

AGENDA

MEETING OF THE **HORSHAM RURAL CITY COUNCIL**

To be held on

15 June 2026

At 5.30pm

In the

Roberts Avenue Kindergarten

23 Roberts Avenue, HORSHAM



**COUNCILLORS are respectfully requested to attend the Council Meeting
of the Horsham Rural City Council to be held on 15 June 2026
in the Roberts Avenue Kindergarten, 23 Roberts Avenue, Horsham at 5.30pm**

Order of Business

PRESENT

ALSO IN ATTENDANCE

1. PRAYER

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

2. ACKNOWLEDGEMENT OF COUNTRY STATEMENT

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

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

3. OPENING AND WELCOME

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

4. APOLOGIES

5. CONFLICTS OF INTEREST

Declarations of Interest

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

Members of Staff

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

REPORTS FOR COUNCIL DECISION 5

6. OFFICERS REPORTS 5

6.1 BUDGET 2026-20275

CLOSE



GAIL GATT
Chief Executive Officer

REPORTS FOR COUNCIL DECISION

6. OFFICERS REPORTS

6.1 BUDGET 2026-2027

Director:	Kim Hargreaves
Directorate:	Organisational Performance
File Number:	F18/A10/000001

Officer Conflict of Interest

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

☐ Yes ☒ No

Reason: Nil

Status

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

☐ Yes ☒ No

Reason: Nil

Appendix

Horsham Rural City Council Budget 2026-2027 (**Appendix 6.1A**)

Purpose

To present the Horsham Rural City Council Budget 2026-2027 for adoption.

Summary

- The Budget 2026-2027 is prepared in accordance with the requirements of the *Local Government Act 2020*.
- The Budget 2026-2027 has been prepared through a process of consultation and discussion with Councillors and Council Officers.
- The Capital Works Priorities for 2026-2027 were provided for a period of community feedback between 25 March and 16 April 2026.
- The Budget 2026-2027 aligns with objectives set out in the Council Plan 2025-2029.

Recommendation

That Council:

1. Adopt Horsham Rural City Council Budget 2026-2027 and the subsequent 3 financial years, as attached pursuant to Section 94 of the *Local Government Act 2020*.
2. Declare the following rates and charges for the 2026-2027 financial year:
 - Amount Intended to be raised:
An amount of \$36.146m (or such other amount as is lawfully raised as a consequence of this resolution) be declared as the amount which Council intends to raise by general rates and the annual service charge, which is calculated as follows:

General Rates	\$28.187m
Municipal Charge	\$ 2.316m
Waste Management Charge	\$ 5.293m
Interest on Rates	\$ 0.040m and
Revenue in lieu of rates	\$ 0.310m

- Rates Information:
 - General Rates - A general rate be declared in respect of the 2026-2027 rating year, being the period 1 July 2026 to 30 June 2027.
- 3. Declare that the general rate be raised by the application of differential rates for rateable land having the respective characteristics specified in 5.1.1(n) of the budget document.
- Each differential rate will be determined by multiplying the Capital Improved Value of each rateable land by the relevant rate in the dollar as indicated as follows:

Residential	\$0.0036540
Commercial	\$0.0036540
Industrial	\$0.0036540
Cultural and Recreation	\$0.0018270
Farm	\$0.0021160

- 4. Declare a municipal charge for 2026-2027 of \$200.00 for each rateable land (or part) in respect of which a municipal charge may be levied.
- 5. Declare annual service charges for the collection and disposal of refuse in respect of the 2026-2027 Financial Year and set out below:

Urban Bin Charge	\$558.00
Rural Bin Service	\$388.00
Additional General Waste Bin	\$157.00
Additional Recycling Bin	\$157.00
Additional Organics Bin	\$157.00
Additional Glass Bin	\$90.00
Commercial Bin Service (weekly general waste/fortnightly recycling)	\$539.00
Additional/Standalone Commercial General Waste Bin (weekly)	\$337.00
Additional/Standalone Commercial Recycling Bin	\$202.00
Additional Commercial Organics Bin	\$202.00
Additional Commercial Glass Bin	\$102.00

