



Ararat Rural City

MINUTES

COUNCIL MEETING

Tuesday 29 September 2026

Held in the Council Chambers, Shire Offices
(Livestreamed)

Commencing at 6.00pm

Council:

Cr Bob Sanders (Mayor)

Cr Jo Armstrong

Cr Rob Armstrong

Cr Peter Joyce

Cr Teli Kaur

Cr Luke Preston

Cr Bill Waterston

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

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

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

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PRESENT: Cr J Armstrong, Cr R Armstrong, Cr Peter Joyce, Cr Teli Kaur, Cr Bob Sanders, Cr Bill Waterston, Phuong Au – Deputy Chief Executive Officer, Chandra Willmott – Chief Operating Officer, Rebecca Rodger – Major Projects Lead, Thomas Duncan – Theatre Technical Officer

SECTION 1 - PROCEDURAL MATTERS

1.1 LIVE STREAMING

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

1.2 TRADITIONAL ACKNOWLEDGEMENT/OPENING PRAYER/COUNCILLORS PLEDGE

Traditional acknowledgement - CR J ARMSTRONG

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

Opening Prayer - CR WATERSTON

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

Councillors Pledge - CR R ARMSTRONG

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

1.3 APOLOGIES

RECOMMENDATION

That the apology of Cr Luke Preston be accepted.

MOVED CR J ARMSTRONG SECONDED CR KAUR

That the apology of Cr Luke Preston be accepted.

No Councillors spoke for or against the motion.

**CARRIED 6/0
5416/26**

1.4 CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the Council Meeting held on 25 August 2026 be confirmed.

MOVED CR JOYCE

SECONDED CR J ARMSTRONG

That the Minutes of the Council Meeting held on 25 August 2026 be confirmed.

No Councillors spoke for or against the motion.

CARRIED 6/0

5417/26

1.5 DECLARATION OF CONFLICT OF INTEREST

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

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

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

SECTION 2 - PUBLIC PARTICIPATION

2.1 PETITIONS AND JOINT LETTERS

- 1 Unless *Council* determines to consider it as an item of urgent business, no motion (other than a motion to receive the same) may be made on any petition, joint letter, memorial or other like application until the next *Council meeting* after that at which it has been presented.
- 2 It is incumbent on every Councillor presenting a petition or joint letter to acquaint himself or herself with the contents of that petition or joint letter, and to ascertain that it does not contain language disrespectful to *Council*.
- 3 Every Councillor presenting a petition or joint letter to *Council* must:
 - write or otherwise record his or her name at the beginning of the petition or joint letter; and
 - confine himself or herself to a statement of the persons from whom it comes, the number of signatories to it, the material matters expressed in it and the text of the prayer or request.
- 4 Every petition or joint letter presented to *Council* must be in *writing* (other than pencil), typing or printing, contain the request of the petitioners or signatories and be signed by at least 12 people.
- 5 Every petition or joint letter must be signed by the persons whose names are appended to it by their names or marks, and, except in cases of incapacity or sickness, by no one else and the address of every petitioner or signatory must be clearly stated.
- 6 Any signature appearing on a page which does not bear the text of the whole of the petition or request may not be considered by *Council*.
- 7 Every page of a petition or joint letter must be a single page of paper and not be posted, stapled, pinned or otherwise affixed or attached to any piece of paper other than another page of the petition or joint letter.
- 8 If a petition, joint letter, memorial or other like application relates to an operational matter, *Council* must refer it to the *Chief Executive Officer* for consideration.

SECTION 3 - REPORTS REQUIRING COUNCIL DECISION

3.1 ANNUAL PERFORMANCE AND FINANCIAL STATEMENTS 2025/26

RESPONSIBLE OFFICER: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 31668

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

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

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

EXECUTIVE SUMMARY

The Financial Statements and Performance Statement (the statements) have been prepared for the period ended 30 June 2026. The Victorian Auditor-General is required to audit the statements but cannot issue his report unless Council approves the statements.

The Audit and Risk Committee reviewed the statements on 15 September 2026 and recommended that Council authorises Councillor Bob Sanders, Councillor Peter Joyce and Dr Tim Harrison to certify the Financial Statements and the Performance Statement in their final form.

DISCUSSION

Pursuant to the Local Government Act 2020 (the Act) Council is required to give "in principle approval" to the 2025/26 Financial Statements and Performance Statement and submit the statements to the auditor for reporting on the audit.

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

The Auditor-General's agent conducted the offsite audit during August and September 2026.

Key Financial information:

Financial Statements - Income Statement

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

The draft Comprehensive Income Statement shows total income in 2026 of \$46.232 million compared with \$37.526 million in 2025. Rates & Charges income increased by \$0.417 million, Government Grants for operations decreased by \$1.052 million, and Government Grants for capital works increased by \$7.709 million.

Council recognised income for several grants that were not budgeted including the following:

- Council Support Fund - Streatham Bushfire Recovery - \$0.400 million
- Disaster Recovery Funding (Fires Dec 2024) - \$0.162 million
- Mount William Road Reconstruction - \$4.360 million
- Jack & Jill Kindergarten Upgrade - \$0.669 million

Total expenses in 2026 were \$37.326 million compared with \$36.369 million in 2025, an increase of \$0.957 million. A breakdown of expenses reveals an increase in employee costs of \$0.455 million.

There has been a decrease of \$0.041 million in materials and services to deliver the outcomes for the additional operating grants and to complete projects carried forward from the previous financial year.

Depreciation expenses have increased by \$0.347 million as a result of the revaluation completed as at 30 June 2026.

The net result for 2026 was a surplus of \$8.906 million compared with a surplus of \$1.157 million in 2025. The revaluation and indexation of property and infrastructure assets at 30 June 2026 have resulted in an increase in asset values of \$31.133 million.

Financial Statements - Balance Sheet

The Balance Sheet is one of the main financial statements and it reports Council's assets, liabilities and equity at a given date, in this case 30 June 2026. Comparative figures have been provided as at 30 June 2025.

Council's current assets have increased by \$9.125 million, from \$17.978 million as at 30 June 2025 to \$27.103 million as at 30 June 2026. Cash and cash equivalents have increased by \$6.425 million and current trade and other receivables decreased by \$0.164 million. Rate debtors have decreased by \$0.345 million.

Total liabilities have increased by \$5.578 million from \$16.464 million in 2025 to \$22.042 million in 2026.

Financial Statements - Cash Flows

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

The Cash Flow Statement shows a net increase in cash and cash equivalents of \$6.425 million compared with a net increase of \$11.792 million in 2025. Cash and cash equivalents excludes funds transferred to a term deposit investment which are classified as an other financial asset.

The Cash Flow Statement shows net cash provided by operating activities was \$22.535 million in 2026 compared with \$21.875 million in 2025, representing an increase of \$0.660 million.

Net cash used in investing activities (e.g. payments for property, infrastructure, plant and equipment) was \$15.408 million in 2026. In comparison the net cash used in investing in 2025 was \$9.503 million, which included \$3.040 million transferred from a term deposit investment with a six-month maturity period.

Net cash used in financing activities was \$0.702 million in 2026 compared with \$0.580 million provided by financing activities in 2025.

Financial Statements - Capital Works

The Statement of Capital Works details the capital works completed during 2026. It shows \$15.063 million invested in 2026 compared with \$11.704 million in 2025, an increase of \$3.359 million. Total property works increased by \$2.318 million which includes works undertaken on the Jack & Jill Kindergarten and the Ararat Pony Club Sports Arena. Total Infrastructure works increased by \$0.803 million with several projects completed from funds carried forward from the previous year.

Highlights in the property area included works undertaken on the Jack & Jill Kindergarten and the Ararat Pony Club Sports Arena.

Highlights in the infrastructure area included additional use of the innovative Otta sealing to a number of rural and urban gravel roads, works on Buangor-Ben Nevis Road Bridge, and Mount William Road.

Funded safety upgrades, including raised pedestrian crossings, were completed in High Street and Barkly Street.

Performance Statement

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

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

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

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

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

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

Audit and Risk Committee Review

The draft Financial Statements and Performance Statement were considered by the Audit and Risk Committee on 15 September 2026. Mr Ryan Schischka from Johnsons MME presented the Auditors Closing Report at that meeting, and discussed the audit progress with the Audit and Risk Committee members. Further changes may be required after the Victorian Auditor General's Office has reviewed the statements and before the nominated Councillors certify the accounts in their final form.

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

6 STRONG AND EFFECTIVE GOVERNANCE

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

Budget Implications

There are no budget implications arising from approving the statements.

Policy/Relevant Law

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

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

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

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

Sustainability Implications

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

Risk Assessment

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

Stakeholder Collaboration and Community Engagement

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

Gender Impact Assessment

N/A

RECOMMENDATION

That:

1. Pursuant to Section 99 of the Local Government Act 2020, Council gives approval in principle to the Financial Statements and Performance Statements for the year ended 30 June 2026; and
2. Pursuant to Section 99 of the Local Government Act 2020, Council authorises the Chief Executive Officer, Councillor Bob Sanders and Councillor Peter Joyce to certify the 2025/26 Financial Statements and Performance Statement in their final form.

MOVED CR JOYCE

SECONDED CR WATERSTON

That:

1. Pursuant to Section 99 of the Local Government Act 2020, Council gives approval in principle to the Financial Statements and Performance Statements for the year ended 30 June 2026; and
2. Pursuant to Section 99 of the Local Government Act 2020, Council authorises the Chief Executive Officer, Councillor Bob Sanders and Councillor Peter Joyce to certify the 2025/26 Financial Statements and Performance Statement in their final form.

Cr Joyce spoke for the motion.

CARRIED 6/0

5418/26

ATTACHMENTS

The Financial Statements and Performance Statement are provided as Attachment 3.1

Ararat Rural City
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2026

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Ararat Rural City Council
2025/2026 Financial Report

Certification of the Financial Statements

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

Karissa Hogan, BCom, CPA
Principal Accounting Officer
Dated : 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

Ararat Rural City Council
2025/2026 Financial Report

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Ararat Rural City Council
2025/2026 Financial Report

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Ararat Rural City Council
2025/2026 Financial Report

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.

Ararat Rural City Council
2025/2026 Financial Report

Balance Sheet As at 30 June 2026

	Note	2026 \$'000	Restated 2025 \$'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	2,610	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.

Ararat Rural City Council
2025/2026 Financial Report

Statement of Changes in Equity For the Year Ended 30 June 2026

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2026					
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

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Restated 2025					
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

Ararat Rural City Council
2025/2026 Financial Report

Statement of Cash Flows For the Year Ended 30 June 2026

		2026	2025
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$'000	\$'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	<u>22,535</u>	<u>21,875</u>
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		<u>(15,408)</u>	<u>(9,503)</u>
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		<u>(702)</u>	<u>(580)</u>
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	<u>21,266</u>	<u>14,841</u>

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

Ararat Rural City Council
2025/2026 Financial Report

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.

Ararat Rural City Council
2025/2026 Financial Report

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.

Ararat Rural City Council
2025/2026 Financial Report

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	13,281	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	11,981	12,896	(735)	-6%	4
Materials and services	9,186	12,181	(2,995)	-33%	5
Depreciation	10,468	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%	

Ararat Rural City Council
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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.

Ararat Rural City Council
2025/2026 Financial Report

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.

Ararat Rural City Council
2025/2026 Financial Report

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.

Ararat Rural City Council
2025/2026 Financial Report

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

	Income / revenue	Expenses	Surplus / (deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2026					
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

	Income / revenue	Expenses	Surplus / (deficit)	Grants included in income / revenue	Total assets Restated
	\$'000	\$'000	\$'000	\$'000	\$'000
2025					
Growing our place	382	1,170	(788)	7	-
Building robust local economies	32	647	(615)	3	1,602
Preserving our environment	3,883	6,284	(2,401)	1,062	2,967
Developing and maintaining key enabling infrastructure	5,723	18,891	(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	6,819	18,062	7,365	21,021
	37,526	36,369	1,157	15,820	672,983

Ararat Rural City Council
2025/2026 Financial Report

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	2026 \$'000	2025 \$'000
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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.

General	7,386	7,194
Commercial	786	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

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

Leisure centre and recreation	508	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	1,782	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.

Ararat Rural City Council
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Notes to the Financial Report
For the Year Ended 30 June 2026

	2026 \$'000	2025 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	19,859	13,456
State funded grants	3,618	2,364
Total grants received	22,477	15,820
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	11,154	12,047
<i>Recurrent - State Government</i>		
Aged care	4	3
School crossing supervisors	18	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
<i>Non-recurrent - Commonwealth Government</i>		
Community development	10	10
<i>Non-recurrent - State Government</i>		
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		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	2,052	380
Total recurrent capital grants	2,052	380
<i>Non-recurrent - Commonwealth Government</i>		
Transport	4,360	1,005
Recreation	1,283	14
<i>Non-recurrent - State Government</i>		
Transport	717	-
Recreation	774	78
Total non-recurrent capital grants	7,134	1,097
Total capital grants	9,186	1,477

Ararat Rural City Council
2025/2026 Financial Report

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 \$'000	2025 \$'000
(d) Unspent grants received on condition that they be spent in a specific manner		
<i>Operating</i>		
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	<u>9,763</u>	<u>6,669</u>
<i>Capital</i>		
Balance at start of year	2,868	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	<u>4,116</u>	<u>2,668</u>

Unspent grants are determined and disclosed on a cash basis.

Ararat Rural City Council
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Notes to the Financial Report
For the Year Ended 30 June 2026

	2026	2025
	\$'000	\$'000
3.5 Contributions		
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.

Ararat Rural City Council
2025/2026 Financial Report

**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:

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.

Ararat Rural City Council
2025/2026 Financial Report

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

	2026 \$'000	2025 \$'000
4.2 Materials and services		
Materials and services	8,589	8,638
Contract payments	578	510
Plant and equipment maintenance	1,577	1,859
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

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

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

Ararat Rural City Council
2025/2026 Financial Report

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

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS

	2026	2025
5.1 Financial assets	\$'000	\$'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

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:

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

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.

Ararat Rural City Council
2025/2026 Financial Report

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		
<i>Non-statutory payables</i>		
Trade payables	3,041	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

Ararat Rural City Council
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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.

Ararat Rural City Council
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Notes to the Financial Report For the Year Ended 30 June 2026

5.3 Provisions

	2026 \$ '000	2025 \$ '000
Employee		
Balance at beginning of the financial year	2,481	2,397
Additional provisions	1,384	1,198
Amounts used	(1,237)	(1,134)
Balance at the end of the financial year	2,618	2,461
<i>Provisions - current</i>	<i>2,358</i>	<i>2,175</i>
<i>Provisions - non-current</i>	<i>260</i>	<i>286</i>
(a) Employee provisions		
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.

Key assumptions:

- discount rate	4.736%	4.203%
- index rate	4.150%	4.250%

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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.

	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
2026					
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					
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

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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
Opening balance	\$'000	\$'000
Additions	1,784	1,359
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

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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 existing 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
	\$'000	\$'000
Expenses relating to:		
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	-

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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 26 June 2025 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	Carrying amount 30 June 2026 \$'000
Property	160,433	364	1,315	(9,372)	(2,653)	-	(249)	159,505
Plant and equipment	6,904	715	-	-	(704)	(100)	-	6,815
Infrastructure	826,435	4,399	-	61,136	(5,917)	-	488	886,530
Work in progress	1,425	9,026	-	-	-	-	(458)	10,003
Total	894,807	14,504	1,315	51,764	(11,434)	(110)	(249)	959,642

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Closing WIP \$'000
Property	60	2,372	-	2,432
Infrastructure	1,385	6,954	(618)	7,721
Total	1,445	9,326	(618)	10,143

* 2025 balances have been restated as detailed in Note 11

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(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	—	44,192	307	1,778	48,275	174,347	234	174,581	40	224,948
Accumulated depreciation at 1 July 2025	—	—	—	(837)	(837)	(93,809)	(15)	(93,824)	—	(94,641)
	—	44,192	307	1,559	47,438	80,538	219	80,757	40	130,307
Movements in fair value										
Additions	—	—	—	14	14	500	—	514	2,372	2,886
Contributions	829	—	—	—	829	2,250	—	2,269	—	3,079
Revaluation	(13,296)	—	—	64	(13,168)	4,380	9	4,389	—	(8,779)
Transfers	33,961	(34,200)	—	—	(239)	—	—	—	—	(239)
	21,132	(34,200)	—	78	(12,990)	5,139	9	5,148	2,372	(1,421)
Movements in accumulated depreciation										
Depreciated and amortisation	—	—	—	(47)	(47)	(2,810)	(6)	(2,816)	—	(2,863)
Contributions	—	—	—	—	—	(916)	—	(916)	—	(916)
Revaluation movements	—	—	—	(25)	(25)	(3,110)	(1)	(3,111)	—	(3,136)
	—	—	—	(72)	(72)	(6,836)	(7)	(6,843)	—	(6,915)
At fair value 30 June 2026	21,132	9,992	307	1,854	33,393	85,537	246	85,783	2,412	128,468
Accumulated depreciation at 30 June 2026	—	—	—	(720)	(720)	(99,442)	(12)	(99,454)	—	(100,174)
Carrying amount	21,132	9,992	307	1,134	32,673	85,595	234	85,329	2,412	28,294

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

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

(b) Plant and Equipment

	Plant machinery and equipment	Furniture fittings and fixtures	Library books	Artworks	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At cost 1 July 2025	9,344	100	1,434	2,109	13,987
Accumulated depreciation at 1 July 2025	(5,751)	(13)	(278)	—	(6,042)
	3,593	87	1,156	2,109	7,945
Movements in fair value					
Additions	568	54	15	—	637
Disposals	(180)	(12)	—	—	(192)
	388	42	15	—	445
Movements in accumulated depreciation					
Depreciation and amortisation	(722)	(18)	(54)	—	(794)
Accumulated depreciation of disposals	221	12	—	—	233
	(501)	(6)	(54)	—	(561)
At cost 30 June 2026	10,232	147	1,487	2,109	14,975
Accumulated depreciation at 30 June 2026	(6,252)	(24)	(292)	—	(6,568)
Carrying amount	3,980	123	1,195	2,109	8,407

Plant and equipment are valued at historical cost.

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(i) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage (retained)	Work M Programs	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2025	386,790	71,300	15,401	20,507	1,385	495,383
Accumulated depreciation at 1 July 2025	(181,297)	(28,576)	(5,280)	(13,256)	-	(228,409)
	205,493	42,724	10,121	7,251	1,385	266,974
Movements in fair value						
Additions	2,523	1,879	430	86	8,654	13,572
Revaluation	20,244	8,513	1,329	3,094	-	33,180
Transfers	550	89	17	-	(455)	-
	27,317	9,481	1,776	3,180	8,199	49,953
Movements in accumulated depreciation						
Depreciation and amortisation	(9,722)	(594)	(112)	(209)	-	(10,637)
Revaluation movement	(11,940)	(2,522)	(403)	(473)	-	(15,338)
	(21,662)	(3,116)	(515)	(682)	-	(25,975)
At fair value 30 June 2026	341,872	59,684	11,384	10,549	1,385	424,874
Accumulated depreciation at 30 June 2026	(177,855)	(32,532)	(6,199)	(14,344)	-	(220,829)
Carrying amount	164,017	27,152	5,185	6,205	1,385	199,043

2025 drainage programs have been retained as detailed in Note 13.

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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
		\$'000
<i>Asset recognition thresholds and depreciation periods</i>		
<i>Land & land improvements</i>		
land	-	10,000
land under roads	-	10,000
land improvements	31-60 years	10,000
<i>Buildings</i>		
buildings	6 - 400 years	10,000
<i>Plant and Equipment</i>		
plant, machinery and equipment	5 - 25 years	3,000
fixtures, fittings and furniture	10 years	3,000
library books	20 years	1
<i>Infrastructure</i>		
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.

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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 Practising 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 Practising 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		

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Valuation of infrastructure

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

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conducted in 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 Engineering 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
	\$'000	\$'000
Reconciliation of specialised land		
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.

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	2026	2025
	\$'000	\$'000

6.2 Investments in joint arrangements

(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 Practising 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.

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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	-
\$40,000 - \$49,999	1	1
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	1	-
\$70,000 - \$79,999	1	-
\$80,000 - \$89,999	1	-
\$90,000 - \$99,999	1	1
\$100,000 - \$109,999	1	-
\$110,000 - \$119,999	1	-
\$120,000 - \$129,999	-	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.

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(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	-

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

2026 \$'000	384
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:

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

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

2026	-
2025	-

(c) Loans to/from related parties

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

2026	-
2025	-

(d) Commitments to/from related parties

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

2026	-
2025	-

Ararat Rural City Council
2025/2026 Financial Report

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.

Ararat Rural City Council
2025/2026 Financial Report

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 to the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

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

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

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

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

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

Ararat Rural City Council
2025/2026 Financial Report

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.

Ararat Rural City Council
2025/2026 Financial Report

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.

Ararat Rural City Council
2025/2026 Financial Report

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

Note 9 OTHER MATTERS

9.1 Reserves

(a) Asset revaluation reserves

2026

Artworks

Artworks

Property

Land and land improvements

Buildings

Infrastructure

Roads

Bridges

Footpaths and cycleways

Drainage

Total asset revaluation reserves

2025

Artworks

Artworks

Property

Land

Buildings

Infrastructure

Roads

Bridges

Footpaths and cycleways

Drainage

Total asset revaluation reserves

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

Ararat Rural City Council
2025/2026 Financial Report

**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.

Ararat Rural City Council
2025/2026 Financial Report

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

	2026 \$'000	2025 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	8,906	1,157
<i>Non-cash adjustments:</i>		
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)
<i>Change in assets and liabilities:</i>		
(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

Ararat Rural City Council
2025/2026 Financial Report

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 \$'000	Impact Increase / (decrease) \$'000	Restated Balance 30 June 2025 \$'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

Service / Indicator / measure / formula	Results					Comments
	2023	2024	2025	2026		
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation (Utilisation of aquatic facilities) (Number of visits to aquatic facilities / theoretical potential)	33%	4.2%	3.8%	4.5%	5.2%	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 Williams pools attendance were down slightly. This is attributed to the Williams 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 spent 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)	46	58	58	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.
Literacies Participation Library membership (Number of registered library members / Population x100)	16.4	16.11%	16.12%	20.00%	16.41%	This indicator is an assessment of the degree to which the community participate in Council's library services. Council's result of 16.41% is reflective of a small rural Council and has remained steady from the previous year. It's also important to note that patrons don't need to be Library members to access many of the Library services (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	64.37%	67.11%	65.89%	60.00%	64.62%	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	10.40%	10.47%	10.50%	30.00%	10.70%	Participation levels remain steady amongst Aboriginal children in the service. (The 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 Number local roads below the intervention level (Number of kilometres of roads) local roads below the intervention standard (set out by Council) / (Number of sealed local roads) x 100	70.00%	70.00%	100.00%	100.00%	100.00%	Council has had no roads fall below the revised intervention level this year. A positive approach by Council's roads team has seen maintenance conducted regularly and pro-actively, 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 full/major planning application decisions made within 10 days) / (Number of planning application decisions made) x 100	66.41%	73.67%	75.00%	90.00%	65.56%	Council has a target of 90% of applications decided in required timeframes, with a commitment to improvement in this area. Although not quite meeting the target, a result of 65% has seen an increase on last year's result and will provide some average for this indicator.
Waste Management Waste diversion Kerbside collection waste diverted from landfill (Weight of recyclables and green organics collected from kerbside collection / Weight of garbage, recyclables and green organics collected from kerbside collection) x 100	22.90%	22.11%	25.21%	40.20%	18.33%	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 five reporting period.

Section 3. Financial performance indicators

For the year ended 30 June 2026

Division / 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 Expenditure per property assessment (Total expenses / Number of property assessments)	\$4,015.88	\$4,365.87	\$4,835.81	\$4,340.00	\$4,304.00	\$4,328.00	\$4,352.40	\$4,313.00	\$4,375.00	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 estimated new recurrent spending grants and therefore lower expenditure.
Revenue level Average rate per property assessment (Sum of all general rate and municipal charges / Number of property assessments)	\$2,046.40	\$1,833.75	\$2,001.80	\$2,000.00	\$2,035.00	\$2,094.34	\$2,138.64	\$2,185.94	\$2,187.44	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 closer 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	
Liquidity									
Working capital									
Current Assets compared to current liabilities	101.05%	102.91%	101.79%	105.50%	116.14%	171.98%	177.98%	187.74%	191.23%
(Current assets / Current liabilities) x100									
									Current assets have increased with \$3,641 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 Swanage-Bell Bay 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 \$1,336 million. The target was based on normal 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	54.4%	52.98%	54.5%	55.5%	52.7%	N/A	N/A	N/A	N/A
Obligations Loans and borrowings Loans and borrowings compared to sales Interest bearing loans and borrowings / Sales revenue x100	1.07%	1.71%	1.80%	1.00%	1.07%	0.80%	0.80%	0.00%	0.00%

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	
Loans and borrowings repayments compared to rates (Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x100	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	Council's loan was repaid in April 2025.
Indebtedness Non-current liabilities compared to non-current revenue (Non-current liabilities / Non-current revenue) x100	5.41%	7.40%	1.83%	4.09%	5.60%	5.92%	1.66%	1.00%	Council's own source revenue has remained consistent with actual revenues resulting from supplementary rates and fair value adjustments for development 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 entered 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 <i>Asset renewal and upgrade (netted to depreciation)</i> <i>(Asset renewal and upgrade expenditure / Asset depreciation) x100</i>	90.39%	124.81%	103.79%	91.01%	113.81%	148.11%	198.36%	198.13%	98.11%	Capital works of more than \$15 million in both 2023/2024 and 2025/2026 has resulted in higher results in those years. A significant increase is forecast for 2026/2027 resulting from a \$5 million grant for Swaney-Ben Nevis Road reconstruction works. Future results are then limited to income due to budgeted depreciation increasing at a higher rate than increases in the future capital works budget.
Operating position Adjusted underlying result <i>Adjusted underlying income (or deficit)</i> <i>(Adjusted underlying surplus (deficit) / Adjusted underlying result) x100</i>	-1.04%	-40.22%	-5.38%	-4.38%	-0.19%	-1.12%	3.81%	-2.62%	-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 national non-recurrent operating grants. The low outcome in 2025/2026 resulted from change in the timing of financial assistance grants.

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
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> <i>(Rate revenue / Adjusted underlying revenue) x 100</i>	81.40%	73.87%	89.39%	85.30%	86.05%	86.43%	86.28%	86.38%	86.47%
									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 <i>Rates compared to property values</i> <i>(Rate revenue / Capital weighted value of houses registered in the municipality) x 100</i>	0.29%	0.27%	0.29%	0.30%	0.30%	0.29%	0.30%	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

Indicator / measure / formula	Results				Comments
	2023 Actual	2024 Actual	2025 Actual	2026 Actual	
Population <i>Expenditure per head of municipal population</i> <i>(Total expenses / Municipal population)</i>	\$2,866.75	\$2,958.18	\$3,145.36	\$3,191.60	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.
<i>Infrastructure per head of municipal population</i> <i>(Value of infrastructure / Municipal population)</i>	\$23,628.31	\$24,630.43	\$30,790.38	\$55,555.38	The significant increase in 2024/2025 resulted from a revaluation of property and infrastructure assets of \$130,344 million and the inclusion of road infrastructure assets of \$201,144 million. The increase in 2025/2026 has mostly resulted from revaluation adjustments of \$31,123 million and capital works of \$15,563 million.
<i>Population density per length of road</i> <i>(Municipal population / Kilometres of local roads)</i>	4.76	4.77	4.75	4.75	This indicator has remained consistent with previous years.

Indicator / measure / formula	2023	2024	2025	2026	Comments
	Actual	Actual	Actual	Actual	
Own-source revenue Own-source revenue per head of municipal population (Own-source revenue / Municipal population)	\$1,743.80	\$1,770.50	\$1,896.87	\$1,850.30	Council's own source revenue has remained mostly consistent, with the increase in 2024/2025 resulting from a revaluation adjustment of \$1,000 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	\$123.04	\$1,136.00	\$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 \$8.886 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 50% was received in advance for 2026/2027.
Disadvantage Relative Socio-Economic Disadvantage Index of Relative Socio-Economic Disadvantage by income	-2.00	-2.00	-2.00	-2.00	The Australian Bureau of Statistics revised Council's Socio-Economic Index for Ararat (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%	7.8%	17.4%	17.2%	In 2023/2024 there have been a number of organisational changes, including some restructures, 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 <i>Food Act 1984</i> , or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current assets	means all assets other than current assets
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

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

5.3. Other Matters

Overview of 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.

3.2 MONTHLY PERFORMANCE REPORT - JUNE 2026

RESPONSIBLE OFFICER: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 31669

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

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

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

EXECUTIVE SUMMARY

The financial statements and performance indicators have been prepared for the period ended 30 June 2026. The actual year-to-date figures included in this report have been used to compile Council's "in principle" Financial Statements, which are subject to audit by the Victorian Auditor-General.

The unaudited figures show Council's overall financial performance is more favourable than the Original Budget, finishing with an operating surplus of \$8.906 million rather than an operating surplus of \$2.050 million. The financial performance is also more favourable than the Current Budget figures for 2025/26 which includes adjustments for the projects carried forward from 2024/25 and grant funds received in advance.

DISCUSSION

Council must establish and maintain a budgeting and reporting framework that is consistent with the principles of sound financial management.

Key Financial information:

Income Statement (Attachment 1)

The Income Statement measures how well Council has performed from an operating nature. It reports revenues and expenditure from the activities and functions undertaken, with the net effect being a surplus or deficit. Capital expenditure is excluded from this statement, as it is reflected in the Balance Sheet.

Attachment 1 shows that Council generated \$46.232 million in revenue and \$37.326 million in expenses to 30 June 2026. This has resulted in an operating surplus of \$8.906 million for the year ended 30 June 2026.

Income

Rates and charges account for 54% of the total budgeted income for 2025/26. Rates and charges are recognised when the rates have been raised, not when the income has been received. An amount of \$18.510 million has been recognised as income for the year ended 30 June 2026.

User fees account for 4.74% of the total budgeted income for 2025/26 and \$1.792 million has been received to 30 June 2026. The majority of this relates to transfer station fees, fitness centre income and commercial waste management charges.

Recurrent Operating Grants total \$12.082 million to 30 June 2026, including \$6.806 million from the Victorian Local Government Grants Commission for general purpose grants and \$4.348 million for the local roads grants.

Non-recurrent Operating Grants total \$1.209 million to 30 June 2026. Council has been successful in obtaining several grants that had not been budgeted for, as detailed in the table below. The amounts shown as unearned income will be treated as income in future accounting periods once the performance obligations of the grant have been met.

Non-Recurrent Operating Grants	Budget 2025/26 \$'000	Income 2025/26 \$'000	Unearned Income \$'000
Ararat Housing Transition	-	-	300
Digital Twin Victoria	-	-	950
Free Public WiFi Services	-	-	1,289
Supported Playgroups	67	69	-
Ararat Rural City Sport, Active Recreation & Open Space Strategy	-	40	-
CALD Outreach Workers Initiative	129	129	-
Tiny Towns Fund - Pomonal Community Hub	-	119	-
Natural Disaster Relief	-	162	-
Council Support Fund - Streatham Fires	-	400	-
Streatham CRO & Hub	-	-	90
Engage - Youth Events Activities & Happenings	55	55	-
Centenary Park Dog Park	100	-	75
Queen Street Housing Program	-	-	5,697
Ararat Hills Adventure Sports Precinct	-	-	400
Early Career Educators	-	-	103
Ararat Active Bike Network	266	-	128
Ararat City Tennis Sports Lighting and Accessibility	-	-	504
Primary Producer Support Payment	-	125	-
Emergency Services and Volunteers Fund	-	50	-
Moyston Multi-Use Court Upgrade	-	-	203
Other Minor Grants (under \$30,000)	-	60	17
	617	1,209	9,756

Non-recurrent Capital Grants total \$7.134 million to 30 June 2026, as detailed in the table below. The amounts shown as unearned income will be treated as income in future accounting periods once the performance obligations of the grant have been met.

Non-Recurrent Capital Grants	Budget 2025/26 \$'000	Income 2025/26 \$'000	Unearned Income \$'000
Pedestrian Infrastructure Program	-	50	0
Tiny Towns Fund - Buangor Recreation Reserve Pavillion Redevelopment	-	-	50
Tiny Towns Fund - Buangor Cobb & Co Stables	-	54	-
Pony Club Sports Arena	1,490	1,283	-
Queen Street Housing Program	-	45	1,638
Ararat Library Lighting & Exterior Upgrade	-	51	-
TAC Safe Local Roads and Streets Program	-	262	426
Jack & Jill Kindergarten Upgrade	-	669	2
Mount William Road Reconstruction	-	4,360	-
Footpath-Ararat Retirement Village & Sports Precinct	-	35	-
Barkly St Raised Crossing	-	312	-
Buangor-Ben Nevis Road Upgrade	-	-	2,000
Other Minor Grants (under \$30,000)	-	13	-
	1,490	7,134	4,116

Note

It is important to note the following:

1. The Grants Operating (recurrent) figure in the Original Budget was \$8.909 million and in the Current Budget is recorded as \$4.721 million, as \$4.188 million was paid to Council in 2024/25 by the Victorian Local Government Grants Commission (VLGGC) for the 2025/26 financial year. Council has still received the expected VLGGC income, to be spent in 2025/26, however it will be reported over two financial years.
2. Unearned revenue received in prior years has been adjusted between the Original Budget and Current Budget with an additional \$6.659 million for Grants Operating (non-recurrent), \$0.386 million for Grants Capital (recurrent) and \$2.282 million for Grants Capital (non-recurrent) included in the Current Budget on the assumption that each of the grant projects will be completed during the 2025/26 financial year.
3. These changes in the budget, plus the note reported under expenses, create a change in the reported surplus position from a projected surplus of \$2.050 million to a surplus of \$3.028 million for 2025/26. The year-end variance is a surplus of \$5.878 million when the actual year to date expenses are compared to the year to date budget.

Expenses

Employee Costs account for approximately 37% of the total budgeted expenditure for 2025/26. For the year ended 30 June 2026 Council has incurred \$12.696 million in employee costs. These costs include several grant-funded positions not budgeted for, and organisation restructure costs. Council has also incurred capitalised salary costs of \$0.967 million, which are included in capital works reporting rather than the income statement, as they are treated as part of the cost of creating or improving Council assets.

Materials and Services account for approximately 36.94% of the total budgeted expenditure for 2025/26. For the year ended 30 June 2026, Council has incurred \$12.181 million in materials and services costs. There are a number of projects, including those carried forward from 2024/25 that were completed before the end of the financial year.

Depreciation totals \$11.436 million to 30 June 2026. The higher than budgeted depreciation has resulted from increased asset valuations being received for 30 June 2025 after the budget for 2025/26 was finalised.

Note

It is important to note the following:

There has been an increase in expenditure on materials and services from \$9.186 million in the Original Budget to \$13.357 million in the Current Budget for 2025/26. This has resulted from a carry forward amount of \$4.171 million from the 2024/25 financial year surplus and unspent grant funds which will be used to complete the projects in 2025/26.

Balance Sheet (Attachment 2)

The Balance Sheet is one of the main financial statements and reports Council's assets, liabilities and equity at a given date, in this case 30 June 2026. Comparative figures have been provided as at 30 June 2025.

Council's current assets have increased by \$9.125 million from \$17.978 million as at 30 June 2025 to \$27.103 million as at 30 June 2026. Cash and cash equivalents have increased by \$6.425 million from \$14.841 million to \$21.266 million. Trade and other receivables have decreased by \$0.164 million from \$3.066 million as at 30 June 2025 to \$2.902 million as at 30 June 2026.

Total liabilities have increased from \$16.464 million in 2024/25 to \$22.042 million in 2025/26. Trade and other payables have increased by \$1.396 million and trust funds and deposits have increased by \$0.066 million. Unearned income increased by \$4.542 million, which includes grants received by Council, where in accordance with accounting standards, they are held as a liability until grant-related performance obligations have been met.

Statement of Cash Flows (Attachment 3)

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

The Cash and Cash Equivalents at the beginning of the financial year of \$14.841 million have increased by \$6.425 million to \$21.266 million as at 30 June 2026.

Net cash of \$22.535 million was provided by operating activities, \$15.408 million was used in investing activities, and \$0.702 million was used in financing activities.

Investing activities includes payments for property, plant and equipment, and infrastructure.

Financial Performance Indicators (Attachment 4)

The Local Government Performance Reporting Framework requires Councils to report various performance indicators at the end of each financial year.

A full list of financial performance indicators is included in Attachment 4.

Indicator	30/6/2025	30/06/2026
Working capital <i>Measure - Current assets compared to current liabilities.</i> Expected values in accordance with the Local Government Performance Reporting Framework 100% to 400% Indicator of the broad objective that sufficient working capital is available to pay bills as and when they fall due. High or increasing level of working capital suggests an improvement in liquidity	122%	130%
Loans and borrowings <i>Measure - Loans and borrowings compared to rates.</i> Expected values in accordance with the Local Government Performance Reporting Framework - 0% to 70% Indicator of the broad objective that the level of interest-bearing loans and borrowings should be appropriate to the size and nature of a council's activities. Low or decreasing level of loans and borrowings suggests an improvement in the capacity to meet long term obligations	0.86%	0.00%
Indebtedness <i>Measure - Non-current liabilities compared to own source revenue</i> Expected values in accordance with the Local Government Performance Reporting Framework - 2% to 70% Indicator of the broad objective that the level of long-term liabilities should be appropriate to the size and nature of a Council's activities. Low or decreasing level of long-term liabilities suggests an improvement in the capacity to meet long term obligations	7.83%	5.60%
Rates concentration <i>Measure - Rates compared to adjusted underlying revenue</i> Expected values in accordance with the Local Government Performance Reporting Framework - 30% to 80% Indicator of the broad objective that revenue should be generated from a range of sources. High or increasing range of revenue sources suggests an improvement in stability	49.39%	49.66%

Indicator	30/6/2025	30/06/2026
Expenditure level <i>Measure - Expenses per property assessment</i> Expected values in accordance with the Local Government Performance Reporting Framework \$2,000 to \$10,000 Indicator of the broad objective that resources should be used efficiently in the delivery of services. Low or decreasing level of expenditure suggests an improvement in organisational efficiency	\$4,936	\$4,974
Indicator - Revenue level <i>Measure - Average residential rate per residential property assessment</i> Expected values in accordance with the Local Government Performance Reporting Framework - \$700 to \$2,000 Indicator of the broad objective that resources should be used efficiently in the delivery of services. Low or decreasing level of rates suggests an improvement in organisational efficiency	\$2,002	\$2,030
Indicator - Percentage of total rates collected The internal audit conducted in 2019 on Rates Revenue and Rate Debtor Management found no routine or regular reporting of large and long outstanding rates debtors. The outstanding Rates Debtors is reported in the Annual Financial report. As at 30 June 2026 the outstanding Rates Debtors totalled \$2.121 million compared to \$2.466 million as at 30 June 2025, a decrease of \$0.345 million. In percentage terms 89.9% of the rates raised have been collected at 30 June 2026 compared to 87.8% up to 30 June 2025. Outstanding rates are currently charged 10% interest. Council issues approximately 7,900 rate notices. In 2025/26 there are 2,495 assessments paying by instalments compared with 2,158 assessments in 2024/25.	87.8%	89.9%
Indicator - Asset Renewal & Upgrade <i>Measure - Asset renewal & Upgrade compared to depreciation</i> Expected range in accordance with the Local Government Performance Reporting Framework - 40% to 130% Assessment of whether council assets are being renewed or upgraded as planned. It compares the rate of spending on existing assets through renewing, restoring, replacing or upgrading existing assets with depreciation. Ratios higher than 1.0 indicate there is a lesser risk of insufficient spending on Council's asset base.	100.75%	113.93%

The Local Government Performance Reporting Framework provides "Expected ranges" for each indicator. The framework has been developed to consider results at the end of the financial year so some results during the year are outside the expected range due to the timing of receipts and payments.

Explanations are provided in Attachment 4 for those indicators that are outside the "expected ranges".

Transfers to and from Reserves 2025/26

The following tables represent the amounts proposed to be transferred to and from Reserves for the year ended 30 June 2026. A number of these transfers are in accordance with the budget. The transfers to the Capital Works Reserves includes funds received in 2025/26 that relate to 2026/27 and a number of specific projects included in the budget for 2025/26 that have not commenced or are in progress and proposed to be carried forward to 2026/27.

Transfers To Reserves

CAPITAL WORKS & PROJECTS RESERVE	
Grants Commission General	\$4,299,933
Grants Commission Roads	\$2,721,982
MERP Funding	\$60,000
Ararat Housing Transition	\$300,000
Free Public Wifi	\$74,000
Digital Twin Victoria	\$393,000
Rural Roads Support Program	\$56,500
Unlocking Ararat North East	\$46,000
Pomonal Council Support Fund	\$507,000
Buangor Cobb & Co Heritage	\$24,000
Queen St Housing Support-Op	\$4,357,496
Queen St Housing Support-Cap	\$1,637,791
Ararat Hills Adventure Sports Precinct	\$400,000
ECE Innovations Grant	\$12,000
Supported Playgroups	\$16,000
Buangor Rec Reserve Pavilion Upgrade	\$75,000
Barkly St Raised Crossing (IP43)	\$117,000
Ararat Active Bike Network	\$19,000
Ararat City Tennis Court Upgrade	\$290,000
Jack & Jill Kindergarten	\$27,000
Queen & Moore St Roundabout (SLRSP)	\$289,000
View Point, Tobin, Taylor St Intersection (SLRSP)	\$40,000
Ingor Street (SLRSP)	\$9,000
King Street (SLRSP)	\$14,000
Moore & Princes St Intersection (SLRSP)	\$17,000
Vincent St & Alexandra Ave Intersection (SLRSP)	\$68,000
Streatham Council Support Fund	\$400,000
Moyston Multi-Use Court Upgrade	\$201,000
Moyston Netball & Tennis Changeroom Design	\$16,000
Community Grants June 2026	\$32,000
Facade Kickstart Grants	\$40,000
Total for Capital Works & Projects Reserve	\$16,559,702
RECREATIONAL LANDS RESERVE	
Open Space Contributions	\$93,000
Total for Recreational Lands Reserve	\$93,000
TOTAL TRANSFERS TO RESERVE	\$16,652,702

Total From Reserves

CAPITAL WORKS & PROJECTS RESERVE	
Transfer from Capital Works Reserve for 25/26 Works/Projects	\$8,921,538
Total for Capital Works & Projects Reserve	\$8,921,538

BUILDING CAPITAL RESERVE	
Transfer from Building Capital Reserve for contributions to Ararat Housing Enterprise Pty Ltd for 2025/26	\$500,000
Total for Building Capital Reserve	\$500,000

TOTAL TRANSFERS FROM RESERVES	\$9,421,538
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A summary of movements in reserve balances is included in the following table:

	Balance at 30 June 2025	Transfers to Reserve	Transfers from Reserve	Balance at 30 June 2026
Capital works and projects	\$8,921,538	\$16,559,702	\$8,921,538	\$16,559,702
Recreational land	\$105,050	\$93,000	-	\$198,050
Building capital	\$3,958,402	-	\$500,000	\$3,458,402
Environmental projects	\$94,709	-	-	\$94,709
Waste management	\$210,696	-	-	\$210,696
Total Reserves	\$13,290,395	\$16,652,702	\$9,421,538	\$20,521,559

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

6 STRONG AND EFFECTIVE GOVERNANCE

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

- 6.1** Deliver responsible budget outcomes, linked to strategy, that deliver value, innovation, and rating fairness

Budget Implications

Council's financial performance is in line with expectations, once the original budget has been adjusted for the projects carried forward from 2024/25 and for grant funds received in advance.

Policy/Relevant Law

Section 97 - Quarterly Budget Report of the Local Government Act 2020 states:

- As soon as practicable after the end of each quarter of the financial year, the Chief Executive Officer must ensure that a quarterly budget report is presented to the Council at a Council meeting which is open to the public.
- A quarterly budget report must include—
 - a comparison of the actual and budgeted results to date; and
 - an explanation of any material variations; and

- c. any other matters prescribed by the regulations.
3. In addition, the second quarterly report of a financial year must include a statement by the Chief Executive Officer as to whether a revised budget is, or may be, required.

Sustainability Implications

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

Risk Assessment

Council is required to establish and maintain a budgeting and reporting framework that is consistent with the principles of sound management and this report assists Council in meeting that requirement.

Stakeholder Collaboration and Community Engagement

Council's financial performance reports will continue to be published monthly.

RECOMMENDATION

That:

1. *The Comprehensive Income Statement, Balance Sheet, Statement of Cash Flows and Financial Performance Indicators for the period ended 30 June 2026 be received and adopted, and*
2. *Transfers to reserves totalling \$16,652,702 and transfers from reserves totalling \$9,421,538 be adopted.*

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That:

1. **The Comprehensive Income Statement, Balance Sheet, Statement of Cash Flows and Financial Performance Indicators for the period ended 30 June 2026 be received and adopted, and**
2. **Transfers to reserves totalling \$16,652,702 and transfers from reserves totalling \$9,421,538 be adopted.**

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

**CARRIED 6/0
5419/26**

ATTACHMENTS

Comprehensive Income Statement, Balance Sheet, Statement of Cash Flows and Financial Performance Indicators are provided as Attachment 3.2

Attachment 1
Comprehensive Income Statement for the year ended 30 June 2026

	Original Budget	Current Budget	YTD Budget	YTD Actual	YTD Variance	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000	
Income						
Rates and charges	18,425	18,425	18,425	18,510	85	0%
Statutory fees and fines	277	277	277	265	(12)	-4%
User fees	1,631	1,641	1,641	1,792	151	9%
Contributions - cash capital	-	-	-	-	-	0%
Contributions - cash operating	93	93	93	236	143	154%
Contributions - non-monetary assets	-	-	-	1,815	1,815	0%
Grants - operating (recurrent)	8,909	4,721	4,721	12,082	7,361	156%
Grants - operating (non-recurrent)	617	7,276	7,276	1,209	(6,067)	-83%
Grants - capital (recurrent)	2,338	2,724	2,724	2,052	(672)	-25%
Grants - capital (non-recurrent)	1,490	3,772	3,772	7,134	3,362	89%
Net gain/(loss) on disposal of property, plant and equipment	20	20	20	(4)	(24)	-120%
Other income	630	630	630	856	226	36%
Fair value adjustments for investment property	-	-	-	195	195	0%
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	-	-	-	90	90	0%
Total income	34,430	39,579	39,579	46,232	6,653	
Expenses						
Employee costs	11,961	11,961	11,961	12,696	735	6%
Materials and services	9,186	13,357	13,357	12,181	(1,176)	-9%
Bad and doubtful debts	-	-	-	-	-	0%
Depreciation	10,469	10,469	10,469	11,436	967	9%
Amortisation - right of use assets	308	308	308	459	151	49%
Borrowing costs	2	2	2	2	-	0%
Finance costs - leases	60	60	60	118	58	97%
Other expenses	394	394	394	434	40	10%
Total expenses	32,380	36,551	36,551	37,326	775	2%
Surplus for the year	2,050	3,028	3,028	8,906	5,878	194%
Other comprehensive income						
Net asset revaluation increment	-	-	-	31,133		
Total comprehensive result	2,050	3,028	3,028	40,039	5,878	

Attachment 2
Balance Sheet as at 30 June 2026

	30/06/2026 \$'000	30/06/2025 \$'000
Assets		
Current assets		
Cash and cash equivalents	21,266	14,841
Trade and other receivables	2,902	3,066
Contract assets	2,614	-
Inventories	69	71
Non-current assets classified as held for sale	249	-
Prepayments	3	-
Total current assets	27,103	17,978
Non-current assets		
Trade and other receivables	3	4
Investments in joint venture	2,117	1,527
Property, plant and equipment, infrastructure	685,242	649,075
Right of use assets	1,325	1,784
Investment property	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	3,753	2,357
Trust funds and deposits	381	315
Unearned Income	13,879	9,337
Provisions	2,358	2,175
Interest-bearing loans and borrowings	-	156
Lease liabilities	455	426
Total current liabilities	20,826	14,766
Non-current liabilities		
Provisions	260	286
Lease liabilities	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	390,022	351,657
Total Equity	696,558	656,519

Printed 18/08/2026

Attachment 3

Statement of Cash Flows for the year ended 30 June 2026

	Year to 30/06/2026 Inflows/ (Outflows) \$'000	Year to 30/06/2025 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	22,535	21,875
Cash flows from investing activities		
Payments for property, plant and equipment, infrastructure	(15,063)	(11,704)
Proceeds from sale of property, plant and equipment, infrastructure	155	161
Proceeds from investments	-	3,040
Payments for investments	(500)	(1,000)
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)
Proceeds from borrowings	-	-
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 period	21,266	14,841

Printed 18/08/2026

Attachment 4

Financial Performance Indicators for the year ended 30 June 2026

Result

Material Variations

LIQUIDITY

Dimension - Operating position

Indicator - Adjusted underlying result

Measure - Adjusted underlying surplus (or deficit)

-0.15%

[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100

No material variation

Expected range in accordance with the Local Government Performance Reporting Framework

-20% to 20%

Indicator of the broad objective that an adjusted underlying surplus should be generated in the ordinary course of business. A surplus or increasing surplus suggests an improvement in the operating position

Dimension - Liquidity

Indicator - Working capital

Measure - Current assets compared to current liabilities

130% No material variation

[Current assets / Current liabilities] x100

Expected range in accordance with the Local Government Performance Reporting Framework

100% to 400%

Indicator of the broad objective that sufficient working capital is available to pay bills as and when they fall due. High or increasing level of working capital suggests an improvement in liquidity

Indicator - Unrestricted cash

Measure - Unrestricted cash compared to current liabilities

32.73% No material variation

[Unrestricted cash / Current liabilities] x100

Expected range in accordance with the Local Government Performance Reporting Framework

10% to 300%

Indicator of the broad objective that sufficient cash which is free of restrictions is available to pay bills as and when they fall due. High or increasing level of unrestricted cash suggests an improvement in liquidity

OBLIGATIONS

Dimension - Obligations

Indicator - Loans and borrowings

Measure - Loans and borrowings compared to rates

0.00% No material variation

[Interest bearing loans and borrowings / Rate revenue] x100

Expected range in accordance with the Local Government Performance Reporting Framework

0% to 70%

Indicator of the broad objective that the level of interest bearing loans and borrowings should be appropriate to the size and nature of a council's activities. Low or decreasing level of loans and borrowings suggests an improvement in the capacity to meet long term obligations

Loans and borrowings repayments compared to rates

0.85% No material variation

[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100

Expected range in accordance with the Local Government Performance Reporting Framework

0% to 20%

Financial Performance Indicators for the year ended 30 June 2026	Result	Material Variations
Indicator - Indebtedness		
<i>Measure - Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	5.60%	No material variation
Expected range in accordance with the Local Government Performance Reporting Framework	2% to 70%	
Indicator of the broad objective that the level of long term liabilities should be appropriate to the size and nature of a Council's activities. Low or decreasing level of long term liabilities suggests an improvement in the capacity to meet long term obligations		
Indicator - Asset renewal and upgrade		
<i>Measure - Asset renewal vs Upgrade compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	113.93%	No material variation
Expected range in accordance with the Local Government Performance Reporting Framework	40% to 130%	
Indicator of the broad objective that assets should be renewed as planned. High or increasing level of planned asset renewal being met suggests an improvement in the capacity to meet long term obligations		
STABILITY		
Dimension - Stability		
Indicator - Rates concentration		
<i>Measure - Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	49.66%	No material variation
Expected range in accordance with the Local Government Performance Reporting Framework	30% to 80%	
Indicator of the broad objective that revenue should be generated from a range of sources. High or increasing range of revenue sources suggests an improvement in stability		
Indicator - Rates effort		
<i>Measure - Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.28%	No material variation
Expected range in accordance with the Local Government Performance Reporting Framework	0.15% to 0.75%	
Indicator of the broad objective that the rating level should be set based on the community's capacity to pay. Low or decreasing level of rates suggests an improvement in the rating burden		
EFFICIENCY		
Dimension - Efficiency		
Indicator - Expenditure level		
<i>Measure - Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,974.02	No material variation
Expected range in accordance with the Local Government Performance Reporting Framework	\$2,000 to \$5,000	
Indicator of the broad objective that resources should be used efficiently in the delivery of services. Low or decreasing level of expenditure suggests an improvement in organisational efficiency		
Indicator - Revenue level		
<i>Measure - Average rate per property assessment</i> [Total rate revenue (general rates and municipal charges) / Number of property assessments]	\$2,029.85	Outside Expected Range The average rate per property assessment is slightly above the expected range.
Expected range in accordance with the Local Government Performance Reporting Framework	\$700 to \$2,000	
Indicator of the broad objective that resources should be used efficiently in the delivery of services. Low or decreasing level of rates suggests an improvement in organisational efficiency		

3.3 MONTHLY PERFORMANCE REPORT - AUGUST 2026

RESPONSIBLE OFFICER: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 31670

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

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

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

EXECUTIVE SUMMARY

The financial statements and performance indicators have been prepared for the period ended 31 August 2026.

Based on the information provided by responsible officers and managers Council's overall financial performance is in line with budget.

DISCUSSION

Council must establish and maintain a budgeting and reporting framework that is consistent with the principles of sound financial management.

Key Financial information:

Income Statement (Attachment 1)

The Income Statement measures how well Council has performed from an operating nature. It reports revenues and expenditure from the activities and functions undertaken, with the net effect being a surplus or deficit. Capital expenditure is excluded from this statement, as it is reflected in the Balance Sheet.

Attachment 1 shows that Council generated \$20.209 million in revenue and \$7.062 million in expenses to 31 August 2026. This has resulted in an operating surplus of \$13.147 million for the two months ended 31 August 2026.

Income

Rates and charges account for 49% of the total budgeted income for 2026/27. Rates and charges are recognised when the rates have been raised, not when the income has been received. An amount of \$18.316 million has been recognised as income for the two months ended 31 August 2026.

User fees account for 4.4% of the total budgeted income for 2026/27 and \$0.449 million has been received to 31 August 2026. The majority of this relates to transfer station fees, fitness centre income and commercial waste management charges.

Non-recurrent Operating Grants total \$0.168 million to 31 August 2026. Council has been successful in obtaining several grants that had not been budgeted for, as detailed in the table below. The amounts shown as unearned income will be treated as income in future accounting periods once the performance obligations of the grant have been met.

Non-Recurrent Operating Grants	Budget 2026/27 \$'000	Income 2026/27 \$'000	Unearned Income \$'000
Ararat Housing Transition	-	-	300
Digital Twin Victoria	-	-	950

Free Public WiFi Services	-	-	1,289
Supported Playgroups	69	12	-
CALD Outreach Workers Initiative	133	133	-
Streatham CRO & Hub	-	-	90
Engage - Youth Events Activities & Happenings	55	-	-
Centenary Park Dog Park	-	-	75
Queen Street Housing Program	-	-	5,697
Ararat Hills Adventure Sports Precinct	-	-	400
Early Career Educators	-	-	103
Ararat Active Bike Network	-	-	128
Ararat City Tennis Sports Lighting and Accessibility	-	-	519
Moyston Multi-Use Court Upgrade	-	-	203
Other Minor Grants (under \$30,000)	-	23	17
	257	168	9,771

Non-recurrent Capital Grants total \$0.013 million to 31 August 2026, as detailed in the table below. The amounts shown as unearned income will be treated as income in future accounting periods once the performance obligations of the grant have been met.

Non-Recurrent Capital Grants	Budget 2026/27 \$'000	Income 2026/27 \$'000	Unearned Income \$'000
Tiny Towns Fund - Buangor Recreation Reserve Pavillion Redevelopment	-	-	50
Pony Club Sports Arena	-	13	179
Queen Street Housing Program	-	-	1,638
TAC Safe Local Roads and Streets Program	-	-	470
Jack & Jill Kindergarten Upgrade	-	-	2
Buangor-Ben Nevis Road Upgrade	5,000	-	2,000
Other Minor Grants (under \$30,000)	-	-	-
	5,000	13	4,339

Gain on disposal of property, plant & Equipment totals \$0.521 million with a parcel of Council land sold in July 2026.

Note

It is important to note the following:

- The Grants Operating (recurrent) figure in the Original Budget was \$9.122 million and in the Current Budget is recorded as \$2.040 million, as \$7.022 million was paid to Council in 2025/26 by the Victorian Local Government Grants Commission (VLGGC) for the 2026/27 financial year. Council has still received the expected VLGGC income, to be spent in 2026/27, however it will be reported over two financial years.
- Unearned revenue received in prior years has been adjusted between the Original Budget and Current Budget with an additional \$9.756 million for Grants Operating (non-recurrent) and \$4.116 million for Grants Capital (non-recurrent) included in the Current Budget on the assumption that each of the grant projects will be completed during the 2026/27 financial year.
- These changes in the budget, plus the note reported under expenses, create a change in the reported surplus position from a projected surplus of \$4.624 million to a surplus of \$4.261 million for 2026/27. The year-end variance is a surplus of \$0.239 million when the actual year to date expenses are compared to the year to date budget.

Expenses

Employee Costs account for approximately 37.8% of the total budgeted expenditure for 2026/27. For the two months ended 31 August 2026 Council has incurred \$1.807 million in employee costs. Council has also incurred capitalised salary costs of \$0.059 million, which are included in capital works reporting rather than the income statement, as they are treated as part of the cost of creating or improving Council assets.

Materials and Services account for approximately 26.7% of the total budgeted expenditure for 2026/27. For the two months ended 31 August 2026, Council has incurred \$3.284 million in materials and services costs. There are a number of projects, including those carried forward from 2025/26 that are expected to be completed before the end of the financial year.

Note

It is important to note the following:

There has been an increase in expenditure on materials and services from \$9.078 million in the Original Budget to \$16.238 million in the Current Budget for 2026/27. This has resulted from a carry forward amount of \$7.160 million from the 2025/26 financial year surplus and unspent grant funds which will be used to complete the projects in 2026/27.

Balance Sheet (Attachment 2)

The Balance Sheet is one of the main financial statements and reports Council's assets, liabilities and equity at a given date, in this case 31 August 2026. Comparative figures have been provided as at 30 June 2026.

Council's current assets have increased by \$9.595 million from \$27.103 million as at 30 June 2026 to \$36.698 million as at 31 August 2026. Cash and cash equivalents have decreased by \$4.417 million from \$21.266 million to \$16.849 million. Trade and other receivables have increased by \$16.846 million from \$2.902 million as at 30 June 2026 to \$19.748 million as at 31 August 2026.

Total liabilities have decreased from \$22.042 million in 2025/26 to \$19.700 million in 2026/27. Trade and other payables have decreased by \$2.728 million and trust funds and deposits have increased by \$0.224 million. Unearned income/revenue increased by \$0.238 million, which includes grants received by Council, where in accordance with accounting standards, they are held as a liability until grant-related performance obligations have been met.

Statement of Cash Flows (Attachment 3)

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

The Cash and Cash Equivalents at the beginning of the financial year of \$21.266 million have decreased by \$4.417 million to \$16.849 million as at 31 August 2026.

Net cash of \$4.509 million was used in operating activities, \$0.183 million was provided by investing activities, and \$0.091 million was used in financing activities.

Investing activities includes payments for property, plant and equipment, and infrastructure.

Financial Performance Indicators (Attachment 4)

The Local Government Performance Reporting Framework requires Councils to report various performance indicators at the end of each financial year.

A full list of financial performance indicators is included in Attachment 4.

Indicator	30/06/2026	31/08/2026
Working capital <i>Measure - Current assets compared to current liabilities.</i> Expected values in accordance with the Local Government Performance Reporting Framework 100% to 400% Indicator of the broad objective that sufficient working capital is available to pay bills as and when they fall due. High or increasing level of working capital suggests an improvement in liquidity	130%	211%
Loans and borrowings <i>Measure - Loans and borrowings compared to rates.</i> Expected values in accordance with the Local Government Performance Reporting Framework - 0% to 70% Indicator of the broad objective that the level of interest-bearing loans and borrowings should be appropriate to the size and nature of a council's activities. Low or decreasing level of loans and borrowings suggests an improvement in the capacity to meet long term obligations	0.00%	0.00%
Indebtedness <i>Measure - Non-current liabilities compared to own source revenue</i> Expected values in accordance with the Local Government Performance Reporting Framework - 2% to 70% Indicator of the broad objective that the level of long-term liabilities should be appropriate to the size and nature of a Council's activities. Low or decreasing level of long-term liabilities suggests an improvement in the capacity to meet long term obligations	5.60%	6.26%
Rates concentration <i>Measure - Rates compared to adjusted underlying revenue</i> Expected values in accordance with the Local Government Performance Reporting Framework - 30% to 80% Indicator of the broad objective that revenue should be generated from a range of sources. High or increasing range of revenue sources suggests an improvement in stability	49.66%	90.71%
Expenditure level <i>Measure - Expenses per property assessment</i> Expected values in accordance with the Local Government Performance Reporting Framework \$2,000 to \$10,000 Indicator of the broad objective that resources should be used efficiently in the delivery of services. Low or decreasing level of expenditure suggests an improvement in organisational efficiency	\$4,974	\$940
Indicator - Revenue level <i>Measure - Average residential rate per residential property assessment</i> Expected values in accordance with the Local Government Performance Reporting Framework - \$700 to \$2,000 Indicator of the broad objective that resources should be used efficiently in the delivery of services. Low or decreasing level of rates suggests an improvement in organisational efficiency	\$2,030	\$2,089

Indicator	30/06/2026	31/08/2026
Indicator - Percentage of total rates collected The internal audit conducted in 2019 on Rates Revenue and Rate Debtor Management found no routine or regular reporting of large and long outstanding rates debtors. The outstanding Rates Debtors is reported in the Annual Financial report. As at 31 August 2026 the outstanding Rates Debtors totalled \$19.074 million compared to \$2.121 million as at 30 June 2026, an increase of \$16.953 million. In percentage terms 9.1% of the rates raised have been collected at 31 August 2026 compared to 6.6% up to 31 August 2025. Outstanding rates are currently charged 10% interest. Council issues approximately 7,900 rate notices. In 2025/26 there were 2,495 assessments paying by instalments compared with 2,158 assessments in 2024/25.	89.9%	9.1%
Indicator - Asset Renewal & Upgrade <i>Measure - Asset renewal & Upgrade compared to depreciation</i> Expected range in accordance with the Local Government Performance Reporting Framework - 40% to 130% Assessment of whether council assets are being renewed or upgraded as planned. It compares the rate of spending on existing assets through renewing, restoring, replacing or upgrading existing assets with depreciation. Ratios higher than 1.0 indicate there is a lesser risk of insufficient spending on Council's asset base.	113.93%	27.98%

The Local Government Performance Reporting Framework provides "Expected ranges" for each indicator. The framework has been developed to consider results at the end of the financial year so some results during the year are outside the expected range due to the timing of receipts and payments.

Explanations are provided in Attachment 4 for those indicators that are outside the "expected ranges".

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

6 STRONG AND EFFECTIVE GOVERNANCE

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

- 6.1** Deliver responsible budget outcomes, linked to strategy, that deliver value, innovation, and rating fairness

Budget Implications

Council's financial performance is in line with expectations.

Policy/Relevant Law

Section 97 - Quarterly Budget Report of the Local Government Act 2020 states:

- As soon as practicable after the end of each quarter of the financial year, the Chief Executive Officer must ensure that a quarterly budget report is presented to the Council at a Council meeting which is open to the public.
- A quarterly budget report must include—
 - a comparison of the actual and budgeted results to date; and
 - an explanation of any material variations; and

- c. any other matters prescribed by the regulations.
3. In addition, the second quarterly report of a financial year must include a statement by the Chief Executive Officer as to whether a revised budget is, or may be, required.

