. Risk reporting (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 21 September 2022 and 16 March 2023
20. Performance reporting (6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the <i>Local Government Act 2020</i>)	Reports Date of reports: July to September and October to December (27 February 2023), January to March (26 June 2023)
21. Annual report (annual report under sections 98, 99 and 100 of the <i>Local Government Act 2020</i> containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 100 of the Act Date statements presented: 24 October 2022
22. Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act Date reviewed: 22 February 2021
23. Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of review: 26 September 2022 and 27 March 2023
24. Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules adopted: 26 June 2023

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

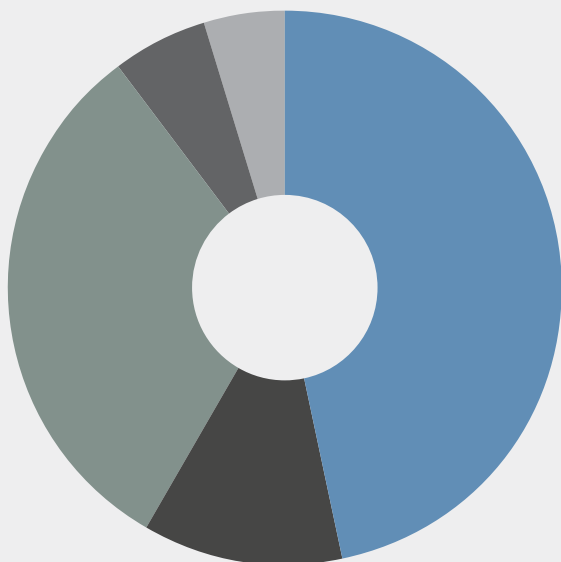


Kevin O'Brien
Acting Chief Executive Officer
Dated: 9 October 2023

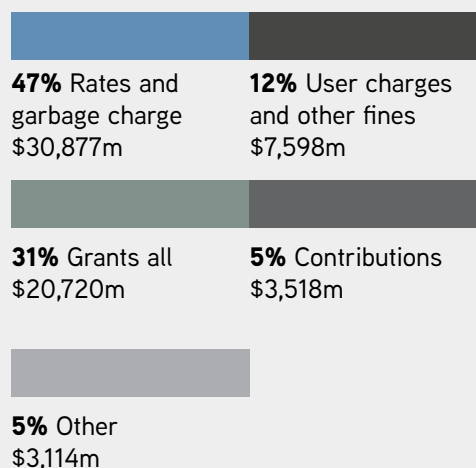


Cr Robyn Gulline
Mayor
Dated: 9 October 2023

Where our money comes from



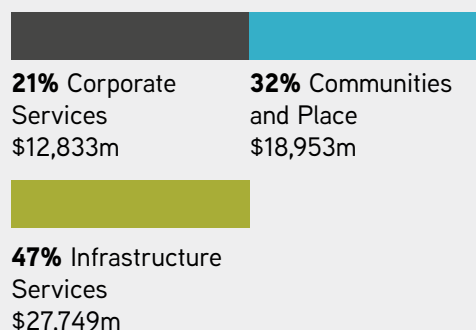
Income



Where our money goes



Expenditure



Performance Statement

for the year ended 30 June 2023



2022/2023 Performance Statement**Performance Statement**

For the year ended 30 June 2023

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.

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.

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

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.

Sustainable Capacity Indicators

For the year ended 30 June 2023

Indicator / measure [formula]	Results				Comment
	2020	2021	2022	2023	
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$2,710.36	\$2,827.76	\$2,825.91	\$2,928.86	
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$22,522.56	\$24,432.96	\$26,502.28	\$28,796.77	
Population density per length of road [Municipal population / Kilometres of local roads]	6.70	6.86	6.69	6.81	
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,876.81	\$1,852.98	\$1,918.44	\$2,045.98	
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$496.21	\$526.03	\$559.94	\$626.31	Mainly due to increase in Victorian Grants Commission in 2022/23.
Disadvantage					
Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	4.00	4.00	4.00	4.00	
Workforce turnover					
Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	10.1%	24.8%	22.0%	15.2%	There were lesser staff leaving in 2022/23.
Definitions					
"adjusted underlying revenue" means total income other than— (a) non-recurrent grants used to fund capital expenditure; and (b) non-monetary asset contributions; and (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)					
"infrastructure" means non-current property, plant and equipment excluding land					
"local road" means a sealed or unsealed road for which the Council is the responsible road authority under the Road Management Act 2004					
"population" means the resident population estimated by Council					
"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of Council (including government grants)					
"relative socio-economic disadvantage" , in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA					
"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website					
"unrestricted cash" means all cash and cash equivalents other than restricted cash.					

Service Performance Indicators

For the year ended 30 June 2023

Service/indicator/measure [formula]	Results				Comment
	2020	2021	2022	2023	
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	6.73	3.03	4.17	5.05	There has been a 21% increase in Aquatic centre utilisation, in part due to the stabilisation of services and hours post Covid, and the public greater confidence in accessing public spaces.
Animal Management					
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	100%	0%	0%	No animal management prosecutions occurred in FY 2022-23.
Food Safety					
Health and safety					
<i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	75.86%	76.47%	70.00%	100.00%	All major and critical non-compliance items were followed up.
Governance					
Satisfaction					
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	39	48	52	42	Council has publicly committed to an action plan addressing community satisfaction in response to recent results.
Libraries					
Participation					
<i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	10.84%	9.08%	7.68%	6.97%	
Maternal and Child Health (MCH)					
Participation					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	87.94%	91.31%	85.91%	90.58%	
Participation					
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	88.76%	97.30%	89.13%	93.55%	
Roads					
Satisfaction					
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	39	47	45	38	Council has been aware that the Roads under Vic Roads have deteriorated significantly and are in touch with the concerned department. However, this has been misunderstood by the public as Council responsible roads. Efforts are in place to inform the public in the appropriate forum and form.
Statutory Planning					
Decision making					
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	0.00%	0.00%	0.00%	No planning decisions at VCAT concluded in FY 2022-23.
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	20.49%	19.91%	19.07%	25.90%	Since the launch of glass & FOGO in April 2023, landfill diversion rates have increase by 50%.

Definitions

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

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by Council

Financial Performance Indicators

For the year ended 30 June 2023

Dimension/Indicator/measure	Results				Forecasts			Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027
Efficiency								
Expenditure level								
Expenses per property assessment [Total expenses / Number of property assessments]	\$4,499.42	\$4,354.31	\$4,339.08	\$4,579.62	\$4,312.85	\$4,383.31	\$4,479.00	\$4,579.85
Revenue level								
Average rate per property assessment [Total rate revenue (general rates and municipal charges) / Number of property assessments]	\$2,015.17	\$1,914.08	\$1,965.38	\$2,032.15	\$2,126.98	\$2,207.71	\$2,291.00	\$2,377.13
Liquidity								
Working capital								
Current assets compared to current liabilities [Current assets / Current liabilities] x100	218.62%	220.32%	228.96%	270.71%	212.13%	232.00%	215.26%	181.85%
Unrestricted cash								
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	-18.35%	-45.88%	-32.14%	79.66%	157.43%	152.91%	142.55%	107.27%
Obligations								
Loans and borrowings								
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	17.75%	15.48%	14.46%	13.94%	14.42%	11.64%	23.21%	23.59%
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.59%	2.39%	1.05%	0.55%	3.62%	12.96%	2.10%	4.34%
Indebtedness								
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	22.94%	23.01%	26.80%	22.29%	12.76%	19.99%	26.79%	29.18%
Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	89.47%	108.06%	79.22%	71.15%	127.32%	148.97%	170.12%	126.16%
Operating position								
Adjusted underlying result								
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	-8.60%	-1.22%	-11.15%	-5.01%	-3.44%	1.51%	6.70%	1.20%
Stability								
Rates concentration								
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	55.63%	51.22%	58.67%	54.46%	60.21%	58.40%	56.05%	60.08%
Rates effort								
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.60%	0.60%	0.56%	0.42%	0.43%	0.42%	0.41%	0.41%
Definitions	<p>"adjusted underlying revenue" means total income other than: (a) non-recurrent grants used to fund capital expenditure; and (b) non-monetary asset contributions; and (c) contributions to fund capital expenditure from sources other than those referred to above</p> <p>"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure</p> <p>"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</p> <p>"current assets" has the same meaning as in the AAS</p> <p>"current liabilities" has the same meaning as in the AAS</p> <p>"non-current assets" means all assets other than current assets</p> <p>"non-current liabilities" means all liabilities other than current liabilities</p> <p>"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan</p> <p>"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)</p> <p>"rate revenue" means revenue from general rates, municipal charges, service rates and service charges</p> <p>"recurrent grant" means a grant other than a non-recurrent grant</p> <p>"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties</p> <p>"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year</p> <p>"unrestricted cash" means all cash and cash equivalents other than restricted cash.</p>							