- 6. Setting of interest rate on unpaid rates and charges
The Council will charge interest for rates and charges which have not been paid by the due dates, as specified under Section 167 of the *Local Government Act 1989*.
- 7. Payment of rates and charges
Declare that a person can pay a rate or charge (other than a special rate or charge) by: Four (4) instalments which are due and payable on the dates fixed by the Minister by notice published in the Government Gazette (i.e. 30 September, 30 November, 28 February and 31 May); or paid in full on 15 February 2027.
- 8. Authorises the Chief Executive Officer to make minor administrative corrections only, being changes that are non-material in nature and do not change any adopted policy, service level, financial outcome, or disclosure required under the *Local Government Act 2020*.

REPORT

Background

This is the first budget to be prepared under the guidance and influence of the Council Plan 2025-2029. It is also the tenth year of budget preparation under the State Government's Fair Go Rates system with the Rate Cap set at 2.75 per cent by the Minister for Local Government on 23 December 2025. It is against that figure that the 2026-2027 budget has been framed.

Council has a range of both internal and external cost pressures to contend with, however still recognises the need to play an important role as the regional city for the western area of the state providing quality services to more than just our own residents. There continues to be growth and development within the community which puts pressure on service delivery costs such as the supply of parks and gardens, maintenance of roads and footpaths over time.

Discussion

The Budget 2026-2027 has been developed in accordance with the *2026-27 Local Government Model Budget* published each year to assist councils in preparing their budget in accordance with legislative and regulatory requirements. Each of the financial statements presented in the budget have been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Key Statistics

	2025-26 Budget	2025-26 Forecast	2026-27 Budget
Total Revenue	\$64.444m	\$68.240m	\$57.898m
Total Expenditure	\$61.833m	\$62.828m	\$64.580m
Surplus/(Deficit) for the year	\$5.611m	\$5.412m	(\$6.682m)
Underlying Operating Result – Surplus/(Deficit)	\$0.700m	\$0.169m	(\$10.668m)

(Note: Underlying operating result is an important measure of financial sustainability as it excludes one-off income which is to be used for capital, from being allocated to cover operating expenses)

Budget Influences

In preparing the Budget 2026-2027, several internal and external influences have been taken into consideration as they impact significantly on the services delivered by the Council in the budget period and resulting budget position. Further budgetary pressure is felt due to the current inflationary environment, particularly where cost increases of materials and services far exceed the Rate Cap.

Capital Works

The proposed capital works budget is \$24.119 million, made up of \$5.944 million of new projects, \$13.967 million in renewal \$2.858 million in upgrades and \$1.350 million of expansion works. The program will be funded by \$3.480 million of grant funding, a new loan of \$1.139 million – to be repaid over 10 years – to assist with funding the redevelopment of the Wesley Performing Arts Centre, \$330,000 of contributions and asset sales of \$549,000. The remaining \$18.622 million is from cash reserves with \$8.450 million of this amount specific cash reserves which have been built up over many years to fund projects.

Capex Summary

While the complete Capital Works program is provided in Section 5 of the document, some of the highlights from this year's capital works budget are:

- Commencement of the refurbishment of the Wesley Performing Arts Centre

Officers Reports

- Haven Tennis Courts Lighting Project
- Laharum Cameron Oval Lighting Project
- Wotonga Basin Pipeline Connection
- Kenny Road Transfer Station Upgrade

Rates and Charges

Council has revisited the Revenue and Rating Plan for the 2025-2029 period and determined no changes were required to the methodology for the calculation of differential rates.

Council has retained its additional 'Council-funded' rebate to pensioners at \$50 which is rebate over and above the state government rebate. The Municipal Charge has also been retained at \$200.

Centralised Annual Valuations

Since 2019, the Valuer-General Victoria (VGV) is the sole valuation authority to conduct annual valuations for rating purposes. The Budget 2026-2027 includes valuation data from the VGV with valuations as at 1 January 2026. All rating information contained within the budget, including rates in the dollar, is based on these updated valuations. Council has received a "Generally True and Correct" (GTC) assurance from the VGV, however, until the preliminary valuations are certified by the VGV they may be subject to change.

