Ararat Rural City

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2026

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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 : *29 September 2026*
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 2026 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.

Bob Sanders
Councillor
Dated : *29 September 2026*
Ararat

Peter Joyce
Councillor
Dated : *29 September 2026*
Ararat

Dr Tim Harrison
Chief Executive Officer
Dated : *29 September 2026*
Ararat

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Comprehensive Income Statement
For the Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Income / revenue			
Rates and charges	3.1	18,510	18,093
Statutory fees and fines	3.2	265	266
User fees	3.3	1,792	1,719
Grants - operating	3.4	13,291	14,343
Grants - capital	3.4	9,186	1,477
Contributions - monetary	3.5	236	397
Contributions - non monetary	3.5	1,815	-
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(4)	(388)
Fair value adjustments for investment property	6.3	195	1,080
Share of net profits (or loss) of joint ventures	6.2	90	29
Other income	3.7	856	510
Total income / revenue		**46,232**	**37,526**
Expenses			
Employee costs	4.1	12,696	12,241
Materials and services	4.2	12,181	12,222
Depreciation	4.3	11,436	11,089
Depreciation - right of use assets	5.5	459	363
Borrowing costs		2	6
Finance costs - leases		118	100
Other expenses	4.4	434	348
Total expenses		**37,326**	**36,369**
Surplus/(deficit) for the year		**8,906**	**1,157**
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.1	31,133	130,244
Total other comprehensive income		**31,133**	**130,244**
Total comprehensive result		**40,039**	**131,401**

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

Balance Sheet
As at 30 June 2026

	Note	2026	Restated 2025
		$'000	$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	21,266	14,841
Trade and other receivables	5.1	2,902	3,066
Inventories		69	71
Prepayments		3	-
Non-current assets classified as held for sale		249	-
Contract assets	5.1	2,614	-
Total current assets		**27,103**	**17,978**
Non-current assets			
Trade and other receivables	5.1	3	4
Investments in joint arrangements	6.2	2,117	1,527
Property, infrastructure, plant and equipment	6.1	685,242	649,075
Right-of-use assets	5.5	1,325	1,784
Investment property	6.3	2,810	2,615
Total non-current assets		**691,497**	**655,005**
Total assets		**718,600**	**672,983**
Liabilities			
Current liabilities			
Trade and other payables	5.2	3,753	2,357
Trust funds and deposits	5.2	381	315
Contract and other liabilities	5.2	13,879	9,337
Provisions	5.3	2,358	2,175
Interest-bearing liabilities		-	156
Lease liabilities	5.5	455	426
Total current liabilities		**20,826**	**14,766**
Non-current liabilities			
Provisions	5.3	260	286
Lease liabilities	5.5	956	1,412
Total non-current liabilities		**1,216**	**1,698**
Total liabilities		**22,042**	**16,464**
Net assets		**696,558**	**656,519**
Equity			
Accumulated surplus		306,536	304,862
Reserves	9.1	390,022	351,657
Total Equity		**696,558**	**656,519**

2025 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 2026

2026	Note	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year		656,519	304,862	338,367	13,290
Surplus/(deficit) for the year		8,906	8,906	-	-
Net asset revaluation gain/(loss)	6.1	31,133	-	31,133	-
Transfers to other reserves	9.1	-	(16,653)	-	16,653
Transfers from other reserves	9.1	-	9,421	-	(9,421)
Balance at end of the financial year		**696,558**	**306,536**	**369,500**	**20,522**

Restated 2025		Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year		515,757	299,270	208,123	8,364
Correction of prior period error - retrospective	11	9,361	9,361	-	-
Surplus/(deficit) for the year		1,157	1,157	-	-
Net asset revaluation gain/(loss)	9.1	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		**656,519**	**304,862**	**338,367**	**13,290**

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 2026

	Note	2026 Inflows/ (Outflows) $'000	2025 Inflows/ (Outflows) $'000
Cash flows from operating activities			
Rates and charges		19,557	17,942
Statutory fees and fines		263	270
User fees		2,204	1,805
Grants - operating		16,714	18,821
Grants - capital		10,764	5,702
Contributions - monetary		294	278
Interest received		684	347
Trust funds and deposits taken		552	374
Other receipts		129	168
Net GST refund/(payment)		1,271	2,042
Employee costs		(11,998)	(13,240)
Materials and services		(16,078)	(11,912)
Short-term, low value and variable lease payments		(10)	-
Trust funds and deposits repaid		(1,320)	(369)
Other payments		(491)	(353)
Net cash provided by/(used in) operating activities	9.2	**22,535**	**21,875**
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(15,063)	(11,704)
Proceeds from sale of property, infrastructure, plant and equipment		155	161
Payments for investments		(500)	(1,000)
Proceeds from sale of investments		-	3,040
Net cash provided by/(used in) investing activities		**(15,408)**	**(9,503)**
Cash flows from financing activities			
Finance costs		(2)	(6)
Repayment of borrowings		(156)	(150)
Interest paid - lease liability		(118)	(100)
Repayment of lease liabilities		(426)	(324)
Net cash provided by/(used in) financing activities		**(702)**	**(580)**
Net increase (decrease) in cash and cash equivalents		6,425	11,792
Cash and cash equivalents at the beginning of the financial year		14,841	3,049
Cash and cash equivalents at the end of the financial year	5.1	**21,266**	**14,841**

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 2026

	Note	2026 $'000	2025 $'000
Property			
Land improvements		14	-
Buildings		2,922	618
Total property		**2,936**	**618**
Plant and equipment			
Plant, machinery and equipment		668	495
Fixtures, fittings and furniture		54	-
Library books		53	42
Total plant and equipment		**775**	**537**
Infrastructure			
Roads		8,979	9,276
Bridges		1,877	131
Footpaths and cycleways		430	578
Drainage		66	564
Total infrastructure		**11,352**	**10,549**
Total capital works expenditure	6.1	**15,063**	**11,704**
Represented by:			
New asset expenditure		2,034	532
Asset renewal expenditure		8,653	9,877
Asset upgrade expenditure		4,376	1,295
Total capital works expenditure		**15,063**	**11,704**

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 2026

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 5.3)
- 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 3.4)
- 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 5.5)
- 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.

Note 1.2 Impacts of other external events

Council has considered ongoing external events that have contributed to volatility in international markets, disrupted global supply chains and increased inflationary pressure, including the risk that they may cause significant changes in the carrying values of assets and liabilities in the next financial year, and has concluded that there is no material impact on the 2025-26 financial report that requires additional disclosure.