Sustainability Implications

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

Risk Assessment

Council is required to establish and maintain a budgeting and reporting framework that is consistent with the principles of sound management and this report assists Council in meeting that requirement.

Stakeholder Collaboration and Community Engagement

Council's financial performance reports will continue to be published monthly.

RECOMMENDATION

That:

1. *The Comprehensive Income Statement, Balance Sheet, Statement of Cash Flows and Financial Performance Indicators for the period ended 31 August 2026 be received and adopted.*

MOVED CR KAUR

SECONDED CR R ARMSTRONG

That:

1. **The Comprehensive Income Statement, Balance Sheet, Statement of Cash Flows and Financial Performance Indicators for the period ended 31 August 2026 be received and adopted.**

Cr Kaur and Cr R Armstrong spoke for the motion.

**CARRIED 6/0
5420/26**

ATTACHMENTS

Comprehensive Income Statement, Balance Sheet, Statement of Cash Flows and Financial Performance Indicators are provided as Attachment 3.3

Attachment 1

Comprehensive Income Statement for the two months ended 31 August 2026

	Original Budget	Current Budget	YTD Budget	YTD Actual	YTD Variance	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000	
Income						
Rates and charges	18,965	18,965	18,247	18,316	69	0%
Statutory fees and fines	293	293	49	36	(13)	-27%
User fees	1,700	1,707	448	449	1	0%
Contributions - cash capital	-	-	-	5	5	0%
Contributions - cash operating	89	89	-	8	8	0%
Grants - operating (recurrent)	9,122	2,040	776	603	(173)	-22%
Grants - operating (non-recurrent)	257	10,013	43	168	125	291%
Grants - capital (recurrent)	2,591	2,591	-	-	-	0%
Grants - capital (non-recurrent)	5,000	9,116	216	13	(203)	-94%
Net gain/(loss) on disposal of property, plant and equipment	20	20	17	521	504	2965%
Other income	570	570	95	90	(5)	-5%
Fair value adjustments for investment property	-	-	-	-	-	0%
Share of net profits/(loss) of joint ventures	-	-	-	-	-	0%
Total income	38,607	45,404	19,891	20,209	318	
Expenses						
Employee costs	12,845	12,845	1,846	1,807	(39)	-2%
Materials and services	9,078	16,238	3,133	3,284	151	5%
Bad and doubtful debts	-	-	-	-	-	0%
Depreciation	11,089	11,089	1,848	1,830	(18)	-1%
Amortisation - right of use assets	459	459	77	77	-	0%
Borrowing costs	-	-	-	-	-	0%
Finance costs - leases	88	88	17	17	-	0%
Other expenses	424	424	62	47	(15)	-24%
Total expenses	33,983	41,143	6,983	7,062	79	1%
Surplus for the year	4,624	4,261	12,908	13,147	239	2%
Other comprehensive income						
Net asset revaluation increment	-	-	-	-	-	
Total comprehensive result	4,624	4,261	12,908	13,147	239	

Attachment 2
Balance Sheet as at 31 August 2026

	31/08/2026	30/06/2026
	\$'000	\$'000
Assets		
Current assets		
Cash and cash equivalents	16,849	21,266
Trade and other receivables	19,748	2,902
Contract assets	-	2,614
Inventories	98	69
Non-current assets classified as held for sale	-	249
Prepayments	3	3
Total current assets	36,698	27,103
Non-current assets		
Trade and other receivables	3	3
Investments in joint venture	2,117	2,117
Property, plant and equipment, infrastructure	684,177	685,242
Right of use assets	1,248	1,325
Investment property	2,810	2,810
Total non-current assets	690,355	691,497
Total assets	727,053	718,600
Liabilities		
Current liabilities		
Trade and other payables	1,025	3,753
Trust funds and deposits	605	381
Unearned Income	14,117	13,879
Provisions	2,356	2,358
Interest-bearing loans and borrowings	-	-
Lease liabilities	381	455
Total current liabilities	18,484	20,826
Non-current liabilities		
Provisions	260	260
Interest-bearing loans and borrowings	-	-
Lease liabilities	956	956
Total non-current liabilities	1,216	1,216
Total liabilities	19,700	22,042
Net Assets	707,353	696,558
Equity		
Accumulated surplus	319,683	306,536
Reserves	390,030	390,022
Total Equity	709,713	696,558

Attachment 3

Statement of Cash Flows for the two months ended 31 August 2026

	Two months to 31/08/2026 Inflows/ (Outflows) \$'000	Forecast Year End to 30/06/2027 Inflows/ (Outflows) \$'000
Cash flows from operating activities		
Rates and charges	1,143	18,967
Statutory fees and fines	36	293
User fees	416	1,878
Grants - operating	801	4,297
Grants - capital	540	7,591
Contributions - monetary	114	89
Interest received	70	400
Trust funds and deposits taken	75	-
Other receipts	105	187
Net GST refund/payment	349	721
Employee costs	(2,201)	(12,845)
Materials and services	(5,731)	(17,148)
Trust funds and deposits repaid	(213)	-
Other payments	(13)	(424)
Net cash provided by/ (used in) operating activities	(4,509)	4,006
Cash flows from investing activities		
Payments for property, plant and equipment, infrastructure	(587)	(15,797)
Proceeds from sale of property, plant and equipment, infrastructure	770	870
Net cash provided by/ (used in) investing activities	183	(14,927)
Cash flows from financing activities		
Interest paid - lease liability	(17)	(88)
Repayment of lease liabilities	(74)	(455)
Net cash provided by/ (used in) financing activities	(91)	(543)
Net increase (decrease) in cash and cash equivalents	(4,417)	(11,464)
Cash and cash equivalents at the beginning of the financial year	21,266	21,266
Cash and cash equivalents at the end of the period	16,849	9,802

Attachment 4

Financial Performance Indicators for the two months ended 31 August 2026

Result

Material Variations

LIQUIDITY

Dimension - Operating position

Indicator - Adjusted underlying result

Measure - Adjusted underlying surplus (or deficit)

[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100

65.02%

Outside Expected Range This indicator is high as the total amount of rates & charges have been recognised as income and the expenses are only for part of the financial year.

Expected range in accordance with the Local Government Performance

-20% to 20%

Reporting Framework

Indicator of the broad objective that an adjusted underlying surplus should be generated in the ordinary course of business. A surplus or increasing surplus suggests an improvement in the operating position

Dimension - Liquidity

Indicator - Working capital

Measure - Current assets compared to current liabilities

[Current assets / Current liabilities] x100

211% No material variation

Expected range in accordance with the Local Government Performance

100% to 400%

Reporting Framework

Indicator of the broad objective that sufficient working capital is available to pay bills as and when they fall due. High or increasing level of working capital suggests an improvement in liquidity

Indicator - Unrestricted cash

Unrestricted cash compared to current liabilities

[Unrestricted cash / Current liabilities] x100

10.40% No material variation

Expected range in accordance with the Local Government Performance

10% to 300%

Reporting Framework

Indicator of the broad objective that sufficient cash which is free of restrictions is available to pay bills as and when they fall due. High or increasing level of unrestricted cash suggests an improvement in liquidity

OBLIGATIONS

Dimension - Obligations

Indicator - Loans and borrowings

Measure - Loans and borrowings compared to rates

[Interest bearing loans and borrowings / Rate revenue] x100

0.00% No material variation

Expected range in accordance with the Local Government Performance

0% to 70%

Reporting Framework

Indicator of the broad objective that the level of interest bearing loans and borrowings should be appropriate to the size and nature of a council's activities. Low or decreasing level of loans and borrowings suggests an improvement in the capacity to meet long term obligations

Loans and borrowings repayments compared to rates

[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100

0.00% No material variation

Expected range in accordance with the Local Government Performance

0% to 20%

Reporting Framework

Financial Performance Indicators for the two months ended 31 August 2026	Result	Material Variations
Indicator - Indebtedness		
Measure - Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	6.26%	No material variation
Expected range in accordance with the Local Government Performance Reporting Framework	2% to 70%	
Indicator of the broad objective that the level of long term liabilities should be appropriate to the size and nature of a Council's activities. Low or decreasing level of long term liabilities suggests an improvement in the capacity to meet long term obligations		
Indicator - Asset renewal and upgrade		
Measure - Asset renewal & Upgrade compared to depreciation [Asset renewal expenses / Asset depreciation] x100	27.98%	
	Outside	This indicator is currently low
	permissible	with less than anticipated
	Range	capital works undertaken to 31 August 2026.
Expected range in accordance with the Local Government Performance Reporting Framework	40% to 130%	
Indicator of the broad objective that assets should be renewed as planned. High or increasing level of planned asset renewal being met suggests an improvement in the capacity to meet long term obligations		
STABILITY		
Dimension - Stability		
Indicator - Rates concentration		
Measure - Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	90.71%	
	Outside	This indicator is high due to the
	Expected	total amount of rates & charges
	Range	being recognised as income with minimal government grants received to 31 August 2026.
Expected range in accordance with the Local Government Performance Reporting Framework	30% to 80%	
Indicator of the broad objective that revenue should be generated from a range of sources. High or increasing range of revenue sources suggests an improvement in stability		
Indicator - Rates effort		
Measure - Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.27%	No material variation
Expected range in accordance with the Local Government Performance Reporting Framework	0.15% to 0.75%	
Indicator of the broad objective that the rating level should be set based on the community's capacity to pay. Low or decreasing level of rates suggests an improvement in the rating burden		

Financial Performance Indicators for the two months ended 31 August 2026	Result	Material Variations
EFFICIENCY		
Dimension - Efficiency		
Indicator - Expenditure level		
<i>Measure - Expenses per property assessment</i>	\$939.72	
[Total expenses / Number of property assessments]	Outside	This indicator is below the
	Expected	expected range as there is only
	Range	two months of expenses
		included in the calculation.
Expected range in accordance with the Local Government Performance Reporting Framework	\$2,000 to \$5,000	
Indicator of the broad objective that resources should be used efficiently in the delivery of services. Low or decreasing level of expenditure suggests an improvement in organisational efficiency		
Indicator - Revenue level		
<i>Measure - Average rate per property assessment</i>	\$2,089.16	
[Total rate revenue (general rates and municipal charges) / Number of property assessments]	Outside	The average rate per property
	Expected	assessment is slightly above the
	Range	expected range.
Expected range in accordance with the Local Government Performance Reporting Framework	\$700 to \$2,000	
Indicator of the broad objective that resources should be used efficiently in the delivery of services. Low or decreasing level of rates suggests an improvement in organisational efficiency		

3.4 S5 - INSTRUMENT OF DELEGATION FROM CEO TO COUNCIL STAFF

RESPONSIBLE OFFICER: CHIEF OPERATING OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 31671

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

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

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

EXECUTIVE SUMMARY

The Local Government Act 2020, and a variety of other legislation, makes provision for the appointment of delegates to act on behalf of Council. The delegation of powers is essential to enable day to day decisions to be made and for the effective operation of the organisation.

The purpose of this report is for Council to consider remaking the S5 Instrument of Delegation – Council to the Chief Executive Officer.

DISCUSSION

Under the Local Government Act 2020, Section 11 (1)(b) A Council may by instrument of delegation delegate to the Chief Executive Officer any power, duty or function of a council under this Act or any other Act other than power, duty or function specified in subsection (2)

The S5 Instrument has been drafted to take into account the matters that cannot be delegated by the CEO pursuant to section 11(2) of the 2020 Act. These matters are listed as Conditions and Limitations in the Schedule to the S5 Instrument, including the conditions under section 11(5) that any delegation to enter into a contract must include a financial limit.

Pursuant to section 11(4) of the 2020 Act, a council may delegate to the CEO the power to appoint an Acting CEO for a period not exceeding 28 days.

Changes to this delegation is to provide this delegation to the incoming CEO, Ms Phuong Au, to come into force on the 1 October 2026.

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

6. STRONG AND EFFECTIVE GOVERNANCE

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

Budget Implications

There are no budget implications arising from the review of the S5 Instrument of Delegation – Council to the Chief Executive Officer.

Policy/Relevant Law

Under the section 11 of the Local Government Act 2020, Councils have the power to delegate to the Chief Executive Officer any power, duty or function of a Council under this Act other than any power, duty or function specified in subsection (2).

Section 11(8) of the Local Government Act 2020 requires that the Council keep a register of delegation. This delegation will be made available to the public.

Section 437 (1) the Environment Protection Act 2017 states that the Governing Board may be instrument delegate all or any of the Authority's powers and functions under this Act to (b) a council.

Sustainability Implications

There are not economic, social or environmental implications in relation to the S5 Instrument of Delegation – Council to the Chief Executive Officer.

Risk Assessment

The remaking of the Instrument of Delegation from Council to CEO ensures ongoing legislative compliance for Ararat Rural City Council.

It is essential that the Instrument of Delegation are kept up to date to ensure that the CEO is properly empowered to undertake the role.

Stakeholder Collaboration and Community Engagement

The revocation and consideration of delegations does not require any public consultation; however, Council is required to keep a public register of all delegations.

Gender Impact Assessment

A gender impact assessment is not required.

RECOMMENDATION

That:

In the exercise of the powers conferred by Section 11(1)(b) of the Local Government Act 2020 (the Act), Ararat Rural City Council resolves that –

1. *There be delegated to the person holding the position, acting in or performing the duties of Chief Executive Officer the powers, duties and functions set out in the attach Instrument of Delegation to the Chief Executive Officer, subject to the conditions and limitations specified in that Instrument;*
2. *The instrument comes into force immediately the common seal of Council is affixed to the instrument;*
3. *On the coming into force of the instrument all previous delegations to the Chief Executive Officer are revoked;*
4. *The duties and functions set out in the instrument must be performed, and the powers set out in the Instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt; and*
5. *The instrument is signed under the seal of the Council*

**MOVED CR JOYCE
SECONDED CR J ARMSTRONG**

That:

In the exercise of the powers conferred by Section 11(1)(b) of the Local Government Act 2020 (the Act), Ararat Rural City Council resolves that -

- 1. There be delegated to the person holding the position, acting in or performing the duties of Chief Executive Officer the powers, duties and functions set out in the attach Instrument of Delegation to the Chief Executive Officer, subject to the conditions and limitations specified in that Instrument;**
- 2. The instrument comes into force immediately the common seal of Council is affixed to the instrument;**
- 3. On the coming into force of the instrument all previous delegations to the Chief Executive Officer are revoked;**
- 4. The duties and functions set out in the instrument must be performed, and the powers set out in the Instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt; and**
- 5. The instrument is signed under the seal of the Council**

Cr Joyce spoke for the motion.

**CARRIED 6/0
5421/26**

ATTACHMENTS

The S5 Instrument of Delegation - Council to CEO is provided as Attachment 3.4



S5 INSTRUMENT OF DELEGATION TO CHIEF EXECUTIVE OFFICER

1 October 2026

Instrument of Delegation

In exercise of the power conferred by s 11(1) of the *Local Government Act 2020* (the Act) and all other powers enabling it, the Ararat Rural City Council (Council) delegates to the member of Council staff holding, acting in or performing the position of Chief Executive Officer, the powers, duties and functions set out in the Schedule to this Instrument of Delegation.

AND declares that

1. the Instrument of Delegation is authorised by a Resolution of Council passed on 29 September 2026 to come into effect 1 October 2026
2. the delegation
 - 2.1 comes into force immediately the common seal of Council is affixed to this Instrument of Delegation,
 - 2.2 is subject to any conditions and limitations set out in the Schedule,
 - 2.3 must be exercised in accordance with any guidelines or policies which Council from time to time adopts; and
 - 2.4 remains in force until Council resolves to vary or revoke it.

The COMMON SEAL of the
ARARAT RURAL CITY COUNCIL

Was affixed hereto in accordance with
The resolution of Council made on the
29 September 2026 and come into effect 1 October 2026.

Mayor _____

Chief Executive Officer _____

SCHEDULE

Local Government Act 2020			
Provision	Power and Functions Delegated	Delegate	Conditions and Limitations
11(1)	SCHEDULE The power to: 1. determine any issue; 2. take any action; or 3. do any act or thing arising out of or connected with any duty imposed, or function or power conferred on Council by or under any Act.	CEO	The delegate must not determine the issue, take the action or do the act or thing 1. if the issue, action, act or thing is an issue, action, act or thing which involves 1.1 entering into a contract exceeding the value of \$225,000 for goods/services and \$300,000 for works, (unless it is expenditure for contracts of insurance); 1.2 making any expenditure that exceeds \$225,000 for goods /services and \$300,000 for works 1.3 for insurance premiums, payments of salaries, wages allowance and associated amount to staff, expenses which Council is required to make by legislation, in which case it must not exceed \$1,500,000; 1.4 appointing an Acting Chief Executive Officer for a period exceeding 28 days; 1.5 electing a Mayor or Deputy Mayor; 1.6 granting a reasonable request for leave under s 35 of the Act; 1.7 making any decision in relation to the employment, dismissal or removal of the Chief Executive Officer; 1.8 approving or amending the Council Plan; 1.9 adopting or amending any policy that Council is required to adopt under the Act; 1.10 adopting or amending the Governance Rules;

Local Government Act 2020			
Provision	Power and Functions Delegated	Delegate	Conditions and Limitations
			1.11 appointing the chair or the members to a delegated committee; 1.12 making, amending or revoking a local law; 1.13 approving the Budget or Revised Budget; 1.14 approving the borrowing of money; 1.15 subject to section 181H(1)(b) of the Local Government Act 1989, declaring general rates, municipal charges, service rates and charges and specified rates and charges; 2. if the issue, action, act or thing is an issue, action, act or thing which is required by law to be done by Council resolution; 3. if the issue, action, act or thing is an issue, action or thing which Council has previously designated as an issue, action, act or thing which must be the subject of a Resolution of Council; 4. if the determining of the issue, taking of the action or doing of the act or thing would or would be likely to involve a decision which is inconsistent with a 4.1 policy; or 4.2 strategy adopted by Council; 5. if the determining of the issue, the taking of the action or the doing of the act or thing cannot be the subject of a lawful delegation, whether on account of s 11(2)(a)-(n) (inclusive) of the Act or otherwise; or 6. the determining of the issue, the taking of the action or the doing of the act or thing

Local Government Act 2020			
Provision	Power and Functions Delegated	Delegate	Conditions and Limitations
			is already the subject of an exclusive delegation to another member of Council staff.

3.5 ROAD SAFETY STRATEGY

RESPONSIBLE OFFICER: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 31672

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

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

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

EXECUTIVE SUMMARY

This report presents the Community Road Safety Strategy and Action Plan 2025-2030 for consideration and endorsement by Council.

The Strategy establishes a long-term, evidence-based framework to reduce road trauma across the municipality, aligned with Vision Zero and the Safe System approach. It responds to local crash data, community feedback, and regional road safety risks, and sets clear targets and actions to reduce fatal and serious injury crashes within the Ararat Rural City Council.

This report requests final approval of the Community Road Safety Strategy and Action Plan.

DISCUSSION

The Community Road Safety Strategy and Action Plan 2025-2030 establishes a long-term evidence-based framework to reduce road trauma across the Ararat Rural City Council.

Between 2020 and 2024, the municipality has recorded 158 casualty crashes, including five fatalities and 83 serious injuries, highlighting the urgent need for coordinated and sustained road safety improvements.

The Action Plan outlines seven strategic goals, focusing on high-risk rural roads, intersections, vulnerable road users, speed management and continuous improvement.

Key road safety risks identified include:

- High-speed rural roads and long-distance travel
- Run-off-road crashes and roadside hazards
- High-risk intersections
- Wildlife hazards on key corridors
- Exposure for vulnerable road users

The community priorities identified four key points:

- Fixing potholes and edge drop-offs
- Intersection upgrades
- Speed limit reviews
- Improved school zone safety

The strategic goals of the strategy are as follows:

- Reduce fatal and serious injuries on rural roads
- Prevent run-off-road crashes
- Improve safety at high-risk intersections
- Protect vulnerable road users
- Align speeds with road function and risk

- Improve safety for work-related road use
- Strengthen data, monitoring and reporting

Key performance targets for the plan are:

- 30% reduction in fatal and serious injuries by 2030
- 10% reduction by 2027 (interim)
- 40% reduction at high-risk intersections
- 40% reduction for vulnerable road users

Key actions for the plan include:

- Treating high-risk rural corridors (barriers, line marking, shoulders)
- Upgrading Intersections
- Expanding pedestrian and shared path infrastructure
- Undertaking speed reviews and traffic calming initiatives
- Delivering education and enforcement programs to the community
- Strengthening data collection and reporting.

The strategy provides clear strategic direction for Council and aligns with state and national road safety frameworks. The strategy considers community priorities and will support Council in future funding applications, building relationships with both state and federal government.

It is requested that Council approve the Community Road Safety Strategy and Action Plan (2025-2030) as presented.

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

4. DEVELOPING AND MAINTAINING KEY ENABLING INFRASTRUCTURE

We will ensure that we plan, fund and develop new infrastructure in ways that deliver strong public value. Existing infrastructure will be managed, renewed and maintained to ensure that it continues to serve identified public needs.

Budget Implications

Implementation of the plan will be through:

- Capital Works and maintenance programs
- External funding opportunities supporting road safety
- Integration with existing asset management and infrastructure planning.

Policy/Relevant Law

- Road Management Act 2024
- National Road Safety Strategy
- Victorian Road Safety Strategy 2021-2030
- Local Government Act 2020
- ARCC Road Management Plan
- ARCC Asset Management Policy
- Council Plan and Community Vision

Sustainability Implications

The strategy strongly supports social sustainability by improving community safety, well-being and liveability. By reducing trauma and improving equitable access to transport, the strategy contributes to stronger and more connected communities.

The strategy supports long term economic sustainability by reducing the economic costs of road trauma, supporting freight efficiency and safer transport routes, particularly in our municipality with strong agriculture and industry reliance, and promoting the attractiveness of the municipality for tourism and investment into the future.

Risk Assessment

Key risks include continued road trauma without intervention and changing traffic patterns and environmental conditions, which can be mitigated through data prioritisation, monitoring and reporting.

Collaborative Tendering Opportunity

NA

Gender Impact Assessment

A gender impact assessment has been undertaken as part of this project.

Stakeholder Collaboration and Community Engagement

Extensive stakeholder engagement, including community workshops and online engagement through "Engage Ararat", has been undertaken. This feedback has directly informed the priorities and actions associated with this plan.

RECOMMENDATION

That:

1. *Council endorse the Community Road Safety Strategy and Action Plan 2025-2030*

**MOVED CR WATERSTON
SECONDED CR R ARMSTRONG**

That:

1. **Council endorse the Community Road Safety Strategy and Action Plan 2025-2030**

Cr Waterston spoke for the motion.

**CARRIED 6/0
5422/26**

ATTACHMENTS

The Ararat Community Road Safety Strategy and Action Plan 2025-2030 is Provided as Attachment 3.5.



Ararat Rural City

**Community Road Safety Strategy and Action
Plan Ararat Rural City Council
2025-2030**



From the Mayor

Ararat Rural City is a place where most of us spend a lot of time on the road. We're getting to work, moving stock, harvesting, taking the kids to school or heading out for a footy or netball game. When you cover long distances on high speed rural roads, you quickly learn that one bad moment can change a family's life forever. That is why Council is committing to Vision Zero – a firm view that no death or serious injury on our local road network is acceptable.

This Community Road Safety Strategy and Action Plan is about practical, common sense actions on the road to Vision Zero. We are introducing a 'run off road' risk program to target high risk rural sections with tactile line marking, barriers and clearer delineation to keep drivers on the road. We are also stepping up work on dangerous intersections with upgrades such as roundabouts, turning lanes and better lighting and sightlines. We also have a plan to continue to improve crossings, school zones and shared paths so that pedestrians, cyclists and other vulnerable road users are better protected.

None of this can be achieved by Council alone. Vision Zero relies on shared responsibility between Council, State Government, emergency services, local businesses, schools and our community. As a farmer, a businessman and your Mayor, I see this strategy as a down to earth roadmap – focused on fixing the right roads, in the right way, at the right time – so everyone who lives in, works in or visits Ararat Rural City can get home safely at the end of the day.

Acknowledgement of Country

Ararat Rural City Council acknowledges the Traditional Owners of the land on which we live and work, the Eastern Maar, Barengi Gadjin (the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia, and Jupagulk peoples of the Wotjobaluk Nations), and Wadawurrung peoples, and recognises their connection to the land and waterways. We pay our respects to their elders, past, present and emerging, and to all Aboriginal and Torres Strait Islander people.

FOR APPROVAL

Author of report

This report was prepared by DWB Engineering in accordance with the scope of services engaged by Ararat Rural City Council.



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Ararat Rural City Council - About Our Municipality

Local Context

Overview and Demographic

Ararat Rural City has a population of over 11,000 people, based on 2021 census data, and is situated 198km west of Melbourne on the Western Highway, which connects the region to Adelaide. Ararat sits at an important road junction with the Pyrenees Highway, which connects northwestern Victoria with the Port of Portland in the south of Victoria.

Ararat Rural City is the gateway to the world-renowned Grampians Region and is characterised by long travel distances, high-speed rural roads and a dispersed population, all of which influence road safety risk.

Advanced manufacturing, agriculture, food and wine production, construction, healthcare and tourism experiences underpin the economy.

Ararat is a major regional service centre in Victoria's mid-west and is supported by several small rural townships. Ararat Rural City has excellent schools, hospitals, transport connections and amenities that support a regional lifestyle.



Key Transport Networks

There are currently:

- 746 kilometres of Sealed Roads
- 1,420 kilometres of Unsealed Roads
- 240 kilometres of Natural Surface Roads

Road infrastructure is extensive within the Ararat Rural City Council, with current road surface volumes exceeding 740km of sealed road and 1,400km of unsealed road. Road infrastructure serves the purpose of travel from one place to another, typically via vehicle or truck, but may also include other road-registered vehicles such as heavy

farm equipment. There is also an increasing number of active transport users for work and recreational use in the region, with many natural surface trails and paths within the municipality.



Figure 1: Ararat Rural City Council Municipality

Arterial Roads/Arterial Highways within the municipality are:

- Western Highway
- Glenelg Highway
- Mortlake-Ararat Road
- Ararat-Halls Gap Road
- Maroona-Glenhompson Road
- Rossbridge-Streatham Road
- Ararat-St Arnaud Road
- Pomonal Road
- Grampians Road
- Pyrenees Highway

There are 5 adjoining Municipalities, including:

- Pyrenees Shire Council
- Moyne Shire Council
- Southern Grampians Shire Council
- Northern Grampians Shire Council
- Corangamite Shire Council

Road Safety Challenges

Ararat Rural City Council manages an extensive and varied road network that plays a vital role in supporting local communities, businesses and visitors. The combination of long travel distances, high-speed rural roads, freight and agricultural traffic, and seasonal tourism increases road safety risk across the municipality. Recognising these local conditions is essential to ensuring road safety actions are well targeted, practical and focused on creating safer outcomes for everyone who lives in, works in or travels through Ararat Rural City.



Federal, State, and Local Government Context

This strategy does not exist in isolation; it aligns with the National Road Safety Strategy and Victoria's Road Safety Strategy 2021–2030, which set the ambitious target of halving road deaths and reducing serious injuries by 2030. At a local level, this document supports the Ararat Rural City Council Plan 2021–2025 (current), specifically the objective to develop and maintain key enabling infrastructure. It also integrates with our Community Vision 2031, which aspires to create sustainable and effective local transport networks underpinned by careful technical and financial planning.

What is Happening on Our Roads?

Current Road Safety Issues

Recent analysis of crash statistics from 2020 to 2024 reveals that while the total number of crashes has fluctuated, the severity of trauma remains a critical concern. In these five years, there were 158 reported casualty crashes within the municipality. The most prevalent crash types are "run-off-road" incidents on straights and curves, which account for over 25% of all casualty crashes. Intersection safety is also a major issue, with "cross traffic" collisions accounting for 22 casualty crashes.

Road Safety Data

It was found Ararat Rural City Council recorded number of crashes has been fluctuating over the last 12 years, as shown below. Generally, the number of crashes has fluctuated, the trend of the recorded incidents is towards zero; however, the rate is slow, approximately 1% per year.

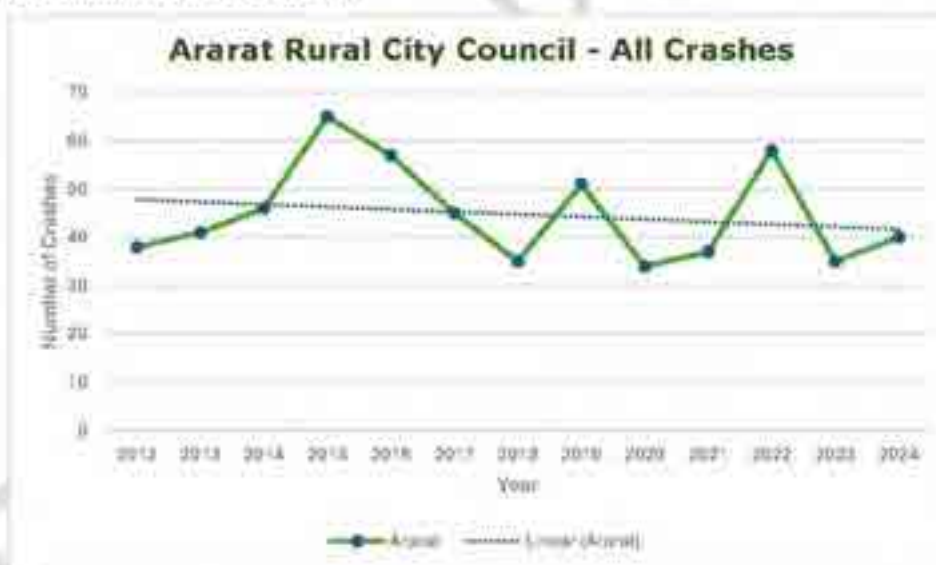


Figure 2: Ararat Rural City Council All Crashes 2012-2024

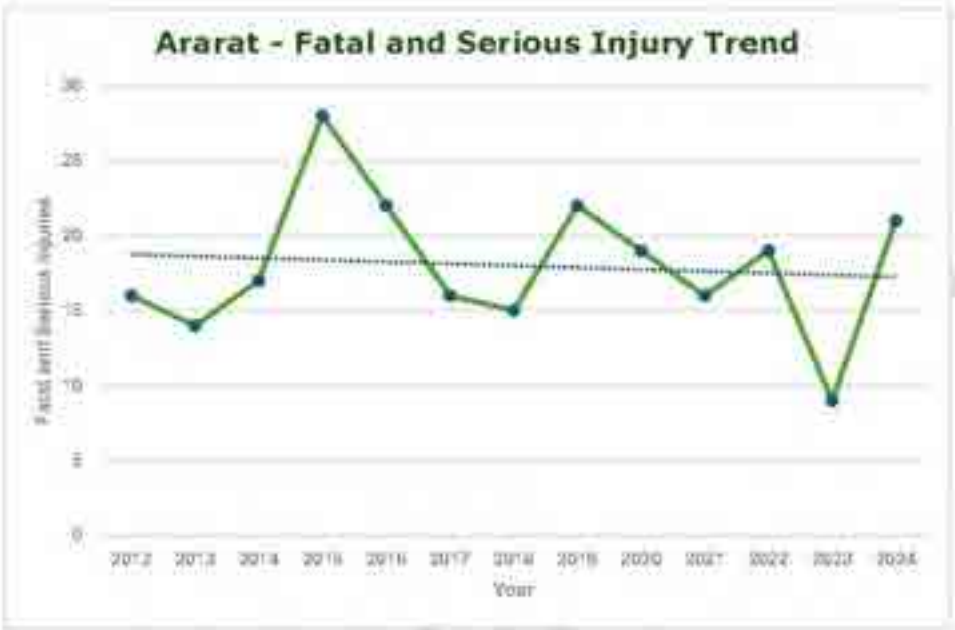


Figure 3: Ararat Rural City Council Fatal and Serious Injuries 2012-2024

Comparing this data against surrounding municipalities, Ararat Rural City Council has fewer serious and fatal injuries than neighbouring councils. The trends of surrounding councils are similar; however, Ararat Rural City Council has been the benchmark in the area for multiple years. The recorded statistics are fluctuating, and the trend towards zero is at a slow rate in comparison to other neighbouring councils.

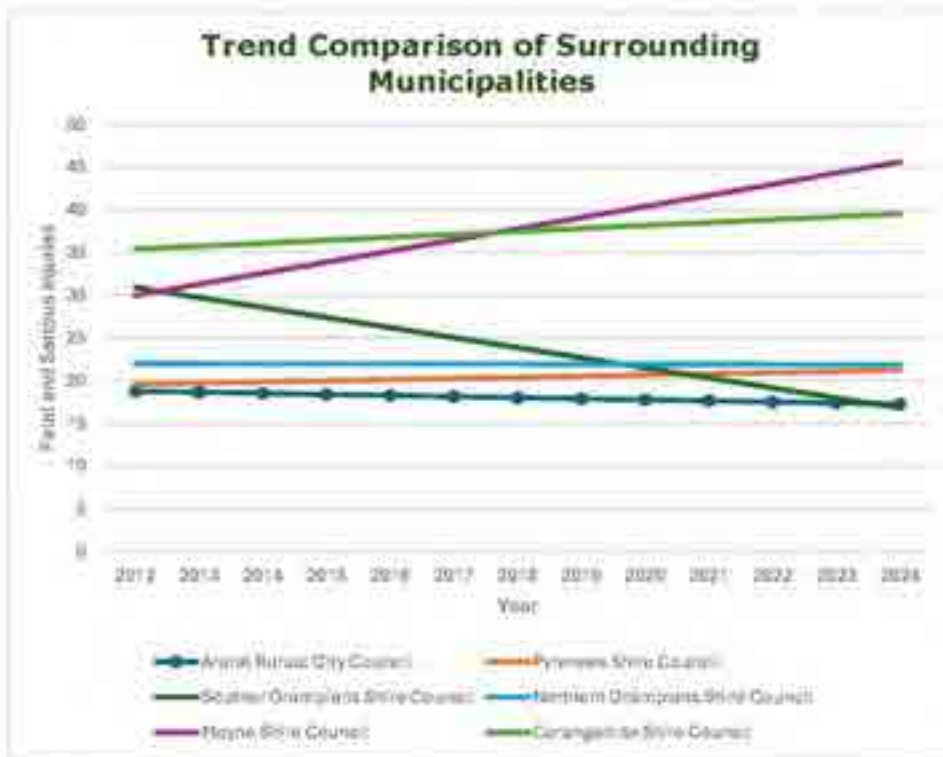


Figure 4 Trend Comparison of Surrounding Municipalities

What the Last Five Years of Data Tell Us

The following analysis is based on 5 years of verified crash data (January 2020 – December 2024) sourced from the Road Crash Information System (RCIS).

Over the five years, Ararat's road network recorded 158 casualty crashes, resulting in significant human impact. Tragically, five lives were lost, with a concerning recent trend emerging—three fatalities occurred in 2024 alone after no fatalities were recorded in 2023. In addition in the same 5 year period, 83 people sustained serious injuries. Crash frequency peaked in 2022 with 43 casualty crashes and subsequently reduced to 29 in

2023 and 30 in 2024; however, despite this overall reduction, crash severity remains high, highlighted by the sharp increase in fatalities in the most recent year.

Analysis of Predominant Crash Types Using DCA (Definition for Coding Accidents) Classifications:

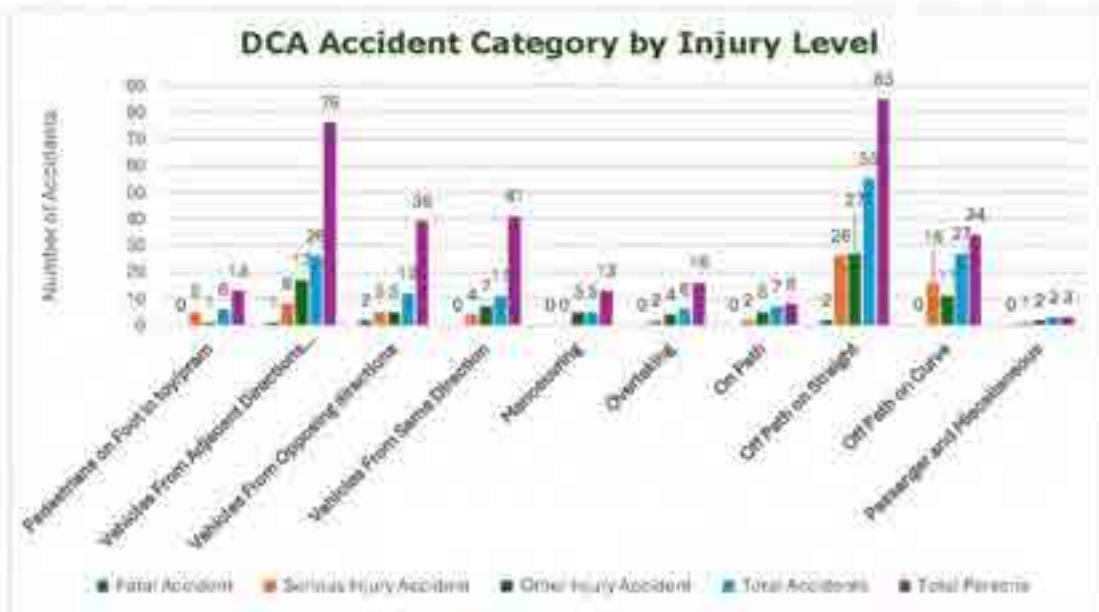


Figure 5 DCA Accident Category by Injury level 2020-2024

Run-off-road crashes represent the primary safety risk on the network, accounting for the majority of recorded trauma. The most common crash type was DCA 171 (left off road on a straight), with 23 crashes resulting in 11 serious injuries. This was followed by DCA 173 (right off road on a straight), which accounted for 176 crashes, including 10 serious injuries and two fatalities. DCA 181 (off right bend into an object) was also significant, contributing to nine incidents and five serious injuries, further reinforcing run-off-road events as the dominant and most severe crash mechanism.



Figure 6 Run Off Road Crashes Over Ararat Rural City Council 2020-2024

Figure 6 (above) shows all the runoff road categorised crashes throughout the municipality. It is noted that this type of crash occurs throughout the whole municipality, with clusters in Buangor and Ararat heavily on Arterial roads.



Figure 7 Run Off Road Type Crashes on Non-Declared Roads 2020 - 2024



Figure 9: Run Off Road Non-Declared Roads Above 80km/h 2020-2024

Roads managed by the Council with speed limits above 80km/h equate to over 33% of crashes under this category. There were no trends in locations on non-declared roads.

Intersection crashes and opposing-direction crashes also present a significant safety concern due to their severity. DCA 110 (cross-traffic at intersections) was the second most common crash type, accounting for 13 incidents, including one fatality and seven serious injuries. Although less frequent, head-on collisions (DCA 120) were particularly severe, with eight crashes resulting in three fatalities and five serious injuries, highlighting the disproportionate risk associated with these crash types.

Vulnerable road users are disproportionately affected by crash trauma across the network. Motorcyclists are notably over-represented, with 25 riders involved in crashes, of whom 10 sustained serious injuries, representing a 40 per cent serious injury rate.

Pedestrians are at even greater risk, with nine pedestrian crashes recorded, five of which resulted in fatal or serious injury, underscoring the extreme vulnerability of pedestrians when incidents occur.

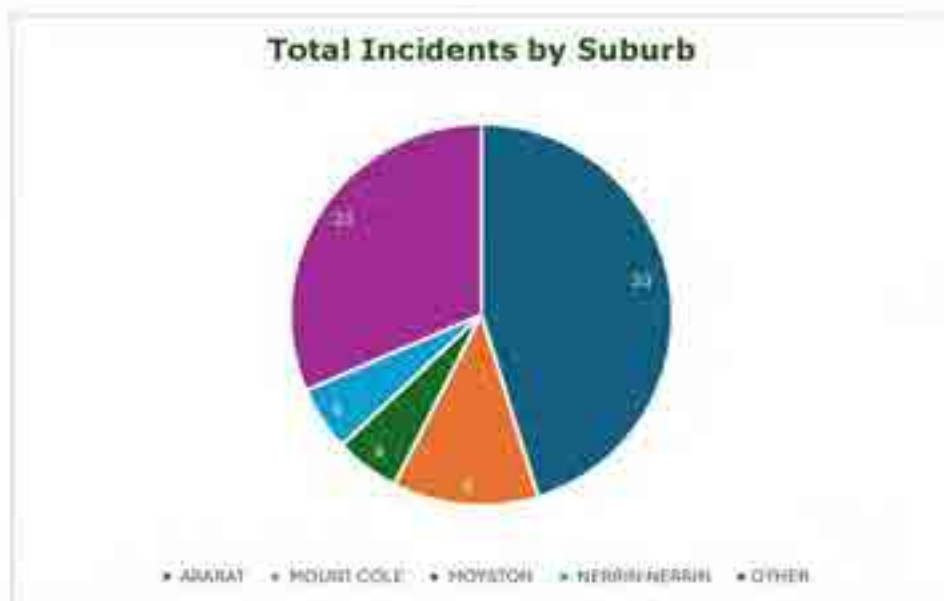


Figure 8: Total Incidents by Suburb 2020-2024

Spatial analysis indicates higher crash frequencies in Ararat and generally the Bush Trail recreational areas, such as Mount Cole. Ararat records almost three times as many crashes as the next township, Mount Cole. These figures are likely influenced by population distribution, as the Ararat city encompasses 59% of the municipality's population, meaning significantly higher populations and traffic activity than smaller surrounding townships. Mount Cole had nine incidents as shown in the figure above, indicating high recreational use with the bushland trails.

What You Told Us

To ensure this strategy reflects the lived experience of our residents, we undertook a comprehensive engagement process involving community workshops and the "Engage Ararat" online social mapping tool. This feedback provided a clear picture of the community's safety priorities and the specific locations where residents feel most at risk.

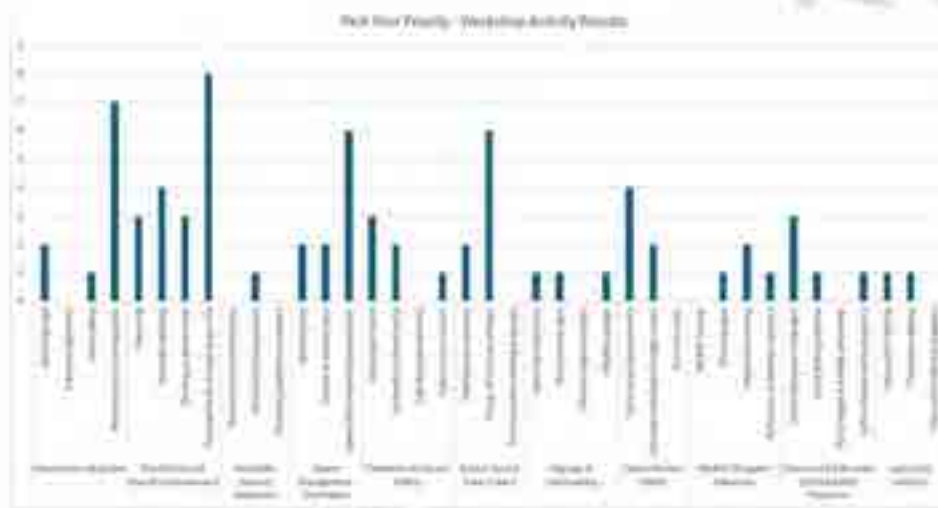


Figure 10: Workshop Pick Your Priority

During the workshops, participants ranked potential safety interventions by priority. The results were decisive, with the community identifying four clear priorities for immediate action as shown in Figure 10.

Fixing Potholes & Edge Drop-offs

This was identified by the community as the highest road safety priority. Residents highlighted that deteriorated road surfaces, particularly the combination of potholes within the traffic lane and significant edge drop-offs along sealed roads, create serious safety risks across the municipality. Potholes can lead to sudden steering or braking responses, vehicle damage and loss of control, while edge drop-offs increase the difficulty and danger of safely recovering a vehicle if it leaves the sealed surface.



Together, these conditions significantly heighten the risk of run-off-road incidents, especially on high-speed rural roads and for heavy vehicles, agricultural machinery, motorcyclists and drivers unfamiliar with local roads. Addressing both potholes and edge drop-offs through proactive maintenance and targeted treatments is therefore critical to improving vehicle control, reducing crash severity and enhancing safety across the road network.

Intersection upgrades

Intersection upgrades were strongly supported by the community as a key measure to improve road safety. Residents identified intersections as locations where conflict between vehicles frequently occurs, particularly where traffic volumes, turning movements and sight distance limitations intersect. There was strong support for installing roundabouts or dedicated turning lanes as effective ways to reduce the number and severity of conflict points, improve traffic flow and make driver intentions clearer. These treatments were seen as particularly important on higher-speed approaches and at intersections used by heavy vehicles and visitors unfamiliar with the local road network. Upgrading intersections in this way is considered a critical step in reducing the likelihood and severity of crashes, particularly those involving cross-traffic and turning movements.



Speed limit reviews

Residents strongly supported the review of speed limits, particularly within residential areas, town centres and around schools, to ensure that posted speeds better reflect the surrounding road environment and level of activity. Community feedback highlighted concerns that existing speed limits in some locations do not adequately account for pedestrian movement, cyclist activity, roadside development and frequent turning movements. There was a clear expectation that speed limits should align with how roads are used, rather than solely their physical characteristics, and that lower speeds in high-activity areas would improve safety, comfort and amenity. Reviewing speed limits, supported by appropriate infrastructure and road design, was seen as an important step in reducing crash severity and creating safer, more liveable local streets.



School Zone Safety

School zone safety was identified as a top community concern, with strong support for redesigning school drop-off and pick-up areas to better protect children. Residents highlighted that congestion, vehicle turning movements, reversing, and informal stopping behaviours during peak school times create heightened safety risks for students, parents and staff. There was a clear desire for improved layouts that better separate vehicles from pedestrian movements, provide safer crossing points, and reduce conflict between cars, buses and active travel users. Redesigning school zones to improve visibility, traffic flow and speed management was seen as critical to creating safer school environments and encouraging safe travel to and from school. It was also noted that Ararat College do not have a designated crossing area with a supervised crossing person, creating an inferior environment with a higher likelihood of an incident occurring. It is common to find supervised school crossings at high schools in other nearby councils on arterial roads due to the higher volumes of traffic.



Key Trends and Near Misses

Dangerous Road Surfaces

As part of the community engagement, dangerous road surface conditions were raised as a significant safety concern by the community, with specific locations identified as presenting an elevated and immediate risk. Feedback described sections of Rossbridge-Streatham Road as "actively dangerous," particularly where large potholes occur near blind spots and curves, limiting drivers' ability to react to the conditions safely. The conditions reported were likely to increase sudden braking or evasive manoeuvres, heightening the risk of loss-of-control and run-off-road crashes. Similarly, the narrow shoulders on Moyston-Great Western Road were identified as a major hazard, particularly for heavy vehicles and agricultural machinery, which are often forced to sway or partially leave the sealed surface to safely pass oncoming traffic. The combination of constrained road width, high operating speeds and heavy vehicle movements significantly increases crash risk at these locations, reinforcing the need for targeted surface repairs and shoulder improvements to improve safety and network resilience.



Intersection Confusion

Intersection confusion was repeatedly raised by the community as a safety concern, particularly at the intersections around High, Ingor and View Point Street. Residents reported poor visibility, unclear priority and complex traffic movements at these locations, which were described as contributing to frequent near-miss incidents. These issues were noted to be exacerbated during periods of higher traffic volumes and by drivers unfamiliar with the local road network. The combination of limited sight lines and ambiguous intersection layouts was seen to increase the risk of turning and cross-traffic conflicts, reinforcing the need for targeted intersection upgrades to improve visibility, clarify priority and reduce the likelihood of crashes.

Vulnerable Road Users

The safety of vulnerable road users was a strong theme in community feedback, with a clear demand for improved active transport infrastructure. A dedicated shared path proposed along Warrak Road was identified as “essential” to support the safety of staff, visitors and other pedestrians and cyclists. Residents highlighted that the absence of separated infrastructure along this corridor forces vulnerable road users to travel close to high-speed traffic and heavy vehicles, significantly increasing the risk of serious injury in the event of a crash. Providing a dedicated shared path was viewed as a critical measure to separate active transport users from vehicle movements, improve accessibility and encourage safer, more sustainable travel options along this important employment corridor.



It was also noted during the community consultation that there was a strong demand for accessibility for people with disabilities, especially near amenities and key infrastructure such as medical centres and hospitals.

Wildlife Hazards

Wildlife hazards were consistently identified by the community as a significant road safety issue, particularly along the Ararat-Halls Gap Road. Residents reported frequent wildlife strikes involving kangaroos and deer, especially during dawn, dusk and night time periods when animal movement is most common, and driver visibility is reduced.



These collisions were noted to pose serious risks not only to animal welfare but also to driver safety, with the potential for severe vehicle damage, loss of control and serious injury. There were strong calls for targeted speed reductions, improved warning signage and other mitigation measures to better reflect the heightened wildlife risk along this corridor and reduce the likelihood and severity of crashes.

Key Concerns

Ararat Rural City Council faces the challenge of addressing high-severity road trauma, evidenced by 158 casualty crashes and five fatalities between 2020 and 2024. Data analysis identifies "run-off-road" incidents on high-speed rural corridors and intersection collisions as the primary drivers of trauma, particularly on key origin-destination routes. These statistical findings are strongly corroborated by community feedback, which prioritises the rectification of road surface hazards, specifically potholes and edge drop-offs and the engineering of safer intersections to mitigate cross-traffic type crash risks. Furthermore, the disproportionate severity of injuries among vulnerable road users, combined with localised risks such as wildlife strikes and school zone congestion, underscores the need for a strategic focus on forgiving infrastructure, speed management, and improved active transport links.

- Rossbridge-Streatham Road: High incidence of surface hazards contributing to loss-of-control risks. (Managed by DTP)
- Moyston-Great Western Road: Narrow shoulders contributing to run-off-road (DCA 171) incidents. (Managed by DTP)
- Ararat-Halls Gap Road: High frequency of wildlife strikes and tourist traffic incidents. (Assumed not all incidents have been recorded, as there may only be vehicle damage.) (Managed by DTP)
- High St, Tobin St & View Point St Intersection: A known hotspot for cross-traffic (DCA 110) conflicts. (Managed by Council)



How We Will Move Towards Zero Trauma – Vision Zero & the Safe System

Principles of the Safe System

The Safe System is internationally regarded as the most appropriate framework used to dramatically reduce road trauma.

Over the past ten years, for example, Sweden has reduced fatalities and serious injuries by almost 40%.

The Safe System framework has been committed to being utilised by Ararat Rural City Council for current and future road safety projects and initiatives to achieve further road trauma reductions throughout the municipality and set the standard for the region.



Figure 11: The Safe System Overview



Figure 32: The Safe System

The Safe System framework is based upon the following 4 principles. Ararat Rural City Council are committed to applying these to current and future projects.

No death or serious injury occurring on our road network is acceptable.

Road Safety needs to focus on the reduction of Fatalities and Serious Injuries.

People are Vulnerable

Vulnerable road users, including pedestrians, cyclists, e-scooter riders and motorcyclists, face a myriad of risks on today's roads.

These individuals often lack the protective structures afforded by vehicles, making them particularly susceptible to serious injuries or fatalities in the event of a collision.

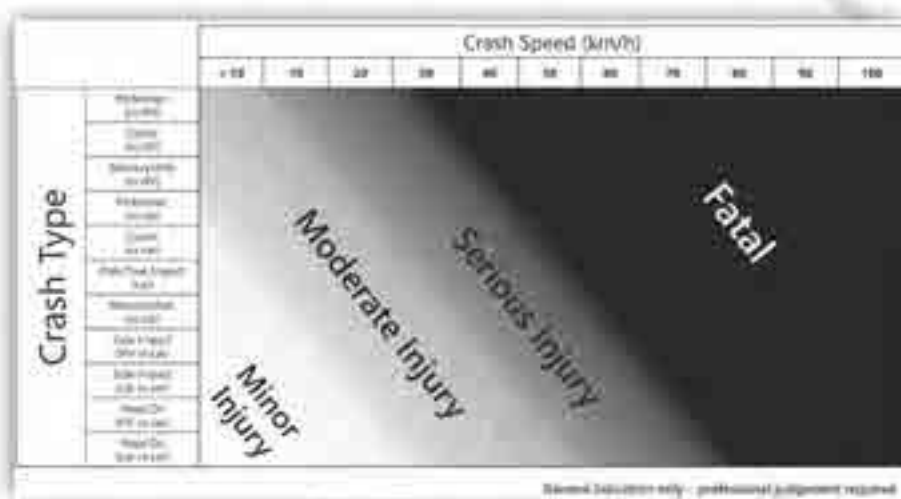


Figure 13: Severity Guidance Sheet (Figure 10.3, Austroads 2022)

People Make Mistakes

Humans are fallible and will inevitably make mistakes when driving, riding or walking. However, these crashes should not result in fatal and serious injury. The Safe System recognises the unavoidable nature of human error, and rather than blaming the road user for an incident, there are a range of factors that contribute to a crash such as road design, road maintenance and road use.

Shared Responsibility

Creating a safe road network is everyone's responsibility. The Ararat Rural City Council, local businesses, organisations and the community all have a role to play in order for us to move towards zero.

Elements of the Safe System

Safer Roads

The element 'Safer Roads', relates to both the road itself and the roadside. It considers ways to design, operate and maintain the road network to reduce the chance of a crash occurring as well as the consequence when one does occur.



Safer Speeds

The element 'Safer Speeds', relates to the speed at which vehicles are likely to travel on the road. Factors that influence operating speeds include posted speed limits, the level of compliance with the speed limit and physical constraints. Unsafe speeds can increase both likelihood and consequence of a crash.

Safer Road Users

The element 'Safer Road Users', relates to road user behaviour, driver / rider training and licensing, levels of compliance and personal safety equipment, particularly in the case of vulnerable road users such as cyclists and motorcyclists.

Safer Vehicles

The element 'Safer Vehicles', relates to the safety features, including intelligent technologies that are incorporated into vehicles of different types, which contribute to crash avoidance and / or reducing the severity of crashes.

How Vision Zero Aligns with the Council Vision 2031

This strategy is directly linked to the Ararat Rural City Council Community Vision 2031. The Vision commits to "sustainable and effective local transport networks" where enabling infrastructure supports social and economic growth. By embedding the Safe System principles, we ensure that our transport network is not only efficient but fundamentally safe for all users, supporting our goal of being a place of strength, compassion, and self-reliance.



Our Role

Council plays a multifaceted role as a road manager, land-use planner, and community advocate. Our primary responsibility is the design, construction, and maintenance of the local road network. However, we also have a critical role partnership with State Government for improvements to arterial roads, facilitating road safety education, and partnering with Victoria Police and other agencies to address behavioural issues.

What Works in Addressing Road Trauma?

Safer Roads

Goal: Roads should be "forgiving" of errors and designed to minimize the severity of crashes.

- **Flexible Barriers:** Installing flexible roadside and centre-line barriers on high-speed roads can reduce run-off-road and head-on crashes by up to 85%.
- **Tactile Lines:** Audio-tactile edge and centre lines ("rumble strips") help alert drivers who are drifting. Studies show a 29% reduction in single-vehicle run-off-road crashes where these are used on rural roads.



- **Intersection Safety:**

- Roundabouts: Consistently reduce casualty crashes by 70% to 80% by slowing traffic and changing impact angles.
- Safety Cameras: Speed and red-light cameras at intersections have been shown to reduce casualty crashes by 47% on the leg of the intersection facing the camera.

- Separation: Dedicated paths for cyclists and pedestrians separate vulnerable users from heavy vehicles and high-speed traffic



Safer Speeds

Goal: Ensure travel speeds suit the safety standard of the road and the physical tolerance of road users.

Impact Tolerance: Research shows the risk of death or serious injury escalates rapidly above certain impact speeds:

- 30 km/h for a pedestrian struck by a car.
- 50 km/h for a side-impact crash.

- 70 km/h for a head-on crash.

Small Reductions Matter: A decrease of just 1 km/h in average traffic speed can result in a 3% decrease in injury crashes and a 4–5% decrease in fatal crashes.

Traffic Calming: Measures in residential streets (e.g., speed humps, slow points) can reduce injury crashes by 25%.

Safer People

Goal: Encourage safe behaviour and alert driving, while acknowledging human fallibility.

Enforcement: Intensive and targeted enforcement is effective. Random breath testing and drug testing create a "general deterrence" effect.

Alcohol Interlocks: These devices reduce re-offending by approximately 67% during the interlock period.

Graduated Licensing: Systems that require minimum supervised driving hours (e.g., 120 hours for learners) help young drivers build experience safely.

Protective Equipment: Wearing a properly adjusted seatbelt reduces the risk of fatal or serious injury by up to 50%. For motorcyclists, protective clothing and helmets are critical.



Safer Vehicles

Goal: Promote vehicles that can prevent crashes or protect occupants during a crash.

Active Safety Technology:

- Electronic Stability Control (ESC): Reduces single-vehicle crashes by 32% and rollover crashes by 59%.
- Autonomous Emergency Braking (AEB): Can reduce real-world rear-end crashes by 38%.
- Anti-lock Braking Systems (ABS) for Motorcycles: Shown to reduce fatal and serious injury crashes by 39% in Australian conditions.

Side Curtain Airbags: Reduce the risk of death in driver-side crashes by 37%.

Fleet Safety: If every driver drove the safest vehicle in their class, death and serious injury would drop by an estimated 26%.



What Does Not Work

While the Ararat Rural City Council Road Safety Strategy prioritises evidence-based solutions, it's also important to acknowledge approaches that have been shown to have limited effectiveness in reducing road trauma. Understanding what doesn't work helps us avoid investing resources in initiatives that are unlikely to yield significant or lasting safety improvements.



Training Without Experience: Traditional driver training that focuses on vehicle handling skills without an on-road context can lead to overconfidence and increased risk-taking behaviour. While mastering vehicle control is important, research suggests that such training, in isolation, doesn't necessarily translate to safer decision-making on real roads.

Fear Appeals Alone: "Shock and awe" advertising campaigns generally have diminishing returns if they are not supported by tangible enforcement and infrastructure improvements. While raising awareness is crucial, relying solely on fear-based messaging does not change the underlying system that allows mistakes to happen or provide practical strategies for safer behaviour.

Blaming the User: Relying on road users to be "perfect" at all times is ineffective. The Safe System approach recognises that human error is inevitable, and the system must be designed to accommodate it, rather than just punishing users. Focusing exclusively

on individual responsibility ignores the critical role of road design, speed limits, and vehicle safety in preventing crashes and mitigating their severity.

One-Off Education: Short-term education programs without ongoing reinforcement or practical application have limited impact on long-term behavioural change. Sustainable safety improvements require continuous engagement, practical skill-building, and a supportive environment that reinforces safe choices over time.



Our Strategic Approach and Action Plan

Strategic Approach

Ararat Rural City Council is committed to the Safe System approach and the long-term vision of zero deaths and serious injuries on our road network. Consistent with Victoria's Road Safety Strategy 2021–2030 and the principles of Vision Zero, Council recognises that road trauma is preventable and that no loss of life is acceptable.

Moving towards zero requires a fundamental shift in how road safety is planned, delivered and evaluated. Rather than focusing solely on individual road user behaviour, this strategy acknowledges that people make mistakes and are physically vulnerable, and that the road system must be designed and managed, so those mistakes do not result in death or serious injury.



Council's goals are therefore focused on reducing the likelihood of crashes occurring and, where crashes do occur, ensuring the forces involved are within levels the human body can tolerate. This will be achieved through a balanced application of the Safe System pillars — safer roads, safer speeds, safer road users and safer vehicles — and through strong partnerships with State Government, emergency services, industry and the community.

In a predominantly rural municipality such as Ararat, this means prioritising safety on high-speed rural roads, addressing run-off-road and intersection risks, protecting vulnerable road users in townships, and ensuring road environments support safe travel for residents, visitors and those who use the road network for work.



The overarching goal of this strategy is to provide clear strategic direction for Council's Road Safety Action Plan, guiding the prioritisation of resources and actions to achieve meaningful and sustained reductions in road trauma across the municipality.

Targets

The targets set out in this Road Safety Action Plan have been developed to align with and support Council's broader planning framework, including the Council Plan, Asset Management Plans, Active Transport and Lifestyle Strategy, Environmental Sustainability Strategy and Community Vision 2031. By aligning road safety targets with existing service levels, renewal priorities and strategic objectives, Council ensures that safety outcomes are integrated into core asset management, infrastructure investment and community wellbeing initiatives. This approach supports coordinated decision-making, maximises the effectiveness of available resources, and ensures that road safety improvements contribute to wider goals such as accessibility, economic participation, environmental resilience and liveable communities.



These targets focus on reducing fatal and serious injuries, particularly in areas of highest risk within the municipality. They recognise that while zero is the ultimate goal, interim targets are critical to driving accountability, prioritising investment and monitoring effectiveness over time.

Council's road safety targets are:

- By 2030, achieve a minimum 30% reduction in fatal and serious injury crashes on Council-managed roads, relative to the 2020-2024 baseline.
- By 2027, achieve an interim 10% reduction in fatal and serious injuries, demonstrating early progress toward longer-term outcomes.
- Reduce fatal and serious injury crashes on high-speed rural roads by at least 30% by 2030, with a focus on run-off-road and head-on crash types.
- Reduce fatal and serious injury crashes at priority intersections by 40% by 2030.
- Reduce fatal and serious injuries involving vulnerable road users (pedestrians, cyclists and motorcyclists) by 40% by 2030, particularly within townships and activity centres.
- Reduce fatal and serious injuries involving vehicles used for work, including heavy vehicles, by 25% by 2028.



Progress against these targets will be monitored annually by council assets department using verified crash data, supported by community feedback and local risk assessments. Targets will be reviewed and refined over time to reflect emerging trends, changes in the road network and advances in road safety practice.

Ararat Rural City Council – Safe System Action Plan (2025–2030)

This Action Plan translates Safe System goals into deliverable, measurable actions and clearly demonstrates alignment with the four Safe System pillars: Safer Roads, Safer Speeds, Safer Road Users and Safer Vehicles. It has been structured for direct inclusion in Council's Community Road Safety Strategy and has been developed to align with Victoria's Road Safety Strategy 2021–2030, as well as relevant State Government policies and Council plans, strategies and asset management frameworks that guide transport, infrastructure, safety and community wellbeing outcomes.

Goal 11 Reduce Fatal and Serious Injuries on High-Speed Rural Roads

SMART Goal: By 2030, reduce fatal and serious injury crashes on high-speed rural local roads by at least 30%, with an interim reduction of 10% by 2027.

