

ARART RURAL CITY COUNCIL

Annual Report

2024/2025



Ararat Rural City

Traditional Acknowledgement

Ararat Rural City Council acknowledges the Traditional Owners of the land on which we live and work, the Eastern Maar, Wotjobaluk, Jaadwa, Jadawadjali, Wergaia, Jupagulk, and Wadawurrung peoples, and recognise their connection to the land and waterways.

We pay our respects to their Elders past, present and emerging, and to all Aboriginal and Torres Strait Islander people.

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Introduction

Ararat Rural City Council is pleased to present our Annual Report for 2024/2025.

We are committed to transparent reporting and accountability to our community and the Annual Report for 2024/2025 is the primary means of advising the Ararat Rural City community about Council's operations and performance during the financial year.

Our Annual Report is designed to be accessible and informative for all stakeholders, including residents, ratepayers, businesses, investors, community groups, government agencies, funding bodies, and present and future staff.

In accordance with the Local Government Act 2020, all Councils must present an Annual Report to the Council Meeting within four months after the end of the financial year. The Annual Report must include a copy of Council's audited financial statements for the relevant financial year, and it must contain assessment of Council's performance against the objectives stated in the relevant municipal Plan.

In addition to meeting our legislative obligations, the objectives of this report are to:

- Communicate our vision and strategic direction for the municipality and impart community confidence in our leadership and ability to deliver on our promises
- Demonstrate our commitment to good governance as an accountable and transparent local government
- Build confidence and satisfaction in the partnerships that are being created with other levels of government, community groups, local business and industry leaders through key projects and services
- Acknowledge the achievements of our organisation and promote Council as an employer of choice for current and future staff.



The Year in Review



Message from the Mayor



I am pleased to present Ararat Rural City Council's Annual Report for 2024/2025 to the community.

This report provides an overview of Council's operational performance, assessing its alignment with the primary goals and strategies outlined in our Council Budget for the 2024/2025 financial year, and the final year of our 2021 to 2025 Council Plan.

This year, we marked the twelve-month anniversary of the February 2024 Pomonal and Bayindeen bushfires and reflected on the incredible resilience of our community. Despite facing a second major bushfire event with the devastating Yarram Gap Bushfires in December 2024, our community has continued its recovery journey with immense solidarity and resilience.

The past year has been defined by community spirit, with residents, volunteers, and the wider community uniting to support recovery efforts for those impacted. Their energy and determination have been unwavering.

We acknowledge that the path forward is still a challenge for many, and we reaffirm our commitment to supporting their ongoing recovery, helping the community to not just recover but to really thrive.

We've continued to strategically implement measures to maintain stability, amidst continuing economic challenges. Our dedication to strong financial management and timely project completion remains a top priority. By delivering on our capital works program and providing high-quality services, we've earned the confidence of our community and local businesses. This has fuelled a continued rise in employment and economic growth for Ararat Rural City.

We've completed several significant projects from our \$15.513 million Capital Works Program to upgrade our local roads and infrastructure. Key upgrades included Churchill Avenue in Ararat, a significant expansion of our program to seal urban gravel roads and resurfacing many existing gravel roads. We also continued using the innovative OTTA sealing for a number of urban roads in Ararat, such as Warrayatkin Road, as well as various rural roads including Sugarloaf Road, Tatyoon North Road and several roads in the Moyston township. We also completed other key infrastructure projects, including new footpaths on Barkly, Queen, and Maude Streets in Ararat. Additionally, we finished drainage improvements at the Ararat Cemetery, Thompson and Kneale Streets, and a major stormwater drainage upgrade on Queen Street in Ararat.

Other notable achievements that highlight Council's advocacy efforts and our resolve to deliver significant projects include:

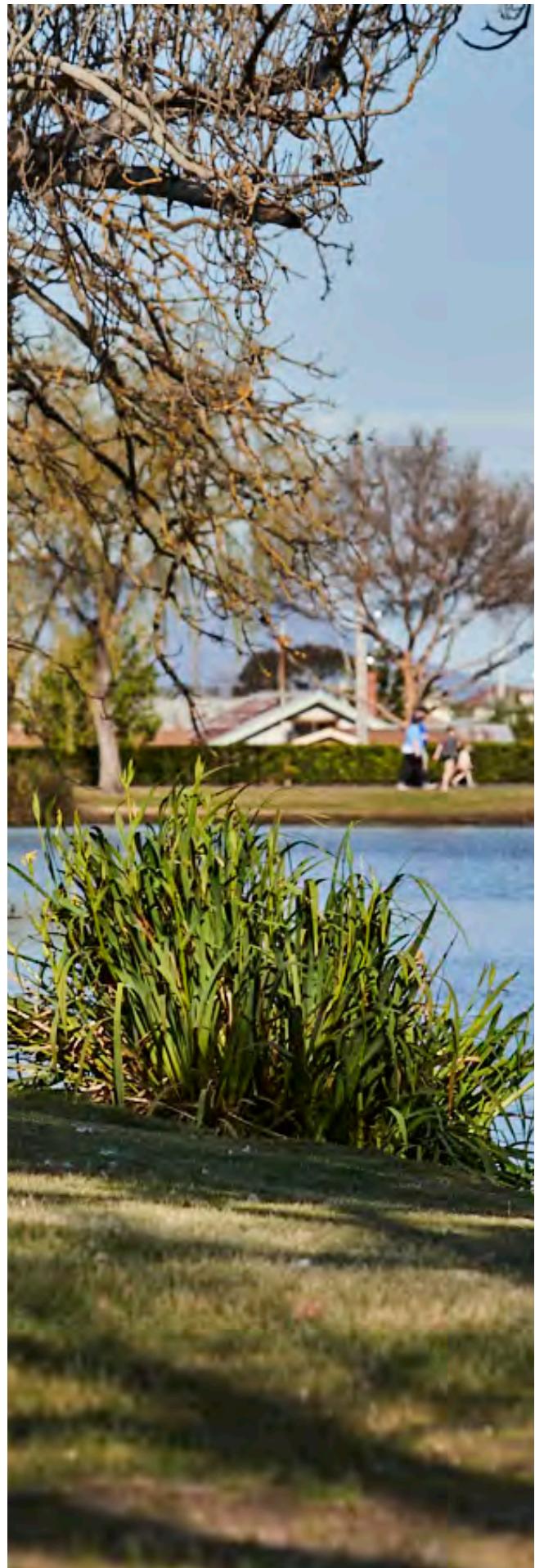
- \$7.3 million secured from the Federal Government to build crucial enabling infrastructure that will support the development of up to 90 new homes in Ararat.
- A further \$1 million for the upgrade of Buangor – Ben Nevis Road, in addition to the previously committed \$2.143 million.
- \$1,490,000 secured in grant funding for a new covered sports arena for the Ararat Pony Club.

- \$330,000 upgrade to Tatyoon Recreation Reserve, including a new irrigation and drainage system, which will provide a high-quality, year-round playing surface for the football and netball clubs.
- \$200,000 interior upgrade to the Ararat Library, including new flooring, mobile shelving, a new customer service desk, updated signage, two new public computers, and comfortable new furniture for reading and quiet study.
- \$100,000 of grant funding secured for a new off-leash dog park at Ararat's Centenary Park.
- Completion of the Pomonal Tennis Court playing surface upgrade, which will provide a safer, high-quality playing surface for all seasons.
- Continued delivery of Free TAFE Certificate 3 in Early Childhood Education and Care to the Ararat Jobs and Technology Precinct, in conjunction with Federation University Australia.
- Established a Child Friendly Cities and Communities (CFCC) Working Group to safeguard the best interests of our youngest residents, and to develop strategies to ensure every child has the opportunity to thrive in our community.

We're committed to ensuring our community has a voice in the decisions that affect them. In 2024/2025, we sought community input on several key initiatives, including our Community Vision 2035 and the Council Plan 2025-2029. These documents capture our community's aspirations and outline our strategic direction for achieving them.

For the upcoming year, Council's main focus will be on the timely completion of these projects and the continued improvement of our essential services, which are really crucial to the well-being of our community.

Cr Jo Armstrong
Mayor



Message from the CEO



Thank you for your interest in Ararat Rural City Council's 2024/2025 Annual Report.

I trust that this document provides a comprehensive overview of our activities and highlights our commitment to serving the community.

Our community faced another major bushfire event in 2024-2025, the Yarram Gap Bushfires. Occurring less than twelve months after the Pomonal and Bayindeen bushfires of February 2024, these events had a profound environmental, economic, and psychological impact. This report reflects these challenges and demonstrates Council's continued dedication to providing meaningful support and improved services in their aftermath.

Council once again scored above the state-wide average across every performance measure in the 2025 Community Satisfaction Survey. Council had an overall performance score of 64 out of 100 points, significantly outperforming the state-wide average of 53 by 11 points, and exceeding the average of other small rural councils (54 points) by 10 points. Our highest performing service areas were Arts Centres and Libraries (75 points), Emergency and Disaster Management (75 points), and Waste Management (73 points). While we're performing well in comparison to

other small rural councils, we recognise there's still more to be done. We remain committed to engaging with the community to deliver better services across all areas.

We have continued to build genuine trust with our local business community. The investments they make and the local jobs they create are a testament to their dedication to our municipality. We're also actively working to position Ararat Rural City as a prime mover in the circular economy, championing renewable energy solutions to ensure a sustainable future for our region.

Additionally, we have maintained our strong commitment to responsible financial management, high-quality services, and timely project completion. By focusing on service delivery, our capital works program, and providing services in-house, we've helped foster sustained growth in employment and the local economy.

Council delivered its 2025/2026 Budget, which is focused on providing value to the community. We're keeping rate increases to a minimum while continuing to invest significantly in capital works to renew our community assets. The Budget represents our continued commitment to responsible financial management, allowing us to continue to deliver essential services and invest in crucial infrastructure while minimising the impact on ratepayers.

I'm incredibly proud of our Council staff and the dedication and versatility they've shown throughout what has been a challenging year. They work with a strong sense of purpose and commitment and seeing them implement Council's strategies to the best of their abilities, and it is a privilege to work with them as CEO.

Dr Tim Harrison
Chief Executive Officer



Financial Summary

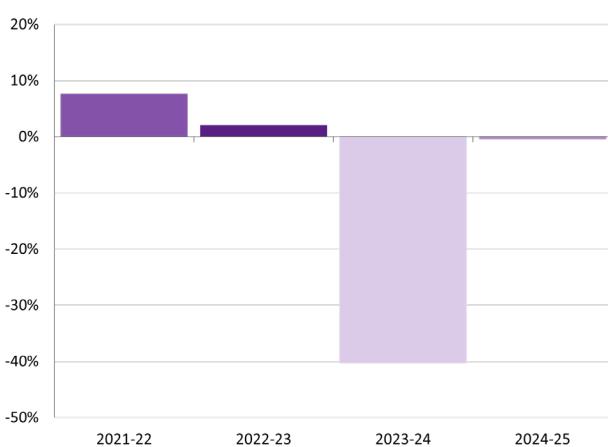
Council's short term financial position continues to remain sound. A summary of our performance is outlined below. Detailed information relating to Council's financial performance is included within the Financial Statements and Performance Statement sections of this Report.

Operating Position

Council recorded a surplus of \$1.157 million in 2024/2025, compared to the prior year deficit of \$6.626 million in 2023/2024. The adjusted underlying deficit of Council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is \$0.127 million (or -0.35% when compared to adjusted underlying revenue). This result is an increase compared with a deficit of \$9.751 million in 2023/2024 (or -40.25%). This indicator is within Local Government Victoria's expected range of -20% to 20%.

In 2023/2024 there was a change in timing of the financial assistance grants resulting in \$6.656 million being received early in July 2024, compared to \$7.426 million being received in advance in June 2023.

Adjusted underlying result ratio %

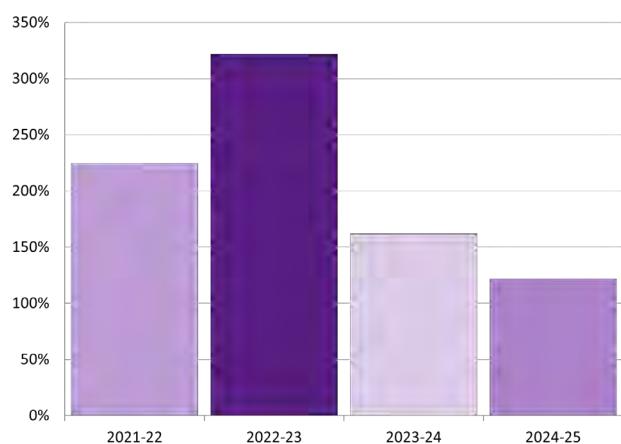


Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew community assets under Council's control. The budget for 2025/2026 includes an adjusted underlying surplus of \$0.560 million or 1.70%.