2022/2023 Performance Statement

Other Information

For the year ended 30 June 2023

Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by Council in the Horsham Rural City Council Budget 2023-24 on 26 June 2023. The budget includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements.

2022/2023 Performance Statement

Certification of the Performance Statements

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



Ramakrishnan Subramaniam, CPA
Principal Accounting Officer

Dated : 9th October 2023

Horsham

In our opinion, the accompanying performance statement of the Horsham Rural City Council for the year ended 30 June 2023 presents fairly the result of Council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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

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

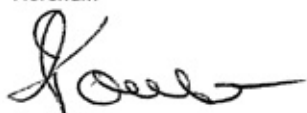
We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the performance statements in their final form.



Cr Robyn Gulline
Mayor

Dated : 9th October 2023

Horsham



Cr Les Power
Councillor

Dated : 9th October 2023

Horsham



Kevin O'Brien
Acting Chief Executive Officer

Dated : 9th October 2023

Horsham

Independent Auditor's Report

To the Councillors of Horsham Rural City Council

Opinion	<p>I have audited the accompanying performance statement of Horsham Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2023 • sustainable capacity indicators for the year ended 30 June 2023 • service performance indicators for the year ended 30 June 2023 • financial performance indicators for the year ended 30 June 2023 • other information and • certification of the performance statement. <p>In my opinion, the performance statement of Horsham Rural City Council in respect of the year ended 30 June 2023 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

**Auditor's
responsibilities
for the audit of
the performance
statement**

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

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

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



MELBOURNE
18 October 2023

Travis Derricott
as delegate for the Auditor-General of Victoria

Horsham Rural City Council ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2023

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.

Ramakrishnan Subramaniam

Ramakrishnan Subramaniam, CPA
Principal Accounting Officer

Dated : 9th October 2023

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 2023 and the financial position of the Council as at that date.

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

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

Cr Robyn Gulline

Mayor

Dated : 9th October 2023

Horsham

Cr Les Power

Councillor

Dated : 9th October 2023

Horsham

Kevin O'Brien

Acting Chief Executive Officer

Dated : 9th October 2023

Horsham

Independent Auditor's Report

To the Councillors of Horsham Rural City Council

Opinion	<p>I have audited the financial report of Horsham Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2023 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
18 October 2023


Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income / Revenue			
Rates and charges	3.1	30,877	29,757
Statutory fees and fines	3.2	480	382
User fees	3.3	7,118	6,252
Grants - operating	3.4	13,680	11,006
Grants - capital	3.4	7,040	8,453
Contributions - monetary	3.5	365	563
Contributions - non monetary	3.5	3,253	2,239
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	1,092	118
Share of net profits (or loss) of associates and joint ventures	6.3	(436)	390
Other income	3.7	2,458	1,395
Total income / revenue		65,928	60,555
Expenses			
Employee costs	4.1	19,513	19,630
Materials and services	4.2	22,598	20,980
Depreciation	4.3	15,577	12,793
Amortisation - intangible assets	4.4	330	233
Amortisation - right of use assets	4.5	55	55
Bad and doubtful debts - allowance for impairment losses	4.6	137	91
Borrowing costs	4.7	181	185
Finance costs - leases	4.8	10	33
Other expenses	4.9	464	386
Written down value of assets disposed	3.6	671	2,022
Total expenses		59,535	56,408
Surplus/(deficit) for the year		6,392	4,147
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.2	62,719	38,062
Net impairment of revalued assets increment/(decrement)	6.2	(7,673)	-
Total other comprehensive income		55,046	38,062
Total comprehensive result		61,438	42,209

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

Balance Sheet As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	12,853	9,345
Trade and other receivables	5.1	1,682	1,986
Other financial assets	5.1	27,000	29,600
Inventories	5.2	253	213
Prepayments	5.2	318	370
Non-current assets classified as held for sale	6.1	134	459
Other assets	5.2	1,436	2,105
Total current assets		43,676	44,078
Non-current assets			
Trade and other receivables	5.1	413	398
Investments in associates, joint arrangements and subsidiaries	6.3	1,939	2,375
Property, infrastructure, plant and equipment	6.2	633,272	574,737
Right-of-use assets	5.8	274	328
Investment property	6.4	2,520	2,520
Intangible assets	5.2	990	1,320
Total non-current assets		639,408	581,678
Total assets		683,084	625,756
Liabilities			
Current liabilities			
Trade and other payables	5.3	4,370	4,545
Trust funds and deposits	5.3	693	762
Unearned income/revenue	5.3	4,517	7,618
Provisions	5.5	6,500	6,273
Lease liabilities	5.8	55	53
Total current liabilities		16,134	19,251
Non-current liabilities			
Provisions	5.5	4,730	5,668
Interest-bearing liabilities	5.4	4,305	4,305
Lease liabilities	5.8	236	290
Total non-current liabilities		9,271	10,263
Total liabilities		25,405	29,514
Net assets		657,679	596,242
Equity			
Accumulated surplus		250,225	244,996
Discretionary Reserves	9.1	18,004	16,841
Reserves	9.1	389,450	334,405
Total Equity		657,679	596,242

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

Statement of Changes in Equity For the Year Ended 30 June 2023

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

		Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Discretionary Reserve \$'000
2022					
Balance at beginning of the financial year		554,033	239,537	296,343	18,153
Surplus/(deficit) for the year		4,147	4,147	-	-
Net asset revaluation increment/(decrement)	6.2	38,062	-	38,062	-
Transfers to other reserves	9.1	-	(5,558)	-	5,558
Transfers from other reserves	9.1	-	6,870	-	(6,870)
		<u>596,242</u>	<u>244,996</u>	<u>334,405</u>	<u>16,841</u>
Balance at end of the financial year		596,242	244,996	334,405	16,841

