



Ararat Rural City

MINUTES

UNSCHEDULED COUNCIL MEETING

Tuesday 14 October 2025

**Held in the Council Chambers, Shire Offices
(Livestreamed)**

Commenced 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.

SECTION 1 - PROCEDURAL MATTERS.....	11667
1.1 LIVE STREAMING	11667
1.2 TRADITIONAL ACKNOWLEDGEMENT/OPENING PRAYER/COUNCILLORS PLEDGE....	11667
1.3 APOLOGIES	11667
1.4 CONFIRMATION OF MINUTES	11668
1.5 DECLARATION OF CONFLICT OF INTEREST	11669
SECTION 2 - REPORTS REQUIRING COUNCIL DECISION	11670
2.1 PERFORMANCE AND FINANCIAL STATEMENTS.....	11670

PRESENT: Cr J Armstrong, Cr Rob Armstrong, Cr Peter Joyce, Cr Teli Kaur, Cr Luke Preston, Cr Bill Waterston, Phuong Au - Deputy Chief Executive Officer, Chandra Willmott - Chief Operating Officer, Thomas Duncan - Theatre Technical Officer

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 - CR R ARMSTRONG

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 - CR J ARMSTRONG

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 - CR JOYCE

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 Bob Sanders be accepted.

MOVED CR WATERSTON SECONDED CR R ARMSTRONG

That the apology of Cr Bob Sanders be accepted.

No Councillors spoke for or against the motion.

**CARRIED 6/0
5223/25**

ACKNOWLEDGEMENT

The apology of CEO Dr Tim Harrison was acknowledged.

1.4 CONFIRMATION OF MINUTES

RECOMMENDATION

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

MOVED CR JOYCE
SECONDED CR KAUR

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

No Councillors spoke for or against the motion.

CARRIED 6/0
5224/25

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.

There were no Declarations of Conflict of Interests received.

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.

MOVED CR JOYCE

SECONDED CR PRESTON

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.

Cr Joyce, Cr Preston and Cr J Armstrong spoke for the motion.

**CARRIED 6/0
5225/25**

ATTACHMENTS

The Financial Statements and Performance Statement are provided as Attachment 2.1

Ararat Rural City
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2025

**Ararat Rural City Council
Financial Report
Table of Contents**

	Page
FINANCIAL REPORT	
Certification of the Financial Statements	4
Financial Statements	
Comprehensive Income Statement	7
Balance Sheet	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Statement of Capital Works	11
Notes to the Financial Statements	
Note 1 Overview	12
Note 2 Analysis of our results	13
2.1. Performance against budget	13
2.2. Analysis of council results by program	16
Note 3 Funding for the delivery of our services	18
3.1. Rates and charges	18
3.2. Statutory fees and fines	18
3.3. User fees	18
3.4. Funding from other levels of government	19
3.5. Contributions	21
3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment	21
3.7. Other income	21
Note 4 The cost of delivering services	22
4.1. Employee costs	22
4.2. Materials and services	22
4.3. Depreciation	23
4.4. Other expenses	23

Ararat Rural City Council Financial Report Table of Contents

FINANCIAL REPORT		Page
Note 5	Investing in and financing our operations	24
	5.1. Financial assets	24
	5.2. Non-financial assets	26
	5.3. Payables, trust funds and deposits and contract and other liabilities	26
	5.4. Interest-bearing liabilities	27
	5.5. Provisions	28
	5.6. Commitments	29
	5.7. Leases	30
Note 6	Assets we manage	31
	6.1. Property, infrastructure plant and equipment	31
	6.2. Investments in joint arrangements	38
	6.3. Investment property	38
Note 7	People and relationships	39
	7.1. Council and key management remuneration	39
	7.2. Related party disclosure	40
Note 8	Managing uncertainties	41
	8.1. Contingent assets and liabilities	41
	8.2. Change in accounting standards	41
	8.3. Financial instruments	42
	8.4. Fair value measurement	43
	8.5. Events occurring after balance date	44
Note 9	Other matters	45
	9.1. Reserves	45
	9.2. Reconciliation of cash flows from operating activities to surplus/(deficit)	47
	9.3. Superannuation	47
Note 10	Change in accounting policy	50
Note 11	Errors and changes in accounting estimates	50
	11.1. Correction of error relating to previous reporting period - retrospective	50

Ararat Rural City Council
2024/2025 Financial Report

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.

Karissa Hogan, BCom, CPA
Principal Accounting Officer
Dated :
Ararat

0

In our opinion, the accompanying financial statements present fairly the financial transactions of the Ararat Rural City Council for the year ended 30 June 2025 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.

Jo Armstrong
Councillor
Dated :
Ararat

0

Bob Sanders
Councillor
Dated :
Ararat

0

Dr Tim Harrison
Chief Executive Officer
Dated :
Ararat

0

*Ararat Rural City Council
2024/2025 Financial Report*

<INSERT VAGO REPORT - PAGE 1>

*Ararat Rural City Council
2024/2025 Financial Report*

<INSERT VAGO REPORT - PAGE 2>

Ararat Rural City Council
2024/2025 Financial Report

Comprehensive Income Statement For the Year Ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Income / revenue			
Rates and charges	3.1	18,093	17,883
Statutory fees and fines	3.2	266	369
User fees	3.3	1,719	1,620
Grants - operating	3.4	14,343	3,146
Grants - capital	3.4	1,477	2,329
Contributions - monetary	3.5	397	1,190
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(388)	23
Fair value adjustments for investment property	6.3	1,080	46
Share of net profits (or loss) of joint ventures	6.2	29	(3)
Other income	3.7	510	744
Total income / revenue		37,526	27,347
Expenses			
Employee costs	4.1	12,241	11,973
Materials and services	4.2	12,222	11,595
Depreciation	4.3	11,089	9,778
Depreciation - right of use assets	5.7	363	149
Borrowing costs		6	44
Finance costs - leases		100	35
Other expenses	4.4	348	399
Total expenses		36,369	33,973
Surplus/(deficit) for the year		1,157	(6,626)
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.1	130,244	8,340
Total other comprehensive income		130,244	8,340
Total comprehensive result		131,401	1,714

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

Ararat Rural City Council
2024/2025 Financial Report

Balance Sheet As at 30 June 2025

	Note	2025 \$'000	Restated 2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	14,841	3,049
Trade and other receivables	5.1	3,066	5,212
Other financial assets	5.1	-	3,040
Inventories	5.2	71	71
Prepayments	5.2	-	360
Total current assets		17,978	11,732
Non-current assets			
Trade and other receivables	5.1	4	5
Investments in joint arrangements	6.2	1,527	498
Property, infrastructure, plant and equipment	6.1	639,714	509,405
Right-of-use assets	5.7	1,784	1,359
Investment property	6.3	2,615	1,535
Total non-current assets		645,644	512,802
Total assets		663,622	524,534
Liabilities			
Current liabilities			
Trade and other payables	5.3	2,357	1,024
Trust funds and deposits	5.3	315	303
Contract and other liabilities	5.3	9,337	3,372
Provisions	5.5	2,175	2,104
Interest-bearing liabilities	5.4	156	150
Lease liabilities	5.7	426	275
Total current liabilities		14,766	7,228
Non-current liabilities			
Provisions	5.5	286	293
Interest-bearing liabilities	5.4	-	156
Lease liabilities	5.7	1,412	1,100
Total non-current liabilities		1,698	1,549
Total liabilities		16,464	8,777
Net assets		647,158	515,757
Equity			
Accumulated surplus		295,501	299,270
Reserves	9.1	351,657	216,487
Total Equity		647,158	515,757

2024 comparative balances have been restated as detailed in Note 11.