Liquidity

The working capital ratio which assesses Council's ability to meet current commitments is calculated by measuring Council's current assets as a percentage of current liabilities. Council's result of 122% in 2024/2025 is an indicator of satisfactory financial position and within Local Government Victoria's expected range of 100% to 400%.

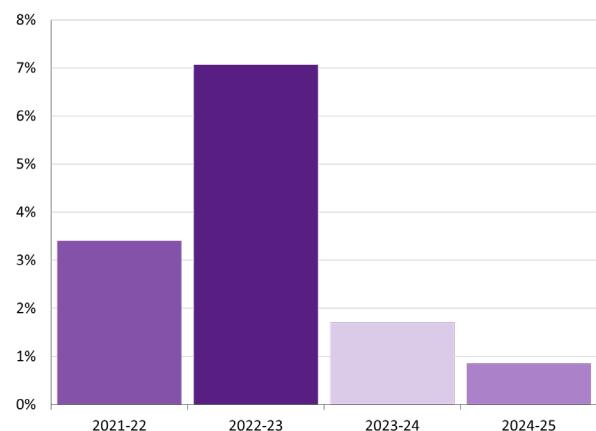
Working capital ratio %



Obligations

At the end of 2024/2025, Council's debt ratio, which is measured by comparing interest bearing loans and borrowings to rate revenue, was 0.86% which was within the expected target band of 0%-70%.

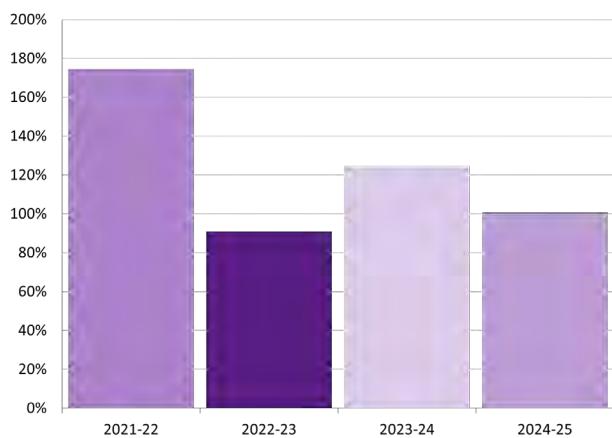
Loans and borrowings ratio %



Council aims to ensure that it can maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. During 2024/2025 Council completed \$11.704 million in capital works with \$11.172 million relating to the renewal and upgrade of assets.

Council's asset renewal and upgrade ratio, which is measured by comparing asset renewal and upgrade expenditure to depreciation, was 101% in 2024/2025 compared with 125% in 2023/2024. The expected range for this indicator is between 40% and 130%, and Council is within the expected range as it continues to prioritise capital works.

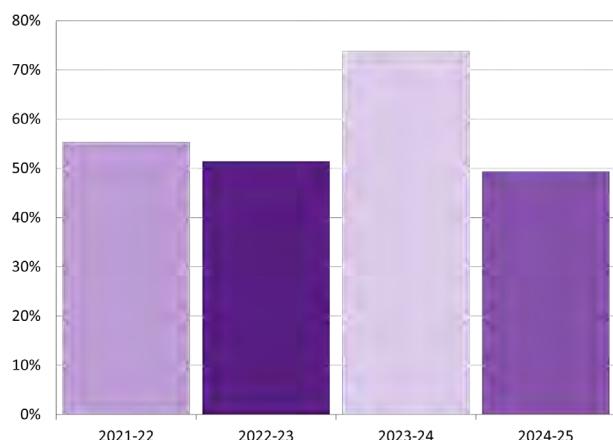
Asset renewal and upgrade ratio %



Stability and Efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions, relying heavily on rates and grants to fund services. Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 49% for 2024/2025 compared with 74% in 2023/2024. In 2023/2024 revenue from rates represents a larger proportion of Council's income, due to a change in the timing of financial assistance grants resulting in \$6.656 million being received early in July 2024, compared to \$7.426 million being received in advance in June 2023. Local Government Victoria's expected range is 30%-80%.

Rates concentration ratio %

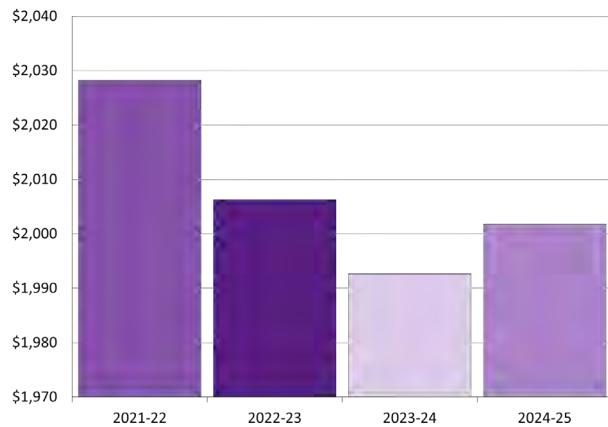


The average rates per property assessment is the total rate revenue (general rates and municipal charges) divided by the number of property assessments. It excludes other charges listed on the rate notice such as waste management charges and the fire services levy.

The average rate per assessment was \$2,002 in 2024/2025 compared to \$1,993 in 2023/2024. Council has delivered a net rate rise of 0% over the seven-year period up to 2024/2025. The rate cap set by the State Government was 2.75% for 2024/2025.

Local Government Victoria's expected range for average rate per assessment is \$700 to \$2,000, which is the same range set for the average residential rate per residential property assessment. This range has not changed since 2015/2016.

Average rates per property assessment



Description of Operations

Ararat Rural City Council is responsible for more than 150 services, from community services, heritage and culture, recreation, transport and waste management; to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget. This broad range of community services and infrastructure for residents supports the wellbeing and prosperity of our community. Council's Vision, Strategic Objectives and strategies to further improve services and facilities are described in our Council Plan and the associated Budget 2024/2025 and reported upon in this document. Refer to the section on Our Performance for more information about Council services.

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

Economic Factors

Council provides several regional city style services, but with a smaller population than most cities providing such a level of service. Council is committed to reducing the renewal gap, redirecting cost savings identified during the year to renewal works. Council has returned an efficiency dividend to the community through a minimal rate rise and an ongoing dedication to renewing the community's assets through investment in capital works.

Capital Works

	\$'000
Buildings	618
Plant, machinery and equipment	495
Library books	42
Roads	9,276
Bridges	131
Footpaths and cycleways	578
Drainage	564
Total capital works expenditure	11,704

During 2024/2025 the capital works included the below:

- Building capital works included \$0.228 million for the Ararat Library upgrade.
- Roadworks included reseals and reconstruction of various roads across the municipality. Council received funding through the Federal Government's Roads to Recovery Program and the Local Roads and Community Infrastructure Program to assist with the cost of works.
- Footpaths and cycleways included new, and renewal works in various urban locations.
- Drainage works included renewal works in various locations across the municipality.

Major Changes

Following the ongoing flattening of the organisational structure which resulted from the 2018 review, our staff have been tasked with more autonomy over their work, placing the focus of staff resources into roles that directly service the community.

Major Achievements

Council's Capital Works Program has exceeded \$11 million. All significant road projects set out in Council's Budget 2024/2025 have been tendered and yielded significant value for ratepayers and contributed to an uplift in local jobs.

Other highlights of major infrastructure projects that are creating local jobs and driving economic expansion include:

- Major works on Churchill Avenue in Ararat including new kerb and channel, reconstructed footpaths, and improved drainage.
- Significant interior upgrade works completed at the Ararat Library.
- Completion of major stormwater drainage works at Queen Street, Ararat.

Our Council



Our Vision

The Community Vision 2035 enhances the connection between Council and the community, providing a shared vision to work towards.

Council's Community Vision 2035 is characterised by:

1. Strong population growth trajectories that buck trends in rural Victoria
2. Continuous and sustainable economic development which is focused on job creation through value adding in agriculture, advanced manufacturing and tourism
3. Leadership in pragmatic approaches to local environmental management
4. Sustainable and effective local transport networks underpinned by careful technical and financial planning undertaken jointly between asset users and asset owners
5. Communities that are enhanced by access to artistic, cultural, sporting and recreational opportunities that meet needs and expectations
6. Strong and robust democratic processes underpinned by transparent governance, good financial management and organisational innovation

Guided by the Community Vision 2035, the Council Plan sets the strategic direction for Council over four years.

The Council Plan 2025-2029 highlights six key Strategic Objectives:

1. Growing our place
2. Building robust local economies
3. Preserving the environment
4. Developing and maintaining key enabling infrastructure
5. Enhancing community life; and
6. Strong and effective governance



Municipal Profile

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. Offering a fantastic regional lifestyle with a diverse economy underpinned by full employment, the recent shift in population to the regions has delivered an uplift in local investment and confidence.

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.

Ararat also has the region's best transport connections, including a high-speed divided highway to Melbourne, 62 weekly passenger rail services on the V/Line network, and interstate passenger rail services via the Overland.

Community groups and volunteers underpin community inclusion and our way of life. We have a proud history of embracing cultural diversity, inclusion, and looking out for one another. Active sport and recreation is the lifeblood of every town and community in the municipality. We are the birthplace of Australian Rules Football, which was inspired by the Indigenous game Marngrook, developed here at Moynton.

Our municipality includes vast riches of Aboriginal cultural heritage. Our landscape carries the stories, songs and languages which have been passed down over tens of thousands of years and are showcased at the iconic Lake Bolac Eel Festival.

The region's arts and cultural scene supports the creativity of local artists and performers. The historic Town Hall Performing Arts Centre is one of the premier performance venues in the state and Ararat Gallery TAMA showcases the creative works of local, national and international collections.

Municipal Snapshot



11,686

Population



4,211 km²

Area



2,454 km

Length of local roads



7,447

Rateable properties



133

Number of employees EFT

7

Number of Councillors



\$18.093m

Rate and charge revenue

\$37.526m

Total revenue

Where We Live

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

Ararat Rural City has a smaller proportion of young people, and a larger proportion of people aged over 60 years, compared to the Victorian average. 2021 Census data shows that 20% of the population is aged 0-19, while those aged 60 and over make up 32.3%.

While 92.0% of the population is non-Indigenous, 1.9% is Aboriginal and/or Torres Strait Islander. Over 80% of residents were born in Australia. The next most common birthplaces are England (1.9%), New Zealand (1.6%), India (1.1%), and the Philippines (0.7%). Almost one-fifth of the population has at least one parent born overseas.

In the 2021 Census, Mandarin was the most common language spoken at home after English (0.6%), followed by Punjabi and Urdu, both at 0.4%. Overall, 5.9% of households reported speaking a language other than English.

Council Offices

Depots:

24 Flattely Street, Ararat
32 Leach Road, Lake Bolac

Municipal Offices:

59 Vincent Street, Ararat VIC 3377

Telephone:

(03) 5355 0200

Fax:

(03) 5352 1695

Email:

council@ararat.vic.gov.au

Website:

www.ararat.vic.gov.au

Postal address:

PO Box 246
Ararat VIC 3377



Our Councillors

The Council was elected to provide leadership for the good governance of the municipal district and the local community. In 2024 the Ararat Rural City Council community elected this Council for a four-year term. The municipality is an unsubdivided Council, represented by seven Councillors. The Councillors are the elected representatives of all residents and ratepayers across the municipality. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation.

The Councillors are listed below.



Cr Jo Armstrong - Mayor

Date elected: 22 October 2016
E: jarmstrong@ararat.vic.gov.au
M: 0437 132 896



Cr Bob Sanders – Deputy Mayor

Date elected: 24 October 2020
E: bsanders@ararat.vic.gov.au
M: 0427 939 734



Cr Rob Armstrong

Date elected: 24 October 2020
E: rarmstrong@ararat.vic.gov.au
M: 0436 832 526



Cr Luke Preston

Date elected: 26 October 2024
E: lpreston@ararat.vic.gov.au
M:



Cr Teli Kaur

Date elected: 26 October 2024
E: tkaur@ararat.vic.gov.au
M:



Cr Peter Joyce

Date elected: 26 October 2024
E: pjoyce@ararat.vic.gov.au
M:



Cr Bill Waterston

Date elected: 24 October 2020
E: bwaterston@ararat.vic.gov.au
M: 0437 312 193

Outgoing Councillors



Cr Gwenda Allgood

Date elected: August 1982
Did not stand for re-election at the October 2024 election.



Cr Peter Beales

Date elected: 22 October 2016
Not re-elected on 26 October 2024.



Cr Henry Burridge

Date elected: 24 October 2020
Did not stand for re-election at the October 2024 election.