Notes to the Financial Report
For the Year Ended 30 June 2026

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 2026 $'000	Actual 2026 $'000	Variance $'000	Variance %	Ref
Income / Revenue					
Rates and charges	18,425	18,510	**85**	**0%**	
Statutory fees and fines	277	265	**(12)**	**-4%**	
User fees	1,631	1,792	**161**	**10%**	
Grants - operating	9,526	13,291	**3,765**	**40%**	**1**
Grants - capital	3,828	9,186	**5,358**	**140%**	**2**
Contributions - monetary	93	236	**143**	**154%**	
Contributions - non monetary	-	1,815	**1,815**	**100%**	**3**
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	20	(4)	**(24)**	**-120%**	
Fair value adjustments for investment property	-	195	**195**	**100%**	
Share of net profits/(losses) of associates and joint ventures	-	90	**90**	**100%**	
Other income	631	856	**225**	**36%**	
Total income / revenue	**34,430**	**46,232**	**11,802**	**34%**	
Expenses					
Employee costs	11,961	12,696	**(735)**	**-6%**	**4**
Materials and services	9,186	12,181	**(2,995)**	**-33%**	**5**
Depreciation	10,469	11,436	**(967)**	**-9%**	**6**
Depreciation - right of use assets	308	459	**(151)**	**-49%**	
Borrowing costs	2	2	**-**	**0%**	
Finance costs - leases	60	118	**(58)**	**-97%**	
Other expenses	394	434	**(40)**	**-10%**	
Total expenses	**32,380**	**37,326**	**(4,946)**	**-15%**	
Surplus/(deficit) for the year	**2,050**	**8,906**	**6,856**	**334%**	

Notes to the Financial Report
For the Year Ended 30 June 2026

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - operating	Council received $3.107 million more in financial assistance grants than budgeted, primarily due to the timing of grant payments. This included 80% of the estimated 2026/2027 allocation received in June 2026. Council was also successful in obtaining unbudgeted grants, including $0.681 million for emergency support and community recovery.
2	Grants - capital	Council recognised $4.360 million in grant revenue for the Mount William Road reconstruction project, for which $5.000 million was budgeted in 2024/2025. Council was also successful in obtaining unbudgeted grants, including $0.670 million for Jack and Jill Kindergarten and $0.574 million for road safety upgrades.
3	Contributions - non monetary	During the year Council became the Committee of Management for the Moyston Recreation Reserve. This non-monetary contribution is recorded to bring to account the additional land and building as controlled assets of Council.
4	Employee costs	Employee costs are higher than budget due to additional grant-funded positions not included in the original budget, together with redundancy costs from organisational changes.
5	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. This includes $0.916 million operating expenditure spent on the Queen Street Housing Support Program.
6	Depreciation	Depreciation increased by $0.347 million compared to the previous year. The 2025/2026 budget was prepared before the asset valuation figures were finalised for 2024/2025 resulting in higher depreciation than budgeted.

Notes to the Financial Report
For the Year Ended 30 June 2026

2.1.2 Capital works

	Budget 2026 $'000	Actual 2026 $'000	Variance $'000	Variance %	Ref
Property					
Land improvements	-	14	**14**	**100%**	
Buildings	2,040	2,922	**882**	**43%**	**1**
Total property	**2,040**	**2,936**	**896**	**44%**	
Plant and equipment					
Plant, machinery and equipment	500	668	**168**	**34%**	
Fixtures, fittings and furniture	100	54	**(46)**	**-46%**	
Library books	40	53	**13**	**33%**	
Total plant and equipment	**640**	**775**	**135**	**21%**	
Infrastructure					
Roads	8,207	8,979	**772**	**9%**	**2**
Bridges	400	1,877	**1,477**	**369%**	**3**
Footpaths and cycleways	400	430	**30**	**8%**	
Drainage	750	66	**(684)**	**-91%**	**4**
Total infrastructure	**9,757**	**11,352**	**1,595**	**16%**	
Total capital works expenditure	**12,437**	**15,063**	**2,626**	**21%**	
Represented by:					
New asset expenditure	1,628	2,034	**406**	**25%**	
Asset renewal expenditure	8,702	8,653	**(49)**	**-1%**	
Asset upgrade expenditure	2,107	4,376	**2,269**	**108%**	
Total capital works expenditure	**12,437**	**15,063**	**2,626**	**21%**	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Council received and spent grant funds of $0.670 million in 2025/2026 for upgrades to Jack & Jill Kindergarten that were not budgeted for.
2	Roads	Council has made significant progress in completing reconstruction works on Mount William Road from budget carried forward from the previous year.
3	Bridges	Roads to Recovery funding of $1.232 million has been used to upgrade a bridge on Buangor-Ben Nevis Road that was not budgeted for
4	Drainage	Savings in this budget have been used to fund increased property upgrades.

Notes to the Financial Report
For the Year Ended 30 June 2026

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 2026

2.2.2 Summary of income / revenue, expenses, assets and capital expenses by program

2026	Income / revenue $'000	Expenses $'000	Surplus / (deficit) $'000	Grants included in income / revenue $'000	Total assets $'000
Growing our place	419	1,272	(853)	7	-
Building robust local economies	39	490	(451)	4	2,117
Preserving our environment	3,711	5,698	(1,987)	757	2,078
Developing and maintaining key enabling infrastructure	11,578	18,272	(6,694)	11,492	628,401
Enhancing community life	5,726	4,918	808	2,760	56,181
Strong and effective governance	24,759	6,676	18,083	7,457	29,823
	46,232	**37,326**	**8,906**	**22,477**	**718,600**

2025	Income / revenue $'000	Expenses $'000	Surplus / (deficit) $'000	Grants included in income / revenue $'000	Total assets Restated $'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	594,312
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**	**672,983**

Notes to the Financial Report
For the Year Ended 30 June 2026

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 2025.

The valuation base used to calculate general rates for 2025/26 was $6,546 million (2024/25 $6,698 million). The 2025/26 rate in the Capital Improved Valuation dollar was General 0.3643, Farm 0.1421, Commercial 0.4918, and Industrial 0.4918 (2024/25 General 0.3507, Farm 0.1350, Commercial 0.4910, and Industrial 0.4910).

Council has delivered a net 1.5 percent rate rise for the eight year period up to 2025/26, with the minimal growth in general rates and charges resulting from supplementary rates adjustments.

	2026 $'000	2025 $'000
General	7,386	7,194
Commercial	788	766
Industrial	266	252
Farm	6,160	6,054
Municipal charge	647	642
Council rebate	(13)	-
Waste management charge	2,531	2,451
Interest on rates and charges	164	161
Revenue in lieu of rates	581	573
Total rates and charges	**18,510**	**18,093**

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2025 and the valuation was first applied in the rating year commencing 1 July 2025.