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

Ararat Rural City Council
2024/2025 Financial Report

Statement of Changes in Equity For the Year Ended 30 June 2025

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2025					
Balance at beginning of the financial year		515,757	299,270	208,123	8,364
Surplus/(deficit) for the year		1,157	1,157	-	-
Net asset revaluation gain/(loss)	6.1	130,244	-	130,244	-
Transfers to other reserves	9.1	-	(8,978)	-	8,978
Transfers from other reserves	9.1	-	4,052	-	(4,052)
Balance at end of the financial year		647,158	295,501	338,367	13,290

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2024					
Balance at beginning of the financial year		312,899	92,600	199,783	20,516
Correction of prior period error - retrospective	11	201,144	201,144	-	-
Surplus/(deficit) for the year		(6,626)	(6,626)	-	-
Net asset revaluation gain/(loss)		8,340	-	8,340	-
Transfers to other reserves	9.1	-	(2,628)	-	2,628
Transfers from other reserves	9.1	-	14,780	-	(14,780)
Balance at end of the financial year		515,757	299,270	208,123	8,364

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

Ararat Rural City Council
2024/2025 Financial Report

Statement of Cash Flows For the Year Ended 30 June 2025

		2025 Inflows/ (Outflows) \$'000	2024 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates and charges		17,942	17,520
Statutory fees and fines		270	368
User fees		1,805	1,985
Grants - operating		18,821	3,210
Grants - capital		5,702	2,226
Contributions - monetary		278	1,294
Interest received		347	589
Trust funds and deposits taken		374	428
Other receipts		168	162
Net GST refund/payment		2,042	2,011
Employee costs		(13,240)	(12,110)
Materials and services		(11,912)	(14,794)
Trust funds and deposits repaid		(369)	(431)
Other payments		(353)	(410)
Net cash provided by/(used in) operating activities	9.2	<u>21,875</u>	<u>2,048</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(11,704)	(15,033)
Proceeds from sale of property, infrastructure, plant and equipment		161	788
Payments for investments		(1,000)	(3,040)
Proceeds from sale of investments		3,040	8,002
Net cash provided by/(used in) investing activities		<u>(9,503)</u>	<u>(9,283)</u>
Cash flows from financing activities			
Finance costs		(6)	(44)
Repayment of borrowings		(150)	(945)
Interest paid - lease liability		(100)	(38)
Repayment of lease liabilities		(324)	(146)
Net cash provided by/(used in) financing activities		<u>(580)</u>	<u>(1,173)</u>
Net increase (decrease) in cash and cash equivalents		11,792	(8,408)
Cash and cash equivalents at the beginning of the financial year		3,049	11,457
Cash and cash equivalents at the end of the financial year	5.1	<u>14,841</u>	<u>3,049</u>

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

Ararat Rural City Council
2024/2025 Financial Report

Statement of Capital Works For the Year Ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Property			
Land		-	88
Land improvements		-	608
Buildings		618	3,108
Total property		618	3,804
Plant and equipment			
Plant, machinery and equipment		495	581
Library books		42	45
Total plant and equipment		537	626
Infrastructure			
Roads		9,276	8,599
Bridges		131	1,025
Footpaths and cycleways		578	732
Drainage		564	247
Total infrastructure		10,549	10,603
Total capital works expenditure	6.1	11,704	15,033
Represented by:			
New asset expenditure		532	2,847
Asset renewal expenditure		9,877	10,247
Asset upgrade expenditure		1,295	1,939
Total capital works expenditure		11,704	15,033

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

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

Note 1 OVERVIEW

Introduction

The Ararat Rural City Council was established by an Order of the Governor in Council on 22 September 1994 and is a body corporate. The Council's main office is located at 59 Vincent Street, Ararat.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Accounting policy information

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee 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 5.7)
- 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.

1.2 Impact of emergencies and natural disasters

During 2024-25 Council's operations were impacted by the Yarram Gap fires which occurred in December 2024 and January 2025. Council has noted the following significant impacts on its financial operations:

- Additional revenue – Council submitted claims for Natural Disaster Financial Assistance for costs incurred. Claims totalling \$0.158 million have been approved in July and August 2025. Council has also received reimbursement of \$0.064 million for costs related to essential water replacement.
- Additional costs – Council incurred costs of \$0.343 million as a result of the Yarram Gap Fires, including \$0.126 million in staff salaries, \$0.056 million for water deliveries, \$0.060 million for mental health support, \$0.074 million for plant and equipment hire, and road maintenance works, \$0.027 million for relief Centre supplies, meals and accommodation.

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

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 \$250,000 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 2025 \$'000	Actual 2025 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	17,950	18,093	143	1%	
Statutory fees and fines	272	266	(6)	-2%	
User fees	1,515	1,719	204	13%	
Grants - operating	8,323	14,343	6,020	72%	1
Grants - capital	7,304	1,477	(5,827)	-80%	2
Contributions - monetary	100	397	297	297%	3
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(388)	(388)	100%	4
Fair value adjustments for investment property	-	1,080	1,080	100%	5
Share of net profits/(losses) of associates and joint ventures	-	29	29	100%	
Other income	723	510	(213)	-29%	
Total income / revenue	36,186	37,526	1,340	4%	
Expenses					
Employee costs	11,333	12,241	(908)	-8%	6
Materials and services	8,259	12,222	(3,963)	-48%	7
Depreciation	7,681	11,089	(3,408)	-44%	8
Depreciation - right of use assets	302	363	(61)	-20%	
Borrowing costs	6	6	-	0%	
Finance costs - leases	74	100	(26)	-35%	
Other expenses	368	348	20	5%	
Total expenses	28,023	36,369	(8,346)	-30%	
Surplus/(deficit) for the year	8,163	1,157	(7,006)	-86%	

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - operating	Council received \$4.606 million more than budget for financial assistance grants due to 50% of the estimated annual allocation for 2025-2026 being received in June 2025. Council was successful in obtaining several grants that had not been budgeted for, including \$0.250 million to upgrade Tatyoon Oval and \$0.910 million for emergency support and community recovery.
2	Grants - capital	The budget included a \$5.000 million grant towards Mount William Road reconstruction and \$0.843 million towards Buangor-Ben Nevis Road reconstruction. Works have not yet commenced on these roads due to delays in obtaining cultural heritage management plans. Grant funds will be received in 2025/26 once the works have commenced.
3	Contributions - monetary	Additional contributions include \$0.151 million received for infrastructure development works completed by Council, \$0.074 million for upgrades to community facilities and \$0.057 million received for open space contributions.
4	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Some plant and equipment was sold at auction for less than the value recorded in the accounts. Low depreciation rates meant the equipment's recorded values stayed relatively high over time and the sale prices did not cover these values, resulting in a loss on disposal. Additionally, a review of Council's fixtures fittings and furniture assets identified a number of items that are obsolete or no longer held, which have now been treated as disposals.
5	Fair value adjustments for investment property	A fair value assessment of Council's investment properties has resulted in a revaluation adjustment of \$1.080 million that was not included in the budget.
6	Employee costs	Council has incurred increased staffing costs associated with responding to bushfire emergency events, including the operation of relief and recovery centres. Council has received government funding for additional staff positions that had not been included in the budget and there has also been some organisational changes resulting in redundancies.
7	Materials and services	Materials and services are higher than budget with increased operating expenditure to deliver the outcomes for the additional operating grants, and to complete projects funded from income carried forward from the previous year. Council also incurred over \$0.343 million expenditure for emergency and reinstatement works, and operating relief and recovery centres in response to the bushfire events in December 2024 and January 2025.
8	Depreciation	Depreciation increased by \$1.311 million compared to the previous year due to property and infrastructure asset revaluations undertaken as at 1 July 2024. This outcome differed from initial discussions with the valuer, which had anticipated a reduction in depreciation, which was reflected in the budget for 2024/2025.