Our People



Organisational Structure

Council is the governing body that appoints the Chief Executive Officer. The CEO has responsibility for the day-to-day management of operations in accordance with the strategic directions of the Council Plan.

Council and the CEO are proud of its employees and commitment to the work they are carrying out on behalf of our community.

The results of the 2025 Local Government Community Satisfaction Survey show that Ararat Rural City continues to outperform most other councils. In every core measure, Council significantly outperformed or scored higher than the state-wide average

These results are a testament to our consistent work and achievements of the past year.

A chart setting out the organisational structure of the Council is provided on the following page. Ararat Rural City Council is a relatively small, serviced based organisation.

We employ around 133 equivalent full time (EFT) staff, and our focus is on service delivery. We do not need to have a large, costly and unwieldy management structure – we need to have great people focused on delivery of services to our community.

Our organisation is structured by 'service streams', all of which deliver services directly to our community or supporting those who do. Senior staff, including the CEO, are expected to do real work that supports service outcomes.



Dr Tim Harrison
Chief Executive Officer

Commenced: 1 October 2018

SERVICE STREAMS	
Organisational Transformation	IT systems Organisational performance management KPI program
Human Resources	Human resources management Staff performance management Payroll
Economic Development	Major economic development projects GABNet Tourism
Governance and Risk	Governance Risk management Statutory reporting Occupational health and safety
Communication	Media Council website Social media
Design and Project Management	Capital project design and costing Capital works project management Capital works planning
Asset Management	Asset valuation GIS Asset condition reporting
Operations	Local road maintenance Parks and gardens Building maintenance Road construction Bridge maintenance
Arts, Culture and Heritage	Ararat Art Gallery (TAMA) Performing Arts Centre
Emergency Management	Emergency Planning MEMO & MRM roles
Waste Management	Circular economy Kerbside collection Transfer stations
Sustainability	Roadside pest management Environment Vegetation management and offsets
Community events	Support community events Community event funding Community Support Funding Program
Recreation Services	Ararat Leisure Centre Outdoor Pools Recreation Officer role
Function spaces	Alexandra Oval Community Centre Gum San Great Hall Sporting club relationships
Library Services	Ararat Library Lake Bolac Business and Information Centre Mobile library services
Child Services	Maternal and child health
Customer Service	Vincent St customer service centre Telephone service Customer charter development
Finance and rating	Financial accounting Management accounting Rates management
Procurement	Procurement management Purchasing policy compliance Vehicle fleet management
Manager Development & Regulation	Planning Statutory planning Strategic planning Planning compliance
	Municipal Building Surveyor Statutory Building Surveying Emergency Service Measure project
	Environmental Health Food safety programs Wastewater systems Public health programs
	Community Safety Animal management Parking management Local Laws management

Council Employees

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

	Permanent						Casual			Total	
	Full Time			Part Time			W	M	X		
	W	M	X	W	M	X					
Growing Our Place	2	2	0	1.42	0	0	0	0	0	5.42	
Building Robust Local Economies	3	1	0	0	0	0	0	0	0	4	
Preserving Our Environment	0	19	0	1.30	0	0	0	0.83	0	21.13	
Developing & Maintaining Key Enabling Infrastructure	6	37	0	2.36	0	0	0	1.85	0	47.21	
Enhancing Community Life	7	8	0	7.00	0.34	0	6.85	2.04	0	31.23	
Strong & Effective Governance	14	4	0	4.84	0	0	0.35	0.77	0	23.96	
Total Staff	32	71	0	16.92	0.34	0	7.20	5.49	0	132.95	

Legend: W - Women; M - Men; X - Persons of self-described gender

A summary of the number of all employees – casual, permanent and fixed term – shown as full time equivalent (FTE) and categorised by employment classification and gender is detailed below.

Employment Classification	Female FTE	Male FTE	X FTE	Total FTE
Band 1	4.67	0.65	0.00	5.32
Band 2	5.78	4.23	0.00	10.01
Band 3	5.77	25.94	0.00	31.71
Band 4	9.54	19.00	0.00	28.54
Band 5	9.84	14.00	0.00	23.84
Band 6	6.51	4.00	0.00	10.51
Band 7	3.50	2.00	0.00	5.50
Band 8	7.00	4.00	0.00	11.00
Senior Officers	0.00	2.00	0.00	2.00
Maternal and Child Health	2.52	0.00	0.00	2.52
Apprentices	0.00	0.00	0.00	0.00
Trainees	1.00	1.00	0.00	2.00
Total	56.13	76.82	0.00	132.95

Other Staff Matters

Gender Equality Action Plan (GEAP)

Council has continued to progress its Gender Equality Action Plan (GEAP), reinforcing our commitment to creating an inclusive, safe and equitable workplace and community. The GEAP provides a clear framework for addressing barriers to equality, promoting diversity, and ensuring that all staff and community members have the opportunity to participate fully and fairly in civic life.

June 30 marked the conclusion of Council's first GEAP, which is now under review to inform the development of our second plan. During 2024-25, Council focussed on developing practical tools to embed gender equality into everyday practice, making requirements such as Gender Impact Assessments easier to complete. This has led to an increase in the number of assessments undertaken across the organisation. Council also continued to participate in the 16 Days of Activism campaign, once again receiving funding to support this important initiative.

In addition, we reviewed several key policies in this space, including the Equity, Diversity & Inclusion Policy and the Workplace Flexibility Policy. By embedding gender equality principles across our operations, we are building a culture where equity is valued and sustained, supporting both our workforce and the broader community we serve.

Professional Development

Council remains committed to building the capability of its workforce through ongoing education and training. Over the past year, many employees have taken up these opportunities, participating in programs delivered online, face-to-face, and through flexible learning formats. These opportunities not only strengthen professional skills but also support personal growth, leadership capability, and career progression across the organisation.

In addition to a wide range of professional development opportunities offered each year, new employees benefit from a comprehensive induction program, supported by compliance-focused e-learning modules that embed safe and consistent work practices.

Council's investment in training is guided by strategic priorities while also responding to the individual development needs of staff, ensuring our workforce is skilled, adaptable, and well-prepared to meet the evolving needs of our community. This commitment to learning and growth fosters a culture of continuous improvement and positions Council as an employer of choice.

Prevention of Violence Against Women

Council recognises that gender inequality is the primary driver of violence against women and is committed to building a gender equitable, safe, and inclusive workplace and community. This commitment is reflected in Council's leadership role in promoting respect, challenging harmful attitudes, and embedding equality across the organisation.

As a member of the CoRE (Communities of Respect & Equality) Alliance, Council works alongside partners to prevent violence against women and family violence across the region. Over the past year, Councillors and employees have taken part in education and awareness initiatives to strengthen understanding and champion equality in their roles. Council also participated in the annual 16 Days of Activism campaign, raising awareness and encouraging action to end gender-based violence. Together, these initiatives strengthen community resilience and reinforce Council's role in driving positive social change.

Health and Safety

The health and safety of our employees and the community is of paramount importance to Council and as such we are continually updating and reviewing our systems and processes, along with maintaining safe working environments for all.

Training has included Health and Safety Representative Initial and Refresher training, and Manager and Supervisors Health and Safety training.

Service Recognition

To officially recognise and thank long-term employees for their ongoing service and commitment, Council rewards full-time and part-time employees with a 'service' lapel badge and certificate after 5, 10, 15 and 20 years of service.

Employees who have completed 25 years or more of continuous service receive an engraved award and certificate of service. These service recognitions are celebrated in December each year.

During the 2024/2025 financial year, the following employee milestones were reached:



15 years
Ainsley Cameron
Melanie Roberts
Paul Young
Therese Arnott



25 years
Paula Davidson
Rebecca Rodger



45 years
Monica Thomas



5 years
Bill Reid
Brian Harrison
Caitlyn Nicholson
Colleen Butler
Havana Madex
James Hosking
Karen McIntyre
Kieren Blizzard
Marianne Wilson
Nathan Cox
Paul Fenn
Sharron Bond
Shirley Lawson
Stephen Madex
Sue Gardner
Thomas Duncan
Tim Lewis
Tom Sutton
Wilf Dickeson



10 years
Amanda Tucker
Andrew Cameron
Charlie Mason
Ian Ord
Nathan Gardiner

Our Performance



Integrated Strategic Planning and Reporting Framework

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

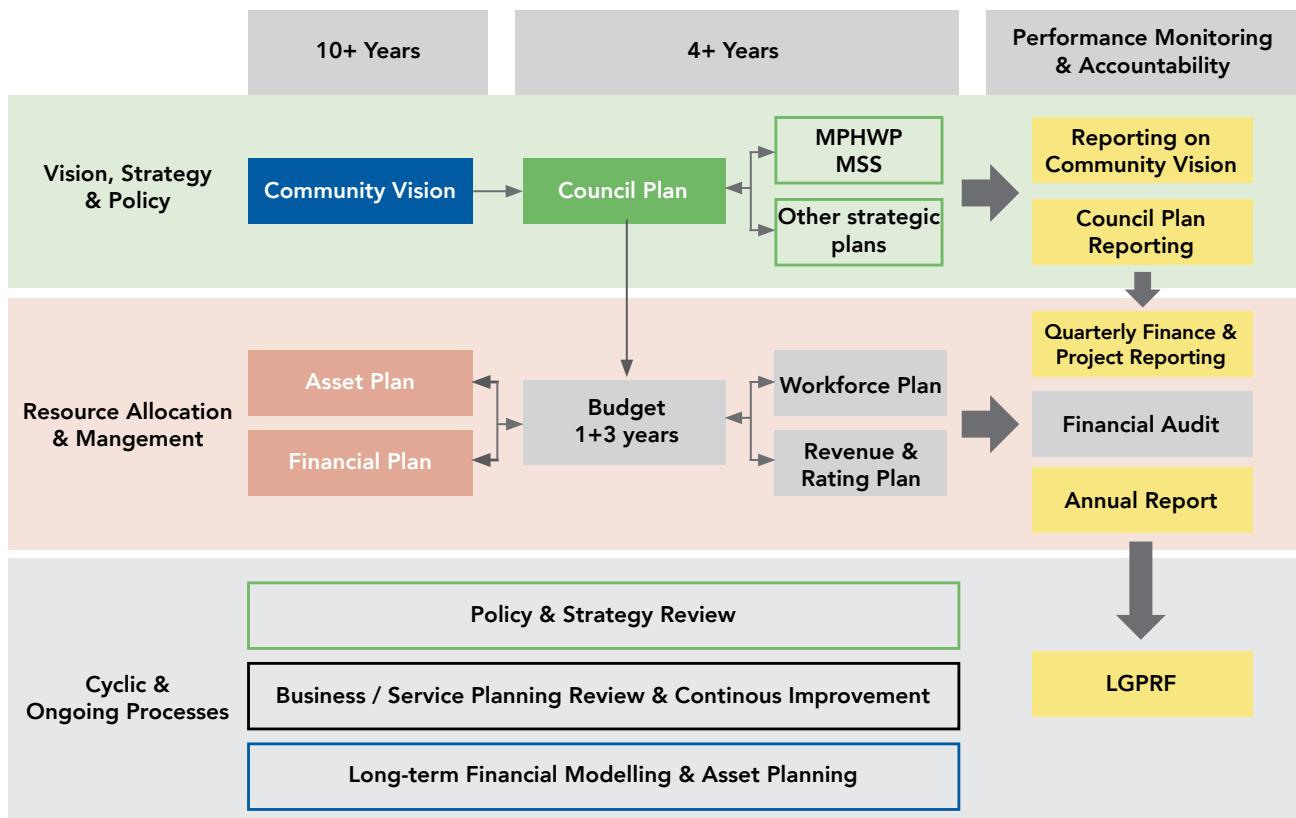
- A Community Vision (for at least the next 10 financial years);
- A Council Plan (for at least the next 4 financial years);
- A Financial Plan (for at least the next 10 financial years);
- An Asset Plan (for at least the next 10 financial years);
- A Revenue and Rating Plan (for at least the next 4 financial years);
- An Annual Budget (for the next 4 financial years);

- A Quarterly Budget Report;
- An Annual Report (for each financial year); and
- Financial Policies.

The Act also requires Councils to prepare:

- A Workforce Plan; (including projected staffing requirements for at least 4 years);

The following diagram shows the relationships between the key planning and reporting documents that make up the integrated strategic planning and reporting framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback.



Council Plan

The Ararat Rural City Council Plan 2021-2025 includes Strategic Objectives, strategies for achieving these for the four-year period, strategic indicators for monitoring achievement of the Strategic Objectives and a strategic resource plan. The following are the six Strategic Objectives as detailed in the Council Plan.