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

	2026 $'000	2025 $'000
Infringements and costs	38	30
Town planning fees	175	182
Land information certificates	20	16
Permits	32	38
Total statutory fees and fines	**265**	**266**

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

	2026 $'000	2025 $'000
Leisure centre and recreation	509	527
Child care/children's programs	10	6
Registration and other permits	160	140
Building services	61	50
Waste management services	496	473
Ararat Town Hall Charges	183	162
Visitor Information Centre	7	5
Alexandra Oval/ Gordon Street Oval	163	137
Road occupancy	15	14
Private works	16	-
Other fees and charges	172	205
Total user fees	**1,792**	**1,719**
User fees by timing of revenue recognition		
User fees recognised at a point in time	1,792	1,719
Total user fees	**1,792**	**1,719**

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 2026

	2026	2025
	$'000	$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	18,859	13,456
State funded grants	3,618	2,364
Total grants received	**22,477**	**15,820**
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	11,154	12,047
Recurrent - State Government		
Aged care	4	3
School crossing supervisors	16	16
Libraries	155	155
Maternal and child health	362	374
Environment	203	145
Culture	140	140
Administration	48	48
Total recurrent operating grants	**12,082**	**12,928**
Non-recurrent - Commonwealth Government		
Community development	10	10
Non-recurrent - State Government		
Natural disaster	562	910
Community development	184	2
Maternal and child health	83	71
Culture	12	7
Employment	-	3
Planning and development	-	162
Recreation	183	250
Administration	175	-
Total non-recurrent operating grants	**1,209**	**1,415**
Total operating grants	**13,291**	**14,343**
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,052	380
Total recurrent capital grants	**2,052**	**380**
Non-recurrent - Commonwealth Government		
Transport	4,360	1,005
Recreation	1,283	14
Non-recurrent - State Government		
Transport	717	-
Recreation	774	78
Total non-recurrent capital grants	**7,134**	**1,097**
Total capital grants	**9,186**	**1,477**

Notes to the Financial Report
For the Year Ended 30 June 2026

(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 unspent grants.

	2026	2025
	$'000	$'000
(d) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	6,669	2,981
Received during the financial year and remained unspent at balance date	3,259	4,018
Received in prior years and spent during the financial year	(165)	(330)
Balance at year end	**9,763**	**6,669**
Capital		
Balance at start of year	2,668	391
Received during the financial year and remained unspent at balance date	2,453	2,643
Received in prior years and spent during the financial year	(1,005)	(366)
Balance at year end	**4,116**	**2,668**

Unspent grants are determined and disclosed on a cash basis.

Notes to the Financial Report
For the Year Ended 30 June 2026

	2026	2025
3.5 Contributions	**$'000**	**$'000**
Monetary	236	397
Non-monetary	1,815	-
Total contributions	**2,051**	**397**

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

Land	439	-
Buildings	1,376	-
Total non-monetary contributions	1,815	-

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	155	161
Written down value of assets disposed	(159)	(549)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	**(4)**	**(388)**

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	679	347
Investment property rental	177	163
Total other income	**856**	**510**

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 2026

Note 4 THE COST OF DELIVERING SERVICES

4.1 (a) Employee costs

	2026 $'000	2025 $'000
Wages and salaries	11,028	10,616
WorkCover	260	302
Superannuation	1,357	1,268
Fringe benefits tax	51	55
Total employee costs	**12,696**	**12,241**

(b) Superannuation

Council made contributions to the following funds:

	2026 $'000	2025 $'000
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	5	10
	5	**10**
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	743	717
Employer contributions - other funds	609	541
	1,352	**1,258**
Employer contributions payable at reporting date.	-	-

Contributions made exclude amounts accrued at balance date.

Most employees in the group are members of various accumulation funds including Vision Super, and other industry and retail funds. As of 30 June 2026 there were no employees in the defined benefit fund, with all defined benefit employees now finished employment with Council or having reached the maximum age for contributions to the fund.

For 30 June 2026 the Vested Benefits Index (VBI) for the defined benefit fund was 116.9% and in a good financial position, and therefore it is expected that there will be no change to the defined benefit category's funding arrangements from prior years.

In the unlikely event that the Fund Actuary determines there is a shortfall, the Fund's participating employers would be required to make an employer contribution to cover the shortfall. It is anticipated any shortfall in subsequent years would be immaterial to Council.

Notes to the Financial Report
For the Year Ended 30 June 2026

4.2 Materials and services

	2026 $'000	2025 $'000
Materials and services	8,589	8,639
Contract payments	576	510
Plant and equipment maintenance	1,577	1,659
Utilities	793	863
Consultants	646	551
Total materials and services	**12,181**	**12,222**

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

4.3 Depreciation

	2026 $'000	2025 $'000
Property	2,663	2,660
Plant and equipment	756	819
Infrastructure	8,017	7,610
Total depreciation	**11,436**	**11,089**

Refer to note 5.5 and 6.1 for a more detailed breakdown of depreciation and accounting policy.

4.4 Other expenses

	2026 $'000	2025 $'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	52	47
Auditors' remuneration - Internal Audit	103	51
Councillors' allowances	279	250
Total other expenses	**434**	**348**

Notes to the Financial Report
For the Year Ended 30 June 2026

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS

5.1 Financial assets

	2026 $'000	2025 $'000
(a) Cash and cash equivalents		
Cash on hand	4	4
Cash at bank	3,110	9,833
Term deposits	18,152	5,004
Total cash and cash equivalents	**21,266**	**14,841**

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.

(b) Trade and other receivables

	2026 $'000	2025 $'000
Current		
Statutory receivables		
Rates debtors	2,121	2,466
Net GST receivable	355	6
Non statutory receivables		
Other debtors	426	594
Total current trade and other receivables	**2,902**	**3,066**
Non-current		
Statutory receivables		
Special rate scheme	3	4
Total non-current trade and other receivables	**3**	**4**
Total trade and other receivables	**2,905**	**3,070**

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.

(c) Ageing of Receivables

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

	2026 $'000	2025 $'000
Current (not yet due)	208	463
Past due by up to 30 days	114	57
Past due between 31 and 180 days	102	63
Past due between 181 and 365 days	2	10
Past due by more than 1 year	-	1
Total trade and other receivables	**426**	**594**

(d) Contract assets

	2026 $'000	2025 $'000
Contract assets	2,614	-
Total contract assets	2,614	-

Contract assets are recognised when Council has transferred goods or services to the customer but where Council is yet to establish an unconditional right to consideration.