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

2.1.2 Capital works

	Budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000	Variance %	Ref
Property					
Buildings	550	618	68	12%	
Total property	550	618	68	12%	
Plant and equipment					
Plant, machinery and equipment	-	495	495	100%	1
Library books	40	42	2	5%	
Total plant and equipment	40	537	497	1243%	
Infrastructure					
Roads	13,693	9,276	(4,417)	-32%	2
Bridges	80	131	51	64%	
Footpaths and cycleways	400	578	178	45%	
Drainage	750	564	(186)	-25%	
Total infrastructure	14,923	10,549	(4,374)	-29%	
Total capital works expenditure	15,513	11,704	(3,809)	-25%	
Represented by:					
New asset expenditure	138	532	394	286%	
Asset renewal expenditure	13,434	9,877	(3,557)	-26%	
Asset upgrade expenditure	1,941	1,295	(646)	-33%	
Total capital works expenditure	15,513	11,704	(3,809)	-25%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Plant, machinery and equipment	The budget did not allow for the purchase of any new plant or equipment, however during the year it became necessary to replace two vehicles. Council also purchased a Hook Lift Waste Truck which will result in future savings in contract costs. This purchase was funded from the waste management reserve.
2	Roads	Council experienced delays in obtaining cultural heritage management plans and assessment reports and were unable to commence works on Mount William Road or Buangor-Ben Nevis Road. These works are being funded from grants of \$6 million which will not be received until the works have commenced. Additional resheeting and reseal works were undertaken in advance to ensure that a high level of capital works were still completed for 2024/2025.

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Growing our place

The program brings together the planning, building and environmental health service areas to align Council's strategic objectives to support growth, community amenity, and public health.

Building robust local economies

The program combines Council's economic development and tourism services to elevate the region's status as an agriculture powerhouse that drives high yield returns for producers and operators in the Grampians.

Preserving our environment

The program combines waste management, sustainability, parks and gardens and emergency management, delivering a circular economy strategy via Revolution Ararat, revitalising our public parks, and preparedness planning for fire and flood.

Developing and maintaining key enabling infrastructure

The program provides project design and management, property maintenance, city services, road maintenance, major and minor plant, infrastructure works and asset management to support infrastructure upgrades and renewal that underpin freight efficiency and town development.

Enhancing community life

The program recognises the role of arts, culture, education, and community participation in enhancing community life, and is responsible for managing our cultural venues, library services, positive ageing programs, children's services, public recreation, and community events support.

Strong and effective governance

The program is focused on establishing a strong governance framework that secures public value through efficient financial management, rating, procurement, council operations, civic functions, and public engagement.

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

2.2.2 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
2025					
Growing our place	382	1,170	(788)	7	-
Building robust local economies	32	647	(615)	3	1,502
Preserving our environment	3,883	6,284	(2,401)	1,062	2,367
Developing and maintaining key enabling infrastructure	5,723	16,691	(10,968)	5,652	584,951
Enhancing community life	2,825	4,958	(2,133)	1,731	53,781
Strong and effective governance	24,681	6,619	18,062	7,365	21,021
	37,526	36,369	1,157	15,820	663,622

	Income / revenue	Expenses	Surplus / (deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Growing our place	716	1,047	(331)	229	-
Building robust local economies	26	493	(467)	3	500
Preserving our environment	3,715	5,850	(2,135)	75	675
Developing and maintaining key enabling infrastructure	2,617	16,259	(13,642)	2,330	489,599
Enhancing community life	3,622	4,572	(950)	2,591	21,573
Strong and effective governance	16,651	5,752	10,899	247	12,187
	27,347	33,973	(6,626)	5,475	524,534

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES	2025	2024
3.1 Rates and charges	\$'000	\$'000

Council uses the Capital Improved Valuation as the basis of valuation of all properties within the municipal district. The Capital Improved Valuation of a property is its approximate market value at a given date of 1 January 2024.

The valuation base used to calculate general rates for 2024/25 was \$6,898 million (2023/24 \$6,739 million). The 2024/25 rate in the Capital Improved Valuation dollar was General 0.3507, Farm 0.1350, Commercial 0.4910, and Industrial 0.4910 (2023/24 General 0.3508, Farm 0.1333, Commercial 0.5052, and Industrial 0.5052).

Council has delivered a net zero percent rate rise for the seven year period up to 2024/25, with the minimal growth in general rates and charges resulting from supplementary rates adjustments.

General	7,184	7,070
Commercial	786	745
Industrial	252	240
Farm	6,054	6,054
Municipal charge	642	635
Waste management charge	2,451	2,422
Interest on rates and charges	161	164
Revenue in lieu of rates	573	553
Total rates and charges	18,093	17,883

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2024 and the valuation was first applied in the rating year commencing 1 July 2024.

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

3.2 Statutory fees and fines

Infringements and costs	30	23
Town planning fees	182	300
Land information certificates	16	14
Permits	38	32
Total statutory fees and fines	266	369

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

3.3 User fees

Leisure centre and recreation	527	529
Child care/children's programs	6	5
Registration and other permits	140	134
Building services	50	53
Waste management services	473	491
Ararat Town Hall Charges	162	145
Visitor Information Centre	5	6
Alexandra Oval/ Gordon Street Oval	137	109
Road occupancy	14	11
Private works	-	3
Other fees and charges	205	134
Total user fees	1,719	1,620

User fees by timing of revenue recognition

User fees recognised at a point in time	1,719	1,620
Total user fees	1,719	1,620

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.

Ararat Rural City Council
2024/2025 Financial Report

**Notes to the Financial Report
For the Year Ended 30 June 2025**

	2025 \$'000	2024 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	13,456	2,180
State funded grants	2,364	3,295
Total grants received	15,820	5,475
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	12,047	328
<i>Recurrent - State Government</i>		
Aged care	3	4
School crossing supervisors	16	15
Libraries	155	155
Maternal and child health	374	457
Environment	145	82
Culture	140	140
Administration	48	45
Total recurrent operating grants	12,928	1,226
<i>Non-recurrent - Commonwealth Government</i>		
Community development	10	10
<i>Non-recurrent - State Government</i>		
Natural disaster	910	1,255
Community development	2	162
Maternal and child health	71	95
Culture	7	-
Employment	3	62
Planning and development	162	310
Recreation	250	28
Total non-recurrent operating grants	1,415	1,920
Total operating grants	14,343	3,146
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	380	222
Total recurrent capital grants	380	222
<i>Non-recurrent - Commonwealth Government</i>		
Transport	1,005	158
Recreation	14	1,462
<i>Non-recurrent - State Government</i>		
Transport	-	419
Recreation	78	68
Total non-recurrent capital grants	1,097	2,107
Total capital grants	1,477	2,329

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

(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; and
- recognises revenue as it satisfies its performance obligations, at the point in time or over time when services are rendered.

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

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

	2025 \$'000	2024 \$'000
Income recognised under AASB 1058 <i>Income of Not-for-Profit Entities</i>		
General purpose	12,047	328
Specific purpose grants to acquire non-financial assets	1,477	2,329
Other specific purpose grants	1,958	2,095
Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i>		
Specific purpose grants	338	723
	15,820	5,475

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

Operating

Balance at start of year	2,981	2,593
Received during the financial year and remained unspent at balance date	4,018	578
Received in prior years and spent during the financial year	(330)	(190)
Balance at year end	6,669	2,981

Capital

Balance at start of year	391	475
Received during the financial year and remained unspent at balance date	2,643	391
Received in prior years and spent during the financial year	(366)	(475)
Balance at year end	2,668	391

Unspent grants are determined and disclosed on a cash basis.

Ararat Rural City Council
2024/2025 Financial Report

**Notes to the Financial Report
For the Year Ended 30 June 2025**

	2025 \$'000	2024 \$'000
3.5 Contributions		
Monetary	397	1,190
Total contributions	397	1,190

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

3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Proceeds of sale	181	788
Written down value of assets disposed	(549)	(765)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(368)	23

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

3.7 Other income

Interest	347	589
Investment property rental	183	155
Total other income	510	744

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.

Ararat Rural City Council
2024/2025 Financial Report

**Notes to the Financial Report
For the Year Ended 30 June 2025**

	2025 \$'000	2024 \$'000
Note 4 THE COST OF DELIVERING SERVICES		
4.1 (a) Employee costs		
Wages and salaries	10,616	10,532
WorkCover	302	200
Superannuation	1,268	1,163
Fringe benefits tax	55	78
Total employee costs	12,241	11,973
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	10	14
	10	14
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	717	676
Employer contributions - other funds	541	473
	1,258	1,149
Employer contributions payable at reporting date.	-	-
Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.		
4.2 Materials and services		
Materials and services	8,639	7,956
Contract payments	510	690
Plant and equipment maintenance	1,659	1,702
Utilities	863	785
Consultants	551	462
Total materials and services	12,222	11,595
Expenses are recognised as they are incurred and reported in the financial year to which they relate.		

