



Ararat Rural City

AGENDA

UNSCHEDULED COUNCIL MEETING

Tuesday 14 October 2025

To be held in the Council Chambers, Shire Offices
(Livestreamed)

Commencing at 6.00pm

Council:

Cr Jo Armstrong (Mayor)

Cr Rob Armstrong

Cr Peter Joyce

Cr Teli Kaur

Cr Luke Preston

Cr Bob Sanders

Cr Bill Waterston

A recording of this meeting is being made for the purpose of verifying the accuracy of the minutes of the Council Meeting.

The recording is being streamed live via Facebook, to improve transparency between council and the community and give more people the opportunity to view what decisions are being made. You do not require a Facebook account to watch the live broadcast, simply enter www.facebook.com/araratruralcitycouncil into your address bar.

Recordings of Council Meetings (excluding closed sessions) are made available on Council's website.

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SECTION 1 - PROCEDURAL MATTERS

1.1 LIVE STREAMING

Council is keen to engage with members of the community and live streams the formal Council Meetings to make them accessible. The stream is available to view on Council's Facebook page from 6pm and on Council's website following the Council Meeting.

1.2 TRADITIONAL ACKNOWLEDGEMENT/OPENING PRAYER/COUNCILLORS PLEDGE

Traditional acknowledgement

We acknowledge the traditional owners of the land on which we meet today, and pay our respects to their elders, past, present and emerging.

Opening Prayer

Almighty God, we humbly ask you to help us, as elected Councillors of the Ararat Rural City Council. Guide our deliberations. Prosper what is your will for us, to your honour and glory and for the welfare and benefit of the people whom we serve in the Ararat Rural City.

Councillors Pledge

We will faithfully and impartially carry out and exercise the functions, powers, authorities and discretions invested in us under the *Local Government Act 2020* and any other Act to the best of our skill and judgement.

1.3 APOLOGIES

RECOMMENDATION

That the apology of Cr be accepted.

1.4 CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the Council Meeting held on 30 September 2025 be confirmed.

1.5 DECLARATION OF CONFLICT OF INTEREST

A Councillor who has a conflict of interest in a matter being considered at a *Council meeting* at which he or she:

- 1 is present must disclose that conflict of interest by explaining the nature of the conflict of interest to those present at the *Council meeting* immediately before the matter is considered; or
- 2 intends to be present must disclose that conflict of interest by providing to the *Chief Executive Officer* before the *Council meeting* commences a written notice:
 - (a) advising of the conflict of interest;
 - (b) explaining the nature of the conflict of interest; and
 - (c) detailing, if the nature of the conflict of interest involves a Councillor's relationship with or a gift from another person, the:
 - name of the other person;
 - nature of the relationship with that other person or the date of receipt, value and type of gift received from the other person; and
 - nature of that other person's interest in the matter,and then immediately before the matter is considered at the meeting announcing to those present that he or she has a conflict of interest and that a written notice has been given to the *Chief Executive Officer* under this sub-Rule.

The Councillor must, in either event, leave the *Council meeting* immediately after giving the explanation or making the announcement (as the case may be) and not return to the meeting until after the matter has been disposed of.

SECTION 2 - REPORTS REQUIRING COUNCIL DECISION

2.1 PERFORMANCE AND FINANCIAL STATEMENTS

RESPONSIBLE OFFICER: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 24257

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

Officers providing advice to Council must disclose any conflict of interest.

No person involved in the preparation of this report has a conflict of interest requiring disclosure.

EXECUTIVE SUMMARY

The Financial Statements and Performance Statement (the statements) have been prepared for the period ended 30 June 2025. The Victorian Auditor-General is required to audit the statements but cannot issue his report unless Council approves the statements.

The Audit and Risk Committee were presented with a draft version of the statements on 9 September 2025, however knowing that additional revaluation adjustments were still required, they placed the motion on hold to recommend that Council authorises Councillor Jo Armstrong, Councillor Bob Sanders and Dr Tim Harrison to certify the Financial Statements and the Performance Statement in their final form. A copy of the current draft statements have been circulated to committee members on 9 October 2025 for their review.