1. Growing Our Place	We will create the settings to support growth across our municipality through an improved planning scheme, actively pursuing new housing options and exploring models for in-migration.
2. Building Robust Local Economies	We will develop strong relationships to build and strengthen a diverse local economy, focused on creating jobs and wealth through adding value to existing strengths in agriculture, manufacturing, tourism and hospitality.
3. Preserving Our Environment	We will take pragmatic approaches to ensuring that Ararat Rural City Council takes a regional lead in responsible environmental management and engagement with the circular economy.
4. Developing and Maintaining Key Enabling Infrastructure	We will ensure that we plan, fund and develop new infrastructure in ways that deliver strong public value. Existing infrastructure will be managed, renewed, and maintained to ensure that it continues to serve identified public needs.
5. Enhancing Community Life	We will work with the communities of Ararat Rural City to maintain social cohesion, support community activity and cultural life, and enhance safety.
6. Strong and Effective Governance	We will work hard to build models of governance that place delivering public value at the centre through effective financial management; well measured risk management; and implementation of effective community engagement practices.

Performance

Council's performance for the 2024/2025 year has been reported against each Strategic Objectives to demonstrate how Council is performing in achieving the 2021-2025 Council Plan.

Performance has been measured as follows:

- Results achieved in relation to the strategic indicators in the Council Plan
- Progress in relation to the major initiatives identified in the budget
- Services funded in the budget and the persons or sections of the community who are provided those services
- Results against the prescribed service performance indicators and measures

Key

Completed ✓

Ongoing →

Strategic Objective 1: Growing Our Place

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2024/2025 budget for the year.

Strategic Indicator/Measure	Result	Comments
Develop a new planning scheme for Ararat Rural City that is clear in its intention, supports growth and builds confidence and certainty around land use.	✓	The 'Reframing the Planning Scheme' project encountered a significant setback due to the unforeseen impacts of the Windfall Gains Tax. At the September 2023 Council Meeting, Council adopted a revised plan which will inform the next review of the Ararat Planning Scheme occurring in 2026.
Support innovative housing models that work to overcome market failure and create the capacity to increase the population of Ararat Rural City.	✓	The New Settlement Program Workforce Pilot and Local Jobs – Local Recovery Initiatives have supported 63 new settlers in Ararat, along with a further 16 settlers from CALD backgrounds who engaged with our officers outside these programs, achieving a retention rate of over 82%.
Work with other levels of government, business, and not-for-profits to develop programs to increase in-migration to Ararat Rural City to grow our population.	✓	The New Settlement Program Workforce Pilot and Local Jobs – Local Recovery Initiatives have supported 63 new settlers in Ararat, along with a further 16 settlers from CALD backgrounds who engaged with our officers outside these programs, achieving a retention rate of over 82%.

The following statement provides information in relation to the services funded in the 2024/2025 budget and the persons or sections of the community who are provided the service. The figures presented are based on the cash basis of accounting.

Service	Description	Net Cost Actual Budget Variance \$000
Planning	This statutory planning service is responsible for administering the Ararat Rural City Council Planning Scheme. It considers new planning scheme amendment proposals and reviews the Municipal Strategic Statement of the Ararat Planning Scheme	510 411 <u>(99)</u>
Building Control	This service provides statutory building services to the community including processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	284 236 <u>(48)</u>
Environmental Health	This service protects the community's health and wellbeing by coordinating food safety programs, Tobacco Act activities, and overseeing wastewater systems and installations. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	50 134 <u>84</u>

The following statement provides the results of the prescribed service performance indicators and measures including explanation of results in comments.

Service/Indicator/Measure	Result 2021/2022	Result 2022/2023	Result 2023/2024	Result 2024/2025	Council Explanation
Statutory Planning					
Timeliness <i>Time taken to decide planning applications. [The median number of days between receipt of a planning application and a decision on the application]</i>	41	44	58	35	Council made 99 planning application decisions within the reporting period, 29 less than last year. A lower volume of applications, along with a period of stability in staff resourcing has seen a 39% decrease in time taken to decide planning applications since last year.
Service standard <i>Planning applications decided within required time frames [(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</i>	90.98%	74.78%	78.91%	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.
Service cost <i>Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received]</i>	\$2340.69	\$1854.77	\$2649.99	\$3365.80	A combination of a decreased number of planning applications processed this reporting period (16 less than the previous year) and legal costs associated with a VCAT hearing have seen a 27% increase in the cost of the statutory planning service. Council expect the number of planning applications to increase over the next financial year following significant bushfires earlier in 2025.
Decision-making <i>Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	100.00%	100.00%	0.00%	100.00%	One Council decision was taken to VCAT in the 2024/2025 financial year. The decision was upheld (not set aside).

Service/Indicator/Measure	Result 2021/2022	Result 2022/2023	Result 2023/2024	Result 2024/2025	Council Explanation
Foot Safety					
Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.00	1.00	1.20	3.80	Council received 5 food complaints for the 2025 year. Environmental health officers have continued to prioritise food complaints and food safety, having responded to/ acknowledged 3 out of the 5 complaints received within 1 business day. The other complaints were dealt with promptly however Council's reporting system did not record initial response times. This reporting weakness will be corrected within Council's systems for next reporting period.
Service standard <i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	94.55%	100.00%	100.00%	100.00%	Council undertook 100% of required food safety assessments on local food businesses for 2025.
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$688.20	\$746.53	\$739.41	\$904.60	There has been a 22% increase in the cost of Council's food safety service per registered food premises in 2024/2025. This is a result of a combination of less food businesses registered this reporting period, and a slight increase in the cost of our food safety contractors.
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 food premises] x100	83.33%	0.00%	100.00%	100.00%	There was 1 major non-compliance issue 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.

Service/Indicator/Measure	Result 2021/2022	Result 2022/2023	Result 2023/2024	Result 2024/2025	Council Explanation
Foot Safety (cont'd)					
Health and safety Food safety samples [Number of food samples obtains / Required number of food samples] x 100	New	New	New	110.00%	Council's environmental health team completed 33 food samples in 2024, with 30 samples being the required amount under Section 32 of the Food Act 1984.

Strategic Objective 2: Building Robust Local Economies

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2024/2025 budget for the year.

Strategic Indicator/Measure	Result	Comments
Partner with Federation University Australia to deliver the Ararat Jobs and Technology Precinct (AJTP).	✓	Construction of the Ararat Jobs and Technology Precinct (AJTP) was completed in 2023. It has since opened the Fab Lab, a new space that showcases a range of cutting-edge technologies that industry, researchers, students and members of the public can experiment with. The Ararat Co-Working Space is also located at AJTP and the venue has hosted a range of local agricultural, industrial and business seminars aimed at transforming the economy through the application of research into partnerships with industry. The Co-working space includes several desks and meeting rooms that are bookable by the general public. This service has proven popular with the community, with regular weekly bookings for the space.
Work with other levels of government, local business, and private investors to develop a business park within Ararat Rural City, focused on agricultural value adding and advanced manufacturing, potentially leveraging "behind the meter" energy.	→	Council is continuing to work with Invest Victoria, Regional Development Victoria and a number of private sector partners to deliver a circular economy industrial precinct.
Engage with Grampians Wimmera Mallee Tourism and local businesses to drive growth in high yield tourist outcomes.	✓	Council has worked with Grampians Wimmera Mallee Tourism to deliver the Grampians Destination Management Plan 2023-2030 and the Grampians Strategic Tourism Investment Plan. Council has also supported the establishment of new tourism sector businesses, such as Mountains of Chocolate with a Facade Improvement Grant, as well as supported businesses in Pomonal and across the municipality through two major bushfires.

The following statement provides information in relation to the services funded in the 2024/2025 Budget and the persons or sections of the community who are provided the service. The figures presented are based on the cash basis of accounting.

Service	Description	Net Cost Actual Budget Variance \$000
Economic Development	The economic development service assists in facilitation of business opportunity across the municipality. It aims to grow the local business sector and provide support for growth and development in employment. This service includes the Visitor Information Centre operations.	576 748 172

Strategic Objective 3: Preserving Our Environment

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2024/2025 budget for the year.

Strategic Indicator/Measure	Result	Comments
Position Ararat Rural City Council as a prime mover in driving circular economy policy in waste management, including local processing and management of recyclables, and in use of renewable energy for Council purposes.	✓	Council introduced the four-bin system in 2022 through its Revolution Ararat program, separating waste into four categories: general waste, recycling, organics, and glass. The 2024 residential bin survey found that the average household generates 2.6kg less waste per week than in 2022. Using green waste collected within the municipality, a joint project between Council and Gaia EnviroTech is making high quality and reasonably priced compost available to the community. Council has partnered with Pharmacycle to recycle household and commercial medicinal blister packs. Council has also installed solar panels on a number of its buildings, including the Ararat Library, Ararat Fitness Centre, Council Offices, and other community buildings.
Develop innovative energy solutions utilising locally produced waste	→	Council continues to strongly support the Valorify biogas plant, which will use agricultural waste products to produce renewable gas.
Partner with local organisations and scientific experts to develop an appropriate and pragmatic local government Environment Strategy, focused on the circular economy, emission reduction through renewable energy and management of Council assets.	✓	Council adopted the Environmental Sustainability Strategy 2024 – 2034 at the November 2024 Council Meeting. Implementation of this strategy is now a strategic objective of the Council Plan 2025-29.

The following statement provides information in relation to the services funded in the 2024/2025 budget and the persons or sections of the community who are provided the service. The figures presented are based on the cash basis of accounting.

Service	Description	Net Cost Actual Budget Variance \$000
Waste Management	This service provides for collection and processing of four materials streams from household collection: general waste, mixed recyclables, glass and green organics. Council has committed to local processing where possible. Council has local processing of green organics and glass at the Ararat Transfer Station. To achieve budget efficiencies and maintain low rates, Council will consolidate waste services by closing the Willaura and Pomonal Transfer Stations on 30 June 2025. Declining usage alongside ongoing operation costs render the sites no longer financially viable. Elmhurst and Moyston Transfer Stations will transition to opening biannually from 1 July 2025. Ararat and Lake Bolac Transfer Stations will remain open to service the community's needs.	889 <u>162</u> (727)
Natural Resources & Sustainability	This service promotes environmentally sustainable development principles, coordinates and implements environmental projects, and works with other services to improve Council's environmental performance. Projects include roadside weeds and pests and renewable energy projects.	(21) <u>9</u> (30)
Parks and Gardens	This service covers a range of areas such as grass and turf cutting, tree pruning, planting, removal, planning and street tree strategies, management of conservation and parkland areas, creeks and other areas of environmental significance. This function is responsible for playground maintenance and safety improvement programs.	1,715 <u>1,548</u> (167)
Emergency Services Management	This service includes emergency services management and fire prevention.	299 <u>82</u> (217)



The following statement provides the results of the prescribed service performance indicators and measures including explanation of results in comments.

Service/Indicator/Measure	Result 2021/2022	Result 2022/2023	Result 2023/2024	Result 2024/2025	Council Explanation
Waste Collection					
Service standard Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	4.80	16.63	7.59	10.36	Following the implementation of a 4 bin system in 2023, along with the provision of a pick up service to every household in the municipality, Council's waste team have worked hard to refine this service. The number of missed bins has unfortunately increased by 36% this reporting period. Staff changes in this area, along with some reporting inconsistencies with the introduced system are factors attributing to this. The accuracy of reporting missed bins will be addressed for next reporting period.
Service cost Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$181.96	\$186.99	\$203.70	\$216.93	The cost of Council's kerbside waste collection service has increased slightly due to an increase in landfill fees.
Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$88.30	\$78.53	\$82.15	\$93.61	The cost of Council's kerbside recyclables collection service has increased by 13% due to an increase in fees related to the processing of recycling.
Waste Diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	21.02%	22.90%	25.17%	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 lead to a much more accurate figure.

Strategic Objective 4: Developing and Maintaining Key Enabling Infrastructure

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2024/2025 budget for the year.

Strategic Indicator/Measure	Result	Comments
Ensure that asset development and renewal during the planning period matches that identified in Council's Asset Plan 2021-2031	✓	The Council Asset Plan was adopted in 2022 for a period of 10 years. The planning and development of the annual Capital Works Program matched the Council's Asset Plan 2022-32. The four-year asset management plans have been developed and implemented for key asset classes. Council continues to deliver its gravel-to-seal and urban drainage improvement programs.
Work directly with asset users to manage and develop new and existing assets.	✓	Council has worked directly with asset users over the 2021 to 2025 period and delivered significant positive outcomes for users. Examples include OTTA sealing of roads in Moyston, Willaura, and Ararat, Helendoite Road bridge upgrade in Maroona, Gordon Street Recreation Reserve and the Tatyoona Oval Upgrade.
Deliver infrastructure outcomes that support economic growth, promote community wellbeing and safety, and align with Council's financial sustainability.	✓	Examples of infrastructure delivered to achieve this strategic direction includes the kerb, channel and footpath upgrades in Willaura, Pomonal tennis court upgrade, and school crossing safety upgrades.