Action	Safer Roads	Safer Speeds	Safer Road Users	Safer Vehicles	KPI / Measure	Targets	Lead Partners
Treat high-risk rural corridors (shoulder sealing, audible edge lines, safety barriers)	✓				Kilometres treated; FSI crashes	By 2030, achieve ≥30% reduction in fatal and serious injuries on treated corridors.	Council; OTP
Progressive roadside hazard removal program	✓				Number of hazards removed	By 2028, treat 100% of currently identified 'extremely high-risk' sites and 75% of 'high-risk' sites.	Council

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Action	Safer Roads	Safer Speeds	Safer Road Users	Safer Vehicles	KPI / Measure	Targets	Lead Partners
Rural speed environment reviews on priority corridors		✓			Reviews completed; speed compliance	By 2027, complete speed reviews on all priority corridors (generally defined as Link Roads, characterised by description in the Ararat Rural City Council Roads and Transport Asset Management Plan)	Council; OTP
Community education on rural road risks (speed, fatigue, wildlife)			✓		Campaign delivery and reach	Annually deliver rural road safety education campaigns	Council; TAC

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Goal 2: Efficient Service Delivery Cost Centre

SMART Goal: By 2030, assess and treat 100% of identified high-risk run-off-road locations using Safe System-aligned treatments.

Action	Safer Roads	Safer Speeds	Safer Road Users	Safer Vehicles	KPI / Measure	Targets	Lead Partners
Network-wide run-off-road risk assessment	✓				Percentage of network assessed	By 2027, assess 100% of the sealed rural road network to provide a Risk Score in accordance with a Network Roadside Risk Intervention Threshold (NRRIT)	Council
Develop Jurisdictional Policy for NRRIT	✓				Policy Developed	Jurisdictional Policy developed to meet Council's financial commitment and capacity	Council
Install delineation, curve warning and tactile linemarking	✓				Number of sites treated	Treat all priority sites within three years of identification	Council

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Action	Safer Roads	Safer Speeds	Safer Road Users	Safer Vehicles	KPI / Measure	Targets	Lead Partners
Upgrade high-risk curves with barriers or geometry improvements	✓				FSI crashes at treated sites	Due to the current absence of completed network-wide NRRIT assessments, the program will initially target locations identified as high risk through preliminary screening methods, including crash trends, roadside hazard characteristics, traffic exposure and operational considerations. Formal assessment against NRRIT criteria will continue throughout program development to validate and refine treatment priorities.	Council; DTP

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Goal 2: Improve safety at high risk intersections

SMART Goal: By 2030, reduce fatal and serious injury crashes at priority intersections by 40%.

Action	Safer Roads	Safer Speeds	Safer Road Users	Safer Vehicles	KPI / Measure	Targets	Lead Partners
Upgrade priority intersections (roundabouts, turn lanes, splitter islands)	✓				Funding effectively invested	By 2029, allocate available program funding and percentage of capital works budget toward the treatment of high-risk intersections, prioritised in accordance with network risk and Safe System principles.	Council; DTP
Carry out existing condition Road Safety Audits on priority intersections	✓				No of Existing Condition Road Safety Audits	Carry out 5 existing condition road safety audits each year	
Improve lighting, sight distance and line marking	✓				Audit compliance	Implement 100% of 'extreme' RSA recommendations	Council
Undertake Road Safety Audits for all major intersection works	✓				Audit actions implemented	Implement at least 90% of High or Extreme road safety audit recommendations	Council

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Goal 4: Increase shared path links in Townships

SMART Goal: By 2030, reduce fatal and serious injuries involving pedestrians, cyclists and motorcyclists by 40%.

Action	Safer Roads	Safer Speeds	Safer Road Users	Safer Vehicles	KPI / Measure	Targets	Lead Partners
Deliver pedestrian crossings, refuges and school-zone upgrades	✓	✓			Treatments delivered	By 2030, treat all identified high-risk pedestrian locations	Council
Expand shared path connections in Ararat, Moyston and Pomonal	✓				Kilometres delivered	By 2030, deliver continuous shared-path priority links based on community engagement through the development of the strategy.	Council
Motorcycle-focused curve and surface improvements	✓				Motorcycle FSI crashes	By 2030, achieve ≥40% reduction in motorcycle fatal and serious injuries	Council

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Action	Safer Roads	Safer Speeds	Safer Road Users	Safer Vehicles	KPI / Measure	Targets	Lead Partners
Road safety education for schools and the community			✓		Program participation	Annually deliver road safety education across all schools	Council; TAC

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Goal 2: Align Roads with Town Functions and Road

SMART Goal: By 2027, complete speed limit reviews on all Council-managed roads adjacent to townships, schools and high-risk corridors.

Action	Safer Roads	Safer Speeds	Safer Road Users	Safer Vehicles	KPI / Measure	Targets	Lead Partners
Evidence-based speed limit reviews		✓			Reviews completed	By 2029, complete speed reviews for all townships and priority corridors	Council; DTP
Implement traffic calming and gateway treatments	✓	✓			Operating speed changes	Achieve a minimum 10 km/h reduction in operating speeds where applied	Council
Support Victoria Police speed compliance activities		✓	✓		Enforcement activity	Support targeted enforcement activities annually	Victoria Police

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Goal 6: Improve Safety for Transporting Goods for Work

SMART Goal: By 2028, reduce fatal and serious injuries involving vehicles used for work by 25%.

Action	safer Roads	safer Speeds	safer Road Users	safer Vehicles	KPI / Measure	Targets	Lead Partners
Apply Safe System principles to all roadworks traffic management	✓	✓			Worksite compliance	From 2026, achieve 100% compliance at Council roadwork sites	Council
Improve heavy vehicle route geometry and shoulders	✓				Work-related PSI crashes	By 2028, achieve a 25% reduction in work-related fatal and serious injury crashes for local businesses and the Council	Council
Council fleet safety standards (procurement)				✓	Fleet ANCAP rating	From 2026, ensure 100% of new fleet vehicles are 5-star ANCAP rated	Council

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Goal 7: Strengthen Data, Monitoring and Continuous Improvement

SMART Goal: By 2026, establish and maintain an annual road safety monitoring and reporting framework.

Action	safer Roads	safer Speeds	safer Road Users	safer Vehicles	KPI / Measure	Targets	Lead Partners
Annual analysis of RCIS crash data	✓	✓	✓	✓	Annual Road Safety Performance Report	Publish an annual road safety performance report	Council
Integrate community hazard and near-miss reporting	✓		✓		Issues logged and resolved	Review and address 100% of all flagged issues	Council
Annual review and update of the Action Plan	✓	✓	✓	✓	Review completed	Annually review and endorse the Action Plan through Council	Council

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Conclusion

Ararat Rural City Council is committed to improving road safety through a strategic and data-driven approach. This plan will be continuously reviewed to ensure effective implementation and a safer community for all road users.

FOR APPROVAL

Approved by:
Ararat Rural City Council
[xx/xx/xxxx]

*For further inquiries or to report road safety concerns, contact council at
<https://www.ararat.vic.gov.au>.*

FOR APPROVAL

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Glossary

Word / Phrase	Definition
Active Transport	Walking, cycling, wheeling and other forms of travel powered by people rather than motor vehicles.
ANCAP	Australasian New Car Assessment Program. An independent organisation that assesses and rates the safety performance of new vehicles.
Arterial Road / Arterial Highways	A major road managed by the Victorian Government that carries high volumes of traffic between towns, cities and regions.
Audio-Tactile Line Marking	Raised road line markings (also known as rumble strips) that create vibration and noise when driven over to alert drivers who are leaving their lane.
Baseline	The starting point used to measure future performance or improvements.
Casualty Crash	A road crash that results in a person being injured or killed.
Community Vision 2031	Ararat Rural City Council's long-term community vision that guides planning and decision-making for the municipality.
Continuous Improvement	An ongoing process of reviewing performance and making improvements over time.
Council-managed Road	A road for which Ararat Rural City Council is responsible for the management, maintenance and operation. This generally includes most local roads within the municipality, but excludes roads managed by the Victorian Government.
Crash Severity	A measure of how serious the outcomes of a crash are, such as property damage, injury or death.
DCA (Definition for Coding Accidents)	A structured, alphanumeric classification system used by Australian road authorities (VIC, TAS, SA) to categorise road crashes based on the movement and interaction of vehicles and pedestrians.
Declared Road	A road declared under Victorian legislation and managed by the Department of Transport and Planning (DTP). Declared roads are generally major highways, arterial roads and key transport routes.
Delineation	Road features such as guideposts, line marking and signs that help drivers understand the alignment of the road.
DTP	Department of Transport and Planning (Victoria), the Victorian Government agency responsible for managing arterial roads and the transport network.
Edge Drop-off	A difference in height between the sealed road surface and the road shoulder that can make it difficult for drivers to safely recover if they leave the roadway.

Fatal and Serious Injury (FSI)	A collective term used to describe road crashes that result in either a fatality or a serious injury. FSI is a key measure used to monitor road safety performance.
Fatality	A death resulting from a road crash.
Flexible Safety Barrier	A wire rope or flexible roadside barrier designed to prevent vehicles leaving the roadway or crossing into oncoming traffic while reducing crash severity.
Forgiving Road	A road designed to reduce the likelihood of serious injury when drivers make mistakes, through safer roadsides, barriers and clear road layouts.
Heavy Vehicle	A truck, bus or other large vehicle generally exceeding 4.5 tonnes gross vehicle mass.
Interim Target	A short-term milestone used to measure progress towards a longer-term objective.
Intersection	A location where two or more roads meet or cross.
KPI (Key Performance Indicator)	A measurable value used to assess whether an objective or target is being achieved.
Linemarking	Painted or raised markings on the road surface used to guide and regulate traffic.
Local Road	A road primarily intended to provide access to homes, businesses and local destinations. Local roads are generally managed by the local council and carry lower traffic volumes than arterial roads.
Near Miss	An event where a crash was narrowly avoided but had the potential to result in injury or damage.
Network Roadside Risk Intervention Threshold (NRRIT)	A nationally recognised methodology used to assess roadside hazards and prioritise locations for safety improvements based on risk.
Non-Declared Road	A road that is not managed by the Victorian Government under the Road Management Act and is generally the responsibility of the local council. These roads typically provide access to local homes, businesses, farms and communities, and include most local streets and rural roads within the municipality.
Operating Speed	The speed at which vehicles typically travel on a road under normal conditions.
Pedestrian Refuge	A protected area within a road that allows pedestrians to safely cross one direction of traffic at a time.
Priority Corridor	A road identified as requiring higher priority for investment or safety improvements due to traffic volumes, crash history or strategic importance.
RCIS (Road Crash Information System)	Victoria's official database containing police-reported road crash information.

Road Corridor	The land reserved for a road and its associated infrastructure, including the carriageway, shoulders, footpaths, shared paths, drainage, utilities and roadside vegetation.
Road Safety Audit (RSA)	A formal, independent assessment of an existing or proposed road project to identify potential safety issues and recommend improvements.
Road Trauma	Deaths and serious injuries resulting from road crashes.
Roadside Hazard	Any object or feature beside the road, such as trees, poles or drains, that may increase the severity of a crash.
Roundabout	A circular intersection designed to improve traffic flow and reduce the severity of crashes by lowering vehicle speeds.
Run-off-road Crash	A crash where a vehicle leaves the roadway and strikes an object, overturns or comes to rest off the road.
Safe System	An internationally recognised approach to road safety that accepts people make mistakes and aims to ensure those mistakes do not result in death or serious injury.
Safe System Pillars	The four key elements of the Safe System approach: Safer Roads, Safer Speeds, Safer Road Users and Safer Vehicles.
Serious Injury	An injury sustained in a road crash that requires hospital treatment or results in significant long-term impacts.
Shared Path	A path designed for use by both pedestrians and cyclists.
Sight Distance	The distance that a driver can clearly see ahead to identify and respond to hazards.
SMART Goal	A structured framework for setting a goal that is Specific, Measurable, Achievable, Relevant and Time-bound.
Splitter Island	A raised island used at intersections to separate traffic movements and improve safety for vehicles and pedestrians.
TAC	Transport Accident Commission (Victoria), the Victorian Government agency responsible for road safety promotion and supporting people injured in road crashes.
Tactile Line Marking	Raised pavement markings that provide audible and tactile feedback to drivers when crossed.
Traffic Calming	Road design measures that reduce vehicle speeds and improve safety, such as speed humps, raised crossings or narrowed lanes.
Vulnerable Road User	A person who is at greater risk of serious injury in a crash because they are not protected by a vehicle, including pedestrians, cyclists, motorcyclists and e-scooter riders.
Vision Zero	An internationally recognised road safety philosophy based on the principle that no death or serious injury on the road network is acceptable.

Appendix – Confidential and Restricted Information

This appendix has been withheld from the publicly available version of this document. The information contains confidential consultation material and restricted road safety information that has been considered in the preparation of the Road Safety Strategy.

FOR APPROVAL

SECTION 4 - INFORMATION REPORTS

4.1 COMMUNITY ENGAGEMENT PROGRAM - AUGUST 2026

RESPONSIBLE OFFICER: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 31673

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

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

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

EXECUTIVE SUMMARY

Community Engagement Program is a series of quarterly engagement outreach activities that aims to provide community with opportunities to ask questions, raise concerns and meet with Councillors and key staff at the Council. This monthly report provides a regular update to issues raised or upcoming plans for engagement activities.

DISCUSSION

The latest round of community engagement sessions occurred between 14 to 18 September 2026 in Ararat, Buangor, Elmhurst, Lake Bolac, Moyston, Pomonal, Tatyoon and Willaura. In total 55 people attended across the eight session. The issues raised in the September sessions and their progress will be presented at the October 2026 Council Meeting.

Table 1. Items raised in June/July 2026 that were not yet resolved in the previous monthly update.

#	Issues Raised	Progress as of 24 September 2026
	Ararat	
6	Brilliant to see the old Orchid House removed from Alexandra Gardens. Asked when the fencing around the site was going to come down.	Fence removal is pending works to underground services at the site, which is subject to the availability of the relevant utility authorities. The community's desire for the fence to be removed is noted by Council and this will occur as soon as it is safe to do so.
	Lake Bolac	
32	Rabbits under the Scout Hall in Lake Bolac	A combination of pest treatments is likely to be required. Council will liaise directly with the tenant of the Scout Hall on pest management.
	Moyston	
36	Some customers are not getting responses back on their Snap Send Solve requests.	There are some requests that require more complex, long-term planning (such as design, budgeting, or specialised works). Currently, these are kept as unresolved so they can be tracked. Messaging has been developed to help communicate the status of these complex requests and will begin to be sent to pending requests.
	Pomonal	
49	Community would like more information on when and how to do burn offs safely, including list of people who can help with the work, help community find contractors	Please note that all burn offs need to be registered via the link below, and a permit may be required: https://firepermits.vic.gov.au/

		The CFA have this flier available: Burn Off Flyer which contains a brief overview of how to do burn offs safely. Council recommends community reach out to their local CFA branch for assistance if they are new to burning material on their property.
52	Community would like a soft plastics collection option	Council is not aware of a regular soft plastics collection point for recycling currently operating in Ararat Rural City. The community's desire for a soft plastics collection item is noted and will be considered as part of future planning and budgeting.

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

6. STRONG AND EFFECTIVE GOVERNANCE

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

- 6.3** Continuously improve Council's community engagement process and practices in line with deliberative engagement practices, while ensuring that Councillors' roles as elected community representatives are understood and reflected in decision-making.

Budget Implications

The Community Engagement Program 2026/2027 does not have any budget implications. This Program will be delivered within the existing resources and budget. The issues arising from the engagement sessions may have budget implications, these will be assessed on a case by case basis and may be considered for future budgets.

Policy/Relevant Law

Ararat Rural City Council's Community Engagement Policy

Sustainability Implications

The community engagement sessions will aim to coincide with other community events and activities, or locate the sessions in places where people may wish to visit. This is in recognition of the value of people's time and travel costs, and enables community members to achieve multiple activities in the one journey.

Risk Assessment

The Community Engagement Program 2026/27 included a risk analysis and mitigation measures. This is a low risk Program.

Stakeholder Collaboration and Community Engagement

This Program supports stakeholder collaboration and community engagement.

Gender Impact Assessment

Of the 36 attendees in June/July 2026, 20 were female and 16 were male. During the September round of engagement sessions, there were 29 female and 26 male attendees.

RECOMMENDATION

That:

1. *Council receives the Community Engagement Program August 2026 report*

**MOVED CR JOYCE
SECONDED CR KAUR**

That:

1. **Council receives the Community Engagement Program August 2026 report**

Cr Joyce, Cr Kaur and Cr Sanders spoke for the motion.

**CARRIED 6/0
5423/26**

ATTACHMENTS

There are no attachments relating to this item

4.2 PRESTIGE MILL INFRASTRUCTURE PROJECT - AUGUST 2026 UPDATE

RESPONSIBLE OFFICER: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 31674

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

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

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

EXECUTIVE SUMMARY

This report provides a regular update on the Housing Support Program – Community Enabling Infrastructure Stream (HSP-CEIS) funded project at 87 Queen St, also known as the former Prestige Mill site.

DISCUSSION

Recap

The HSP-CEIS grant helps to resolve the barriers that have previously prevented this site from being financially viable to develop into assets that could provide better value for the community, such as housing. The grant unlocks the site by funding the cost of enabling infrastructure for up to 90 new dwellings, including planning, detailed designs, construction costs for roads, footpaths, kerb & channel, drainage, as well as costs for utility infrastructure such as power, water, sewerage, and NBN. The grant does not fund the cost to build the homes, however with the major barriers removed, private investment into housing will become viable.

Progress Update



Demolition Works at Queen Street

Considerable progress has been achieved since the previous report, with ongoing site clearance activities delivering a noticeable transformation of the area. The next phase of works will focus on the demolition and removal of below-ground structures, further preparing the site for its future use. All works are continuing to be undertaken under strict environmental and safety regulations and in accordance with WorkSafe Victoria and the Environment Protection Authority requirements.

Construction of New Infrastructure

The engineering and civil design work for the roads, footpaths, kerb and channel, and utilities has been continuing in preparation for when the site is cleared and new infrastructure is able to be built. The estimated timeframe for the construction of new enabling infrastructure is expected to commence in the second half of 2026.

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

1. GROWING OUR PLACE

We will create the settings to support growth across our municipality through an improved planning scheme, actively pursuing new housing options and exploring models for in-migration.

- 1.2** Support innovative housing models that work to overcome market failure and create the capacity to increase the population of Ararat Rural City.

Budget Implications

This project is funded by a \$7.3 million grant from the Federal Government's Housing Support Program: Community Enabling Infrastructure Fund.

Policy/Relevant Law

Not applicable

Sustainability Implications

Not applicable

Risk Assessment

Demolition works are progressing in line with risk assessment and mitigation measures, ensuring that all identified hazards are being effectively managed and safety protocols are strictly followed.

Stakeholder Collaboration and Community Engagement

Council officers have liaised closely with the site owners on this project. Project updates for the broader community are provided on Council's Engage Ararat website.

Gender Impact Assessment

N/A

RECOMMENDATION

That:

- 1. Council receives the Prestige Mill Infrastructure Project - August 2026 Update*

MOVED CR R ARMSTRONG SECONDED CR WATERSTON

That:

- 1. Council receives the Prestige Mill Infrastructure Project - August 2026 Update**

Cr R Armstrong & Cr Sanders spoke for the motion.

**CARRIED 6/0
2424/26**

ATTACHMENTS

There are no attachments relating to this item

4.3 ANNUAL PLAN 2026/27 - AUGUST 2026 UPDATE

RESPONSIBLE OFFICER: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 31675

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

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

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

EXECUTIVE SUMMARY

Each financial year Council produces an Annual Plan which provides a series of actions aimed at operationalising the Council's strategic intent. The Annual Plan 2026/2027 covers the second year of the Council Plan 2025-29, and references other Council plans and strategies where the action contributes to or aligns with other strategic documents. This report provides a monthly update on progress against these actions.

DISCUSSION

The Annual Plan 2026/2027 contains 54 actions. Progress on these actions are summarised below.

Status	Number of Actions
Complete	2
In progress 51-99%	4 (+3)
In progress 0-50%	37 (-3)
Not Started	0
Ongoing	11

Further details on each action is provided in the table below.

Actions	Progress	Officer Comment
1. GROWING OUR PLACE		
1.1 Develop a strategic land use planning framework with annual targets to support sustainable urban growth.		
1.1.1 Champion coordinated planning between housing development and major project delivery to support a well-timed, market-responsive supply pipeline.	In progress 0-50%	Better coordination between major project delivery and housing development was raised with the Victorian Treasurer and Regional Development Victoria during a visit to Ararat on 18 August 2026
1.1.2 Position the municipality to attract investment in sustainable industries, including agribusiness, circular economy and tourism, to grow the local economy over the long term.	In progress 51-99%	This work is being undertaken as part of the Ararat Planning Scheme Review and is expected to be completed by October 2026.
1.1.3 Advance policy and strategic planning work to promote well-planned, thoughtful infill and townhouse style housing that makes efficient use of existing infrastructure.	In progress 0-50%	This has commenced as part of the Ararat Planning Scheme Review, with further work to continue after the Review is complete.
1.2 Support innovative housing models that work to overcome market failure and create the capacity to increase the population of Ararat Rural City.		
1.2.1 Advocate for investment in enabling infrastructure to unlock development-ready land and support housing and employment growth.	In progress 0-50%	Council continues to support local proposals submitted to Regional Development Victoria's Industrial Trunk Infrastructure Fund
1.2.2 Encourage and support the activation and adaptive reuse of underutilised land and buildings to deliver additional housing supply.	In progress 0-50%	Planning assistance and advice is being provided to landowners and developers who are interested in delivering housing in underutilised buildings and areas of land
1.2.3 Foster partnerships between developers and community organisations to deliver	In progress 0-50%	Council is continuing to engage with community housing providers and other

diverse, community-responsive housing solutions.		organisations on finding solutions to meet affordable and social housing needs.
1.3 Work with other levels of government, business, educational institutions and not-for-for profits to develop programs to increase in-migration to Ararat Rural City to grow our population.		
1.3.1 Elevate Ararat as the leading destination for lifestyle and work-from-home movers by showcasing the Ararat Digital Hub & Co-Working Space to visitors and tourists	Complete	This action was completed at the August 2026 Council Meeting. We will continue to seize other opportunities to boost this visitor stream throughout the year.
1.3.2 Improve family liveability, local workforce participation and early childhood education outcomes in Lake Bolac by delivering a new childcare centre	Ongoing	Council officers are continuing to liaise with potential childcare providers to deliver this project
1.3.3 Strengthen partnerships across local community, health, education, and State and Federal Governments to attract, expand and sustain migrant settlement capacity in Ararat Rural City	In progress 0-50%	The CALD Outreach and settlement support team supported CALD communities to complete the 2026 Census. Council also provided digital literacy support to residents needing help. Completing Census ensures that State and Federal services funding is appropriate for the population of the LGA
2. BUILDING ROBUST LOCAL ECONOMIES		
2.1 Partner with Federation University Australia to deliver the Ararat Jobs and Technology Precinct with a focus on engaging with local agribusiness, industry and community.		
2.1.1 Partner with Federation University, industry and government to develop and progress a strategic roadmap to expand the Precinct as a regional innovation hub.	In progress 0-50%	Initial engagement with Federation University has occurred to frame the scope and development of the roadmap.
2.1.2 Activate the Precinct as a knowledge hub through delivery of a series of public research talks and events	In progress 0-50%	Planning and identification of research topics and institutions that has begun, with a focus on areas that would generate discussion and local value.
2.1.3 Drive the expansion of TAFE course delivery at the Precinct to meet emerging regional skills needs and support local industry growth.	Ongoing	The 3 rd face to face session of the Ararat Best Start Workshop Series has been delivered on 19 August at the Ararat Jobs and Technology Precinct
2.2 Work with other levels of government, local business, and private investors to develop a business park within Ararat Rural City, focused on agricultural value adding and advanced manufacturing, potentially leveraging "behind the meter" power.		
2.2.1 Engage with Invest Victoria, Regional Development Victoria and private sector partners to develop plans for the ARCC Circular Economy Precinct.	Ongoing	Council is working with Invest Victoria, Regional Development Victoria and a number of private sector partners to make a case for a state significant circular economy hub in Ararat
2.2.2 Support Valorify P/L to develop a biogas plant in Ararat which uses straw as the major input.	Ongoing	Council continues to strongly support Valorify P/L.
2.2.3 Accelerate the evolution of the Ararat Renewable Energy Park into a regional hub for renewable and circular economy industries through targeted investment attraction and strategic partnerships	Ongoing	Ongoing collaboration and engagement through the Central Highlands Regional Partnerships as well as Council's own investment attraction activities will continue to contribute towards transforming the Ararat Regional Energy Park into a regional hub
2.3 Engage with Grampians Wimmera Mallee Tourism and local businesses to improve the quality of experience and drive growth in high yield tourist outcomes.		
2.3.1 Collaborate with Grampians Wimmera Mallee (GWM) Tourism to curate, package and promote Ararat Rural City's unique visitor experiences to increase visitation, length of stay and visitor spend.	In progress 51-99%	GWM Tourism and Council has established a strong collaborative partnership to support the tourism sector in Ararat Rural City. This has so far produced and promoted itineraries for Ararat and Pomonal (links below). Council will continue to work with GWM Tourism to promote other key destinations in the municipality. • Ararat's Past in the Present

		Follow that feeling to Pomonal
2.3.2 Identify and implement targeted initiatives that increase visitation and visitor yield by analysing spending trends and market data	In progress 0-50%	Analysis of visitor spending data is underway to obtain insights and develop recommendations for targeted initiatives.
2.3.3 Enhance the attractiveness, accessibility and activation of town centres to improve visitor experiences, increase dwell time, and encourage local spending	In progress 0-50%	Minor streetscape improvement works have occurred or have been arranged for delivery in September, such as tile repairs and works on Lannen's Lane, Ararat. Larger works, such as the Willaura Main St footpath upgrade are in planning for delivery this financial year.
3. PRESERVING OUR ENVIRONMENT		
3.1 Position Ararat Rural City Council as a prime mover in driving circular economy policy in waste management, including local processing and management of recyclables, and in use of renewable energy for Council purposes.		
3.1.1 Assess the feasibility and strategic value of becoming a sub-regional leader in the processing and management of recyclable materials	In progress 0-50%	Preliminary assessment underway, with background research and key considerations being identified
3.1.2 Explore opportunities to recover additional reusable and recyclable materials from the general waste stream to increase diversion from landfill	In progress 0-50%	Current material flows and potential improvement opportunities are being reviewed to inform future initiatives.
3.1.3 Pursue funding opportunities to install solar and battery systems across community facilities to strengthen disaster resilience and enhance sustainability.	In progress 0-50%	A grant application to install solar and battery systems at community sports facilities was submitted to the Game On grant program on 13 July 2026.
3.2 Develop innovative energy solutions utilising locally produced waste		
3.2.1 Investigate options to use municipal FOGO waste to generate energy for council facilities and reduce operating costs	In progress 0-50%	Early-stage scoping underway to understand feasibility, feedstock availability and potential biodigester options being assessed
3.2.2 Identify and quantify high-volume waste streams that may be suitable for waste-to-energy solutions to attract commercial development opportunities	In progress 0-50%	The previous years' waste data is being reviewed to better understand waste volumes and composition
3.2.3 Advocate for greater policy confidence and support for renewable gas generation	Ongoing	Council continues to advocate for this as part of its 2026 Advocacy Priorities
3.3 Partner with local organisations and scientific experts to implement the Environment Strategy 2024-34, with a focus on circular economy, emissions reduction and sustainable management of Council assets.		
3.3.1 Review emergency management processes, policies and procedures with vulnerable community members to support adaptation and mitigation to climate change risks	In progress 0-50%	Community have provided feedback during the consultation process for the Disability Action Plan on this issue. Council's emergency management team will attend the Disability Action Plan Working Group meeting in October 2026 to discuss how to support people with disabilities and their carers
3.3.2 Work with Ararat Landcare Group and other groups to increase canopy cover in urban streets	In progress 0-50%	Ararat Landcare Group and Council's Sustainability Officer have commenced engagement and planning on how to increase canopy cover.
3.3.3 Investigate opportunities to embed the use of recycled and reused materials in the construction and maintenance of council assets	In progress 0-50%	Opportunities are being considered for old concrete and other infrastructure waste materials
4. DEVELOPING AND MAINTAINING KEY ENABLING INFRASTRUCTURE		
4.1 Ensure that asset development and renewal during the planning period matches that identified in Council's Asset Plan 2025-2035.		
4.1.1 Upgrade the pool surface at the Lake Bolac and Willaura swimming pools	In progress 0-50%	The forecasted weather conditions from now until the start of the summer swimming season is highly likely to be unfavourable (ie rain, cooler temps). To avoid the risk of the outdoor

		pool not being ready in time for summer, these works have been delayed until after the outdoor pool season and are now planned for March 2027.
4.1.2 Upgrade public amenities and increase the number of accessible facilities	In progress 0-50%	Pre-construction planning for the Moyston Recreation Reserve amenities upgrade is in progress
4.1.3 Deliver the Local Roads Data Reconciliation Project	In progress 0-50%	This project is in progress
4.2 Work directly with asset users to manage and develop new and existing assets.		
4.2.1 Partner with Grampians Community Health to progress plans and advocate for the A&J McDonald Community Centre Redevelopment	Ongoing	This project is identified as one of six on Council's 2026 Advocacy Priorities, and Council continues to work closely with Grampians Community Health
4.2.2 Advocate for the delivery of priority projects identified in the Alexandra Sports Precinct Masterplan, including a new indoor sports facility and Olympic pool upgrade	Ongoing	The indoor sports facility project is identified as one of six on Council's 2026 Advocacy Priorities.
4.2.3 Reconvene the Rural Roads Group to identify strategically critical freight routes for future major upgrades	In progress 0-50%	A review of the previous terms of reference has commenced
4.3 Deliver infrastructure outcomes that support economic growth, are mindful of intergenerational equity and enhance community wellbeing and safety. These approaches will explore strategic use of debt to fund long-term assets and ensure Council's financial sustainability.		
4.3.1 Deliver safety treatments and hazard removal on high-risk rural corridors	In progress 0-50%	The Road Safety Strategy is presented to the September Council Meeting. A review of high risk rural corridors has been completed and planning now underway to prepare for potential road safety grants or council funding of future treatments.
4.3.2 Improve safety at high-risk intersections and protect vulnerable road users in townships	In progress 0-50%	A review of high risk rural intersection was also undertaken with 4.3.1 above, and planning now underway to prepare for potential road safety grants or council funding of future treatments.
4.3.3 Deliver the 2026/27 Capital Works Program	In progress 0-50%	Refer to the Capital Works report.
5. ENHANCING COMMUNITY LIFE		
5.1 Open up Council's arts and culture assets to greater community participation, ownership and engagement in decision-making		
5.1.1 Enhance and expand education outreach activities at Ararat Gallery TAMA to increase engagement, visitation and participation.	In progress 0-50%	The outreach with schools is resulting in an increase in engagement by students. Ararat College Year 11 art students and Beaufort Secondary College VCE Art Making and Exhibiting students have visited the Ararat Gallery TAMA
5.1.2 Engage with community organisations and groups to identify opportunities to activate underutilised community spaces, such as the Gum San Great Hall	In progress 0-50%	There have been multiple bookings for the Gum San Great Hall since the carpet upgrade, including the Circus & Hoop Workshops for children on 22 nd September for the school holidays.
5.1.3 Strengthen regional promotion of major Ararat Town Hall events and Art Gallery TAMA exhibitions through Visit Grampians to maximise attendance and drive increased tourism and visitation.	Complete	This action was completed at the August 2026 Council Meeting. Ararat Town Hall events and Art Gallery TAMA are now featuring prominently on Visit Grampians website.
5.2 Develop models of volunteering that recognise, support and properly utilise the skills that community volunteers bring to community life.		
5.2.1 Empower young people to shape their own futures and contribute to the future of the municipality through programs such as the	Ongoing	The YEAH Crew's Youth Ignite 2026 event has been launched. This free event for young people will occur on Saturday 17 October 2026 from 2pm to 7pm at the Alexandra Oval

YEAH Crew and through the Crazy Ideas College		Precinct. There are free buses available from Lake Bolac, Willaura, Maroona, Pomonal, Moyston, Buangor and Elmhurst. Registration can be completed online: Youth Ignite 2026
5.2.2 Strengthen social connection and inclusion by promoting and improving access to volunteering opportunities	In progress 0-50%	A series of community events and gatherings has been supported and promoted by Council in the month of August via social media and Council's Focus Page in local newspapers, including the Streatham & District Post-Fire Gardening Workshop Series, the Dove Café in Willaura, and the Community Catch-up in Elmhurst.
5.2.3 Celebrate and acknowledge the contributions of volunteers to show our appreciation, foster community pride, and encourage greater participation in volunteering	In progress 0-50%	Another round of the Council's Community Support Grants has opened on 14 September and closes 11 October 2026.
5.3 Partner with community groups, not-for-profits, and Traditional Owner organisations to develop Ararat Rural City into a more inclusive, welcoming, tolerant and diverse community.		
5.3.1 Partner with Traditional Owner organisations to support the development of First Nations-led enterprises, contributing to economic self-determination, shared regional prosperity, and advancing meaningful reconciliation	Ongoing	Ararat Rural City Council staff attended an information session for local government with the Victorian Government and Barengi Gadjin Land Council on supporting reconciliation, and improving the cultural and economic wellbeing of Traditional Owners.
5.3.2 Advocate for a Changing Places facility in Ararat	Ongoing	Engagement with the Disability Action Plan Working Group is underway to confirm the preferred location and assessing its feasibility
5.3.3 Deliver and support multicultural events and initiatives that strengthen inclusion, cross-cultural understanding, and stronger community connection	In progress 51-99%	The Welcoming Week event occurred on 20 September 2026, and Council is working with the Ararat Neighbourhood House to deliver Harmony Day in March 2027
6. STRONG AND EFFECTIVE GOVERNANCE		
6.1 Deliver responsible budget outcomes linked to strategy, that deliver value, innovation and rating fairness.		
6.1.1 Improve data accuracy and actionability through data cleansing to support cost-effective asset management and decision-making on future upgrades	In progress 0-50%	Additional traffic counters have been purchased and deployed, which will gather important data for informed decision making on prioritising roads for upgrades.
6.1.2 Develop and implement a Smart Cities Strategy that delivers optimised services and cost efficiencies	In progress 0-50%	An assessment of the possible areas to focus on for optimisation is being undertaken
6.1.3 Develop a ten-year plan for development and redevelopment of key community assets, including funding models and strategic approaches to advocacy	In progress 0-50%	This action has commenced with the identification of key community assets
6.2 Ensure appropriate risk management is applied to Council and organisational decisions. Council's internal function is applied to areas of perceived risk.		
6.2.1 Strengthen cyber security as a core strategic risk priority to support organisation resilience, data protection and business continuity.	In progress 0-50%	Cyber security uplift activities are being scoped and prioritised
6.2.2 Assess priority Councils assets for climate change readiness, and identify adaptation actions to improve resilience safety and service continuity	In progress 0-50%	Initial review underway to identify priority assets, climate-related risks and potential adaptation measures
6.2.3 Drive a strategic, risk-based approach to internal controls and planning, with a clear focus on high-risk areas to support robust oversight, accountability and long term organization resilience.	In progress 0-50%	Work underway to prioritise high-risk areas and inform upcoming planning activities

6.3 Continuously improve Council's community engagement process and practices in line with deliberative engagement practices, while ensuring that Councillors' roles as elected community representatives are understood and reflected in decision-making.		
6.3.1 Develop digital and permit applications forms to provide more options for community to interact with Council at times and in ways that suit them	In progress 51-99%	The development of new digital forms is in progress, with a number of new online forms expected to be made available from November 2026.
6.3.2 Convene a community asset forum to support evidence-based budget planning and align investment with community-identified needs and priorities	In progress 0-50%	Event planning has commenced
6.3.3 Explore innovative approaches to community engagement in planning new and upgraded public spaces to ensure user insight and everyday use are captured in the design	In progress 0-50%	A broad mix of engagement activities are being implemented as part of the Disability Action Plan engagement process.

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

The Annual Plan 2026/27 aligns with all strategic objectives of the Council Plan 2025-29

Budget Implications

The Annual Plan 2026/2027 does not have any additional budget implications. All actions in the Annual Plan have been budgeted in the 2026/2027 Budget or have no additional resourcing requirements.

Policy/Relevant Law

Section 90 of the Local Government Act 2020 requires that Council produces a Council Plan for a minimum of a four year period. The Annual Plan operationalises the Council Plan.

Sustainability Implications

The Annual Plan provides specific actions that will be undertaken for the key theme 5. Preserving Our Environment.

Risk Assessment

Implementing the Annual Plan has some inherent risks around project and program delivery on time, at cost and at an acceptable quality. These risks are managed through careful budget monitoring, a focus on effective project management and appropriate stakeholder engagement. Council has a commitment to improved performance across all of these areas.

Stakeholder Collaboration and Community Engagement

Stakeholders and community groups will be engaged during the development and delivery of the actions, where applicable.

Gender Impact Assessment

The Annual Plan 2026/27 was developed with consideration of Council's obligations under the Gender Equality Act 2020 (Vic). The Plan includes a range of actions that promote equitable access to services, community participation, accessibility, inclusion, health and wellbeing outcomes for all members of the community, including women, people of different genders, people with disability, young people, multicultural communities and First Nations peoples.

RECOMMENDATION

That:

1. Council receives the Annual Plan 2026/27 – August 2026 report

**MOVED CR J ARMSTRONG
SECONDED CR JOYCE**

That:

1. **Council receives the Annual Plan 2026/27 - August 2026 report**

Cr J Armstrong and Cr Joyce spoke for the motion.

**CARRIED 6/0
5425/26**

ATTACHMENTS

There are no attachments relating to this item

4.4 2026/2027 CAPITAL WORKS PROGRAM - AUGUST 2026

RESPONSIBLE OFFICER: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 31676

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

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

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

EXECUTIVE SUMMARY

The Council has approved its 2026/2027 Capital Works Program as a fundamental component of the current budget. With a substantial capital works investment totaling \$15.797 million, the budget primarily targets infrastructure enhancements.

Key initiatives include:

- Pomonal Recreation Reserve Walking Track
- Buangor Ben Nevis Road Construction – Stage 1
- Projects that make up part of the Safer Local Roads and Street Program
- Reconstruction of Birdswing Road in conjunction with Northern Grampians Shire Council
- Upgrade of Footpaths, Drainage, and Kerb and Channel.
- Design and Construction of Moyston Willaura Road Bridge
- Construction of a major culvert at Barton Bridge.

These projects underscore the Council's commitment to improving local infrastructure and fostering community development in the 2026/2027 fiscal year.

DISCUSSION

Council's 2026/2027 Capital Works Program continues our shift to reintroduction of larger road and bridge construction projects. The program's budget has substantial state and federal funding targeting road construction and safety initiatives.

The focus for 2026/2027 remains on renewing and updating Council assets, leveraging in-house capabilities, and supporting local employment and contractors, and the tender of works with the expectation of possible budget savings in a softening construction market.

Key areas include:

- Enhanced roads reseal program.
- Urban drainage improvements
- Footpath network upgrades
- Major urban road gravel to seal program
- Continued implementation of OTTA seals across Councils road network
- Reconstruction of Buangor Ben Nevis Road
- Roads to Recovery funded projects (Moyston-Willaura Bridge and Stevens Crescent Reconstruction)
- Safe Local Roads and Street funding projects

Budget Status:

As of 31 August 2026, 6% of the budget is expended.



PROPERTY CAPITAL PROJECTS	Budget	Funding Amount	Council Contribution	Community Contribution	Previous Years Expenditure	Committed Expenditure (26/27)	Expended (26/27)	Overall Total	%	Notes
Property Capital General	\$950,000		\$950,000							
Gum San Carpet Replacement							\$20,813	\$20,813	100%	Works are complete
Paint - Lake Bolac Pool										
Paint - Willaura Pool										
Moyston Recreation Reserve Replacement Gutters										
Buangor Cobb & Co. Windows and Heating						\$18,600				Replacement of rotted timber windows with like for like.
Ararat Tennis Club - Disabled Toilets										
Ararat Fitness Centre Roof Laserlight Replacement						\$30,356				To repair roof leaking issue over basketball courts.
Girdlestone Street Residence Renovation						\$9,254	\$18,167	\$27,422		Painting, Rewiring & Carpeting
Ararat Pony Club - Covered Sports Area (Play our Way Program)	\$1,490,000	\$1,490,000			\$1,250,803		\$12,764	\$1,263,568	90%	The design and construction of the undercover arena has been awarded to MKM Constructions works are to commence 16 February 2026.

										Lighting installation has been awarded to Matt Peel Electrical - this includes the installation of 3-phase power. Fire Services works are being completed with Maude Street access the final part of the project
Centenary Park - Dog Park (Open Space for Everyone Program)	\$112,000	\$100,000	\$12,000		\$95,108		\$61,924	\$157,033	132%	The project costs have run over for this job as there have been under ground issues and water connection that was not originally included in the project costs.
Buangor Sports Pavilion Redevelopment (Tiny Towns Program)	\$631,000	\$50,000	\$581,000 (\$220k Property Capital) (\$361k Property Reserve)		\$213,177		\$626	\$213,803	34%	Works have commenced on-site with demolition and electrical works complete, new slabs are being laid and internal framing has commenced.
Jack and Jill Kindergarten Redevelopment (Building Blocks improvement grants program)	\$745,000	\$745,000			\$668,744	\$28,000	\$35,616	\$732,360	95%	All internal works have been completed. Gutter and fascia have been upgraded to the building. A shade structure will be completed in the September School holidays.
Ararat City Tennis Sports Lighting Installation and accessibility upgrade (Regional Community Sports Infrastructure Fund)	\$700,000	\$560,000	\$120,000 (\$20,000 from Tennis Australia)	\$20,000	\$224,624	\$279,347	\$18,990	\$522,962	72%	Tenders for Civil, Lighting and Fencing have been awarded under Council Delegation. Civil works are expected to commence on 7 April 2026 by SHS Civil.



Moyston Multi-Use Court Upgrade (2025-26 Local Sports Infrastructure Fund - Community Facilities)	\$300,000	\$225,000	\$75,000		\$1,329	\$14,220	\$7,775	\$23,324	7%	Detailed designs are currently being completed to be able to go out to tender.
Moyston Netball & Tennis Changeroom Design (2025-26 Local Sports Infrastructure Fund - Planning)	\$25,000	\$18,750	\$6,250		\$241		\$2,182	\$2,423	9%	RFQ is out for tender to engage an architect or draftsman.
Ararat Library Lighting and Exterior Upgrade. (Living Libraries Infrastructure Program 2024-25)	\$51,026	\$51,026			\$51,691		\$860	\$52,551	103%	Works are now complete
TOTAL - PROPERTY CAPITAL	\$5,004,026	\$3,239,776	\$1,744,250	\$20,000	\$2,504,147	\$379,777	\$179,717	\$2,988,834		

PLANT & EQUIPMENT	Budget	Committed/ Contracted	Expended 26/27	%	Notes
Vehicle Purchases	\$240,000		\$115,904	45%	
Major Plant Purchases	\$260,000				
Fixtures, Fittings & Furniture	\$45,000		\$5,720	13%	



Book stock - Library Book Replacement	\$45,000				
TOTAL - PLANT & EQUIPMENT			\$121,624	20%	

ROADS AND INFRASTRUCTURE PROJECTS	Budget	Funding Amount	Council Contribution	Previous Years Expenditure	Committed Expenditure (26/27)	Expended 26/27	Overall Total	%	Notes
Gravel Road Sheeting, Widening & Alternative Sealing	\$1,800,000		\$1,800,000	NA		\$21,554	\$21,554	1%	OTTA Seal work on Logan Road and Mt William Road
Reseal Program	\$1,000,000		\$1,000,000	NA		\$2,657	\$2,657	2%	This years program will be going to the contractor in the coming w
Urban Road - Gravel to Seal	\$1,000,000		\$1,000,000	NA		\$4,257	\$4,257	4%	Works currently ongoing from 25/26: - Alexandra Avenue (in conjunction with SLRSP Funding) - Coral & McNeil Street (Early June Commencement) - Maude Street (in conjunction with Pony Club Project)
ROAD RECONSTRUCTION PROGRAM									
Buangor Ben Nevis Road (Roads to Recovery 24/25 & 25/26)	\$3,143,000		\$2,143,000 (24/25) \$1,000,000 (25/26)	\$498,159		\$14,370	\$512,530		Stage One of Road works are expected to commence in the coming months inline with the bridge works,



									to be undertaken by internal crew
Buangor Ben Nevis Road - Bridge Strengthening				\$198,139	\$118,111		\$316,250		Works have been completed to allow for traffic flow
Buangor Ben Nevis Road (SILRP Funding 25/26)	\$6,250,000	\$5,000,000	\$1,250,000						
Mt William Road (HSVPP Funding 24/25)	\$6,250,000	\$5,000,000	\$1,250,000	\$5,549,659		\$131,580	\$5,681,239	91%	The scope of works has been completed to adding the rock layer. There is one final section to seal and line marking and armco to install.
Road Reconstruction Program 26/27	\$1,457,000								

ROADS AND INFRASTRUCTURE PROJECTS	Budget	Funding Amount	Council Contribution	Previous Years Expenditure	Committed Expenditure (26/27)	Expended 26/27	Overall Total	%	Notes
Stevens Crescent (R2R)				\$15,466		\$3,179	\$18,645		Designs are being finalised
View Point Street (Banksia to Temple) (R2R)				\$21,612		\$7,454	\$29,067		Designs are being finalised
View Point Street (High to Lambert) (R2R)				\$16,585		\$7,828	\$24,413		Designs are being finalised
Green Hill Lake Drive									Designs are in progress
Ararat Active Bike Network (Active Transport Fund)	\$399,000	\$266,000	\$133,000	\$122,386		\$119,059	\$241,446		Original scope of works is complete
Major Patching	\$100,000		\$100,000			\$13,273	\$13,273	13%	
Bridges	\$1,200,000					\$788	\$383		



Bellellen Road Floodway (R2R)				\$24,542		\$2,100	\$26,624		Investigation Works being undertaken
Moyston Willaura Road Bridge (R2R) <i>Design and Construct</i>				\$595			\$595		Technical Reporting being undertaken
Footpath Renewal Program	\$400,000		\$400,000			\$36,382	\$36,382	8%	Albert Street Footpath between Currajong Ave and Grano Street is now complete.
Urban Drainage Works	\$750,000		\$750,000			\$7,364	\$7,364	<1%	Works on the drainage at the rear of our SES property will take place when the weather dries.
Kerb and Channel	\$300,000		\$300,000			\$10,152	\$10,152	4%	The tender for K&C in Lake Bolac on the Mortlake Ararat Road came in well over budget and will be undertaken in house.
Queen Street Housing Support Program (Housing Support Program - Community Enabling Infrastructure)	\$7,380,000	\$7,380,000		\$1,090,597	\$351,450	\$366,135	\$1,808,182	25%	Demolition and site clean up are ongoing



ROADS AND INFRASTRUCTURE PROJECTS	Budget	Funding Amount	Council Contribution	Previous Years Expenditure	Committed Expenditure (26/27)	Expended 26/27	Overall Total	%	Notes
SAFE LOCAL ROADS AND STREETS PROGRAM									
View Point, Tobin & Taylor St Intersections	\$224,000	\$224,000		\$22,842		\$367	\$23,209	10%	Project is out to tender
Ingor Street - Raised Crossing	\$110,000	\$110,000		\$20,731		\$799	\$21,530	19%	Project is out to tender
King Street - Raised Crossing	\$110,000	\$110,000		\$22,900	\$41,000	\$482	\$64,382	58%	Tenders have been awarded to SHS Civil. Works to be undertaken outside of school term.
Moore & Princes Street Intersection	\$131,000	\$131,000		\$21,090		\$3,514	\$23,604	18%	Project is ready for tender.
Vincent Street & Alexandra Avenue - Raised Crossing	\$321,000	\$321,000		\$27,706		\$3,783	\$29,244	9%	Project is ready to tender
Queen & Moore Street Roundabout	\$548,000	\$548,000		\$31,213		\$919	\$32,132	6%	Project is out to tender.
George Road Raised Crossing (Ararat West)				\$5,896		\$63	\$5,959		New initiative for the SLRSP to include a permanent raised crossing at George Road. Awaiting final approval for funding.
Barkly Street Raised Crossing (IP43)						\$347	\$347		This crossing will have a final paint for completion.
TOTAL - ROADS CAPITAL	\$32,873,000	\$19,818,500	\$10,639,371	\$7,715,255	\$510,561	\$757,406	\$8,983,222		

FUNDED PROJECTS - MISCELLANEOUS (NOT CAPITALISED)	Budget	Funding Amount	Council Contribution	Previous Years Expenditure	Committed Expenditure (26/27)	Expended (26/27)	Overall Total	%	Notes
Unlocking Ararat North East (Streamlining for Growth 22/23)	\$85,000	\$85,000		\$39,393	\$19,691		\$59,085	70%	Beveridge Williams is undertaking the works for this project. They are working with our Planning Department and Strategic Project Lead to progress the outcomes of the funding.
Ararat City Tennis Sports Lighting Installation and accessibility upgrade - Participation Initiative. (Regional Community Sports Infrastructure Fund)	\$50,000	\$50,000		NA				0%	This grant was received in July 2025 and will run in conjunction with the infrastructure project for Sports Lighting and accessibility upgrades.

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

The key financial drivers align strongly with the thrust of the Council Plan 2025-2029, particularly the following:

- 4.1** Ensure that asset development and renewal during the planning period matches that identified in Council's Asset Plan 2025-2035.
- 4.2** Work directly with asset users to manage and develop new and existing assets.
- 4.3** Deliver infrastructure outcomes that support economic are mindful of intergenerational equity and enhance community wellbeing and safety. These approaches will explore strategic use of debt to fund long-term assets and ensure Council's financial sustainability.
- 6.1** Deliver responsible budget outcomes, linked to strategy, that deliver value, innovation, and rating fairness.

Budget Implications

The 2026/2027 Capital Works Program represents a significant element of Council's 2026/2027 Budget. In the current civil construction market, it is essential that Council manages capital works expenditure carefully to ensure budget outcomes are met.

Policy/Relevant Law

The 2026/2027 Capital Works Program complies with the program funded in the 2026/2027 Budget.

Sustainability Implications

There are no environmental sustainability implications. Council is mindful of considering new innovative approaches to improve its sustainability and environmental footprint as part of the Capital Works program.

Risk Assessment

The 2026/2027 Capital Works Program was developed as a mitigation of the financial risks associated with market volatility currently being experienced in the civil and building construction sectors.

Innovation and Continuous Improvement

Development of the 2026/2027 Capital Works Program represented an agile response to market conditions. A capacity to rework strategy based on a changing environment is a critical element in developing an innovative organisation.

Stakeholder Collaboration and Community Engagement

The 2026/2027 Capital Works Program has been developed as an element of the 2025/2026 Budget. There was extensive community engagement undertaken prior to adoption.

Gender Impact Assessment

Gender Impact Assessments will be undertaken on a project basis.

RECOMMENDATION

That:

1. Council receive the Capital Works Program – August 2026 report.

MOVED CR WATERSTON SECONDED CR KAUR

That:

1. Council receive the Capital Works Program – August 2026 report.

Cr Waterston and Cr Kaur spoke for the motion.

**CARRIED 6/0
5426/26**

ATTACHMENTS

There are no attachments relating to this item.

4.5 MAYORS, DEPUTY MAYORS AND COUNCILLORS ALLOWANCES

RESPONSIBLE OFFICER: CHIEF OPERATING OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 31677

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

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

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

EXECUTIVE SUMMARY

The Victorian Independent Remuneration Tribunal has released the "Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2026". The Determination establishes a revised framework for councillor allowances across all 79 Victorian councils and takes effect from 1 July 2026.

The review considered the changing nature of the councillor role, including increasing governance responsibilities, legislative requirements, community expectations, professional development obligations and the time commitment associated with performing the role. It also considered whether existing allowance arrangements appropriately support participation and representation within local government.

Ararat Rural City Council remains classified within the Tribunal's Category A allowance structure. The Determination also introduces revised arrangements for remote area travel allowances and confirms that allowance values will continue to be subject to annual indexation.

This briefing provides Council with an overview of the 2026 Determination, the changes relevant to Ararat Rural City Council and the associated financial and administrative implications for Council.

DISCUSSION

The Victorian Independent Remuneration Tribunal's 2026 Comprehensive Determination establishes a revised allowance framework for Mayors, Deputy Mayors and Councillors across Victoria. The Determination applies from the 1 July 2026 and reflects the Tribunal's consideration of the changing nature, complexity and workload of elected representative roles, as well as the need to support effective governance and encourage participation from people who reflect the diversity of their communities.

The Ararat Rural City Council remains classified as a "Category A" council under the new Determination. The revised allowances result in different levels of change across the three elected representative roles. All allowance amounts are inclusive of Council's superannuation contribution, meaning the published allowance represents the total remuneration amount rather than the cash allowance plus an additional superannuation payment.

Council's current annual allowances, inclusive of superannuation, are as follows:

Council Allowance Category A	Current	Proposed 1 July 2026
Mayor	\$91,613	\$103,400
Deputy Mayor	\$45,807	\$45,807
Councillor	\$28,110	\$35,000

This represents an increase of \$11,787 or approximately 12.9% for the Mayor and an increase of \$6,890 or approximately 24.5% for Councillors. The Deputy Mayor allowance remains unchanged at \$45,807.

The more substantial increase to the Councillor allowance reflects the Tribunal's consideration of the evolving nature of the councillor role. In undertaking the review, the Tribunal considered the

responsibilities and accountabilities of councillors, the skills and capabilities required to undertake the role, the community service dimension of local government and the importance of enabling a diverse range of candidates to participate in local government.

The Determination also revises the Remote Area Travel Allowance (RATA), providing additional recognition where eligible Councillors are required to travel significant distances in undertaking their duties. This is particularly relevant to rural and regional councils where elected representatives may travel considerable distances to attend Council meetings, community meetings, functions and other activities associated with their role.

Currently, eligible Councillors may receive \$48.90 per day, where they normally reside more than 50km from the location of Council activities, up to a maximum of \$6,112.50 per financial year. From 1 July 2026, the RATA will move to a two-tier structure based on the shortest practicable road distance between Councillor's normal residence and the eligible location. Travel of more than 50 kilometres and no more than 100 kilometres will attract an allowance of \$50.60 per day, while travel of more than 100 kilometres will attract an allowance of \$101.20 per day. The maximum amount payable to an individual Mayor, Deputy Mayor or Councillor will increase to \$6,325 per financial year.

The new arrangements also recognise circumstances where attendance at an eligible event requires travel over more than one day. In these circumstances, the RATA may be claimed for each day on which the required travel is undertaken, including where an overnight stay is necessary before returning home. This revised approach is particularly relevant to rural and geographically dispersed municipalities, with the Tribunal acknowledging concerns that the previous single daily rate did not adequately recognise the additional time spent travelling by Councillors in large and remote municipalities.

The Determination is binding on Victorian councils and does not require Council to determine or approve the level of allowances payable. The Tribunal is responsible for setting the allowance framework and values, while matters relating to the reimbursement of Councillor expenses and the provision of resources and facilities remain the responsibility of individual councils in accordance with the Local Government Act 2020.

Election to Receive an Allowance

In accordance with the Local Government Act 2020, a Mayor, Deputy Mayor or Councillor may elect to receive:

- a) The entire allowance to which they are entitled
- b) Receive a specified part of the allowance or
- c) Elect to receive no allowance.

Accordingly, while the Victorian Independent Remuneration Tribunal determines the applicable allowance for each role, the amount determined represents the maximum entitlement and does not require an individual Councillor to receive the full amount.

Any election by a Mayor, Deputy Mayor or Councillor to receive a reduced allowance, or no allowance, does not alter the allowance determined for the position. The applicable allowance remains the amount established by the Tribunal, with the individual office holder able to elect the proportion of that entitlement they wish to receive.

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

6. STRONG AND EFFECTIVE GOVERNANCE

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

Budget Implications

Mayors, Deputy Mayor's and Councillors Allowances are allocated in the 2026/2027 budget.

Policy/Relevant Law

The Local Government Act 2020:

Section 39(1) states that a Mayor or a Deputy Mayor is entitled to receive from the Council an allowance as a Mayor or a Deputy Mayor in accordance with a Determination of the Victorian Independent Remuneration Tribunal under the Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019; and

Section 39(2) states a Councillor is entitled to receive from the Council an allowance as a Councillor in accordance with a Determination of the Victorian Independent Remuneration Tribunal under the Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019; and

Section 39(5) states that a Mayor, Deputy Mayor or Councillor may elect –

- a) To receive the entire allowance to which they are entitled; or
- b) To receive a specified part of the allowance to which they are entitled; or
- c) To receive no allowance.

Sustainability Implications

There are no economic, social or environmental implications in relation to Mayors, Deputy Mayors and Councillors Allowances.

Risk Assessment

Council is obliged to comply with this process under the various provision of the Local Government Act 2020.

Stakeholder Collaboration and Community Engagement

The Chief Operating Officer briefed Councillors on the Victorian Independent Remuneration Tribunal's Allowance Payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 1/2026 at the Councillor briefing held on Tuesday 22 September 2026

RECOMMENDATION

That:

1. *The Mayors, Deputy Mayors and Councillors Allowances Report be received.*

MOVED CR J ARMSTRONG

SECONDED CR JOYCE

That:

1. **The Mayors, Deputy Mayors and Councillors Allowances Report be received.**

Cr J Armstrong spoke for the motion.

CARRIED 6/0

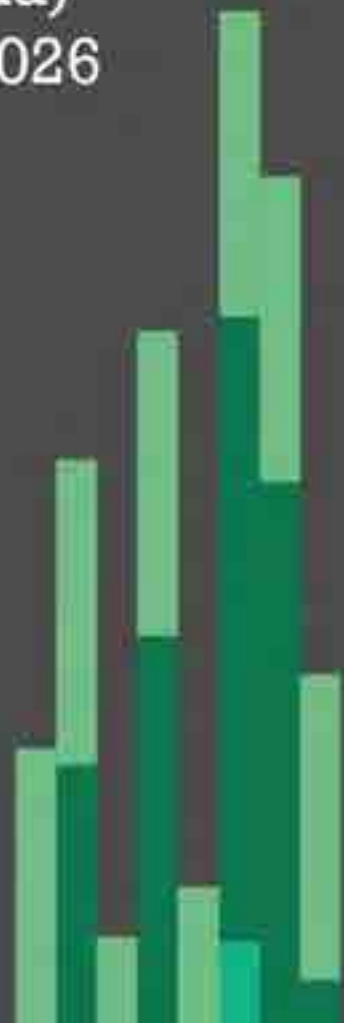
5427/26

ATTACHMENTS

The Victorian Independent Remuneration Tribunal's Allowance Payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 1/2026 is provided as Attachment 4.5

Victorian
Independent
Remuneration
Tribunal

Allowance payable to
Mayors, Deputy Mayors
and Councillors (Victoria)
Determination No. 01/2026



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DETERMINATION

[2026] DCM 01

Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 (Vic)

Part 3— Determination of the allowance payable to Mayors, Deputy Mayors and Councillors.

Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2026

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Part 5 – Other matters

8. Allowance inclusive of superannuation entitlements
9. Annual indexation of allowances

Part 1 – Legal matters and definitions

1. **Title:** This Determination is the *Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2026* and is made under Part 3 of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* (Vic) by the Victorian Independent Remuneration Tribunal.

2. **Effective date:** This Determination takes effect on 1 July 2026.

3. Definitions

3.1 Terms not defined in this Determination have the same meaning as in the *Local Government Act 2020* (Vic), unless the contrary intention appears.

3.2 In this Determination, unless the contrary intention appears:

Eligible Local Governing Body means a council whose councillors are employees for the purposes of the *Superannuation Guarantee (Administration) Act 1992* (Cth) (as amended or replaced from time to time) and are entitled to Superannuation Guarantee Contributions under that Act, by virtue of the council having made a resolution under section 446-S of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (as amended or replaced from time to time);

Eligible Location means, for a mayor, deputy mayor or councillor, the location or locations specified for the conduct of ordinary, special or committee meetings of their council, or any municipal or community functions which have been authorised by council resolution for that councillor to attend;

Superannuation Guarantee Contribution means the minimum superannuation payments that an employer is required to make to a superannuation fund on an employee's behalf so as to avoid the superannuation guarantee charge under the *Superannuation Guarantee (Administration) Act 1992* (Cth) (as amended or replaced from time to time);

VIRTIPS Act means the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* (Vic).

4. Coverage and application

- 4.1 This Determination sets the values of the allowances payable to mayors, deputy mayors and councillors, which include:
- (a) a base allowance, which varies according to council allowance categories, set in Part 3 of this Determination;
 - (b) subject to eligibility requirements, a remote area travel allowance set in Part 4 of this Determination

Part 2 – Council allowance categories

5. Council allowance categories

- 5.1 In accordance with section 23A of the VIRTIP5 Act, Schedule A of this Determination provides for a council allowance category for each council.
- 5.2 The value of the base allowance that a mayor, deputy mayor or councillor is entitled to, set in Part 3 of this Determination, varies depending on the council allowance category that applies to their council.

Part 3 – Base allowance

6. Mayors, deputy mayors and councillors entitled to a base allowance

- 6.1 Each mayor, deputy mayor and councillor is entitled to a base allowance and is only entitled to receive one base allowance for any particular period of service.

Note: As explained in clause 8, the allowance values set in this Determination are exclusive of any applicable superannuation entitlements.

- 6.2 The values of the base allowances for mayors are set out in Table 1.

Table 1: Value of the base allowance for mayors, by council allowance category, from 1 July 2026

Council allowance category	Value of allowance (\$ per annum)
Category A	103,400
Category B	124,080
Category C	146,640
Category D	157,920
Category E – Melbourne City Council	302,881

6.3 Subject to the transitional arrangements in clause 6.4, the values of the base allowances for deputy mayors are set out in Table 2.

Table 2: Value of the base allowance for deputy mayors, by council allowance category, from 1 July 2026

Council allowance category	Value of allowance (\$ per annum)
Category A	45,807
Category B	50,388
Category C	59,549
Category D	64,130
Category E – Melbourne City Council	151,441

6.4 This clause applies to a deputy mayor or former deputy mayor of a council in Category B, C or D whose term as deputy mayor commenced in, or encompassed any part of, the period of 1 July 2026 to 31 August 2026 (both dates inclusive). From 1 July 2026 until the expiry of the relevant term only, the value of the base allowance for a deputy mayor to which this clause applies is the value set out in Table 3.

Note: The intent of this clause is to ensure that the allowance received by a deputy mayor whose term commenced on or prior to 31 August 2026 is not reduced for the part of their current or completed term that extends past 1 July 2026. However, the allowance for a deputy mayor who commences a new term after 31 August 2026, including a re-elected deputy mayor, will be the relevant value set out in Table 2. For the avoidance of doubt, this clause does not apply to the term of any deputy mayor that concluded before 1 July 2026.

Table 3: Transitional value of the base allowance for some deputy mayors, by council allowance category, from 1 July 2026 until the end of their term

Council allowance category	Value of allowance (\$ per annum)
Category B	59,152
Category C	73,159
Category D	73,159

6.5 The values of the base allowances for councillors are set out in Table 4.

Table 4: Value of the base allowance for councillors, by council allowance category, from 1 July 2026

Council allowance category	Value of allowance (\$ per annum)
Category A	35,000
Category B	38,500
Category C	45,500
Category D	49,000
Category E – Melbourne City Council	65,193

Part 4 – Remote area travel allowance

7. Remote area travel allowance

- 7.1 The remote area travel allowance is payable for each day that a mayor, deputy mayor or councillor spends travelling to, or returning from, an Eligible Location that is more than 50 kilometres from the location that they normally reside in, based on the shortest possible practicable road distance.

Note: The term Eligible Location is defined in clause 3.