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

	2025 \$'000	2024 \$'000
4.3 Depreciation		
Property	2,660	1,955
Plant and equipment	819	916
Infrastructure	7,810	6,907
Total depreciation	11,089	9,778
<i>Refer to note 5.7 and 6.1 for a more detailed breakdown of depreciation and accounting policy.</i>		
4.4 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	47	55
Auditors' remuneration - Other External Audits	-	1
Auditors' remuneration - Internal Audit	51	91
Councillors' allowances	250	252
Total other expenses	348	399

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS

	2025 \$'000	2024 \$'000
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	4	4
Cash at bank	9,833	3,045
Term deposits	5,004	-
Total cash and cash equivalents	14,841	3,049
 (b) Other financial assets		
Current		
Term deposits	-	3,040
Total current other financial assets	-	3,040
 Total other financial assets	-	3,040
 Total cash and cash equivalents and other financial assets	14,841	6,089

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.

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

	2025 \$'000	2024 \$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	2,466	2,320
Net GST receivable	6	403
<i>Non statutory receivables</i>		
Other debtors	594	2,489
Total current trade and other receivables	3,066	5,212
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	4	5
Total non-current trade and other receivables	4	5
Total trade and other receivables	3,070	5,217

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) Ageing of Receivables

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

Current (not yet due)	463	2,367
Past due by up to 30 days	57	102
Past due between 31 and 180 days	63	12
Past due between 181 and 365 days	10	3
Past due by more than 1 year	1	5
Total trade and other receivables	594	2,489

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

5.2 Non-financial assets

	2025	2024
	\$'000	\$'000
(a) Inventories		
Inventories held for sale	19	23
Inventories held for distribution	52	48
Total inventories	71	71

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories 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	-	360
Total other assets	-	360

5.3 Payables, trust funds and deposits and contract and other liabilities

(a) Trade and other payables

Current

Non-statutory payables

Trade payables	2,264	689
Accrued expenses	93	335
Total current trade and other payables	2,357	1,024

(b) Trust funds and deposits

Current

Refundable deposits	66	51
Fire services levy	109	90
Retention amounts	45	69
Other refundable deposits	95	93
Total current trust funds and deposits	315	303

(c) Contract and other liabilities

Contract liabilities

Current

Grants received in advance - operating	6,659	2,981
Other	10	-
Total contract liabilities	6,669	2,981

Other liabilities

Current

Deferred capital grants	2,668	391
Total other liabilities	2,668	391

Total contract and other liabilities

9,337	3,372
--------------	--------------

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of government grants. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Other liabilities

Grant consideration was received from government to support the construction of assets. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Purpose and nature of items

Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works and for the use of civic facilities.

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.

5.4 Interest-bearing liabilities

	2025 \$'000	2024 \$'000
Current		
Other borrowings - secured	156	150
Total current interest-bearing liabilities	156	150
Non-current		
Other borrowings - secured	-	156
Total non-current interest-bearing liabilities	-	156
Total	156	306

Borrowings are secured by Council's rates

(a) The maturity profile for Council's borrowings is:

Not later than one year	156	150
Later than one year and not later than five years	-	156
	156	306

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities based on contractual repayment terms at every balance date.

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

5.5 Provisions

	2025	2024
	\$ '000	\$ '000
Employee		
Balance at beginning of the financial year	2,397	2,207
Additional provisions	1,198	1,266
Amounts used	(1,134)	(1,076)
Balance at the end of the financial year	2,461	2,397
 <i>Provisions - current</i>	 2,175	 2,104
<i>Provisions - non-current</i>	286	293
 (a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	691	698
Other leave	70	76
	761	774
 Current provisions expected to be wholly settled after 12 months		
Annual leave	203	225
Long service leave	1,211	1,105
	1,414	1,330
Total current employee provisions	2,175	2,104
 Non-current		
Long service leave	286	293
Total non-current employee provisions	286	293
 Aggregate carrying amount of employee provisions:		
Current	2,175	2,104
Non-current	286	293
Total aggregate carrying amount of employee provisions	2,461	2,397

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

Annual leave

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

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

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

Long service leave

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

Key assumptions:

- discount rate	4.203%	4.348%
- index rate	4.250%	4.450%

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

5.6 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.

	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
2025					
Operating					
Consultancies	166	-	-	-	166
Digital Twin Victoria Monitoring Project	225	-	-	-	225
Total	391	-	-	-	391
Capital					
Roads	79	-	-	-	79
Digital Twin Victoria Equipment	132	-	-	-	132
Total	211	-	-	-	211
2024					
Operating					
Consultancies	69	-	-	-	69
Digital Twin Victoria Monitoring Project	225	-	-	-	225
Total	294	-	-	-	294
Capital					
Buildings	67	-	-	-	67
Roads	246	-	-	-	246
Drainage	207	-	-	-	207
Digital Twin Victoria Equipment	132	-	-	-	132
Total	652	-	-	-	652

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

5.7 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.

Right-of-Use Assets - Plant & Equipment

	2025	2024
	\$'000	\$'000
Opening balance	1,359	-
Additions	788	1,508
Depreciation charge	(363)	(149)
Closing balance	1,784	1,359

Lease Liabilities

Maturity analysis - contractual undiscounted cash flows

	2025	2024
Less than one year	544	348
One to five years	1,583	1,226
Total undiscounted lease liabilities as at 30 June:	2,127	1,574

Lease liabilities included in the Balance Sheet at 30

	2025	2024
Current	426	275
Non-current	1,412	1,100
Total lease liabilities	1,838	1,375

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2025

Note 6 ASSETS WE MANAGE

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount (restated)* 30 June 2024 \$'000	Additions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	Carrying amount 30 June 2025 \$'000
Property	77,151	578	65,157	(2,660)	-	184	140,410
Plant and equipment	7,635	537	-	(819)	(549)	-	6,804
Infrastructure	423,196	9,267	65,087	(7,610)	-	1,142	491,075
Work in progress	1,429	1,322	-	-	-	(1,328)	1,425
	509,404	11,704	130,244	(11,089)	(549)	-	639,714

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Closing WIP \$'000
Property	184	40	(184)	40
Infrastructure	1,245	1,282	(1,142)	1,385
Total	1,429	1,322	(1,326)	1,425

* 2024 balances have been restated as detailed in Note 11

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2025

(a) Property

	Land	Land under roads	Land improvements	Total Land & Land Improvements	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2024	17,796	301	1,849	19,946	143,342	748	144,090	184	164,220
Accumulated depreciation at 1 July 2024	-	-	(670)	(670)	(85,649)	(566)	(86,215)	-	(86,885)
	17,796	301	1,179	19,276	57,693	182	57,875	184	77,335
Movements in fair value									
Additions	-	-	-	-	578	-	578	40	618
Revaluation	28,396	6	(73)	28,329	32,243	(510)	31,733	-	60,062
Transfers	-	-	-	-	184	-	184	(184)	-
	28,396	6	(73)	28,329	33,005	(510)	32,495	(144)	60,680
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	(46)	(46)	(2,608)	(6)	(2,614)	-	(2,660)
Revaluation	-	-	79	79	4,449	567	5,016	-	5,095
	-	-	33	33	1,841	561	2,402	-	2,435
At fair value 30 June 2025	46,192	307	1,776	48,275	176,347	238	176,585	40	224,900
Accumulated depreciation at 30 June 2025	-	-	(637)	(637)	(83,806)	(5)	(83,811)	-	(84,450)
Carrying amount	46,192	307	1,139	47,638	92,539	233	92,772	40	140,450