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

Statement of Cash Flows For the Year Ended 30 June 2023

		2023 Inflows/ (Outflows) \$'000	2022 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates and charges		30,801	29,537
Statutory fees and fines		590	342
User fees		7,696	4,651
Grants - operating		13,199	12,226
Grants - capital		6,091	8,453
Contributions - monetary		365	563
Interest received		723	155
Rent		333	271
Other receipts		1,318	(710)
Net GST refund/payment		1,662	2,258
Employee costs		(20,097)	(19,714)
Materials and services		(24,881)	(20,024)
Other payments		(1,361)	(1,518)
Net cash provided by/(used in) operating activities		16,439	16,490
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(17,311)	(15,092)
Proceeds from sale of property, infrastructure, plant and equipment		2,057	551
Proceeds from sale of investments		2,600	2,400
Net cash provided by/(used in) investing activities		(12,654)	(12,141)
Cash flows from financing activities			
Finance costs		(181)	(185)
Repayment of borrowings		11	(127)
Interest paid - lease liability		(54)	(33)
Repayment of lease liabilities		(53)	(51)
Net cash provided by/(used in) financing activities		(277)	(396)
Net increase (decrease) in cash and cash equivalents		3,508	3,953
Cash and cash equivalents at the beginning of the financial year		9,345	5,392
Cash and cash equivalents at the end of the financial year		12,853	9,345

Financing arrangements

5.6

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

Statement of Capital Works For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Property			
Land		-	7
Works in Progress		200	-
Total land		<u>200</u>	<u>7</u>
Buildings		626	989
Works in Progress		2,148	690
Total buildings		<u>2,774</u>	<u>1,679</u>
Total property		<u>2,974</u>	<u>1,686</u>
Plant and equipment			
Plant, machinery and equipment		2,042	2,334
Fixtures, fittings and furniture		136	412
Art Collection		232	349
Works in Progress		40	48
Total plant and equipment		<u>2,450</u>	<u>3,143</u>
Infrastructure			
Roads		3,088	5,471
Bridges		59	377
Footpaths and cycleways		312	71
Drainage		45	83
Recreational, leisure and community facilities		88	-
Waste management		-	920
Parks, open space and streetscapes		1,088	680
Aerodromes		334	-
Off street car parks		16	35
Other infrastructure		150	44
Work in Progress		6,707	2,582
Total infrastructure		<u>11,887</u>	<u>10,263</u>
Total capital works expenditure		<u>17,311</u>	<u>15,092</u>
Represented by:			
New asset expenditure		6,228	4,958
Asset renewal expenditure		8,183	9,409
Asset upgrade expenditure		2,900	725
Total capital works expenditure		<u>17,311</u>	<u>15,092</u>

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

Notes to the Financial Report For the Year Ended 30 June 2023

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.

Significant accounting policies

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. Accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

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

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

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

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

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

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

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

Goods and Services Tax (GST)

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

Notes to the Financial Report For the Year Ended 30 June 2023

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 the lower of 10 percent or \$400,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	30,666	30,877	211	0.7	
Statutory fees and fines	498	480	(18)	(3.6)	
User fees	5,569	7,118	1,549	27.8	1
Grants - operating	11,502	13,680	2,178	18.9	2
Grants - capital	8,757	7,040	(1,717)	(19.6)	
Contributions - monetary	121	365	244	201.7	
Contributions - non monetary	450	3,253	2,803	622.9	3
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(132)	1,092	1,224	(927.3)	
Fair value adjustments for investment property	20	-	(20)	(100.0)	
Share of net profits/(losses) of associates and joint ventures	30	(436)	(466)	(1,553.3)	
Other income	2,156	2,458	302	14.0	4
Total income / revenue	59,637	65,928	6,290	10.5	
Expenses					
Employee costs	20,354	19,513	841	4.1	5
Materials and services	21,649	22,598	(949)	(4.4)	6
Depreciation	12,188	15,577	(3,389)	(27.8)	7
Amortisation - intangible assets	260	330	(70)	(26.9)	
Amortisation - right of use assets	55	55	-	-	
Bad and doubtful debts - allowance for impairment losses	88	137	(49)	(55.7)	8
Borrowing costs	171	181	(10)	(5.8)	
Finance costs - leases	10	10	-	-	
Other expenses	365	464	(99)	(27.1)	9
Written down value of assets disposed	-	671	(671)	-	
Total expenses	55,140	59,535	(4,396)	(144)	
Surplus/(deficit) for the year	4,497	6,392	1,894	42.1	

Notes to the Financial Report For the Year Ended 30 June 2023

(i) Explanation of material variations

- 1 User Fees:**
Budget 2022/23 estimates were conservative, keeping in mind the Covid conditions prevailing at the time of Budget preparation, however actual income was much higher.
- 2 Grants Operating:**
The variance is mainly due to the increase in the Grants amount we received for 2023/24, in 2022/23, that could not be deferred per the Accounting Standards
- 3 Contributions - non monetary**
The increase is mainly due to the Contributed Road assets [\$2.8M] during 2022/23 which was not Budgeted for.
- 4 Other income:**
Higher than Budgeted interest on Council's Term Deposits resulted in higher Interest income [\$1.05M]
- 5 Employee costs:**
There has been a slight decrease in the Employee costs due to many senior staff retiring during the year and with settlement of their entitlements there was decrease in Employee provisions for the year ended June 2023
- 6 Materials and services:**
Significant factors resulting in increase of Materials and Services was due to the unprecedented increase in Fuel price and the flood related expenditure for Roads restoration [Actual spend in 2022/23 is \$800k]. Council has also had to pay higher costs to obtain services of Contractors to complete operational projects planned for the year.
It is also to be noted that Flood impacted Roads restoration costs are being reimbursed by the Government and this has been reflected in the Operating Grants in the Income section.
- 7 Depreciation:**
The increase in Depreciation is mainly due to the Revaluation process of Roads works performed in 2022/23. The Valuers opined that the quality of the Roads reflected a much better condition than what it was earlier stated as. Based on the revised condition of the Roads, value of the Road asset increased by \$65M and consequently Depreciation was proportionately calculated/increased by the Asset system.
- 8 Bad and doubtful debts - allowance for impairment losses**
There was a higher than Budgeted write off on Infringement dues during the year.
- 9 Other expenses:**
Mainly due to creating the Deputy Mayor position in 2022/23.
- 10 Written down value of assets disposed:**
This presents the value of the assets written off due to termination of their useful life.

Notes to the Financial Report For the Year Ended 30 June 2023

2.1.2 Capital works

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
Property					
Works in Progress	-	200	200	100.0	1
Total land	-	200	200	100.0	
Buildings	5,371	626	(4,745)	(88.3)	2
Works in Progress	-	2,148	2,148	100.0	3
Total buildings	5,371	2,774	(2,597)	(48.4)	
Total property	5,371	2,974	(2,397)	(44.6)	
Plant and equipment					
Plant, machinery and equipment	2,158	2,042	(116)	(5.4)	
Fixtures, fittings and furniture	383	136	(247)	(64.5)	
Art Collection	-	232	232	100.0	4
Works in Progress	-	40	40	100.0	
Total plant and equipment	2,541	2,450	(91)	(3.6)	
Infrastructure					
Roads	8,527	3,088	(5,439)	(63.8)	5
Bridges	105	59	(46)	(43.8)	
Footpaths and cycleways	584	312	(272)	(46.6)	6
Drainage	142	45	(97)	(68.3)	
Recreational, leisure and community facilities	1,991	88	(1,903)	(95.6)	7
Parks, open space and streetscapes	403	1,088	685	170.0	8
Aerodromes	-	334	334	100.0	
Off street car parks	288	16	(272)	(94.4)	9
Other infrastructure	1,344	150	(1,194)	(88.8)	10
Works in Progress	-	6,707	6,707	100.0	
Total infrastructure	13,384	11,887	(1,497)	(11.2)	
Total capital works expenditure	21,296	17,311	(3,985)	(18.7)	
Represented by:					
New asset expenditure	6,623	6,228	(395)	(6.0)	
Asset renewal expenditure	11,119	8,183	(2,936)	(26.4)	
Asset upgrade expenditure	3,554	2,900	(654)	(18.4)	
Total capital works expenditure	21,296	17,311	(3,985)	(18.7)	