Notes to the Financial Report
For the Year Ended 30 June 2026

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

	2026	2025
	$'000	$'000
(a) Trade and other payables		
Current		
Non-statutory payables		
Trade payables	3,641	2,264
Accrued expenses	112	93
Total current trade and other payables	**3,753**	**2,357**
(b) Trust funds and deposits		
Current		
Refundable deposits	118	66
Emergency Services and Volunteers Fund	63	109
Retention amounts	178	45
Other refundable deposits	22	95
Total current trust funds and deposits	**381**	**315**
(c) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance - operating	9,756	6,659
Other	7	10
Total contract liabilities	**9,763**	**6,669**
Other liabilities		
Current		
Deferred capital grants	4,116	2,668
Total other liabilities	**4,116**	**2,668**
Total contract and other liabilities	**13,879**	**9,337**

Notes to the Financial Report
For the Year Ended 30 June 2026

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.

Emergency Services and Volunteers Fund - Council is the collection agent for the Emergency Services and Volunteers Fund 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.

Notes to the Financial Report
For the Year Ended 30 June 2026

5.3 Provisions

	2026	2025
Employee	**$ '000**	**$ '000**
Balance at beginning of the financial year	2,461	2,397
Additional provisions	1,394	1,198
Amounts used	(1,237)	(1,134)
Balance at the end of the financial year	**2,618**	**2,461**
Provisions - current	2,358	2,175
Provisions - non-current	260	286

(a) Employee provisions

	2026	2025
Current provisions expected to be wholly settled within 12 months		
Annual leave	756	691
Other leave	77	70
	833	**761**
Current provisions expected to be wholly settled after 12 months		
Annual leave	187	203
Long service leave	1,338	1,211
	1,525	**1,414**
Total current employee provisions	**2,358**	**2,175**
Non-current		
Long service leave	260	286
Total non-current employee provisions	**260**	**286**
Aggregate carrying amount of employee provisions:		
Current	2,358	2,175
Non-current	260	286
Total aggregate carrying amount of employee provisions	**2,618**	**2,461**

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.

	2026	2025
Key assumptions:		
- discount rate	4.736%	4.203%
- index rate	4.150%	4.250%

Notes to the Financial Report
For the Year Ended 30 June 2026

5.4 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.

2026	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Operating					
Recreation	238	-	-	-	238
Digital Twin Victoria Monitoring Project	225	-	-	-	225
Total	**463**	**-**	**-**	**-**	**463**
Capital					
Buildings	402	-	-	-	402
Roads	717	-	-	-	717
Bridges	118	-	-	-	118
Digital Twin Victoria Equipment	132	-	-	-	132
Total	**1,369**	**-**	**-**	**-**	**1,369**

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	$'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**

Notes to the Financial Report
For the Year Ended 30 June 2026

5.5 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	**2026**	**2025**
	$'000	**$'000**
Opening balance	1,784	1,359
Additions	-	788
Depreciation charge	(459)	(363)
Closing balance	**1,325**	**1,784**

Lease Liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	544	544
One to five years	1,039	1,583
Total undiscounted lease liabilities as at 30 June:	**1,583**	**2,127**
Lease liabilities included in the Balance Sheet at 30 June:		
Current	455	426
Non-current	956	1,412
Total lease liabilities	**1,411**	**1,838**

Notes to the Financial Report
For the Year Ended 30 June 2026

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than exisiting capitalisation thresholds for a like asset up to a maximum of AUD$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2026	2025
Expenses relating to:	**$'000**	**$'000**
Short-term leases	10	-
Total	**10**	**-**

Non-cancellable lease commitments - Short-term leases

Commitments for minimum lease payments for short-term leases are payable as follows:

Payable:		
Within one year	3	-
Total lease commitments	**3**	**-**

Notes to the Financial Report
For the Year Ended 30 June 2026

Note 6 ASSETS WE MANAGE

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount (restated)* 30 June 2025 $'000	Additions $'000	Contributions $'000	Revaluation $'000	Depreciation $'000	Disposal $'000	Transfers $'000	Carrying amount 30 June 2026 $'000
Property	140,410	564	1,815	(9,972)	(2,663)	-	(249)	129,905
Plant and equipment	6,804	775	-	-	(756)	(159)	-	6,664
Infrastructure	500,436	4,698	-	41,105	(8,017)	-	458	538,680
Work in progress	1,425	9,026	-	-	-	-	(458)	9,993
Total	**649,075**	**15,063**	**1,815**	**31,133**	**(11,436)**	**(159)**	**(249)**	**685,242**

Summary of Work in Progress	Opening WIP $'000	Additions $'000	Transfers $'000	Closing WIP $'000
Property	40	2,372	-	2,412
Infrastructure	1,385	6,654	(458)	7,581
Total	**1,425**	**9,026**	**(458)**	**9,993**

* 2025 balances have been restated as detailed in Note 11

Notes to the Financial Report
For the Year Ended 30 June 2026

(a) Property

	Land - specialised	Land - non specialised	Land under roads	Land improvements	Total Land & Land Improvements	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	$'000	$'000		$'000	$'000	$'000	$'000	$'000	$'000	$'000
At fair value 1 July 2025	-	46,192	307	1,776	**48,275**	176,347	238	**176,585**	40	**224,900**
Accumulated depreciation at 1 July 2025	-	-	-	(637)	**(637)**	(83,808)	(5)	**(83,813)**	-	**(84,450)**
	-	**46,192**	**307**	**1,139**	**47,638**	**92,539**	**233**	**92,772**	**40**	**140,450**
Movements in fair value										
Additions	-	-	-	14	**14**	550	-	**550**	2,372	**2,936**
Contributions	439	-	-	-	**439**	2,290	-	**2,290**	-	**2,729**
Revaluation	(13,258)	-	-	64	**(13,194)**	6,350	8	**6,358**	-	**(6,836)**
Transfers	33,951	(34,200)	-	-	**(249)**	-	-	**-**	-	**(249)**
	21,132	**(34,200)**	**-**	**78**	**(12,990)**	**9,190**	**8**	**9,198**	**2,372**	**(1,420)**
Movements in accumulated depreciation										
Depreciation and amortisation	-	-	-	(47)	**(47)**	(2,610)	(6)	**(2,616)**	-	**(2,663)**
Contributions	-	-	-	-	**-**	(914)	-	**(914)**	-	**(914)**
Revaluation movement	-	-	-	(25)	**(25)**	(3,110)	(1)	**(3,111)**	-	**(3,136)**
	-	**-**	**-**	**(72)**	**(72)**	**(6,634)**	**(7)**	**(6,641)**	**-**	**(6,713)**
At fair value 30 June 2026	21,132	11,992	307	1,854	**35,285**	185,537	246	**185,783**	2,412	**223,480**
Accumulated depreciation at 30 June 2026	-	-	-	(709)	**(709)**	(90,442)	(12)	**(90,454)**	-	**(91,163)**
Carrying amount	**21,132**	**11,992**	**307**	**1,145**	**34,576**	**95,095**	**234**	**95,329**	**2,412**	**132,317**