Note: If a councillor is required to undertake travel in more than one day in order to attend a particular event at an Eligible Location, then the remote area travel allowance may be claimed for each day that travel is undertaken. For example, if a councillor travels to and attends an event on one day, is required to stay overnight (e.g. for safety reasons) at accommodation near that location and then travels home the next day, the remote area travel allowance is payable on each of these days.

- 7.2 Subject to clause 7.3, if the shortest possible practicable road distance between the Eligible Location and the location that the mayor, deputy mayor or councillor normally resides in is more than:
- (a) 50 kilometres and no more than 100 kilometres, the amount they are entitled to be paid per day is \$50.60;
 - (b) 100 kilometres, the amount they are entitled to be paid per day is \$101.20.
- 7.3 Each mayor, deputy mayor or councillor can receive no more than \$6,325 in remote area travel allowance in any one financial year.

Part 5 – Other matters

8. Allowance inclusive of superannuation entitlements

- 8.1 The value of the allowance payable to a mayor, deputy mayor or councillor is inclusive of any Superannuation Guarantee Contribution amount, or equivalent, that may be payable under Commonwealth law to them with respect to their service in that office (for example, due to their council being an Eligible Local Governing Body).

9. Annual Indexation of allowances

9.1 For the purpose of s. 23A(7)(b) of the VIRTIPS Act, the values of allowances set in this Determination will be annually adjusted by the determinations made by the Tribunal under s. 23B of the VIRTIPS Act.



Warren McCann

Chair

Victorian Independent
Remuneration Tribunal



Laurinda Gardner

Member

Victorian Independent
Remuneration Tribunal



Meredith Sussex AM

Member

Victorian Independent
Remuneration Tribunal

Date: 18 August 2026

Schedule A — council allowance category for each council

Category A

Alpine Shire Council	Loddon Shire Council
Ararat Rural City Council	Mansfield Shire Council
Benalla Rural City Council	Mount Alexander Shire Council
Borough of Queenscliffe Council	Murrumbidgee Shire Council
Buloke Shire Council	Northern Grampians Shire Council
Central Goldfields Shire Council	Pyrenees Shire Council
Corangamite Shire Council	Southern Grampians Shire Council
Gannawarra Shire Council	Strathbogie Shire Council
Hepburn Shire Council	Towong Shire Council
Hindmarsh Shire Council	West Wimmera Shire Council
Indigo Shire Council	Yamirampack Shire Council

Category B

Bass Coast Shire Council	Maribondah City Council
Baw Baw Shire Council	Mildura Rural City Council
Bayside City Council	Mitchell Shire Council
Campaspe Shire Council	Melira Shire Council
Colac Otway Shire Council	Moorabool Shire Council
East Gippsland Shire Council	Moyne Shire Council
Glennie Shire Council	Nillumbik Shire Council
Golden Plains Shire Council	South Gippsland Shire Council
Greater Shepparton City Council	Surf Coast Shire Council
Hobsons Bay City Council	Swan Hill Rural City Council
Horsham Rural City Council	Wangaratta Rural City Council
Latrobe City Council	Warrnambool City Council
Macedon Ranges Shire Council	Wellington Shire Council
Maribyrnong City Council	Wodonga City Council

Category C

Ballarat City Council	Knox City Council
Banyule City Council	Manningham City Council
Boroondara City Council	Merribek City Council
Brimbank City Council	Monash City Council
Cardinia Shire Council	Moonee Valley City Council
Dandenong City Council	Mornington Peninsula Shire Council
Frankston City Council	Port Phillip City Council
Glen Eira City Council	Stonnington City Council
Greater Bendigo City Council	Whitehorse City Council
Greater Dandenong City Council	Yarra City Council
Kingston City Council	Yarra Ranges Shire Council

Category D

Casey City Council	Melton Shire Council
Greater Geelong City Council	Whittlesea City Council
Hume City Council	Wyndham City Council

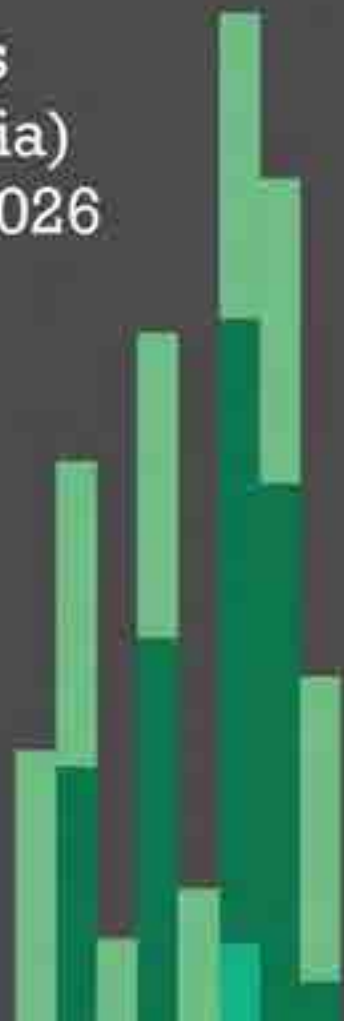
Category E – Melbourne City Council

Melbourne City Council

Victorian
Independent
Remuneration
Tribunal

Allowance payable to
Mayors, Deputy Mayors
and Councillors (Victoria)
Determination No. 01/2026

Statement of Reasons



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Abbreviations and glossary

Term or abbreviation	Definition
2022 Comprehensive Determination	Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2022
2026 Comprehensive Determination	Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2026
2026–27 State Budget	Victorian Budget 2026–27
ABS	Australian Bureau of Statistics
ALGWA Victoria	Australian Local Government Women's Association Victorian Branch
AWOTE	Average Weekly Ordinary Time Earnings
CBD	Central Business District
CEO	Chief Executive Officer
councillor	collective term describing mayors, deputy mayors and councillors
CPI	Consumer Price Index
Cth	Commonwealth
DTF	Department of Treasury and Finance
ELGB	eligible local governing body
ESC	Essential Services Commission
FWC	Fair Work Commission
FPAV	First Peoples' Assembly of Victoria
GDP	Gross Domestic Product
GGS	general government sector
GI	Government Infrastructure Investment
GSP	Gross State Product
LG Act 2020	Local Government Act 2020 (Vic)
LG Amendment Act 2024	Local Government Amendment (Governance and Integrity) Act 2024 (Vic)
LGA	local government area
LGI	Local Government Inspectorate
LGV	Local Government Victoria
MAV	Municipal Association of Victoria

Term or abbreviation	Definition
MP	Member of the Parliament of Victoria
NMW	National Minimum Wage
p.a.	per annum
PE	public entity
PSAS Act	<i>Parliamentary Salaries, Allowances and Superannuation Act 1968 (Vic)</i>
RATA	remote area travel allowance
RBA	Reserve Bank of Australia
SG	Superannuation Guarantee
SGA Act	<i>Superannuation Guarantee (Administration) Act 1992 (Cth)</i>
Tribunal	Victorian Independent Remuneration Tribunal
VAGO	Victorian Auditor-General's Office
VIRTIPS Act	<i>Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 (Vic)</i>
VLGA	Victorian Local Governance Association
Wages Policy	Wages Policy and the Enterprise Bargaining Framework
WPI	Wage Price Index

Summary

The Victorian Independent Remuneration Tribunal sets the value of the allowances payable to all councillors, deputy mayors and mayors in Victoria.

This Determination — the *Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2026* — provides an opportunity to review and, where appropriate, reset the allowances for councillors.

The Tribunal has determined a new allowance structure that is intended to better reflect the contemporary role of councillors, including the increasing professionalism and complexity of councillor work and the common responsibilities carried by councillors across all councils.

In reaching its decision, the Tribunal balanced the need for allowances that support effective performance of elected roles with community expectations and economic conditions — which both point to restraint. The Tribunal also noted the financial impact of the new allowances on councils, which it assessed as modest and affordable.

The Tribunal heard from a range of stakeholders and carefully considered their views in making this Determination. The Tribunal expresses its appreciation to all those who made submissions or otherwise participated in the consultation process and assisted the Tribunal to perform its functions.

Allowance values from 1 July 2026

The values of the allowances for councillors based on the allowance category for each council are shown in Table S.1. These values are inclusive of any superannuation contributions that may be payable under Commonwealth law.

Table S.1: Allowances for councillors, deputy mayors and mayors, from 1 July 2026

Council allowance category	Councillor (\$ per annum)	Deputy mayor (\$ per annum)	Mayor (\$ per annum)
Category A	35,000	45,807	103,400
Category B	38,500	50,388	124,080
Category C	45,500	59,549	146,640
Category D	49,000	64,130	157,920
Category E — Melbourne City Council	65,193	151,441	302,881

The allocation of specific councils to each allowance category is set out in Chapter 9 of this Determination.

The remote area travel allowance recognises the additional travel time required of councillors representing large or remote municipalities. The Tribunal has introduced two daily rates — \$50.60 for travel of 50–100 kilometres and \$101.20 for travel over 100 kilometres, with an annual cap of \$6,325. The allowance may also be claimed for each day of travel where attendance at an eligible event requires travel over more than one day.

The new allowance framework

The new framework is built around a minimum councillor base allowance, additional recognition of the responsibilities of mayors and an adjustment for differing levels of complexity across councils. It also introduces a new category for high-growth councils while retaining a separate category for Melbourne City Council.

Minimum base allowance for councillors, deputy mayors and mayors

The Tribunal established a minimum base allowance for councillors that recognises the common underlying functions and responsibilities that they perform.

In setting a minimum councillor allowance at \$35,000 a year, the Tribunal had regard to evidence that most councillors work at least two days per week. It considered several wage benchmarks, including average weekly ordinary time earnings, median earnings and the National Minimum Wage.

Mayors carry significant additional responsibilities, including chairing council meetings, acting as the public face of the council and managing the relationship between the council and the chief executive officer. The Tribunal therefore set mayoral allowances that incorporate a responsibility loading that reflects these additional functions, and to recognise the largely full-time nature of the role.

For deputy mayors, the Tribunal accepted stakeholder concerns that the existing allowance was too closely tied to the mayoral allowance and did not reflect the relatively limited additional responsibilities of the role. The new deputy mayor allowance is therefore set with reference to the councillor base allowance rather than as a proportion of the mayoral allowance.

This results in a reduction in the allowances for deputy mayors in certain councils, and the Tribunal has put transitional arrangements in place for affected deputy mayors until their current term expires.

Allowance categories and complexity

The Tribunal retained the broad structure of the existing council categories for most councils but renamed them, such that Categories A–C correspond to the previous Categories 1–3. The principal structural change is the creation of Category D for the largest growth councils.

The Tribunal found that rapid growth can materially increase councillor workload and complexity. Councillors in growth areas may oversee substantial infrastructure and service investment, make decisions on complex and contentious planning matters, and represent large, rapidly growing and increasingly diverse communities. These circumstances can also increase the time commitment required of councillors, including where rapid growth creates challenges for social cohesion and local connections are limited. Category D therefore provides additional recognition for these councillors.

To reflect progressively higher work requirements, a complexity factor is applied to the Category A minimum base allowance. The factor is 10 per cent for Category B, 30 per cent for Category C and 40 per cent for Category D.

The Tribunal decided not to add further criteria to the method for allocating councils between categories. Although stakeholders proposed factors such as location and geographic size, the Tribunal concluded that retaining population and revenue provides a simpler and more readily understood method and avoids the additional judgment and complexity involved in weighting multiple factors.

Melbourne City Council

Melbourne City Council remains in a separate category because of its distinctive role, operating arrangements and importance to the Victorian economy. The Tribunal also noted that bespoke allowance arrangements for capital city councils are common in other jurisdictions.

The Tribunal nevertheless considered that the existing gap between Melbourne City Council and the new Category D councils was already substantial and potentially greater than circumstances warranted. It therefore applied a 3.5 per cent adjustment to the allowances for councillors, the Deputy Lord Mayor and the Lord Mayor, consistent with recent annual adjustments for Victorian Members of Parliament and public sector executives.

The Tribunal's approach was based on several important considerations

In its first comprehensive determination — the *Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2022* — the Tribunal increased councillor allowances by 10 per cent, mayoral allowances by 20 per cent and introduced a deputy mayoral allowance equal to half the mayoral allowance.

In part, these increases sought to compensate for the significant passage of time since the previous comprehensive review of allowances in 2007–08. However, the Tribunal did not make further changes to an allowance structure that was based substantially on historical precedent.

The Tribunal now considers that the earlier framework gave insufficient weight to the constitutional status of local government, the common responsibilities of councillors, the effect of the *Local Government Act 2020* (Vic) and subsequent reforms, and the additional complexity faced by some councils, particularly high-growth councils.

The contemporary councillor role

The Tribunal heard from stakeholders that the contemporary councillor role is multifaceted, with substantial governance and representative responsibilities. Councillors are increasingly expected to understand complex legislation, strategic and long-term financial documents, and a wide range of council policies and plans. Recent reforms have reinforced this trend, including additional mandatory training and professional development requirements and the introduction of single-member wards for many councils. Community expectations are also high and appear to have intensified.

Stakeholders argued that describing the councillor role as 'voluntary' no longer reflects its practical demands. The Tribunal accepted that the role has become more professional but considered that it should continue to retain an important element of community service. Allowances should therefore recognise both the public-service character of elected office and the time, responsibility and practical requirements involved in carrying it out.

Diversity and participation

The Tribunal also considered whether allowance settings may affect the diversity of people willing or able to stand for election and serve as councillors. It noted that — in some respects — the composition of councils does not reflect the broader Victorian population.

The Tribunal considers it likely that financial factors influence participation, particularly for people balancing council service with caring responsibilities or other employment, and for people with less financial security. That said, changes to allowances cannot address all barriers to participation — work requirements and practices, psychosocial risks and access to other forms of support for councillors may also be important.

Statutory requirements

The Tribunal considered statutory requirements for making a comprehensive determination, including

- the Victorian Government's Wages Policy
- the financial position and fiscal strategy of the State of Victoria
- current and projected economic conditions and trends
- submissions received in relation to this Determination.

The Tribunal also took account of other statutory requirements specific to councillor allowances, including to

- comprehensively review existing councillor allowances and allowance categories
- consider similar allowances for councillors in other jurisdictions and for 'persons elected to other voluntary part-time community bodies'
- provide for the annual indexation of allowances.

Finally, the Tribunal also considered the issues in the letter from the then-Minister for Local Government requesting that the Tribunal undertake this Determination.

Detailed information and data supporting the Tribunal analysis and consideration of these matters can be found in the various chapters of this Statement of Reasons.

1 About this Determination

The Victorian Independent Remuneration Tribunal provides transparent, accountable and evidence-based decision-making about the remuneration of mayors, deputy mayors and councillors (collectively referred to as councillors), as well as Members of the Parliament of Victoria (MPs) and public sector executives.

Under the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* (Vic) (VIRTIPS Act), the Tribunal must act independently and impartially in performing its functions and is not subject to the control or direction of any person, including the Minister responsible for the Tribunal.¹

Following amendments to the VIRTIPS Act in 2020, the Tribunal made its first determination of the allowances for councillors — the *Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2022* (2022 Comprehensive Determination) — in March 2022.²

That Determination set the value of the base allowance payable to councillors — which varied based on their position and the relevant allowance category for each council — and the value of the remote area travel allowance (RATA) payable to eligible councillors. Those allowance values took effect retrospectively from 18 December 2021.

Subsequently, the Tribunal has made annual adjustment determinations to adjust the values of the allowances set in that 2022 Comprehensive Determination. Those adjustments applied from 18 December 2022, and thereafter from 1 July in each of 2023, 2024 and 2025. The current allowances are discussed in Chapter 5.

¹ VIRTIPS Act, s 5.

² Victorian Independent Remuneration Tribunal (2022).

1.1 There is a strong case to review councillor allowances in 2026

A new comprehensive determination of councillor allowances must be made within six months after the 'relevant date', which is either the day on which every second general local council election is held, or the day that the Minister for Local Government requests that the Tribunal make a determination.¹ The next general local council election is scheduled for October 2028, meaning that the next comprehensive determination would be made in April 2029 absent an intervening request from the Minister for Local Government.

Stakeholder feedback to the Tribunal in 2025 during the making of its *Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Annual Adjustment Determination 2025* raised several issues regarding councillor allowances, including:

- changes to the nature, complexity and workload of councillors, and the time required to perform the role
- challenges in attracting and retaining councillors with the skills and capabilities to perform the role and represent the diversity of Victoria's communities
- proposed changes to the structure and value of allowances and allowance categories.

The Tribunal judged that the issues raised by stakeholders were best addressed in a comprehensive determination, which provides for a structured review of relevant issues and, where appropriate, the ability to reset the structure and values of councillor allowances. A four-year period between comprehensive determinations is consistent with the approach for MPs and public sector executives and enables any changes to be implemented well-ahead of the next general local council election.

Accordingly, in June 2025, the Tribunal Chair wrote to the then-Minister for Local Government proposing that a new comprehensive determination be undertaken in 2026 (Appendix A).

¹ V. VETRES Act, s. 23A.

The then-Minister for Local Government responded on 19 February 2026 requesting that the Tribunal make a new comprehensive determination, and consider matters relating to the expenses, resources and facilities provided to councillors and a 'councillor assist' program (Appendix B). The determination must be made by 19 August 2026.

1.2 The 2026 Comprehensive Determination applies to elected councillors

Section 23A of the VIRTIPS Act requires the Tribunal to set the quantum of the allowance payable to mayors, deputy mayors and councillors, and to provide for council allowance categories (which can be specified for a council or group of councils).

The *Allowance payable to mayors, deputy mayors and councillors (Victoria) Determination No. 01/2026* (2026 Comprehensive Determination) applies to every councillor in all 79 local councils in Victoria. At the most recent local council elections in October 2024, a total of 647 councillors were elected in 78 councils, with no elections held for Moira Shire following the dismissal of its council in 2023.⁶

The 2026 Comprehensive Determination sets:

- new values and allowance categories for the base allowance payable to councillors
- new values and eligibility criteria for the RATA.

The Tribunal does not determine arrangements for the reimbursement of expenses for councillors, or the resources and facilities provided to councillors by their council. These are matters for each council to determine, subject to the relevant provisions of the *Local Government Act 2020* (Vic) (LG Act 2020).⁷ However, consistent with the request from the then-Minister for Local Government, the Tribunal has considered the expenses, resources and facilities for councillors, and provided advice to the Minister on areas for improvement.

⁶ Victorian Electoral Commission (2025), pp. 25, 66, 116–143.

⁷ LG Act 2020, ss. 40–42.

1.3 This Determination takes account of statutory and other factors

The 2026 Comprehensive Determination has been made in accordance with the requirements of the VIRTIPS Act.

The Tribunal is required to:⁶

- comprehensively review existing councillor allowances and allowance categories
- take account of similar allowances for elected members of local governments in other states and allowances for 'persons elected to other voluntary part-time community bodies'
- provide for the annual indexation of allowances
- consider any statement or policy issued by the Government of Victoria which is in force with respect to its wages policy (or equivalent) and the remuneration and allowances of any specified occupational group
- consider the financial position and fiscal strategy of the State of Victoria
- consider current and projected economic conditions and trends
- consider submissions received in relation to this Determination.

The Tribunal may also provide for any other matter it considers relevant.⁷

The Minister for Local Government invited the Tribunal to consider specific issues

In the request for a new comprehensive determination, the then-Minister for Local Government invited the Tribunal to consider the following additional matters, as set out in his letter:

- any relationship between council allowances and the diversity and representation of councillors — particularly the representation of women
- the alignment of allowances for councillors with the roles, responsibilities and capabilities under the LG Act 2020
- guidance on consistent council arrangements for the expenses, resources and facilities reasonably necessary for councillors to perform their role

⁶ VIRTIPS Act, ss 23A(7), 24(2)

⁷ VIRTIPS Act, s 23A(2)(a)

- whether access to a 'councillor-assist' program should be included in the available allowances for councillors
- any events that may be relevant to the purpose of allowances, including recent natural disasters and changes to the electoral framework for councils.

The Tribunal developed several objectives to guide its approach

The Tribunal developed the following suite of objectives — drawing on its approach over successive determinations — to guide its approach to setting new allowances. These were to:

- reflect the responsibilities and accountabilities of councillors, and the skills and capabilities required to perform these
- account for relevant similarities and differences in councillor roles within and across local councils
- reflect the community service dimension to the role of councillors
- facilitate the participation of candidates for local government elections that reflect the diversity of their communities
- support the effective operation and governance of councils.

1.4 Structure of this Statement of Reasons

Each determination must include a statement of reasons, which presents the statutory and other factors considered by the Tribunal, and any other relevant information.⁹

Chapter 2 provides a brief overview of the consultation undertaken by the Tribunal to inform its deliberations and the main issues raised by stakeholders — which are discussed further in later chapters.

The characteristics of local councils in Victoria are summarised in Chapter 3. The information set out in that chapter underpinned the discussion of the role of councillors, deputy mayors and mayors that is set out in Chapter 4, including reference to the evolution of these roles since 2022.

⁹ - VRTBS Act, s.2(1)(b)

The current allowance framework set by the Tribunal in its 2022 Comprehensive Determination and subsequent annual adjustments to the value of allowances for councillors are summarised in Chapter 5.

Chapter 6 presents the remuneration arrangements for comparable local council roles in other jurisdictions. Chapter 7 sets out the remuneration arrangements for other comparator roles, including members of 'other voluntary part-time community bodies'.

The Tribunal's analysis of the economic, financial and other policy considerations that informed its decisions are detailed in Chapter 8.

Chapter 9 brings together the overall considerations that underpin the Tribunal's decision on the allowances payable to councillors, deputy mayors and mayors — and the allowance categories — which apply from 1 July 2026, but with transitional provisions for affected deputy mayors.

Other matters considered by the Tribunal — principally the expenses, resources and facilities provided to councillors and a 'councillor assist' program — are discussed in Chapter 10.

2 Stakeholder consultation

The Tribunal is required to consider the views of stakeholders when making a determination.⁹

This chapter provides an overview of the consultation process undertaken by the Tribunal and the issues raised by stakeholders, which are explored further in later chapters.

2.1 The Tribunal engaged extensively with stakeholders

Prior to making the 2026 Comprehensive Determination, the Tribunal:

- published notice of its intention to make a determination on its website on 4 March 2026, which included details about the proposed determination
- gave any affected person or a class of affected persons a reasonable opportunity to make a submission in relation to the proposed determination
- issued direct invitations to specific stakeholders to make a written or oral submission, or to participate in bi-lateral or roundtable discussions with the Tribunal.

Views were sought on a range of issues

The notice of intention invited parties to make a submission on:

- the roles of mayors, deputy mayors and councillors, including changes to these roles since the 2022 Comprehensive Determination
- current allowances, including whether the current values are appropriate and what factors should be considered in setting new values
- allowance categories, including the number of categories and the criteria used to allocate councils to specific categories
- relevant comparator roles, including councillors in other jurisdictions
- issues that should be considered in providing guidance on expenses, resources and facilities provided to councillors
- any other matter that the Tribunal should consider.

⁹ VRTBS Act, s. 24(1)

Written submissions closed on 2 April 2026, with a total of 24 submissions received from:

- peak bodies in the local government sector — the Australian Local Government Women's Association Victorian Branch (ALGWA Victoria), the Municipal Association of Victoria (MAV) and the Victorian Local Governance Association (VLGA)
- Council Watch Victoria Inc.
- local councils — Boroondara City Council, Campaspe Shire Council, Glen Elira City Council, South Gippsland Shire Council and Swan Hill Rural City Council
- individual councillors (including former councillors).

A further four individuals made a separate verbal submission to the Tribunal.

The Tribunal has published the written submissions and an agreed summary of the verbal submissions it received on its website. The submissions are published in an identified form where permission to do so was given. Otherwise, the submissions are published in a de-identified form.

Councillors' views were sought via a questionnaire

All councillors were also invited to provide their views via an online questionnaire that was emailed to them.

A total of 206 responses were received, which represents approximately 32 per cent of elected councillors covered by the 2026 Comprehensive Determination. These responses provided valuable insights on matters including the distinct roles of councillors, deputy mayors and mayors, and on the level and structure of the allowances.

The responses to the questionnaire are summarised in Appendix C.

The Tribunal also sent a data request to all Victorian councils on several issues, including the RATA and the expenses, resources and facilities provided to councillors. The Tribunal received information from 65 councils.

The Tribunal met with a range of individuals and groups

To gain a broad understanding of relevant issues and information, the Tribunal also met with a range of stakeholders.

The Tribunal engaged with several individuals and groups, including government departments, governance and oversight agencies, councils and agencies in other jurisdictions. These discussions helped the Tribunal to better understand key issues such as the operating environment for councils, the role of councillors and the impact of the current allowance framework — both across different councils in Victoria and across jurisdictions.

The Tribunal also met with some submitters to further explore issues raised in their written submissions.

The Tribunal convened several ‘roundtable’ discussions with administrators and municipal monitors appointed to councils (currently, or from time-to-time), and a representative group of council chief executive officers (CEOs). The purpose of these discussions was to explore participants’ views on the role of councillors in Victoria, and whether the role had changed since the 2022 Comprehensive Determination, as well as the effect of the current allowance framework, and other issues covered in the notice of intention.

2.2 Many stakeholders considered that a councillor’s role is now more demanding

Stakeholders observed that councillors oversee organisations that can have responsibility for substantial public expenditure on infrastructure assets and service provision, alongside responsibility for land-use, planning and local regulation. Decisions made by councillors on these issues have long-term impacts on communities.

Councillors also perform a critical representation role as a conduit between their community and the council. This is embodied in a range of activities, including attendance at community meetings and events, and responding to queries from constituents.

Rural councils and councillors noted additional issues such as responding to economic transition, service delivery challenges (e.g. managing infrastructure deficits), greater exposure to natural disasters and disaster response, and representing dispersed communities. Some also noted that advocacy with the Victorian and Commonwealth Governments was an important function for councillors in regional communities.

Specific issues were also raised for councillors in rapidly growing areas. This has implications for the role and workload of councillors arising from, amongst other things, oversight of significant investment in infrastructure and service delivery as well as decisions on complex and contentious issues (e.g. planning).

The Tribunal also heard that councillors in these areas are representing large, rapidly growing and increasingly diverse populations. This can affect the workload of councillors in newer areas — particularly where there are challenges relating to social cohesion and local connections are still limited.

Some stakeholders consider that councillor roles have continued to evolve since the 2022 Comprehensive Determination

Several stakeholders expressed a view that a councillor's role has evolved as the requirements of the LG Act 2020 and subsequent amendments have been progressively embedded in council processes and practices.

These reforms emphasised the governance role of councillors, which requires them to understand and exercise judgement on decisions with significant legal, financial and reputational consequences. In parallel, there have been changes to the conduct and integrity frameworks for councillors and additional scrutiny from regulators and integrity bodies.

The Tribunal heard that the role of a councillor was becoming increasingly professionalised. This was reinforced by mandatory training requirements, particularly those introduced in the LG Act 2020 and clarified by the *Local Government Amendment (Governance and Integrity) Act 2024* (Vic) (LG Amendment Act 2024), including mayoral training, councillor induction training and annual professional development training.

Stakeholders identified several other developments that they believe have impacted the role of some or all councillors since the Tribunal's first determination. Specific issues raised with the Tribunal include changes to ward structures for the 2024 elections, enhanced audit and risk management functions, heightened community expectations, and the nature and level of engagement via social media.

Overall, being a councillor was characterised as an increasingly professionalised role. At the same time, it was emphasised that community service remains a significant aspect of the role, with many seeing this as their principal motivation for becoming a councillor.

There were mixed views on the workload of councillors and the time commitment required for the role

The Tribunal heard that preparation for and attendance at council meetings was a significant commitment, with councillors having to digest lengthy agenda papers, strategic plans, technical reports and other documents within compressed timeframes. Councillors need adequate time and resources to test assumptions, engage with council officers, understand community impacts and fulfil their governance obligations.

That said, some stakeholders advised the Tribunal that there may be scope for some councillors to reduce the time devoted to this aspect of their role. For example, briefing processes for councillors could be streamlined and additional support provided to councillors.

Community engagement and representation can also require a substantial time commitment from councillors. This was a particular issue for councillors in regional areas who may need to travel long distances for their role. Moreover, the professional and personal lives of councillors in regional areas may become conflated as they are recognised and engaged with in shops, schools, community events and social settings.

These factors can be exacerbated by the nature of council business which extends beyond traditional working hours to encompass evening meetings, weekend events and community engagement to create an irregular working pattern.

Mandatory training and other professional development also consume a significant amount of councillors' time, particularly in their first year of a council term.

There were mixed views on whether a councillor's role should be considered largely part-time or was becoming closer to a full-time role in some circumstances. The role of mayor was generally held to be more of a full-time commitment.

However, the time devoted to each of these roles varies significantly, and some stakeholders noted that councillors have considerable discretion over how they perform their role. For example, while some councillors appear to spend limited time on their role, others consider that it requires a full-time commitment to be performed effectively. The Tribunal also heard that some councillors effectively 'cap' their time commitment to balance council work alongside other work or family responsibilities.

Councillors also experience broader impacts due to their role

Many councillors reported that the role and required workload have broader impacts on their work or family responsibilities and on them personally.

'Out-of-hours' work can have a serious impact on the family life of councillors, especially for those with young or school-aged children or other caring responsibilities. Similarly, some councillors reported that they had to adjust their employment or business arrangements to perform their role, including reducing their working hours, using paid and un-paid leave entitlements to undertake council business, or leaving their current job.

Most stakeholders observed that councillors were exposed to substantial levels of stress. This can occur where councillors are the first point of contact for constituents dealing with complex and challenging issues, as well as responding to intra-council and community tensions. This can be exacerbated by instances of inappropriate behaviour, including bullying, intimidation, harassment and online abuse.

The 2025 *Victorian Councillor Census* published by the VLGA reported that a significant proportion of councillors — particularly women — had experienced some form of threatening or intimidating behaviour from the public, or from other councillors.¹⁹ Examples that the Tribunal was made aware of include offensive comments made to councillors and their families in-person and through social media, and hostile behaviour in community or council meetings.

Where this occurs, the cumulative impact translates into emotional fatigue, anxiety and feeling unsafe.

¹⁹ VLGA (2026), p 9.

2.3 Several issues were raised about the current allowances

There was a broad — but not universal — view that there is a material ‘value’ gap between the current allowance amounts and the time and other demands placed on councillors.

Most stakeholders contended that the current allowances undervalue the time commitment, public accountability and opportunity cost of the role. Individual councillors described foregone income, reduced employment, inability to take on paid work, impacts on their businesses, childcare costs, and family impacts.

Current allowances also appear to be a limiting factor for the time that some councillors are able or willing to dedicate to their role.

Allowances were seen as relevant for participation and diversity

Some participants considered that the current allowances adversely affect the willingness of individuals to stand — or re-stand — for election given the opportunity cost associated with the role. In turn, this was said to affect the representativeness and diversity of councillors, and limit the range of skills, experience and perspectives available in council decision-making.

The Tribunal heard from several stakeholders that current allowances favour people with financial security, but may discourage others including women, First Nations peoples, younger people, and people with disability. There may also be challenges for people in employment who face difficult choices between their work commitments and their role as a councillor. In this context, several stakeholders considered that changes to allowances could support participation and diversity by better compensating councillors for the opportunity cost of their time.

Most councillors are motivated by a desire to serve their community. However, the Tribunal also heard that the nature of the role, workload, and psychosocial risks can affect decisions to stand for election or re-election. In these circumstances, a number of stakeholders indicated that other measures may also be needed — including to working practices, reimbursement of expenses and other support for councillors in performing their role.

A mix of options were put to the Tribunal

Following on from the above, there was support for the Tribunal increasing the value of the base allowance for councillors. Suggested benchmarks included councillors in other jurisdictions and comparator roles in other organisations, while several submissions suggested basing allowances on the National Minimum Wage.

However, some stakeholders, including some councillors who responded to the Tribunal's questionnaire, commented that the allowances were broadly appropriate. One suggestion was that any changes should be limited to maintaining the inflation-adjusted value of allowances. The Tribunal also heard that increasing allowances would reward councillors who dedicate limited time to their role and was a blunt tool that may not be effective in addressing complex issues, such as the retention of councillors experiencing psychosocial risks.

Other options for the base allowance put to the Tribunal for its consideration included:

- adjusting the allowance relativities between councillors, deputy mayors and mayors
- either consolidating most councils into a single allowance category (to reflect common aspects of the role for all councillors), or creating additional categories (for example, to recognise the role of councillors in rapidly growing areas)
- using additional criteria to allocate councils to specific allowance categories — for example, geography, community dispersion, socio-economic diversity, asset base and population growth
- creating new allowances to reflect specific aspects of a councillor's role.

Proposals to amend the RATA included:

- adjusting or removing the daily and annual caps
- clarifying the eligibility requirements (e.g. the ability to claim the allowance where travel over two days is required for a single trip)
- changing the structure of the RATA to a tiered allowance based on time and/or distance travelled or adding a rural travel loading.

2.4 The Tribunal was asked to consider wider issues

Several stakeholders commented that the arrangements for expenses, resources and facilities to support councillors in performing their role were variable, often insufficient, and not aligned with the contemporary demands of the role — although this was not a universal view.

Reimbursement of work-related expenses was considered important

The Tribunal heard that some flexibility is important to meet local conditions, but also that inconsistencies in the ability to claim expenses — or access other support — can result in councillors having unequal access to financial and other resources to support them in performing their role. Several stakeholders also commented that public scrutiny can discourage councillors from claiming reimbursement of legitimate expenses. Many stakeholders spoke to a ‘weaponisation’ of expense claims by some councillors and members of the public that discourages councillors from seeking reimbursement of legitimate expenses incurred in performing their role.

Specific examples of contentious claims brought to the Tribunal’s attention include claims for costs incurred for caring responsibilities and for professional development. Where expense reimbursement policies and processes are unclear, inconsistent or contentious, expenses that are directly related to undertaking council business may go unclaimed or unpaid, leaving these costs to be borne by councillors personally.

Limited administrative support was an issue for some stakeholders

Although there are exceptions, the Tribunal heard that councillors do not generally have access to dedicated administrative support, office space and meeting facilities. Instead, councillors are generally required to independently manage emails and community enquiries (including via social media), review documents and prepare for meetings. It was argued that, in these circumstances, councillors may be less able to engage with complex issues, or to represent their communities effectively.

Improving the psychosocial health of councillors was seen as important

Wellbeing and councillor assistance were also raised in recognition of psychosocial risk, harassment, conflict and burnout issues. Several submissions advocated for councillors to have access to an independent, state-wide support service that would provide confidential counselling, wellbeing support and professional advice.

Other issues put to the Tribunal included making recommendations to improve the transparency, performance and accountability arrangements for councillors. One proposal was that changes to allowances should be accompanied by mandatory activity reporting for all councillors and greater transparency in relation to mayoral diaries.

2.5 Summary

The Tribunal heard from a range of councillors and councils across metropolitan, regional and rural municipalities, as well as sector bodies, governance stakeholders, and a ratepayer group.

Stakeholders said the role of a councillor has changed over time. Councillors make decisions on complex issues, govern large organisations and represent their communities.

Some stakeholders also said the role is becoming more professional, which is reinforced by requirements to undertake mandatory professional development. However, community service remains a significant motivation for becoming a councillor.

The adequacy and structure of the current allowances was raised by many stakeholders. Although not a universally held view, many stakeholders contended that the current allowance settings no longer reflect the contemporary councillor role.

Other commonly raised issues included diversity of representation, councillor wellbeing, and expenses policies and processes.

These issues are explored further in the following chapters.

3 Role of councils

Local government in Victoria is regulated by the LG Act 2020. That Act gives effect to section 74A of the *Constitution Act 1975* (Vic), which states that:¹⁴

Local government is a distinct and essential tier of government consisting of democratically elected Councils having the functions and powers that the Parliament considers are necessary to ensure the peace, order and good government of each municipal district.

Victoria is divided into 79 'municipal districts' — also known as municipalities or local government areas (LGAs) — comprising 34 cities, six rural cities, 38 shires, and one borough. In turn, many municipal districts are divided into multiple 'wards'.

Each municipal district is governed by a council whose role is to provide good governance for the benefit and wellbeing of the 'municipal community'. This community includes residents, ratepayers, traditional landowners, and those who conduct activities in the municipality.¹⁵

Local Government Victoria (LGV) classifies councils into five groups for comparative purposes:¹⁶

- 'Metropolitan' councils are urban in character and located within Melbourne's densely populated urban core (e.g. Yarra City Council, Maroondah City Council).
- 'Interface' councils are the nine councils that form a ring around metropolitan Melbourne (e.g. Casey City Council, Nillumbik Shire Council).
- 'Regional' or 'regional city' councils are urban and partly rural in character (e.g. Ballarat City Council, Mildura Rural City Council).
- 'Large shires' have more than 16,000 inhabitants and are mainly rural in character (e.g. East Gippsland Shire Council, Mitchell Shire Council).
- 'Small shires' have fewer than 16,000 inhabitants and are mainly rural in character (e.g. Towong Shire Council, Strathbogie Shire Council).

¹⁴ *Constitution Act 1975* (Vic) s. 75A(1).

¹⁵ *LG Act 2020*, ss 3, 8(1).

¹⁶ Victorian Government (2025), Victorian Auditor-General's Office (VAGO) (2024), Appendix C, ii, 3.

While councils vary in size and serve diverse communities, they have broadly similar roles and responsibilities, including making local laws and providing services to their community.

This chapter discusses how councils are structured, outlines their roles and responsibilities, and summarises their characteristics.

3.1 Each council is made up of elected councillors and an administration

The governing body of each council consists of between five and 12 councillors, who are elected by the voters in their municipal district for a four-year term.¹⁴ Depending on a council's electoral structure, each councillor is elected by voters in:

- where a council has single- or multi-member wards — their ward; or
- where a council is unsubdivided (i.e. has no wards) — the municipal district as a whole.

Councillors are collectively accountable for the council's decisions and actions, and are responsible for ensuring its good governance.¹⁵ The duties and responsibilities of councillors, including the mayor and deputy mayor, are discussed in Chapter 4.

Councillors must appoint a CEO to head the council's administration.¹⁶ The CEO oversees the day-to-day operations of the council and supports the mayor and councillors in performing their roles.¹⁷ The CEO also employs and manages the council's staff, who deliver council services and projects.¹⁸

Figure 3.1 illustrates the structure of a council, drawing a distinction between the elected councillors and the council administration.

¹⁴ LG Act 2009, s. 18(1).

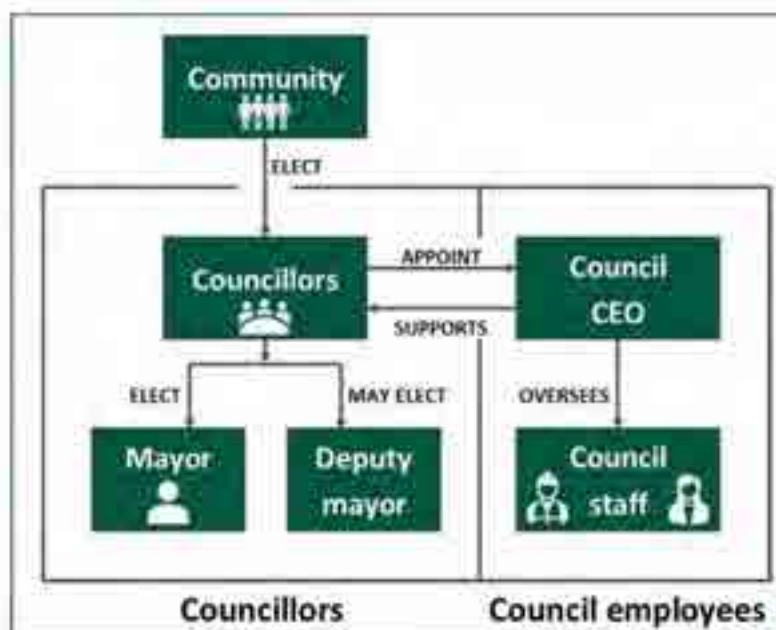
¹⁵ Constitution Act 1975 (Vic.), 74A(1A).

¹⁶ MAV/s.d.6.

¹⁷ LG Act 2009, s. 86.

¹⁸ MAV/s.d.6.

Figure 3.1: Structure of a council



Source: Adapted from MAV (n.d.12).

3.2 Councils have wide-ranging responsibilities

As the form of government that is closest to the community, local government has a significant impact on the lives of Victorians and provides many of the services that people use day to day.

According to MAV, Victoria's 79 councils have responsibilities under more than 120 pieces of Victorian legislation.¹⁸ Collectively, they:¹⁹

- provide over 100 services to their local communities
- manage over \$160 billion in local infrastructure and community assets²⁰
- are responsible for more than 85 per cent of Victoria's road network.

¹⁸ Submission from MAV.

¹⁹ MAV (n.d.12).

²⁰ Tribunal analysis of data provided to LGN.

While certain services are provided by all councils, including statutory responsibilities like waste collection, individual councils have discretion to provide additional services that meet the needs of their local community.²¹ Inner-city councils manage complex urban infrastructure including on-street paid parking, integrated bicycle networks, and automated traffic sensors, while some rural councils manage livestock exchanges and extensive drainage networks to prevent waterlogging in agricultural land. For example, Campaspe Shire Council owns and operates the Echuca & District Livestock Exchange, which holds regular cattle sales and provides facilities to support local livestock producers.²²

Some of the more common services delivered by councils are shown in Figure 3.2.

Figure 3.2: Examples of services provided by Victorian councils

Children and families	Health and wellbeing	Homes	Sport and leisure	Roads and safety	Community
 Childcare	 Disability services	 Planning permits	 Parks and gardens	 Roads and footpaths	 Libraries
 Playgroups	 Food safety	 Rubbish and recycling	 Sports grounds	 Drainage infrastructure	 Volunteering
 Immunisations	 Community care	 Pet registrations	 Swimming pools	 Emergency management	 Grants

Source: Adapted from MAV (n.d.a).

The number of services provided by councils has increased over the decades from mainly property-related services through to a variety of social services. This is due to a range of factors, including the transfer of certain functions from other levels of government and changing community expectations around the types of services that councils should provide.²³

²¹ MAV (n.d.a).

²² Campaspe Shire Council (n.d.).

²³ Parliament of Victoria (2020b), pp. 181, 204, 207.

However, some councils have scaled back or ceased the provision of certain services in recent years, including for financial reasons. Common examples include the exit of some councils from the early years and aged care services sectors, and the scaling back of roadside mowing.²⁵

Councils also have the power to make and enforce local laws on a range of matters, such as noise, fire hazards, abandoned vehicles and graffiti.²⁶

Councils administer local planning schemes

Councils play a key role in Victoria's land-use planning system. Each council is responsible for developing strategic policies and frameworks in relation to land use and development, and for administering the planning scheme for their municipality.²⁷ This means that councils are responsible for issuing planning permits, making zoning decisions, and enforcing compliance with planning requirements.²⁸

While many planning rules are set by the Victorian Government (see section 3.3), councils have a responsibility to guide the development and growth of their communities and to tailor the planning scheme to suit their local context.²⁹

Councils play a key role in emergency management

Councils play a key role in supporting their local communities before, during and after emergencies and natural disasters.³⁰ Recent examples include the January 2026 bushfires and the December 2023–January 2024 storms and floods, both of which affected several municipalities.

The responsibilities of councils in relation to emergency management include:³¹

- establishing a municipal emergency management planning committee and developing an emergency management plan for their municipality (in partnership with other emergency services agencies)³²
- conducting fire prevention activities including issuing fire prevention notices and working with fire agencies to reduce fire risks

²⁵ Parliament of Victoria (2014), pp. 72–75.

²⁶ MAV (n.d.): 10 Act 2000, in: 71–73.

²⁷ MAV (2017).

²⁸ MAV (2014), p. 24.

²⁹ MAV (2014), p. 24.

³⁰ MAV (2014), p. 25.

³¹ MAV (2014), p. 25.

³² Emergency Management Victoria (2014).

- addressing risks to properties from fire and flood via planning scheme controls
- operating relief and recovery centres during and after an emergency
- coordinating emergency shelter for displaced people and animals.

Councils are also responsible for coordinating and utilising a large portion of the funding made available after emergencies and disasters, and they have obligations under the Department of Families, Fairness and Housing's *Vulnerable People in Emergencies Policy*. This policy, which applies to 64 councils in rural, regional and peri-urban areas, requires councils to coordinate registers of vulnerable people, and develop and maintain lists of facilities or amenities where vulnerable people are likely to be situated.³³

3.3 Councils operate within a changing regulatory and social landscape

Since the Tribunal made its 2022 Comprehensive Determination, there have been several notable changes to the regulatory and social environment for councils that have impacted their role to varying degrees. These are discussed below.

The LG Act 2020 has now been fully implemented

The LG Act 2020 and associated regulations provide the framework for the operation of Victoria's 79 councils. Passed in March 2020, it replaced much of the *Local Government Act 1989* (Vic), and aims to improve democracy, accountability, and service delivery in local government.³⁴

The development of the LG Act 2020 was guided by five key principles:³⁵

- community engagement — requiring councils to develop and utilise a community engagement policy
- strategic planning — requiring councils to develop integrated, long-term, and transparent approaches to support councillors in leading strategically
- public transparency — requiring councils to adopt and maintain a public transparency policy, aligned with the principles in the Act
- service performance — ensuring that councils deliver equitable, accessible, and good value services that meet the needs of their communities

³³ Department of Families, Fairness and Housing (2015), pp.8, 11–12.

³⁴ Department of Government Services (n.d.c).

³⁵ Department of Government Services (n.d.b).

- financial management — supporting councils with a legislative environment that embraces innovation, modern business practices, and microeconomic reform.

The LG Act 2020 introduced new requirements for council electoral structures. Single-member wards became the 'default' and one of three permissible electoral structures, alongside uniform multi-member wards and unsubdivided.³⁶ Additionally, where a council has wards, each ward must have an approximately equal number of voters per councillor, with a deviation of no more than 10 per cent from the average.³⁷

To ensure compliance with these requirements, the Victorian Government amended the electoral structures of 39 councils ahead of the 2024 council elections, and following an extensive review process (Box 3.1).³⁸

During consultation, some stakeholders commented on these changes and their implications for the role of councillors, including perceived or potential impacts on workload. These are discussed in Chapter 4.

³⁶ Department of Government Services (n.d.a).

³⁷ LG Act 2020, s. 15(2).

³⁸ Department of Government Services (n.d.a).

Box 3.1: Changes to council electoral structures

In April 2020, the then-Minister for Local Government gazetted a notice specifying that:

- all metropolitan, interface and regional city councils must have single-member ward electoral structures — according to LGV, this is to 'enable residents to receive direct representation, and to ensure councillors are more accountable to local communities'
- all large and small shire councils are permitted to have any of the three permissible electoral structures — according to LGV, this recognises that 'in some cases it may be impractical to divide these councils into single-member wards, for example, councils with large geographical areas and small populations'

In October 2022, the then-Minister for Local Government established two electoral representation advisory panels, whose purpose was to review and provide advice on the electoral structures of 39 councils that were non-compliant.

The panels considered a range of factors, including projected population growth, electoral trends (e.g. nominations, uncontested elections), communities of interest (i.e. groups of people in a municipality who share common concerns or aspirations), voter distribution, and land area and its impact on councillor workloads.

Following the reviews:

- 30 metropolitan, interface and regional city councils moved to single-member wards
- five small and large councils moved to an unsubdivided structure
- four small and large councils moved to a uniform multi-member ward structure

Two case studies are provided below:

Case study #1: Casey City Council

Prior to the changes, Casey City Council had six wards — five of which were represented by two councillors each, and one represented by a single councillor. As an interface council, Casey was required to have a single-member ward structure. While noting that 'the geographic features and uneven distribution of voters' across Casey made its task a challenging one, the panel ultimately recommended a new structure of 12 single-member wards.

Case study #2: Campaspe Shire Council

Prior to the changes, Campaspe Shire Council had five wards — two of which were represented by three councillors each, and three represented by one councillor each. As a large shire, Campaspe was permitted to have a multi-member ward structure, but the number of councillors in each ward has to be uniform (i.e. equal). The panel determined that Campaspe should have nine councillors and move to an unsubdivided structure. In making its recommendation, the panel noted Campaspe's 'history of uncontested elections and low candidate numbers' for its existing single-member wards. It determined that an unsubdivided structure 'would remove the risk of uncontested elections, provide a greater selection of candidates for voters, and could also encourage a more diverse council that better represented the community'.

Sources: Department of Government Services (DvAG), Electoral Representation Advisory Panel (2023a), Electoral Representation Advisory Panel (2024)

Stronger compliance measures are being implemented

The LG Amendment Act 2024 amended the LG Act 2020 to include additional compliance measures aimed at improving 'council integrity, accountability and governance'.³⁹

The LG Amendment Act 2024 provided the Chief Municipal Inspector with additional powers, enabling them to serve infringement notices to any individual believed to have committed an offence against the LG Act 2020. The Inspector was also given the ability to report to parliament on any examination or investigation into a council's operations.⁴⁰

The LG Amendment Act 2024 also enabled the introduction of a Model Councillor Code of Conduct, which was implemented in October 2024.⁴¹ Councillor induction training, mayoral training and professional development training requirements were also established (see Chapter 4).⁴²

LGV commenced work on two additional compliance measures in 2026:⁴³

- model governance rules — intended to promote best practice council meeting procedures
- a model transparency policy — intended to promote council openness and transparency.

Recent planning changes have impacted councils

In recent years, the Victorian Government has introduced several reforms to the planning system to make it more modern and 'fit-for-purpose', and to support its efforts to increase housing supply and improve affordability.⁴⁴

The Victorian Government's Development Facilitation Program, established in 2023 and subsequently expanded, allows certain planning permit applications to be made directly to the Minister for Planning, rather than to the relevant council. These include applications for significant economic developments and residential developments with affordable housing.⁴⁵ The program complements the

³⁹ Department of Government Services (n.d.5).

⁴⁰ LG Amendment Act 2024, s. 23.

⁴¹ LG Amendment Act 2024, s. 46; Local Government Governance and Integrity (Amendment) Regulations 2024 (Vic. s. 1).

⁴² Department of Government Services (2024a), p. 8.

⁴³ Department of Government Services (n.d.6).

⁴⁴ Victorian Government (2026a).

⁴⁵ Department of Transport and Planning (2023); Department of Transport and Planning (2024); Department of Transport and Planning (2025a).

Minister's existing ability to 'call in' planning applications, whereby the Minister may intervene in and decide on a planning application that would ordinarily be decided by a council.⁴⁶

'Deemed to comply' standards for townhouses and low-rise apartment buildings were approved in 2025.⁴⁷ Under the standards, councils are only required to assess aspects of a planning permit application that are non-compliant, with compliant elements automatically classed as meeting development objectives.⁴⁸ A parliamentary inquiry into the amendments found that they prioritise speed and certainty over decision-making discretion, with the latter typically exercised by councils (as the relevant planning authority).⁴⁹

Although these changes reduce councils' planning responsibilities, they play an important role in advocating for their communities and attempting to influence planning changes that impact them.

Community satisfaction with council performance has increased following a period of decline

LGV administers the annual Local Government Community Satisfaction Survey, which compiles community feedback on councils across eight performance areas. Between 2022 — when the Tribunal made its 2022 Comprehensive Determination — and 2025, satisfaction with council performance gradually declined.⁵⁰

The report on the 2025 survey results noted that several factors may have contributed to the negative sentiment. These include rate and fee increases, recent investigations or criminal charges against councillors and council staff, changes to council service delivery, controversial planning decisions, and perceptions that council services do not provide value for money in the context of cost-of-living pressures.⁵¹ More broadly, VLGA has noted that distrust in public institutions is rising, and that 'nowhere is this truer than at a local level'.⁵²

⁴⁶ Planning and Environment Act 1987 (Vic), s. 576.

⁴⁷ Department of Transport and Planning (2025).

⁴⁸ Department of Transport and Planning (2025a).

⁴⁹ Parliament of Victoria (2025).

⁵⁰ ANS Research (2025), pp. 19–20.

⁵¹ ANS Research (2025), p. 5.

⁵² VLGA (2025a).

Despite this, the 2026 survey revealed a substantial increase in community satisfaction with councils. Perceptions of overall performance increased to 58 points (out of 100), compared to 53 points in 2025 and 59 points in 2022.⁵³ The improvement appears to be broad-based, with rises in all eight measures, including four which have returned to or exceed their 2022 levels. Key drivers appear to include improved perceptions of council performance in:⁵⁴

- the delivery of core services, including waste management (+7 points compared to 2025) and sealed local roads (+9 points)
- community consultation (+5 points).

3.4 Most councils are in good financial health, but there are risks

Councils are a significant part of the Victorian economy, collectively spending more than \$11 billion on service delivery annually and over \$4 billion on capital works in 2024–25. They also own and manage over \$150 billion in community assets and infrastructure, and employ over 50,000 employees.⁵⁵

Key sources of council revenue include:⁵⁶

- rates and charges
- user fees and charges
- statutory fees and fines
- interest and investment revenue
- grants and contributions, from both state and federal governments.

Council rates and charges, which form the largest component of council revenue, can be increased each year up to an annual cap. The rate cap is set by the Minister for Local Government and has generally followed forecast growth in the Melbourne Consumer Price Index (CPI).⁵⁷

⁵³ IBS (2026), p. 36.

⁵⁴ IBS (2026), p. 7.

⁵⁵ Victorian Government (2025d), pp. 3–4.

⁵⁶ VAGO (2025a) Appendix C, n. 5.

⁵⁷ MAV (2025a), n. 1.

In December 2025, a rate cap of 2.75 per cent was announced for the 2026–27 financial year.⁵⁸ This is consistent with the forecast for Melbourne CPI growth published in the 2025–26 Budget Update.⁵⁹ Since rate capping was introduced in 2016, the average cap has been 2.3 per cent, while the average annual increase in council rates for the decade prior to capping was 6 per cent.⁶⁰

Councils can apply to the Essential Services Commission (ESC) to implement a rate increase higher than the rate cap, if they believe that the cap would financially inhibit their capacity to perform their duties and exercise their powers.⁶¹

The Victorian Auditor-General's Office (VAGO) conducts annual audits of the financial performance and management of councils. In its most recent audit, (published in March 2026), VAGO observed that the sector as a whole increased its cash reserves — with 75 councils reporting an operating surplus in 2024–25 — while debt levels remain low.⁶²

More broadly, VAGO has observed that most councils have operated sustainably since rate capping was introduced.⁶³ However, it has also noted that some small councils are under financial pressure due to their limited rate base and reliance on government funding, with implications for their longer-term financial sustainability.⁶⁴

During consultation, the Tribunal heard about the financial challenges facing some councils. For example, the submission from MAV observed that some smaller rural and regional councils 'operate with smaller rate bases, limited revenue diversity and higher service delivery costs due to [their] geography and dispersed populations'.

Similarly, the Victorian Budget 2026–27 (2026–27 State Budget) highlights that rural and interface councils face challenges resulting from population movements and local economic circumstances.⁶⁵

⁵⁸ ESC (n.d.a).

⁵⁹ Department of Treasury and Finance (DTF) (2025), p. 10.

⁶⁰ Premier of Victoria (2025).

⁶¹ ESC (n.d.b).

⁶² VAGO (2026a), p. 1.

⁶³ VAGO (2025b), p. 1.

⁶⁴ VAGO (2026a), p. 1.

⁶⁵ DTF (2026b), p. 104.

3.5 Councils and their municipalities vary in size

Victoria's 79 LGAs differ significantly in their demographic and geographical characteristics, and there is also considerable variation in council finances (Table 3.1).

Table 3.1: Average population, land area, recurrent revenue and asset values by council category

Council category (no. of councils)	Estimated resident population	Land area (km ²)	Total recurrent revenue for 2024-25 (\$ million)	Total asset value for 2024-25 (\$ million)
Metropolitan (22)	148,854	66	257	3,270
Interface (9)	229,262	820	474	5,088
Regional (10)	88,188	3,938	206	1,902
Large shire (19)	34,609	4,912	94	1,003
Small shire (19)	10,281	4,509	35	406
All councils (79)	89,531	2,876	183	2,070

Sources: Australian Bureau of Statistics (ABS) (2026b); ABS (2026g); data provided to the Tribunal by LGV, March 2026.

According to the most recent data from the Australian Bureau of Statistics (ABS), the City of Casey had the most residents (as at June 2025) with approximately 415,000, followed by the City of Wyndham with 348,000. While the average resident population across all LGAs is around 90,000, eight small shires have less than 10,000 residents — the smallest, the Borough of Queenscliffe, is home to 3,300 people.⁶⁶

The City of Melbourne experienced the highest population growth of any LGA since the Tribunal made its 2022 Comprehensive Determination, with an overall increase of 22 per cent between June 2022 and June 2025. The City of Melton had the next highest growth with 20 per cent. Across all LGAs, the average increase over this period was 4 per cent, and four other LGAs experienced growth of over 10 per cent. By contrast, the populations of 14 LGAs — mostly small and large shires — have declined since 2022.⁶⁷

The Rural City of Mildura is Victoria's largest LGA in terms of land area, covering approximately 22,000 km², followed by the Shire of East Gippsland (21,000 km²). The average LGA has a land area of 2,876 km², although 28 LGAs are less than 500 km² in size. The Borough of Queenscliffe, at 9 km², is the smallest LGA by land area, while the next smallest, the City of Yarra, covers 20 km².⁶⁸

⁶⁶ ABS (2026g).

⁶⁷ ABS (2026g).

⁶⁸ ABS (2026h).

Council finances also vary widely. Wyndham City Council reported the highest recurrent revenue in the 2024–25 financial year at \$865 million, followed by Melton City Council at \$665 million. Councils reported an average of \$183 million in recurrent revenue, although five councils had revenues of less than \$30 million. The Borough of Queenscliffe Council had the lowest revenue with \$14 million.⁶⁹

Across all 79 councils, recurrent revenue increased by an average of 23 per cent (in nominal terms) between 2021–22 and 2024–25. The largest increases were experienced by interface councils, which experienced average revenue growth of 30 per cent over the period.⁷⁰

Casey City Council managed the most assets at June 2025 (valued at \$8.4 billion), followed by Wyndham City Council (\$7.7 billion). By contrast, the Borough of Queenscliffe Council managed assets worth \$181 million — far below the average of \$2.1 billion across all 79 councils.⁷¹

The value of the assets managed by each council increased by an average of 24 per cent in nominal terms between June 2022 and June 2025. This reflects both new assets and the revaluation of existing assets held by councils.⁷²

The municipality of the City of Melbourne, encompassing the Melbourne central business district (CBD) and surrounding suburbs, is unique among Victoria's LGAs. It is the seat of the Victorian Government and home to numerous peak bodies and national and international companies. Despite its size — it covers an area of 38 km², and has a population of around 194,000 — the City of Melbourne generates \$127 billion in gross local product, or approximately 22 per cent of the total production of the Victorian economy.⁷³

3.6 Summary

The Victorian local government sector is comprised of 79 councils that provide a wide range of services to their municipalities. Elected councillors form the governing body of a council, while an administration — headed by a CEO — manages day-to-day operations, including the delivery of services and projects.

⁶⁹ Based on data provided to the Tribunal by LGV, March 2026.

⁷⁰ Based on data provided to the Tribunal by LGV, March 2026.

⁷¹ Based on data provided to the Tribunal by LGV, March 2026.

⁷² Based on data provided to the Tribunal by LGV, March 2026.

⁷³ City of Melbourne (2025), pp. 11–45, 465 (2026).

There have been changes to the regulatory and social landscape for councils since the 2022 Comprehensive Determination. The LG Act 2020 has now been fully implemented, and the LG Amendment Act 2024 has mandated additional compliance measures for councils. Community satisfaction with council performance has recently increased following a period of decline, while recent changes to the planning system have affected the role played by councils in the development and growth of their communities.

Council finances have remained relatively healthy since 2022. However, VAGO has noted declines in some indicators of fiscal sustainability and emerging risks.

In Chapter 4, the Tribunal turns to discussing the roles and responsibilities of elected councillors, including the mayor and deputy mayor.

4 Roles and responsibilities of councillors

Voters in each municipal district elect councillors to serve on their council's governing body. Councillors are collectively accountable for their council's decisions and actions, and are responsible for ensuring its good governance.⁷⁴

According to MAV, councillors:⁷⁵

engage in collaborative efforts to shape policies, allocate resources, and address the diverse needs of their communities.

They play a pivotal role in guiding the formulation of strategic plans, local policies, establishing service standards and priorities, overseeing the performance of the CEO and the [council] organisation.

No formal qualifications are required to be a councillor or to stand for election. Generally speaking, a person is qualified to be a councillor if they are at least 18 years of age, an Australian citizen or eligible British subject, and enrolled on the voters' roll for the council for which they intend to stand.⁷⁶

The Tribunal heard — and research has shown — that most councillors are motivated to stand by a desire to serve their community.⁷⁷ Prospective candidates are required to complete training before they can nominate,⁷⁸ and a person may be disqualified from standing for council in particular circumstances (e.g. if they have been convicted of certain offences, or if they are a member of parliament).⁷⁹

This chapter outlines the duties and responsibilities of councillors, including the additional responsibilities of the mayor and deputy mayor. It also examines available data on the amount of time councillors dedicate to their role, including key factors influencing councillor workloads, and how the roles have evolved since the Tribunal's last comprehensive review in 2021–22.

⁷⁴ Constitution Act 1975 (Cth), s. 71A(1A).

⁷⁵ MAV (2024), p. 40.

⁷⁶ LG Act 2000, s. 34(1).

⁷⁷ For example, VUGA's 2025 councillor census — which surveyed over 900 serving councillors — found that this was a motivation for 64 per cent of councillors. VUGA (2026), p. 3.

⁷⁸ LG Act 2020, s. 25A(1).

⁷⁹ LG Act 2000, s. 34(2).

4.1 The LG Act 2020 sets out the core duties and responsibilities of councillors

Section 28(1) of the LG Act 2020 specifies that the role of every councillor in representing their municipal community includes, but is not limited to:⁸⁰

- participating in the decision-making of the council
- representing the interests of the municipal community in that decision-making
- contributing to the strategic direction of the council through the development and review of key strategic documents of the council, including the council plan

When undertaking their role, every councillor must:⁸¹

- consider the diversity of interests and needs of the municipal community
- support the role of the council
- acknowledge and support the role of the mayor
- act lawfully and in accordance with the oath or affirmation of office
- act in accordance with the Model Councillor Code of Conduct
- comply with council procedures required for good governance

The role of a councillor is therefore multifaceted, encompassing both representational and governance aspects, with the latter coming into sharper focus since the passing of the LG Act 2020.

As outlined in the previous chapter, there is a distinction between the duties and responsibilities of elected councillors and those of the council administration — while the former set the council's strategic direction and make high-level decisions, it is the latter who have responsibility for day-to-day operations and service delivery. To that end, the LG Act 2020 stipulates that the role of a councillor does not include the performance of any responsibilities or functions of the CEO,⁸² and it prohibits councillors from directing a member of council staff.⁸³

⁸⁰ The wording of section 28(1) of the LG Act 2020 was amended in 2024 to clarify that it is not intended to be an exhaustive description of the role of a councillor. *Parliament of Victoria (2024a)*, p. 34

⁸¹ LG Act 2020, s. 28(2)

⁸² LG Act 2020, s. 28(3)

⁸³ LG Act 2020, s. 123

The Tribunal heard that, in practice, there can be tension, or even a disconnect, between the statutory definition of the role of a councillor — with its emphasis on governance and oversight — and how some members of the community understand the role. For example, according to one councillor who responded to the Tribunal's questionnaire:

Community expectations are sometimes uninformed. Some in the community believe that [councillors] are ... part of the [council's] Operational Executive Team and can make operational decisions.