DISCUSSION

Pursuant to the Local Government Act 2020 (the Act) Council is required to give "in principle approval" to the 2024/25 Financial Statements and Performance Statement and submit the statements to the auditor for reporting on the audit.

The Act recognises that further changes may be made to the statements and therefore Council must authorise two Councillors to certify the Financial Statements and Performance Statement in their final form after any changes recommended by the auditor have been made.

The Auditor-General's agent conducted the offsite audit between August and October 2025.

Key Financial information:

Financial Statements - Income Statement

The Comprehensive Income Statement measures how well Council has performed from an operating nature. It reports revenue and expenditure from the activities and functions undertaken, with the net effect being a surplus or deficit. Capital expenditure is excluded from this statement, as it is reflected in the Balance Sheet. Depreciation is included in this statement, as depreciation is the accounting method of allocating the cost of an asset over its useful life.

The draft Comprehensive Income Statement shows total income in 2025 of \$37.526 million compared with \$27.347 million in 2024. Rates & Charges income increased by \$0.210 million, Government Grants for operations increased by \$11.197 million, and Government Grants for capital works decreased by \$0.852 million.

Council has delivered a net zero percent rate rise for the seven year period up to 2024-2025. Total income from rates increased by only 1.17%. The income from general rates and municipal charges increased with movements of properties between differential classes and new building works. Some of the increase has resulted from additional waste management charges resulting from the expanded kerbside collection area now being serviced.

Council received several grants that were not budgeted including the following:

- Council Support Fund – Pomonal Bushfire Recovery - \$0.750 million
- Tatyoon Oval Upgrade Grant - \$0.250 million
- Disaster Recovery Funding (Fires Feb 2024) - \$0.160 million
- Back Bolac Road Reconstruction - \$0.228 million

Total expenses in 2025 were \$36.369 million compared with \$33.973 million in 2024, an increase of \$2.396 million. A breakdown of expenses reveals an increase in employee costs of \$0.268 million.

There has been an increase of \$0.627 million in materials and services to deliver the outcomes for the additional operating grants and to complete projects carried forward from the previous financial year.

Depreciation expenses have increased by \$1.311 million as a result of the revaluation completed as at 1 July 2024.

The net result for 2025 was a surplus of \$1.157 million compared with a deficit of \$6.626 million in 2024. The revaluation of property and infrastructure assets at 1 July 2024 and indexation at 30 June 2025 have resulted in an increase in asset values of \$130.244 million.

Financial Statements - Balance Sheet

The Balance Sheet is one of the main financial statements and it reports Council's assets, liabilities and equity at a given date, in this case 30 June 2025. Comparative figures have been provided as at 30 June 2024.

Council's current assets have increased by \$6.246 million, from \$11.732 million as at 30 June 2024 to \$17.978 million as at 30 June 2025. Cash and cash equivalents have increased by \$11.792 million and other financial assets have decreased by \$3.040 million, whilst current trade and other receivables decreased by \$2.146 million. Rate debtors have increased by \$0.146 million.

Total liabilities have increased by \$7.687 million from \$8.777 million in 2024 to \$16.464 million in 2025.

Financial Statements - Cash Flows

The Statement of Cash Flows shows how changes in the Balance Sheet and Income Statement affect Cash and Cash Equivalents, and breaks down the analysis to operating activities, investing activities and financing activities.

The Cash Flow Statement shows a net increase in cash and cash equivalents of \$11.792 million compared with a net decrease of \$8.408 million in 2024. Cash and cash equivalents excludes funds transferred to a term deposit investment which are classified as an other financial asset.

The Cash Flow Statement shows net cash provided by operating activities was \$21.875 million in 2025 compared with \$2.048 million in 2024, representing an increase of \$19.827 million. This is largely due to an increase in operating grants of \$15.611 million with the receipt of financial assistance grant payments for the full allocation for 2024-2025 and a 50% advance payment for 2025-2026.

Net cash used in investing activities (e.g. payments for property, infrastructure, plant and equipment) was \$9.503 million in 2025, which included \$2.040 million net transfers from a term deposit investment with a six-month maturity period. In comparison the net cash used in investing in 2024 was \$9.283 million, which included \$4.962 million transferred to a term deposit investment with a six-month maturity period.