Refer page 36 for details of change in accounting estimate resulting in the transfer and revaluation of specialised land assets

Notes to the Financial Report
For the Year Ended 30 June 2026

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Library books	Artworks	Total plant and equipment
	$'000	$'000	$'000	$'000	$'000
At cost 1 July 2025	9,944	105	1,434	2,105	**13,588**
Accumulated depreciation at 1 July 2025	(5,751)	(75)	(958)	-	**(6,784)**
	4,193	**30**	**476**	**2,105**	**6,804**
Movements in fair value					
Additions	668	54	53	-	**775**
Disposal	(380)	(12)	-	-	**(392)**
	288	**42**	**53**	**-**	**383**
Movements in accumulated depreciation					
Depreciation and amortisation	(722)	(10)	(24)	-	**(756)**
Accumulated depreciation of disposals	221	12	-	-	**233**
	(501)	**2**	**(24)**	**-**	**(523)**
At cost 30 June 2026	10,232	147	1,487	2,105	**13,971**
Accumulated depreciation at 30 June 2026	(6,252)	(73)	(982)	-	**(7,307)**
Carrying amount	**3,980**	**74**	**505**	**2,105**	**6,664**

Plant and equipment are carried at historical cost.

Notes to the Financial Report
For the Year Ended 30 June 2026

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage (restated)*	Work In Progress	Total Infrastructure
	$'000	$'000	$'000	$'000	$'000	$'000
At fair value 1 July 2025	588,750	71,900	15,401	29,307	1,385	**706,743**
Accumulated depreciation at 1 July 2025	(157,297)	(28,976)	(5,390)	(13,259)	-	**(204,922)**
	431,453	**42,924**	**10,011**	**16,048**	**1,385**	**501,821**
Movements in fair value						
Additions	2,523	1,679	430	66	6,654	**11,352**
Revaluation	50,044	6,112	1,309	1,084	-	**58,549**
Transfers	355	86	17	-	(458)	**-**
	52,922	**7,877**	**1,756**	**1,150**	**6,196**	**69,901**
Movements in accumulated depreciation						
Depreciation and amortisation	(6,722)	(694)	(313)	(288)	-	**(8,017)**
Revaluation movement	(13,940)	(2,522)	(485)	(497)	-	**(17,444)**
	(20,662)	**(3,216)**	**(798)**	**(785)**	**-**	**(25,461)**
At fair value 30 June 2026	641,672	79,777	17,157	30,457	7,581	**776,644**
Accumulated depreciation at 30 June 2026	(177,959)	(32,192)	(6,188)	(14,044)	-	**(230,383)**
Carrying amount	**463,713**	**47,585**	**10,969**	**16,413**	**7,581**	**546,261**

*2025 drainage balances have been restated as detailed in Note 11

Notes to the Financial Report
For the Year Ended 30 June 2026

Acquisition

Initial measurement

Council initially measures its property, infrastructure, plant and equipment assets at cost. The cost of an acquired asset is the fair value of the consideration that Council has provided 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 to Note 8.4 for more information on how Council measures fair value.

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

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

	Depreciation Period	**Threshold Limit**
Asset recognition thresholds and depreciation periods		**$'000**
Land & land improvements		
land	-	10,000
land under roads	-	10,000
land improvements	31-60 years	10,000
Buildings		
buildings	6 - 400 years	10,000
Plant and Equipment		
plant, machinery and equipment	5 - 25 years	3,000
fixtures, fittings and furniture	10 years	3,000
library books	20 years	1
Infrastructure		
roads - pavements and seals	10 - 60 years	10,000
roads - substructure	15 - 200 years	10,000
roads - kerb, channel and minor culverts and other	68 - 120 years	10,000
bridges	76 - 150 years	10,000
footpaths and cycleways	11 - 65 years	10,000
drainage	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 2026

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. A full revaluation of these assets will be conducted in 2027/28.

Details of Council's artworks and information about the fair value hierarchy as at 30 June 2026 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.

A change in accounting estimate has been applied in 2025/2026 to adjust specialised land valuations where land use is restricted through existing planning provisions with the valuation reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement. Where land use is not restricted, highest and best use is assumed to be current use, except where the land is held for sale, or highly likely to be used for an alternative purpose within 12 months of the reporting date.

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

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

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year, this valuation was 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. The most recent previous full revaluation of these classes of land and building assets were undertaken by a qualified independent valuer, Jake Musgrave of APV Valuers and Asset Management, Certified Practicing Valuer 113610 in July 2024.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2026 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land	-	11,992	-	Jul-24	full
Specialised land	-	-	21,132	Jun-26	full
Land under roads	-	-	307	Jul-24	full
Land Improvements	-	-	1,145	Jun-26	index
Buildings	-	234	95,095	Jun-26	index
Total	**-**	**12,226**	**117,679**		

Notes to the Financial Report
For the Year Ended 30 June 2026

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 Engeering.

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conductedin the current year, this valuation was 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 most recent previous full revaluation of these classes of land and building assets were undertaken by a qualified independent valuer, Janaka Weerasinghe of APV Valuers and Asset Management, Bachelor of Engineering - Civil Engeering in July 2024.

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 2026 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	463,713	Jun-26	index
Bridges	-	-	47,585	Jun-26	index
Footpaths and cycleways	-	-	10,969	Jun-26	index
Drainage	-	-	16,413	Jun-26	index
Total	**-**	**-**	**538,680**		

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 35% and 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between $0 and $180 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 $250 to $188,345 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.

	2026	2025
Reconciliation of specialised land	**$'000**	**$'000**
Land under roads	307	307
Parks and reserves	21,132	-
Total specialised land	**21,439**	**307**

Refer page 36 for details of change in accounting estimate resulting in specialised land being reported in 2025/2026.