The following statement provides information in relation to the services funded in the 2024/2025 budget and the persons or sections of the community who are provided the service. The figures presented are based on the cash basis of accounting.

Service	Description	Net Cost Actual Budget Variance \$000
Design & Project Management	This service conducts capital works planning for Council's main civil infrastructure assets including roads, laneways, carparks, foot/bike paths, drains, and bridges. This service undertakes design and supervision of Council's capital works program. Most staffing and design costs are capitalised within completed projects.	279 209 (70)
Property Maintenance & Capital	This service prepares maintenance management programs for Council's property assets including municipal buildings, pavilions and other community buildings. The service also includes emergency building and facility maintenance. This service includes capital expenditure on Council's property assets in order to optimise their strategic value and service potential.	1,431 1,001 (430)

Service	Description	Net Cost Actual Budget Variance \$000
City Services	This service includes street lighting, Aerodrome operations and the operations, maintenance, and cleaning of public conveniences throughout the municipality.	853 815 (38)
Infrastructure – Miscellaneous	This service includes private works, maintenance of water supplies and emergency bores.	49 72 23
Road Maintenance	This service provides for management and maintenance on Council's infrastructure incorporating roads, bridges, drainage, footpaths, kerb and channel, street furniture, line marking and signage.	2,895 3,344 449
Major Plant	This service operates and maintains Council's major plant and equipment, to meet functionality and safety needs and to maximise the performance and minimise the operational cost of the fleet.	1,234 1,040 (194)
Major Plant Recoups	Plant used on works generates plant hire income used to fund operations and maintenance and the replacement of the major plant.	(660) (1,800) (1,140)
Minor Plant	This service purchases and maintains Council's minor plant and equipment, including trailers.	(24) (17) 7
Infrastructure Capital	This service provides for capital expenditure on Council's infrastructure incorporating roads, bridges, drainage, footpaths, kerb and channel, streetscapes and car parks.	6,558 3,155 (3,403)
Funded Infrastructure Projects - Capital	This service includes the delivery of one-off capital infrastructure projects partly or wholly funded by non-recurrent government grants.	(1,941) 1,550 3,491
Asset Management	This service predominantly provides asset management services. The service also approves and supervises infrastructure works associated with private development activities.	104 98 (6)

The following statement provides the results of the prescribed service performance indicators and measures including explanation of results in comments.

Service/Indicator/measure	Result 2021/2022	Result 2022/2023	Result 2023/2024	Result 2024/2025	Council Explanation
Roads					
Satisfaction of use	4.64	7.07	6.08	5.53	Council continues to encourage the community to submit a customer request to log issues with Council maintained roads. These requests have remained steady, with a slight decrease this reporting period compared to last financial year. Council are aware that the condition of roads remain a concern by the community. This is again recognised in Council's 2025/2026 budget which includes a significant emphasis on capital works and road renewal.

Service/Indicator/measure	Result 2021/2022	Result 2022/2023	Result 2023/2024	Result 2024/2025	Council Explanation
Condition <i>Sealed local roads maintained to condition standard</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%	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 preemptively, to ensure sealed roads remain at condition standard.
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$42.80	\$53.32	\$35.13	\$39.44	With a strong focus on cost-efficiency, Council was able to maintain a similar cost for sealed local road reconstruction in 2024/2025, a minimal increase attributed to slightly higher material costs.
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$6.70	\$5.57	\$6.06	\$6.51	2024/2025 saw a small increase in seal cost per square metre. Council is confident that the cost per square metre specific to sealed road remains at a very competitive level and accurately reflects Council's diligence to seek best price for road sealing contracts.
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 for how Council has performed on the condition of sealed local roads]	58	51	54	56	This result reflects an improvement in community satisfaction with Council's local roads compared to recent years. It is envisaged that the ongoing investment in road renewal outlined in Council's budget 2025/2026 will continue to improve community satisfaction in the longer term.



Strategic Objective 5: Enhancing Community Life

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2024/2025 budget for the year.

Strategic Indicator/Measure	Result	Comments
Open up Council's arts and culture assets to greater community participation, ownership, and engagement in decision-making.	✓	Council's efforts in this strategic direction has resulted in the number of attendees to the Art Gallery's scheduled programs increasing from 697 in 2021/22 (Year 1) to 2,171 attendees in 2024/25 (Year 4). The number of bookings for the Auditorium at the Town Hall also increased from 111 in 2021/22 to 153 bookings in 2024/25.
Develop models of volunteering that recognise, support, and properly utilise the skills that community volunteers bring to community life.	✓	Council celebrates and promotes volunteers each year with events for National Volunteer Week and by running an annual Volunteer Expo. This strategic direction has been maintained as a priority for Council into the next Council Plan 2025-29.
Partner with community groups, not-for-profits, and traditional owner organisations to develop Ararat Rural City as a more inclusive and diverse community.	✓	Council has partnered with a wide range of community groups and organisations to deliver celebrations of diversity and inclusion, such as Welcoming Week, Harmony Day and the Multicultural Community Garden Party.

The following statement provides information in relation to the services funded in the 2024/2025 budget and the persons or sections of the community who are provided the service. The figures presented are based on the cash basis of accounting.

Service	Description	Net Cost Actual Budget Variance \$000
Ararat Gallery TAMA	This service includes the operations, projects, exhibitions, acquisitions and administration of the Ararat Gallery TAMA.	403 343 (60)
Ararat Town Hall	This service operates and manages the Ararat Town Hall which provides artistic programs for the region.	538 440 (98)
Gum San Chinese Heritage Museum	Management of Gum San has been handed over to the Friends of Gum San. Council has an MoU with the group and continues to provide financial and maintenance support.	24 25 1
Community and Events Support	This service provides for the employment of community development staff who work with communities to develop community action plans and implement other community building initiatives.	66 56 (10)
Recreation Services	This service provides some services to young people. Most of the recreational services function has been rolled into the Ararat Fitness Centre activity.	15 114 99

Service	Description	Net Cost Actual Budget Variance \$000
Ararat Fitness Centre and Outdoor Pools	This service operates and maintains a range of recreational facilities including aquatic facilities, indoor (1) and outdoor (3) swimming pools. The Ararat Fitness Centre provides an extensive range of recreational programs and opportunities accessible to individuals of all ages, sexes and abilities which contribute to the general wellbeing of the community.	734 <u>646</u> (88)
Alexandra Oval Community Centre and Great Hall	This service operates and maintains the Alexandra Oval Community Centre and Great Hall. The facility provides the Ararat and greater Grampians community, clubs and businesses with centrally located, high quality, modern, flexible and dynamic multipurpose community and recreation spaces.	45 20 (25)
Library Services	This service provides public library services at the Ararat Library and the Lake Bolac Business and Information Centre and through the mobile library outreach service to rural communities.	224 <u>290</u> 66
Positive Ageing	This service includes Senior Citizens support and grant funding for service system resourcing.	6 7 1
Children Services	This service provides family-oriented support services including maternal and child health, immunisation and early childhood education and support.	(2) 50 52
Community Safety	This service maintains and improves the health and safety of people, animals and the environment in Council by providing animal management services including a cat trapping program, a dog and cat collection service, a pound service, a registration and administration service, and an after-hours emergency service. This service also includes local laws and parking enforcement and the operations of the school crossings.	188 <u>131</u> (57)
Funded Recreation Projects - Capital	This service includes the delivery of one-off capital building projects partly or wholly funded by non-recurrent government grants.	190 0 (190)



The following statement provides the results of the prescribed service performance indicators and measures including explanation of results in comments.

Service/Indicator/Measure	Result 2021/2022	Result 2022/2023	Result 2023/2024	Result 2024/2025	Council Explanation
Animal Management					
Timeliness <i>Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	1	1	1	1	All animal management requests received by Council were acknowledged within 1 business day. Council places a strong emphasis on responsible pet ownership and community safety.
Service standard <i>Animals reclaimed [Number of animals reclaimed / Number of animals collected] x 100</i>	63.64%	30.95%	39.72%	48.57%	The number of animals collected that were reclaimed by their owners has increased by 22% this reporting period. The total number of animals collected has dropped compared to last financial year. This along with an increase in reclaimed animals, is positive for Council's animal management team and the community. Council's aim is to ensure as many impounded animals as possible are reclaimed by their owners, utilising communication channels and implementing pet owner education programs.
<i>Animals rehomed [Number of animals rehomed / Number of animals collected] x 100</i>	25.13%	11.11%	24.71%	37.04%	The percentage of animals rehomed during this reporting period has increased from 24% last year to almost 49% this financial year. This is a positive result for Council's animal management team, who aim to ensure as many surrendered animals as possible are rehomed. Less animals collected, an excellent working relationship with adoption agencies, as well as subsidised adoption fees (some of the lowest in the state) are all factors attributing to this increase.
Service cost <i>Cost of animal management service per population Direct cost of the animal management service / Population]</i>	\$22.12	\$20.02	\$22.96	\$20.21	A small decrease in the cost of the animal management service in 2024/2025 is due to a lower FTE level within the Community Safety team.

Service/Indicator/Measure	Result 2021/2022	Result 2022/2023	Result 2023/2024	Result 2024/2025	Council Explanation
Animal Management (cont'd)					
Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	100%	0%	0%	There were no animal management prosecutions during this reporting period.
Maternal and Child Health (MCH)					
Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100	100.00%	100.00%	97.89%	101.16%	Enrolments in Council's Maternal Child Health service remain consistently high. Council's result of over 100% this reporting period is due to a new family moving from outside the municipal area.
Service cost Cost of the MCH service [Cost of the MCH Service / Hours worked by MCH nurses]	\$71.86	\$80.82	\$82.24	\$80.85	The cost of the Maternal Child Health service remains steady compared with previous years.
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	85.53%	84.87%	87.11%	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 in the MCH service by Aboriginal children [Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	87.50%	90.48%	89.47%	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.
Satisfaction Participation in 4-week Key Age and Stage visit [Number of 4-week Key Age and Stage visits / Number of birth notifications received] x 100	99.20%	104.67%	90.53%	108.14%	This indicator shows the percentage of infants enrolled in the MCH service who participated in a 4 week Key Age and Stage visit. This percentage is over 100% due to the timing difference that can occur between birth notices being received and the home visit being completed across reporting periods.

Service/Indicator/Measure	Result 2021/2022	Result 2022/2023	Result 2023/2024	Result 2024/2025	Council Explanation
Aquatic Facilities					
Service standard <i>Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]</i>	1.00	1.00	1.00	1.00	All four of Council's aquatic facilities underwent an inspection during the 2024/2025 financial year. Aquatics staff also assess water quality four times daily, and records of results are maintained at all locations.
Utilisation <i>Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]</i>	2.65	3.05	4.91	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.
Service cost <i>Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]</i>	\$23.46	\$16.24	\$13.02	\$11.09	Council are pleased to see a further 14% decrease in the cost per head of our aquatic facilities. For the second year in a row, Council made the decision to make entry to all municipal pools free for the 2024/2025 season. This has again seen an increase in visitation this reporting period. Although the net cost across all 4 pools has reduced slightly from last year, the free entry has seen an increase in costs over the 2 year period (increased usage has meant additional staffing, maintenance, etc).
Libraries					
Resource currency <i>Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x 100</i>	48.67%	54.92%	51.21%	53.29%	The purchasing of book stock is managed under a service agreement with the City of Ballarat, who ensures a modern and relevant library collection. A shelving upgrade early 2025 was an opportunity for Ararat Library to reduce its collection of older stock. There is also an increasing focus on digital stock, including e-audio, e-magazines and e-books to meet demand in this area.
Service cost <i>Cost of library service per population [Direct cost of the library service / Population]</i>	\$24.67	\$29.83	\$28.96	\$30.20	The cost of Council's Library service per head of population has remained fairly steady this reporting period. A slight increase in running costs of the library service has seen a 4% increase.

Service/Indicator/Measure	Result 2021/2022	Result 2022/2023	Result 2023/2024	Result 2024/2025	Council Explanation
Libraries (cont'd)					
Utilisation <i>Loans per head of population</i> <i>[Number of library collection item loans / Population]</i>	New	New	New	2.46	This indicator is an assessment of the degree to which Council's library items are utilised by the community. Council's result of 2.46 loans per head is 33% lower than the previous year. This is an interesting statistic, as visitor numbers to the Library have increased over this same period. Factors explaining this may be attributed to more people visiting the Library for alternative reasons (attending programs, internet use etc) rather than borrowing. The Ararat library was also closed for 1 month during this reporting period to undertake upgrade works, with only a limited borrowing service available during this time.
Participation <i>Library membership</i> <i>[Number of registered library members / Population] x1 00</i>	New	New	New	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.
<i>Library visits per head of population</i> <i>[Number of library visits / Population]</i>	New	New	New	2.17	The Ararat Library service (incorporating Lake Bolac Library) had 2.17 visits per head of population during this reporting period, almost 10% higher than last reporting period. This is a positive outcome for the Library team, as this reporting period also included an interior upgrade where the Library ran a limited service for a month. Council has actively worked to encourage new members and increase programming following this upgrade, resulting in an increase in visitation.