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2025

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Library books \$'000	Artworks \$'000	Total plant and equipment \$'000
At fair value 1 July 2024	10,392	1,003	1,392	2,105	14,892
Accumulated depreciation at 1 July 2024	(5,434)	(886)	(835)	-	(7,257)
	<u>4,958</u>	<u>115</u>	<u>457</u>	<u>2,105</u>	<u>7,635</u>
Movements in fair value					
Additions	495	-	42	-	537
Disposal	(943)	(896)	-	-	(1,841)
	<u>(448)</u>	<u>(896)</u>	<u>42</u>	<u>-</u>	<u>(1,304)</u>
Movements in accumulated depreciation					
Depreciation and amortisation	(787)	(9)	(23)	-	(819)
Accumulated depreciation of disposals	470	822	-	-	1,292
	<u>(317)</u>	<u>813</u>	<u>(23)</u>	<u>-</u>	<u>473</u>
At fair value 30 June 2025	9,944	105	1,434	2,105	13,588
Accumulated depreciation at 30 June 2025	(5,751)	(75)	(858)	-	(6,784)
Carrying amount	<u>4,193</u>	<u>30</u>	<u>476</u>	<u>2,105</u>	<u>6,804</u>

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2025

(c) Infrastructure

	Roads (restated)*	Bridges	Footpaths and cycleways	Drainage	Work in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2024	584,198	48,562	11,820	14,546	1,245	660,371
Accumulated depreciation at 1 July 2024	(200,008)	(22,538)	(5,285)	(8,105)	-	(235,937)
	384,190	26,024	6,535	6,440	1,245	424,434
Movements in fair value						
Additions	8,081	44	578	584	1,282	10,549
Revaluation	(4,470)	23,294	2,918	(1,519)	-	20,221
Transfers	941	-	87	114	(1,142)	-
	4,552	23,338	3,581	(841)	140	30,770
Movements in accumulated depreciation						
Depreciation and amortisation	(6,448)	(691)	(305)	(188)	-	(7,610)
Revaluation	49,158	(5,747)	200	1,254	-	44,865
	42,711	(6,438)	(105)	1,066	-	37,236
At fair value 30 June 2025	588,750	71,800	15,401	13,705	1,385	691,141
Accumulated depreciation at 30 June 2025	(157,297)	(28,976)	(5,380)	(7,018)	-	(198,681)
Carrying amount	431,453	42,824	10,011	6,687	1,385	492,460

* 2024 roads balances have been restated as detailed in Note 11

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

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

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

	Depreciation Period	Depreciation Period	Threshold Limit
	2023-24	2024-25	\$'000
<i>Asset recognition thresholds and depreciation periods</i>			
Land & land improvements			
land	-	-	10,000
land under roads	-	-	10,000
land improvements	20 years	31-80 years	10,000
Buildings			
buildings	25 - 193 years	8 - 400 years	10,000
Plant and Equipment			
plant, machinery and equipment	5 - 25 years	5 - 25 years	3,000
fixtures, fittings and furniture	10 years	10 years	3,000
library books	20 years	20 years	1
Infrastructure			
roads - pavements and seals	10 - 50 years	10 - 80 years	10,000
roads - substructure	30 - 100 years	15 - 200 years	10,000
roads - kerb, channel and minor culverts and other	80 - 120 years	68 - 120 years	10,000
bridges	100 - 125 years	76 - 150 years	10,000
footpaths and cycleways	20 - 125 years	11 - 85 years	10,000
drainage	80 years	68 - 120 years	10,000

Land under roads

Land under roads acquired after 30 June 2008 are brought to account using the fair value basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

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.

Artworks are not depreciated.

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.

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

Valuation of artworks

Valuation of artworks were undertaken by qualified independent valuer, Simon Storey Valuers.

The valuation is at fair value based on current replacement cost as at the date of valuation.

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

Details of Council's artworks and information about the fair value hierarchy as at 30 June 2025 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation	Type of Valuation
Artworks	-	2,105	-	Jun-23	full
Total	-	2,105	-		

Valuation of land and buildings

Valuation of land and buildings were undertaken as at 1 July 2024 by a qualified independent valuer, Jake Musgrave of APV Valuers and Asset Management, Certified Practising Valuer 113810. The valuation of land and 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.

Land under roads are 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. An indexed based revaluation was conducted in the current year, based on the ABS Producer Price Index for building construction in Victoria for land improvement and building assets. No indexation was applied to land assets due to minimal indexation rates. A full revaluation of land and building assets will be conducted in 2027/28.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2025 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land	-	46,192	-	Jul-24	full
Land under roads	-	-	307	Jul-24	full
Land Improvements	-	-	1,139	Jul-24	full
				Jun-25	index
Buildings	-	233	92,539	Jul-24	full
				Jun-25	index
Total	-	46,425	93,985		

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken as at 1 July 2024 by Janaka Weerasinghe of APV Valuers and Asset Management, Bachelor of Engineering - Civil Engineering.

The date and type of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, based on the ABS Producer Price Index for road and bridge construction in Victoria for roads, bridge and footpath assets and the ABS Producer Price Index for other heavy and civil engineering construction in Victoria for drainage assets. A full revaluation of these assets will be conducted in 2027/28.

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 2025 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	431,453	Jul-24 Jun-25	full index
Bridges	-	-	42,924	Jul-24 Jun-25	full index
Footpaths and cycleways	-	-	10,011	Jul-24 Jun-25	full index
Drainage	-	-	6,687	Jul-24 Jun-25	full index
Total	-	-	491,075		

Description of significant unobservable inputs into level 3 valuations

Specialised 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 results in a reduction to land values of 90%. The market value of land under roads varies significantly depending on the location of the land and the current market conditions. Currently land under roads values range between \$0 and \$15 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 \$242 to \$181,800 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year to 265 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 1 year to 195 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.

	2025	2024
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	307	301
Parks and reserves	-	10,725
Total specialised land	307	11,026

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

	2025	2024
	\$'000	\$'000

6.2 Investments in joint arrangements

- (a) Investments in joint venture
- Ararat Housing Enterprise Pty Ltd

Ararat Housing Enterprise Pty Ltd

Background

Council has entered a joint venture with a private investor to address the availability of affordable housing for the growing labour force within the municipality, with the construction of 60 new homes over 15 years. The structure of the project will be to build four new houses a year over 15 years, with the purpose of leasing the properties for a period of four years and then selling the properties.

Fair value of Council's investment in Ararat Housing Enterprise Pty Ltd	1,527	498
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	(2)	1
Reported surplus/(deficit) for year	29	(3)
Council's share of accumulated surplus/(deficit) at end of year	27	(2)
Movement in carrying value of specific investment		
Carrying value of investment at start of year	498	501
Share of surplus/(deficit) for year	29	(3)
Contribution to joint venture	1,000	-
Carrying value of investment at end of year	1,527	498

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.

6.3 Investment property

Balance at beginning of financial year	1,535	1,661
Transfers	-	(172)
Fair value adjustments	1,080	46
Balance at end of financial year	2,615	1,535

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 Peter Wigg of Wigg and Partners Pty Ltd, Certified Practising Valuer 62580, who has recent experience in the location and category of the property being valued. The date of valuation is 30 June 2025. The valuation is at fair value, based on the current market value for the property.

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

Note 7 PEOPLE AND RELATIONSHIPS

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Ararat Rural City Council

Subsidiaries and Joint arrangements

Interests in joint ventures are detailed in Note 8.2.

(b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Ararat Rural City Council. The Councillors, Chief Executive Officer and Senior Managers are deemed KMP.