Notes to the Financial Report
For the Year Ended 30 June 2026

	2026	2025
6.2 Investments in joint arrangements	**$'000**	**$'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	**2,117**	**1,527**
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	27	(2)
Reported surplus/(deficit) for year	90	29
Council's share of accumulated surplus/(deficit) at end of year	**117**	**27**
Movement in carrying value of specific investment		
Carrying value of investment at start of year	1,527	498
Share of surplus/(deficit) for year	90	29
Contribution to joint venture	500	1,000
Carrying value of investment at end of year	**2,117**	**1,527**
Council's share of expenditure commitments		
Capital commitments	1,254	311
Council's share of expenditure commitments	**1,254**	**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	2,615	1,535
Fair value adjustments	195	1,080
Balance at end of financial year	**2,810**	**2,615**

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, including undertaking the previous year valuation at 30 June 2025. The date of valuation is 30 June 2026. 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 2026

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:

		2026 No.	2025 No.
Councillors	Councillor Jo Armstrong (Mayor to 11/11/2025)		
	Councillor Bob Sanders (Deputy Mayor to 11/11/2025, Mayor from 11/11/2025)		
	Councillor Teli Kaur (Deputy Mayor from 11/11/2025)		
	Councillor Rob Armstrong		
	Councillor Bill Waterston		
	Councillor Peter Joyce		
	Councillor Luke Preston		
	Chief Executive Officer		
	Deputy Chief Executive Officer (position added from 01/09/2025)		
	Chief Operating Officer (position added from 01/09/2025)		
	Manager Development & Regulation		
Total Number of Councillors		7	10
Total of Chief Executive Officer and other Key Management Personnel		4	2
Total Number of Key Management Personnel		**11**	**12**

(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.

	2026 $'000	2025 $'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,000	715
Other long-term employee benefits	35	18
Post-employment benefits	81	47
Total	**1,116**	**780**

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

	2026 No.	2025 No.
$0 - $9,999	-	3
$10,000 - $19,999	-	3
$20,000 - $29,999	4	2
$30,000 - $39,999	1	-
$50,000 - $59,999	1	1
$60,000 - $69,999	-	1
$70,000 - $79,999	1	-
$170,000 - $179,999	1	-
$180,000 - $189,999	1	-
$190,000 - $199,999	1	1
$270,000 - $279,999	1	-
$330,000 - $339,999	-	1
Total	11	12

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 2026

(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.

	2026 $'000	2025 $'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	328	-
Other long-term employee benefits	14	-
Post-employment benefits	42	-
Total	**384**	**-**

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

Income Range:	2026 No.	2025 No.
$180,000 - $189,999	1	-
$190,000 - $199,999	1	-
	2	-

	2026	2025
Total remuneration for the reporting year for other senior staff included above, amounted to:	**384**	**-**

	2026 $'000	2025 $'000
7.2 Related party disclosure		

(a) Transactions with related parties

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

	2026 $'000	2025 $'000
Locksmith, engraving and site camera installation services supplied to Council by a business that is a related party of a former Councillor.	-	1
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.	500	1,000

(b) Outstanding balances with related parties

	2026 $'000	2025 $'000
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

	2026 $'000	2025 $'000
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

	2026 $'000	2025 $'000
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 2026

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 Australian Accounting Standards issued but not yet effective
Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period. Council assesses the impact of these new standards.
The Australian Accounting Standards Board (AASB) has issued AASB 18 Presentation and Disclosure in Financial Statements. When applicable AASB 18 supersedes AASB 101 Presentation of Financial Statements. AASB 18 aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. It is expected to result in presentation and disclosure changes, primarily to Council's Comprehensive Income Statement. AASB 18 is expected to first apply to Council for the 2028-29 financial year.

Notes to the Financial Report
For the Year Ended 30 June 2026

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 2026

(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.

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

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:
- A parallel shift of + 1% and - 1% in market interest rates (AUD) from year-end rates of 4.35%.

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. For assets where Council adopts a current replacement cost approach to determine fair value, Council considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

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 2026

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. The impairment policy above does not apply to Council's property, infrastructure, specialised buildings and other non-current physical assets subsequently measured at fair value. These are primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity. Their recoverable amount is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 Impairment of Assets does not apply to such assets that are regularly revalued.

8.5 Events occurring after balance date

On 25 August 2026, the Council announced the appointment of a new Chief Executive Officer, Phuong Au, following the resignation of the outgoing Chief Executive Officer, Dr Tim Harrison, effective 30 September 2026. Phuong Au will formally commence in the position on 1 October 2026.

Notes to the Financial Report
For the Year Ended 30 June 2026

Note 9 OTHER MATTERS

9.1 Reserves (a) Asset revaluation reserves	Balance at beginning of reporting period $'000	Increase (decrease) $'000	Balance at end of reporting period $'000
2026			
Artworks			
Artworks	1,255	-	1,255
	1,255	**-**	**1,255**
Property			
Land and land improvements	42,917	(13,219)	29,698
Buildings	73,003	3,247	76,250
	115,920	**(9,972)**	**105,948**
Infrastructure			
Roads	173,041	36,104	209,145
Bridges	37,946	3,590	41,536
Footpaths and cycleways	9,150	824	9,974
Drainage	1,055	587	1,642
	221,192	**41,105**	**262,297**
Total asset revaluation reserves	**338,367**	**31,133**	**369,500**
2025			
Artworks			
Artworks	1,255	-	1,255
	1,255	**-**	**1,255**
Property			
Land	14,509	28,408	42,917
Buildings	36,254	36,749	73,003
	50,763	**65,157**	**115,920**
Infrastructure			
Roads	128,352	44,689	173,041
Bridges	20,399	17,547	37,946
Footpaths and cycleways	6,034	3,116	9,150
Drainage	1,320	(265)	1,055
	156,105	**65,087**	**221,192**
Total asset revaluation reserves	**208,123**	**130,244**	**338,367**

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 2026

	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				
2026				
Capital works and projects	8,921	16,560	(8,921)	16,560
Recreational land	105	93	-	198
Building capital	3,958	-	(500)	3,458
Environmental projects	95	-	-	95
Waste management	211	-	-	211
Total Other reserves	**13,290**	**16,653**	**(9,421)**	**20,522**
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**

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 2026

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	2026 $'000	2025 $'000
Surplus/(deficit) for the year	8,906	1,157
Non-cash adjustments:		
Depreciation	11,895	11,452
Profit/(loss) on disposal of property, infrastructure, plant and equipment	4	388
Fair value adjustments for investment property	(195)	(1,080)
Non-monetary contribution	(1,815)	-
Borrowing costs	2	6
Lease interest	118	100
Share of net profits (or loss) of joint ventures	(90)	(29)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	165	2,147
(Increase)/decrease in inventories	2	-
(Increase)/decrease in prepayments	(3)	360
(Increase)/decrease in contract assets	(2,614)	-
Increase/(decrease) in trade and other payables	1,396	1,333
Increase/(decrease) in trust funds and deposits	66	12
Increase/(decrease) in contract and other liabilities	4,542	5,965
Increase/(decrease) in provisions	156	64
Net cash provided by/(used in) operating activities	**22,535**	**21,875**

Notes to the Financial Report
For the Year Ended 30 June 2026

Note 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies in the 2025-26 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 stormwater drainage 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 2024-25 year.