Strategic Objective 6: Strong and Effective Governance

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2024/2025 budget for the year.

Strategic Indicator/Measure	Result	Comments
Deliver responsible budget outcomes, linked to strategy, which deliver value, innovation, and rating fairness.	✓	Each of the four Budgets developed and delivered in the four-year Council Plan 2021-25 period achieved responsible budget outcomes that were linked to strategy, and delivered value, innovation and rating fairness. Monthly financial performance reporting commenced in February 2025.
Ensure appropriate risk management is applied to Council and organisational decisions. Council's internal audit function is applied to areas of perceived risk.	✓	A new risk management system was developed. Opportunities for improvement identified through the internal audit process have been implemented. The status of any outstanding items is reported to each quarterly Audit and Risk Committee meeting.
Continuously improve Council's community engagement process and practices in line with deliberative engagement practices, while acknowledging the need for a range of different techniques to ensure effective engagement.	✓	Increased staffing in the communication and engagement function has enabled improved communication around major projects. Council's Engage Ararat page has been extensively used to provide information and gather feedback on a range of key initiatives. Council have also established a Community e-Newsletter to provide important information about our community, including infrastructure updates, upcoming event information and the latest Council news stories.

The following statement provides information in relation to the services funded in the 2024/2025 budget and the persons or sections of the community who are provided the service. The figures presented are based on the cash basis of accounting.

Service	Description	Net Cost Actual Budget Variance \$000
Corporate Revenue	This service includes Council's rates and charges revenue, interest income and general-purpose grant funds received from the Victorian Local Government Grants Commission.	(20,762) <u>(20,556)</u> 206
Financial Services	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, procurement practices and contracting of services, raising rates and charges and the processing of accounts payable and receivables. This service also includes property management and corporate expenses including stationery, telecommunications, revenue collection fees and valuations.	1,119 <u>1,075</u> (44)
Customer Services	This service includes the customer service operations of the Municipal Office.	353 <u>324</u> (29)

Service	Description	Net Cost <u>Actual Budget</u> Variance \$000
Property Operations	This service is responsible for the operations of Council's assets, including insurances and utility charges such as water and electricity. The service also includes Council's building, land and property leases and licenses.	(45) <u>(111)</u> (66)
Vehicles	This service operates, maintains and purchases Council vehicles, excluding major plant and equipment, to meet functionality and safety needs and to maximise the performance and minimise the operational cost of the fleet.	222 196 (26)
CEO's Office	This area includes Chief Executive Officer and executive support. This service includes media and communications, marketing and government relations.	1,184 <u>1,129</u> (55)
Funded Operating Projects	This service includes the delivery of one-off operating projects partly or wholly funded by non-recurrent government grants.	(3,026) <u>(22)</u> 3,004
Community Support Grants	This service provides support grants to community organisations for projects, sponsorships, and minor capital and community infrastructure.	53 100 47
Human Resources	This service provides Council with strategic and operational organisation development support. The service develops and implements strategies, policies and procedures through the provision of human resources and industrial relations services. This service includes training programs and business excellence. This service also includes payment of salaries and wages to Council employees.	391 407 16
Governance	This service provides support to the Mayor, Councillors and executive support. This service provides statutory and corporate support services to Council, including coordination of business papers for meetings of the Council and maintenance of statutory registers. This service also provides facilities maintenance grants for recreation reserves and public halls and coordinates risk management.	1,106 1,214 108
Business Transformation	This service includes service reviews and business improvement.	504 492 (12)
Information Services	This service provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way.	1,366 738 (628)



The following statement provides the results of the prescribed service performance indicators and measures including explanation of results in comments.

Service/Indicator/Measure	Result 2021/2022	Result 2022/2023	Result 2023/2024	Result 2024/2025	Council Explanation
Governance					
Transparency Council decisions made at meetings closed to the public [Number of council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x 100	25.18%	20.33%	19.55%	11.45%	Council have reviewed how items are taken to Council meetings with an eye to ensuring maximum transparency around Council decision making. Majority of Council decisions this reporting period were made in open Council meetings, with only 11% made in closed meetings. Council made 131 resolutions over the reporting period, of these only 15 were confidential resolutions (Pertaining to contracts/tenders etc).
Consultation and engagement					
Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]	62	60	59	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.
Attendance					
Council attendance at Council meetings [The sum of the number of councillors who attended each ordinary and special Council Meeting / (Number of ordinary and special Council Meetings) x (Number of councillors elected at the last Council general election)] x100	94.29%	96.43%	92.86%	91.67%	Councillor attendance at Council meetings remains consistently high, reflecting Councillor's commitment to active participation in decision making.

Service/Indicator/Measure	Result 2021/2022	Result 2022/2023	Result 2023/2024	Result 2024/2025	Council Explanation
Governance (cont'd)					
Service cost					
Cost of elected representation [Direct cost of the governance service / Number of councillors elected at the last Council general election]	\$37,598.47	\$39,746.14	\$41,735.57	\$43,567.71	The cost of elected representation remains steady, a slight increase is due to required induction and training costs of the newly elected Council.
Satisfaction	65	60	61	59	Satisfaction with Council making decisions in the interest of the community decreased by two points compared to the previous year. The state average result for similar sized Councils is 50. Council is committed to continuous and ongoing improvement in this area.

Reconciliation of Cash Result with Operating Result

	Net Cost Revenue \$'000
Growing Our Place	844
Building Robust Local Economies	576
Preserving Our Environment	2,882
Developing and Maintaining Key Enabling Infrastructure	10,778
Enhancing Community Life	2,431
Strong and Effective Governance	(17,535)
Total	(24)
Less capital expenditure on fixed assets	(11,704)
Add depreciation	11,089
Add depreciation – right of use assets	363
Add written down value of assets sold	549
Less fair value adjustments for investment property	(1,080)
Add increase in unearned revenue	5,723
Less share of net profit in joint venture	(29)
Less contribution to joint venture	(1,000)
Add decrease in prepayments	356
Less repayment of borrowings	(150)
Less repayment of lease liabilities	(324)
Add transfer from reserves	4,052
Less transfer to reserves	(8,978)
Operating (Surplus) / Deficit for the Year	(1,157)

Governance, Management and Other Information



Governance

Ararat Rural City Council is constituted under the Act to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

- Taking into account the diverse needs of the local community in decision-making
- Providing leadership by establishing strategic objectives and monitoring achievements
- Ensuring that resources are managed in a responsible and accountable manner
- Advocating the interests of the local community to other communities and governments
- Fostering community cohesion and encouraging active participation in civic life.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community consultation, public forums and the ability to make submissions to Council.

Council's formal decision-making processes are conducted through Council meetings. Council delegates the majority of its decision-making to Council employees. These delegations are exercised in accordance with adopted Council policies.

SPECIAL COMMITTEES

Council does not have any Special Committees

COUNCIL CODE OF CONDUCT

Council adopted its revised Code of Conduct on 28 January 2025. It sets out the Councillor Conduct Principles, which assist Councillors in maintaining the highest standard of conduct and behaviour as well as providing a means to deal with problems they may encounter.

CONFLICT OF INTEREST

Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of Conflict of Interest is a standard Council Meeting agenda item. During 2024/2025, 3 conflicts of interest were declared at Council Meetings.

COMMUNITY ENGAGEMENT

Council adopted its Community Engagement Policy on 23 February 2021.

Meetings of Council

Council conducts open public meetings on the last Tuesday of each month.

Council continues to livestream Council Meetings to drive engagement with members of the community. Livestreaming began on 17 April 2018.

Council Meetings also provide the opportunity for community members to submit a request to address Council or make a submission or presentation. For the 2024/2025 term Council held the following meetings:

- 11 ordinary Council Meetings
- 0 unscheduled meetings
- 1 statutory meeting.

The following table provides a summary of Councillors' attendance at Council Meetings and Special Council Meetings for the 2024/2025 financial year.

Councillors	Council Meetings	Statutory Meeting	Unscheduled Council Meetings	Total
Cr Jo Armstrong* (Mayor)	10	1	0	11
Cr Bob Sanders** (Deputy Mayor)	10	1	0	11
Cr Rob Armstrong	11	1	0	12
Cr Peter Joyce	7	1	0	8
Cr Teli Kaur	7	1	0	8
Cr Luke Preston	6	1	0	7
Cr Bill Waterston	9	1	0	10
Cr Gwenda Allgood	4	0	0	4
Cr Peter Beales	3	0	0	3
Cr Henry Burridge	3	0	0	3

* Deputy Mayor until Election Period

** Mayor until Election Period

Delegated Committees

The Act allows councils to establish one or more delegated committees consisting of:

- Councillors
- Council staff
- Other persons
- Any combination of the above.

The following table contains a list of delegated committees established by the council that are in operation and the purpose for which each committee was established.

Delegated committee	Councillors	Officers	Other	Purpose
Alexandra Hall Community Asset Committee ¹	0	1	8	
Buangor Community Sport Centre Community Asset Committee ¹	0	1	11	
Elmhurst Public Hall Community Asset Committee ¹	0	1	10	
Lake Bolac Memorial Hall Community Asset Committee ¹	0	1	7	
Maroona Recreation Reserve Community Asset Committee ¹	0	1	9	
Mininera Recreation Reserve Community Asset Committee ¹	0	1	7	
Moyston Public Hall Community Asset Committee ¹	0	1	8	To assist Council to economically manage community assets and assist in the management, control and maintaining of the facility.
Pomonal Hall Community Asset Committee ¹	0	1	7	
Streatham Memorial Hall Community Asset Committee ¹	0	1	13	
Tatyoon Hall and Recreation Reserve Community Asset Committee ¹	0	1	12	
Warrak Public Hall Community Asset Committee ¹	0	1	8	
Wickliffe Recreation Reserve Community Asset Committee ¹	0	1	17	
Willaura Recreation Reserve Community Asset Committee ¹	0	1	9	
Yalla-Y-Poora Community Centre Community Asset Committee ¹	0	1	9	
¹ Has delegated functions, duties or powers				

Mayor, Deputy Mayor and Councillor Allowances

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

From 18 December 2021, Mayor, Deputy Mayor and Councillor allowances are set by the Victorian Independent Remuneration Tribunal. Allowances are divided into three categories. Ararat Rural City Council is recognised as a Category One Council.

The following table contains details of allowances for the Mayor, Deputy Mayor and Councillors during the financial year.

Councillors	Allowance \$
Cr Gwenda Allgood	8,429
Cr Jo Armstrong*	67,546
Cr Rob Armstrong	25,793
Cr Peter Beales	8,429
Cr Henry Burridge	8,429
Cr Peter Joyce	17,364
Cr Teli Kaur	17,364
Cr Luke Preston	17,364
Cr Bob Sanders*	53,454
Cr Bill Waterston	25,793

*includes Mayor Allowance and Deputy Mayor Allowance

Councillor Expenses

In accordance with Section 40 of the Local Government Act 2020, Council is required to reimburse a Councillor for expenses incurred whilst performing their duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor paid by the Council.

The details of the expenses, including reimbursement of expenses for each Councillor paid by the Council for the 2024/2025 year, are set out in the following table.

Councillor	Attendances Meals/Dining \$	Travel \$	Conferences and Training \$	Information and Communication Technology \$	Mayoral Vehicle (car mileage expenses) \$	Total \$
Cr Allgood				381.00		381.00
Cr J Armstrong	45.00	782.00	3368.00	381.00	3013.66	7589.66
Cr R Armstrong				163.00		163.00
Cr Beales				381.00		381.00
Cr Burridge				163.00		163.00
Cr Joyce	140.00			87.00		227.00
Cr Kaur	70.00	108.00		87.00		265.00
Cr Preston	140.00			87.00		227.00
Cr Sanders	510.00		1446.00	163.00	1131.44	3250.44
Cr Waterston				163.00		163.00
Totals	905.00	890.00	4814.00	2056.00	4145.10	12810.10

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads to better decision-making by Council. The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations.

The following items have been highlighted as important components of the management framework.

Audit and Risk Committee

The Audit and Risk Committee was established to support Council in discharging its oversight responsibilities related to financial and performance reporting, risk management, fraud prevention, maintenance of a sound internal control environment, assurance activities including internal and external audit, and Council's performance with regard to compliance with its policies and legislative and regulatory requirements.