Details of KMP at any time during the year are:

	2025 No.	2024 No.
Councillors		
Councillor Jo Armstrong (Mayor from 12/11/2024, Deputy Mayor to 12/11/2024)		
Councillor Bob Sanders (Mayor to 12/11/2024, Deputy Mayor from 12/11/2024)		
Councillor Gwenda Allgood (to 26/10/2024)		
Councillor Rob Armstrong		
Councillor Peter Beales (to 26/10/2024)		
Councillor Henry Burnidge (to 26/10/2024)		
Councillor Bill Waterston		
Councillor Peter Joyne (from 26/10/2024)		
Councillor Teli Kaur (from 26/10/2024)		
Councillor Luke Preston (from 26/10/2024)		
Chief Executive Officer		
Manager Development & Regulation		
Total Number of Councillors	10	7
Total of Chief Executive Officer and other Key Management Personnel	2	2
Total Number of Key Management Personnel	12	9

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

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

	2025 \$'000	2024 \$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	715	668
Other long-term employee benefits	18	17
Post-employment benefits	47	43
Total	780	728

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

	2025 No.	2024 No.
\$0 - \$9,999	3	-
\$10,000 - \$19,999	3	-
\$20,000 - \$29,999	2	5
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999	1	1
\$50,000 - \$59,999	-	-
\$60,000 - \$69,999	-	-
\$70,000 - \$79,999	-	-
\$80,000 - \$89,999	-	-
\$90,000 - \$99,999	1	1
\$100,000 - \$199,999	-	-
\$200,000 - \$299,999	-	1
\$300,000 - \$399,999	1	-
Total	12	9

In accordance with accounting standards, the remuneration amounts include wages and salaries, employer superannuation contributions, vehicle benefits and movements in unused leave.

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$170,000 and who report directly to a member of the KMP.

	2025 \$'000	2024 \$'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	-	153
Other long-term employee benefits	-	5
Post-employment benefits	-	17
Total	-	175

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

Income Range:	2025 No.	2024 No.
\$170,000 - \$179,999	-	1
	-	1

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

2025 \$'000	2024 \$'000
-	175

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties within normal customer relationships on terms and conditions no more favourable than those available in similar arm's length dealings.

Looksmith, engraving and site camera installation services supplied to Council by a business that is a related party of a former Councillor.	1	4
Council provided a community grant to support a community event organised by a business that is a related party of a Councillor.	5	-

(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:

-	-
---	---

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:

-	-
---	---

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:

-	-
---	---

Ararat Rural City Council
2024/2025 Financial Report

**Notes to the Financial Report
For the Year Ended 30 June 2025**

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.

Gravel pits

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

Liability Mutual Insurance

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

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period. Council assesses the impact of these new standards. As at 30 June 2025 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2025 that are expected to impact Council.

In September 2024 the Australian Accounting Standards Board (AASB) issued two Australian Sustainability Reporting Standards (ASRS). This followed Commonwealth legislation establishing Australia's sustainability reporting framework. Relevant entities will be required to undertake mandatory reporting of climate-related disclosures in future financial years. Public sector application issues remain under consideration and Council will continue to monitor developments and potential implications for future financial years.

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

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

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

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

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

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

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

(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 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 + 2% and - 2% in market interest rates (AUD) from year-end rates of 3.85%.

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.

Council has considered the amendments to AASB 13 Fair Value Measurement that apply for the 2024-25 financial year as a result of AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities. For assets, where the Council adopts a current replacement cost approach to determine fair value, the Council now considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation. The AASB 13 amendments apply prospectively, comparative figures have not been restated.

Given that property and infrastructure assets have been revalued as at 1 July 2024 using a different independent valuation expert from the previous valuation, Council has been unable to reliably quantify what portion of valuation movements result from the initial application of the AASB 13 amendments, distinct from other valuation movements. In addition, Council does not have data available to quantify the portion of the fair value of property and infrastructure assets at 1 July 2024 attributable to disruption of other entities' assets.

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.

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

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 artworks, land, buildings, and infrastructure assets on a regular basis ranging from 2 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
Artworks	3 to 5 years
Land	2 to 3 years
Land improvements	2 to 3 years
Buildings	2 to 3 years
Roads	2 to 3 years
Bridges	2 to 3 years
Footpaths and cycleways	2 to 3 years
Drainage	2 to 3 years

Where the assets are revalued, the revaluation increases are credited directly to the asset revaluation reserve except to the extent that an increase reverses a prior year decrease for that class of asset that had been recognised as an expense in which case the increase is recognised as revenue up to the amount of the expense. Revaluation decreases are recognised as an expense except where prior increases are included in the asset revaluation reserve for that class of asset in which case the decrease is taken to the reserve to the extent of the remaining increases. Within the same class of assets, revaluation increases and decreases within the year are offset.

Impairment of assets

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

8.5 Events occurring after balance date

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

Ararat Rural City Council
2024/2025 Financial Report

**Notes to the Financial Report
For the Year Ended 30 June 2025**

Note 9 OTHER MATTERS

9.1 Reserves

(a) Asset revaluation reserves

2025

Artworks

Artworks

Property

Land and land improvements

Buildings

Infrastructure

Roads

Bridges

Footpaths and cycleways

Drainage

Total asset revaluation reserves

2024

Artworks

Artworks

Property

Land

Buildings

Infrastructure

Roads

Bridges

Footpaths and cycleways

Drainage

Total asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Balance at end of reporting period \$'000
2025			
Artworks			
Artworks	1,255	-	1,255
	1,255	-	1,255
Property			
Land and land improvements	14,509	28,408	42,917
Buildings	36,254	36,749	73,003
	50,763	65,157	115,920
Infrastructure			
Roads	128,352	44,689	173,041
Bridges	20,399	17,547	37,946
Footpaths and cycleways	6,034	3,116	9,150
Drainage	1,320	(265)	1,055
	156,105	65,087	221,192
Total asset revaluation reserves	208,123	130,244	338,367
2024			
Artworks			
Artworks	1,255	-	1,255
	1,255	-	1,255
Property			
Land	14,509	-	14,509
Buildings	33,898	2,356	36,254
	48,407	2,356	50,763
Infrastructure			
Roads	123,429	4,923	128,352
Bridges	19,720	679	20,399
Footpaths and cycleways	5,871	163	6,034
Drainage	1,101	219	1,320
	150,121	5,984	156,105
Total asset revaluation reserves	199,783	8,340	208,123

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

Ararat Rural City Council
2024/2025 Financial Report

**Notes to the Financial Report
For the Year Ended 30 June 2025**

	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				
2025				
Capital works and projects	2,580	8,921	(2,580)	8,921
Recreational land	213	57	(165)	105
Building capital	4,958	-	(1,000)	3,958
Environmental projects	95	-	-	95
Waste management	518	-	(307)	211
Total Other reserves	8,364	8,978	(4,052)	13,290
2024				
Capital works and projects	14,780	2,580	(14,780)	2,580
Recreational land	165	48	-	213
Building capital	4,958	-	-	4,958
Environmental projects	95	-	-	95
Waste management	518	-	-	518
Total Other reserves	20,516	2,628	(14,780)	8,364

Description of the nature and purpose of each reserve:

Capital works and projects – specific purpose reserve used to fund major capital works projects.
Recreational land – specific purpose reserve used to fund public open space works.
Building capital – specific purpose reserve used to fund major building capital works.
Environmental projects – specific purpose reserve used to fund innovative environmental projects.
Waste management – specific purpose reserve used to fund works at waste management facilities.

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

	2025 \$'000	2024 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	1,157	(6,626)
<i>Non-cash adjustments:</i>		
Depreciation	11,452	9,927
Profit/(loss) on disposal of property, infrastructure, plant and equipment	388	(23)
Fair value adjustments for investment property	(1,080)	(46)
Borrowing costs	6	44
Lease interest	100	35
Share of net profits (or loss) of joint ventures	(29)	29
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	2,147	(701)
(Increase)/decrease in inventories	-	3
(Increase)/decrease in prepayments	360	(345)
Increase/(decrease) in trade and other payables	1,333	(741)
Increase/(decrease) in trust funds and deposits	12	(2)
Increase/(decrease) in contract and other liabilities	5,965	304
Increase/(decrease) in provisions	64	190
Net cash provided by/(used in) operating activities	21,875	2,048

9.3 Superannuation

Council makes the majority 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 2025, this was 11.5% as required under Superannuation Guarantee (SG) legislation (2024: 11.0%)).

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 Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2024, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category.

The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2024 (of which Council is a contributing employer) was 105.4%. The financial assumptions used to calculate the VBI were:

Net investment returns	5.67% pa
Salary information	3.5% pa
Price inflation (CPI)	2.7% pa

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

As at 30 June 2025, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2025.