Notes to the Financial Report For the Year Ended 30 June 2023

(i) Explanation of material variations

- 1 Land Work in progress:**
Council has made a payment for this land at an attractive price which is being planned to be utilised in Council's future development projects. This was not Budgeted for in 2022/23.
- 2 Buildings:**
A significant part of our Building projects are Grant dependent and Council is awaiting approval from the relevant Government department. It is expected that approvals will be obtained in 2023/24 and works to commence soon thereafter. [Netball Court Clubrooms \$1.5M, Events stage, Broadcast Box and Storage \$1.05M, Community Centre \$0.7M and others]
- 3 Building work in progress:**
The lack of availability of Contractors mainly due to the flood impact in the municipality has resulted in delaying many of the projects in 2022/23. Mainly related to Projects specified in point 2.
- 4 Art collection**
These Projects were approved outside of the Budget preparation time and backed up with adequate funding. New Horsham entrance sculpture \$32k which was a part of the City to River Activation Project, Silo Art \$82k and, Covid Outdoor Laneway Activation Public Art \$99k. These projects have been acquitted as per the Grant funding agreements.
- 5 Roads**
Delays in the approval of grants by the Federal Government of for Road projects resulted in the delay of commencement of several projects. The projects are planned to be completed in 2023/24. Mainly related to Burnt Creek Industrial Estate \$1.08M, Enterprise Estate Stage 1 \$0.84M, Polkemmet Road \$0.68M and others.
- 6 Footpaths and cycleways**
Due to contractor timing issues, the completion of the Hamilton St pedestrian bridge was delayed.
Footpath Rehabilitation - Disability Strategy Upgrade Project \$50k and Extend Bike Tracks \$105k.
- 7 Recreational, leisure and community facilities**
Mainly related to Projects which are almost complete and/or waiting for final approval of work completion.
Mainly related to City to River Nature Play Park \$0.85M, Netball court construction \$0.65M, CBD Revitalisation and Indoor and Outdoor Sports Facility \$280k.
- 8 Parks, open space and streetscapes**
Mainly related to VicTrack land development south of Mill street \$214k and playground equipment \$200k.
- 9 Off street car parks**
Parking Management Plan Implementation nearing completion \$210k.
- 10 Work in progress:**
Unfinished projects nearing completion and which are planned to be carried out in 2023/24 financial year.
Comprising Building, Roads, Footpaths and Cycleways, Offstreet car parks, Recreational facilities and Parks and Open spaces. Some of the projects are multi-year funded and hence work is still being carried out. Few projects are nearly completed [Sports facilities, CBD revitalisation and City to River Nature Play park]. There were also delays in obtaining Approvals for the HVSPP Road funded projects.

Notes to the Financial Report For the Year Ended 30 June 2023

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Communities and Place Directorate

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

Corporate Services Directorate

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

Infrastructure Services Directorate

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

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
2023					
Communities and Place	9,125	(18,953)	(9,828)	3,190	77,259
Corporate Services	35,515	(12,833)	22,682	7,412	64,380
Infrastructure Services	21,287	(27,749)	(6,462)	10,118	541,445
	65,927	(59,535)	6,392	20,720	683,084

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

Notes to the Financial Report For the Year Ended 30 June 2023

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

	2023	2022
	\$'000	\$'000

3.1 Rates and charges

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 2022/23 was \$6,905 million (2021/22 \$5,228 million).

General rates	24,141	22,832
Municipal charge	2,292	2,734
Waste management charge	4,152	3,931
Interest on rates and charges	20	-
Revenue in lieu of rates	272	260
Total rates and charges	30,877	29,757

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2022, and the valuation was first applied in the rating year commencing 1 July 2022.

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

3.2 Statutory fees and fines

Infringements and costs	32	35
Court recoveries	8	9
Issue of certificates	25	32
Local Laws - permits & licences	38	8
Town planning fees	252	152
Land information certificates	125	146
Total statutory fees and fines	480	382

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

Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
3.3 User fees		
Administration charges	113	109
Animal control	560	477
Building fees & other charges	199	254
Fees - parking meters	228	222
Performance ticket sales *	1,215	782
Sporting and recreation facilities	86	104
Freight Hub user charge	93	127
Supervision of private subdivisions	46	65
Plan checking fees	15	21
Aerodrome	38	37
Saleyards	531	473
Wimmera business centre income	95	95
Rural revegetation scheme	8	5
Garbage charges	1	3
Garbage disposal	1,282	1,238
Transfer station	464	450
Waste management fees	2,013	1,703
Fire hazards grass removal	4	2
Other user fees	127	88
Total user fees	7,118	6,252
User fees by timing of revenue recognition		
User fees recognised over time	1,215	782
User fees recognised at a point in time	5,904	5,470
Total user fees	7,118	6,252

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

Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	11,841	12,002
State funded grants	8,879	7,457
Total grants received	<u>20,720</u>	<u>19,459</u>
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Commonwealth Government family and children	52	32
Financial Assistance Grant - general purpose	6,370	5,329
Financial Assistance Grant - local roads	3,399	3,064
General Home Care	26	89
<i>Recurrent - State Government</i>		
School crossing supervisors	59	49
Community services	240	53
Maternal and child health	659	636
Youth services	52	39
Library	200	197
Arts and art gallery	170	186
Environmental and landcare grants	75	75
Total recurrent operating grants	<u>11,303</u>	<u>9,749</u>
<i>Non-recurrent - Commonwealth Government</i>	-	-
<i>Non-recurrent - State Government</i>		
Rural Council Corporate Collaboration project	996	473
Australia Day grants	12	15
Community services	49	90
Flood Support	500	-
Family and children	73	-
Public and community health	84	25
Youth services	3	5
Recreation	1	43
Arts and art gallery	74	41
Economic development	70	70
Aerodrome	239	-
Environmental and landcare grants	107	149
Employment schemes	67	38
Covid 19 grants	102	308
Total non-recurrent operating grants	<u>2,377</u>	<u>1,257</u>
Total operating grants	<u><u>13,680</u></u>	<u><u>11,006</u></u>

Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,428	1,428
<i>Recurrent - State Government</i>		
Total recurrent capital grants	1,428	1,428
<i>Non-recurrent - Commonwealth Government</i>		
Community Infrastructure	52	2,060
Physical Services	513	-
<i>Non-recurrent - State Government</i>		
Outdoor recreation	3,067	1,700
Indoor Recreation	-	73
Halls, historic buildings & monuments	225	224
Economic development	-	659
Local roads & ancillary assets	951	1,789
Flood recovery	624	-
Caravan Park	126	444
Recycling and waste grants	53	76
Total non-recurrent capital grants	5,612	7,025
Total capital grants	7,040	8,453

(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 time or over time when services are rendered.

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

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

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

General purpose	9,769	8,393
Specific purpose grants to acquire non-financial assets	7,040	8,453
Other specific purpose grants	-	-
Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i>		
Specific purpose grants	3,911	2,613
	20,720	19,459

Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
(d) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	11,710	10,286
Received during the financial year and remained unspent at balance date	8,966	5,917
Received in prior years and spent during the financial year	(11,609)	(4,493)
Balance at year end	<u>9,067</u>	<u>11,710</u>
Capital		
Balance at start of year	1,919	299
Received during the financial year and remained unspent at balance date	291	1,709
Received in prior years and spent during the financial year	(1,919)	(89)
Balance at year end	<u>291</u>	<u>1,919</u>

Unspent grants are determined and disclosed on a cash basis.