The Audit and Risk Committee consists of three independent members – Ms Jessica Adler (Chair), Ms Janet Dore and Mr Greg Jakob – and two Councillors, Cr Jo Armstrong and Cr Bob Sanders. Independent members are appointed for a three-year term. Independent members may be reappointed for two additional three-year terms subject to satisfactory performance, that is, a maximum of nine years. The Chair is elected by Council.

The Audit and Risk Committee meets four times a year. The Internal Auditor, Chief Executive Officer, Financial Services Coordinator and Governance and Risk Lead attend all Audit Committee meetings. Other management representatives attend as required to present reports. The external auditors and internal auditors attend as required to present reports.

The minutes of each Audit and Risk Committee meeting are subsequently reported to Council for information.

Internal Audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. Council uses the services of an external provider who has extensive local government experience to carry out the internal audit function. A risk-based four-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas.

The review process considers Council's risk framework; the Council Plan; the impact of any change on operations, systems or the business environment; prior audit coverage; and outcomes and management input. The SIAP is reviewed and approved by the Audit and Risk Committee annually.

The Internal Auditor attends Audit and Risk Committee meetings as required to report on the status of the SIAP, to provide updates on the implementation of audit recommendations, and to present findings of completed reviews. All audit issues identified are risk rated. Recommendations are assigned to the responsible officers and tracked through Council's internal compliance framework.

The Internal Auditor completed the following reviews during 2024/2025:

- Depot Costing Review
- Fraud and Corruption Framework
- Overhead Allocations Review
- Risk Assessment & Strategies Internal Audit Program Development

External Audit

Council is externally audited by the Victorian Auditor-General. For the 2024/2025 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend Audit and Risk Committee meetings as required, to present the annual audit plan and Independent Audit Report. The external audit management letter and management's responses are also provided to the Audit and Risk Committee.

Risk Management

Council's commitment to risk management has supported its progression towards an embedded risk management culture. Council continues to work towards being an organisation that works to reduce risk in all its operations whilst balancing risk with innovation by meeting the requirements of the Strategic Objectives in the Council Plan 2021-2025.

In April 2024 Council adopted the Risk Management Policy and Risk Management Framework in line with best practice in the management of business enterprise risks and current AS/NZS ISO 31000 principles and guidelines. The Risk Management Policy and Risk Management Framework addresses such items as:

- Risk management culture
- Communication and training
- Best practice in risk management
- Responsibilities of and to internal and external stakeholders
- Risk registers and risk management software
- The Council planning cycle, budget cycle and annual audit cycle
- A performance measurement system to determine the effectiveness of the policy and framework.

6 Strong and Effective Governance

We will work hard to build models of governance that place delivering public value at the centre through effective financial management, well measured risk management, and implementation of effective community engagement practices.

- 6.1 Deliver responsible budget outcomes linked to strategy, that deliver value, innovation and rating fairness.
- 6.2 Ensure appropriate risk management is applied to Council and organisational decisions. Council's internal function is applied to areas of perceived risk.
- 6.3 Continuously improve Council's community engagement process and practices in line with deliberative engagement practices, while acknowledging the need for a range of different techniques to ensure effective engagement.

Governance and Management Checklist

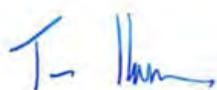
The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

Governance and Management Items		Assessment
1	Community Engagement Policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date adopted: 23 February 2021
2	Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Community Engagement Policy includes: Appendix 2 Community Engagement Template and Appendix 3 Engagement Checklist included Date adopted: 23 February 2021
3	Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date adopted: 27 May 2025
4	Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act Asset Plan Date adopted: 31 October 2023
5	Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act Date adopted: 27 May 2025
6	Annual Budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act Date adopted: 27 May 2025
7	Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of commencement of current policy: 30 April 2024
8	Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of commencement of current policy: 30 April 2024
9	Municipal Emergency Management Plan (plan under section 60ADB of the Emergency Management Act 2013 for emergency mitigation, response and recovery)	Prepared and maintained in accordance with section 60ADB of the Emergency Management Act 2013 Date of preparation: 21 July 2020

Governance and Management Items		Assessment
10	Procurement Policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by Council)	Adopted in accordance with section 108 of the Act Date adopted: 17 June 2025
11	Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Business Continuity Plan Date of commencement of current plan: 27 August 2024
12	Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Disaster Recovery Plan Date of commencement of current plan: 27 January 2010
13	Risk Management Framework (framework outlining Council's approach to managing risks to Council's operations)	Risk Management Framework Date of commencement of current framework: 30 April 2024
14	Audit and Risk Committee (see sections 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date established: 17 June 1997
15	Internal Audit (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider: 23 December 2008
16	Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Local Government Act 2020)	Framework Date of operation of current framework: 01 July 2014
17	Council Plan Report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Council Plan Action Report Date of report: 27 May 2025
18	Financial reporting (quarterly statements to Council under section 97(1) of the Local Government Act 2020, comparing actual and budgeted results and an explanation of any material variations)	Reports presented to Council in accordance with section 97(1) of the Local Government Act 2020 Date reports presented: 29 September 2024, 26 November 2024, 28 January 2025, 25 February 2025, 25 March 2025, 29 April 2025, 27 May 2025, 17 June 2025
19	Risk reporting (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of Reports: 3 September 2024, 4 March 2025, 3 June 2025
20	Performance Reporting (6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Local Government Act 2020)	Reports Date of Reports: 29 September 2024, 26 November 2024, 28 January 2025, 25 February 2025, 25 March 2025, 29 April 2025, 27 May 2025, 17 June 2025

Governance and Management Items		Assessment
21	Annual Report (annual report under sections 98, 99 and 100 of the Local Government Act 2020 containing a report of operations and audited financial and performance statements)	Presented at a meeting of Council in accordance with section 100 of the Act Date presented: 8 October 2024
22	Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act Date reviewed: 28 January 2025
23	Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of reviews: S5 26 November 2024 S6 25 February 2025 S7 10 September 2024 S12 6 September 2024 S13 9 September 2024 S14 6 February 2023 S16 23 March 2023 S18 28 February 2023
24	Meeting Procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date adopted: 25 March 2025

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



Dr Tim Harrison
Chief Executive Officer
Dated: 27 January 2026



Cr Jo Armstrong
Mayor
Dated: 27 January 2026

Statutory Information

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

Public Transparency Policy

The Public Transparency Policy supports Council in its ongoing drive for good governance and the importance of transparent, open and accountable conduct and how Council information is to be made publicly available. It gives effect to the *Public Transparency Principles* of:

- (a) Council decision-making processes must be transparent except when the Council is dealing with information that is confidential by virtue of this Act or any other Act;
- (b) Council information must be publicly available unless—
 - (i) the information is confidential by virtue of this Act or any other Act; or
 - (ii) public availability of the information would be contrary to the public interest;
- (c) Council information must be understandable and accessible to members of the municipal community;
- (d) public awareness of the availability of Council information must be facilitated.

Freedom of Information

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the Freedom of Information Act 1982, Council is required to publish certain statements in their Annual Report, or in a separate location such as its website, concerning its functions and information available.

Council received seventeen requests during the year for information relating to the Freedom of Information Act 1982. The following is a summary of the application and operation of the Freedom of Information Act 1982.

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the Freedom of Information Act 1982 and in summary as follows:

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged online or by email.

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

Further information regarding FOI can be found at www.foi.vic.gov.au or on the Council website www.ararat.vic.gov.au.

Contracts

During the year Council did not enter into any contracts valued at \$225,000 or more for services, or \$300,000 or more for works, without engaging in a competitive process.

Council issued 8 tenders in 2024/2025, covering the following service categories:

- consultancy and other work
- capital and infrastructure works
- operational services/trade services

Disability Action Plan

In accordance with section 38 of the Disability Act 2006, Council has a Disability Action Plan, which is referred to as the Community Access Strategy. Council must report on the implementation of the strategy/plan in its Annual Report.

During 2024/2025, Council ensured that during the Yarram-Gap bushfires the Emergency Relief Centre was accessible for all abilities, or alternative arrangements were made to ensure everyone who attended the Centre was able to access a safe place to stay until they were able to return to their home. Council has also engaged with community to ensure that accessibility actively considered, for example, as part of the Sport and Active Recreation Strategy and in the planning and development of the disability drop-off zones in Barkly Street, Ararat.

Council have commenced the process of developing a new Disability Action Plan, which will be finalised in the 2025/2026 year.

Domestic Animal Management Plan (DAMP) Statistics and Data (2024/2025)

In accordance with the Domestic Animals Act 1994 section 68a, Council is required to prepare a Domestic Animal Management Plan at four-yearly intervals and evaluate its implementation in the Annual Report.

Council adopted an amendment to the Domestic Animal Management Plan 2021-2025 in September 2022. The amended plan was developed through consultation with council's Community Safety Team and input from other Council departments.

The new DAMP was provided for public exhibition, with the community and partner agencies invited to give input.

Council continued to work with rescue organisations over the past year, resulting in Council achieving the target of less than 7% of dogs (4.7%) entering the pound being euthanised.

Of the 147 dogs processed, over 71% were returned to their owners and 17% were rehoused, adopted, or taken in by a rescue organisation. Seven dogs were euthanised due to aggressive behaviours making them unsuitable for rehousing.

Of the 92 cats processed, 58 were euthanised as part of the feral trapping program and 8 for aggressive behaviours making them unsuitable for rehousing. A total of 27% of impounded cats were returned directly to their owners, adopted, or rehoused with a rescue organisation.

Food Act Ministerial Directions

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

Public Interest Disclosure Procedures

Council is committed to a culture of corporate compliance and ethical behaviour and supports the aims and objectives of the Public Interest Disclosure Act 2012. It recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal improper conduct. It does not tolerate improper conduct by the organisation, its employees or Councillors, nor the taking of detrimental action in reprisal against those who come forward to disclose such conduct.

As per the requirements of the Act, Council has a procedure in place outlining the requirements for making a Public Interest Disclosure complaint regarding improper conduct. The procedure is available on Council's website.

For the 2024/2025 year **zero disclosures** were notified to Council officers appointed to receive disclosures, or to the Independent Broad Based Anti-Corruption Commission (IBAC).

Road Management Act Ministerial Direction

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

Infrastructure and Development Contributions

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



Glossary

Act	means the Local Government Act 2020.
Annual Report	means a report of the council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement.
Appropriateness	means indicators or measures that provide users with sufficient information to assess the extent to which an entity has achieved a pre-determined target, goal or outcome.
Budget	means a plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the Strategic Objectives specified in the Council Plan.
Council Plan	means a plan setting out the medium-term strategic objectives, strategies, strategic indicators and resources reflecting vision and aspirations of the community for the next four years.
Financial performance indicators	means a prescribed set of indicators and measures that assess the effectiveness of financial management in a council covering operating position, liquidity, obligations, stability and efficiency.
Financial Plan	means a plan of the financial and non-financial resources for at least the next ten years required to achieve the Strategic Objectives in the Council Plan. It is also referred to as a long-term financial plan.
Financial statements	means the financial statements and notes prepared in accordance with the Local Government Model Financial Report, Australian Accounting Standards and other applicable standards as they apply to the general purpose financial reports, and a statement of capital works, and included in the Annual Report.
Financial year	means the period of 12 months ending on 30 June each year.
Governance and management checklist	means a prescribed checklist of policies, plans and documents that councils must report the status of in the report of operations, covering engagement, planning, monitoring, reporting and decision-making.
Indicator	means what will be measured to assess performance.
Initiatives	means actions that are one-off in nature and/or lead to improvements in service.
Integrated strategic planning and reporting framework	means the key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the Act.
Major initiative	means significant initiatives that will directly contribute to the achievement of the Council Plan during the current year and have a major focus in the budget.
Measure	means how an indicator will be measured and takes the form of a computation, typically including a numerator and denominator.
Minister	means the Minister for Local Government.

Performance statement	means a statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the annual report.
Regulations	means the Local Government (Planning and Reporting) Regulations 2020.
Relevance	means indicators or measures that have a logical and consistent relationship to an entity's objectives and are linked to the outcomes to be achieved.
Report of operations	means a report containing a description of the operations of the council during the financial year and included in the Annual Report.
Services	means assistance, support, advice and other actions undertaken by a council for the benefit of the local community.
Service outcome indicators	means the prescribed service performance indicators to be included in the performance statement which measure whether the stated service objective has been achieved.
Service performance indicators	means a prescribed set of indicators measuring the effectiveness and efficiency of council services covering appropriateness, quality, cost and service outcomes.
Strategic Objectives	means the outcomes a council is seeking to achieve over the next four years and included in the Council Plan.
Strategies	means high level actions directed at achieving the Strategic Objectives in the Council Plan.
Sustainable capacity indicators	means a prescribed set of indicators measuring whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management.