Movements in individual property valuations (CIV) will have an impact on individual rate notices and are difficult to communicate through the Budget 2026-2027 document. Individual property valuation movements will therefore not be advised until the 2026-2027 annual rates notice for each property are distributed.

Targeted Performance Indicators & Initiatives

Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability.

Section 3 of the Budget 2026-2027 documents Council's current and projected forecast across several prescribed indicators and initiatives. The indicators are useful for analysing Council's financial position and the initiatives are specific non-recurrent projects being undertaken in line with community aspirations.

Options to Consider

The budget is a key document for the good governance and operations of Council noting it is the role of a Council to provide good governance in its municipal district for the benefit and wellbeing of the municipal community. To adhere to this good governance, Councils must prepare and adopt a budget for each financial year and the subsequent three financial years.

The Council Budget must be adopted by 30 June each year, or any other date fixed by the Minister as per the provisions of the *Local Government Act 2020*. The budget is therefore presented for adoption by Councillors to provide good governance in the HRCC municipality for the benefit and wellbeing of the HRCC community.

Sustainability Implications

Rate capping continues to place restrictions on Council's ability to raise its own source income and places an ever-increasing reliance on grants from other tiers of government, the availability of which can change over time. Council's share of the overall tax revenues of all tiers of government (approximately 3%) is also a factor as additional responsibilities and obligations are being given to Council without adequate

consideration of the taxation implications. These issues mean that Council must be mindful of its own financial sustainability and therefore take a more conservative approach to debt than the approach other levels of government and/or the private sector may take.

Community Engagement

The Capital Works Priorities for 2026-2027 were provided for a period of community feedback between 25 March and 16 April 2026. Feedback received from that process was provided to Councillors to consider if any amendment were required to that substantial part of the Budget.

Council sought community feedback on the preparation of Fees and charges for the 2026-2027 year (adopted by Council on 25 May 2026) to assist in informing budget revenue calculations which are then reflected in the document.

Innovation and Continuous Improvement

Council continues to review the format and content of the budget document to ensure alignment with the model documents provided by Local Government Victoria, ensure best practice models are presented and provide the community with a relevant and readable document.

Collaboration

Not Applicable

Financial Implications

All matters under consideration impact the Council Budget 2026-2027.

Regional, State and National Plans and Policies

Fair Go Rates system.

Council Plans, Strategies and Policies

The Revenue and Rating Plan 2025-2029 is an integral part of the Integrated Strategic Planning and Reporting Framework. It helps provide direction on how Council will fund activities and initiatives set out in the Community Vision 2041 and the Council Plan 2025-2029.

Risk Implications

A Council, must in the performance of its role, give effect to the overarching governance principles including that the ongoing financial viability of the Council is to be ensured (s9(2)(g)). In giving effect to the overarching governance principles, a Council must consider several supporting principles— including the financial management principles (s9(3)(d) *Local Government Act 2020*).

Council must also ensure that the budget gives effect to the Council Plan and contains financial statements in the form and containing the information required by the regulation; a general description of the services and initiatives to be funded in the budget; major initiatives identified by the Council as priorities in the Council Plan to be undertaken during the financial year; services to be funded in the budget, including prescribed indicators and measures of service performance that are required to be reported against; the total amount Council intends to raise by rates and charges; a statement as to whether the rates will be raised by the application of a uniform rate or a differential rate; a description of any fixed component of the rates, if applicable; plus any other information prescribed by the regulations. (s94(2) *Local Government Act 2020*).

There is a legislative requirement, specifically s94(1) of the *Local Government Act 2020*, that the budget be adopted by 30 June each year. There is also requirement, s158 (1) of the *Local Government Act 1989*, that Council must declare rates and municipal charges by 30 June each year for the following year.

Conclusion

The Budget 2026-2027 has been developed in accordance with the 2026-27 Local Government Model Budget published each year to assist councils in preparing their budget in accordance with legislative and regulatory requirements. The budget is considered fiscally responsible whilst still providing a degree of important economic activity within the municipality. The Budget 2026-2027 is presented for adoption.