While another said:

[T]he community expects councillors to follow up their issues instead of lining [the council's] customer service.

Some councillors also reported that the role is different from what they expected. In the words of one first-term councillor:

The reality has been quite different [from what I expected] ... [T]he role feels less focused on championing community outcomes and more oriented toward accountability ... and navigating internal governance. While important, this leaves limited room for the community-facing work that motivated many of us to stand in the first place.

On the other hand, other first-term councillors said that the level of community engagement, including attendance at community events, was greater than they anticipated.

4.2 Mayors and deputy mayors have additional responsibilities

Each council must elect a councillor to serve as mayor, and may also elect another councillor to serve as deputy mayor, for one- or two-year terms.⁶⁴ The exception is Melbourne City Council, where voters directly elect a Lord Mayor and Deputy Lord Mayor on a joint ticket to serve for the entire four-year council term.⁶⁵

⁶⁴ Where a council has not established an office of deputy mayor, it may appoint a councillor to be acting mayor when the mayor is unavailable. At the time of making this Determination, the Tribunal was aware of only one council that did not have a deputy mayor: LG Act 2020, ss. 20A, 20B, 25–27.

⁶⁵ City of Melbourne Act 2021 (Vic), ss. 10(i), 11, 14–15.

As the Tribunal noted in its 2022 Comprehensive Determination, mayors play an important leadership role in relation to other councillors and the municipal community, and are the main conduit between the elected council and the CEO.⁸⁶

Under the LG Act 2020, the role of the mayor is to:⁸⁷

- chair council meetings
- be the council's principal spokesperson
- lead engagement with the municipal community on the development of the council plan, and report to the municipal community at least once each year on its implementation
- promote behaviour among councillors that is consistent with the Model Councillor Code of Conduct
- assist councillors to understand their role
- take a leadership role in ensuring the regular review of the performance of the CEO
- provide advice to the CEO in setting the agenda for council meetings
- perform civic and ceremonial duties on behalf of the council.

The LG Act 2020 also gives mayors specific powers to:⁸⁸

- exercise a casting vote in the event of a tie at a council meeting
- appoint a councillor to be the chair of a delegated committee⁸⁹
- direct a councillor, subject to any procedures or limitations specified in the governance rules, to leave a council meeting if their behaviour is preventing the council from conducting its business
- require the CEO to report to the council on the implementation of a council decision.

Under the LG Act 2020, the role of a deputy mayor is to perform the role of the mayor and exercise any of the powers of that role if:⁹⁰

- the mayor is unable for any reason to attend a council meeting (or part of one)
- the mayor is incapable of performing their duties for any reason, including illness
- the office of mayor is vacant.

⁸⁶ Victorian Independent Remuneration Tribunal (2022b), pp. 46–49.

⁸⁷ LG Act 2020, s. 18(1).

⁸⁸ LG Act 2020, ss. 19(1), 61(5)(d).

⁸⁹ A 'delegated committee' is a committee established by a council, which must consist of at least two councillors and may also include council staff or community members, that is empowered to make decisions on behalf of the council, LG Act 2020, s. 63.

⁹⁰ LG Act 2020, s. 21.

During consultation, the Tribunal heard mixed views about the deputy mayoral role and, in particular, the extent to which its responsibilities and level of accountability differ in practice from those of other councillors (Box 4.1). Broadly speaking, these ranged from a view that the role is akin to a 'second-in-command' who supports the mayor, through to seeing the deputy mayor as simply a councillor who fills in when the mayor is absent.

Box 4.1: Stakeholder views about the role of deputy mayor

Written submission from MAV

"[T]he role of Deputy Mayor varies considerably from council to council. In many councils, representational and civic duties are shared across the councillor group."

Written submission from VLGA

"While the deputy Mayor's statutory role has streamlined situations where the mayor is absent from meetings and the deputy seamlessly step into that role, it is debatable as to whether this occurs on a sufficient number of occasions ..."

"We would argue that ... the notion of [the deputy mayor role] providing a 'traineeship' for the deputy mayor to become the mayor may be misguided. The election of mayors and deputy mayors is essentially a political outcome, rather than a skills or competency-based outcome."

Written submission from Council Watch

"The deputy mayoral role is [not] uniform. In some councils, the deputy mayor performs meaningful leadership, represents the council at events, chairs meetings when required and supports the mayor. In other councils, the deputy mayor role is largely ceremonial or intermittent."

Responses to the councillor questionnaire

"The Deputy Mayor is essentially just a Councillor who is also back up to the Mayor. They play no other role at our Council." (third-term councillor, metropolitan council)

"Deputy requires additional time commitments and additional understanding of legislative requirements than just a councillor. The deputy is a conduit between the mayor and councillors and in my experience the deputy acts like a council while following up and coordinating the council group." (ex-deputy mayor, regional city council)

"In my experience, the expectation of a Deputy Mayor is slightly greater than that of a Councillor. More so, it's the capacity to step in on behalf of the Mayor or the role of acting Mayor, and having the additional skills to do so effectively. Having said that, it depends on how active the Mayor is in their role. Additionally, there is greater expectation within the community of a Deputy Mayor to that of a Councillor, and the need to represent the views of Council." (ex-mayor and deputy mayor, metropolitan council)

Source: Responses to the Tribunal's councillor questionnaire

This divergence of views suggests that the role of deputy mayor is, to some extent, what councils make of it. The nature and extent of any additional responsibilities depend on how individual mayors and deputy mayors approach their respective roles, as well as the dynamics within each council.

4.3 Councillors undertake a variety of activities

As a member of the council's governing body and an elected representative, each councillor (including the mayor and deputy mayor) is required and expected to participate in a variety of activities. These range from participating at council meetings and engaging with the local community to overseeing the development of key strategic documents.

Debating and decision-making

Councillors are required to attend council meetings where they debate and vote on various matters, including policies, strategic plans, and budgetary matters.³¹ Council meetings are generally open to the public, and councils have a duty to be accessible and transparent in their decision-making.³² Decisions made by council — known as 'resolutions' — are decided by a majority of the councillors present at the meeting.³³

The frequency of council meetings varies. While most councils meet monthly (with the possible exception of January), some councils (e.g. Stonnington City Council) hold fortnightly meetings.³⁴

Prior to each meeting, councillors receive an agenda, briefings and relevant reports from council officers. The purpose of the reports is to provide councillors with sufficient information and advice on the matters being considered at the meeting so that they can make informed decisions.³⁵ However, these vary between councils — the Tribunal heard that they can be hundreds of pages long at some councils. It is ultimately the responsibility of each councillor to ensure that they are properly informed and make considered decisions in the best interests of the whole community.³⁶

³¹ MAV (2025), p. 65.

³² LG Act 2020, ss. 58, 66.

³³ LG Act 2020, ss. 50, 53.

³⁴ Tribunal staff request for records.

³⁵ MAV (2024), p. 63.

³⁶ MAV (2024), p. 63.

Councillors may also attend meetings of committees of which they are a member. Councils may establish 'delegated committees' which are authorised to exercise certain powers, and make decisions on its behalf. Such committees must include at least two councillors, and may also include members of council staff and the community.⁸⁷ For example, many councils delegate their planning powers to a dedicated planning committee. Some councils have also established a committee to oversee the appointment and remuneration of the CEO.⁸⁸

Community engagement and accountability

As the public face of the council, councillors are expected to attend and participate in a variety of civic and community events, such as citizenship ceremonies, local festivals, and official openings of local facilities and infrastructure. These events provide opportunities for councillors to build connections with the community, and to engage with community members to understand their needs and values.⁸⁹

More broadly, the Tribunal heard that councillors are expected to be accessible and responsive to members of the community who may contact them with queries, concerns and requests for information. Councillors' mobile phone numbers and their council email addresses are typically published on the council's website, and many have public-facing social media profiles.

Some councillors, particularly those from rural areas, told the Tribunal that they are often approached by community members while going about their daily lives, such as when they are out shopping, walking the dog, or attending a local sporting match. One councillor who responded to the Tribunal's questionnaire said:

Being in a small rural shire, just going into town and down the street to shop or have a meal becomes Council work given the amount of [people who] take the time to speak with me about Council matters whilst I'm not at any formal Council event

⁸⁷ (CAAT 2000, s. 63).

⁸⁸ The City of Monash (Concrete Roads, City of Monash (v.d)).

⁸⁹ MAYDID 6, p. 43.

Advocacy and representation

As elected representatives, councillors provide a critical link between the local community and the council administration. They play an active role in addressing and advocating for the needs and interests of their community, meeting with residents, organisations and businesses to understand their needs and seek their input to help shape council policy.¹⁰⁰

During consultation, the Tribunal heard that members of the community are increasingly looking to councillors to assist them with matters that lie outside of the council's formal control or remit, or to advocate on their behalf.

Councillors also collaborate with and lobby other levels of government for funding and resources, and may build alliances with community groups and other councils to support local initiatives and raise awareness of local issues.¹⁰¹

Governance, financial management and oversight

Councillors are responsible for setting the strategic direction for their municipality through the development of key strategic and financial planning documents, including the council plan, asset plan, and revenue and rating plan.¹⁰²

They also approve the council's annual budget, which involves setting priorities for the year ahead and allocating resources to achieve the initiatives outlined in the council plan, and monitor expenditure and the achievement of council objectives.¹⁰³

In its submission, MAV noted that:

The (LG Act 2020) introduced a principles-based governance framework that places greater responsibility on councillors to exercise judgement, oversight and leadership rather than relying on prescriptive regulatory guidance. This change has elevated expectations of councillor capability in areas such as governance, financial oversight, risk management and strategic planning.

¹⁰⁰ MAV (2024), p. 41.

¹⁰¹ MAV (2024), p. 41.

¹⁰² MAV (2024), p. 42.

¹⁰³ MAV (2024), p. 43.

Each council is required to establish an Audit and Risk Committee whose membership must include councillors, although the chairperson and a majority of members must be independent.¹⁰⁴ Audit and Risk Committees have the following functions and responsibilities under the LG Act 2020:¹⁰⁵

- monitoring the compliance of council policies and procedures with overarching governance principles, the LG Act 2020, and any ministerial directions
- monitoring council financial and performance reporting
- monitoring and providing advice on risk management and fraud prevention systems and controls
- overseeing internal and external audit functions.

Land use planning and development

According to MAV, land use planning can be a challenging and time-consuming responsibility for councillors. While many planning decisions are delegated to council officers, councillors play an important role in developing and reviewing the strategic land use and development policies for their municipality.¹⁰⁶

Councillors are required to work with council staff to understand the needs of the community and to identify current and emerging challenges affecting their municipality. These can include the availability of housing, economic development, environmental protection, and climate change.¹⁰⁷

Councillors are sometimes tasked with deciding on contentious development proposals. Such decisions are made within a complex legislative framework requiring councillors to perform a 'quasi-judicial' role, while balancing strategic policy considerations, and sometimes heated debate in the community.¹⁰⁸

¹⁰⁴ LG Act 2020, s. 58.

¹⁰⁵ LG Act 2020, s. 54(2).

¹⁰⁶ MAV (2014), p. 44.

¹⁰⁷ MAV (2014), p. 64.

¹⁰⁸ MAV (2014), p. 44; Victorian Independent Remuneration Tribunal (2023), p. X7.

4.4 Time commitment varies, but many councillors reported spending significant time on their role

The role of a councillor is somewhat unusual in that councillors do not have set work hours or days, and can essentially choose how much time to dedicate to their role. As such, time commitments can vary widely from councillor to councillor. This partly reflects the nature of the role, as well as the fact that, historically, it has been seen as a voluntary, part-time commitment rather than a job or profession — although the appropriateness and relevance of this view is contested (see section 4.6).¹⁰⁹

The mayoral role is an exception, in that it has generally been acknowledged as a full-time commitment for some time, including by the Tribunal in 2022.¹¹⁰ Even so, there is no formal requirement that mayors perform the role on a full-time basis, although the demands of the role and community expectations may necessitate it.

Notably, councillors generally do not have access to personal staff or dedicated administrative support (unlike MPs),¹¹¹ although council staff may provide limited support (e.g. with diary management).

When the Tribunal made its 2022 Comprehensive Determination, VLGA advised that an average week for a councillor involved a 23-hour time commitment, while MAV estimated that councillors generally spent 10–20 hours per week performing their role.¹¹² Over half of the councillors who responded to the Tribunal's questionnaire in 2021 reported spending between 16 and 31 hours on their role in a typical week.¹¹³

¹⁰⁹ For example, in a 2006 policy statement, the Victorian Government noted that it "views Councilor allowances not as a form of salary but as some recognition of the contributions made by those elected to voluntary part-time roles in the community". Victorian Government (2006), p. 1.

¹¹⁰ Victorian Independent Remuneration Tribunal (2022b), p. 133.

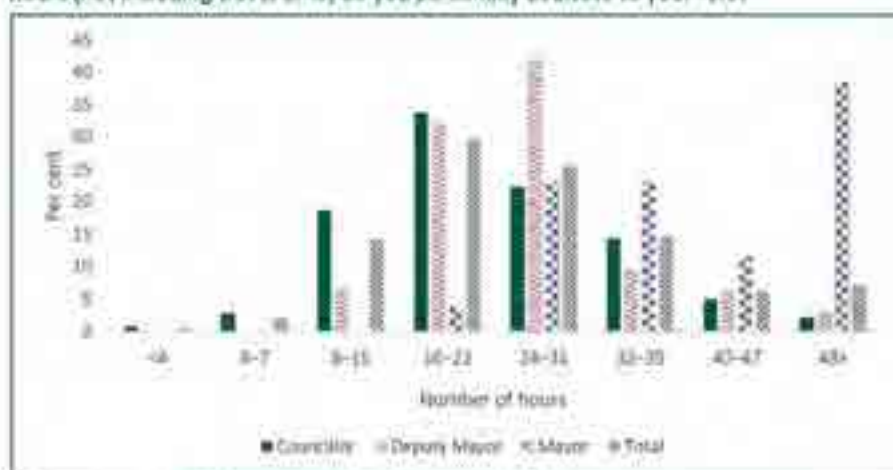
¹¹¹ Submission from MAV.

¹¹² Victorian Independent Remuneration Tribunal (2022b), pp. 43–44.

¹¹³ Victorian Independent Remuneration Tribunal (2022a), p. 148.

The Tribunal's questionnaire asked current councillors about their time commitment (Figure 4.1). The results were broadly similar to those from the previous questionnaire, with a majority of respondents again reporting a weekly time commitment of between 16 and 31 hours. Three-quarters of deputy mayors reported a time commitment in this range, while half of all mayors said they work at least 40 hours per week. On the whole, metropolitan councillors — including mayors and deputy mayors — reported greater time commitments than their rural counterparts.

Figure 4.1: Councillor questionnaire — responses to 'During a typical week, how many hours (not including travel time) do you personally dedicate to your role?'



Note: Based on a total of 106 responses, including 26 mayors and 80 deputy mayors.
Source: Tribunal analysis of questionnaire responses.

These responses suggest that while for many the role of a councillor is still a part-time commitment, that is not the case across the board.

Questionnaire respondents indicated that they spend the most time preparing for and attending meetings and briefings, which accounts for 43 per cent of their weekly time commitment on average. Engaging with the community and other stakeholders followed at 30 per cent, while developing and reviewing strategic documents was reported at 16 per cent.

Many first-term councillors said that the workload was higher, and the role more demanding, than they expected. For example, one said:

(My understanding of the role was that it would require approximately four hours one night per week. However, in practice, this has not been the case.

at all. My workload is significantly higher, averaging around 30 hours per week, and at times exceeding this depending on council demands.

Another observed that:

[T]he role has been far more demanding and complex than I anticipated. The volume of work, the time required to review lengthy reports and policy documents, and the level of responsiveness expected by residents means the role extends well beyond formal meetings. There is also a constant expectation to be available to the public, respond to complaints and concerns, and engage with community issues that arise at any time.

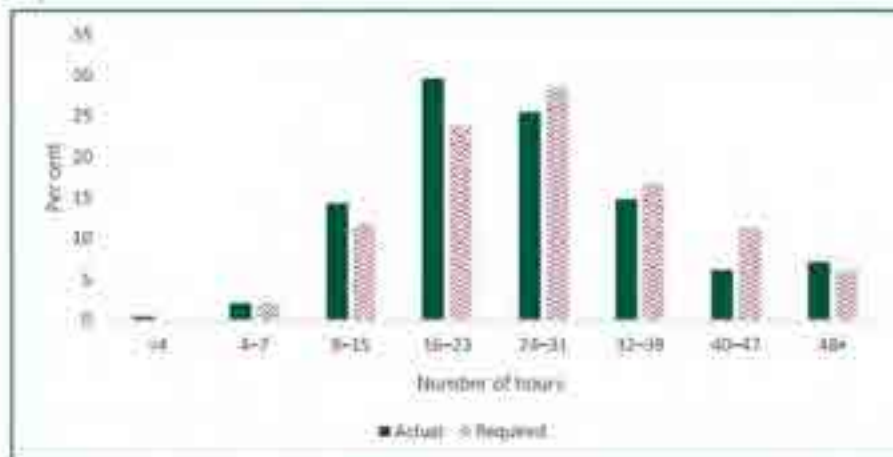
On the other hand, the Tribunal heard that some councillors dedicate only a small amount of time to performing their role, potentially limited to attending council meetings. However, this appears to be a small minority — of the councillors who responded to the Tribunal's questionnaire, over 80 per cent reported a time commitment of at least 16 hours per week, while only 3 per cent said they work fewer than 8 hours per week.

Some councillors spend less time on the role than they think is required, including for financial reasons

Councillors were asked to indicate how much time they think is required to perform their role effectively (Figure 4.2). Notably, around a third of respondents reported that they spend less time on their role than they think is required. Compared to councillors in rural areas, metropolitan councillors generally indicated that more time was required to perform their role effectively.

This reflects what the Tribunal heard through its broader consultation, which is that some councillors consciously limit the amount of time they spend on councillor duties based on what they can afford and/or what their circumstances allow. For some councillors, the value of the allowance appears to be a limiting factor on the time they are able and/or willing to dedicate to their role.

Figure 4.2: Councillor questionnaire — responses to questions about actual and required time commitment



Note: Based on 196 (actual) and 197 (required) responses.
Source: Tribunal analysis of questionnaire responses.

For example, in his submission to the Tribunal, Cr Clark Holloway noted:

There is easily 40+ hours per week Councillor work for me out there. Not only is there the community advocacy, but all of the other duties of Councillors: briefings, strategic plans, budgets, sitting on committees — mandatory training, attending events, general admin — But since I ... have to ensure that I can pay my own bills, I must throttle the amount of leaving I can do with the community to only what I can afford. For me this means capping the amount of work I do as Councillor at 15-20 hours per week at an absolute maximum.

Dale Martin, a former councillor at the City of Merri-bek, similarly observed:

Throughout my term, I consistently worked between 20 and 30 hours per week as a councillor while also maintaining full-time and eventually part-time employment. This represented the maximum capacity available outside paid work, not the full extent of what the role demanded or what I was willing to contribute.

On the other hand, around one-in-five councillors reported spending more time on their role than they think is required to perform it effectively. Age seems to be a key driver, with older councillors more likely than younger councillors to report working the same or a greater number of hours than they think is required. This

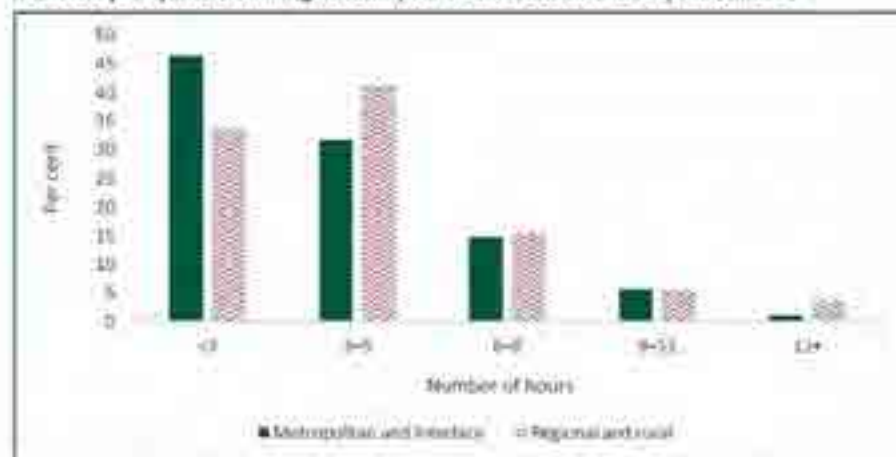
may partly reflect the fact that financial security generally increases with age, meaning that older individuals may be in a better position to dedicate more time to their role if they so choose. They may also have broader experience (e.g. in governance and/or finance), enabling them to engage more fully in certain aspects of the role (e.g. budget setting).

Travel represents a significant additional time commitment for some councillors, particularly in rural areas

During consultation, the Tribunal heard from many councillors — particularly those from rural areas — who said they are required to travel regularly and/or for long distances in the course of performing their role. For example, the submission from Campaspe Shire Council referred to the ‘tyranny of distance’, which it says amplifies councillor workloads and leads to fatigue.

The Tribunal’s questionnaire asked councillors to indicate how many hours they spend travelling to fulfil their duties in a typical week. Around half of all councillors in metropolitan or interface councils spend fewer than three hours travelling each week. By comparison, two-thirds of regional or rural councillors travel for at least three hours, while a quarter travel for six or more hours (Figure 4.3).

Figure 4.3: Councillor questionnaire — responses to ‘During a typical week, how many hours do you spend travelling to fulfil your council duties and responsibilities?’



Note: Based on 197 responses, comprising 88 metropolitan or interface councillors and 109 regional or rural councillors.
Source: Tribunal analysis of questionnaire responses.

VLGA's councillor census also asked councillors about their time commitment

Respondents to VLGA's first councillor census, conducted in 2024 and completed by 301 councillors, reported an average time commitment of 29 hours per week during the 2020–2024 council term.¹¹⁴ Meanwhile, the 329 councillors who completed VLGA's 2025 census reported an average of 39 hours per week over the first year of the current term (2024–2028).¹¹⁵ Councillors in metropolitan and interface councils reported an average of 43 hours per week, compared to 35 hours for regional and rural councillors — however, the VLGA noted that these estimates do not include travel time.¹¹⁶

VLGA also advised the Tribunal that the median time commitment for respondents to the 2025 census was 23 hours.¹¹⁷ The substantial difference (16 hours) between the average and median time commitments suggests that some councillors reported very high individual time commitments — potentially well in excess of 40 hours per week — thereby 'skewing' the average. A typical councillor is likely to have a time commitment closer to the median.

The increase in average time commitment partly reflects differences in what councillors were asked to report — in 2025, respondents were explicitly asked to include time spent on advocacy and attending councillor briefings. According to VLGA, this provides a more accurate and holistic view of a councillor's time commitment.¹¹⁸ However, it also noted that some of the increase in time commitment is explained by the following factors:¹¹⁹

- many first-time councillors were elected in 2024 (representing 57 per cent of the total), and are still becoming accustomed to the demands of the role
- the introduction of mandatory training and professional development (see section 4.6)
- growing community expectations of councils and councillors, along with increased social media and in-person engagement with the community and other key stakeholders.

¹¹⁴ VLGA (2025), p. 8.

¹¹⁵ VLGA (2026), pp. 2, 8.

¹¹⁶ VLGA (2026), p. 5.

¹¹⁷ Supplementary submission from VLGA.

¹¹⁸ Supplementary submission from VLGA.

¹¹⁹ Supplementary submission from VLGA.

4.5 Councillors are subject to various accountability and integrity mechanisms

As elected representatives, councillors are ultimately accountable to the voters in their ward or municipal district. If voters are dissatisfied with the performance of the councillor or councillors that represent them, they can vote for another candidate at the next council elections, which are held every four years.¹³⁰

The LG Act 2020 also established a variety of mechanisms to ensure that councillors are held accountable for their decisions and actions, perform their role effectively, and provide good governance for their municipality during the council term.

From 26 October 2024, all councillors have been obliged to observe the Model Councillor Code of Conduct outlined in the Local Government (Governance and Integrity) Regulations 2020 (Vic). The Model Councillor Code of Conduct replaced the codes previously adopted by individual councils, and established 'clear standards for the behaviour and responsibilities of councillors'.¹³¹ It is designed to:¹³²

- ensure that councillors can perform their duties and functions effectively and in a manner that reflects the values of transparency, respect and accountability
- foster a spirit of cooperation and collaboration among councillors and council staff
- strengthen public confidence and trust in local government.

The LG Act 2020 established a framework for dealing with councillor misconduct, including serious and gross misconduct, and gives the Minister for Local Government broad oversight powers in relation to councils and councillors. For example, the Minister may appoint a municipal monitor to:

- monitor a council's governance processes and practices¹³³
- report to the Minister on a councillor who is creating a serious risk to the health and safety of others or preventing a council from performing its functions.¹³⁴

¹³⁰ The exception is where an election is uncontested. This refers to a scenario in which the number of candidates is equal to the number of vacancies to be filled.

¹³¹ Department of Government Services (2024a), p. 5.

¹³² Department of Government Services (2024a), p. 5.

¹³³ LG Act 2020, s. 180(a).

¹³⁴ LG Act 2020, s. 180(a).

Where serious issues are identified at a particular council, the Governor in Council may (on the recommendation of the Minister) dismiss the elected council, and appoint one or more administrators to perform its duties and functions.¹²⁵ The Minister may also recommend that an individual councillor be suspended for a period of up to 12 months.¹²⁶ An order that gives effect to the dismissal or suspension of a council or councillor must be laid before the Parliament, and may be disallowed by a resolution of either house within seven days thereafter.¹²⁷

Various integrity and oversight bodies also play a role in holding councillors accountable. In particular:¹²⁸

- The Local Government Inspectorate (LGI) is responsible for ensuring that councils comply with the LG Act 2020, including by investigating potential breaches by councils and councillors.
- The Independent Broad-based Anti-corruption Commission can investigate suspected corruption and misconduct (for example, Operation Sandon was an investigation into allegations of corrupt conduct involving property developers and councillors at Casey City Council).¹²⁹
- The Victorian Ombudsman can hear complaints about council actions and decisions.

4.6 The role of councillor continues to evolve

The Tribunal asked councillors and other stakeholders how the role of councillor has changed since the Tribunal made its 2022 Comprehensive Determination, including in terms of responsibilities, workload and complexity.

Many stakeholders pointed to the ongoing impact of the LG Act 2020, with its heightened focus on governance and accountability, and the increasing ‘professionalisation’ of the role of councillor. For example, VLGA said:

The [LG Act 2020] changed the way in which councillors, mayors, deputy mayors and the elected council operated.... The modern councillor must have a sound understanding of scores of legislative documents, strategic plans, long term financial documents and strategies.

¹²⁵ LG Act 2020, ss 23(3), 23(1)(a).

¹²⁶ LG Act 2020, s 27(4)(i).

¹²⁷ LG Act 2020, ss 23(4)(b), 23(7)(b).

¹²⁸ LGI (2025).

¹²⁹ Independent Broad-based Anti-corruption Commission (IBAC).

The [LG Act 2020] also saw the introduction of CEO Employment and Remuneration Committees and more rigor around the CEO performance review process ... [and] Audit and Risk Committees also have far greater accountabilities ...

More broadly, stakeholders told the Tribunal that the traditional characterisation of the role as 'voluntary' is outdated and no longer appropriate nor accurate given the significant demands and expectations on councillors.

For example, VLGA submitted that the changes introduced by the LG Act 2020 are 'moving the councillor role away from [a] 'volunteer' role'. MAV said that 'public and institutional expectations [of councillors] increasingly reflect a full-time public leadership role', while allowances 'remain anchored in a conception of part-time civic service'.

Some stakeholders suggested that the civic nature of the role may be more appropriately or accurately described in terms of community service, as opposed to volunteerism. This reflects the fact that most councillors are motivated primarily by a desire to serve their community, while recognising that the demands of the role exceed those of other roles commonly described as voluntary.

The Tribunal heard that the role has continued to evolve in response to legislative and regulatory changes and community expectations, with some submitting that the rate of change has accelerated since the COVID-19 pandemic. Voicing this view, MAV told the Tribunal:

Since the Tribunal's 2022 determination, the role of councillors has continued to evolve significantly. Councillors now operate in a highly visible, complex and demanding environment characterised by increasing community expectations of accessibility and responsiveness; a near-continuous engagement model driven by digital communication; governance of organisations delivering multi-billion-dollar services and infrastructure programs; and decision-making within an increasingly complex legislative and regulatory framework.

Stakeholders also suggested that there have been some specific changes to the role since 2022, which principally relate to:

- community expectations
- the introduction of mandatory training and professional development

- the move to single-member wards
- emergencies and natural disasters
- heightened incivility, harassment and bullying towards councillors from other councillors and the public.

Community expectations of councillors have intensified

During consultation for the 2022 Comprehensive Determination, the Tribunal heard that community expectations of councillors had grown over the preceding years, particularly in terms of increased responsiveness and accessibility.¹³⁰ At the time, it was unclear how much of this reflected the impact of the COVID-19 pandemic, which caused disruptions across many aspects of society, in particular, pandemic-related restrictions forced many Victorians to spend more time in their local community, which may have heightened their focus on local issues.

Feedback from stakeholders suggests that community expectations of councillors have not decreased, and may even have intensified since 2022. For example, Cr Rosie Annear told the Tribunal:

I feel that community expectations have risen since the Covid-era, and remain incredibly high, while, concurrently, personal responsibility continues to diminish – everything is Council's job, Council's problem, and Council's fault.

Many councillors highlighted the ongoing role played by social media, with some suggesting that their communities expect councillors to respond to queries in real-time, and to be always accessible. According to MAV:

Constituents increasingly expect councillors to be accessible and responsive in real time. Residents frequently contact councillors directly via email, phone and social media and expect prompt responses during business hours. Many residents also assume councillors perform a role equivalent to that of state or federal MPs. They assess accessibility and responsiveness through that lens.

¹³⁰ Victorian Independent Remuneration Tribunal (2022), pp. 38-39.

Other councillors noted that they can be the first point of contact for people in the community who are experiencing hardship or distress, and adverted to the emotional toll this can have on councillors. This may be exacerbated where cost-of-living pressures are impacting on the community, including at the present time.

Cr Connie Boglis observed that:

The role ... carries a significant psychological and emotional component. Councillors are frequently the first point of contact for residents experiencing distress, frustration, or crisis, and are required to navigate complex, and at times adversarial, interactions in public and private settings.

Similarly, Cr Clark Holloway said:

Often, particularly among the more vulnerable segments of our community, [people] are disenfranchised from the Shire organisation that should be assisting them, and don't know where to turn. ... People quite often feel safer speaking with [a councillor] than with a professional staff member, because the very fact that we are elected representatives mean that we work for them.

Councillors are now required to undertake training and regular professional development

The LG Act 2020 introduced mandatory training and professional development for all councillors elected at the 2024 council elections and thereafter.

Councillors are now required to complete induction training within four months of taking the oath or affirmation of office,¹⁹⁹ and must undertake regular professional development training to ensure that they understand their role and responsibilities.²⁰⁰ Mayors and deputy mayors are also required to complete mayoral training within one month of their election to the role.²⁰¹

¹⁹⁹ LG Act 2020, s. 38.

²⁰⁰ LG Act 2020, s. 33A.

²⁰¹ LG Act 2020, s. 27A(1).

Stakeholders were generally supportive of the training, which aims to build councillors' capabilities in areas such as governance, budgeting and financial oversight. At the same time, many said that the training represented a substantial time commitment, and reduces the amount of time that councillors can dedicate to other activities (e.g. community engagement).

For example, one councillor said:

I have undertaken (a lot) more professional development and dedicated myself to this more. To manage workload and time, I now mostly only go to events in my ward ...

While noting that approaches to training vary widely from council to council, VLGA estimated that the training program for the second year of the current council term could take around 32 hours to complete. Its submission noted:

[I]n order to do justice to the intent of the new mandated training regime, councillors must dedicate many hours to completing meaningful workshops and training sessions ... [F]rom our experience, many councils [are devoting] up to three additional days [to training], or around 2 hours per topic ... The Year 2 program, as set out in Local Government Victoria guidance, requires 16 modules ... to be completed – that is 32 hours – or nearly an additional week's work.

The Tribunal also heard that some councillors have had to take leave from their paid employment to complete their training. According to one councillor:

The Councillor induction and compulsory training has required me to take in excess of 8 days leave from work as well as miss a greater amount of family time.

Single-member wards have altered relationships between councillors and constituents, and may impact workload

As outlined in the previous chapter, starting from the 2024 council elections, all metropolitan, interface and regional city councils are required to have single-member wards.

In comparison to other electoral structures, single-member wards arguably strengthen the link between councillors and local communities, as residents know exactly who 'their' councillor is. For example, Cr Jeff Marriot said:

My Ward is long and comprises 5 distinct Community areas. If there was a second or third Councillor for my Ward I feel it could easily get disjointed and harder to form the relationships with the constituents.

By the same token, the Tribunal heard that single-member wards may encourage some councillors to focus on issues relevant to their ward, potentially at the expense of other issues affecting the broader municipality. Unless managed, this could have implications for the relationships between councillors, and for the effectiveness and collegiality of the elected council.

Some stakeholders said that single-member wards can also intensify workload, although impacts do not appear to be consistent or uniform. According to VLGA, this can occur in several ways:

(M)embers of the community have reverted to wanting to speak to their ward councillor, and ... there can be a disproportionate workload on councillors where issues are ... based within a particular suburb or township.

In rural areas, councillors with large towns can often face a disproportionate load of enquiries, calls and emails while others with a lesser population may have significant distances of over 100 kilometres to travel to get from one end of their ward to another.

Similarly, ALGWA Victoria noted that councillors in a single-member ward 'carry sole accountability for defined geographic communities', and that this increases 'casework, advocacy demands and direct representational responsibilities'. By comparison, councillors in a multi-member ward can share the representational workload between them.

On the other hand, by their very nature, single-member ward structures tend to have more wards than multi-member ward structures. This means that single-member wards are generally smaller in both population and area than multi-member wards, which may (partially) offset any impact on workload.

Single-member wards may also reduce the need for councillors to attend functions and events across the entire municipality. This is because councillors may primarily be expected to attend functions and events in their ward.

A notable exception is the mayor, who — as their council's principal spokesperson — is expected to attend events across the municipal district. Similarly, councillors in unsubdivided councils may be required or expected to attend events and meet residents across the entire municipality. This may increase their travel burden, particularly in councils that cover a large geographical area and/or that have multiple, dispersed townships.

Councillors play an important role in emergencies and natural disasters

A number of stakeholders told the Tribunal that councillors — and mayors in particular — are increasingly playing a recognised role in times of emergency and disaster response and recovery. While not directly involved in an operational sense, members of the community may look to their local councillors for support and reassurance, or to advocate on their behalf.

As VLGA describes it:

In times of crisis, local councillors are the most prominent spokespeople within the community and have to carry the burden of supporting community members in significant distress, often with little training or support themselves in dealing with deep and cumulative mental health impacts.

Emergencies attract significant media attention and external scrutiny, and as the council's principal spokesperson, the task of responding often falls to the mayor.

According to Cr Tony Marwood, there can be a perception that the council is leading the emergency response, even though formal responsibility lies with government agencies (e.g. Victorian State Emergency Service). However, Cr Marwood noted that councils play an important role in clean-up and recovery efforts following an emergency or disaster.

While these are not necessarily new developments, it was put to the Tribunal that natural disasters, particularly bushfires and floods, are increasing in frequency and severity, and have a long tail. For example, VLGA's submission noted that several regional councils that have been impacted by natural disasters in 2026, including bushfires and flash floods, are still recovering from floods that occurred in 2022.

Councillors are experiencing increasing levels of incivility and other negative behaviours

A key theme that arose during consultation is the high level of incivility, harassment and bullying that councillors are experiencing, including from other councillors, and from members of the public.

According to VLGA's 2025 Councillor Census, more than half of female councillors, and a quarter of male councillors, had experienced bullying and non-sexual harassment from members of the public. Just under two-thirds of councillors said they had experienced threatening or intimidating behaviour while performing their role, while around 40 per cent said that they had received a higher-than-expected level of hostility from other councillors and from the public.¹³⁴

Several stakeholders told the Tribunal that levels of anger and distrust in the community have increased since the onset of the COVID-19 pandemic, and that some of this is being directed at councillors due to their accessibility and proximity to the community.

For example, Cr Rosie Annear observed that:

[T]he councillor role has become more challenging over the last few years, largely due to more extreme and unreasonable behaviour from community members... Many people are... facing additional stressors, such as the cost of living and housing crises, childcare and healthcare shortages, and the impacts of increased weather and emergency events. Widespread social media use... and [the] erosion of respectful communication, continue to exacerbate issues and polarise communities, leading to further disharmony, frustration, contempt, and anger... There is extensive distrust of, and anger towards, all levels of Government and, as the closest tier to the communities they serve, Councils are bearing the brunt of this.

The Tribunal's questionnaire asked councillors what factors (besides the allowance) would influence their decision to stand, or to not stand, at the next council elections. Many respondents cited incivility and the challenging work environment as key factors.

¹³⁴ VLGA (2025), pp 3-16.

For example, one councillor said:

(A) significant factor is the experience of bullying and negative behaviour, both within the role and externally. This can create a challenging environment and has the potential to impact wellbeing and long-term sustainability in the role.

4.7 Summary

Councillors are elected by the voters in their ward or municipal district to represent them, and to provide good governance.

The LG Act 2020 sets out the core duties and responsibilities of councillors, which include participating in council decision-making, representing the interests of the municipal community, and contributing to the council's strategic direction.

Each council is led by a mayor, who — other than in the case of Melbourne City Council — is a councillor elected by their fellow councillors to chair council meetings and be the council's principal spokesperson. The vast majority of councils have elected another councillor to be deputy mayor, who performs the mayor's role in the mayor's absence. Deputy mayors may also undertake other responsibilities, although this varies from council to council.

Many councillors dedicate a significant amount of their time to their role, in some cases approaching, or comparable to, a full-time commitment. However, the allowance appears to be a limiting factor on time commitment for some.

Stakeholders told the Tribunal that the role has continued to evolve since the 2022 Comprehensive Determination. Key factors and developments cited include heightened community expectations, mandatory training and professional development, the impact of single-member wards, the increased frequency and severity of natural disasters, and the high levels of incivility and negative behaviours being experienced by councillors.

5 Current local government allowances

This chapter provides an overview of the current allowance framework for councillors in Victoria, including stakeholder feedback on the current arrangements.

5.1 The statutory framework sets the parameters for councillor allowances

The statutory framework for local government allowances is established by the LG Act 2020 and provides that a councillor, deputy mayor or mayor is entitled to receive an allowance in accordance with a Tribunal determination.¹³⁶

The LG Act 2020 also provides that councillors may elect to receive all, part or none of the allowance that they are entitled to.¹³⁷ Allowances can also be withheld from councillors if they fail to complete certain training requirements,¹³⁷ and councillors do not receive an allowance while they are stood down from their council.¹³⁸

The allowance entitlement is separate from the reimbursement of bona fide out-of-pocket expenses and from the resources and facilities reasonably necessary for councillors to perform their role, which councils must provide under separate provisions.¹³⁹

The VIRTIPS Act requires the Tribunal to set the value of the allowance payable to councillors, deputy mayors and mayors.¹⁴⁰ The VIRTIPS Act also requires that a determination provides for council allowance categories, which may be specified for a council or group of councils.¹⁴¹

¹³⁶ LG Act 2020, s. 39.

¹³⁷ LG Act 2020, s. 39(3).

¹³⁸ LG Act 2020, ss. 278, 33, 33B.

¹³⁹ LG Act 2020, ss. 238–239.

¹⁴⁰ LG Act 2020, ss. 40–43.

¹⁴¹ VIRTIPS Act, s. 33A(1).

¹⁴² VIRTIPS Act, s. 33A.

5.2 The Tribunal's first determination established the current allowance framework

With effect from 18 December 2021, the Tribunal established an allowance framework for all councillors in Victoria comprising:

- a base allowance that varies by a councillor's role and the applicable council allowance category
- a remote area travel allowance (RATA) that is subject to eligibility requirements.

A description of the allowance framework in place before December 2021 is available in the Tribunal's 2022 Comprehensive Determination.¹⁴⁰

All councillors receive a base allowance

The base allowance recognises, in part, the responsibilities, effort and time commitment involved in serving as a councillor. The value of the base allowance is inclusive of any superannuation to which a councillor may be entitled in respect of their role, including by virtue of their council being an 'eligible local governing body' (ELGB) under relevant Commonwealth legislation (Box 5.1).

¹⁴⁰ Victorian Independent Remuneration Tribunal (2022), pp. 60-71

Box 5.1: Superannuation arrangements for councillors

Superannuation legislation

Under section 12(9A) of the *Superannuation Guarantee (Administration) Act 1992* (Cth) (SGA Act), 'a person who holds office as an elected member of a local government council' is not an employee of that council and consequently is generally not entitled to Superannuation Guarantee (SG) contributions. The Australian Taxation Office does, however, allow councillors to re-direct all, or some, of their allowance into a complying superannuation fund, where it is not treated as the councillor's assessable income.

However, where a council has resolved to become an ELGB under the *Taxation Administration Act 1953* (Cth), section 12(10) of the SGA Act provides that a councillor is considered an employee for superannuation purposes. In practice, this means that a council must make SG contributions for councillors based on their allowance payments.

Implications for local council allowances in Victoria

Prior to the 2022 Comprehensive Determination taking effect, councillors received an 'annual allowance' and either:

- received a 'payment in lieu of superannuation', which was equivalent to applying the prevailing SG contribution rate to the annual allowance; or
- if their council was an ELGB, had an SG contribution paid by the council to their nominated fund in accordance with statutory requirements.

The Tribunal noted in 2022 that: 'As there is no requirement for it to be paid into a complying superannuation fund ... the payment [in lieu of superannuation] has the effect of increasing the annual allowance paid by the equivalent of the SG contribution.' In this case, councillors had the flexibility to request that some or all of their allowance be paid into a complying superannuation fund (subject to applicable Commonwealth legislation), to make their own superannuation arrangements, or to retain the full allowance for their own use.

In 2022, the Tribunal decided to set a single base allowance for all councillors, which consolidated the annual allowance and payment in lieu of superannuation. This retained the flexibility for most councillors to make their own superannuation arrangements. As such, the base allowance could be said to include a notional superannuation component.

Where a council is an ELGB, councillors are required to have a portion of their base allowance paid into a complying superannuation fund (this amount is currently equivalent to 3/28th of the base allowance, based on an SG rate of 12 per cent).

Of the 62 responses to this part of the Tribunal's data request to councils, 12 advised that they are an ELGB.

Sources: Australian Taxation Office (2007); *Superannuation Guarantee (Administration) Act 1992* (Cth); *Taxation Administration Act 1953* (Cth); Victorian Independent Superannuation Tribunal (2022a), pp. 56-68; Tribunal data request to councils.

Allowances vary depending on the role of a councillor

In setting the base allowance, the Tribunal distinguished between the roles of councillor, deputy mayor and mayor.

In the 2022 Comprehensive Determination, the Tribunal examined the decision-making, governance and representation responsibilities of all councillors.¹⁴¹ It found that the nature, scope and complexity of the role had recently increased, as had community expectations of councillors. It also noted that a councillor's role was commonly undertaken across evenings and weekends, but was substantively part-time in nature.

Mayors had additional leadership, governance and representation responsibilities, which were critical for the effective operation of councils.¹⁴² The Tribunal concluded that the role generally needed to be performed on a full-time basis.

Before 2022, deputy mayors received the same allowance as councillors in all councils, except Melbourne City Council.¹⁴³ The Tribunal decided to introduce a new deputy mayoral allowance. This reflected feedback at the time about the additional responsibilities and workloads of deputy mayors, and how the role provided a valuable training and succession pathway to the role of mayor.

Allowance categories reflect differences between councils

Currently, councils are assigned to one of four allowance categories, comprising three categories covering most councils, and a separate 'capital city' category for Melbourne City Council only.¹⁴⁴

The number of allowance categories was designed to balance the common requirements and duties of councillors with variations in council characteristics that the Tribunal considered relevant in differentiating the base allowance.

The methodology and formula for allocating councils (other than the Melbourne City Council) to specific allowance categories is set out in Box 5.2. The two components of the formula — total recurrent revenue and estimated resident population — are intended to reflect the size and complexity of a councillors' role and their representational workload, respectively.

¹⁴¹ Victorian Independent Remuneration Tribunal (2022a), pp. 38–45, 120–121.

¹⁴² Victorian Independent Remuneration Tribunal (2022a), p. 119.

¹⁴³ Victorian Independent Remuneration Tribunal (2022a), p. 120.

¹⁴⁴ Victorian Independent Remuneration Tribunal (2022a), pp. 112–113.

Box 5.2: Formula to calculate category points for each council

$\text{Category points} = \frac{R + P}{1,000}$	
Where:	
•	<i>R</i> is a council's total recurrent revenue in (\$'000s) for the 2020–21 financial year based on its audited financial statements
•	<i>P</i> is the estimated resident population of a council as at 30 June 2020 based on the latest available data published by the ABS at the time of the 2022 Comprehensive Determination.

Source: Victorian Independent Remuneration Tribunal (2022b), p. 114.

The category points derived from the formula for each council were used to allocate councils to allowance categories based on the thresholds in Table 5.1.

Table 5.1: Current allowance categories and category points

Allowance category	Category points
Category 1	0 – 65
Category 2	66 – 280
Category 3	> 280

Source: Victorian Independent Remuneration Tribunal (2022b), p. 114.

This resulted in a broadly even distribution of councils across the three allowance categories:¹⁴⁷

- Category 1 (22 councils) — predominantly smaller rural and regional councils, such as Ararat Rural City Council and Strathbogie Shire Council
- Category 2 (28 councils) — generally includes larger regional councils, such as Greater Shepparton City Council, and some smaller metropolitan councils, such as Hobsons Bay City Council
- Category 3 (28 councils) — larger regional cities (e.g. Greater Bendigo City Council), most metropolitan councils (e.g. Port Phillip City Council) and most councils on the metropolitan fringe (e.g. Wyndham City Council).

There is a separate allowance category for Melbourne City Council (Category 4), which reflects the economic and social importance of Melbourne as Victoria's capital city.¹⁴⁸

¹⁴⁷ Victorian Independent Remuneration Tribunal (2022b), p. 115.

¹⁴⁸ Victorian Independent Remuneration Tribunal (2022b), pp. 117–118.

The value of the base allowance was reset in December 2021.

With effect from 18 December 2021, the Tribunal set values for the base allowance payable to councillors, deputy mayors and mayors across four allowance categories.¹⁴⁹

Compared to the previous equivalent allowance values, the base allowances for councillors and mayors were respectively 10 and 20 per cent higher. The new base allowance for deputy mayors was set at 50 per cent of the mayoral allowance.

Relevant considerations for the Tribunal at that time included:¹⁵⁰

- the scope, complexity and workload of councillors' roles, particularly for mayors
- the high level of expectation for councillors to represent and engage with their communities
- comparisons with the remuneration arrangements for councillors in other Australian jurisdictions and other relevant roles
- relevant economic indicators, including economy-wide wage movements
- supporting a more diverse and representative councillor cohort.

These increases were phased to moderate their financial impact and provide a staged transition.¹⁵¹ The increase in councillor allowances was phased over three years to December 2023, while the increase in allowances for mayors and deputy mayors was implemented over five years to December 2025.

The remote area travel allowance is provided to eligible councillors

The Tribunal retained the previous RATA as a targeted allowance that recognises the additional time commitment — principally travel time — for councillors representing geographically large or remote municipalities.

¹⁴⁹ Victorian Independent Remuneration Tribunal (2022b), pp. 117–128.

¹⁵⁰ Victorian Independent Remuneration Tribunal (2022b), p. 188.

¹⁵¹ Victorian Independent Remuneration Tribunal (2022b), pp. 121–133.

Eligibility for the RATA is limited to councillors who normally reside more than 50 kilometres by the shortest practicable road distance from the location of specified council activities. These comprise:¹³³

... ordinary, special or committee meetings of the Council, or any municipal or community functions which have been authorised by Council resolution for the Council member to attend ...

The RATA is payable for each day on which one or more council activities are attended by a councillor.

The Tribunal reset the value of the RATA with effect from 18 December 2021 and increased the value and the annual cap by 10 per cent, which was the same as the increase to the base allowance for councillors.¹³⁴

5.3 Annual adjustments have sought to maintain the value of the allowances

The Tribunal has since made the following annual adjustments to the value of the base allowance (including the phased increases):¹³⁴

- 18 December 2022 — 1.5 per cent
- 1 July 2023 — 2 per cent
- 1 July 2024 — 3.5 per cent
- 1 July 2025 — 3 per cent.

Considerations for the Tribunal in making these adjustments included:

- contemporary economic data, including movements in relevant wage and price indicators
- equivalent adjustments in other Australian jurisdictions
- the adjustments made by the Tribunal for other groups, including MPs

¹³³ Victorian Independent Remuneration Tribunal (2022b), clause 30.1.

¹³⁴ Victorian Independent Remuneration Tribunal (2022b), p. 123.

¹³⁵ Victorian Independent Remuneration Tribunal (2023a), p. 21; Victorian Independent Remuneration Tribunal (2023a), p. 18; Victorian Independent Remuneration Tribunal (2023), p. 8; Victorian Independent Remuneration Tribunal (2023a), p. 3.

The current values of the base allowance for councillors are in Table 5.2.

Table 5.2: Current base allowance values (\$ p.a.)^(a)

Role	Category 1	Category 2	Category 3	Category 4
Councillor	28,110	35,049	41,992	62,988
Deputy mayor	45,807	59,152	73,159	146,320
Mayor	91,613	118,303	146,319	292,639

Note: (a) The base allowance for councillors applied from 1 July 2025, while the base allowance for deputy mayors and mayors applied from 18 December 2025.

Source: Victorian Independent Remuneration Tribunal (2025a), p. 22.

The RATA has also been adjusted in line with changes to the base allowance. From 1 July 2025, the value of the RATA is \$48.90 per day for eligible councillors up to a maximum of \$6,112.50 per annum — equivalent to claiming the RATA for up to 125 days each year.¹⁵⁵

Allowance values have grown in line with wages, but below inflation

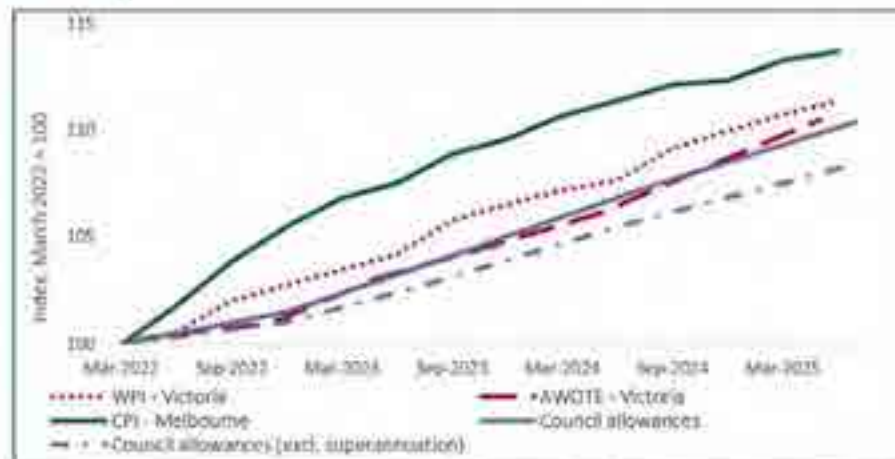
Since the 2022 Comprehensive Determination — which was made in March 2022 but backdated to 18 December 2021 — allowances for most councillors have increased broadly in line with movements in wages, but well below prices (Figure 5.1).

Where a councillor receives an employer superannuation contribution — for example, by virtue of their council being an ELGB — the increase in the ‘take home’ component of the base allowance has been lower due to successive increases in the SG contribution rate.¹⁵⁶

¹⁵⁵ Victorian Independent Remuneration Tribunal (2025a), p. 3.

¹⁵⁶ The SG contribution rate increased from 10 per cent in 2021–22 to 12 per cent from 2025–26. Australian Taxation Office (2026a).

Figure 5.1: Council allowances compared to movements in wages and prices, March 2022 to July 2025



Notes: AWOTE (Average weekly ordinary time earnings); CPI (Consumer Price Index); WPI (Wage Price Index). 'Council allowances' reflect annual adjustments made by the Tribunal; 'Council allowances (excl. superannuation)' reflect annual adjustments made by the Tribunal less an adjustment for a notional superannuation component based on the prevailing SG contribution rate.

Sources: ABS (2025c); ABS (2025d); ABS (2025e); Victorian Independent Remuneration Tribunal (2023a), p. 21; Victorian Independent Remuneration Tribunal (2023b), p. 18; Victorian Independent Remuneration Tribunal (2024), p. 18; Victorian Independent Remuneration Tribunal (2025a), p. 5.

5.4 Stakeholders identified several issues with the existing allowance framework

Although there were different views on specific issues, there were some common themes across stakeholders on the structure and value of the base allowance and the RATA.

Most stakeholders considered that the value of the base allowance is too low

Stakeholders generally — but not exclusively — considered that the base allowance was set too low.

This was reflected in responses to the Tribunal's questionnaire which asked current councillors about the level of their current allowance — with 81 per cent (of 182 respondents) stating that they considered the allowance to be 'insufficient'.¹³⁷ This is higher than the same result from the Tribunal's 2021 questionnaire (69 per cent of 256 responses).¹³⁸

Several submitters considered that the current allowances were not aligned with the requirements of the role, with Glen Eira City Council noting that recent reforms have:

... materially increased the complexity, skill requirements, time commitment and consequences of error associated with the councillor role. However, councillor allowances have not been recalibrated ... (to reflect) accountability, decision-making impact, risk exposure and professional capability.

South Gippsland Shire Council submitted that:

... the existing allowance structure undervalues the work undertaken by Councillors, Mayors and Deputy Mayors. Modern local government is increasingly complex, and elected representatives are required to demonstrate significant governance capability, legislative understanding and time commitment.

Similarly, one respondent to the councillor questionnaire stated that:

The allowance does not adequately reflect the level of responsibility associated with the role, including making decisions across complex areas that require careful review and understanding of detailed material.

A common theme across many stakeholders was that allowances do not reflect the workload and time commitment associated with the role. VLGA's 2025 Victorian Councillor Census reported that 77 per cent of respondents 'believe the time demands are not appropriate for the remuneration'.¹³⁹

Stakeholder feedback on councillor workloads is discussed in Chapter 4, but several stakeholders also noted how this issue framed their view of the current allowance values (Box 5.3).

¹³⁷ Tribunal analysis of questionnaire responses.

¹³⁸ Victorian Independent Remuneration Tribunal (2022b), p. 149; Tribunal analysis of questionnaire responses.

¹³⁹ VLGA (2025), p. 5.

Box 5.3: Stakeholder views about time commitment and allowance values

Written submission from Cr Connie Boglis

"When considering formal meetings, preparation, external representation, travel, and ongoing constituent engagement, the role of a Councillor represents a continuous workload estimated at approximately 25-30 hours per week."

"Based on current Victorian allowance settings, this corresponds to an approximate effective hourly rate of \$27-\$34 per hour. This level of remuneration does not fully reflect the governance responsibilities, statutory obligations, decision-making accountability, and community expectations associated with the role."

Written submission – de-identified submission 15

"Unlike salaried employment, this allowance does not include superannuation or employment benefits such as leave entitlements. When considered against the realistic weekly workload ... the effective hourly value of the role can approach or fall below the equivalent value of the national minimum wage once superannuation is taken into account."

Responses to the councillor questionnaire

"I tracked my time against my allowance and I am doing the role for \$8 an hour. It is just not sustainable nor fair."

"I got into this position to help the community communicate better with council, reciprocity wasn't a driving factor. If I was to weigh time against remuneration the hourly rate would be VERY poor."

"Working an additional 30 to 40 hours a week, the current allowance level does not reflect the quantity of time or the value of that time against my current employment salary."

"The current allowance amount, which is also before tax, is incredibly low, particularly factoring in the hourly rate based on the real hours required to perform the role effectively."

"[The allowance] does not account for the impact on employment and personal commitments, particularly where councillors are effectively working across evenings, weekends and outside standard hours."

Source: Submissions to the Tribunal, responses to the Tribunal's councillor questionnaire

However, some considered that current allowances were more or less appropriate. Council Watch acknowledged in its submission that councillors have important governance and community representation responsibilities, but also emphasised a community service aspect to the role. In its view, councillor allowances should therefore:

... recognise reasonable time, responsibility and sacrifice, but ... should not be designed as a salary replacement ...

Accordingly, Council Watch considered current allowances to be 'broadly appropriate' following the Tribunal's 2022 changes and later annual adjustments. They also said barriers to participation would be better addressed through targeted support, such as expense reimbursements, rather than a 'blanket' approach such as increasing allowances.

Cr Miki Wilson noted the role of councillor is 'initially voluntary' and that:

Remuneration is clearly pointed out throughout [the mandatory training] process. I do not believe that there is any case for elected local government representatives to — after the fact — feel that they are not adequately remunerated.

Views differed on allowances for each role

Table 5.3 presents the relativities between the current allowances for councillors, deputy mayors and mayors using the councillor allowance as a reference point within each category.

Table 5.3: Current base allowance values — relativities between different roles

Role	Category 1	Category 2	Category 3	Category 4
Councillor	1.00	1.00	1.00	1.00
Deputy mayor	1.63	1.69	1.74	2.32
Mayor	3.26	3.38	3.48	4.65

Sources: Victorian Independent Remuneration Tribunal (2025a), p. 22; Tribunal calculations.

Some submitters commented on the overarching differences in the value of the base allowance for different roles. For example, former councillor Dale Martin observed that:

The current disparity between mayoral and councillor allowances creates unnecessary tension within councils.

Large gaps in remuneration encourage competition for paid leadership roles, incentive bloc formation, and risk shifting focus away from community service and good governance.

The Tribunal was urged by several stakeholders — including MAV and VLGA — to review the deputy mayoral allowance against how the role has evolved since 2022 and the practical arrangements across councils. The most common view put to the Tribunal was that the deputy mayoral allowance should be more closely aligned with that for a councillor. But, reflecting the discussion in Chapter 4, the Tribunal also heard that in some councils the deputy mayor performs additional responsibilities and has a higher workload, and should be remunerated accordingly.

There were few substantive comments on the mayoral allowance. Most stakeholders who expressed a view agreed that the mayor was a significant and often full-time role and should be remunerated as such.

For example, Cr Rosie Annear stated:

In my experience, the Mayoral role requires a lot more time, energy, and personal sacrifice than those of Deputy Mayor or Councillor – and deserves to be remunerated at a higher rate.

While some stakeholders considered that the current mayoral allowances were appropriate, others observed that they were too low. One councillor observed:

The mayor's allowance in particular is insufficient enough that it would prevent me from taking on the role even though I think I'd be well-suited and my colleagues have encouraged me to do it.

Councillors responding to the Tribunal's questionnaire were also asked to compare the current relativities between the allowances for different roles (Table 5.4).

Table 5.4: Councillor questionnaire — responses to 'For your council is the current difference in value between the ...' (per cent)

	Too small	About right	Too large	Not sure
... deputy mayoral allowance and councillor allowance	10.9	47.0	36.6	5.5
... mayoral allowance and councillor allowance	6.6	32.2	54.6	6.6

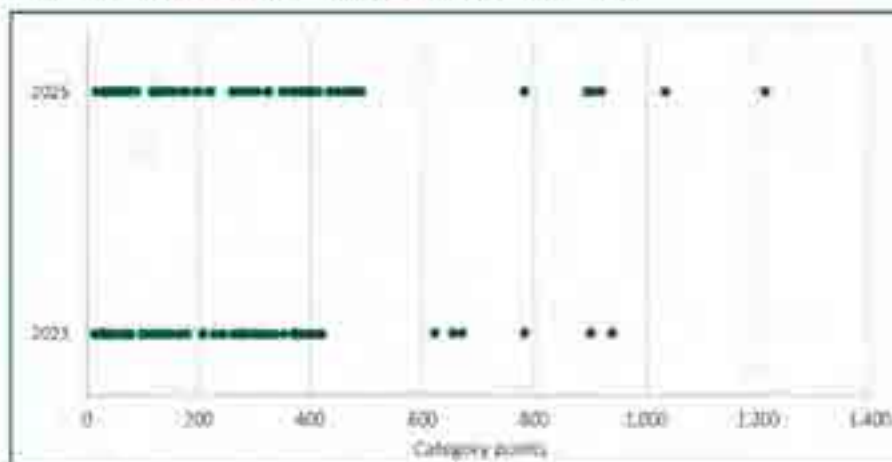
Note: Based on a total of 183 responses.

Source: Tribunal analysis of questionnaire responses.

Views on allowance categories were also mixed

To inform its deliberations, the Tribunal re-calculated the points used to allocate councils to specific allowance categories using the latest available data for recurrent revenue and estimated resident population. Figure 5.2 compares these results with those from the 2022 Comprehensive Determination, with the main difference being greater stratification of the scores for some larger councils.

Figure 5.2: Category points scores for councils, 2021 and 2025



Sources: Tribunal analysis of ABS (2026) and data provided to the Tribunal by LOV, March 2026.

Several stakeholders suggested changing the number of allowance categories, with concomitant changes to allowance values.

One view was that different allowance categories do not reflect the common elements of a councillor's role across all councils and therefore undervalue councillors in regional areas. South Gippsland Shire Council emphasised this point and proposed combining categories 1 to 3 so that all councillors (other than those in the Melbourne City Council) receive the same allowance.

However, these common aspects of the role can present in different ways — for example, in community engagement. Regional councillors said they are more visible in their communities and are often approached in public. Councillors from larger councils highlighted the size and diversity of the communities they represent.

Several parties advised the Tribunal that councillors in high growth areas face particular challenges, which should be reflected in the creation of a new allowance category. One councillor, for example, proposed that:

There should be a category, or at least a clearer weighting, that acknowledges the distinct size and complexity of growth area councils. These councils are often managing significant change, high community expectations and substantial strategic challenges that are not always comparable to councils of a similar population or revenue base but with more stable growth patterns.

Few stakeholders specifically commented on the separate allowance category for Melbourne City Council, with the general view being that a 'capital city' category was appropriate.

The Tribunal heard that population and revenue were relevant for placing councils in allowance categories. Some stakeholders thought these criteria were sufficient, but many supported adding other factors (Box 5.4).

Box 5.4: Stakeholder views about the criteria for allowance categories

Written submission from Council Watch

'Population and revenue are not complete measures of workload, but they are transparent and administratively workable. They are preferable to subjective claims about difficulty, pressure or profile.'

Written submission from MAV

'The existing framework based on population and revenue provides a clear and transparent methodology for determining council categories. Population size and financial scale are important indicators of organisational complexity and governance responsibility. However, these measures do not capture all aspects of council complexity. Factors such as geographic size, growth pressures and service complexity may also influence governance workload.'

Written submission — de-identified submission 13

'Population and revenue are necessary but insufficient proxies. They do not capture regional scale and dispersion, travel time, emergency management incidence, or staffing depth/policy support—all major drivers of councillor workload and time cost in rural/regional settings.'