Adjustments to the comparative figures for the year ended 30 June 2025

	Original Balance 30 June 2025	Impact Increase / (decrease)	Restated Balance 30 June 2025
	$'000	$'000	$'000
Balance Sheet			
Property, infrastructure, plant and equipment	639,714	9,361	649,075
Total non-current assets	**645,644**	**9,361**	**655,005**
Total assets	**663,622**	**9,361**	**672,983**
Net assets	**647,158**	**9,361**	**656,519**
Accumulated surplus	295,501	9,361	304,862
Total Equity	**647,158**	**9,361**	**656,519**
Note 6.1 Property, infrastructure, plant and equipment			
Drainage	6,687	9,361	16,048
Total infrastructure assets	**491,075**	**9,361**	**500,436**
Total Property, infrastructure, plant and equipment	**639,714**	**9,361**	**649,075**

Ararat Rural City Council

Performance Statement

For the year ended 30 June 2026

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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: 29 September 2026

In our opinion, the accompanying performance statement of the Ararat Rural City Council for the year ended 30 June 2026 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.

Bob Sanders
Councillor
Dated: 29 September 2026

Peter Joyce
Councillor
Dated: 29 September 2026

Dr Tim Harrison
Chief Executive Officer
Dated: 29 September 2026

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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 » 11,732 (Australian Bureau of Statistics – Population Estimates by Local Government Area)

Area » 4,211 square kilometres

Rateable properties » 7,505

Number of Councillors » 7

Rates and charges revenue » $18.150 million

Total revenue » $46.236 million

Length of sealed local roads » 774 kms

Length of unsealed local roads » 1,681 kms

Total road length » 2,455 kms

Section 2. Service performance indicators

For the year ended 30 June 2026

Results						
Service / *indicator* / *measure* / [formula]	2023	2024	2025	2026		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities ***Utilisation*** *Utilisation of aquatic facilities* [Number of visits to aquatic facilities / Municipal population]	3.05	4.91	5.67	4.00	5.29	The 2025/2026 reporting period has seen a slight decrease in overall utilisation of aquatic facilities. Ararat Fitness Centre has shown steady numbers however Lake Bolac and Willaura pools attendances were down slightly. This is attributed to the Willaura pool being closed for maintenance until the start of January. Tourist numbers were down in Lake Bolac for the season with Lake Bolac unusable from blue green algae. The weather and cooler days also meant there were less days open at the rural pools.
Animal Management ***Health and safety*** *Animal management prosecutions* [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	0%	0%	0%	0%	There were no animal management prosecutions during this reporting period.
Food Safety ***Health and safety*** *Critical and major non-compliance outcome notifications* [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	0%	100%	100%	100%	100%	Council had one major non-compliance outcome notification for this reporting period, which was followed up in a timely manner.

Service / *indicator* / *measure* / [formula]	2023	2024	2025	2026		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Governance ***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]	60	59	59	75	57	Council set a target of 75 for community satisfaction with consultation and engagement. Although failing to reach this, Council has maintained consistency with a result of 57. This result has remained reasonably 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*** *Library membership* [Number of registered library members / Population] x100	#N/A	19.11%	19.12%	20.00%	19.41%	This indicator is an assessment of the degree to which the community participate in Council's library service. Council's result of 19.41% is reflective of a small rural Council and has remained steady from the previous year. Its also important to note that patrons don't need to be Library members to access many of the Library services ie public PCs, photocopying, etc.
Maternal and Child Health (MCH) ***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] x100	84.87%	87.11%	83.35%	85.00%	84.87%	Participation levels have remained steady on last reporting period, with Council continuing to review engagement practices within the maternal and child health service to increase participation rates.
Participation *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] x100	90.48%	89.47%	87.10%	85.00%	88.10%	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]	2023	2024	2025	2026		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Roads ***Condition*** *Sealed local roads below the intervention level* [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*** *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	80.41%	78.91%	79.80%	90.00%	85.39%	Council has a target of 90% of applications decided in required timeframes, with a commitment to improvement in this area. Although not quite meeting this target, a result of 85% has seen an increase on last year's result and well above state average for this indicator.
Waste Management ***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	22.90%	25.17%	61.21%	40.00%	58.97%	The introduction of a four bin system incorporating kerbside waste, recycling, organics and glass collection in 2023 has helped promote diversion of waste from landfill. Council set a target of 40% of diversion of waste from landfill for this reporting period.

Section 3. Financial performance indicators

For the year ended 30 June 2026

Dimension / *indicator* / *measure* / [formula]	2023	2024	2025	2026		2027	2028	2029	2030	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Efficiency ***Expenditure level*** *Expenses per property assessment* [Total expenses / Number of property assessments]	$4,615.87	$4,591.97	$4,935.81	$4,348.00	$4,974.02	$4,528.05	$4,562.42	$4,613.93	$4,679.08	Expenditure in 2024/2025 and 2025/2026 has been higher 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 and therefore lower expenditure.
Revenue level *Average rate per property assessment* [Sum of all general rates and municipal charges / Number of property assessments*]*	$2,006.30	$1,992.70	$2,001.88	$2,035.00	$2,029.85	$2,094.34	$2,124.04	$2,155.74	$2,187.43	This indicator has remained fairly consistent in past years as Council delivered a 0% net rate rise for the seven years up to 2024/2025. The actual result for 2025/2026 is close to target, and the indicator is forecast to increase in future years with general rates increases included.

Dimension / *indicator* / *measure* / [formula]	2023	2024	2025	2026		2027	2028	2029	2030	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Liquidity ***Working capital*** *Current assets compared to current liabilities* [Current assets / Current liabilities] x100	321.83%	162.31%	121.75%	235.30%	130.14%	171.30%	177.10%	187.79%	193.73%	Current assets have increased with $9.641 million in grant funds received in June 2026, including payment in advance of $7.022 million for the 2026/2027 financial assistance grant and $2 million for Buangor-Ben Nevis Road reconstruction works. However, current liabilities have also increased primarily due to an increase in unearned revenue of $4.541 million with grant performance obligations not yet satisfied. Trade payables have also increased by $1.396 million. The target was based on minimal unearned revenue. 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]	2023	2024	2025	2026		2027	2028	2029	2030	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	64.43%	-12.98%	34.50%	163.90%	32.73%	N/A	N/A	N/A	N/A	Unrestricted cash has increased since last year, however the indicator is still lower than the target due to the higher level of unearned revenue and trade payables at year end. The calculation for this indicator has changed within the Local Government Performance Reporting Framework that is applicable from 1 July 2026, as a result the 2026/27 budget did not include forecast results for this indicator based on the same indicator calculation
Obligations ***Loans and borrowings*** *Loans and borrowings compared to rates* [Interest bearing loans and borrowings / Rate revenue] x100	7.07%	1.71%	0.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Council held no loans at 30 June 2026 and no new borrowings have been included in Council's budget for future years.