Vision Super has advised that the VBI at 30 June 2025 was 110.5%. Council was notified of the 30 June 2025 VBI during August 2025 (2024: August 2024). The financial assumptions used to calculate this VBI were

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

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2024 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 2024 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 2025, this rate was 11.5% of members' salaries (11.0% in 2023/24). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

(b) Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024 (previously 97%).

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2024 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 2024 while a full investigation was conducted as at 30 June 2023.

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

	2024 (Interim)	2023 (Triennial)
	\$m	\$m
- A VBI Surplus	108.4	84.7
- A total service liability surplus	141.4	123.6
- A discounted accrued benefits surplus	156.7	141.9

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

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 2024.

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 2024.

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 2024.

The 2025 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2025 as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the VBI at 30 June 2025 was 110.5%. Council was notified of the 30 June 2025 VBI during August 2025 (2024: August 2024). The financial assumptions used to calculate the 30 June 2024 VBI were:

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

It is anticipated that this actuarial investigation will be completed by October 2025.

The 2023 triennial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

	2023 Triennial investigation	2020 Triennial investigation
Net investment return	5.7% pa	5.6% pa
Salary inflation	3.5% pa	2.5% pa for two years and 2.75% pa thereafter
Price inflation	2.8% pa	2.0% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2025 are detailed below:

Scheme	Type of Scheme	Rate	2025 \$'000	2024 \$'000
Vision super	Defined benefits	11.5% (2024:11.0%)	10	14
Vision super	Accumulation	11.5% (2024:11.0%)	717	676
Other super funds	Accumulation	11.5% (2024:11.0%)	541	473

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2025.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2026 is \$9,000.

Ararat Rural City Council
2024/2025 Financial Report

Notes to the Financial Report For the Year Ended 30 June 2025

Note 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies in the 2024-25 year.

Note 11 ERRORS AND CHANGES IN ACCOUNTING ESTIMATES

11.1 Correction of error relating to previous reporting period - retrospective

During the revaluation of infrastructure assets Council found road earthworks assets that had not previously been reflected in previous asset valuations. These found assets have been brought to account as an adjustment to Council's prior year asset balance comparatives and to accumulated surplus for the 2023-24 year.

Adjustments to the comparative figures for the year ended 30 June 2024

	Original Balance 30 June 2024 \$'000	Impact Increase / (decrease) \$'000	Restated Balance 30 June 2024 \$'000
Balance Sheet			
Property, infrastructure, plant and equipment	308,261	201,144	509,405
Total non-current assets	311,658	201,144	512,802
Total assets	323,390	201,144	524,534
Net assets	314,613	201,144	515,757
Accumulated surplus	98,126	201,144	299,270
Total Equity	314,613	201,144	515,757
Note 6.1 Property, infrastructure, plant and equipment			
Roads	183,046	201,144	384,190
Total infrastructure assets	222,046	201,144	423,189
Total Property, infrastructure, plant and equipment	308,261	201,144	509,405

Ararat Rural City Council

Performance Statement

For the year ended 30 June 2025

Table of Contents

Certification of the Performance Statement	3
Victorian Auditor-General's Office audit report	4
Section 1. Description of municipality	6
Section 2. Service performance indicators	7
Section 3. Financial performance indicators	10
Section 4. Sustainable capacity indicators	16
Section 5. Notes to the accounts	18
5.1. Basis of preparation	18
5.2. Definitions	19
5.3. Other matters	20

Certification of the Performance Statement

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

Karissa Hogan, BCom, CPA
Principal Accounting Officer
Dated:

In our opinion, the accompanying performance statement of the Ararat Rural City Council for the year ended 30 June 2025 presents fairly the results 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 sustainable capacity.

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

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

Jo Armstrong
Councillor
Dated:

Bob Sanders
Councillor
Dated:

Dr Tim Harrison
Chief Executive Officer
Dated:

Insert VAGO Audit Report – Page 1

Insert VAGO Audit Report – Page 2

Section 1. Description of municipality

Ararat Rural City is the gateway to the Grampians region in south-west Victoria, situated at an important junction of the Western and Pyrenees highways 198 kilometres north-west of Melbourne, approximately a quarter of the way between Melbourne and Adelaide.

The land has a wealth of natural attractions that set the region apart, such as Mount Langi Ghiran, Mount Cole and the Ararat Hills National Park, which frame our townships with scenic views and unique landscapes.

It includes the city of Ararat and the rural townships of Buangor, Elmhurst, Lake Bolac, Mininera, Moyston, Pomonal, Streatham, Tatyoon, Warrak, Westmere, Wickliffe and Willaura.

Our diverse economy is fortified by advanced manufacturing, premium agriculture, nature-based tourism, healthcare and renewable energy. The region is known for its superior produce, wine production, agriculture and tourism. Diverse retail and manufacturing industries are spearheading a growing economy.

Municipal Snapshot

Population » 11,686 (Australian Bureau of Statistics – Population Estimates by Local Government Area)

Area » 4,211 square kilometres

Rateable properties » 7,447

Number of Councillors » 7

Rates and charges revenue » \$18.093 million

Total revenue » \$37.526 million

Length of sealed local roads » 759 kms

Length of unsealed local roads » 1,443 kms

Length of natural surface roads » 252 kms

Total road length » 2,454 kms

Section 2. Service performance indicators

For the year ended 30 June 2025

Service / indicator / measure / [formula]	Results					Comments
	2022	2023	2024	2025		
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	2.65	3.05	4.91	4.00	5.67	For the second year in a row, Council made the decision to make entry to all municipal outdoor pools free for the 2024/2025 season. This, along with a warmer summer season, has seen visitor numbers to our pools continue to grow.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0.00%	100.00%	0.00%	0.00%	0.00%	There were no animal management prosecutions during this reporting period.
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	83.33%	0.00%	100.00%	100.00%	100.00%	There was 1 major non-compliance issues for this reporting period, with this followed up with a compliant result in a timely manner. Council's Environmental Health service continues to work with businesses to ensure regulatory standards are met.

7

Service / indicator / measure / [formula]	2022	2023	2024	2025		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Governance Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]	62	60	59	65	59	Council set a target of 65 for community satisfaction with consultation and engagement. Although failing to reach this, Council has maintained consistency with a result of 59, the same as the previous reporting period. This result has remained steady over the last 3 years. Council is continuing its commitment to listening to and addressing community concerns, and will continually set high performance targets in this space.
Libraries Participation <i>Library membership</i> [Number of registered library members / Population] x100	N/A	N/A	19.11%	20.00%	19.12%	This indicator is an assessment of the degree to which the community participate in Council's library service. Council's result of 19.12% is reflective of a small rural Council and has remained steady from the previous year. Following an interior upgrade in early 2025, Council is actively working to encourage new members and borrowers with new and varied programs and membership drives.
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	85.53%	84.87%	87.11%	85.00%	83.35%	Participation levels have slightly decreased on last reporting period, with Council continuing to review engagement practices within the maternal and child health service to increase participation rates.
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	87.50%	90.48%	89.47%	85.00%	87.10%	Participation levels remain steady amongst aboriginal children in the service. Low numbers in this indicator creates sensitivity when reporting in percentages, however attendance in the program continues to be strong.

8

Service / indicator / measure / [formula]	2022	2023	2024	2025		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Roads Condition <i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100]	100.00%	100.00%	100.00%	100.00%	100.00%	Council has had no roads fall below the renewal intervention level this year. A proactive approach by Council's roads team has seen maintenance conducted regularly and pre-emptively, to ensure sealed roads remain at condition standard.
Statutory Planning Service standard <i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	91.49%	80.41%	78.91%	85.00%	79.80%	Council has a target of 85% of applications decided in required timeframes, with a commitment to improvement in this area. Although not quite meeting this target, a result of 79% has remained steady with last year's result and well above state average for this indicator.
Waste Management Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	21.02%	22.90%	25.17%	35.00%	61.21%	The amount of waste diverted from landfill has increased significantly this reporting period, due to it now being possible for Council to report on glass and green waste weights diverted from landfill. Previous reporting only included recycling weights. This reporting improvement has led to a much more accurate figure.