Responses to the councillor questionnaire

'While population and total recurrent revenue provide some indication of council scale, they do not adequately reflect the practical demands placed on councillors, particularly in large rural municipalities. Geographic size, travel distances, number of communities serviced, and the complexity of local issues can significantly affect the workload of councillors but are not captured in the current categorisation method.... Despite these demands, such councils are often placed in the lowest category simply because of population size and revenue.'

'Population and total recurrent revenue are important measures, but they do not on their own reflect the intensity of demand that comes with rapid population growth, major infrastructure backlogs, increasing service expectations and the complexity of planning for expanding communities.'

'The current method of categorising councils based primarily on population and total recurrent revenue does not fully capture the complexity of the councillor role or the demands placed on councils. While these are relevant indicators, they do not reflect factors such as community expectations, the level of engagement required, the complexity of issues being dealt with, or the workload associated with governance and decision making.'

Sources: Submissions to the Tribunal; responses to the Tribunal's councillor questionnaire.

Remote area travel allowance

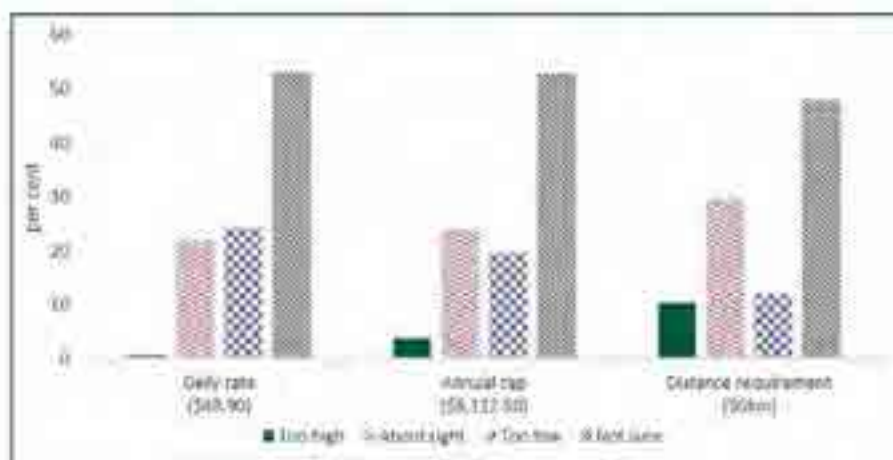
Travel-related issues were also raised with the Tribunal. Feedback on the RATA is discussed below, while the reimbursement of travel-related expenses is discussed in Chapter 10.

It appears that a limited number of councillors currently make use of this allowance. Just 30 of the 180 councillors who responded to the Tribunal's questionnaire on this issue reported that they had claimed the RATA in the 2025 calendar year.

Data provided to the Tribunal by councils also suggests that a relatively small number of councillors claim the RATA, and that the annual cap is not preventing claims.¹⁴⁰ Of the 62 councils that responded to this part of the Tribunal's data request, 15 provided anonymised data on RATA payments to councillors. In 2025, 44 councillors from these councils claimed the RATA. Of these, 27 claimed it on 10 occasions or fewer, while one councillor claimed the RATA on 78 occasions — well below the implied cap of 125. The average number of occasions claimed for was 15.8.

Councillors were asked for their views on the key elements of the RATA (Figure 5.3). Of those expressing a view, there was a broadly even split between those who thought that the daily rate and the annual cap were 'about right' and those who thought they were 'too low'. Most respondents, however, considered that the requirement to live at least 50 kilometres from the location of specified council activities was appropriate.

Figure 5.3: Councillor questionnaire — responses to 'What is your view on the following aspects of the RATA?'



Note: Based on a total of 156 responses.

Source: Tribunal analysis of questionnaire responses.

Specific issues were raised with the Tribunal regarding aspects of the RATA, including that:

- a fixed daily allowance rate does not account for significant variation in the travel time for some councillors

¹⁴⁰ Tribunal data request to councils.

- there is limited guidance on what constitutes an 'official council function', which can lead to inconsistent (and inequitable) approaches across councils
- eligibility requirements should be clarified to, for example, enable the RATA to be claimed where travel is required on more than one day for the same council function.

The latter two issues may depress the number of claims for the RATA. Similarly, the Tribunal also heard that eligible councillors may choose not to claim the RATA for personal reasons or because of adverse community perceptions.

5.5 Summary

The current allowance framework for councillors, deputy mayors and mayors was set by the Tribunal in 2022.

At that time, the Tribunal decided to set a new base allowance (which replaced the previous annual allowance and payment in lieu of superannuation) with a phased uplift to the allowance for each role. The RATA was retained and its value reset. Since then, annual adjustments have sought to maintain allowance values.

Stakeholder consultation has raised various issues for the Tribunal's consideration, including with the structure, value and eligibility for the base allowance and the RATA.

6 Interjurisdictional comparators

As required under the VIRTIPS Act,¹⁶¹ the Tribunal considered similar allowances in other states and the Northern Territory.¹⁶² The Australian Capital Territory does not have a separate system of local government.

This chapter compares the approaches to councillor allowances in Australian jurisdictions based on common themes. Some stakeholders have suggested the Tribunal consider specific aspects from other jurisdictions, particularly the allowance values paid to councillors in Queensland, and the criteria used to categorise councils in both Tasmania and New South Wales.

This chapter includes information about the current allowances in Victoria — prior to making this Determination — for ease of comparison.

However, the Tribunal is mindful that comparing the values of allowances and category structures across jurisdictions must be done cautiously, as the functions of councils and officeholders, and characteristics of municipal districts (or LGAs), can vary substantially.¹⁶³

This chapter reflects that no jurisdiction is a clear comparator across all thematic areas as there are varying approaches to, for example, allowance structures, council category structures, and capital cities.

Table 6.1 provides a summary overview for all jurisdictions related to the thematic areas drawn on in this chapter.

¹⁶¹ VIRTIPS Act s. 23A(7)(a).

¹⁶² The term 'allowance' is not used consistently across jurisdictions. In this chapter, the Tribunal uses the term 'allowance' in its broadest sense to cover remuneration arrangements for all jurisdictions, except where a jurisdiction provides 'meeting fees' rather than annual remuneration.

¹⁶³ In this chapter, the term 'LGA' is used to describe the area administered by a council, as this is the convention in other Australian jurisdictions. In Victoria, the area administered by a council is referred to as a municipal district in the LG Act 2000.

Table 6.1: Overview of local government arrangements across jurisdictions¹⁶³

Jurisdiction	Number of councils	Officeholder roles that receive allowances	Number of categories	Additional allowance types
Vic	79	Mayor Deputy mayor Councillor	4 ^(a)	Y
NSW ^(b)	128	Mayor Deputy mayor/councillor	13 ^(d)	N
NT	17	Principal members Deputy principal members Ordinary council members	3	Y
Qld	76	Mayor Deputy mayor Councillor	13	N
SA	67	Principal member Deputy mayor/deputy chairperson/presiding member of a prescribed committee Presiding member of a committee Councillor	6	Y
Tas	29	Mayor Deputy mayor Councillor	7	N
WA	137	Mayor Deputy Mayor Councillor	4	Y

Notes: (a) Information in this table is exclusive of capital cities, except for Queensland and South Australia due to specific arrangements which are discussed in section 6.4. (b) Category 4 is exclusive to Melbourne City Council. (c) This excludes the eight 'Water' and 'Other' councils. (d) Principal-CBO is exclusive to the City of Sydney.

6.1 Similarities and differences in councillor roles

There are common underlying statutory functions of councillors but practical differences in the scale and scope of council activity.¹⁶⁴

¹⁶³ Local Government Act 1988 (NSW), ss. 226, 231–232; LG Act 2000, ss. 18, 20A, 21, 28; Local Government Act 2009 (Qld), ss. 12, 175; Local Government Act 1989 (SA), ss. 58–59; Local Government Act 1995 (WA), ss. 2.8–2.10; Local Government Act 1993 (Tas), ss. 27–28; Local Government Act 2019 (NT), ss. 44, 58.

Council functions and services

While the statutory roles and responsibilities do not differ considerably, councils across jurisdictions tend in practice to have varying functions and services. Councils generally obtain their authority from state and territory legislation, which define the extent of their powers and assign responsibilities considered to be best managed efficiently and effectively at the local level. Councils' responsibilities have grown beyond roads and waste collection across Australia, and can include:¹⁴⁵

- health, aged care, childcare, and mental health services
- planning and development, including for housing and other land uses
- delivery of complex infrastructure and asset management
- environmental and other regulatory activities
- climate adaptation
- emergency management

In some jurisdictions, councils provide services that, in Victoria, are the responsibility of the state government. For example, Brisbane City Council operates various public transport services, such as buses and ferries, and is also responsible for the development, expansion and delivery of the Brisbane Metro.¹⁴⁶ By contrast, public transport in the City of Melbourne is administered by the Victorian Department of Transport and Planning.

In another example, certain councils in New South Wales and Queensland are responsible for water and sewerage functions.¹⁴⁷ The provision of potable water, sewerage and trade water services is generally undertaken by state-owned water corporations in Victoria, but councils can be responsible for specific activities, such as local stormwater management.

Roles and responsibilities of councillors

The statutory roles and responsibilities of councillors, deputy mayors and mayors (or equivalents) are broadly similar across jurisdictions.

¹⁴⁵ Parliament of Australia (2015), p. 3.
¹⁴⁶ Productivity Commission (2017), p. 5.
¹⁴⁷ Productivity Commission (2017), p. 5.

In general, councillors represent and act in the interests of the community, contributing to the strategic direction of the council. They are part of the governing body and participate in decision-making and strategic planning for their council. In doing so, they are responsible for engaging with their community and representing the council's policies and decisions.

In Queensland, for example, section 4 of the *Local Government Act 2009* (Qld) states that councillors are required to perform their role in accordance with the local government principles. These include 'democratic representation, social inclusion and meaningful community engagement' and 'good governance of, and by, local government'.¹⁶⁸

Victorian councillors represent a 'municipal community', which is broadly defined as people who live in the municipal district, ratepayers of the council, traditional owners of land in the municipal district, and people and bodies who conduct activities in the municipal district.¹⁶⁹ Others do not specify the groups in the definition of representation, such as New South Wales where councillors are required to 'represent the collective interests of residents, ratepayers and the local community'.¹⁷⁰

Characteristics of Local Government Areas

There is significant diversity in LGAs across jurisdictions — such as differences in roads and infrastructure, and physical, social and cultural environments — which can pose varying and unique challenges for the role of councils and councillors.¹⁷¹

In particular, there is significant variation in the geographic size and population of LGAs across jurisdictions, presented in Table 6.2.

¹⁶⁸ *Local Government Act 2009* (Qld), s. 4.

¹⁶⁹ *LG Act 2009*, s. 8(1).

¹⁷⁰ *Local Government Act 1995* (NSW), s. 23(d).

¹⁷¹ *Parliament of Australia* (2020), p. 3.

Table 6.2: Estimated regional population and geographical area, Australian LGAs

Jurisdiction	Population range (est)	LGAs' average population	Area range (km ²)	LGAs' average area (km ²)
Vic	3,317–414,929	89,531	9–22,062	2,844
NSW	1,396–449,385	67,121	6–53,492	5,528
NT	167–90,035	13,492	1–322,710	67,407
Qld ^(a)	265–1,375,301	73,577	12–105,718	22,470
SA ^(b)	884–184,827	27,896	4–8,833	2,304
Tas	924–71,341	19,871	78–9,584	2,345
WA	111–254,821	21,920	1–372,296	18,909

Notes: (a) Excludes the Weipa Town Authority which administers the town of Weipa on behalf of Rio Tinto. (b) Excludes Aranga Pitjantjatjara Yankunytjatjara and Maralinga Tjerrita. These are not listed as councils.
Sources: ABS (2026b); ABS (2026a); South Australian Government (n.d.).

6.2 Officeholders and allowances

The structure of allowances for specific officeholders also differs across jurisdictions.

Allowances are determined for certain officeholders

Most jurisdictions recognise three types of officeholder roles for the purpose of setting allowances — councillor, deputy mayor and mayor (or equivalents).

South Australia sets allowances for a larger number of roles, including members of committees.¹⁷² New South Wales only has two allowance types for the three officeholder roles — one for councillors/deputy mayors and one for mayors.¹⁷³

In setting the allowances for officeholder roles, Queensland and Victoria are the only jurisdictions that individually and separately determine an allowance for each.¹⁷⁴

New South Wales, Tasmania and Northern Territory each set a base allowance for a councillor, and an additional allowance for mayors and/or deputy mayors.¹⁷⁵

South Australia determines the allowances for other roles based on the allowance for a councillor. The deputy mayor receives 1.25 times the councillor allowance, and the mayor receives four times the councillor allowance.¹⁷⁶

¹⁷² Remuneration Tribunal (SA) (2014), pp. 4–5; Remuneration Tribunal (QV) (2022b), p. 2.

¹⁷³ Local Government Act 1993 (NSW), s. 241.

¹⁷⁴ Local Government Regulation 2012 (Qld), s. 247.

¹⁷⁵ Local Government Act 1993 (NSW), s. 239; Local Government Act 1993 (Tas), s. 340A; Northern Territory of Australia: Remuneration Tribunal (2025), pp. 4–5.

¹⁷⁶ Remuneration Tribunal (SA) (2022b), p. 2.

Allowances are determined as fixed or a range

In most jurisdictions — including Victoria — a tribunal or similar central authority determines fixed allowance values for officeholder roles.¹²⁷ New South Wales and Western Australia differ in that councils determine allowances within a defined range.¹²⁸ While the Northern Territory determines fixed values for the council categories, it can also choose to set bespoke allowance values for individual councils.¹²⁹

All jurisdictions, except Western Australia, determine annual allowances. Western Australia, rather than applying an annual allowance, provides elected councillors with fees for attending council and committee meetings.¹³⁰ The fees received by different officeholders vary based on the type of meetings they attend. However, councils may resolve to provide an annual allowance in lieu of meeting fees.¹³¹ Councils may also resolve to provide the deputy mayor and/or mayor with an additional fee on top of those provided for attending meetings.¹³²

Some jurisdictions provide other types of allowances

Councillors in some jurisdictions may receive other allowances in addition to the allowance received for their officeholder role. There is significant variation in the availability, eligibility and value of such allowances between jurisdictions.

South Australia provides a travel time allowance to all councillors representing non-metropolitan councils except mayors, which is similar to the RATA in Victoria. The value of allowances depend on the distance between councillors' usual places of residence and councils' principal office by the most direct road route. This allowance is in addition to any travel reimbursements payable to a councillor.¹³³

Some jurisdictions provide allowances for matters that in Victoria are covered by council expense policies, or are provided to councillors in-kind. Box 6.1 summarises applicable allowances in the Northern Territory as an example.

¹²⁷ VETPS Act, s 33A(1) (*Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act 2006* (VT)); s. 7B; Local Government Regulation 2012 (Qld), s. 23A; Local Government Act 1993 (Tas), s. 38(4A); Local Government (General) Regulations 2005 (Tas), Sch. 4; Local Government Act 1999 (SA), s. 35(3).

¹²⁸ Local Government Act 1993 (NSW), s. 211; Salaries and Allowances Act 1975 (WA), s. 7B; Local Government Act 1995 (WA), s. 5.98(1)(b).

¹²⁹ *Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act 2006* (NT), s. 7B.

¹³⁰ *Salaries and Allowances Act 2005* (WA), s. 7B.

¹³¹ Local Government Act 1995 (WA), s. 5.95.

¹³² Local Government Act 1995 (WA), s. 5.88A.

¹³³ *Remuneration Tribunal (SA) (2022)*, p. 12.

Box 6.1: Northern Territory allowance types

Additional allowances are determined in the Northern Territory, which vary by fixed or maximum values and by eligibility. Relevant other allowances are:

- extra meeting/activity allowance (maximum of \$10,000 per year for all)
- professional development allowance (\$5,000 per year for all)
- vehicle allowance (maximum of \$10,000 per year, with additional criteria)
- provision of a motor vehicle or a motor vehicle allowance (differing values for principal members (mayors) of municipal and regional councils)
- travel allowance (for all, values vary)

Source: Northern Territory of Australia Remuneration Tribunal (2023).

6.3 Structure and characteristics of allowance categories

Each jurisdiction allocates councils into categories (or equivalent) for the purpose of setting allowances for officeholders. This approach is intended to balance the common roles and responsibilities of councillors while recognising differences in the scale, scope and complexity of council activities.

Criteria for determining council categories vary across jurisdictions

Most jurisdictions have criteria listed in legislation for categorising councils. Victoria and Western Australia differ in that the criteria are defined by respective tribunals.

Victoria and Tasmania, each with two criteria, have the fewest to consider, while New South Wales and South Australia have the most with eight and six respectively (including ‘other considerations’).¹⁸⁴

Table 6.3 lists common criteria across jurisdictions.¹⁸⁵ Victoria and Tasmania currently use a formula to categorise councils, while other jurisdictions use a mix of quantitative and qualitative metrics for making decisions.

¹⁸⁴ Victorian Independent Remuneration Tribunal (2022), no. 113–134; Tasmanian Industrial Commission (2018), pp. 6–7; Local Government Act 1989 (Vic), s. 240; Local Government Act 1995 (WA), s. 76(3).

¹⁸⁵ Northern Territory is excluded from Table 6.3 as there are no listed criteria for how council categories are determined. Local Government Act 2013 (NT), s. 34; Assembly Members and Statutory Officers (Remuneration and Other Employment) Act (2006) (NT), s. 78.

Table 6.3: Common criteria considered when categorising councils

Criteria	Vic	NSW ^(a)	Qld	Tas ^(b)	SA ^(c)	WA
Population	✓	✓	✓	✓	✓	✓
Revenue	✓	✓	✓	✓	✓	
Size of LGA		✓	✓		✓	
Physical terrain of LGA		✓	✓			
Ratio of members to ratepayers		✓			✓	
Other matters		✓	✓		✓	

Notes: (a) Total operating revenue and ratio of members to ratepayers are not included in the criteria listed in the relevant legislation for New South Wales. However, they were listed as considerations under specific categories in the New South Wales 2026 Annual Determination. (b) Tasmania completed a review of councillor allowances in March 2026. At the time of making this Determination, legislation to implement proposed changes to allowances, including a new methodology and criteria for setting allowance categories, is before the Tasmanian Parliament. It is expected that the new framework will be in place for the upcoming October 2026 elections. See Box 6.3 for further details. (c) Legislation defines criteria the Remuneration Tribunal (SA) must consider when making a determination but does not specifically reference criteria for categorising councils.

Sources: Victorian Independent Remuneration Tribunal (2022b), pp. 113–114; Local Government Act 1993 (NSW), s. 240; Local Government Remuneration Tribunal (NSW) (2026); Local Government Regulation 2013 (Qld), s. 242; Tasmanian Industrial Commission (2018), pp. 6–7; Local Government Act 1999 (SA), s. 76(1); Salaries and Allowances Tribunal (WA) (2017), para. 33.

Population and revenue are common criteria across most jurisdictions. Most jurisdictions use total revenue or operating revenue, barring Western Australia which considers total expenditure.¹⁸⁸ The specific aspects of population considered differ across jurisdictions as well. For example:

- New South Wales considers the total population of areas and its distribution
- Queensland considers demographics, population density, and the extent of services the council provides
- Tasmania currently uses a formula which includes the voting population (see section 6.4 for more information about the latest review).

¹⁸⁸ Salaries and Allowances Tribunal (WA) (2017), para. 33.

'Other matters' is a criterion used in some jurisdictions and provides flexibility for decision-makers to consider other factors they see as relevant in determinations, such as to support efficient, effective, or sustainable local government (New South Wales and Queensland). South Australia refers to 'any relevant economic, social, demographic and regional factors in the council area'.¹⁸⁷

Other less common criteria across jurisdictions, not included in Table 6.3 above, include the:¹⁸⁸

- nature and extent of development and growth of areas (New South Wales and Western Australia)
- diversity of communities served (New South Wales)
- business dealt with by council, such as the nature and volume of business and the diversity of services delivered (New South Wales and Western Australia)
- role of councillors, including as members of the governing body and as representatives to the community (South Australia).

Jurisdictions have different approaches to the number of categories

The criteria discussed in the previous section are used by jurisdictions to allocate councils to the various categories. The category to which a council is assigned determines the allowances councillors may receive. The number of council categories to which councils may be assigned varies across jurisdictions.¹⁸⁹

However, the relevant body in a jurisdiction may have the power to change the number of categories. Box 6.2 outlines an example of new categories being created in New South Wales.

¹⁸⁷ Local Government Act 1993 (NSW), s. 14(2); Local Government Regulation 2017 (DfR), s. 14(2); Local Government Act 1999 (SA), s. 76(3).

¹⁸⁸ Local Government Act 1993 (NSW), s. 14(2); Salaries and Allowances Tribunal (WA) (2012), para. 33; Local Government Act 1999 (SA), s. 76(3).

¹⁸⁹ The term 'category' is used to cover similar terminology used by different jurisdictions. The Tribunal notes that the term is not consistently used across all jurisdictions. For example, the term 'group' is used in South Australia.

Box 6.2: Creating new categories — New South Wales

The Local Government Remuneration Tribunal of New South Wales must determine the categories for councillor and mayor fees at least once every 3 years. The 2023 review created two new categories — ‘Rural Large’ and ‘Metropolitan Major’, which brought the number of categories to thirteen.

The review discussed how the previous ‘Rural’ category did not differentiate enough between rural councils in terms of population, size and terrain. A particular issue was that councils in a number of larger ‘Rural’ councils were required to travel and service significant distances compared to others in the same category. The new ‘Rural Large’ category was created for rural councils with a population greater than 10,000, and a councillor to resident ratio of 1 to 1,200.

In comparing population and operating revenue data for ‘Metropolitan Large’ councils and the one ‘Major CBD’ council, the Local Government Remuneration Tribunal identified a large difference in the data for these two categories. The creation of ‘Metropolitan Major’ was intended to bridge this gap, with a different population threshold of 400,000 (including non-residents).

Source: Local Government Remuneration Tribunal (NSW) (2023), pp. 10–11

With only four current categories (including one exclusive to Melbourne City Council), Victoria has a comparatively small number of categories. With thirteen each, New South Wales and Queensland (plus Brisbane City Council) have considerably more categories than other jurisdictions. South Australia, with five (plus Adelaide City Council), sits in the middle of the jurisdictions.¹³⁰

6.4 Current councillor allowances

Table 6.4 summarises the values of allowances in councils across jurisdictions, and Table 6.5 summarises the values for the capital cities.

¹³⁰ Local Government Remuneration Tribunal (NSW) (2023), pp. 29–31; Northern Territory of Australia Remuneration Tribunal (2023), pp. 4–5; Assembly Member and Statutory Officers (Remuneration and Other Entitlements) Act 2006 (Vic), s. 7(1); Local Government Remuneration Commission (Qld) (2023), p. 4; Local Government (General) Regulations 2025 (Tas), s. 4; Remuneration Tribunal (SA) (2022), p. 4; Remuneration Tribunal (SA) (2023), pp. 7–8; Salaries and Allowances Tribunal (WA) (2021), para. 39; Salaries and Allowances Tribunal (WA) (2023), s. 1.

Investment (net capital value)	Category	Values of Allowances (€ p.a.)		
		Guarantee	Deposits market	Major
VC ¹⁰	Lowest	20,110	85,207	81,613
	Highest	41,992	77,159	246,810
ACW ¹⁰	Lowest	10,630-21,900	N/A	12,540-48,600
	Highest	18,450-40,550	N/A	40,860-171,540
MT ¹⁰	Lowest	Up to 13,080	Up to 13,080	Up to 13,080
	Highest	Up to 58,352	Up to 55,552	113,032
GM	Lowest	68,295	74,119	918,520
	Highest	176,371	336,148	289,343
SA ¹⁰	Lowest	8,049	33,051	71,111
	Highest	35,916	36,145	135,664
Te ¹⁰	Lowest	11,879	24,384	41,635
	Highest	46,347	76,779	162,216
MA ¹⁰	Lowest	4,101-28,125	4,310-44,379	4,767-87,049
	Highest	13,673-58,722	16,873-62,730	45,003-155,111

[illegible]

Allowances for councillors in Queensland are substantially higher than those paid in other jurisdictions. Councillors in Queensland may have a broader role in setting strategic direction and policies of local government, and are responsible for managing significant infrastructure and community services, such as (some) public transport, stormwater, sewerage, and, for some, water supply systems.

In its inaugural report in 2007, the Queensland Local Government Remuneration Tribunal noted that the role of a councillor in Queensland is broader than the statutory definition. The Tribunal considered that while the role is not defined in legislation as part-time or full-time, and that legislative duties alone may not make the role full-time, the associated preparation, research, and governance responsibilities mean that a councillor's role is close to full-time. Mayors also have additional statutory responsibilities to those of councillors. The Tribunal set allowances to reflect its view about the time commitment and expectations for councillors and mayors, and differences across councils, as well as other factors including attracting councillors with relevant skills and financial impacts on councils.¹⁹¹

The view on the role and time required has not been as explicit in other jurisdictions compared to Queensland, including in Victoria.

Some jurisdictions approach capital cities separate to other councils

Some jurisdictions have reserved an allowance category specifically for the capital city council, while others share a category with other LGAs.

Queensland and South Australia adopt a different approach to setting allowances for capital cities. Allowances for Brisbane City Council are set by a separate body, and under a different legislative scheme, to that which applies to other Queensland councils. The *City of Brisbane Act 2010* (Qld) states that '[c]ompared to other local governments in Queensland, [Brisbane City Council] is unique in its nature and the extent of its responsibilities and powers'.¹⁹² In South Australia, a separate determination is made for Adelaide City Council 'to recognise, promote and enhance the special social, commercial, cultural and civic role' of the capital city.¹⁹³

¹⁹¹ Local Government Remuneration Tribunal (2007), pp. 9, 30.

¹⁹² *City of Brisbane Act 2010* (Qld), s. 3.

¹⁹³ *City of Adelaide Act 1998* (SA), s. 3; Remuneration Tribunal (SA) (2007a), p. 1.

Table 6.5: Interjurisdictional comparison of councillor allowances, capital cities, July 2026

Jurisdiction capital city council	Values of allowances (\$ p.a.)		
	Councillors	Deputy mayor	Mayor
Vic ^(a)	62,988	146,320	292,639
NSW ^(b)	32,810–48,140	N/A	233,630–312,380
NT ^(c)	Up to 46,037	Up to 69,837	Up to 168,325
Qld	181,989	236,586	300,282
SA ^(d)	32,110	48,165	219,180
Tas ^{(e)(f)}	46,347	76,279	162,216
WA ^{(g)(h)}	28,525–36,722	45,914–75,527	98,079–210,298

Notes: (a) Values inclusive of any superannuation contributions to which a councillor may be entitled. (b) Mayors receive the councillor allowance plus an additional allowance as mayor. The values in the relevant column are the sum of the councillor and additional allowances. (c) Values include a base allowance, additional allowance for deputy mayors and mayors, and the maximum extra meeting allowance. (d) These values were provided by the South Australian Remuneration Tribunal. (e) Deputy mayors and mayors receive the councillor allowance plus an additional fee. The values in the respective columns are the sum of the councillor allowance and additional fee. (f) Hobart City Council (capital city) does not have a separate category. (g) Councils may elect to pay councillors a fee in respect of every meeting they attend, or provide an annual allowance in lieu of meeting fees. Values are calculated based on a council opting for an annual allowance. (h) Deputy mayors and mayors are also entitled to an additional allowance on top of their attendance fee (whether paid annually or per meeting). The values in the respective columns are the sum of the annual allowance and additional allowance. The additional allowance for deputy mayors is calculated as 25 per cent of that for the mayor. (i) Perth City Council (capital city) does not have a separate category, but the mayor receives a different entitlement range for the additional allowance.

Sources: Victorian Independent Remuneration Tribunal (2025a), p. 15; Local Government Remuneration Tribunal (NSW) (2026), p. 73; Northern Territory of Australia Remuneration Tribunal (2025), pp. 4–5; Brisbane City Council (2025), p. 53; Independent Councillor Remuneration Tribunal (Qld) (2022), p. 22; Local Government (General) Regulations 2025 (Tas), Sch. 4; Salaries and Allowances Tribunal (WA) (2025), p. 27.

Allowances in Brisbane and Adelaide diverge from the rest of their jurisdiction by the allowances that are provided and how they are determined. There are more officeholder roles that receive distinct allowances in both Brisbane City Council and Adelaide City Council relative to other councils in the jurisdiction. For example, there are six officeholder roles for Brisbane City Council compared with three for the rest of Queensland — the leader of the opposition, chair of council and civic cabinet chairs are additional officers. Further, the allowances for most of the officeholder roles are set as a percentage of the councillor allowances.

Victoria and New South Wales have a reserved category for their capital cities within the general category structure. While there are no set relativities between the categories or officeholder roles, both jurisdictions' capital cities have considerably higher allowances compared to the next closest category.

For example, a councillor in Sydney City Council ('Principal CBD') can receive between \$32,810–\$48,140, while a councillor in the next category ('Major CBD') can receive between \$21,900–\$40,550.

Councillor allowances are reviewed periodically

Jurisdictions have different processes and requirements for adjusting councillor allowances and determining categorisation of councils. Most have periodic comprehensive reviews that take a broad approach to considering appropriateness and changes to, for example, category structures and criteria. In years when there is not a comprehensive review, most jurisdictions have some form of annual adjustment process that adjust allowances.

Some jurisdictions have set annual allowance adjustments in legislation, while others may consider a range of factors in a review process. For example, South Australia indexes the value of its allowances annually, in between comprehensive reviews, based on changes in the CPI (all group index for Adelaide),¹³⁴ and Tasmania indexes the value of its allowances annually in line with the Wage Price Index (WPI) (rounded).¹³⁵

Current comprehensive reviews

New South Wales has completed a review adjusting the minimum and maximum of the ranges applicable to each category by 3.7 per cent. A review of the structure and criteria of allowance categories will be completed in 2027.¹³⁶

South Australia is undertaking a full review of the councillor allowances and category structures, to be completed in August 2026.

Tasmania has recently completed a review of the councillor allowance categories and values. The final report with recommendations was published in March 2026 and is pending approval by the Tasmanian Parliament. Box 6.3 summarises the approach and proposals of the review.

¹³⁴ Local Government Act 1999 (SA), s. 26(3).

¹³⁵ Local Government (General) Regulations 2025 (Tas), s. 49(1).

¹³⁶ Local Government Remuneration Tribunal (2025) (2025) Loc. 6, 9-10.

Box 6.3: Tasmania review of councillor allowance categories, criteria and values

The Tasmanian Department of Premier and Cabinet reviewed the approach to councillor allowance categories and values in 2025, with a final report published in March 2026.

In Tasmania, councils are allocated to a category using a formula that considers the number of voters and the revenue base in each LGA.¹⁰⁰

The review noted that this approach had a number of weaknesses, including:

- the number of voters does not reflect that councillors represent and make decisions affecting all residents of their LGA
- operating revenue is affected by financial assistance and other capital grants paid to councils and is subject to year-on-year fluctuations.

Following consideration of the review, the Tasmanian Government published a discussion paper proposing reforms to the local councillor numbers and framework. Proposed changes include:

- all councils should have either seven or nine elected councillors, unless a council requests that it have five councillors
- the adoption of six allowance categories (previously seven categories)
- adding two additional criteria to the formula for setting allowance categories — the total number of rateable properties and total length of council roads (including unsealed roads) — to better reflect representational needs and demands on councillors
- increasing councillor allowances by 14.25 per cent on average, funded by savings from fewer councillors
- considering whether future changes to superannuation provisions may be appropriate, including whether councils should be required to pay the 12 per cent superannuation equivalent allowance into councillors' super funds.

The proposed reforms are intended to be cost neutral overall, with increases in allowance values offset by a reduction in the number of councillors (from 263 to 213). Changes to the Local Government Act 1993 (Tas) and Local Government (General) Regulations 2025 (Tas) are required to implement reforms. Pending approval by the Tasmanian Parliament, the changes will take effect in time for the October 2026 local government elections, and new allowances (indexed) will apply from 1 November 2026.

Notes: (a) The formula is (number of voters) × (operating revenue) / 1,000,000.

Sources: Department of Premier and Cabinet (Tas) (n.d.); Department of Premier and Cabinet (Tas) (2026).

Approaches to superannuation entitlements are mostly consistent

As explained in Chapter 5, councillors are ordinarily not considered to be employees, which means they are not entitled to compulsory superannuation under Commonwealth law, unless councils have resolved to become an ELGB.

In recent years, some jurisdictions have amended their local government legislation to clarify superannuation arrangements for councillors. However, councils can still resolve to become an ELGB, which enables councillors to be treated as employees for superannuation and other purposes.

In Western Australia, councillors in Class 1 and 2 councils receive superannuation payments, while Class 3 and 4 councils may resolve to pay councillors superannuation by absolute majority.¹⁸⁷

Similarly, councils in New South Wales may resolve to make superannuation contributions to councillors under amendments to the *Local Government Act 1993* (NSW).¹⁸⁸

6.5 Summary

This chapter explored comparisons of councillor allowances across Australian jurisdictions.

Every jurisdiction approaches the structure and value of allowances for councillors differently. For example, some jurisdictions provide allowances for all officeholders, which may be set as a range or fixed value, while others determine additional allowances for deputy mayors and mayors on top of what they receive as councillors. All jurisdictions have some form of categorisation for councils, but the number of categories and the criteria used to determine the groupings differ. Values of allowances differ, which may be due to differing expectations and responsibilities of the role, such as in Queensland, where councillors' allowances are set at a higher rate, but councils deal with more extensive services.

The Tribunal now moves to discussing other comparators in Chapter 7.

¹⁸⁷ *Local Government Amendment Act 2014* (WA), s. 63; Department of Local Government, Sport and Cultural Industries (2016).

¹⁸⁸ Office of Local Government (2016) (2013).

7 Other comparators

In addition to allowances for councillors in other jurisdictions, the Tribunal is required to consider allowances for 'persons elected to other voluntary part-time community bodies', and to provide for any other matter that it considers relevant. Accordingly, the Tribunal's notice of intention asked stakeholders which organisations or comparator roles, if any, it should give particular weight to in setting the value of allowances.

Each council operates as a body corporate,¹⁹⁹ and the responsibilities of councillors include (among others) governance activities not dissimilar to those performed by a corporate board. However, as explained in Chapter 3, local government is recognised in Victoria's Constitution as a distinct and essential tier of government. This makes councils and councillors unique from most other organisations and roles, limiting the utility of comparing their remuneration.

Drawing on the Tribunal's own research and suggestions from stakeholders, this chapter sets out the Tribunal's analysis of the comparators it considers the most relevant (noting the limitations explained above), including:

- public entity (PE) board members²⁰⁰
- Victorian MPs²⁰¹
- members of the First Peoples' Assembly of Victoria (FPAV)
- the boards of MAV and VLGA
- municipal monitors and council administrators.

A number of other potential comparators were evaluated, such as not-for-profit board members. However, the Tribunal judged that these roles are too different from the role of councillor. Reasons for excluding these other roles included that they operate on a smaller scale, are responsible for a more limited range of services, were not remunerated, or a combination of these factors.

In this chapter, the Tribunal also examines how councillor allowances compare to the National Minimum Wage (NMW), which was suggested as a benchmark by some stakeholders.

¹⁹⁹ LG Act 2020, s. 14.

²⁰⁰ Submissions from ALGA Victoria; O Jeff Marriott, de-identified submission 13, Gen Era City Council, MAV, South Gippsland Shire Council.

²⁰¹ Submissions from ALPWA Victoria.

7.1 The role of PE board members shares some similarities with that of councillors

A PE is a body established outside of the Victorian Public Service that exercises a public function on behalf of the state or is wholly owned by the state.¹⁹⁹ Most PEs are governed by a board of directors appointed by the relevant minister, who oversee the entity and are accountable to the minister for its performance.²⁰⁰ This differs to councillors who are held accountable by the community through the electoral process (although, as noted in Chapter 4, the minister can intervene to dismiss a council in certain circumstances).

The role performed by PE board members has similarities with the role performed by councillors, as both are responsible for setting the strategic direction of their respective organisations, approving their annual budgets and, in most cases, appointing a CEO.²⁰¹

However, councillors have a broader range of responsibilities than PE board members. Indeed, whereas PEs are generally established for specific purposes (e.g. to deliver a particular service),²⁰² councils have a broad remit and are responsible for delivering many services. Councillors also have a community representation function, while public interaction with PE board members may be more limited.

PE board members are remunerated in accordance with government policies

The remuneration of PE board members is generally set in accordance with the *Appointment and Remuneration Guidelines* published by the Department of Premier and Cabinet.²⁰³

Under the guidelines, PEs are classified into one of four groups according to their functions and responsibilities. These groups are then divided into bands based on further criteria.

Group A entities, which include statutory authorities and government business enterprises, are the most relevant to councils as they operate on a similar financial scale and employ large numbers of people. These entities are grouped into bands

¹⁹⁹ Public Administration Act 2004 (Vic), s. 5.

²⁰⁰ Victorian Government (2025c).

²⁰¹ Victorian Government (2021a).

²⁰² Victorian Government (2025e).

²⁰³ Department of Premier and Cabinet (2025).

based primarily on assets, turnover and operating surplus or profit, although different thresholds apply to statutory authorities and the government business enterprises.²⁰⁷ The Tribunal considers that statutory authorities are the most appropriate comparator for councils due to the commercial focus of government business enterprises.

Table 7.1 illustrates how group A statutory authorities are allocated into bands, relevant examples of organisations with remuneration aligned to these bands, and the applicable remuneration band values. It should be noted that there are no separate allowances or fees for deputy chairs.²⁰⁸

Table 7.1: Remuneration bands for group A statutory authorities as at 1 July 2025

Band	Classification criteria	Example organisations	Chair (\$ p.a.)	Member (\$ p.a.)
A1	Inclusion determined by the Premier and Cabinet	- Melbourne Water Corporation - Monash University	85,204 – 159,831	42,604 – 70,025
A2	Turnover of over \$1 billion, assets over \$1 billion, operating surplus over \$100 million, or a combination of these	- Bayside Health - RMIT University - Ports Victoria	63,903 – 119,882	28,402 – 59,951
A3	Turnover of between \$500 million and \$1 billion, assets between \$500 million and \$1 billion, operating surplus between \$50 million and \$100 million, or a combination of these	- Chisholm Institute of TAFE - Country Fire Authority - Parks Victoria	42,604 – 89,908	22,720 – 42,017
A4	Turnover of between \$50 million and \$500 million, assets between \$50 million and \$500 million, operating surplus between \$5 million and \$50 million, or a combination of these	- Alpine Resorts Victoria - Gippsland Institute of TAFE - Bendigo Health	21,302 – 59,951	12,781 – 24,004
A5	Turnover of below \$50 million, assets below \$50 million, profit below \$5 million, or a combination of these	- EchUCA Regional Health - Ballarat General Cemeteries Trust	14,200 – 30,075	8,520 – 16,065

Notes: Remuneration values exclude superannuation. Upon ministerial approval, up to \$6,543 p.a. may be paid to directors who receive annual fees for additional committee work undertaken in recognition of the extra commitment required.

Sources: Victorian Government (n.d.); Department of Premier and Cabinet (2025), pp. 43–44.

²⁰⁷ Department of Premier and Cabinet (2025), pp. 43–44.

²⁰⁸ Department of Premier and Cabinet (2025), p. 28.

Based on total assets as at 30 June 2025, 44 councils (56 per cent) met the classification criteria for band A2, while 20 councils (25 per cent) and 15 councils (19 per cent) satisfied the assets criterion for bands A3 and A4, respectively.²⁰⁹

While Victoria's public universities are technically not classified as PEs under Victorian legislation,²¹⁰ the *Appointment and Remuneration Guidelines* are also used to set the remuneration for those sitting on their councils.²¹¹ The composition of each public university's governing council is set in its establishing legislation.²¹² Each university is required to have at least one elected student and one elected staff member.²¹³ The elected, advocative and representative nature of these roles make them a relevant comparator for the role of councillor. However, full-time staff members cannot receive remuneration for serving on the council.²¹⁴

Figure 7.1 shows how the fee ranges for members and chairs of PE boards compared to councillor and mayoral allowances before the making of this Determination. Allowances for councillors in categories 1–3 were comparable to fees for board members of entities in bands A2 and A3, while mayoral allowances were comparable to fees for chairs of entities in bands A1 and A2.

²⁰⁹ Based on data provided to the Tribunal by LGV, March 2026.

²¹⁰ *Public Administration Act 2004* (Vic), ss. 4–5.

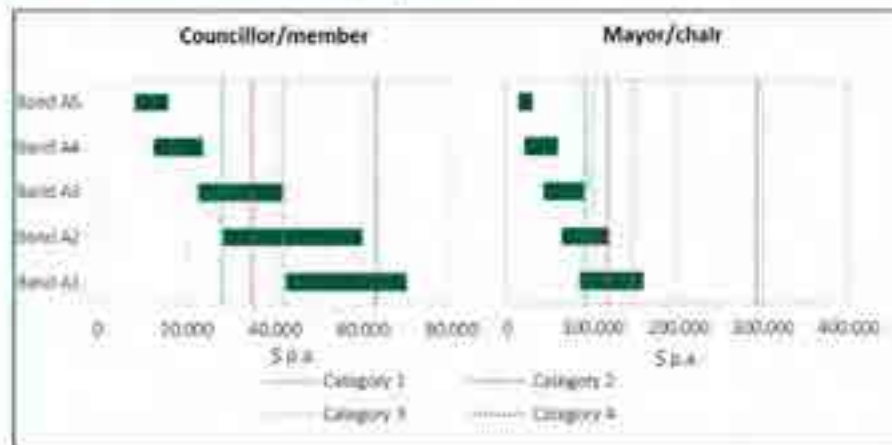
²¹¹ The Guidelines state that they apply to all appointments to 'non-departmental entities', which includes universities as they are established by legislation, the right to appoint at least half of the board is vested in the State and they exercise a public function or are wholly owned by the State. Department of Premier and Cabinet (2025), p. 8.

²¹² Victorian Government (2025c).

²¹³ *Deakin University Act 2009* (Vic), s. 11(4A); *Federation University Australia Act 2010* (Vic), s. 11(4A); *La Trobe University Act 2009* (Vic), s. 11(4A); *Monash University Act 2009* (Vic), s. 11(4A); *Royal Melbourne Institute of Technology Act 2010* (Vic), s. 11(4A); *Swinburne University of Technology Act 2010* (Vic), s. 11(4A); *University of Melbourne Act 2009* (Vic), s. 11(4A); *Victoria University Act 2010* (Vic), s. 11(4A).

²¹⁴ Refer to section 16 of the Acts listed above.

Figure 7.1: Comparison of councillor and mayoral allowances with fee ranges for members and chairs of PE boards, July 2026



Sources: Department of Premier and Cabinet (2023), pp. 43–44; Victorian Independent Remuneration Tribunal (2025a), p. 22.

7.2 Several Victorian representative bodies have elected members

State elected bodies are representative bodies elected by cohorts in the State of Victoria. The two primary roles in this group considered by the Tribunal are state MPs and the elected members of the FPAV.

While both MPs and councillors are elected by their constituents, there are key differences between the roles

MPs are elected to the Parliament of Victoria by members of their electorate, much like how councillors are elected to council by members of their ward or municipal district. Both roles are expected to contribute to decision making and attend meetings of their relevant rule-making body.²²⁵ However, there are key differences to the scope of the roles performed by both groups. These differences, as explained in previous reviews into councillor remuneration, include that:²²⁶

- MPs have a ‘significantly broader range of responsibilities’ than councillors, and ‘their decisions literally affect the life and liberty of all members of the State’

²²⁵ Victorian Independent Remuneration Tribunal (2023a), pp. 83–84; LG Act 2020, s. 38.

²²⁶ Local Government (Councillor Remuneration Review) Panel (2008), p. 34; Victorian Independent Remuneration Tribunal (2007b), pp. 101–102.

- the role of an MP is typically described as being more than a full-time commitment, while the role of councillor has traditionally been viewed as a part-time commitment
- MPs represent relatively large and uniform electorates (as at June 2026, the number of electors per district ranged from around 47,000–68,000, and per region from around 560,000–606,000), while council wards are highly variable (as at June 2026, the number of electors per ward ranged from around 1,100–24,000, with the largest unsubdivided municipality (City of Melbourne) comprising 72,515 electors)²¹⁷
- MPs are responsible for managing an electorate office and the electoral officers employed in said office.

Remuneration for MPs

As of 1 July 2026, the basic salary payable to an MP is \$219,391 p.a. Any MP who is a specified parliamentary office holder is entitled to an additional salary, which ranges from \$8,776–\$244,803 p.a.²¹⁸ MPs are also paid superannuation at a rate of 18 per cent of their total salary,²¹⁹ and receive a range of other work-related parliamentary allowances and other entitlements.

The FPAV includes members chosen through elections

The FPAV consists of both members selected by Traditional Owner groups and members elected by Victorian First Peoples. To be eligible to stand for election a candidate must be a Victorian Traditional Owner. These requirements ensure that assembly members can effectively perform their specialised cultural, legal and ethical responsibilities.²²⁰

The key roles of members elected to the FPAV in 2023 included negotiating a Statewide Treaty, engaging with their communities, participating in committee and chamber meetings, and undertaking cultural governance.²²¹ Elected members were expected to have a time commitment of one to two days per week.²²²

²¹⁷ Victorian Electoral Commission (2025a); Victorian Electoral Commission (2025b); Victorian Electoral Commission (2025c)

²¹⁸ Victorian Independent Remuneration Tribunal (2026), p. 3.

²¹⁹ MPs elector since 2009 receive superannuation contributions based on their total salary and the SG rate (currently 12 per cent) plus an additional six per cent. *Parliamentary Salaries, Allowances and Superannuation Act 1988 (Vic)* s. 33

²²⁰ FPAV (2026), pp. 4–5, 8–11.

²²¹ FPAV (n.d.), p. 2.

²²² FPAV (n.d.), p. 2.

The *Statewide Treaty Act 2025* (Vic) transitioned the FPAV into a permanent and legislated body forming part of the newly established Gellung Wari.²²³

The key roles of members elected to the FPAV in 2026 may include matters such as working to implement reforms agreed to by the State in the first *Statewide Treaty*, engaging with First Peoples to make representations to the Parliament of Victoria, Victorian Government, and other entities, and other operational matters related to the FPAV.²²⁴ Guidance issued prior to the 2026 election stated that while the new FPAV members will decide together on their specific time commitment, the then-serving members recommended serving in a full-time capacity.²²⁵

Remuneration for elected members of the FPAV

Members of the FPAV elected in 2023 were entitled to a base stipend of \$96,946 p.a. However, specific roles with additional duties, such as chairs and directors, were entitled to a higher stipend. The stipends for those elected in 2023 were exclusive of superannuation.²²⁶

The FPAV was required to publish the remuneration proposed to be paid to members following the 2026 election.²²⁷ FPAV proposed a base stipend of \$197,683 p.a., while roles with higher duties would attract a stipend of \$227,534 p.a. and co-chairs a stipend of \$348,000 p.a. — all values inclusive of superannuation.²²⁸

The *Interim Gellung Wari Membership Rules* approved on 6 May 2026 state that:²²⁹

- FPAV members will initially be remunerated consistently with the recommended values summarised above
- members will be reimbursed or have expenses paid for reasonable travel and other expenses, in the manner determined and published by the FPAV
- an independent remuneration mechanism will be established by the FPAV, following which remuneration and entitlements will be paid at the amounts

²²³ *Statewide Treaty Act 2025* (Vic), s. 10(1).

²²⁴ FPAV (2026), pp. 3–6.

²²⁵ FPAV (2026), p. 30.

²²⁶ FPAV (2023), pp. 2–3.

²²⁷ *Statewide Treaty Act 2025* (Vic), s. 188.

²²⁸ FPAV (2026), p. 11.

²²⁹ *Gellung Wari* (2026), p. 21.

and on the terms fixed by that mechanism, and will be reviewed at least every four years.

7.3 Several roles connected to the work of councils were considered

The Tribunal considered the remuneration for several ‘council-adjacent’ roles. The Tribunal considered additional roles to which a councillor may be elected in their capacity as councillor, before it examined roles that work alongside, or in place of, councillors — namely, municipal monitors and council administrators.

Councillors may be elected to bodies representing the local government sector

Councillors may be elected to a variety of other roles with external organisations. The boards of MAV and VLGA are the most relevant of these roles. The allowances available to councillors who serve on the boards of these bodies, which are payable in addition to their councillor allowance, are set out in Box 7.1.

Box 7.1: Overview of remuneration provided to board members of MAV and VLGA

MAV As at 1 July 2025, the following allowances (inclusive of superannuation) were payable: • Board members – \$12,171 p.a. • Deputy presidents – \$18,021 p.a. • President – \$87,416 p.a. VLGA In the 2025 financial year, the following fees (exclusive of superannuation) were payable: • Board members / sub-committee members – \$461 per meeting, equivalent to \$4,149 p.a. and \$2,766 p.a., respectively (assuming attendance at each meeting) • President / committee chairs – \$604 per meeting, equivalent to \$5,436 p.a. and \$3,624 p.a., respectively (assuming attendance at each meeting) Annual figures are based on the number of meetings held during the 2025 financial year.
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Sources: MAV 700541 p. 15; VLGA 007541 p. 17

Municipal monitors provide oversight and advice to councils

The Minister for Local Government may appoint an independent municipal monitor to oversee and advise a council that is experiencing governance issues. The role of a monitor is to:¹¹⁰

¹¹⁰ Department of Government Services, n.d.111

- observe governance processes and report back on issues
- provide advice to councils that are experiencing governance issues
- make recommendations to the Minister for further action
- prepare a final report for the Minister at the end of their appointment

While there are no formal eligibility requirements to be a monitor, individuals appointed to this role typically have expertise in governance, conflict resolution and change management, as well as experience working in local government and/or public administration at senior levels.

Monitors interact with many of the same internal council processes that councillors do, although decision-making power remains with the elected council. As the monitors appointed to Casey City Council detailed in their report to the Minister:²²¹

During the period of appointment, we attended each ordinary meeting of council and each special meeting of council. We also have been represented at each meeting of the CEO Employment and Remuneration Committee and the Audit and Risk Committee. Further, we attended strategic briefings, strategic discussions and mandatory and follow up induction sessions for new councillors following their election in late 2024. We met regularly with the mayor — sometimes accompanied by the deputy mayor — and provided advice and feedback as required. Similarly, we regularly met with the CEO and executive leadership team (ELT); and separately with the Council's governance team. Further, we conducted sessions with the mayor and councillors to provide feedback on their performance and to clarify aspects of their roles. On request, we also met with individual councillors and responded to telephone and email requests for advice from councillors.

Remuneration for municipal monitors

Municipal monitors generally work two-to-three days per week.²²² The remuneration paid to monitors is determined by the Minister for Local Government at the commencement of their appointment.²²³

²²¹ Stephenson Panel Boardman C (2025), at 3.

²²² Parliament of Victoria (2024), at 3.

²²³ LG Act 2020, s. 129.

The Tribunal understands that monitors are paid a fixed daily rate, which is updated in line with the annual adjustment guideline rate set by the Premier. Prior to the application of the guideline rate from 1 July 2026, the rate for the 2025–26 financial year was \$1,375 per day, exclusive of superannuation — for a monitor working 2.5 days per week on average, this was equivalent to around \$179,000 for a 12-month appointment. This value does not vary by council size, revenue or population, and is not affected by the terms of reference given to monitors at the commencement of their appointment.²³⁴

Administrators may be appointed to take over the duties of councillors

Where a council is found to have serious governance issues, the Governor in Council may (on the Minister's recommendation) suspend the council and appoint one or more administrators to exercise its powers and functions for a period of time.²³⁵ Administrators must also be appointed if at least half of a council's councillor positions are vacant.²³⁶

In this sense, administrators effectively replace elected councillors. However, while administrators are generally appointed in panels of two or three members, they may be replacing up to twelve councillors.

As with municipal monitors, there are no formal eligibility requirements to be an administrator. However, individuals appointed to this role typically have extensive experience in public administration and corporate governance at an executive and/or board level.

Remuneration for council administrators

Chairs or single administrators generally work three-to-four days per week, while panel members generally work one-to-three days per week.²³⁷ Administrators are prohibited from engaging in paid employment outside the duties of the office without the Minister's consent.²³⁸ The remuneration paid to council administrators is determined by the Minister for Local Government at the commencement of their appointment.²³⁹

²³⁴ Information provided by LGV.

²³⁵ LG Act 2020, ss. 230–231. In addition, administrators may be appointed by an Act of Parliament — see, for example, the *Local Government (Moorabool Council) Act 2023* (Vic).

²³⁶ LG Act 2020, s. 232.

²³⁷ Information provided by LGV.

²³⁸ LG Act 2020, s. 231(3)(b).

²³⁹ LG Act 2020, s. 231(3)(c).

The Tribunal understands that administrators are paid an annual rate, which is updated in line with the annual adjustment guideline rate set by the Premier. Indicative lower and upper limits for administrator remuneration are based on multiples of the allowances payable to mayors and councillors at the council under administration. However, the Minister considers a range of factors in setting the remuneration for an individual administrator, including the most recent remuneration provided to other administrators, the expected workload and expertise required, and the availability of suitably qualified candidates.²⁴⁰

Prior to the application of the guideline rate from 1 July 2026, the indicative remuneration ranges for the 2025–26 financial year are in Table 7.2 and are presented exclusive of superannuation.

Table 7.2: Remuneration for council administrators for 2025–26 financial year

Role	Remuneration basis	Multiple	Indicative remuneration range (\$ p.a.)
Chairperson, Category 1	Mayoral base allowance	2x–2.5x	183,226 – 229,033
Chairperson, Category 2	Mayoral base allowance	2x–2.5x	236,606 – 295,758
Chairperson, Category 3	Mayoral base allowance	2x–2.5x	292,638 – 365,798
Panel Member, Category 1	Councillor base allowance	2x–4x	56,220 – 112,440
Panel Member, Category 2	Councillor base allowance	2x–4x	70,098 – 140,196
Panel Member, Category 3	Councillor base allowance	2x–4x	83,984 – 167,968

Source: Information provided by LGV.

7.4 The National Minimum Wage was raised as a matter the Tribunal should consider

A number of stakeholders submitted that councillor allowances should be based on, or be set at an amount not less than, the NMW. The NMW is the minimum amount that an employee not covered by an award or registered agreement may be paid for their work. It is determined annually by the Fair Work Commission (FWC).²⁴¹

²⁴⁰ Information provided by LGV.

²⁴¹ Fair Work Ombudsman (n.d.).

From 1 July 2026, the NMW is \$26.44 per hour for persons aged 21 or older. Casual employees receive a 25 per cent loading to compensate for the lack of paid leave, resulting in an hourly rate of \$33.05.²⁴² Superannuation is payable in addition to the NMW for all persons aged 18 or older, regardless of how many hours they work.²⁴³

For comparative purposes, the casual NMW is arguably the more relevant of the two NMW rates. This is because, like casual employees, councillors:

- do not accrue leave entitlements
- may be required to work irregular hours
- are not guaranteed an ongoing position past the end of the council term.

One way of comparing councillor allowances with the casual NMW is by converting the former into *implied hourly rates* based on an assumed weekly time commitment. For example, prior to the making of this Determination, the implied hourly rate for a councillor in a Category 2 council who works 20 hours per week was \$33.70, which is equal to \$35,049 (the annual allowance) divided by 52 (the number of weeks in a year), all divided by 20 (the councillors' assumed weekly time commitment).

The implied hourly rate for a councillor in a:

- Category 1 council is greater than or equal to the casual NMW for time commitments up to 16 hours, and less than the casual NMW thereafter
- Category 2 council is greater than or equal to the casual NMW for time commitments up to 20 hours, and less than the casual NMW thereafter
- Category 3 council is greater than or equal to the casual NMW for time commitments up to 24 hours, and less than the casual NMW thereafter
- Category 4 council is greater than or equal to the casual NMW for time commitments up to 36 hours, and less than the casual NMW thereafter.

If superannuation is included in the casual NMW, the time commitment thresholds above decrease to 14, 18, 21 and 32 hours, respectively.

²⁴² Fair Work Ombudsman (n.d.).

²⁴³ Australian Taxation Office (2026b).

This comparison should not be construed as implying that councillors perform work of an equivalent value or effort to an employee on the NMW. On the contrary, the latter would be expected to have fewer responsibilities, and far less accountability, than councillors.

7.5 Summary

This chapter analysed several roles with similarities to the role of councillor, and the remuneration provided to them, including:

- PE board members
- Victorian MPs
- members of the FPAV
- municipal monitors and council administrators.

While each role shares some key characteristics with the role of councillor, there are also key differences which limit their usefulness as comparators or benchmarks for remuneration purposes.

The Tribunal also considered how councillor allowances compare to the NMW, which partly depends on the amount of time a councillor dedicates to their role.

8 Economic and financial considerations

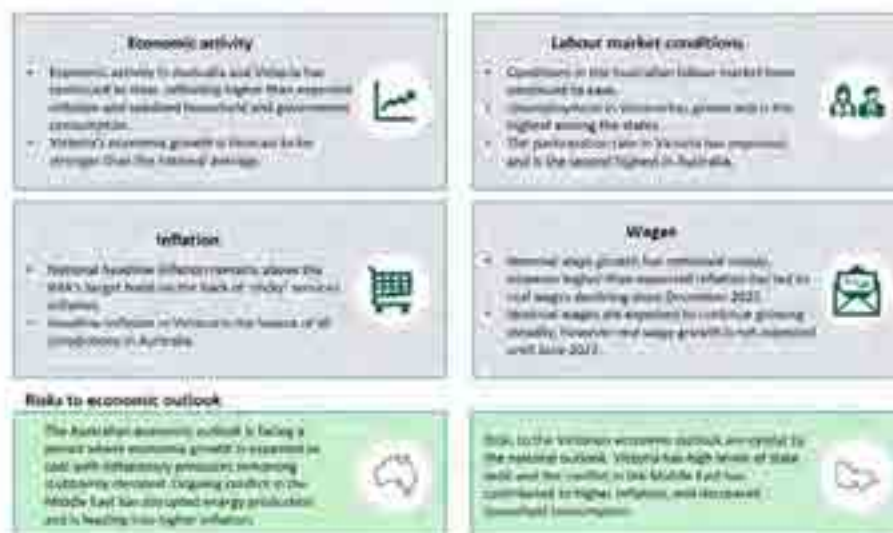
The Tribunal is required to consider the following factors when making this Determination:¹⁴⁴

- current and projected economic conditions and trends
- the financial position and fiscal strategy of the State of Victoria
- any statement or policy issued by the Government of Victoria which is in force with respect to its wages policy (or equivalent)
- submissions received by the Tribunal.

The following discussion of economic conditions and Victoria's financial position is informed by the latest information and data available from a range of sources up to 31 July 2026.

A high-level overview of the economic conditions in Australia and Victoria at the time of making this Determination is provided in Figure 8.1 and described in further detail below.

Figure 8.1: Overview of Australian and Victorian economic conditions, July 2026



¹⁴⁴ VRTPS Act, s. 26(2).

8.1 Current economic conditions

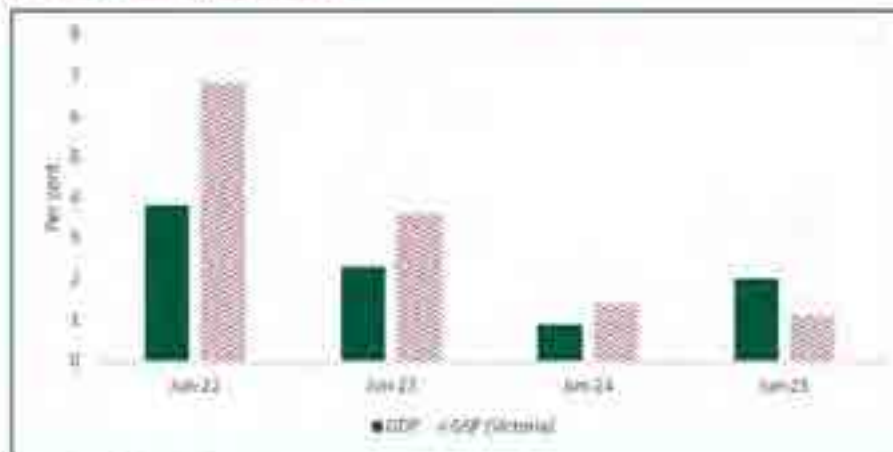
The Tribunal's analysis of current economic conditions at the time of making this Determination was drawn from the latest available data on key economic indicators published by the ABS, along with statements from the Reserve Bank of Australia (RBA) and the 2026–27 State Budget.

Economic activity has continued to slow

Since the post-pandemic peak, economic activity in Australia had slowed for several years before recovering somewhat in 2025 (Figure 8.2).

Gross Domestic Product (GDP) rose 2.5 per cent through the year to March 2026, but only 0.3 per cent over the March quarter 2026. The RBA noted that GDP growth picked up strongly in the December quarter 2025, with stronger than anticipated private investment offsetting lower than expected household consumption growth.²⁴⁵ However, modest quarterly growth in March 2026 reflected subdued household and government consumption, and adverse weather impacts that hampered mining production and exports.²⁴⁶

Figure 8.2: Annual growth in real GDP and real Victorian Gross State Product (GSP), June quarter 2022 to June quarter 2025



Sources: ABS (GDP5a), ABS (GSP5a)

²⁴⁵ RBA (2026), pp. 1, 3.
²⁴⁶ ABS (2026a).

Although there has been a slowing of economic activity, GDP per capita has shown some signs of positivity. Through the year to the March quarter 2026, GDP per capita increased by 1.0 per cent — although the most recent quarterly data saw a slight fall.²⁴⁷ Meanwhile, population growth has slowed from its post COVID-19 peak to reach 1.5 per cent through the year to December 2025.²⁴⁸

Productivity growth, which is a key driver of long-term economic growth and higher living standards, has been mixed. The ABS notes that long-term labour productivity growth (based on 20-year average annual growth rates) has continued to slow from 1.7 per cent in 2015–16 to 0.8 per cent in 2023–24.²⁴⁹ The ABS data also show that labour productivity — measured by GDP per hour worked — grew by 0.3 per cent through the year to March 2026.²⁵⁰

Real GSP growth in Victoria has been slowing, with real GSP growing by 1.1 per cent in 2024–25.²⁵¹ Victoria's economy showed some signs of strength in 2025, due to higher incomes and lower interest rates. However, the beginning of the conflict in the Middle East in early 2026 has driven up global energy prices and disrupted supply chains, which is expected to negatively affect growth.²⁵²

In the year to June 2025, GSP per capita in Victoria declined 0.8 per cent after falling 1.2 per cent over the year to June 2024.²⁵³ The last time Victoria recorded two consecutive years of falling GSP per capita was the 12 months to June 2009 and 2010 respectively.²⁵⁴

Inflation remains above the RBA's target band

After peaking in December 2022, headline inflation returned to within the RBA's target band in September 2024. In late 2025, headline inflation began to rise again before spiking in early 2026 in response to underlying inflationary pressures, exacerbated by supply shocks caused by the conflict in the Middle East. The change in the Australian CPI was 3.8 per cent through the year to June 2026, while trimmed mean inflation was 3.6 per cent across the same period (Figure 8.3).²⁵⁵

²⁴⁷ ABS (2025a).

²⁴⁸ ABS (2026f).

²⁴⁹ ABS (2025c).

²⁵⁰ ABS (2025a).

²⁵¹ ABS (2025a).

²⁵² DIT (2026a), p. 35.

²⁵³ ABS (2025a).

²⁵⁴ ABS (2025a).

²⁵⁵ ABS (2026a).