3.5 Contributions

Monetary	365	563
Non-monetary	3,253	2,239
Total contributions	<u>3,618</u>	<u>2,802</u>

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

Land	183	592
Roads & Bridges	2,805	1,432
Artworks	1	115
Other infrastructure	264	100
Total non-monetary contributions	<u>3,253</u>	<u>2,239</u>

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

Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	2,057	551
Written down value of assets disposed	(965)	(433)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	1,092	118
The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.		
Written down value of assets written off	(671)	(2,022)
3.7 Other income		
Interest	1,051	79
Interest on rates	-	20
External works	268	190
Road maintenance/works	3	5
Main roads maintenance VicRoads	418	439
Pre-school income	-	16
Other welfare receipts	-	16
Community workshop income	4	3
Art gallery	21	53
Information office	30	39
Children's hub rent	34	67
Theatre rent	-	6
Mibus centre rent	12	12
Commercial properties rent	230	228
Caravan park rent	69	66
Other	317	156
Total other income	2,458	1,395

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 2023

Note 4 THE COST OF DELIVERING SERVICES

	2023 \$'000	2022 \$'000
4.1 (a) Employee costs		
Wages and salaries	17,835	17,527
WorkCover	314	268
Workcover additional payment	-	703
Superannuation	1,846	1,628
Fringe benefits tax	128	109
Less Labour costs capitalised in non-current assets constructed by Council	(610)	(605)
Total employee costs	19,513	19,630

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super) and other funds	103	114
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super) and other funds	1,743	1,541
Employer contributions payable at reporting date.	148	173

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

Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
4.2 Materials and services		
Contract payments (by department)		
Arts, Culture & Recreation	741	938
Community Services & Safety	78	75
Engineering & Capital Projects	2,993	2,274
Finance	21	38
Governance & Information	92	140
Investment, Attraction & Growth	870	912
Management	86	76
Operations	1,029	740
People, Culture & Performance	340	354
Strategic Asset Management	278	211
Administration expenses	1,591	1,540
Utility expenses	947	946
Contract cleaning	473	407
Advertising	258	220
Agency staff - temporary	1,475	1,226
Consumables	2,652	2,444
Insurance	775	734
Donations	333	367
Legal costs	301	231
Maintenance & operating expenses	5,970	6,221
Library membership	536	512
WDA membership	228	207
Rural Councils Corporate Collaboration	531	167
Total materials and services	22,598	20,980

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

Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
4.3 Depreciation		
Property	1,348	1,318
Plant and equipment	1,471	1,164
Infrastructure	12,758	10,311
Total depreciation	15,577	12,793

Refer to note 6.2 for a more detailed breakdown of depreciation and accounting policy.

4.4 Amortisation - Intangible assets

Landfill Airspace	330	233
Total Amortisation - Intangible assets	330	233

4.5 Amortisation - Right of use assets

Property	55	55
Total Amortisation - Right of use assets	55	55

4.6 Bad and doubtful debts - allowance for impairment losses

Parking fine debtors	9	5
Animal fine debtors	129	86
Other debtors	-	-
Total bad and doubtful debts - allowance for impairment losses	137	91

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	409	342
New provisions recognised during the year	106	67
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	515	409

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.

Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
4.7 Borrowing costs		
Interest - Borrowings	171	175
Finance costs airspace	10	10
Less capitalised borrowing costs on qualifying assets	-	-
Total borrowing costs	181	185

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	10	33
Total finance costs	10	33

4.9 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	52	50
Auditors' remuneration - Internal Audit	23	18
Councillors' allowances	389	318
Total other expenses	464	386

Notes to the Financial Report For the Year Ended 30 June 2023

Note 5 OUR FINANCIAL POSITION

	2023 \$'000	2022 \$'000
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	4	5
Cash at bank	12,849	9,340
Total cash and cash equivalents	12,853	9,345
(b) Other financial assets		
Term deposits - current	27,000	29,600
Total other financial assets	27,000	29,600
Total financial assets	39,853	38,945

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	421	327
Parking infringement Debtors	134	138
Other Infringement debtors	510	370
Provision for doubtful debts - infringements	(498)	(386)
Net GST receivable	343	278
<i>Non statutory receivables</i>		
Loans and advances to community organisations	11	35
Other debtors	778	1,248
Provision for doubtful debts - other debtors	(17)	(24)
Total current trade and other receivables	1,682	1,986
Non-current		
<i>Non statutory receivables</i>		
Loans and advances to community organisations	369	357
Deferred property debts receivable	44	41
Total non-current trade and other receivables	413	398
Total trade and other receivables	2,095	2,384

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

(d) Ageing of Receivables

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

Current (not yet due)	519	1,235
Past due by up to 30 days	199	37
Past due between 31 and 180 days	1	2
Past due between 181 and 365 days	69	9
Past due by more than 1 year	-	-
Total trade and other receivables	789	1,283

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$515k (2022: \$410k) were impaired. The amount of the provision raised against these debtors was \$515k (2022: \$410k). 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	19	32
Past due between 181 and 365 days	65	40
Past due by more than 1 year	431	338
Total trade & other receivables	515	410

Notes to the Financial Report For the Year Ended 30 June 2023

5.2 Non-financial assets

2023
\$'000

2022
\$'000

(a) Inventories

Inventories held for distribution	253	213
Total inventories	253	213

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	318	370
Accrued income	1,436	2,105
Other	-	-
Total other assets	1,754	2,475

(c) Intangible assets

Landfill air space	1,320	233
add additions	-	1,320
less amortisation	(330)	(233)
Total intangible assets	990	1,320

Landfill
\$'000

Gross carrying amount

Balance at 1 July 2022	1,320
Additions from internal developments	-
Other additions	-
Balance at 30 June 2023	1,320

Accumulated amortisation and impairment

Balance at 1 July 2022	-
Amortisation expense	(330)
Balance at 30 June 2023	(330)
Net book value at 30 June 2022	1,320
Net book value at 30 June 2023	990

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 2023

5.3 Payables, trust funds and deposits and unearned income/revenue	2023 \$'000	2022 \$'000
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(a) Trade and other payables

Current

Non-statutory payables

Trade payables	4,181	4,402
Accrued expenses	3	3
<i>Statutory payables</i>	186	140
Net GST payable	-	-
Total current trade and other payables	4,370	4,545

(b) Trust funds and deposits

Current

Refundable deposits	502	568
Fire services levy	-	-
Retention amounts	-	-
Other refundable deposits	191	194
Total current trust funds and deposits	693	762

(c) Unearned income/revenue

Current

Grants received in advance - operating	3,039	4,010
Grants received in advance - capital	1,366	3,486
Other	112	122
Total current unearned income/revenue	4,517	7,618

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

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.