Dimension / *indicator* / *measure* / [formula]	2023 Actual	2024 Actual	2025 Actual	2026 Target as per budget	2026 Actual	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Material Variations and Comments
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	1.20%	5.53%	0.86%	0.90%	0.85%	0.00%	0.00%	0.00%	0.00%	Council's loan was repaid in April 2026.
Indebtedness *Non-current liabilities compared to own source revenue* [Non-current liabilities / Own source revenue] x100	5.47%	7.49%	7.83%	3.90%	5.60%	3.52%	1.84%	1.28%	1.25%	Council's own source revenue has remained consistent with small increases resulting from supplementary rates and fair value adjustments for investment properties. Results in 2023/2024 and 2024/2025 were higher as Council entered into several lease liabilities which has resulted in increased non-current liabilities. Actual non-current lease liabilities for 2025/2026 were $0.437 million higher than budget with two additional leases arranged after the budget had been finalised. This indicator is forecast to reduce in future years as Council’s lease repayments reduce the level of non-current liabilities. No further borrowings or leases have been factored into the forecast indicators.

Dimension / *indicator* / *measure* / [formula]	2023	2024	2025	2026		2027	2028	2029	2030	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	90.93%	124.63%	100.75%	103.20%	113.93%	140.31%	106.30%	106.33%	98.37%	Capital works of more than $15 million in both 2023/2024 and 2025/2026 has resulted in higher results in these years. A significant increase is forecast for 2026/2027 resulting from a $5 million grant for Buangor-Ben Nevis Road reconstruction works. Future results are then forecast to decline due to budgeted depreciation increasing at a higher rate than increases in the future capital works budget.
Operating position ***Adjusted underlying result*** *Adjusted underlying surplus (or deficit)* [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	2.06%	-40.25%	-0.35%	1.70%	-0.15%	-1.12%	2.61%	2.67%	0.02%	Expenditure increased in 2024/2025 and 2025/2026 to deliver the outcomes for several large project grants and works carried forward from the previous year. Depreciation has also increased in recent years as a result of asset revaluations. The forecasts are based on minimal non-recurrent operating grants. The low outcome in 2023/2024 resulted from changes to the timing of financial assistance grants.

Dimension / *indicator* / *measure* / [formula]	2023 Actual	2024 Actual	2025 Actual	2026 Target as per budget	2026 Actual	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Material Variations and Comments
Stability ***Rates concentration*** *Rates compared to adjusted underlying revenue* *[Rate revenue / Adjusted underlying revenue] x100*	51.46%	73.82%	49.39%	55.90%	49.66%	56.43%	54.76%	54.93%	56.47%	This indicator is primarily affected by changes in timing of the receipt of financial assistance grants. In 2023/2024 rate revenue represented a larger share of Council's income as 50% of the allocation for that year was received in advance in June 2023, while there was no advance payment for 2024/2025 received in June 2024. Targets and forecasts are based on a single annual allocation of financial assistance grants being received.
Rates effort *Rates compared to property values* *[Rate revenue / Capital improved value of rateable properties in the municipality] x100*	0.29%	0.27%	0.27%	0.30%	0.28%	0.29%	0.29%	0.29%	0.29%	Property valuations across the municipality have remained relatively stable over recent years.

Section 4. Sustainable capacity indicators

For the year ended 30 June 2026

Results					
***Indicator** / measure /* [formula]	**2023**	**2024**	**2025**	**2026**	**Comments**
	Actual	**Actual**	**Actual**	**Actual**	
Population *Expenses per head of municipal population* [Total expenses / Municipal population]	$2,868.75	$2,908.16	$3,145.39	$3,181.90	Expenditure has increased in 2024/2025 and 2025/2026 to deliver the outcomes for several large project grants, and works carried forward from the previous year. Depreciation also increased in 2024/2025 and 2025/2026 as a result of asset revaluations.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	$23,628.31	$24,836.43	$50,762.88	$55,558.39	The significant increase in 2024/2025 resulted from a revaluation of property and infrastructure assets of $130.244 million and the inclusion of road earthworks assets of $201.144 million. The increase in 2025/2026 has mostly resulted from revaluation adjustments of $31.133 million and capital works of $15.063 million.
Population density per length of road [Municipal population / Kilometres of local roads]	4.78	4.77	4.76	4.78	This indicator has remained consistent with previous years.

Indicator / *measure* / [formula]	2023 **Actual**	2024 **Actual**	2025 **Actual**	2026 **Actual**	**Comments**
Own-source revenue *Own-source revenue per head of municipal population* [Own-source revenue / Municipal population]	$1,743.89	$1,770.52	$1,856.67	$1,850.32	Council's own source revenue has remained mostly consistent, with the increase in 2024/2025 resulting from a revaluation adjustment of $1.080 million in the fair value assessment of Council's investment properties.
Recurrent grants *Recurrent grants per head of municipal population* [Recurrent grants / Municipal population]	$916.70	$123.94	$1,138.80	$1,204.74	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 50% of the annual allocation of the financial assistance grants was received in advance for 2025/2026, and in 2025/2026 80% was received in advance for 2026/2027.
Disadvantage *Relative Socio-Economic Disadvantage* [Index of Relative Socio-Economic Disadvantage by decile]	2.00	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 *Percentage of staff turnover* [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	23.4%	7.6%	17.4%	17.2%	In 2025/2026 there have been a number of organisational changes, including some redundancies, resulting in higher workforce turnover, consistent with the previous year.

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 2026-27 to 2029-30 from the Council's annual budget.

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

5.2. Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the *Food Act 1984* , 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 *Food Act 1984*
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 *Road Management Act 2004*
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an 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 2026

During the financial year Council has undertaken several significant projects including road safety upgrades, continued use of innovative Otta sealing to a number of rural and urban gravel roads, bushfire emergency and recovery works. Council also had works in progress at 30 June 2026 of $9.993 million for capital projects with Jack & Jill Kindergarten upgrades, the Ararat Pony Club Sports Arena, and Mount William Road reconstruction nearing completion. Through the year demolition and design works have progressed at Queen Street, also known as the former Prestige Mill site, a project funded by a $7.3 million Federal Housing Support Program grant.