Net cash used in financing activities was \$0.580 million in 2025 compared with \$1.173 million provided by financing activities in 2024.

Financial Statements - Capital works

The Statement of Capital Works details the capital works completed during 2025. It shows \$11.704 million invested in 2025 compared with \$15.033 million in 2024, a decrease of \$3.329 million. Total property works decreased by \$3.186 million with the Gordon Street Recreation Reserve funded by grants in 2024. Total Infrastructure works decreased by \$0.054 million with several projects completed from funds carried forward from the previous year.

Highlights in the building area included completion of the Ararat Library Upgrade and Barkly Street Toilet.

Highlights in the infrastructure area included an increased road sealing and resheeting program, including the innovative Otta sealing to a number of rural and urban gravel roads. Road works were also completed in Churchill Avenue and Mount William Road

Performance Statement

The Victorian Government has introduced a mandatory system of performance reporting which prescribes performance information to be included in Council's annual reports.

"Councils must describe the prescribed indicators and measures in the performance statement so it is clear to the audience what is being measured. In addition, the performance statement must include the results achieved in relation to the prescribed service performance outcome, financial performance and sustainable capacity for the financial year and three preceding years".

For the financial performance indicators and measures, the performance statement must also include the forecast results for four years based on the financial statements included in Council's budget.

Reporting trend information helps the reader understand changes in Council performance over time and acts as a point of reference for results. The regulations require that Councils must also provide an explanation of any material variations in the results between the current year and other years disclosed, to enable the reader to form an understanding of the reason for the variation".

The performance reporting framework requires Councils to load the indicators included in this performance statement, as well as a number of other indicators that are required to be included in the report of operations, onto the "Know your Council" website - www.vic.gov.au/know-your-council, which will allow the community to compare the performance result of Councils across Victoria.

Part of the performance reporting framework includes the State Government setting expected ranges for each indicator. Based on the draft financial statement and performance statement, Council is within the expected range for most indicators. The reasons for the material variations are included in the performance statement.

Audit and Risk Committee Review

The draft Financial Statements and Performance Statement were considered by the Audit and Risk Committee on 9 September 2025, and a current version circulated to committee members on 9 October 2025. Mr Ryan Schischka from Johnsons MME presented the draft Auditors Closing Report at that meeting, and discussed the audit progress with the Audit and Risk Committee members. Further changes may be required after the Victorian Auditor General's Office has reviewed the statements and before the nominated Councillors certify the accounts in their final form.

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

6 Strong and Effective Governance

Budget Implications

There are no budget implications arising from approving the statements

Policy/Relevant Law

Section 99 (2) of the Local Government Act 2020 states that: “the Council, after passing a resolution giving its approval in principle to the performance statement and financial statements, must submit the statements to the auditor for reporting on the audit”.

Section 99 (3) of the Local Government Act 2020 states that: “The Council must ensure that the performance statement and financial statements, in their final form after any changes recommended or agreed by the auditor have been made, are certified in accordance with the regulations by–

- (a) 2 Councillors authorised by the Council for the purposes of this subsection; and
- (b) any other persons prescribed by the regulations for the purposes of this subsection.”

Section 99 (5) of the Local Government Act 2020 states that: “the auditor must not sign a report under subsection (4) or under Part 3 of the Audit Act 1994 unless the performance statement or the financial statements (as applicable) have been certified under subsection (3).”

Sustainability Implications

There are no economic, social or environmental implications in relation to the item

Risk Assessment

Council is required to approve the statements before the Auditor-General can issue the audit report

Stakeholder Collaboration and Community Engagement

Various Council officers have been involved with the preparation of the statements. The statements will be included in the Annual Report that will be made available to the public.

RECOMMENDATION

That:

- 1. Pursuant to Section 99 of the Local Government Act 2020, Council gives approval in principle to the Financial Statements and Performance Statements for the year ended 30 June 2025; and**
- 2. Pursuant to Section 99 of the Local Government Act 2020, Council authorises the Chief Executive Officer, Councillor Jo Armstrong and Councillor Bob Sanders to certify the 2024/25 Financial Statements and Performance Statement in their final form.**

ATTACHMENTS

The Financial Statements and Performance Statement are provided as Attachment 2.1