Section 3. Financial performance indicators

For the year ended 30 June 2025

Dimension / indicator / measure / [formula]	2022	2023	2024	2025		2026	2027	2028	2029	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,064.44	\$4,615.87	\$4,591.57	\$3,787.00	\$4,935.81	\$4,348.06	\$4,349.06	\$4,379.18	\$4,431.59	Expenditure in 2024/25 has increased as Council continues to deliver outcomes for several large project grants, and to complete projects carried forward from the previous year. The reduced indicator in the target and future years is based on minimal non-recurrent operating grants being received that would require increased expenditure.
Revenue level <i>Average rate per property assessment</i> [Sum of all general rates and municipal charges / Number of property assessments]	\$2,028.33	\$2,006.30	\$1,992.70	\$1,997.00	\$2,001.88	\$2,046.60	\$2,077.10	\$2,108.05	\$2,139.43	This indicator has remained fairly consistent as Council has delivered a 0% net rate rise for the seven years up to 2024/2025. Additionally, the number of properties within the municipality continues to grow. The indicator is forecast to increase in future years based on annual rate increases being included.

Dimension / indicator / measure / [formula]	2022	2023	2024	2025		2026	2027	2028	2029	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Liquidity Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100	224.65%	321.83%	162.31%	158.00%	121.75%	235.33%	241.79%	260.15%	282.81%	Current assets have increased with \$9.693 million in grant funds received in June 2025. However, unearned revenue has increased by \$5.965 million with grant performance obligations not yet satisfied. Trade payables have also increased by \$1.33 million. This indicator is forecast to increase in future years when unearned revenue is expected to reduce upon completion of the grant requirements.

Dimension / indicator / measure / [formula]	2022	2023	2024	2025		2026	2027	2028	2029	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	64.66%	64.43%	-12.98%	145.00%	34.50%	163.87%	173.70%	192.22%	214.27%	Unrestricted cash has increased since last year, however the indicator is still lower than the target and future forecasts due to the higher level of unearned revenue and trade payables at year end. The forecast indicators are based on minimal unearned revenue held as current liabilities in future years.
Obligations Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	3.41%	7.07%	1.71%	0.90%	0.86%	0.00%	0.00%	0.00%	0.00%	Council has one loan which is due to be repaid in April 2026.

Dimension / Indicator / measure / [formula]	2022	2023	2024	2025		2026	2027	2028	2029	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	12.51%	1.20%	5.53%	0.90%	0.86%	0.86%	0.00%	0.00%	0.00%	The indicator is forecast to reduce in future years as the loan will be repaid in April 2026.
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	3.30%	5.47%	7.49%	4.60%	7.83%	3.87%	2.23%	1.34%	1.30%	Council's own source revenue increased minimally with small increases resulting from supplementary rates and a fair value adjustment for investment properties. The non-current liabilities increased with an additional \$0.312 million held in lease liabilities. This indicator is forecast to reduce in future years based on Council's lease repayments reducing the level of non-current liabilities in future years. No further borrowings or leases have been factored into the forecast indicators.

Dimension / Indicator / measure / [formula]	2022	2023	2024	2025		2026	2027	2028	2029	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	174.50%	90.93%	124.63%	200.20%	100.75%	103.25%	106.48%	107.84%	107.84%	In 2022/2023 and 2023/2024 there was an increase in capital works expenditure, however there was also a higher proportion spent on new assets. In 2024/2025 this indicator has been adversely affected by the significant increase in depreciation of \$1.311 million resulting from property and infrastructure asset revaluations. The target included increased capital grant funding for road reconstructions, however these projects have been deferred until 2025/2026.
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	7.64%	2.06%	-40.25%	7.60%	-0.35%	1.70%	3.10%	3.62%	3.63%	Expenditure increased in 2024/2025 to deliver the outcomes for several large project grants and works carried forward from the previous year. Depreciation has increased by \$1.311 million predominantly as a result of asset revaluations. The higher target reflected \$1.461 million in recurrent capital grants, while the forecasts are based on minimal non-recurrent operating grants.

Dimension / indicator / measure / [formula]	2022	2023	2024	2025		2026	2027	2028	2029	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Stability Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	55.29%	51.46%	73.82%	59.20%	49.39%	56.09%	56.06%	56.18%	56.31%	In 2023/2024 rate revenue represented a larger share of Council's income despite a %0 net rate rise over the seven years to 2024/2025. Adjusted underlying revenue decreased in 2023/2024 due to timing changes in financial assistance grants, with \$6.656 million being received in July 2024, compared to \$7.426 million being received in advance in June 2023. In 2024/2025 Council also received 50% of the 2025/26 grant allocation in advance. Targets and forecasts are based on a single annual allocation being received.
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.41%	0.29%	0.27%	0.30%	0.27%	0.28%	0.28%	0.28%	0.29%	Property values within the municipality increased by 44.85% between 2021/2022 and 2022/2023, and have remained fairly consistent since that time. Additionally, Council has delivered a net rate rise of 0% for the seven years up to 2024/2025.

15

Section 4. Sustainable capacity indicators

For the year ended 30 June 2025

Indicator / measure / [formula]	Results				Comments
	2022	2023	2024	2025	
	Actual	Actual	Actual	Actual	
Population Expenses per head of municipal population [Total expenses / Municipal population]	\$2,454.62	\$2,868.75	\$2,908.16	\$3,145.39	Expenditure increased in 2024/2025 to deliver the outcomes for several large project grants, and works carried forward from the previous year. Depreciation has increased by \$1.311 million predominantly as a result of asset revaluations. In 2021/2022 there was significantly less non-recurrent expenditure compared to recent years.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$21,849.19	\$23,628.31	\$24,836.43	\$50,762.88	The significant increase in 2024/2025 has resulted from a revaluation of property and infrastructure assets of \$130.244 million and the inclusion of road earthworks assets of \$201.144 million.
Population density per length of road [Municipal population / Kilometres of local roads]	4.86	4.78	4.77	4.76	This indicator has remained consistent to the previous year.

16

Indicator / measure / [formula]	2022	2023	2024	2025	Comments
	Actual	Actual	Actual	Actual	
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,623.47	\$1,743.89	\$1,770.52	\$1,856.67	Following a fair value assessment of Council's investment properties a revaluation adjustment was included in revenue for \$1.080 million, increasing Council's own source revenue.
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$921.74	\$916.70	\$123.94	\$1,138.80	Recurrent grants were significantly lower in 2023/2024, due to a change in the timing of financial assistance grants for 2024/2025 resulting in \$6.656 million being received early in July 2024, compared to \$7.426 million being received in advance in June 2023. In 2024/2025 Council also received 50% of the annual allocation of the financial assistance grants in advance for 2025/2026.
Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	1.00	2.00	2.00	2.00	The Australian Bureau of Statistics revised Council's Socio-Economic Index for Areas (SEIFA) in 2022/2023 with the municipality now considered to be less disadvantaged than in prior years.
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	16.8%	23.4%	7.6%	17.4%	In 2024-25 there have been a number of organisational changes, including some redundancies, resulting in higher workforce turnover.

Section 5. Notes to the accounts

5.1. Basis of preparation

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

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

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by *the Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2025-26 to 2028-29 from the Council's annual budget.

The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

5.2. Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current assets	means all assets other than current assets
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

Key term	Definition
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

5.3. Other Matters

Overview of 2025

During the financial year Council has undertaken several significant projects including completion of the Tatyoon Recreation Reserve upgrade, substantial re-sheeting of gravel roads and continued the use of innovative Otta sealing to a number of rural and urban gravel roads, an increased road sealing program, a significant interior upgrade to the Ararat Library, bushfire emergency and recovery works, and establishment of a Child Friendly Cities and Communities (CFCC) Working Group.

Meeting closed at 6:08pm

I HEREBY CERTIFY THAT PAGES 11666 - 11739 ARE CONFIRMED AND ARE A TRUE AND CORRECT RECORD.

MAYOR - CR JO ARMSTRONG