Purpose and nature of items

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2023

5.4 Interest-bearing liabilities	2023	2022
	\$'000	\$'000
Current		
Borrowings - secured	-	-
Total current interest-bearing liabilities	-	-
Non-current		
Borrowings - secured	4,305	4,305
Total non-current interest-bearing liabilities	4,305	4,305
Total	4,305	4,305

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

The maturity profile for Council's borrowings is:

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

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

5.5 Provisions

	Employee	Landfill	Total
	\$ '000	restoration	\$ '000
2023	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	5,491	6,451	11,942
Provision movements	2,519	(355)	2,164
Amounts used	(2,808)	147	(2,661)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(57)	(158)	(215)
Balance at the end of the financial year	5,145	6,085	11,230
<i>Provisions - current</i>	4,944	1,556	6,500
<i>Provisions - non-current</i>	201	4,529	4,730
2022			
Balance at beginning of the financial year	5,543	4,378	9,921
Additional provisions	1,977	2,072	4,049
Amounts used	(1,875)	(163)	(2,038)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(154)	164	10
Balance at the end of the financial year	5,491	6,451	11,942
<i>Provisions - current</i>	4,904	1,369	6,273
<i>Provisions - non-current</i>	587	5,081	5,668

Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
(a) Employee provisions		
Current		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,434	1,478
Long service leave	429	393
Sick Leave Gratuity	29	15
	1,892	1,886
Current provisions expected to be wholly settled after 12 months		
Annual leave	359	315
Long service leave	2,432	2,444
Sick Leave Gratuity	261	259
	3,052	3,018
Total current employee provisions	4,944	4,904
Non-current		
Long service leave	100	461
Sick Leave Gratuity	101	126
Total non-current employee provisions	201	587
Aggregate carrying amount of employee provisions:		
Current	4,944	4,904
Non-current	201	587
Total aggregate carrying amount of employee provisions	5,145	5,491

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

Annual leave and Sick Leave Gratuity

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

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

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

Long service leave

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

Key assumptions:

- discount rate	4.06%	3.69%
- index rate	6.80%	3.85%

Notes to the Financial Report For the Year Ended 30 June 2023

	2023	2022
	\$'000	\$'000
(b) Landfill restoration		
Current	1,556	1,369
Non-current	4,529	5,081
	6,085	6,450

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

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

- discount rate	4.06%	3.69%
- index rate	6.80%	3.85%

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2023.

Bank overdraft	1,000	1,000
Credit card facilities	350	350
Other facilities	4,305	4,305
Total facilities	5,655	5,655
Used facilities	4,363	4,358
Unused facilities	1,292	1,297

Notes to the Financial Report For the Year Ended 30 June 2023

5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Operating					
Management of Facilities	303	303	909	-	1,515
Building maintenance	536	603	625	-	1,764
Waste management	257	904	2,714	-	3,875
Information Technology	235	235	571	-	1,041
Total	1,331	2,045	4,819	-	8,195
Capital					
Roadworks	4,909	-	-	-	4,909
Building projects	456	-	-	-	456
Total	5,365	-	-	-	5,365
	6,696	2,045	4,819	-	13,560
2022					
Operating					
Building Surveyor Services	144	-	-	-	144
Management of Facilities	303	303	303	-	909
Road maintenance	16	-	-	-	16
Building maintenance	41	-	-	-	41
Parks and gardens maintenance	66	-	-	-	66
Miscellaneous operations	293	-	-	-	293
Waste management	647	-	-	-	647
Strategies, studies and plans	289	-	-	-	289
Covid grants	218	-	-	-	218
Information Technology	30	-	-	-	30
Total	2,047	303	303	-	2,653
Capital					
Roadworks	231	-	-	-	231
Recreation	3,885	-	-	-	3,885
Building projects	706	-	-	-	706
Plant	1,625	-	-	-	1,625
Aerodrome	322	-	-	-	322
Industrial Estate development	84	-	-	-	84
Total	6,853	-	-	-	6,853

Notes to the Financial Report For the Year Ended 30 June 2023

(b) Operating lease receivables

Operating lease receivables

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

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

	2023 \$'000	2022 \$'000
Not later than one year	256	135
Later than one year and not later than five years	490	221
Later than five years	945	963
	<u>1,691</u>	<u>1,319</u>

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.

Notes to the Financial Report For the Year Ended 30 June 2023

Right-of-Use Assets

	Property
	\$'000
Balance at 1 July 2022	328
Additions	-
Amortisation charge	(54)
Balance at 30 June 2023	274

Lease Liabilities

	2023	2022
	\$'000	\$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	53	53
One to five years	188	314
More than five years	126	85
Total undiscounted lease liabilities as at 30 June:	367	452

Lease liabilities included in the Balance Sheet at 30 June:

Current	55	53
Non-current	236	290
Total lease liabilities	290	343

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. There are no variable lease payments or non-cancellable lease commitments - short-term and low-value to report.

Notes to the Financial Report For the Year Ended 30 June 2023

Note 6 ASSETS WE MANAGE

	2023 \$'000	2022 \$'000
6.1 Non current assets classified as held for sale		
Industrial land held for sale - at fair value	134	459
Total non current assets classified as held for sale	134	459

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.

Summary of property, infrastructure, plant and equipment

Summary of Work in Progress

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**Notes to the Financial Report
For the Year Ended 30 June 2023**

(a) Property

	Land - specialised	Land - non specialised	Total Land & Land Improvements	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	1,049	48,136	49,185	96,470	96,470	707	146,362
Accumulated depreciation at 1 July 2022	-	-	-	(26,727)	(26,727)	-	(26,727)
	1,049	48,136	49,185	69,743	69,743	707	119,635
Movements in fair value							
Additions	-	-	-	626	626	2,348	2,974
Contributions	141	42	183	-	-	-	183
Found	-	79	79	-	-	-	79
Revaluation	-	-	-	-	-	-	-
Disposal	-	(280)	(280)	(701)	(701)	-	(981)
Write-off	-	-	-	-	-	(91)	(91)
Transfers	-	(57)	(57)	457	457	(317)	83
Impairment losses recognised in operating result	-	-	-	-	-	-	-
	141	(216)	(75)	382	382	1,940	2,247
Movements in accumulated depreciation							
Depreciation and amortisation	-	-	-	(1,348)	(1,348)	-	(1,348)
Accumulated depreciation of disposals	-	-	-	202	202	-	202
Impairment losses recognised in operating result	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
	-	-	-	(1,146)	(1,146)	-	(1,146)
At fair value 30 June 2023	1,190	47,920	49,110	96,852	96,852	2,647	148,609
Accumulated depreciation at 30 June 2023	-	-	-	(27,873)	(27,873)	-	(27,873)
Carrying amount	1,190	47,920	49,110	68,979	68,979	2,647	120,736

**Notes to the Financial Report
For the Year Ended 30 June 2023**

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Art Collection	Public Art	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	18,245	3,102	4,946	641	48	26,982
Accumulated depreciation at 1 July 2022	(7,461)	(2,159)	-	-	-	(9,620)
	10,784	943	4,946	641	48	17,362
Movements in fair value						
Additions	2,042	136	19	213	40	2,450
Contributions	-	-	1	-	-	1
Revaluation	-	-	-	-	-	-
Disposal	(852)	-	-	-	-	(852)
Write-off	-	-	-	-	-	-
Transfers	59	-	-	25	(48)	36
Impairment losses recognised in operating result	-	-	-	-	-	-
	1,249	136	20	238	(8)	1,635
Movements in accumulated depreciation						
Depreciation and amortisation	(1,212)	(259)	-	-	-	(1,471)
Accumulated depreciation of disposals	549	-	-	-	-	549
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
	(663)	(259)	-	-	-	(922)
At fair value 30 June 2023	19,494	3,238	4,966	879	40	28,617
Accumulated depreciation at 30 June 2023	(8,124)	(2,418)	-	-	-	(10,542)
Carrying amount	11,370	820	4,966	879	40	18,075