Figure 8.3: Annual movement in the All groups CPI and Trimmed mean, Australia, June quarter 2022 to June quarter 2026



Source: ABS (2026a) RBA (2026a), p. 4.

The annual growth in Melbourne's CPI followed a similar pattern. Annual growth fell to 1.7 per cent in the year to June 2025 before rising to 4.6 per cent in March 2026 and then moderating to 3.2 per cent in the year to June 2026.¹⁵⁶

In its May 2026 Statement on Monetary Policy, the RBA observed that, prior to the outbreak of the conflict in the Middle East, headline inflation was driven by ongoing services inflation and rising goods inflation. After falling below 1.0 per cent annually in April 2025, goods inflation climbed to 3.5 per cent by February 2026.¹⁵⁷ Meanwhile, services inflation — which has proven more persistent nationally — declined only slightly, from 4.1 per cent in the year to December 2025 to 3.9 per cent in February 2026.¹⁵⁸

Following the beginning of the conflict in the Middle East, a sharp spike in energy prices directly drove goods inflation up to 5.5 per cent in the year to March 2026, before it stabilised at 3.5 per cent by June 2026.¹⁵⁹ While the conflict in the Middle East appears to have had little direct impact on services inflation to date, this may reflect a delay in the pass-through of higher input costs as service providers initially absorb some or all of these costs before passing them on to consumers.

¹⁵⁶ ABS (2026a)

¹⁵⁷ ABS (2026a)

¹⁵⁸ ABS (2026a)

¹⁵⁹ ABS (2026a)

Conditions in the labour market are mixed

Labour market conditions had stabilised following the disruption caused by the COVID-19 pandemic. In the year to June 2026, seasonally adjusted employment at the national level rose 1.7 per cent, while the participation rate rose slightly to 67.0 per cent.¹⁶⁰ However, since October 2022, the unemployment rate has increased from 3.4 per cent to 4.4 per cent in June 2026.¹⁶¹

According to the 2026–27 Budget, Victoria's labour market remains healthy with the participation rate and the share of Victorians in employment at historically high levels.¹⁶² Employment increased by 2.5 per cent in 2024–25 following strong growth in previous years.¹⁶³ However, the seasonally adjusted unemployment rate rose to 5.1 per cent in June 2026.¹⁶⁴

Nominal wages growth has remained steady

Following a period of slower growth from mid-2023 to mid-2024, wages in Victoria have since grown broadly in line with wages across Australia (Figure 8.4).¹⁶⁵

The seasonally adjusted Australian WPI rose 3.3 per cent through the year and 0.8 per cent in the March quarter 2026.¹⁶⁶ In Victoria, the WPI rose 3.1 per cent through the year and 0.6 per cent in the March quarter 2026.¹⁶⁷

¹⁶⁰ ABS (2026e).

¹⁶¹ ABS (2026e).

¹⁶² DTI (2025a), p. 26.

¹⁶³ DTI (2025a), p. 26.

¹⁶⁴ ABS (2026e).

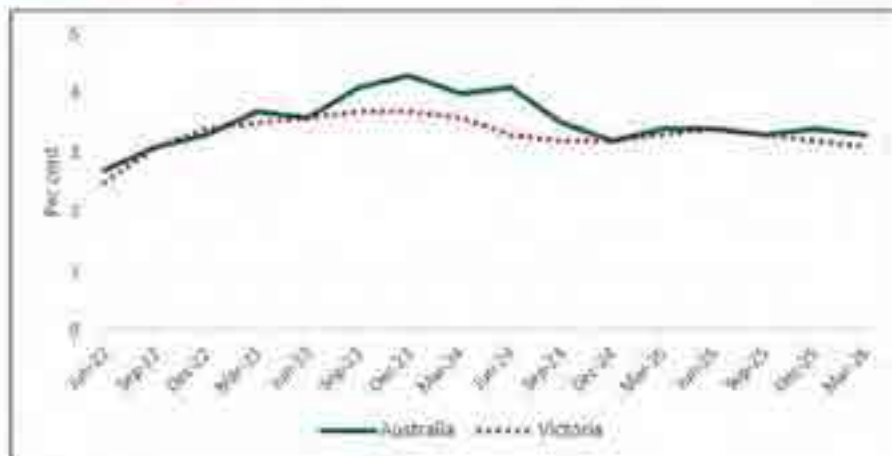
¹⁶⁵ ABS (2026e).

¹⁶⁶ ABS (2026e).

¹⁶⁷ ABS (2026e).

¹⁶⁸ ABS (2026e). In original terms. Seasonally adjusted WPI is not available for state level (consolidated).

Figure 8.4: Annual WPI growth (all sectors), Victoria and Australia, September quarter 2022 to March quarter 2026



Sources: ABS (2026).

In its 2026 submission to the FWC's Annual Wage Review, the Victorian Government noted that WPI is substantially influenced by enterprise agreement outcomes and individual employment agreements, with changes to modern awards having a smaller impact. It also noted that research suggests that services inflation leads to award wage increases, as wage-bargaining outcomes are influenced by employees seeking to maintain real purchasing power.²⁶⁸

The annual WPI growth rate has tended to be higher for the private sector than for the public sector in Victoria. The Victorian Government has previously noted that private sector wages tend to respond faster to labour market conditions, as the prevalence of individual agreements can allow for rapid adjustments.²⁶⁹

In the year to March 2024, the difference between private sector wage growth (3.9 per cent) and public sector wage growth (2.5 per cent) reached its largest gap since the COVID-19 pandemic (1.4 percentage points). In the year to the March quarter 2026 this gap narrowed to 0.2 percentage points, with private and public sector wages increasing by 3.2 per cent and 3.0 per cent respectively.²⁷⁰

²⁶⁸ Victorian Government (2026), p. 12.

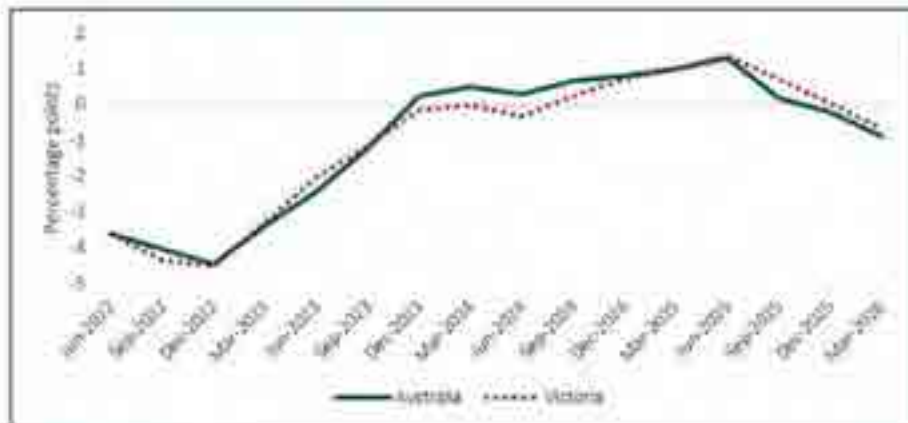
²⁶⁹ Victorian Government (2024a), p. 4.

²⁷⁰ ABS (2026).

Real wages have recently declined

With nominal wages growth largely flat since the September quarter 2024, and inflation increasing, real wages have begun to decline (Figure 8.5).²⁷⁷ Real wages in Australia grew consistently from December 2023 to September 2025 but have begun to decline in response to a higher inflationary environment. Real wages in Victoria have followed a similar pattern, although the recent decline has been slightly less pronounced due to slightly lower inflation in the state.

Figure 8.5: Difference between annual CPI and WPI growth rates, Australia and Victoria, June quarter 2022 to March quarter 2026



Sources: ABS QCO46; ABS QO289.

8.2 Economic outlook

The following discussion of the outlook for the Australian and Victorian economies has been informed by the latest forecasts and analysis from the RBA and the 2026–27 Budget. Key forecasts are reproduced in Tables 8.1 and 8.2, followed by more detailed analysis.

²⁷⁷ Real wages growth is defined as the percentage point difference between annual WPI growth and annual CPI growth.

Table 8.1: Selected RBA forecasts for the Australian economy, May 2026

Indicator ^(a)	Jun 2026	Dec 2026	Jun 2027	Dec 2027	Jun 2028
Real GDP	1.9	1.3	1.3	1.4	1.4
Population	1.3	1.2	1.2	1.2	1.2
CPI	4.8	4.0	2.4	2.4	2.5
Trimmed mean inflation	3.8	3.5	3.3	2.6	2.5
Employment ^(b)	1.3	1.4	1.0	1.0	0.9
Unemployment rate	4.2	4.3	4.4	4.6	4.7
WPI	3.2	3.2	3.2	3.2	3.0
Labour productivity	0.0	0.2	0.6	0.7	0.7

Notes: (a) All figures are percentage change through the four quarters to quarter shown, unless otherwise specified.

(b) Quarterly, per cent.

Source: RBA (2026), p. 64

Table 8.2: 2026–27 Budget forecasts for the Victorian economy

Indicator ^(a)	2026–27	2027–28	2028–29	2029–30
Real GDP	1.50	2.00	2.50	2.50
Population ^(b)	1.70	1.70	1.70	1.70
Melbourne CPI	3.50	2.75	2.50	2.50
Employment	1.25	1.50	1.75	1.75
Unemployment rate ^(c)	4.75	4.75	4.75	4.75
Victorian WPI	3.25	3.25	3.00	3.00

Notes: (a) Percentage change in year-average terms compared with the previous year, unless otherwise specified.

(b) Percentage change over the year to 30 June, (c) Year average.

Source: DIT (2026), p. 17.

Economic growth is forecast to moderate

The RBA has forecast that annual growth in real GDP will peak at 1.9 per cent in June 2026 before stabilising across the forecast period.²⁷² The RBA noted that while public demand is expected to support economic growth, this is expected to be outweighed by higher interest rates, putting downward pressure on household consumption, dwelling investment and non-mining business investment.²⁷³

The RBA expects population growth nationally will moderate. Across the RBA's forecast period, annual population growth is forecast to stabilise at 1.2 per cent per annum from December 2026.²⁷⁴ Slower population growth will put downward pressure on GDP growth through slower growth in consumer demand and slower expansion of the labour market.

²⁷² RBA (2026), p. 64.

²⁷³ RBA (2026), p. 56.

²⁷⁴ RBA (2026), p. 64.

National economic growth will be weighed down by weak productivity over the near-term as firms respond to higher fuel costs and slowing demand.⁷⁷⁵ The RBA is expecting no labour productivity growth through the year to June 2026 before reaching 0.7 per cent through the year to December 2027.⁷⁷⁶

In Victoria, modest growth in real GSP is expected through to 2029–30. The main driver of GSP growth in 2026–27 is expected to be household consumption, supported by modest growth in real-household income.⁷⁷⁷ Across the forecast period, growth is expected to be supported by public demand through government consumption spending alongside increased private investment in renewable energy and data centres.⁷⁷⁸

Inflation is forecast to peak in mid-2026 before returning to the RBA's target band

The RBA currently expects headline inflation to peak in mid-2026 before returning to within the RBA's target band by June 2027.⁷⁷⁹ The forecast for underlying inflation (as measured by trimmed mean inflation) has been revised in the near-term, due to upward pressure on broader consumer prices from higher energy prices. Thereafter, the RBA expects that inflationary pressures will ease as fuel-related costs decline and the labour market eases.⁷⁸⁰

In Victoria, headline inflation is forecast to be 3.50 per cent in 2026–27, before stabilising at 2.50 per cent from 2028–29.⁷⁸¹ Although inflation remains well below the post-pandemic peak of 7.9 per cent in December 2022, higher inflation is adding to near-term cost-of-living pressures for Victorian households. The conflict in the Middle East and surge in global oil prices is expected to maintain these inflationary pressures across 2026.⁷⁸²

⁷⁷⁵ RBA (2025a), p. 59.

⁷⁷⁶ RBA (2025a), p. 61.

⁷⁷⁷ DTF (2025a), p. 36.

⁷⁷⁸ DTF (2025a), p. 36.

⁷⁷⁹ RBA (2025a), p. 64.

⁷⁸⁰ RBA (2025a), p. 60.

⁷⁸¹ DTF (2025a), p. 3.

⁷⁸² DTF (2025a), p. 28.

The forecast for headline inflation in Victoria assumes energy prices will remain elevated in the short-term, before easing over the forecast period. Since these forecasts were released, oil prices have moderated somewhat but still remain elevated.²⁸¹ If prices reduce further, headline inflation may continue to moderate across the forecast period.

The labour market is forecast to continue to ease

The RBA expects labour market conditions to ease across the forecast period. In the near-term, labour demand is expected to slow due to the impact of the conflict in the Middle East and recent interest rate increases. From 2027 onwards, the unemployment rate is expected to increase, given the weaker outlook for domestic activity.²⁸⁴

In Victoria, employment growth is forecast to ease to 1.25 per cent in 2026–27, before rising to 1.75 per cent in 2028–29 and 2029–30.²⁸⁵ However, the unemployment rate is forecast to remain stable at 4.75 per cent, below the pre-pandemic 20-year average of 5.5 per cent, across the forecast period.²⁸⁶

Nominal wages are expected to grow steadily, with growth in real wages not expected until 2027

The RBA observed that near-term nominal wages growth is expected to be influenced by higher inflation, partly driven by energy prices, remaining a consideration in wage negotiations.²⁸⁷ However, wages growth is then expected to moderate as labour market conditions ease.

Real wages are expected to continue falling through 2026 as inflation remains elevated, before growing again from June 2027 as WPI outpaces CPI across the remainder of the RBA's forecast period.²⁸⁸

Similarly, the Victorian Government expects nominal wages growth in Victoria to moderate slowly across the forecast period with real wages growing again from 2027–28.²⁸⁹

²⁸¹ Australian Institute of Premium (2025)

²⁸² RBA (2025b), p. 47.

²⁸³ DTI (2025a), p. 17.

²⁸⁴ DTI (2025a), p. 26.

²⁸⁵ RBA (2025b), p. 56.

²⁸⁶ RBA (2025b), p. 54.

²⁸⁷ DTI (2025a), p. 17.

Both the Victorian Government and the RBA have identified risks to the economic outlook

In its Statement on Monetary Policy, the RBA noted, that as of May 2026, there is significant uncertainty in its baseline inflation outlook.

The RBA presented two 'adverse scenarios' that could affect its current forecasts. These scenarios both assume a prolonged conflict in the Middle East, including an extended closure of the Strait of Hormuz, significant damage to infrastructure and disruption to energy production. This would then lead to significantly higher energy prices which either drive higher and more persistent inflationary pressures and weaker economic activity, or see greater uncertainty translate into a more material decline in economic activity.²⁵⁰

At its August 2026 meeting, the RBA noted that its outlook remained relatively consistent with its forecasts in May 2026. Australia's GDP growth is expected to slow over 2026 before gradually recovering. The RBA forecasts that, with GDP growth subdued, the labour market will continue to ease.²⁵¹

Although the Middle East conflict has had a smaller effect on inflation than initially expected, inflation remains above the RBA's target band, with underlying price pressures persisting.²⁵² Higher oil and commodity prices continue to add to business costs, with some firms passing these costs on through higher prices. Short-term inflation expectations have eased but remain elevated.²⁵³

The 2026–27 Budget detailed similar risks to the economic outlook in Victoria, namely that the conflict in the Middle East could continue to contribute to inflationary pressures through higher energy costs. This in turn would lead to an increased chance of interest rate increases and weigh more on household consumption and dwelling investment, reducing economic growth. The 2026–27 Budget also noted that there is some uncertainty around the relationship between inflation and unemployment, which is often a difficult measure to observe, and in turn, forecast.²⁵⁴

²⁵⁰ RBA (2025b) co. 61–62

²⁵¹ RBA (2025a) co. 33–52

²⁵² RBA (2025a) s. 38

²⁵³ RBA (2025a) p. 41

²⁵⁴ DTI (2025a) p. 35.

8.3 Financial position and fiscal strategy of the State of Victoria

The following discussion of the financial position and fiscal strategy of the State of Victoria at the time of making this Determination has been informed by the 2026–27 Budget and the latest analysis of the Annual Financial Report of the State of Victoria by VAGO.

The 2026–27 Budget provided an update on the Victorian Government's fiscal strategy, which comprises:

- Step 1: creating jobs, reducing unemployment and restoring economic growth
- Step 2: returning to an operating cash surplus
- Step 3: returning to operating surpluses
- Step 4: stabilising net debt levels as a proportion of GSP
- Step 5: reducing net debt as a proportion of GSP

There has been an operating cash surplus in each year since 2024–25 (Step 2). The net result from transactions for the general government sector (GGS) is forecast to be in surplus by \$0.7 billion in 2025–26, with an average surplus of \$1.9 billion across the three years of the forward estimates (Step 3).¹⁷⁵

The 2026–27 Budget forecasts net debt as a proportion of GSP reaching 24.9 per cent at June 2027 before declining to 24.4 per cent of GSP by June 2030 (Steps 4 and 5).¹⁷⁶ However, nominal net debt is forecast to increase each year to reach \$199.3 billion by 30 June 2030.¹⁷⁷

To support its fiscal strategy, the Victorian Government is implementing several measures, including the implementation of savings measures and scaling back infrastructure investment.

In February 2025, the Victorian Government commissioned an independent review of the Victorian Public Service to identify inefficiencies and lower priority programs, and ways to return the public service towards its pre-pandemic share of employment. In December 2025 the Victorian Government accepted most of

¹⁷⁵ DTF (2026a), p. 5.

¹⁷⁶ DTF (2026a), p. 26.

¹⁷⁷ DTF (2026a), p. 30.

the review's recommendations, and as a result is aiming to deliver over \$4 billion in savings.²⁸⁸

The Victorian Government is scaling back Government Infrastructure Investment (GI). GI peaked at \$24.2 billion in 2023–24 and remains projected to progressively moderate across the forward estimates from \$21.4 billion in 2025–26 to \$15.3 billion in 2029–30, consistent with a return to pre-COVID levels of investment. GI averages \$16.5 billion a year over the budget and forward estimates period.²⁸⁹

The Victorian Auditor-General has identified risks to Victoria's fiscal outlook

Each year, VAGO issues a report on the state of Victoria's finances. The November 2025 report examined Victoria's 2024–25 Annual Financial Report and was released prior to the 2026–27 Budget.

VAGO's report identified a range of emerging risks that may affect Victoria's ability to meet short-term financial targets and a sustainable fiscal position, including (among others) the:²⁹⁰

- increasing debt, and the higher interest costs of new and refinanced debt
- increasing employee costs and growth in other operating expenses
- limited capacity to meet new revenue and income streams — noting that the commercialisation or leasing of several assets and functions will reduce access to some future cash inflows
- increases in the cost of major infrastructure projects
- rising costs of government redress schemes.

VAGO also publishes a dashboard providing key insights from its review of the 2026–27 Budget and its independent perspectives on financial sustainability measures, key balances and transactions. VAGO updated the dashboard following the release of the 2026–27 Budget.²⁹¹ The dashboard provides five key measures that VAGO uses to assess the State's fiscal sustainability, which include the:

- GGS net operating result
- fiscal cash deficit

²⁸⁸ Victorian Government (2025a)

²⁸⁹ IMF (2026), p. 1

²⁹⁰ VAGO (2025a), pp. 36–37

²⁹¹ VAGO (2026)

- GGS gross debt as a percentage of GSP
- GGS gross debt as a proportion of operating revenue
- GGS interest expense as a percentage of revenue

Box 8.1 provides a summary of one of these measures, GGS gross debt as a proportion of operating revenue.

Box 8.1: VAGO's assessment of GGS gross debt as a proportion of operating revenue

This measure shows government debt relative to revenue, which is the primary source of cash inflows used to pay interest and repay principal debt. VAGO noted that it provides a clear indication of the government's capacity to meet its debt obligations.

Gross debt is forecast to continue to reach 195 per cent of operating revenue by 2029–30.

VAGO noted that in this scenario, debt servicing and funding for essential services can become problematic because interest payments account for a higher proportion of operating revenue.

Source: VAGO (2025b).

8.4 Victorian Public Sector Wages Policy

The Wages Policy and the Enterprise Bargaining Framework (Wages Policy) sets out the parameters within which Victorian public sector employers, including public service bodies, are required to bargain and make enterprise agreements. The key features of the current Wages Policy, which was introduced by the Victorian Government in April 2023 are:

- Increases in wages and conditions will be funded at a rate of growth of 3 per cent per annum over the life of an agreement.
- In addition to annual wage increases, a separate lump sum cash payment will be available, equivalent to 0.5 per cent of overall agreement costs.³⁰¹

The VIRTIPS Act requires that the Tribunal considers any statement or policy issued by the Government of Victoria which is in force with respect to its Wages Policy.

³⁰¹ Industrial Relations Victoria (2024), pp 3–4.

8.5 Summary

In making its Determination the Tribunal is required to consider:

- current and projected economic conditions and trends
- the financial position and fiscal strategy of the State of Victoria
- any statement or policy issued by the Government of Victoria which is in force with respect to its Wages Policy (or equivalent).

The Tribunal noted that:

- economic activity in Australia and Victoria has been slowing.
- persistent inflationary pressures have been exacerbated by the conflict in the Middle East in early 2026
- there are mixed conditions in the labour market at the national and state levels with unemployment rising.
- with higher-than-expected inflation and slow nominal wages growth, real wages are declining.

Taking these factors and the details from previous chapters into account, the Tribunal will now outline its decisions regarding the allowances payable to councillors, deputy mayors and mayors.

9 Tribunal's decision

This chapter turns to a determination of the value of the allowances for councillors and the structure of allowance categories to which each council is assigned, including the basis on which that assignment is made.

As discussed earlier, a comprehensive determination provides an opportunity for an in-depth analysis of the role of local government and of councillors, deputy mayors and mayors and, in particular, whether current arrangements adequately reflect contemporary circumstances.

As with all of its determinations, the Tribunal has sought to strike an appropriate balance between restraint — respecting the views of the community and economic circumstances — and an allowance structure designed to support the fulfilment of the objectives set out in Victoria's Constitution and the LG Act 2020. The Tribunal has considered carefully the many submissions and views expressed by stakeholders as well as arrangements in other jurisdictions and comparisons with similar bodies in Victoria. At the same time, the Tribunal remained mindful of its obligations under the VIRTIPS Act.

The Tribunal also considered the financial impact on councils from the new allowances and notes that the total cost to the sector is modest and affordable.

9.1 A new structure

As discussed earlier in this Statement of Reasons, the 2022 Comprehensive Determination increased the existing allowances for councillors by 10 per cent and mayors by 20 per cent. It also introduced a new allowance for deputy mayors equal to 50 per cent of the mayoral allowance.

In part, the increases sought to compensate for the significant passage of time since the previous comprehensive review of allowances in 2007–08. The 2022 Comprehensive Determination did not, however, make further changes to the allowance system. In this sense it was incremental in nature, perpetuating a system based on historical precedence.

With the benefit of the passage of time, it is also clear that the Tribunal at that time:

- gave insufficient weight to the constitutional status of local government as a distinct and essential tier of government
- did not fully take into account the impact of the LG Act 2020, including the trend towards professionalism embodied in the provisions of that Act
- did not adequately consider that all councillors have common responsibilities and therefore set the allowance for small councils too low
- did not consider the level of complexity in councils of different categories and, in particular, of 'growth' councils and therefore also set those allowances too low.

As the changes implemented by the LG Act 2020 have become embedded across the sector, they have been complemented by additional reforms. These include additional mandatory training and professional development for councillors (from the LG Amendment Act 2024) and the implementation of single-member wards for many councils.

The contemporary role of a councillor

As the Tribunal observed in Chapter 4, the contemporary role of a councillor is multifaceted, encompassing significant governance and representational aspects and has become increasingly professionalised. In particular, as MAV noted in its submission, the 'modern councillor must have a sound understanding of scores of legislative documents, strategic plans, long term financial documents and strategies'. At the same time, community expectations of councillors are very high and appear to have intensified in recent times.

In light of these developments, stakeholders told the Tribunal that the traditional characterisation of the role as 'voluntary' is outdated, as it does not reflect the significant demands and expectations placed on councillors. However, it notes that the role does — and ought to — retain an important element of community service, with most councillors citing a desire to serve their community as their primary motivation for seeking election to council.

The Tribunal therefore considered that the allowances for councillors, deputy mayors and mayors should reflect both the community service nature and the practical requirements of these roles.

The Tribunal was also asked to consider 'any recent events that may be relevant to the Tribunal's view of the purpose of council allowances, including the State of Disaster declared from 10 January 2026'. It sought and noted the views of stakeholders on the role of councils and councillors in emergencies, including in response and recovery activities.

Diversity

In setting the new structure, the Tribunal was also mindful of the then-Minister's request that the Tribunal examine the relationship between allowances and the government's diversity objectives.

The Tribunal heard that the current composition of councils does not reflect the diversity of Victorian communities. For example, based on responses to the Tribunal's councillor questionnaire, 48 per cent of councillors were aged 55 years or older (compared to approximately 28 per cent of the Victorian population at the same time), while 72 per cent had a university degree or higher (compared to 37 per cent of Victorians aged 15 to 74 years at the same time).¹⁰⁷

Financial factors can influence who is willing or able to stand or re-stand for election and serve effectively as a councillor. In turn, this can mean that different perspectives may not be effectively incorporated into council decision-making.

The Tribunal heard from many stakeholders that current allowances may affect participation by a range of people, including those who need to balance council service with other responsibilities (such as caring or other employment) and those with less financial security. These factors may be a particular challenge for women, First Nations peoples, younger people and people with disability.

Although there is no definitive evidence to suggest that allowance levels mean that prospective councillors from under-represented groups are less likely to stand at council elections or renominate, it is reasonable to assume that this could be the case.

However, the Tribunal also heard that the nature and work requirements of a councillor's role and a range of psychosocial risks can significantly influence decisions to stand — or re-stand — for election, or to participate in council activities. In these circumstances, allowances are unlikely to address the

¹⁰⁷ ABS (2015); ABS (2016); Tribunal analysis of questionnaire responses.

underlying issues, and further measures may be needed, such as changes to working practices and other support for councillors.

The new allowance structure

Thus, having considered all of the views put to the Tribunal from its many stakeholders summarised in Chapter 2 and on the basis of its own analysis and considerations, the Tribunal has decided to create a new allowance framework designed to recognise the contemporary role of local government and of councillors, deputy mayors and mayors.

The framework has the following features:

- a minimum value for the base allowance recognising the common functions performed by all councillors across the sector
- a 'complexity factor' adjusting the minimum base allowance for gradations in the work requirements for councillors across various councils
- a 'responsibility loading' for mayors in recognition of the additional functions that a mayor is required to perform and the largely full-time nature of the role
- introducing a new allowance category to accommodate the additional work requirements and complexity of 'growth' councils
- assigning most councils to one of four categories according to population and revenue
- maintaining a separate category for Melbourne City Council.

A minimum base allowance for councillors, deputy mayors and mayors

In calculating the minimum base allowance for any councillor, the Tribunal had regard to evidence derived from responses to its questionnaire and other external surveys, including VLGA's most recent councillor census, that a large majority of councillors work at least two days per week. It then considered a number of wage benchmarks — including measures of average wages, such as average weekly ordinary time earnings and median earnings, and the NMW — to determine a base allowance of \$35,000 as the equivalent of average remuneration for two days' work across the broader economy.

Mayors have significant additional responsibilities and functions that they are required to perform compared to the role of councillors. In particular, mayors chair meetings of the council, serve as its public face and are responsible for managing the relationship between the council and its CEO. Therefore, the Tribunal has set the base allowance for mayors to account for the specific responsibilities, and the largely full-time nature, of the role.

The Tribunal received submissions (verbal and written) from a range of stakeholders arguing that the allowance for deputy mayors is too high and does not reflect the limited additional responsibilities of the role. In particular, the role of deputy mayor should be viewed as adding some additional functions to the role of a councillor rather than being tied to the allowance of a mayor. Accordingly, the allowance for deputy mayors has been set with reference to the base allowance for councillors, which results in a significant reduction in the value of the allowance in the relevant allowance categories. In accordance with its standard practice, the Tribunal has determined that the current allowance for deputy mayors will be retained until the expiry of their current terms.

Allowance categories

As part of its comprehensive review, the Tribunal is required under the VIRTIPS Act to review allowance categories. Under current arrangements, there are four categories — three relating to most councils, with Melbourne City Council constituting the fourth.

The number of allowance categories was designed to balance the common requirements and duties of councillors with variations in council characteristics that the Tribunal at the time considered relevant in differentiating the base allowance. Broadly, Category 1 included predominantly smaller rural and regional councils, while Category 2 comprised of larger regional councils, and Category 3 comprised of larger regional cities and most metropolitan councils.

As discussed in Chapter 2, the Tribunal received submissions arguing that special recognition should be given to councils experiencing high growth, which are principally located in outer Melbourne. High growth has implications for the role and work requirements of councillors arising from, amongst other things, oversight of significant investment in infrastructure and service delivery as well as decisions on complex and contentious planning issues.

The Tribunal heard that councillors in these areas are also representing large, rapidly growing and increasingly diverse populations. This can also affect the time commitment of councillors, particularly where there are challenges relating to social cohesion and limited local connections.

The Tribunal considers that there is merit in this view and has determined to introduce a new category — Category D — for ‘growth’ councils. This new category comprises the largest councils in Victoria (based on population and revenue) — five in outer Melbourne plus Greater Geelong City Council.

The Tribunal determined to make no further changes to the existing allowance categories or to the allocation of councils to these categories, other than to rename them. Thus, the new Categories A–C and Category E correspond to the existing Categories 1–3 and Category 4, respectively.

To reflect the progressive growth in work requirements for councillors across the Category A–D structure, the Tribunal decided to add a complexity factor to the minimum base allowance — which is Category A in the new structure. The Tribunal has set the complexity factor at 10 per cent for Category B, 30 per cent for Category C and 40 per cent for Category D.

A responsibility loading for mayors was also added to recognise the additional functions of that position. The responsibility loading has been set at 10 per cent for mayors in Category A and 20 per cent for those in Categories B–D.

Melbourne City Council (the sole council in the renamed Category E) continues to stand apart from the other councils and is discussed separately below.

Basis for assigning councils to categories

The Tribunal received a number of submissions arguing that the methodology for determining council categories should incorporate additional factors beyond revenue and population — for example, the size of the council area and the diversity of its population. At the time of making this Determination, the number of factors considered in other jurisdictions varies from two in Tasmania to eight in New South Wales.

On balance, the Tribunal considers that the benefits of retaining the current approach — based on population and revenue — outweigh any improvements that a more nuanced approach might offer. In particular, the current approach has the advantage of simplicity and is readily understood by councillors and other

interested parties. The addition of other factors would inevitably lead to greater complexity and would require a degree of judgment as to what weighting should be given to each factor.

Melbourne City Council

As discussed earlier, Melbourne City Council currently sits as a separate allowance category in recognition of its geographical alignment with the State's capital city (City of Melbourne), which generates \$127 billion in gross local product and accounts for 22 per cent of the Victorian economy.

The Tribunal considered whether it should extend the structural arrangements set out above to determining the value of allowances for Melbourne City Council. After careful analysis, it concluded that it should be retained as a separate category given its importance to the Victorian economy and its different role and operating procedures. It also noted that most other jurisdictions have bespoke allowances for their capital city council.

The Tribunal also considered whether further adjustments are needed to the current allowance values for the Melbourne City Council. It concluded that the gap between it and the new Category D councils is already significant — perhaps more than warranted by the circumstances. The Tribunal therefore determined to adjust the value of the allowances for each of the councillors, Deputy Lord Mayor and Lord Mayor by 3.5 per cent, consistent with recent annual adjustments for MPs and Victorian public sector executives.

Allowance values

The new allowances are set out in Table 9.1. The allowances are inclusive of any SG contributions that may be payable under Commonwealth law, including due to a council being an 'eligible local governing body'.

Table 9.1: Allowances for councillors, deputy mayors and mayors, from 1 July 2026

Council allowance category	Councillor (\$ p.a.)	Deputy mayor (\$ p.a.)	Mayor (\$ p.a.)
Category A	35,000	45,807	103,400
Category B	38,500	50,388	124,080
Category C	45,500	59,549	146,640
Category D	49,000	64,130	157,920
Category E — Melbourne City Council	65,193	151,441	302,881

Table 9.2 shows the allocation of councils to each of Categories A–D, plus Category E for Melbourne City Council.

Table 9.2: Council allowance categories, from 1 July 2026

Category A	
Alpine Shire Council	Loddon Shire Council
Ararat Rural City Council	Mansfield Shire Council
Benalla Rural City Council	Mount Alexander Shire Council
Borough of Queenscliffe Council	Murrindindi Shire Council
Buloke Shire Council	Northam Grampians Shire Council
Central Goldfields Shire Council	Pyrenees Shire Council
Corangamite Shire Council	Southern Grampians Shire Council
Gannawarra Shire Council	Strathbogie Shire Council
Hepburn Shire Council	Towong Shire Council
Hindmarsh Shire Council	West Wimmera Shire Council
Indigo Shire Council	Yarriambiack Shire Council
Category B	
Bass Coast Shire Council	Maroondah City Council
Baw Baw Shire Council	Mildura Rural City Council
Bayside City Council	Mitchell Shire Council
Campaspe Shire Council	Moir Shire Council
Colac Otway Shire Council	Moorabool Shire Council
East Gippsland Shire Council	Moyn Shire Council
Glenside Shire Council	Nilumbik Shire Council
Golden Plains Shire Council	South Gippsland Shire Council
Greater Shepparton City Council	Surf Coast Shire Council
Hobsons Bay City Council	Swan Hill Rural City Council
Horsham Rural City Council	Wangaratta Rural City Council
Latrobe City Council	Warrnambool City Council
Macedon Ranges Shire Council	Wellington Shire Council
Maribyrnong City Council	Wodonga City Council
Category C	
Ballarat City Council	Knox City Council
Banyule City Council	Manningham City Council
Boroondara City Council	Merri-bek City Council
Brimbank City Council	Monash City Council
Cardinia Shire Council	Moonie Valley City Council
Darbin City Council	Mornington Peninsula Shire Council
Frankston City Council	Port Phillip City Council
Glen Eira City Council	Stonnington City Council
Greater Bendigo City Council	Whitehorse City Council
Greater Dandenong City Council	Yarra City Council
Kingston City Council	Yarra Ranges Shire Council
Category D	
Casey City Council	Melton Shire Council
Greater Geelong City Council	Whittlesea City Council
Hume City Council	Wyndham City Council
Category E — Melbourne City Council	
Melbourne City Council	

Remote area travel allowance

The RATA recognises the additional time commitment for councillors representing large or remote municipalities. Current eligibility criteria include that councillors must normally reside more than 50 kilometres by the shortest practicable route from the location of council activities. The current value of the RATA is \$48.90 for each day on which one or more council activities are attended by a councillor and a cap of \$6112.50 per annum.

The Tribunal received a number of submissions from remote and large municipalities arguing that the current allowance does not adequately compensate councillors in these municipalities for the time spent in travel compared to metropolitan councils. The Tribunal found these arguments to be compelling and has determined:

- a base daily rate of \$50.60 with a distance requirement of 50 to 100 kilometres ('tier one')
- a daily rate of \$101.20 with a distance requirement of more than 100 kilometres ('tier two')
- an annual cap of \$6,325 based on multiplying the base daily rate ('tier one') by 125 days
- that where a councillor is required to travel on more than one day to attend an event at an 'eligible location', the RATA may be claimed for each day that travel is undertaken

10 Other matters

This chapter discusses the Tribunal's consideration of two specific issues that the then-Minister for Local Government invited it to consider in making the 2026 Comprehensive Determination:

any guidance the Tribunal may provide to support consistent council arrangements for the expenses, resources and facilities reasonably necessary for council members to perform their roles

whether access to a councillor assist program should be included in the available allowances to councillors

10.1 Councillors receive additional support to perform their role

Separate to the allowances set by the Tribunal, councillors can access certain supports to ensure that they are able to perform their role effectively and without incurring unreasonable personal costs.

The LG Act 2020 sets the framework for the expenses, resources and facilities available to councillors

The LG Act 2020 requires that councils must reimburse councillors for out-of-pocket expenses that are bona fide expenses, reasonably incurred in performing their role and reasonably necessary to perform that role.³⁰⁴ Details of all reimbursements must be provided to the council's audit and risk committee.

Each council must also have an expenses policy that defines the procedures for claiming and reimbursing expenses. The policy must provide for the reimbursement of childcare costs where the provision of childcare is reasonably required, and have regard to expenses incurred by a councillor with caring responsibilities.³⁰⁵

³⁰⁴ LG Act 2020, s. 40.

³⁰⁵ LG Act 2020, s. 41.

The Local Government (Planning and Reporting) Regulations 2020 require councils to disclose details of the expenses for each councillor in their annual report, using three reporting categories — ‘travel’, ‘professional development’ and ‘expenses to support the performance of the role’.¹⁰⁶

Councils must also make available the ‘resources and facilities’ reasonably necessary for a councillor to perform their role, with particular consideration given to support for councillors with disability and councillors with caring responsibilities.¹⁰⁷

There are no formal policies or guidance for councils regarding the expenses, resources and facilities provided to councillors. However, reports by the LGI and VAGO can provide insights and recommendations for councils to draw on in designing policies and supporting processes. For example, in a 2020 report, the LGI noted issues related to the design of council policies, the robustness of approval processes and public reporting of councillor expenses.¹⁰⁸

Councils have different approaches to expenses, resources and facilities

Within this statutory framework, each council has significant flexibility to design, adopt and administer its expenses policy and related support arrangements.

The Tribunal undertook a high-level review of several council policies and noted that broadly similar types of expenses, resources and facilities were available to councillors.

Councillors are generally reimbursed for certain out-of-pocket expenses:

The principal reimbursable expenses for councillors are:

- professional development
- transport and accommodation
- childcare
- information and communication technology.

¹⁰⁶ Local Government (Planning and Reporting) Regulations 2020, s. 30(5).

¹⁰⁷ LG Act 2020, s. 42.

¹⁰⁸ LG400201.

However, there are variations in the design and application of specific arrangements across councils. Examples that the Tribunal observed include:

- the definition of 'council business' for the purposes of claiming expenses is not always clearly defined, which can create uncertainty for claimants making, and for councils in processing, claims
- approval processes, which can be retained by council, delegated to council staff or a combination of both
- different approaches to setting reimbursement rates, such as for vehicle expenses where a mix of external benchmarks and bespoke rates were used by councils
- public disclosure, where the categorisation of expense claims can vary significantly and make it difficult to compare arrangements across councils.

The current arrangements for childcare expenses illustrate several of these issues (Box 10.1).

Certain supports are directly provided by councils

Councillors are also provided with direct or in-kind support to assist them in performing their role. Examples include the provision of office accommodation, administrative support (e.g. to assist with diary management and responding to queries from constituents) and websites for councillors.

However, the Tribunal heard that such facilities and resources are not provided by all councils. Campaspe Shire Council noted in its submission that:

Many councillors lack:

- *secure private meeting spaces*
- *suitable environments for digital governance obligations*
- *reliable telecommunications, especially in rural areas*

Similarly, another submitter noted that:¹⁰⁹

Unlike state or federal representatives, councillors operate with no personal staff support and therefore manage most community engagement directly

¹⁰⁹ De-identified submission 15.

Box 10.1: Childcare expenses for councillors

The LG Act 2020 expressly requires reimbursement of childcare costs where such care is reasonably required for a councillor to perform their role.

The Tribunal's review of a sample of council expenses policies identified several differences in the design of childcare reimbursement arrangements, including:

- eligible childcare arrangements, where several policies permit claims for care by registered childcare providers but there were few that expressly permitted claims for informal care arrangements (e.g. child minding)
- fixed reimbursement rates for childcare and in some cases monthly or annual caps on the total value of claims.

Some of these arrangements may reflect judgements and trade-offs made by councils — for example, consideration of value for money and integrity issues regarding the use of public funds. However, a restrictive policy setting — for example, one confined to a narrow category of 'council business' or subject to an unduly narrow definition of eligible care — may disproportionately affect councillors with young children.

Several stakeholders commented specifically on support for councillors with caring responsibilities, including to note that:

- reimbursement of caring expenses is not a discretionary benefit, but a necessary support to address barriers to participation
- there are challenges for councillors in balancing key elements of their role (e.g. out-of-hours meetings and other events) with caring responsibilities
- current arrangements may not fully cover the childcare costs incurred by councillors in performing their role, and hence that councillors would bear some of these costs.

The Tribunal also heard that claims for the reimbursement of childcare (and other) expenses have been 'weaponised', with the VLGA noting that:

'We have seen the claiming of childcare expenses politicised in a number of councils in recent years, with young women in particular singled out in council meetings for claiming these legitimate and legal expenses by their male counterparts... We have also seen members of the public take the lead from some of the same councillors and denounce individual councillors for claiming travel, childcare or professional development expenses.'

The Tribunal requested data from councils on expense claims made by councillors, which indicated that a small proportion of councillors are claiming for costs associated with childcare or other caring responsibilities. For example, across the 54 councils responding to the data request, just 18 (of 452) councillors were reported to have claimed reimbursement of costs for child or other caring responsibilities, while 41 councils reported no claims.¹⁰

The Tribunal heard that access to childcare can materially affect the capacity of some people to nominate for election or participate fully in council activities. This suggests that childcare reimbursement is therefore relevant not only to fairness in individual cases, but also to broader objectives of diversity, participation and equitable access to elected office.

¹⁰Note: (a) Some councils do not separately report expenses for councillors with child or other caring responsibilities and instead report these expenses in another category, such as 'expenses to support the performance of the role'. Sources: (b) identified submission 6; submission from VLGA.

Some councils provide certain support directly to councillors as an alternative to — or instead of — reimbursing expenses. Examples include making council-provided vehicles, mobile phones and computers available for councillors to use for council business or directly booking travel and accommodation for councillors rather than reimbursing private costs.

Tribunal's observations

The Tribunal carefully considered issues relating to the provision of guidance on expenses, resources and facilities for councillors. However, the Tribunal's view is that it is not empowered to make determinations or provide formal guidance on these matters. This is because the LG Act 2020 clearly provides for councils to determine their own arrangements for expenses, resources and facilities, while the Tribunal's remit under the VIRTIPS Act is limited to setting allowances.

Nonetheless, the Tribunal makes several high-level observations about the current arrangements.

Providing expenses, resources and facilities for councillors serves a valid purpose

The purpose of reimbursing councillors for out-of-pocket expenses incurred in performing their role is to ensure that they can perform that role effectively, and without bearing unreasonable personal costs. Simply put, reimbursing expenses returns councillors to the position they would have been in prior to incurring those costs.

These arrangements complement the provision of allowances but serve a different function. Allowances recognise the responsibilities, effort and commitment associated with the role of a councillor. Expenses, resources and facilities address the practical costs and tools required to carry out the role — they are not a private benefit.

A more consistent approach across councils appears to have several benefits

Several stakeholders advocated for greater consistency across councils in relation to the expenses, resources and facilities available to councillors.

Potential benefits of such an approach cited by stakeholders include:

- a more robust model that supports the contemporary role of a councillor and builds credibility with the community
- more equitable support for councillors who are performing similar roles

- reducing specific barriers to participation in council activities for certain groups, including people with disability, caring responsibilities and limited financial means
- more proportionate oversight processes that balance probity and integrity with administrative simplicity.

The Tribunal also heard that it was important to retain flexibility to address relevant differences across councils. However, while local circumstances can vary, these did not appear sufficient to justify some of the differences in policies observed by the Tribunal.

Transparency is an important element of any framework

The Tribunal noted mixed views amongst stakeholders on the nature and extent of public disclosure of councillor expense claims.

The Tribunal is mindful that detailed disclosure of reimbursement claims may increase the risk that these are 'weaponised', which can deter legitimate expense claims and subject councillors to inappropriate scrutiny. However, public disclosure is important to mitigating integrity risks, and it is reasonable to expect elected representatives to justify their use of public resources.

The Tribunal observed that there is substantial variation in how councils report expenses data in their annual reports and on their websites, including the expenses categories used for reporting purposes. As explained above, the Victorian Government has prescribed categories for councils to use when reporting expenses data in their annual reports. Greater uniformity in reporting would allow for more robust analysis of expenses data across councils, so that trends and potential improvements can be identified.

There are relevant insights from the arrangements for MPs expenses

The Tribunal sets the value of work-related allowances and the Electorate Office and Communications Budget for MPs, several of which are claimed on a reimbursement basis (i.e. are akin to expenses). The Tribunal also makes guidelines that set the eligibility criteria for, and permitted uses of, certain allowances.¹¹⁰

¹¹⁰ Victorian Independent Remuneration Tribunal (2015b).

Drawing on its experience in setting allowances for MPs, the Tribunal has identified several insights relevant to the expenses, resources and facilities available for councillors.

The Tribunal's guidelines for MPs are framed around statutory 'principles' and 'overarching obligations', which MPs must be aware of and comply with when using their allowances (Box 10.2). The use of high-level principles in this way frames how MPs approach claiming expenses, including how to interpret specific guidelines and to approach issues that may not be expressly provided for.

Box 10.2: Principles and overarching obligations for MP allowances

The *Parliamentary Salaries, Allowances and Superannuation Act 1968* (Vic) (PSAS Act)

includes a 'Statement of Principles' that applies to MPs in using public resources, including allowances claimed on a reimbursement basis:

- 'fair and reasonable recompense for public duties', including that public resources are provided to support MPs in performing their public duties
- 'good faith and integrity', including that MPs must act ethically, reasonably and in good faith when using public resources
- 'personal responsibility and accountability', including that MPs must be prepared for claims to be made publicly available and be able to publicly justify their use of public resources

The PSAS Act also imposes 'overarching obligations' that MPs must be aware of and comply with in their use of allowances to undertake their public duties:

- 'value for money' by ensuring that costs incurred are reasonable and proportionate
- claims must only be made for the 'dominant purpose of performing public duties' and for 'responsible and legitimate purposes'
- MPs must be aware of and comply with relevant guidance and not make a claim that would breach such guidance

Source: PSAS Act, ss 44-46, 58-60

Second, the Tribunal has endeavoured to provide comprehensive guidance on both permitted and prohibited activities that can be claimed by MPs in performing their public duties. This provides clarity on specific requirements that capture most circumstances, while also recognising that the statutory principles and overarching obligations apply to issues that may not be expressly provided for in the guidelines.

Comprehensive guidance should be provided on the expenses, resources and facilities available to councillors

Overall, the Tribunal considers that clear guidance should be developed for councils on expenses, resources and facilities to ensure that these fully address barriers to participation for councillors and provide suitable support for them to perform their role.

Such guidance should cover:

- high-level principles to support the development and application of specific guidance — similar to those applying to MPs
- sector-wide guidelines or model policies that provide for a consistent approach to common issues, while retaining an appropriate level of local flexibility
- a 'baseline standard' of the expenses and support that should be available to all councillors, including for professional development and to recognise caring responsibilities
- the use of standard definitions (e.g. for council business) and consistent reimbursement rates (e.g. vehicle mileage)
- a consistent approach to oversight and public reporting, including the expense categories to be disclosed and the format and frequency of disclosure.

10.2 A 'councillor assist' program was proposed to address psychosocial risks for councillors

The Tribunal heard from multiple stakeholders that councillors are exposed to a range of psychosocial risks, and that there are limitations with the existing supports available to mitigate these. Several stakeholders proposed a 'councillor assist' program as a new model for supporting councillors.

Several aspects of a councillor's role expose them to psychosocial risks

The Tribunal heard of different sources of psychosocial risk that, at an individual level, can cause councillors to experience emotional fatigue and anxiety, and to feel unsafe.

Several stakeholders pointed to inherent aspects of the role that can affect the well-being of councillors — several of which were discussed in Chapter 4.

Additionally, Glen Eira City Council noted:

The increasing complexity and intensity of the councillor role has amplified exposure to psychosocial risk, harassment, conflict and burnout. Councillors routinely engage with emotionally charged community issues, manage online and in-person abuse, and make high-stakes decisions with limited formal support.

Others noted that, while engagement with the community in person or via social media is a core element of a councillor's role, it can also be a source of stress and anxiety. One councillor observed that:

As a consumer of social media, I was aware of the kinds of communication I would be subjected to ... but nevertheless it can be hurtful to myself, but more so my family who support me in my council role. In regional areas, this impact of negative social media is amplified because of the close nature of our relationships with each other ... I therefore need to be particularly cognisant of it and how I respond, and this cognitive load is unique to councillors in regional and rural areas.

The behaviour of — and interaction between — councillors is also a challenge for councillors. While some tensions between councillors may reflect different perspectives on significant, sensitive or complex issues, the Tribunal heard that there can be hostility and conflict within the council chamber.

VLGA's 2025 Victorian Councillor Census reported that a large proportion of councillors — particularly women, but also men — had experienced inappropriate behaviour from members of the public and their colleagues (Table 10.1).

Table 10.1: 2025 Victorian Councillor Census responses to questions on inappropriate behaviour (per cent)

	Men	Women
Regularly or often receive threatening behaviour from a member of the public	45	44
Regularly or often receive threatening behaviour from another councillor	23	39
Regularly or often receive bullying or harassment from a member of the public	15	34
Regularly or often receive bullying or harassment from another councillor	17	44

Source: VLGA (2026), p. 10.

The cumulative effect of different factors can take a significant toll on councillors, that in turn can impact their performance as a councillor and other facets of their life — and their willingness to remain in the role.

VLGA noted:

the emotional toll of this behaviour; stress, anxiety, resignation, and reduced engagement. For some, the role still inspires them to push for systemic

change, while for others, the ongoing hostility dampens their commitment and makes the job feel less safe and collaborative.

The Tribunal was told that there are mechanisms in place that are intended to reduce or mitigate these risks, but that they may not be effective in doing so.

There were, for example, mixed views on the effectiveness of employee assistance or other programs available to councillors. VLGA noted that some councillors may not be aware of such programs or, citing confidentiality issues, choose not to make use of them.

MAV also observed that, while there were benefits from the development of a Model Code of Conduct for all councils, there may also have been unintended consequences. In particular, MAV posited that the Model Code of Conduct may have supplanted the ability of councils to:

establish a shared understanding about culture and conduct and to adopt their own Councillor Code of Conduct with which they will hold each other to account. The Code is now imposed, with interpretational disputes less easily resolved in house.

A 'councillor assist' program was proposed in response to these issues

In their submissions to this Determination, MAV, VLGA and ALGWA Victoria presented broadly similar models for a 'councillor assist' program.

These programs would provide independent, sector-wide support services to address the specific pressures associated with elected local government office. Although there were slight differences in the proposed service mix, common elements include confidential counselling, conflict support, critical incident response, tailored mental health and wellbeing services and legal support.

The Tribunal heard — and agrees with — the view that an allowance-based approach to a 'councillor assist' program was likely to be ineffective. This is because such an approach is based on an assumption that councillors will identify and access support themselves, despite concerns about confidentiality, service quality and uneven access to support services.

However, this does not detract from the fundamental issue. Preventing or, where that is not possible, mitigating the impact of psychosocial risks is important. Doing so will improve both the well-being of councillors (by increasing their capacity and resilience in dealing with challenging situations) and governance outcomes within councils (through improved councillor behaviour and relationships, and fewer conduct issues).

Notwithstanding the issues discussed above, councils are best placed to resolve these issues in the first instance. Councils are closest to the realities of the councillor role and the specific governance environments in which these risks arise. They also have a strong interest in preventing harm before it escalates into conduct issues, poor working relationships or reduced council effectiveness.

While a 'councillor assist' program could form part of the response to these issues, councils — both councillors and the council administration — can and should do more to improve councillor behaviour and put in place proactive, accessible and trusted supports for councillors.

Appendix A – Letter from Tribunal Chair to the Minister for Local Government

**Victorian
Independent
Remuneration
Tribunal**

Suite 1, Ground Floor
1 Treasury Place
Melbourne, Victoria 3002 Australia
www.victorianindependentremunerationtribunal.vic.gov.au

The Hon Nick Staikos
Minister for Local Government
2 Treasury Place
EAST MELBOURNE VIC 3002

By email: minister.staikos@dgs.vic.gov.au

Dear Minister

PROPOSED COMPREHENSIVE DETERMINATION OF LOCAL GOVERNMENT ALLOWANCES

The Victorian Independent Remuneration Tribunal made its first local government comprehensive determination in 2022, which implemented a new allowance structure for elected local government representatives and re-set the values of those allowances.

The Tribunal considered that an increase to allowance values was justified at that time for several reasons, including the changes to the scope and complexity of councillor roles, the high level of community expectation on councillors and that allowance values had not kept pace with broader wages and prices.

The Tribunal has made annual adjustment determinations in each subsequent year, which have sought to broadly maintain the value of allowances. However, annual adjustment determinations do not provide a vehicle to consider broader issues, including a thorough review of the structure or value of allowances.

Feedback to the Tribunal through consultation on successive annual adjustments and other stakeholder engagement has raised the following substantive issues with the current allowance framework:

- further changes to the nature, complexity and workload of councillor roles since 2022
- updated data on the time commitment for councillors to perform their role, which appears to have increased (based on the recent census undertaken by the Victorian Local Governance Association)
- suggested changes to the structure of allowances and the allocation of councils to different allowance categories (which are based on the population and revenue of a council)
- challenges in attracting and retaining councillors with the skills and capabilities to perform their role and represent the diversity of our communities.

While there are diverse views on some of these issues, the Tribunal considers that it would be timely to undertake a new comprehensive determination to review the roles of councillors and implications for the structure and value of allowances.

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However, under the Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 (VIRTIPS Act), the next comprehensive determination is not due until 2029 — which is over seven years since the Tribunal's first comprehensive determination. The Tribunal considers that this timeframe is too long to address the substantive issues raised by stakeholders, support a capable and representative councillor cohort and ensure councillors are treated fairly.

The Tribunal therefore proposes that the next local government comprehensive determination be undertaken in 2026.

There are several advantages to undertaking a comprehensive determination in 2026, including that:

- substantive issues raised by stakeholders — which are likely to be raised again via an annual adjustment determination — would be carefully considered through a transparent and independent process
- the implications of recent state government reforms (including to improve governance and accountability arrangements for local government) would also be considered
- any changes to the structure or value of local government allowances would be implemented well ahead of the 2028 local government elections
- it would broadly align with the four-year period between comprehensive determinations for other groups covered by the Tribunal (including Members of Parliament).

This timeframe would complement the Tribunal's existing work program and the determination can be undertaken within existing resources. The Tribunal notes that the proposed comprehensive determination in 2026 would effectively replace the annual adjustment determination that would otherwise be required by the VIRTIPS Act.

Under the VIRTIPS Act, the Minister for Local Government can, in consultation with the Minister for Finance, request that the Tribunal make a new comprehensive determination, which would need to be completed within six months of a request from the Minister.

The Tribunal proposes that it makes a comprehensive determination in mid-2026 to align with the usual timing for an annual adjustment determination. In this scenario, the Tribunal would appreciate an early indication of your views on this proposal, which would enable early planning for a determination in its forward work program; a formal request could then be provided in December 2025 for the Tribunal to make the determination in June 2026. The Tribunal would be happy to accommodate an alternative timeline — noting that a comprehensive determination would in practice need to be made no later than 31 December 2026.

The Tribunal has had preliminary discussions with Local Government Victoria on this proposal and would be pleased to discuss it with you directly.

I have copied this letter to the Minister for Finance.

Yours sincerely



Warren McCann
Chair
Victorian Independent Remuneration Tribunal
5 June 2025

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Appendix B – Letter from Minister for Local Government to the Tribunal



Source: Federal Reserve Bank of New York, *Survey of Consumer Expectations*, 2007-2010.

James L. Thompson, Editor
East Brunswick, New Jersey 08816

000000-201200076

Thank you for your letter of 5 June 2025 seeking my agreement to bring forward the Victorian Independent Remuneration Tribunal's (the Tribunal) next comprehensive determination of mayoral, deputy mayoral and councillor allowances (council allowances).

In addition to the matters raised in your letter of 5 June 2025, the Tribunal may wish to consider the following matters:

- any relationship between council allowances and the diversity and representation of council members (in particular, the representation of women)
- the alignment of allowances for mayors, deputy mayors and acting mayors to the roles, responsibilities and capabilities under the Local Government Act 2020 (LGA 2020)
- any guidance the Tribunal may provide to support consistent council arrangements for the expenses, resources and facilities reasonably necessary for council members to perform their roles
- whether access to a councilor assist program should be included in the available allowances to councilors
- any recent events that may be relevant to the Tribunal's view of the purpose of council allowances, including the State of Disaster declared from 10 January 2020 and changes to this electoral representation framework under the LGA 2020

Tribunal secretariat officers may contact Dan Harper, Acting Executive Director, Local Government Victoria on 0400 944 737 or at dan.harper@dga.vic.gov.au for further information.

Thank you for undertaking this important task for the Victorian local government sector.
I look forward to the Tribunal's next determination of council allowances.

Sincerely,



The Hon Nick Staikos MP
Minister for Consumer Affairs
Minister for Local Government

18.2.2026



Appendix C – Summary of councillor questionnaire responses

The Tribunal invited each of the 647 currently serving councillors (plus an administrator) across all Victorian councils to complete an anonymous online questionnaire. The Tribunal sought information through this questionnaire to understand councillor views and experiences on the role of a councillor, current councillor allowances, and relativities between roles.

The questionnaire contained 50 questions, grouped into five sections:

- background information
- roles and responsibilities
- values of allowances and allowance categories
- remote area travel allowance
- demographic questions.

Respondents were required to answer six questions; all other questions were optional. Thirteen questions allowed free-text responses. No single person could have answered all 50 questions as some questions contained branching logic.³¹¹

The Tribunal received 206 responses to the questionnaire, representing approximately 32 per cent of all councillors in Victoria. The margin of error for the questionnaire, based on a population size of 648 and a 99 per cent confidence level, is 7 per cent.³¹² The profile of respondents to the questionnaire is broadly proportionate to the total councillor cohort based on specific role (councillor, deputy mayor and mayor), council group (small shire, large shire, regional city, interface and metropolitan) and gender identification.³¹³

³¹¹ Branching logic is the term used when respondents are directed through different paths in the questionnaire based on their answers.

³¹² The margin of error indicates how much the questionnaire results can be expected to reflect the views of the whole cohort of Victorian councillors. The margin of error is a range of values above and below the actual results from the survey. For example, a 60 per cent 'yes' response with a margin of error of 7 per cent and a confidence level of 99 per cent means that there is a 99 per cent probability that between 53 and 67 per cent of the whole cohort would answer 'yes'. SurveyMonkey (n.d.).

³¹³ The Tribunal does not have other demographic data, such as age, diversity, and completed education, and therefore cannot determine proportionality against all data received in the questionnaire.

C.1 Questionnaire responses

Information on the questions asked, and responses received, is provided below. All feedback has been considered, and additional information and commentary has been summarised in the chapters of this Statement of Reasons where relevant, particularly from the free-text questions.

Questions with an asterisk were mandatory.

Background information

The distribution of roles (Table C.1) by respondents was broadly proportionate to the actual councillor cohort. 196 respondents stated that their council has both a mayor and deputy mayor.

Respondents were asked whether they have served or acted as deputy mayor and/or mayor in the past (Tables C.2 – C.4) to identify any material differences in their views on different roles.

Table C.1: What is your current role on council?*

Answer choices	Branching logic	Responses Number	%
Mayor	Go to Table C.2	29	14
Deputy Mayor	Go to Table C.3	32	16
Councillor	Go to Table C.4	145	70
Total		206	

Note: The percentages in this table may not add to 100 per cent due to rounding.

Table C.2: Have you served as a deputy mayor in the past?

Answer choices	Responses Number	%
Yes	16	55
No	13	45
Total	29	

Note: This question was posed only to those respondents who had answered 'Mayor' in Question 1. The percentages in this table may not add to 100 per cent due to rounding.

Table C.3: Have you served or acted as mayor in the past?

Answer choices	Responses Number	%
Yes	10	31
No	22	69
Total	32	

Note: This question was posed only to those respondents who had answered 'Deputy Mayor' in Question 1. The percentages in this table may not add to 100 per cent due to rounding.

Table C.4: Have you served as mayor (including in an acting capacity) or deputy mayor in the past?

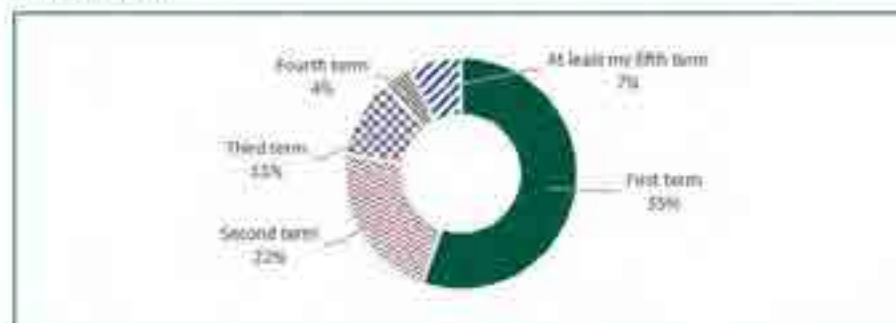
Answer choices	Responses Number	%
Yes, I have previously served as mayor	23	16
Yes, I have previously served as deputy mayor	14	10
Yes, I have previously served as both mayor and deputy mayor	19	13
No	89	61
Total	145	

Note: This question was posed only to those respondents who had answered 'Councillor' in Question 1. The percentages in this table may not add to 100 per cent due to rounding.

Councils can have a number of committees, including an Audit and Risk Committee and other established 'delegated committees' (see Chapter 4 for further information). 81 per cent of respondents stated they are a member of a standing or ongoing committee.

The majority of respondents are in their first term (Figure C.1), which is consistent with responses to the 2022 Comprehensive Determination questionnaire.

Figure C.1: How many terms have you served on council (including prior service on other councils)?*



Note: This question received 206 responses. The percentages in this table may not add to 100 per cent due to rounding.

Roles and responsibilities of councillors

In addition to the questions below, respondents were asked to provide 'free-text' comments on the differences between councillor, deputy mayor and mayor roles; how the roles have changed over time; the impacts of council service on their employment or family life; the benefits to them of serving as a councillor; and future trends affecting the roles. Chapter 4 includes a discussion on the role of councillors.

Workload and skills required for the role

The majority of respondents stated that councillor work consumes between 16 and 31 hours per week, excluding travel time, with 16 to 23 hours per week being the most common response (Table C.5).

Respondents were then asked how much time they think is required to perform their role effectively (Table C.6). Nearly 63 per cent of respondents stated that at least 24 hours or more are required per week to perform their council role effectively.

Table C.5: During a typical week, how many hours (not including travel time) do you personally dedicate to your role?

Answer choices	Responses Number	%
Less than 4 hours	1	0.5
4 to 7 hours	4	2
8 to 15 hours	28	14
16 to 23 hours	58	30
24 to 31 hours	50	26
32 to 39 hours	29	15
40 to 47 hours	12	6
48 hours or more	14	7
Total	196	

Note: The percentages in this table may not add to 100 per cent due to rounding.

Table C.6: During a typical week, how many hours (not including travel time) do you think are required to perform your role effectively?

Answer choices	Responses Number	%
Less than 4 hours	0	0
4 to 7 hours	4	2
8 to 15 hours	23	12
16 to 23 hours	47	24
24 to 31 hours	56	28
32 to 39 hours	33	17
40 to 47 hours	22	11
48 hours or more	12	6
Total	197	

Note: The percentages in this table may not add to 100 per cent due to rounding.