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Ararat VIC 3377

To reduce environmental impact, residents and interested parties are encouraged to access the report via Council's website, www.ararat.vic.gov.au.

Financial Report



Ararat Rural City Council
Financial Report
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Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Karissa Hogan, BCom, CPA
Principal Accounting Officer
Dated : 3 December 2025
Ararat

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.

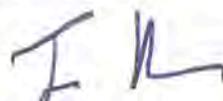
We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.



Jo Armstrong
Councillor
Dated : 3 December 2025
Ararat



Bob Sanders
Councillor
Dated : 3 December 2025
Ararat



Dr Tim Harrison
Chief Executive Officer
Dated : 3 December 2025
Ararat

Independent Auditor's Report

Victorian Auditor-General's Office

To the Councillors of Ararat Rural City Council

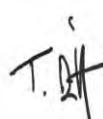
Opinion	<p>I have audited the financial report of Ararat Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2025• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• statement of capital works for the year then ended• notes to the financial statements, including material accounting policy information• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2025 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p>
	<p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p>
	<ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors • conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE
9 December 2025

Travis Derricott
as delegate for the Auditor-General of Victoria



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.

Balance Sheet As at 30 June 2025

		2025 \$'000	2024 \$'000	Restated
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.

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
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.

Statement of Cash Flows For the Year Ended 30 June 2025

	Note	2025 Inflows/ (Outflows) \$'000	2024 Inflows/ (Outflows) \$'000
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	21,875	2,048
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		(9,503)	(9,283)
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		(580)	(1,173)
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	14,841	3,049

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

Statement of Capital Works For the Year Ended 30 June 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.

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.

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%	

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 Tatyoona 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 valuations 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.

**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 %	
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.

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.

**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
2025	\$'000	\$'000	\$'000	\$'000	\$'000
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
2024	\$'000	\$'000	\$'000	\$'000	\$'000
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

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

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 Rates and charges

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 \$6,698 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.

	2025 \$'000	2024 \$'000
General	7,194	7,070
Commercial	766	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.

**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	26
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

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	2024
	\$'000	\$'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

<i>Operating</i>	2025	2024
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
<i>Capital</i>		
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.

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	<u>397</u>	<u>1,190</u>

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	161	788
Written down value of assets disposed	(549)	(765)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>(388)</u>	<u>23</u>

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	163	155
Total other income	<u>510</u>	<u>744</u>

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

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

Note 4 THE COST OF DELIVERING SERVICES	2025	2024
	\$'000	\$'000
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.

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	7,610	6,907
Total depreciation	11,089	9,778

Refer to note 5.7 and 6.1 for a more detailed breakdown of depreciation and accounting policy.

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

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

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS	2025	2024
5.1 Financial assets	\$'000	\$'000
(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.

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	<u>3,066</u>	<u>5,212</u>
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	4	5
Total non-current trade and other receivables	<u>4</u>	<u>5</u>
Total trade and other receivables	<u>3,070</u>	<u>5,217</u>

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	<u>594</u>	<u>2,489</u>

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	2025	2024
	\$'000	\$'000
Prepayments		
Prepayments	-	360
Total other assets	-	360

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

(a) Trade and other payables

Current	2025	2024
	\$'000	\$'000
<i>Non-statutory payables</i>		
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	2025	2024
	\$'000	\$'000
<i>Refundable deposits</i>		
Fire services levy	66	51
Retention amounts	109	90
Other refundable deposits	45	69
Total current trust funds and deposits	315	303

(c) Contract and other liabilities

Contract liabilities	2025	2024
	\$'000	\$'000
<i>Current</i>		
Grants received in advance - operating	6,659	2,981
Other	10	-
Total contract liabilities	6,669	2,981
<i>Other liabilities</i>		
<i>Current</i>		
Deferred capital grants	2,668	391
Total other liabilities	2,668	391
Total contract and other liabilities	9,337	3,372

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	2024
	\$'000	\$'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	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.

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	<u>2,461</u>	<u>2,397</u>
 <i>Provisions - current</i>		
<i>Provisions - non-current</i>	2,175	2,104
	286	293
 (a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	691	698
Other leave	70	76
	<u>761</u>	<u>774</u>
 Current provisions expected to be wholly settled after 12 months		
Annual leave	203	225
Long service leave	1,211	1,105
	<u>1,414</u>	<u>1,330</u>
Total current employee provisions	<u>2,175</u>	<u>2,104</u>
 Non-current		
Long service leave	286	293
Total non-current employee provisions	<u>286</u>	<u>293</u>
 Aggregate carrying amount of employee provisions:		
Current	2,175	2,104
Non-current	286	293
Total aggregate carrying amount of employee provisions	<u>2,461</u>	<u>2,397</u>

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%

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.

2025	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total \$'000
		\$'000	\$'000	\$'000	
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	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	
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

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

**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 30 June 2025 \$'000
	Carrying amount (restated)* 30 June 2024 \$'000	Additions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	
Property	77,151	578	65,157	(2,660)	-	184	140,410
Plant and equipment	7,635	537	-	(819)	(549)	-	6,804
Infrastructure	423,189	9,267	65,087	(7,610)	-	1,142	491,075
Work in progress	1,429	1,322	-	-	-	(1,326)	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

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

(a) Property

	Land	Land under roads	Land	Total Land & Land Improvements	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'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)	(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)	(83,808)	(5)	(83,813)	-	(84,450)
Carrying amount	46,192	307	1,139	47,638	92,539	233	92,772	40	140,450

**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)	(888)	(935)	-	(7,257)
	4,958	115	457	2,105	7,635
Movements in fair value					
Additions	495	-	42	-	537
Disposal	(943)	(898)	-	-	(1,841)
	(448)	(898)	42	-	(1,304)
Movements in accumulated depreciation					
Depreciation and amortisation	(787)	(9)	(23)	-	(819)
Accumulated depreciation of disposals	470	822	-	-	1,292
	(317)	813	(23)	-	473
At fair value 30 June 2025	9,944	105	1,434	2,105	13,588
Accumulated depreciation at 30 June 2025	(5,751)	(75)	(958)	-	(6,784)
Carrying amount	4,193	30	476	2,105	6,804

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

(c) Infrastructure

	Roads (restated)* \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Work In Progress \$'000	Total Infrastructure \$'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)	(8,106)	-	(235,937)
	384,190	26,024	6,535	6,440	1,245	424,434
Movements in fair value						
Additions	8,081	44	578	564	1,282	10,549
Revaluation	(4,470)	23,294	2,916	(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)	(166)	-	(7,610)
Revaluation	49,159	(5,747)	200	1,254	-	44,866
	42,711	(6,438)	(105)	1,088	-	37,256
At fair value 30 June 2025	588,750	71,900	15,401	13,705	1,385	691,141
Accumulated depreciation at 30 June 2025	(157,297)	(28,976)	(5,390)	(7,018)	-	(198,681)
Carrying amount	431,453	42,924	10,011	6,687	1,385	492,460

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

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	31-60 years	10,000
Buildings			
buildings	25 - 193 years	6 - 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 - 60 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 - 65 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.

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 Practicing Valuer 113610. 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.

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. In addition to the full valuation performed as at 1 July 2024, an indexed based revaluation was conducted for the period from 1 July 2024 to 30 June 2025, 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
Buildings	-	233	92,539	Jul-24	full
Total	-	46,425	93,985	Jun-25	index

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. In addition to the full valuation performed as at 1 July 2024, an indexed based revaluation was conducted for the period from 1 July 2024 to 30 June 2025, 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

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

	2025	2024
	\$'000	\$'000

(a) Investments in joint venture

- Ararat Housing Enterprise Pty Ltd is 50% owned by Council

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
Council's share of expenditure commitments		
Capital commitments	311	-
Council's share of expenditure commitments	311	-

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 Practicing 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.

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 6.2.

(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 (to 26/10/2024, from 8/11/2024, Deputy Mayor to 26/10/2024, Mayor from 12/11/2024) Councillor Bob Sanders (to 26/10/2024, from 8/11/2024, Mayor to 26/10/2024, Deputy Mayor from 12/11/2024) Councillor Gwenda Allgood (to 26/10/2024) Councillor Rob Armstrong (to 26/10/2024, from 8/11/2024) Councillor Peter Beales (to 26/10/2024) Councillor Henry Burridge (to 26/10/2024) Councillor Bill Waterston (to 26/10/2024, from 8/11/2024) Councillor Peter Joyce (from 8/11/2024) Councillor Teli Kaur (from 8/11/2024) Councillor Luke Preston (from 8/11/2024) 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		<u>12</u>	<u>9</u>

(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	<u>780</u>	<u>728</u>

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
\$50,000 - \$59,999	1	1
\$60,000 - \$69,999	1	1
\$70,000 - \$79,999	-	-
\$90,000 - \$99,999	-	-
\$190,000 - \$199,999	1	1
\$280,000 - \$289,999	-	1
\$330,000 - \$339,999	1	-
Total	<u>12</u>	<u>9</u>

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

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: - **175**

7.2 Related party disclosure **2025**
\$'000 **2024**
\$'000

(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.

Locksmith, 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	-
Council made a capital contribution to its joint venture in accordance with the terms of the joint venture agreement.	1,000	-

(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: - -

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.

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.

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.

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.

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 3 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	5 years
Land	3 years
Land improvements	3 years
Buildings	3 years
Roads	3 years
Bridges	3 years
Footpaths and cycleways	3 years
Drainage	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.

**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

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Balance at end of reporting period \$'000
--	--	----------------------------------	--

Property

Land and land improvements

Buildings

Infrastructure

Roads

Bridges

Footpaths and cycleways

Drainage

Total asset revaluation reserves

1,255 - 1,255

1,255 - **1,255**

14,509 28,408 42,917

36,254 36,749 73,003

50,763 **65,157** **115,920**

128,352 44,689 173,041

20,399 17,547 37,946

6,034 3,116 9,150

1,320 (265) 1,055

156,105 **65,087** **221,192**

208,123 **130,244** **338,367**

2024

Artworks

Artworks

1,255 - 1,255

1,255 - **1,255**

Property

Land

Buildings

14,509 - 14,509

33,898 2,356 36,254

48,407 **2,356** **50,763**

Infrastructure

Roads

Bridges

Footpaths and cycleways

Drainage

123,429 4,923 128,352

19,720 679 20,399

5,871 163 6,034

1,101 219 1,320

150,121 **5,984** **156,105**

199,783 **8,340** **208,123**

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

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

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

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	2025 \$'000	2024 \$'000
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	<hr/> 21,875	<hr/> 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

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

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.

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	Impact Increase / (decrease)	Restated Balance 30 June 2024
	\$'000	\$'000	\$'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	222,045	201,144	423,189
Total Property, infrastructure, plant and equipment	308,261	201,144	509,405

Performance Statement



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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*.



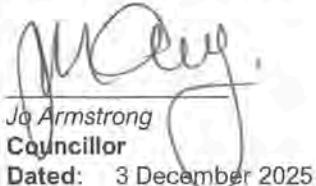
Karissa Hogan, BCom, CPA
Principal Accounting Officer
Dated: 3 December 2025

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: 3 December 2025



Bob Sanders
Councillor
Dated: 3 December 2025



Dr Tim Harrison
Chief Executive Officer
Dated: 3 December 2025

Independent Auditor's Report

Victorian Auditor-General's Office

To the Councillors of Ararat Rural City Council

Opinion I have audited the accompanying performance statement of Ararat Rural City Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2025
- service performance indicators for the year ended 30 June 2025
- financial performance indicators for the year ended 30 June 2025
- sustainable capacity indicators for the year ended 30 June 2025
- notes to the accounts
- certification of the performance statement.

In my opinion, the performance statement of Ararat Rural City Council in respect of the year ended 30 June 2025 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

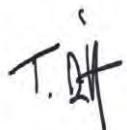
Councillors' responsibilities for the performance statement The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the performance statement

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

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

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



MELBOURNE
9 December 2025

Travis Derricott
as delegate for the Auditor-General of Victoria

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 Actual	2023 Actual	2024 Actual	2025		
				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.

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.

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 <i>Current assets compared to current liabilities</i> [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	
<i>Loans and borrowings repayments compared to rates</i> [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 <i>Rates compared to adjusted underlying revenue</i> <i>[Rate revenue / Adjusted underlying revenue] x100</i>	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 <i>Rates compared to property values</i> <i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	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.

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 <i>Expenses per head of municipal population</i> [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.	
<i>Infrastructure per head of municipal population</i> [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.	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	4.86	4.78	4.77	4.76	This indicator has remained consistent to the previous year.	

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: <ul style="list-style-type: none"> • 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.



Ararat Rural City

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