Notes to the Financial Report
For the Year Ended 30 June 2023

(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	Infrastructure	Other Infrastructure	Work in Progress	Infrastructure	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	398,694	42,128	27,893	85,927	12,969	8,657	13,494	3,408	4,908	49,102	2,907	690,087		
Accumulated depreciation at 1 July 2022	(133,904)	(9,516)	(14,013)	(25,173)	(4,719)	(3,248)	(4,425)	(1,437)	(2,557)	(13,355)	-	(212,347)		
	264,790	32,612	13,880	60,754	8,250	5,409	9,069	1,971	2,351	35,747	2,907	437,740		
Movements in fair value														
Additions	3,088	59	312	45	88	-	1,088	334	16	150	6,707	11,887		
Contributions	1,841	-	440	787	-	-	-	-	-	-	-	3,068		
Revaluation	3,880	-	-	-	-	-	-	-	-	-	-	3,880		
Disposal	(285)	-	(32)	(3)	-	-	(90)	-	-	(5)	-	(415)		
Write-off	-	-	-	-	-	-	-	-	-	-	(173)	(173)		
Transfers	-	-	14	-	-	-	892	-	-	-	(1,082)	(176)		
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-		
	8,524	59	734	829	88	-	1,890	334	16	145	5,452	18,071		
Movements in accumulated depreciation														
Depreciation and amortisation	(7,951)	(422)	(575)	(834)	(444)	(1,039)	(471)	(99)	(70)	(854)	-	(12,759)		
Accumulated depreciation of disposals	176	-	26	1	-	-	39	-	-	1	-	243		
Revaluation	58,839	-	-	-	-	-	-	-	-	-	-	58,839		
Impairment losses	(7,673)	-	-	-	-	-	-	-	-	-	-	(7,673)		
Transfers	-	-	-	-	-	-	-	-	-	-	-	-		
	43,391	(422)	(549)	(833)	(444)	(1,039)	(432)	(99)	(70)	(853)	-	38,650		
At fair value 30 June 2023	407,218	42,187	28,627	86,756	13,057	8,657	15,384	3,742	4,924	49,247	8,359	668,168		
Accumulated depreciation at 30 June 2023	(90,513)	(9,938)	(14,562)	(26,006)	(5,163)	(4,287)	(4,857)	(1,536)	(2,627)	(14,208)	-	(173,697)		
Carrying amount	316,705	32,249	14,065	60,750	7,894	4,370	10,527	2,206	2,297	35,039	8,359	494,461		

Notes to the Financial Report For the Year Ended 30 June 2023

Acquisition

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

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

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

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Notes to the Financial Report For the Year Ended 30 June 2023

Valuation of buildings

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

Valuation of land

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

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2023 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land	-	47,920	-	July 2021	full
Specialised land	-	-	1,190	n/a	n/a
Buildings	-	-	68,979	July 2020	full
Total	-	47,920	70,169		

Valuation of infrastructure

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

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

The 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 2023 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	316,705	July 2022	full
Bridges	-	-	32,249	July 2021	full
Footpaths and cycleways	-	-	14,065	July 2018	full
Drainage	-	-	60,750	July 2021	full
Recreational, leisure and community facilities	-	-	7,894	June 2021	full
Waste management	-	-	4,370	June 2021	full
Parks, open space and streetscapes	-	-	10,527	June 2021	full
Aerodromes	-	-	2,206	June 2021	full
Off street car parks	-	-	2,297	July 2018	full
Other infrastructure	-	-	35,039	June 2021	full
Total	-	-	486,102		

Notes to the Financial Report For the Year Ended 30 June 2023

Description of significant unobservable inputs into level 3 valuations

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

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

Infrastructure assets are valued based on the 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 3 years to 110 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2023	2022
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	1,190	1,049
Total specialised land	1,190	1,049

Notes to the Financial Report For the Year Ended 30 June 2023

6.3 Investments in associates, joint arrangements and subsidiaries

	2023 \$'000	2022 \$'000
(a) Investments in associates		
Council's interest in Equity	70.73%	69.46%
Investment in the Wimmera Regional Library - Expires 30 June 2023	854	1,001
Fair value of Council's investment in Wimmera Regional Library	854	1,001
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	680	650
Change in equity share apportionment	57	(4)
Reported surplus(deficit) for year	(22)	44
Transfers (to) from reserves	(22)	(10)
Distributions for the year	-	-
Council's share of accumulated surplus(deficit) at end of year	693	680
Council's share of reserves		
Council's share of reserves at start of year	321	343
Change in equity share apportionment	(182)	(32)
Transfers (to) from reserves	22	10
Council's share of reserves at end of year	161	321
Movement in carrying value of specific investment		
Carrying value of investment at start of year	1,001	993
Change in equity share apportionment	(125)	(36)
Share of surplus(deficit) for year	(22)	44
Share of asset revaluation	-	-
Distributions received	-	-
Carrying value of investment at end of year	854	1,001
Council's share of expenditure commitments	Nil	Nil
Council's share of contingent liabilities and contingent assets	Nil	Nil

Significant restrictions

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

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

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
(b) Investments in associates		
Council's interest in Equity	48.14%	48.14%
Investment in the Wimmera Southern Mallee Development (previously Wimmera Development Association)	1,085	1,374
Fair value of Council's investment in Wimmera Southern Mallee Development	1,085	1,374
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	1,199	742
Change in equity share apportionment	-	(8)
Reported surplus(deficit) for year	(289)	390
Transfers (to) from reserves	(41)	75
Distributions for the year	-	-
Council's share of accumulated surplus(deficit) at end of year	869	1,199
Council's share of reserves		
Council's share of reserves at start of year	175	250
Transfers (to) from reserves	41	(75)
Council's share of reserves at end of year	216	175
Movement in carrying value of specific investment		
Carrying value of investment at start of year	1,374	992
Change in equity share apportionment	-	(8)
Share of surplus(deficit) for year	(289)	390
Share of asset revaluation	-	-
Distributions received	-	-
Carrying value of investment at end of year	1,085	1,374
Council's share of expenditure commitments	Nil	Nil
Council's share of contingent liabilities and contingent assets	Nil	Nil

Significant restrictions

None

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

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

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

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

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2023, and their income and expenses for that part of the reporting period in which control existed.

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

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

(c) Community Asset Committee

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

Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
6.4 Investment property		
Balance at beginning of financial year	2,520	2,520
Additions	-	-
Disposals	-	-
Fair value adjustments	-	-
Balance at end of financial year	<u>2,520</u>	<u>2,520</u>

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

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Ben Sawyer, Certified Practising Valuer of Preston Rowe Paterson Reg No. 63163, 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. The last date of valuation was as at 30 June 2022. There has not been any significant movement in the Indexation of the properties held by Council and accordingly it was decided to not to change the value of the Investment properties for the year ended 30 June 2023.

Notes to the Financial Report For the Year Ended 30 June 2023

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, Directors are deemed KMP.

Details of KMP at any time during the year are:

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

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by 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/payable on a discrete basis when employment has ceased

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

	2023 \$	2022 \$
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,107	1,132
Other long-term employee benefits	23	21
Post-employment benefits	92	77
Total	1,222	1,230

Notes to the Financial Report For the Year Ended 30 June 2023

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

	2023	2022
	No.	No.
\$ 1,000 - \$ 19,999	2	-
\$ 20,000 - \$ 29,999	1	6
\$ 30,000 - \$ 39,999	4	-
\$ 40,000 - \$ 49,999	1	-
\$ 90,000 - \$ 99,999	-	1
\$100,000 - \$109,999	1	-
\$180,000 - \$189,999	1	-
\$209,000 - \$219,999	-	1
\$220,000 - \$229,999	2	1
\$240,000 - \$249,999	-	1
\$270,000 - \$279,999	1	-
\$280,000 - \$289,999	-	1
	13	11

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$160,000 and who report directly to a member of the KMP. *

	2023	2022
	\$	\$
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	318	-
Other long-term employee benefits	7	-
Post-employment benefits	30	-
Total	355	-

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

	2023	2022
	No.	No.
Income Range:		
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	1	-
	2	-

Total remuneration for the reporting year for other senior staff included above, amounted to: 355 -

* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the *Local Government Act 1989*.

Notes to the Financial Report

For the Year Ended 30 June 2023

7.2 Related party disclosure

(a) Transactions with related parties

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

Fees and charges charged to associates is nil. (2021/22 nil).

Fees and charges charged to entities controlled by key management personnel is nil. (2021/22 nil).

Infrastructure contributions from entities controlled by key management personnel is nil. (2021/22 nil).

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

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

Council is one of 2 member councils that contributed to Wimmera Regional Library Corporation in 2022/23.

Council contributed \$536,142 in 2022/23 and \$512,323 in 2021/22.

Council is one of 5 member councils that contribute to Wimmera Southern Mallee Development (previously Wimmera Development Association).

Council contributed \$228,231 in 2022/23 and \$207,483 in 2021/22.

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties is nil. (2021/22 nil).

(c) Loans to/from related parties

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

(d) Commitments to/from related parties

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

Notes to the Financial Report For the Year Ended 30 June 2023

Note 8 MANAGING UNCERTAINTIES

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

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

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

Landfill

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

Insurance claims

NIL

Legal matters

NIL

Building cladding

NIL

Liability Mutual Insurance

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

MAV WorkCare

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

(c) Guarantees for loans to other entities

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

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

Notes to the Financial Report For the Year Ended 30 June 2023

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. Council assesses the impact of these new standards. As at 30 June 2023 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2024 that are expected to impact Council.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

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

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

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

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

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

Notes to the Financial Report

For the Year Ended 30 June 2023

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1.50% and -1.50% in market interest rates (AUD) from year-end rates of 4.55%.

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.

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2023

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 4 to 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	4 years
Buildings	4 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 increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of assets

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

8.5 Events occurring after balance date

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

Notes to the Financial Report For the Year Ended 30 June 2023

Note 9 OTHER MATTERS

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation of <name asset class> by an associate \$'000	Balance at end of reporting period \$'000
9.1 Reserves				
(a) Asset revaluation reserves				
2023				
Property				
Land and land improvements	38,136	-	-	38,136
Buildings	30,873	-	-	30,873
	69,009	-	-	69,009
Plant and Equipment				
Works of Art	2,259	-	-	2,259
	2,259	-	-	2,259
Infrastructure				
Roads	146,562	55,045	-	201,607
Kerb and Channel	11,351	-	-	11,351
Drainage	34,802	-	-	34,802
Footpaths and cycleways	10,857	-	-	10,857
Bridges	22,272	-	-	22,272
Other Infrastructure	35,950	-	-	35,950
	261,794	55,045	-	316,839
Other				
Land held for sale	1,343	-	-	1,343
	1,343	-	-	1,343
Total asset revaluation reserves	334,405	55,045	-	389,450
2022				
Property				
Land and land improvements	35,223	-	2,913	38,136
Buildings	30,873	-	-	30,873
	66,096	-	2,913	69,009
Plant and Equipment				
Works of Art	1,330	-	929	2,259
	1,330	-	929	2,259
Infrastructure				
Roads	146,562	-	-	146,562
Kerb and Channel	11,351	-	-	11,351
Drainage	15,884	-	18,918	34,802
Footpaths and cycleways	10,857	-	-	10,857
Bridges	7,227	-	15,045	22,272
Other Infrastructure	35,950	-	-	35,950
	227,831	-	33,963	261,794
Other				
Land held for sale	1,086	-	257	1,343
	1,086	-	257	1,343
Total asset revaluation reserves	296,343	-	38,062	334,405

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

Notes to the Financial Report For the Year Ended 30 June 2023

	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 - Discretionary				
2023				
CBD Development Reserve	2,202	57	879	1,380
Industrial Reserves	1,878	1,665	356	3,187
Internal Loan Reserve	(2,107)	190	-	(1,917)
Loan Funds Reserve	2,875	835	-	3,710
Major Capex Reserve	4,805	932	460	5,277
Open Space Reserve	439	16	-	455
Plant Reserve	3,104	776	2,055	1,825
Small Projects Reserve	1,547	668	256	1,959
Unfunded Super Reserve	-	-	-	-
Waste Reserve	2,098	851	821	2,128
Total Other reserves	16,841	5,990	4,827	18,004
2022				
CBD Development Reserve	2,739	149	686	2,202
Industrial Reserves	3,273	94	1,489	1,878
Internal Loan Reserve	(3,052)	945	-	(2,107)
Loan Funds Reserve	2,454	423	-	2,875
Major Capex Reserve	3,776	1,123	94	4,805
Open Space Reserve	491	10	62	439
Plant Reserve	4,214	915	2,024	3,104
Small Projects Reserve	1,687	408	547	1,547
Unfunded Super Reserve	600	-	600	-
Waste Reserve	1,961	1,505	1,368	2,098
Total Other reserves	18,143	5,572	6,870	16,841

The above Discretionary Reserves represent an appropriation of funds for the future funding of operational or capital projects.
Loan Funds Reserve are held for the final loan repayment to the Department of Treasury and Finance for an interest only loan.
Internal Loan Reserves intended use is to borrow from Council's discretionary cash reserves rather than obtain an external loan.
The Waste reserves factors in over or under expenditure, which is then used to offset future waste charges or rehabilitation costs.

Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	6,392	4,147
Depreciation and Amortisation	15,907	13,081
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(421)	1,904
Contributions - Non-monetary assets	(3,253)	(2,239)
Other	(20)	(437)
<i>Change in assets and liabilities:</i>		
(Decrease)/increase in provisions	(710)	2,020
(Increase) in intangible assets	-	(1,087)
Decrease in right-of-use assets	54	55
(Decrease) lease liabilities	(53)	(51)
Decrease/(increase) in prepayments	52	(12)
(Decrease)/increase in trade and other payables and other liabilities	(2,061)	652
(Decrease)/increase in assets held for resale	(325)	27
(Increase)/decrease in inventories	(40)	27
Decrease/(increase) in trade and other receivables	248	(727)
(Increase)/decrease in accrued income	669	(870)
Net cash provided by/(used in) operating activities	16,439	16,490

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 2023, this was 10.5% as required under Superannuation Guarantee (SG) legislation (2022: 10.0%)).

Defined Benefit

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

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

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022). The financial assumptions used to calculate the 30 June 2023 VBI were:

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

Notes to the Financial Report

For the Year Ended 30 June 2023

As at 30 June 2022, 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 of which Council is a contributing employer was 102.2%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.5% pa

Salary information 2.5% pa to 30 June 2023, and 3.5% pa thereafter

Price inflation (CPI) 3.0% pa

Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). Vision Super has advised that the estimated VBI at 30 June 2023 was 104.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2022 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2022 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 2023, this rate was 10.5% of members' salaries (10.0% in 2021/22). 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 2022 interim 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 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 2022 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 2022 and the last full investigation was conducted as at 30 June 2020.

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

	2022 (Interim)	2021 (Interim)
	\$m	\$m
- A VBI Surplus	44.6	214.7
- A total service liability surplus	105.8	270.3
- A discounted accrued benefits surplus	111.9	285.2

Notes to the Financial Report For the Year Ended 30 June 2023

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 2022.

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 2022.

The discounted accrued benefits 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 2022.

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2023 are detailed below:

Scheme	Type of Scheme	Rate	2023 \$'000	2022 \$'000
Vision super	Defined benefits	10.5% (2022:10.0%)	103	114
Vision super	Accumulation	10.5% (2022:10.0%)	1,743	1,541

Council has not paid any unfunded liability payments to Vision super in 2023/22 or in 2022/21

There were \$148,000 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 is \$102,000.

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies in the 2022-23 year.



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