Travel is an additional time commitment for some councillors. Over 75 per cent stated they spend less than 5 hours per week travelling for their role (Table C.7), but this is skewed by council types.

Table C.7: During a typical week, how many hours do you spend travelling to fulfil your council duties and responsibilities?

Answer choices	Responses Number	%
Less than 3 hours	78	40
3 to 5 hours	71	37
6 to 8 hours	30	15
9 to 11 hours	11	6
12 hours or more	5	3
Total	197	

Note: The percentages in this table may not add to 100 per cent due to rounding.

Of the time spent by councillors on their role each week, on average, most time was spent preparing for and attending council-related meetings and the least amount of time was spent on professional development (Table C.8).

Table C.8: Please indicate the percentage of time you spend on the following activities during a typical week. Please enter whole numbers only. Your responses to all five activities must equal 100.

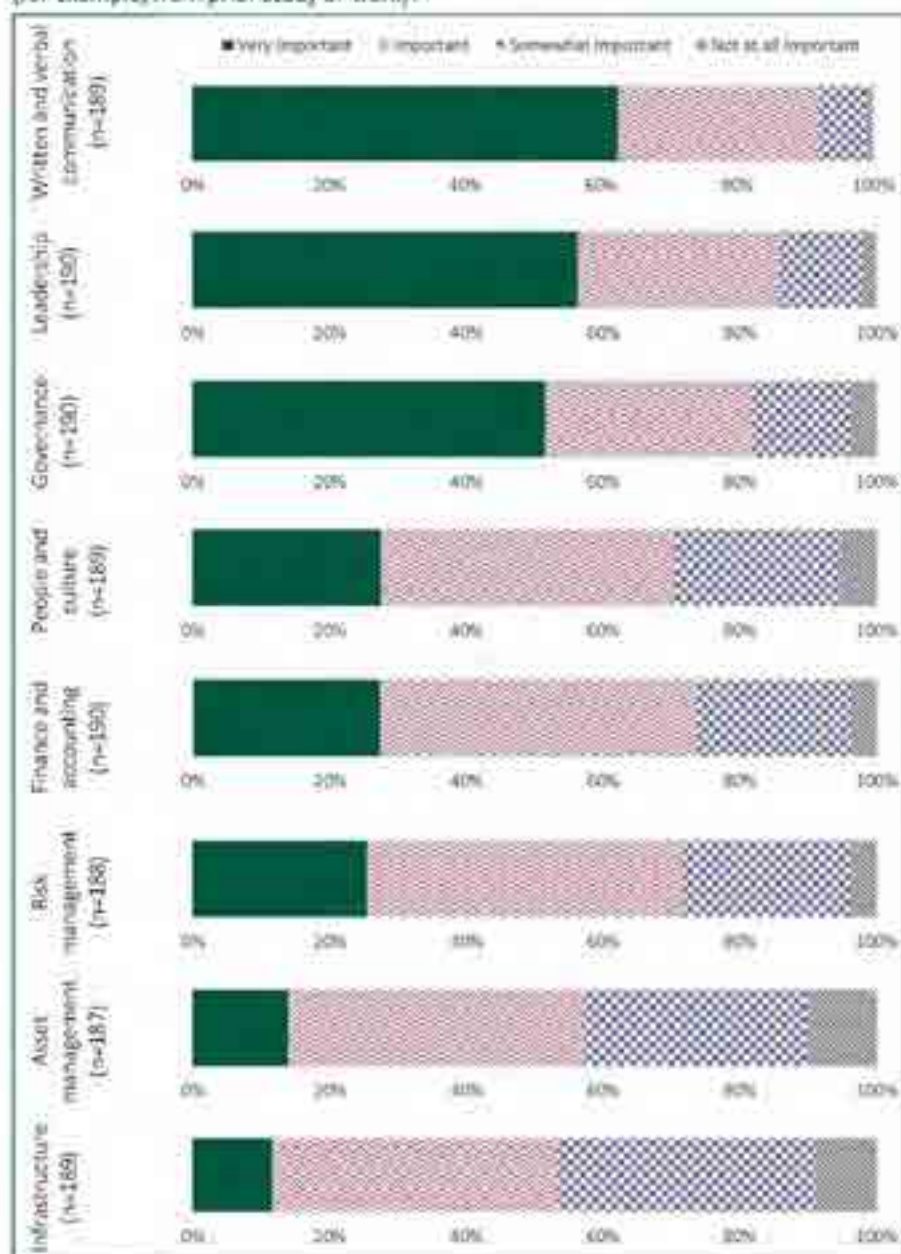
Answer choices	Responses Average %
Preparing for and attending council and committee meetings and briefings	43
Engaging with the community (including attending community events), council staff and other levels of government	30
Developing and reviewing the council's strategic documents (e.g. annual report, budget)	16
Engaging in professional development activities	7
Other	9

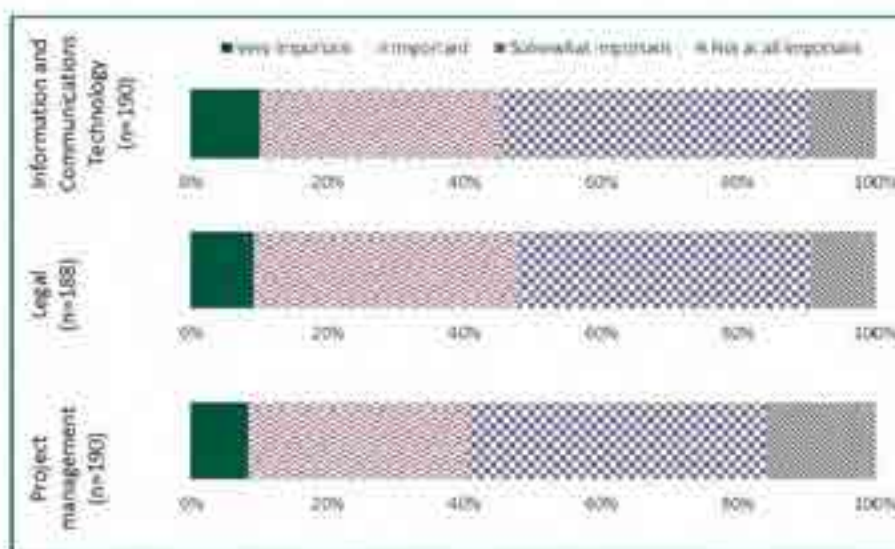
Note: The percentages in this table exceed 100 per cent as it is the average percentage provided for each option from all responses.

Respondents were asked to select a level of importance for councillors to have expertise in different skill areas from 'very important' to 'not at all important' — Table C.9 presents the proportions that selected each skill as 'very important' or 'important'.

Written and verbal communication, leadership, and governance, were the highest ranked each with a combined response above 80 per cent for 'very important' or 'important'. Finance and accounting, people and culture, and risk management were also ranked highly, with a combined response above 70 per cent. Project management was the only skill to have a response rate above 10 per cent for 'not at all important'.

Table C.9: How important is it for councillors to have expertise in the following areas (for example, from prior study or work)?





Adjustments made to perform the role of councillor

Reducing hours worked in paid employment was the most common adjustment respondents have made to fulfill their councillor role, closely followed by utilising flexible working arrangements. A reasonably high proportion also indicated that they have taken leave from or stopped paid employment. Other adjustments provided by respondents included employing extra staff in a business, purchasing leave and changing roles (Table C.10).

The 87 respondents who reported that they reduced their hours in paid employment were then asked to estimate the number of hours per week by which they had reduced their paid employment. The responses ranged from 4 hours to 40 hours per week, with a median of 15 hours per week.

Table C.10: What adjustments, if any, have you made to your paid employment in order to fulfill your council role? Please select all that apply. (n=196)

Answer choices	Responses Number	%
Reduced hours in paid employment	87	44
Utilised flexible working arrangements	79	40
Stopped paid employment	56	29
Taken leave	52	27
Not applicable	21	11
Other (please specify)	30	15

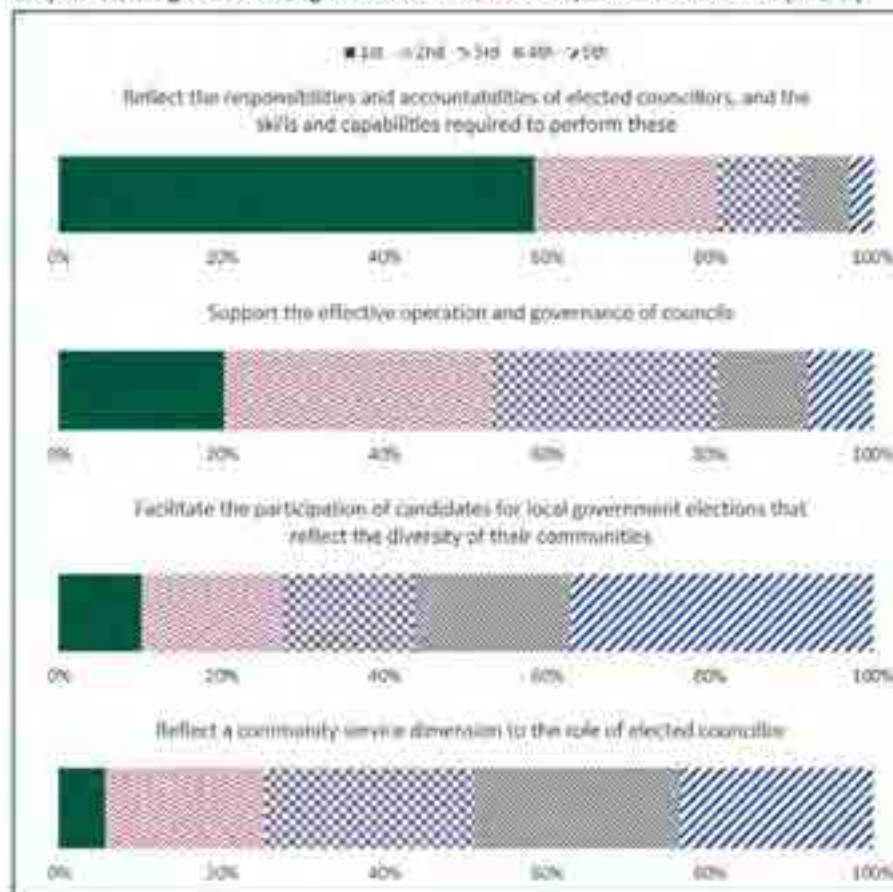
Note: The sum of the percentages in this table exceeds 100 as respondents were able to select more than one option.

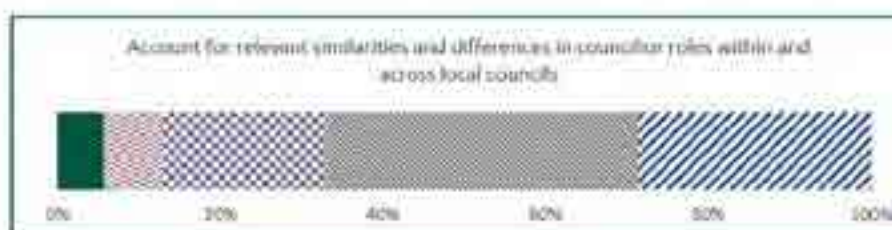
Values of allowances and allowance categories

Views on the value of allowances

Respondents were asked to rank five considerations for setting the value of allowances (Table C.11). The most important consideration for respondents, with over 80 per cent ranking it either first or second, was to 'reflect the responsibilities and accountabilities of elected councillors, and the skills and capabilities required to perform these'. The lowest ranked consideration was to 'account for relevant similarities and differences in councillor roles within and across local councils', with approximately 67 per cent of respondents ranking it fourth or lower.

Table C.11: Please rank the following considerations according to how much weight they should be given in setting the values of allowances, from most to least. (n=178)





Section 39(5) of the LG Act 2020 provides that councillors can opt to decline payment of some or all of the allowance that they are entitled to. Nearly 90 per cent of respondents stated that they have never declined any of their allowance (Table C.12). A small number of respondents provided their reasons for declining their allowance, which included the financial position of their council, community expectations, and views about relativities between roles.

Table C.12: Have you ever declined some or all of your allowance?

Answer choices	Branching logic	Responses Number	%
Yes – all of my allowance	Additional free-text question	2	1
Yes – some of my allowance	Additional free-text question	15	8
No	Go to Figure C.2	161	88
Prefer not to say	Go to Figure C.2	6	3
Total		184	

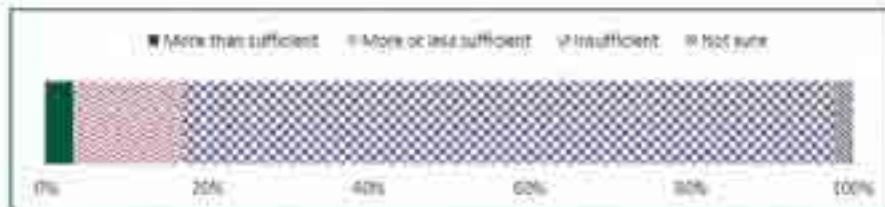
Note: The percentages in this table may not add to 100 per cent due to rounding.

The current allowance framework, including the allowances payable to councillors, deputy mayors and mayors and allowance categories, is presented in Chapter 5. Over 80 per cent of respondents thought that their allowance is insufficient, with only 3 per cent saying it is more than sufficient (Figure C.2).

Respondents were asked to describe in 'free text' what other factors, besides the allowance, will influence their decision to stand at the next election. The most common themes were related to (see Chapter 4 for further discussion):

- balancing council service with family, work and personal wellbeing
- financial sustainability, employment and business impacts
- council culture and public behaviour
- the ability to make meaningful impacts in the community

Figure C.2: Is your current allowance ... (n=182)



Over half of the respondents thought that the difference between the current value of the allowance for a councillor and that for the mayor at their council is 'too large' (Figure C.3). When comparing the value of the allowance for a councillor and deputy mayor at their council, the most common response was that the difference was 'about right' (Figure C.4).

Figure C.3: For your council, is the current difference in value between the mayoral allowance and councillor allowance ... (n=183)

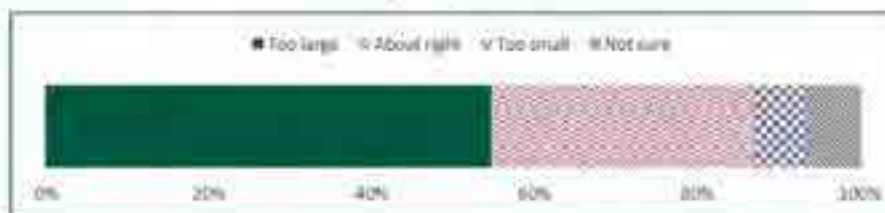
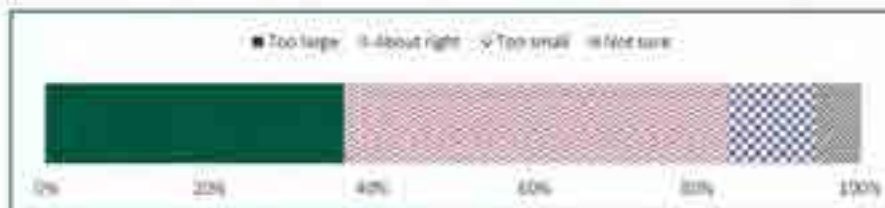


Figure C.4: If applicable for your council, is the current difference in value between the deputy mayoral allowance and councillor allowance ... (n=183)



Views on the allowance categories

When asked about the current method for categorising councils by population and total recurrent revenue, around 46 per cent of respondents thought that it is 'not appropriate' while just over 30 per cent thought it appropriate (Figure C.5). Respondents were asked to select the factors they think should be considered — population size, geographical area and location were the most common responses, followed by value of assets and infrastructure, and revenue (Table C.13).

Figure C.5: Do you consider the existing method for categorising councils – according to population and total recurrent revenue – to be appropriate? (n=182)

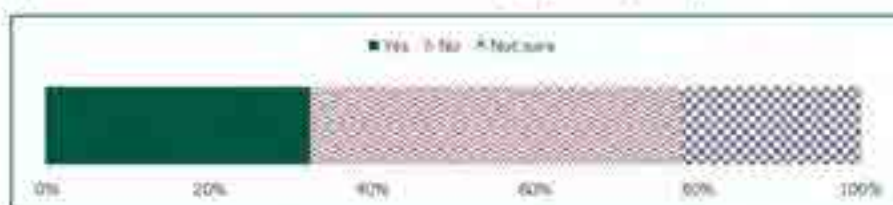


Table C.13: Which factors, if any, do you consider should be taken into account in assigning councils to categories? Please select up to three. (n=177)

Answer choices	Responses Number	%
Population size	63	47
Geographical area	65	37
Location (e.g. metropolitan, rural)	62	35
Value of assets and infrastructure under council management	54	31
Council revenue	54	31
Council expenditure	42	24
Ward structure (e.g. unsubdivided, multi-member wards)	35	20
Population demographics	32	18
Geographical characteristics (e.g. terrain, coastline)	28	16
Other, please specify below	19	11

Note: The sum of the percentages in this table exceeds 100 as respondents were able to select up to three options.

Impact of allowances

Respondents were asked how important the value of the allowance is for their decision to stand again in the next election. Views were mixed, with 'somewhat important' and 'very important' being the most common responses (Table C.14).

Table C.14: How important will the value of the allowance be in your decision to stand (or not stand) for council at the next election?

Answer choices	Responses Number	%
Most important	28	15
Very important	47	26
Important	30	17
Somewhat important	51	28
Not at all important	25	14
Total	181	

Note: The percentages in this table may not add to 100 per cent due to rounding.

Most respondents thought that the existing allowances do not facilitate participation by candidates that reflect the diversity of their communities (Table C.15).

In their 'free text' responses, councillors noted that, while the allowance may not be the primary consideration, financial barriers can limit participation in council roles, making them more accessible to people who are financially secure or retired. Respondents identified women — particularly working mothers — younger people, carers, people from culturally and linguistically diverse backgrounds, and people with disability as groups that may face greater barriers. They also noted that the significant time commitment required can be difficult to balance with employment and caring responsibilities.

Table C.15: Do you think the existing allowances facilitate the participation of candidates that reflect the diversity of their communities?

Answer choices	Responses Number	%
Yes	22	12
No	132	74
Not sure	24	13
Total	178	

Note: The percentages in this table may not add to 100 per cent due to rounding.

Remote area travel allowance

Nearly 17 per cent of respondents stated that they claimed the RATA in calendar year 2025, nearly all of whom were from regional or rural councils (Table C.16).

Of the respondents that expressed a view on specific elements of the RATA, there were mixed views about the daily rate, annual cap, and distance requirements (Table C.17). Most respondents answered that they were 'not sure' about these elements of the RATA, which reflects that they were generally from councils where the RATA is less likely to be claimed, principally metropolitan and interface councils.

Table C.16: Did you claim the RATA in 2025?

Answer choices	Responses Number	%
Yes	30	17
No	150	83
Total	180	

Note: The percentages in this table may not add to 100 per cent due to rounding.

Table C.17: What is your view on the following aspects of the RATA?

Answer choices	Too high (%)	About right (%)	Too low (%)	Not sure (%)
Daily rate of \$48.90 (n=164)	1	22	24	53
Annual cap of \$6,112.50 (n=163)	4	24	20	53
Distance requirement of at least 50km (n=166)	10	30	13	48

Note: The percentages in this table by row may not add to 100 per cent due to rounding.

Demographic questions

Respondents were asked to identify which of the allowance categories set by the Tribunal applied to their council. The proportion of respondents in each allowance category is broadly aligned with the actual distribution of councillors in each allowance category — although there was a slightly higher response rate from councillors in allowance categories 2 and 3 (Table C.18).

Table C.18: Which 'allowance category' applies to your council?

Answer choices	Responses Number	%
Category 1	51	28
Category 2	50	28
Category 3	77	43
Category 4	3	2
Total	181	

Note: The percentages in this table may not add to 100 per cent due to rounding.

LGV divides Victoria's 79 councils into five groups based on their location, size, demographics and funding (see Chapter 3 for further discussion about councils). The profile of respondents broadly reflected the actual distribution of councillors across these groups, however, regional city councils were over-represented with 23 per cent (the actual is 13 per cent) and large shires were under-represented with 13 per cent (the actual is 24 per cent) (Table C.19).

Table C.19: Which of the following council groups applies to your council? You can check this on the VAGO local government data dashboard.

Answer choices	Responses Number	%
Metropolitan	67	33
Interface	26	13
Regional	48	23
Large shire	26	13
Small shire	38	19
Total	205	

Note: The percentages in this table may not add to 100 per cent due to rounding.

The gender of respondents (Table C.20) is consistent with that of the actual councillor cohort — which is 56 per cent male and 42 per cent female.³¹⁴

Table C.20: What gender do you identify as?

Answer choices	Responses Number	%
Woman or female	74	41
Man or male	101	56
Non-binary	1	0
Prefer not to say	5	3
Use a different term (please specify if you wish)	0	0
Total	181	

Note: The percentages in this table may not add to 100 per cent due to rounding.

All but one respondent were aged 25 years or older, and nearly 67 per cent were aged between 35 and 64 years old (Table C.21).

Table C.21: What is your age?

Answer choices Years	Responses Number	%
Under 25	1	1
25-34	15	8
35-44	37	20
45-54	41	23
55-64	44	24
65 or over	38	21
Prefer not to say	5	3
Total	181	

Note: The percentages in this table may not add to 100 per cent due to rounding.

Around 19 per cent of respondents come from a culturally and/or linguistically diverse background (Table C.22), and 2 per cent are of Aboriginal and/or Torres Strait Islander origin (Table C.23).

Table C.22: Do you come from a culturally and/or linguistically diverse background?

Answer choices	Responses Number	%
Yes	34	19
No	141	78
Prefer not to say	6	3
Total	181	

Note: The percentages in this table may not add to 100 per cent due to rounding.

³¹⁴ Based on data provided to the Tribunal by LGV, February 2026.

Table C.23: Are you of Aboriginal and/or Torres Strait Islander origin?

Answer choices	Responses Number	%
Yes	4	2
No	167	92
Prefer not to say	10	8
Total	181	

Note: The percentages in this table may not add to 100 per cent due to rounding.

Approximately 9 per cent of respondents identify as a person with disability (Table C.24).

Table C.24: Do you identify as a person with disability?

Answer choices	Responses Number	%
Yes	17	9
No	150	83
Prefer not to say	13	7
Total	180	

Note: The percentages in this table may not add to 100 per cent due to rounding.

Over 80 per cent of respondents reported that they had some form of higher education — either a technical or a university qualification (Table C.25).

Table C.25: What is the highest level of education you have completed?

Answer choices	Responses Number	%
Postgraduate degree (e.g. Master's degree, PhD)	72	40
Undergraduate degree (e.g. Bachelor's degree)	58	32
TAFE qualification/apprenticeship	24	13
High school	21	12
Did not complete high school	3	2
Prefer not to say	3	2
Total	181	

Note: The percentages in this table may not add to 100 per cent due to rounding.

The most common primary occupations reported by respondents were 'professional' (39 per cent) and 'manager' (23 per cent) (Table C.26). The 'other' occupations listed by respondents included farmer, business owners, and public servant.

Table C.26: Which of these best describes your current (or former) primary occupation (besides councillor, deputy mayor or mayor)?

Answer choices	Responses Number	%
Professional (e.g. accountant, lawyer, doctor, teacher)	69	39
Manager (e.g. CEO, farm manager, retail manager)	41	23
Community or personal service worker (e.g. carer, police officer)	12	7
Sales worker	9	5
Clerical or administrator	7	4
Technician or trade worker	3	2
Labourer or machinery operator (e.g. driver)	2	1
Prefer not to say	2	1
Other (please specify)	33	19
Total	178	

Note: The percentages in this table may not add to 100 per cent due to rounding. (Jiff adapted from ABS (2024))

Respondents were asked to select their employment status, outside their role as a councillor. Most reported that they were in some form of employment, but 'caring for children and/or other dependants' and 'volunteering or other unpaid work' were also common (Table C.27).

Table C.27: Outside of your role as mayor, deputy mayor or councillor, which of these describe your current employment status? Please select all that apply. (n=180)

Answer choices	Branching logic	Responses Number	%
Engaged in paid employment	Go to Table C.28	66	37
Self-employed	Go to Table C.28	63	35
Volunteering or other unpaid work	Go to Table C.28	38	21
Caring for children and/or other dependants	Go to Table C.28	37	21
Studying	Go to Table C.28	11	6
Retired	Go to Table C.29	22	12
Taking leave from paid employment (e.g. sabbatical)	Go to Table C.29	15	8
Unemployed and looking for paid employment	Go to Table C.29	8	4
Unemployed and not looking for paid employment	Go to Table C.29	5	3
Prefer not to say	Go to Table C.29	5	3
Other (please specify)	Go to Table C.29	9	5

Note: The percentages in this table exceed 100 per cent as respondents were asked to select all that apply.

Respondents that selected at least one of the relevant answers in the above table (Table C.27) were then asked how many hours they spend per week on paid employment, caring, studying or volunteering, in addition to their work as a councillor (Table C.28). The most common response (26 per cent) was that they spend between 20 and 29 hours per week on those other activities.

Table C.28: On average, how many hours do you spend per week on paid employment, caring, studying or volunteering activities (excluding your council duties)?

Answer choices Hours	Responses Number	%
Less than 10	8	6
10 to 19	72	16
20 to 29	36	26
30 to 39	32	23
40 to 47	17	12
48 or more	22	16
Prefer not to say	1	1
Total	138	

Note: The percentages in this table may not add to 100 per cent due to rounding.

Excluding the councillor allowance, 37 per cent of respondents reported that they received less than \$45,000 per year from all other income types (Table C.29). Of those who answered, only 12 per cent reported an annual income of more than \$135,000.

Table C.29: What is your gross annual income from all sources (excluding your councillor allowance)?

Answer choices \$ per annum	Responses Number	%
45,000 or less	66	37
45,001 to 80,000	34	19
80,001 to 135,000	35	20
135,001 to 190,000	14	8
190,001 or more	7	4
Prefer not to say	22	12
Total	178	

Note: The percentages in this table may not add to 100 per cent due to rounding. Range options were developed to broadly reflect the applicable tax brackets at the time, determined by the Australian Taxation Office.

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SECTION 5 - COMMITTEE MINUTES/REPORTS

5.1 AUDIT & RISK COMMITTEE MINUTES

AUTHOR'S TITLE: CHIEF EXECUTIVE OFFICER
DEPARTMENT CEO'S OFFICE
REFERENCE: 31678

OFFICER'S DECLARATION OF INTEREST

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

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

EXECUTIVE SUMMARY

This report contains the minutes of the Audit and Risk Committee meeting held on the 15 June 2026.

DISCUSSION

The 15 September 2026 Audit and Risk Committee meeting focused on oversight of Council's financial performance, audit activities and risk management. The committee reviewed external audit progress, including a final interim management letter and closing report for the financial year. Internal audit and governance matters were a key focus, with updates on the audit programs, and planned reviews, alongside enhancements to policies to strengthen controls and reduce fraud risk. The committee also reviewed the ongoing risk program, confirmed policy review progress and noted actions to improve reporting.

Council Committees	Councillor representative	Current meeting (as presented)	Next scheduled meeting/s
Audit and Risk Committee	Cr Bob Sanders	15 September 2026	1 December 2026
Audit and Risk Committee	Cr Peter Joyce	15 September 2026	1 December 2026

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

The report supports the strategic objective of the Council Plan 2025 - 2029:

6. STRONG AND EFFECTIVE GOVERNANCE

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

- 6.2** Ensure appropriate risk management is applied to Council and organisational decisions.
Council's internal function is applied to areas of perceived risk.

Budget Implications

No budget impact for the receiving of minutes.

Policy/Legal/Statutory

Section 53 of the *Local Government Act 2020* states that Council must establish an Audit and Risk Committee.

Section 6.1 of the *Audit and Risk Committee Charter* states that minutes of Committee meetings will be provided to Council at the first available opportunity after clearance by the Committee Chairperson following each Committee meeting.

Risk Assessment

Council needs to be aware of issues raised in the minutes.

Stakeholder Consultation and Communication

Audit and Risk Committee members.

Councillor representation on Council Committees.

Chief Executive Officer and relevant Council officers.

RECOMMENDATION

That:

1. *the Audit and Risk Committee Meetings minutes of 15 September 2026 be received*

MOVED CR JOYCE

SECONDED CR WATERSTON

That:

1. **the Audit and Risk Committee Meetings minutes of 15 September 2026 be received**

Cr Joyce and Cr J Armstrong spoke for the motion.

CARRIED 6/0

5428/26

ATTACHMENTS

The Audit and Risk Committee Minutes from 15 September 2026 are provided as Attachment 5.1



MINUTES

Audit and Risk Committee

Tuesday 15 September 2026

Location: CEO's Office,
59 Vincent St, Ararat

Commencing at 1:00 pm

Audit and Risk Committee:

Cr Bob Sanders (Mayor)
Cr Peter Joyce
Ms Jessica Adler
Mr Greg Jakob
Ms Janet Dong

In attendance:

Dr Tim Harrison
Ms Phuong Au
Mr Bradley Lad
Mr Ryan Schischka
Ms Karlissa Hogan
Mrs Chandra Willmott

15 SEPTEMBER 2026
AUDIT AND RISK COMMITTEE MINUTES
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SECTION 1 – PROCEDURAL MATTERS

1.1 APOLOGIES

Apology was accepted for Janet Dorr.

1.2 DECLARATION OF DISCLOSURE OF INTERESTS

Disclosure of Interests are to be made immediately prior to any relevant item being discussed.
There were no disclosures of interest.

1.3 CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the Internal Audit and Risk Committee Meeting held on 02 June 2026 be received.

MOVED – JESS ALDER

SECOND – GREG JAKOB

That the Minutes of the Internal Audit and Risk Committee Meeting held on 02 June 2026 be received.

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SECTION 2- EXTERNAL AUDIT

2.1 EXTERNAL AUDIT - FINAL MANAGEMENT LETTER FOR THE FINANCIAL YEAR ENDING 30 JUNE 2026

Aligns with Audit and Risk Committee Charter 5.3 Review with management and the external auditors the results of the audit.

BACKGROUND

The Victorian Auditor General appoints a service provider to undertake the annual financial audit. Mr Ryan Schischka of Johnsons MML has been appointed by the Victorian Auditor General's Office to undertake the annual financial audit for the year ending 30 June 2026.

DISCUSSION

Johnsons MML has conducted the year-end financial audit remotely and has issued a final management letter. There are two open issues from the interim audit, with four issues being resolved during the period since the interim audit.

VAGO also included in the letter one recommendation that is specific to all councils, based on the findings in their report to parliament, *Results of 2024/25 audits – Local Government*. This recommendation has been resolved.

Mr Ryan Schischka of Johnsons MML will attend the meeting remotely to provide an update on the Audit's progress.

RECOMMENDATION

That Final Management Letter for the financial year ending 30 June 2026 be received.

RECEIVED

ATTACHMENTS

The Final Management Letter is provided as Attachment 2.1.

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2.2 EXTERNAL AUDIT – CLOSING REPORT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2026

Aligns with Audit and Risk Committee Charter 5.3 Review with management and the external auditors the results of the audit.

BACKGROUND

The purpose of the Closing Report is to summarise the results of the audit and communicate any significant audit findings to those in charge of governance.

DISCUSSION

Johnson MME has provided the closing report for this year-end financial audit.

The report includes details of adjusted and unadjusted differences in the financial report and performance statement identified by the auditor during preparation of the closing report.

RECOMMENDATION

That Closing Report for the financial year ending 30 June 2026 be received.

RECEIVED

ATTACHMENTS

The Closing Report is provided as Attachment 2.2.

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2.3 REVIEW CHANGES TO THE LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK

Aligns with Audit and Risk Committee Charter 5.2 Review changes to the Local Government Performance Reporting Framework.

BACKGROUND

Part of the Audit and Risk Charter requires that the Audit and Risk Committee Review changes to the Local Government Performance Reporting Framework.

DISCUSSION

The Local Government Performance Reporting Framework's (LGPRF) primary objective is to provide comprehensive performance information that meets the needs of a number of audiences. Local Government Victoria provides Councils with the updates to the Local Government Performance Reporting Framework.

The Local Government Performance Reporting Framework (LGPRF) undergoes a comprehensive review every three years. In 2024 the Local Government Performance Reporting Steering Committee undertook a review of the framework, including examining its structure, indicators and measures, the governance and management checklist, and the target setting process. The changes from this review have been introduced for the 2026-2027 reporting period. These are summarised below.

Changes to Framework Structure

The structure of the categories of metrics collected will shift from a service/financial area-based model to an outcomes-based approach, with a stronger focus on common themes of Council performance. Seven domains will replace the former 15 categories for service areas, financial grouping and sustainable capacity.

The table below shows the previous structure of categories, and the seven new domains.

Previous Service Areas	New Domains
AQUATIC FACILITIES	GOVERNANCE
ANIMAL MANAGEMENT	COMMUNITY
FOOD SAFETY	ENVIRONMENT
GOVERNANCE	RESPONSIVENESS
LIBRARIES	COST
MATERNAL & CHILD HEALTH	FINANCIAL FORECASTING
ROADS	FINANCIAL MANAGEMENT
STATUTORY PLANNING	
WASTE MANAGEMENT	
EFFICIENCY	
LIQUORITY	
OBLIGATIONS	
OPERATING POSITION	
STABILITY	
SUSTAINABLE CAPACITY	

Changes to Indicators & Measures

The existing indicators from previous service areas are aligned to the new domains as follows. Several new metrics have been added to Council's data collection requirements, shown in green in the below table. The justification for these new metrics is also outlined below. There have also been some slight changes in how Council needs to report on some of the current metrics.

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GOVERNANCE	COMMUNITY
GOV-G1 Council resolutions made at meetings closed to the public GOV-G2 Satisfaction with community consultation and engagement GOV-G3 Councilor attendance at Council meetings GOV-G4 Cost of elected representation GOV-G5 Satisfaction with Council decisions GOV-G10 Percentage of staff turnover GOV-G6 Overall level of service to the community GOV-G7 Overall meeting duration GOV-G8 Council Work Planning GOV-G9 Total financial costs and savings GOV-G11 Executive management staff turnover	COM-AP5 Utilization of aquatic facilities COM-LB6 Library loans per head of population COM-LB7 Library membership COM-LB8 Library visits per head of population COM-MC2 Infant enrolments in MCH service COM-MC4 Participation in MCH service COM-MC5 Participation in MCH services by Aboriginal children COM-MC6 Participation in 4-week Key Age and Stage visit COM-IR6 Active road infrastructure
ENVIRONMENT	RESPONSIVENESS
ENV-AM1 Health inspections of Council registered aquatic facilities ENV-AM2 Animals reclaimed ENV-EC1 Waste usage ENV-EC2 Electricity usage ENV-EC3 Gas usage ENV-FS5 Food safety examples ENV-FS7 Food safety assessments ENV-R2 Sealed local maintained to condition standards ENV-R5 Satisfaction with sealed local roads ENV-R7 Population density per length of mail ENV-WM8 Kerbside collection waste diverted from landfill	RSP-AM6 Time taken to action animal management requests RSP-FS4 Critical and major non-compliance outcome notifications RSP-FS6 Time taken to action food complaints RSP-SP1 Time taken to decide planning applications RSP-SP2 Planning applications decided within required time frames RSP-SP4 Council planning decisions upheld at VCAT RSP-WM9 Kerbside collection bins missed
COST	
CST-AP7 Cost of aquatic facilities CST-FS3 Cost of food safety service CST-LB2 Recently purchased library collection CST-LB5 Cost of library service CST-MC3 Cost of MCH service CST-R3 Cost of sealed local road reconstruction CST-R4 Cost of sealed local road resurfacing CST-SP3 Cost of statutory planning service CST-WM6 Cost of kerbside waste collection services	PIF-Q4 Non-current liabilities compared to own source revenue PIF-Q5 Asset renewal and upgrade compared to depreciation PIF-Q6 Loans and borrowings compared to own source revenue PIF-Q7 Loans and borrowings repayments compared to own source revenue PIF-C1 Expenses per head of population PIF-C2 Infrastructure per head of population PIF-C4 Own-source revenue per head of population PIF-C5 Recurrent grants per head of population
FINANCIAL MANAGEMENT	
FIM-E2 Expenses per property assessment FIM-E4 Average rate per property assessment FIM-L1 Current assets compared to current liabilities FIM-L3 Cash compared to current liabilities FIM-OP1 Adjusted underlying surplus (or deficit) FIM-S1 Rates compared to adjusted underlying revenue FIM-S2 Rates compared to property values FIM-S3 Rates and charges debt	

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Justification for new metrics added

	GOV-G6 Councilor attendance at councilor briefings (percentage of attendance at Councilor briefings by Councilors)	Designed to demonstrate that councilors are engaged in the decision-making process through active participation in councilor briefings.
	GOV-G7 Council meeting duration (average length of council meetings for the financial year)	New measure to monitor the depth of discussion and engagement of councilors through the average duration of council meetings.
	GOV-I1 Executive management staff turnover (number of executive management staff resignations, terminations and contract completions as a percentage of average number of executive management staff)	New measure to track staff movement at the executive level.
	GOV-G8 Capital works planning (actual capital works expenditure as a percentage of budgeted capital works expenditure for the financial year)	New measure to demonstrate appropriate forecasting, planning and delivery in managing council's capital works.
	GOV-G9 Total unpaid rates and charges (total unpaid rates and charges and unpaid interest on rates and charges for all financial years as a percentage of all rates and charges for the financial year)	Measures the council's overall strategy to managing longer term outstanding debts.
	COM-I6 Active travel infrastructure (length of pedestrian footpaths and bicycle paths per head of population)	New measure to focus on council's commitment to promote healthy activity through active travel infrastructure.
	ENV-EC1 Water usage (total units of metered water purchased by Council per head of population)	To support council's sustainable and efficient energy consumption goals.
	ENV-EC2 Electricity usage (total units of metered electricity purchased by Council per head of population)	To support council's sustainable and efficient energy consumption goals.
	ENV-EC3 Gas usage (total units of metered gas purchased by Council per head of population)	To support council's sustainable and efficient energy consumption goals.
	FIM-S9 Rates and charges debt (unpaid rates and charges as a percentage of all rates and charges)	To demonstrate the council's capacity to manage its rate revenue collection and manage outstanding debt and debtor ratepayers.

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Changes to the Governance & Management Checklist

Several items Council currently reported on have been removed from the Governance & Management Checklist as changes in responsibility for these policies and procedures have occurred. A new checklist item called 'Community Vision' has been added, designed to capture Council's compliance with the community vision requirement as outlined in the Act.

Changes to Target Setting

Councils are required to provide targets for the forthcoming year in their annual budget for:

- the eight mandatory measures consistent with the four service and four financial measures from the previous reporting period;
- in addition to council selecting any other eight measures from the prescribed LGPRF measures.

As consistent with the existing provisions, council must include those 8 mandatory targets and 8 council-selected targets in their council budget and annual report.

For more detail on selected metrics and target setting measures, or any further detail on the changes please refer to the following guidance document on the Know your Council website - [Summary of Changes LGPRF 2026-2027](#).

RECOMMENDATION

That the Financial and Performance Reporting Framework changes report be received.

RECEIVED

ATTACHMENTS

There are no attachments in relation to this item.

ACTION:

1. That the chosen eight selected measures be circulated to the committee members
2. A plan be implemented for testing the new measures.

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SECTION 3- FINANCE AND PERFORMANCE REPORTING

3.1 MONTHLY PERFORMANCE REPORT – ENDING 31 JULY 2026

Aligns with Audit and Risk Committee Charter 5.6: Review the appropriateness of the format and content of periodic management financial reports and performance statements.

EXECUTIVE SUMMARY

The financial statements and performance indicators have been prepared for the period ended 31 July 2026.

Based on the information provided by responsible officers and managers Council's overall financial performance is in line with budget.

DISCUSSION

Council must establish and maintain a budgeting and reporting framework that is consistent with the principles of sound financial management.

Key Financial information:

Income Statement (Attachment 1)

The Income Statement measures how well Council has performed from an operating nature. It reports revenues and expenditure from the activities and functions undertaken, with the net effect being a surplus or deficit. Capital expenditure is excluded from this statement, as it is reflected in the Balance Sheet.

Attachment 1 shows that Council generated \$19.488 million in revenue and \$4.002 million in expenses to 31 July 2026. This has resulted in an operating surplus of \$15.486 million for the month ended 31 July 2026.

Income

Rates and charges account for 49% of the total budgeted income for 2026/27. Rates and charges are recognised when the rates have been raised, not when the income has been received. An amount of \$18.282 million has been recognised as income for the month ended 31 July 2026.

User fees account for 4.4% of the total budgeted income for 2026/27 and \$0.332 million has been received by 31 July 2026. The majority of this relates to transfer station fees, fitness centre income and commercial waste management charges.

Non-recurrent Operating Grants total \$0.160 million to 31 July 2026. Council has been successful in obtaining several grants that had not been budgeted for, as detailed in the table below. The amounts shown as unearned income will be treated as income in future accounting periods once the performance obligations of the grant have been met.

Non-Recurrent Operating Grants	Budget 2026/27 \$'000	Income 2026/27 \$'000	Unearned Income \$'000
Ararat Housing Transition	-	-	300
Digital Twin Victoria	-	-	950
Free Public Wi-Fi Services	-	-	1,289
Supported Playgroups	69	6	-
CALD Outreach Workers Initiative	133	133	-
Streatham CRO & Hub	-	-	50
Engage - Youth Events Activities & Happenings	55	-	-

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Centenary Park Dog Park			75
Queen Street Housing Program			5,697
Ararat Hills Adventure Sports Precinct			400
Early Career Educators			103
Ararat Active Bike Network			128
Ararat City Tennis Sports Lighting and Accessibility			504
Moynton Multi-Use Court Upgrade			203
Other Minor Grants (under \$30,000)		21	17
	257	100	9,756

Non-recurrent Capital Grants total \$0.010 million to 31 July 2026, as detailed in the table below. The amounts shown as unearned income will be treated as income in future accounting periods once the performance obligations of the grant have been met.

Non-Recurrent Capital Grants	Budget 2026/27 \$'000	Income 2026/27 \$'000	Unearned Income \$'000
Tiny Towns Fund - Ilwanger Recreation Reserve Pavilion Redevelopment			50
Pony Club Sports Arena		10	182
Queen Street Housing Program			1,638
TAC Safe Local Roads and Streets Program			560
Jack & Jill Kindergarten Upgrade			2
Ilwanger Ben Nevis Road Upgrade	5,000		2,000
Other Minor Grants (under \$30,000)	5,000	10	4,432

Gain on disposal of property, plant & equipment totals \$0.521 million with a parcel of Council land sold in July 2026.

Note

It is important to note the following:

- The Grants Operating (recurrent) figure in the Original Budget was \$9.122 million and in the Current Budget is recorded as \$2.040 million, as \$7.022 million was paid to Council in 2025/26 by the Victorian Local Government Grants Commission (VLGGC) for the 2026/27 financial year. Council has still received the expected VLGGC income, to be spent in 2026/27, however it will be reported over two financial years.
- Unearned revenue received in prior years has been adjusted between the Original Budget and Current Budget with an additional \$9.756 million for Grants Operating (non-recurrent) and \$4.116 million for Grants Capital (non-recurrent) included in the Current Budget on the assumption that each of the grant projects will be completed during the 2026/27 financial year.
- These changes in the budget, plus the note reported under expenses, create a change in the reported surplus position from a projected surplus of \$4.624 million to a surplus of \$4.261 million for 2026/27. The year-end variance is a surplus of \$0.284 million when the actual year-to-date expenses are compared to the year-to-date budget.

Expenses

Employee Costs account for approximately 37.8% of the total budgeted expenditure for 2026/27. For the month ended 31 July 2026 Council has incurred \$0.866 million in employee costs. Council has also incurred capitalised salary costs of

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\$0.024 million, which are included in capital works reporting rather than the income statement, as they are treated as part of the cost of creating or improving Council assets.

Materials and Services account for approximately 26.7% of the total budgeted expenditure for 2026/27. For the month ended 31 July 2026, Council has incurred \$2.150 million in materials and services costs. There are a number of projects, including those carried forward from 2025/26 that are expected to be completed before the end of the financial year.

Note

It is important to note the following:

There has been an increase in expenditure on materials and services from \$0.078 million in the Original Budget to \$16.238 million in the Current Budget for 2026/27. This has resulted from a carry forward amount of \$7.160 million from the 2025/26 financial year surplus and unspent grant funds which will be used to complete the projects in 2026/27.

Balance Sheet (Attachment 2)

The Balance Sheet is one of the main financial statements and reports Council's assets, liabilities and equity at a given date, in this case 31 July 2026. Comparative figures have been provided as at 30 June 2026.

Council's current assets have increased by \$15.363 million from \$27.103 million as at 30 June 2026 to \$42.466 million as at 31 July 2026. Cash and cash equivalents have decreased by \$2.546 million from \$21.206 million to \$18.720 million. Trade and other receivables have increased by \$18.387 million from \$2.902 million as at 30 June 2026 to \$21.289 million as at 31 July 2026.

Total liabilities have decreased from \$22.042 million in 2025/26 to \$21.309 million in 2026/27. Trade and other payables have decreased by \$1.125 million and trust funds and deposits have increased by \$0.111 million. Unearned income/revenue increased by \$0.316 million, which includes grants received by Council, where in accordance with accounting standards, they are held as a liability until grant related performance obligations have been met.

Statement of Cash Flows (Attachment 3)

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

The Cash and Cash Equivalents at the beginning of the financial year of \$21.206 million have decreased by \$2.546 million to \$18.720 million as at 31 July 2026.

Net cash of \$2.977 million was used in operating activities, \$0.477 million was provided by investing activities, and \$0.046 million was used in financing activities.

Investing activities includes payments for property, plant and equipment, and infrastructure.

Financial Performance Indicators (Attachment 4)

The Local Government Performance Reporting Framework requires Councils to report various performance indicators at the end of each financial year.

A full list of financial performance indicators is included in Attachment 4.

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Indicator	30/6/2026	31/07/2026
Working capital <i>Measure: Current assets compared to current liabilities.</i> Expected values in accordance with the Local Government Performance Reporting Framework 100% to 400% Indicator of the broad objective that sufficient working capital is available to pay bills as and when they fall due. High or increasing level of working capital suggests an improvement in liquidity.	130%	211%
Loans and borrowings <i>Measure: Loans and borrowings compared to rates.</i> Expected values in accordance with the Local Government Performance Reporting Framework = 0% to 70% Indicator of the broad objective that the level of interest bearing loans and borrowings should be appropriate to the size and nature of a council's activities. Low or decreasing level of loans and borrowings suggests an improvement in the capacity to meet long term obligations.	0.00%	0.00%
Indebtedness <i>Measure: Non-current liabilities compared to own sourced revenue.</i> Expected values in accordance with the Local Government Performance Reporting Framework = 2% to 70% Indicator of the broad objective that the level of long-term liabilities should be appropriate to the size and nature of a Council's activities. Low or decreasing level of long-term liabilities suggests an improvement in the capacity to meet long term obligations.	5.40%	6.34%
Rates concentration <i>Measure: Rates compared to adjusted underlying revenue.</i> Expected values in accordance with the Local Government Performance Reporting Framework = 30% to 80% Indicator of the broad objective that revenue should be generated from a range of sources. High or increasing range of revenue sources suggests an improvement in stability.	49.66%	93.86%
Expenditure level <i>Measure: Expenses per property assessment.</i> Expected values in accordance with the Local Government Performance Reporting Framework \$2,000 to \$10,000 Indicator of the broad objective that resources should be used efficiently in the delivery of services. Low or decreasing level of expenditure suggests an improvement in organisational efficiency.	\$4,974	\$533
Indicator - Revenue level <i>Measure: Average residential rate per residential property assessment.</i> Expected values in accordance with the Local Government Performance Reporting Framework = \$700 to \$2,000 Indicator of the broad objective that resources should be used efficiently in the delivery of services. Low or decreasing level of rates suggests an improvement in organisational efficiency.	\$2,030	\$2,087

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Indicator	30/6/2026	31/07/2026
Indicator – Percentage of total rates collected The internal audit conducted in 2019 on Rates Revenue and Rate Debtor Management found no routine or regular reporting of large and long outstanding rates debtors. The outstanding Rates Debtors is reported in the Annual Financial report. As at 31 July 2026 the outstanding Rates Debtors totalled \$19.758 million compared to \$2.121 million as at 30 June 2026, an increase of \$17.637 million. In percentage terms 5.7% of the rates raised have been collected at 31 July 2026 compared to 5.5% up to 31 July 2025. Outstanding rates are currently charged 10% interest. Council issues approximately 7,900 rate notices. In 2025/26 there were 2,495 assessments paying by instalments compared with 2,158 assessments in 2024/25.	89.5%	5.7%
Indicator – Asset Renewal & Upgrade Metric – Asset renewal & Upgrade compared to depreciation Expected range in accordance with the Local Government Performance Reporting Framework – 40% to 130% Assessment of whether council assets are being renewed or upgraded as planned. It compares the rate of spending on existing assets through renewing, restoring, replacing or upgrading existing assets with depreciation. Ratios higher than 1.0 indicate there is a lesser risk of insufficient spending on Council's asset base.	111.93%	25.14%

The Local Government Performance Reporting Framework provides "Expected ranges" for each indicator. The framework has been developed to consider results at the end of the financial year so some results during the year are outside the expected range due to the timing of receipts and payments.

Explanations are provided in Attachment 4 for those indicators that are outside the "expected ranges".

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

- 6 Strong and Effective Governance
 - We will work hard to build models of governance that place delivering public value at the centre through effective financial management; well measured risk management; and implementation of effective community engagement practices.
- 6.1 Deliver responsible budget outcomes, linked to strategy, that deliver value, innovation, and rating fairness.

Budget Implications

Council's financial performance is in line with expectations.

Policy/Relevant Law

Section 97 – Quarterly Budget Report of the Local Government Act 2020 states:

1. As soon as practicable after the end of each quarter of the financial year, the Chief Executive Officer must ensure that a quarterly budget report is presented to the Council at a Council meeting which is open to the public.
2. A quarterly budget report must include—
 - a. a comparison of the actual and budgeted results to date; and

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- b. an explanation of any material variations; and
 - c. any other matters prescribed by the regulations.
3. In addition, the second quarterly report of a financial year must include a statement by the Chief Executive Officer as to whether a revised budget is, or may be, required.

Sustainability Implications

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

Risk Assessment

Council is required to establish and maintain a budgeting and reporting framework that is consistent with the principles of sound management and this report assists Council in meeting that requirement.

Stakeholder Collaboration and Community Engagement

Council's financial performance reports will continue to be published monthly.

RECOMMENDATION

That the Comprehensive Income Statement, Balance Sheet, Statement of Cash Flows and Financial Performance Indicators for the period ended 31 July 2026 be received.

RECEIVED

ATTACHMENTS

Comprehensive Income Statement, Balance Sheet, Statement of Cash Flows and Financial Performance Indicators for the period ended 31 July 2026 are provided as Attachment 3.1.

The attachment also includes a table of Percentage of Rates Collected to 31 July 2026 by Rating Option.

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3.2 FINANCIAL STATEMENTS AND PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

Aligns with Audit and Risk Committee Charter 5.3 Review the annual financial report and annual performance statement

Aligns with Audit and Risk Committee Charter 5.6: Review the appropriateness of the format and content of periodic management financial reports and performance statements

BACKGROUND

Part of the Audit and Risk Charter requires that the Audit and Risk Committee review the draft Annual Financial Report and the draft Annual Performance Statement.

DISCUSSION

Council's external auditors have been completing the end of year audit remotely. The draft Financial Statements and draft Performance Statement compiled by Council officers have been sent to the auditors for review. These Statements may change depending on the outcomes of the auditor's review.

Financial Report

The Draft Comprehensive Income Statement shows total income in 2026 of \$46,232 million compared with \$37,526 million in 2025. Rates & Charges income increased by \$0,417 million, Government Grants for operations decreased by \$1,052 million, and Government Grants for capital works increased by \$7,709 million. Council has received grant payments of \$9,756 million for non-recurrent operating grants and \$4,116 million for non-recurrent capital grants that have not yet been recognised as income due to the grant performance obligations not being met at the end of the financial year.

Council received the following non-recurrent operating grants in 2026:

	Budget 2025/26 \$'000	Income 2025/26 \$'000	Unearned Income \$'000
Non-Recurrent Operating Grants			
Ararat Housing Transition			300
Digital Twin Victoria			950
Free Public Wi-Fi Services			1,289
Supported Playgroups	67	68	
Ararat Rural City Sport, Active Recreation & Open Space Strategy		40	
CALD Outreach Workers Initiative	129	129	
Tiny Towns Fund - Pomonal Community Hub		119	
Natural Disaster Relief		182	
Council Support Fund - Streatham Farm		400	
Streatham CRO & Hub			90
Engage - Youth Events Activities & Happenings	55	55	
Centenary Park Dog Park	100		75
Queen Street Housing Program			5,697
Ararat Hills Adventure Sports Precinct			400
Early Career Educators			103
Ararat Active Bike Network	266		128
Ararat City Tennis Sports Lighting and Accessibility			504
Primary Producer Support Payment		125	
Emergency Services and Volunteers Fund Implementation		50	

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Moyston Multi Use Court Upgrade	—	—	203
Other Minor Grants (under \$30,000)	—	60	17
	617	1,209	9,756

Council received the following non-recurrent capital grants in 2026:

	Budget 2025/26 \$'000	Income 2025/26 \$'000	Unearned Income \$'000
Non-Recurrent Capital Grants			
Podestrian Infrastructure Program		50	
Tiny Towns Fund - Buangor Recreation Reserve Pavillion			50
Tiny Towns Fund - Buangor Cobb & Co Stables		54	
Ararat Pony Club Sports Arena	1,490	1,283	
Queen Street Housing Program		45	1,638
Ararat Library Lighting & Exterior Upgrade		51	
IAC Safe Local Roads and Streets Program		262	426
Jack & Jill Kindergarten Upgrade		669	2
Mt William Road reconstruction		4,360	
Footpath Ararat Retirement Village & Sports Precinct		85	
Barkly St Raised Crossing		312	
Buangor-Ben Nevis Road Upgrade			2,000
Other Minor Grants (under \$30,000)		13	
	1,490	7,134	4,116

Total expenses in 2026 were \$37.326 million compared with \$36.369 million in 2025, an increase of \$0.957 million. The increased expenditure has resulted as Council continues to deliver outcomes for several large project grants, and to complete projects carried forward from the previous year. Employee costs have increased by \$0.455 million. Depreciation has increased by \$0.347 million.

The surplus for 2026 was therefore \$8.806 million compared with a surplus of \$1.157 million in 2025.

The revaluation of property assets at 30 June 2026 has resulted in a decrease in value of \$0.972 million, with a change in accounting estimate resulting in a decrease of \$12.258 million to adjust specialised land valuations where land use is restricted. The revaluation of infrastructure assets at 30 June 2026 has resulted in an increase in value of \$41.105 million.

The Cash Flow Statement shows a net increase in cash and cash equivalents of \$6.425 million compared with an increase of \$11.292 million in 2025.

The Cash Flow Statement shows net cash provided by operating activities was \$22.535 million in 2026 compared with \$21.875 million in 2025, representing an increase of \$0.660 million.

Net cash used in investing activities (e.g. payments for property, infrastructure, plant and equipment) was \$15.408 million in 2026 compared with \$9.503 million in 2025, representing an increase of \$5.905 million. In 2025 Council invested \$1.000 million contribution to its joint venture, Ararat Housing Enterprise Pty Ltd, which represents the agreed contributions of \$0.500 million for both 2024 and 2025, with the final contribution of \$0.500 million invested in 2026.

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Net cash used in financing activities was \$0.702 million in 2026 compared with \$0.580 million in 2025.

The Statement of Capital Works shows \$15.063 million invested in 2026 compared with \$11.704 million in 2025, an increase of \$3.359 million. Total property works increased by \$2.218 million with works on several projects including the Jack & Jill Kindergarten and the Ararat Pony Club Sports Arena.

Performance Statement

Council is required to prepare and include a performance statement within its annual report.

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

For the financial performance indicators and measures, the performance statement includes the target budget for the current year and the forecast results for four years based on the financial statements included in Council's annual budget.

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

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

The draft Financial Statements and Performance Statement included in this agenda are still subject to change based on the feedback from either Johnsons MML or by the Auditor General.

RECOMMENDATION

That the Audit and Risk Committee recommends:

1. Council authorise Cr Bob Sanders, Cr Peter Joyce (Audit and Risk Committee Members) and Dr. Tim Harrison, Chief Executive Officer to certify the Financial Statements in their final form, and
2. Council authorise Cr Bob Sanders, Cr Peter Joyce and Dr. Tim Harrison, Chief Executive Officer to certify the Performance Statement in its final form.

MOVED – JESS ALDER

SECOND – GREG JAKOB

That the Audit and Risk Committee recommends:

1. Council authorise Cr Bob Sanders, Cr Peter Joyce (Audit and Risk Committee Members) and Dr. Tim Harrison, Chief Executive Officer to certify the Financial Statements in their final form, and
2. Council authorise Cr Bob Sanders, Cr Peter Joyce and Dr. Tim Harrison, Chief Executive Officer to certify the Performance Statement in its final form.

ATTACHMENTS

The Draft Financial Statements and Draft Performance Statement are included as Attachments 1.2.1 and 1.2.2.

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SECTION 4 - CEO UPDATE

4.1 CEO UPDATE – CONFIDENTIAL

The CEO's report will be circulated prior to the meeting.

RECOMMENDATION

That the CEO's report be received.

RECEIVED

ATTACHMENTS

CEO Confidential Report provided as Attachment 4.1

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SECTION 5 – INTERNAL CONTROLS

5.1 COUNCIL POLICY REVIEW UPDATE

Aligns with Audit and Risk Committee Charter 5.7: Review the adequacy and effectiveness of key policies, systems and controls for providing a sound internal control environment, 5.12 view annually the effectiveness of Council's risk management framework and 5.13 review Council's risk appetite and the degree of alignment with Council's risk profile.

BACKGROUND

Council policies are reviewed on an ongoing and procedure review process.
This report outlines two Administrative and Council Policies which are currently being reviewed.

DISCUSSION

Council has committed to reviewing policies through review process to ensure that all Council policies meet legislative requirements and established internal processes.

All Council policies are accessible to Councillors, Audit and Risk Committee and staff through Microsoft Teams, hard copies in tearooms at the Depot and Municipal Offices and on Council website.

The below table outlines all policies that will be presented to the Audit and Risk Committees as they come up for review.

Council Policy	Due	Audit and Risk Committee
Asset Management Policy	Jan-25	Mar-26
Audit and Risk Committee Charter	Dec-26	Dec-28
Community Engagement Policy	Jun-20	Dec-28
Complaint Handling Policy	Jan-25	Dec-28
Compliance Framework and Policy	Jan-27	Dec-28
Council Expenses and Support Policy	Jul-28	Jun-28
Councillor Code of Conduct	Dec-28	Dec-28
Councillor Gifts Policy	Sept-29	Sept-29
Election Period 2020 Policy	Apr-28	Mar-28
Fraud and Corruption Policy	Dec-26	Dec-28
International and Interstate Travel Policy	Mar-28	Mar-28
Investment Policy	Feb-25	Mar-26
Prevention of Sexual Harassment Policy	Aug-28	Sept-28
Privacy Policy (new Privacy & Data Protection & Health Records Policy)	Jan-30	Dec-26
Procurement Policy	Jun-28	Jun-28
Public Transparency Policy	Sept-29	Sept-29
Risk Management Policy and Framework	Jun-28	Jun-28
Social Media Policy	Feb-28	Dec-27
Valuation Policy - Major Asset Classes	May-26	Jun-26
Administration Policy		

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Accounts Payable Policy	New	Jun 24
Conflict of Interest Policy	Nov 28	Sept 28
Corporate Purchase Card Policy	Oct 27	Dec 27
Disposal and Sale of Items at Transfer Station Policy	Mar 26	Jun 26
Disposal and sale of minor assets policy	Mar 30	Mar 30
Equal Employment Opportunity Policy	Mar 30	Mar 30
Equality, Diversity and Inclusion Policy	Nov 28	Sept 28
Essential Safety Measures Policy	Mar 24	Sept 25
Health and Wellbeing Policy	Aug 23	Sept 23
Injury Management Policy	Mar 30	Mar 30
Municipal Emergency Policy	Mar 30	Mar 30
Occupational Health and Safety Policy	Sept 26	Dec 26
OHS Workplace Emergency Evacuation Policy	Nov 25	Mar 26
Prevention of Sexual Harassment in the Workplace	Aug 25	Sept 28
Public Interest Disclosures Policy & Procedure	Oct 25	Mar 26
Risk Management Framework	Jun 28	Jun 28
Staff Code of Conduct	Jan 30	Dec 29
Staff Gift Policy	Jan 30	Dec 29
Staff Grievances Policy	Sept 27	Sept 27
Vehicle Policy	July 25	Mar 26
Workplace Anti-Discrimination & Harassment Policy	Jun 28	Jun 28

There is one policy and procedure being presented for review at this meeting which is:

- Public Interest Disclosures Policy and Procedure

The table below provides a list of the reviewed policies noting the main changes and a copy of the policies with track changes are attached.

Administrative / Council	Policy Title	Last review and adopted	Current Review Date ready for Adoption	Next Review
Administrative	Public Interest Disclosures Policy and Procedure	Oct 2021	September 2026	September 2030

The review has identified an opportunity to improve the structure and usability of Council's current Public Interest Disclosures framework. The existing arrangement is primarily contained within a single detailed procedure. As part of the review, it is proposed that this be replaced with a separate Public Interest Disclosure Policy and Procedure. This approach will allow the policy to clearly set out Council's commitment to transparency, accountability, confidentiality, protection from detrimental action and appropriate governance, while the procedure will contain the more detailed operational requirements for making, receiving, assessing and managing disclosures.

The revised approach will also modernise the documents to better reflect the current legislative and regulatory environment and the June 2025 IBAC guidance. The new procedure will provide clearer guidance on who can make and receive a disclosure, the 28 day notification requirements, welfare arrangements, confidentiality and secure recordkeeping. Position titles, rather than individual employee names are also proposed to be used wherever possible so

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that the document remains current despite staffing changes. The revised framework is intended to make Council's obligations easier to understand, easier to administer and more accessible to employees, Councillors, and members of the public.

RECOMMENDATION:

That the Council Policy Review Update be noted.

NOTED

ATTACHMENTS

Draft review Public Interest Disclosure Policy and Procedure as Attachment 5.1

ACTIONS:

1. Records Management Policy needs to be added to the above policy list
2. Business continuity plan needs to be added to the above policy list
3. Update above policy list to clarify when last review, current review and future review dates
4. Make changes as identified by the A&R committee to the Public Interest Disclosure Policy and Procedure

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5.2 INSURANCE PROGRAM - Confidential

RECOMMENDATION

That the insurance report be noted.

NOTED

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SECTION 6 - RISK MANAGEMENT

6.1 STRATEGIC RISK REGISTER REVIEW AND RISK REGISTER PROGRAM UPDATE

Aligns with Audit and Risk Committee Charter 5.14: Review Council's risk profile and the changes occurring in the profile from meeting to meeting and 5.15 Review Councils treatment plans for significant risks

BACKGROUND

Council's Strategic Risk Register is reviewed by the Chief Executive Officer on a regular basis and is presented to the Audit and Risk Committee.

DISCUSSION

The Chief Executive Officer ensures that strategic risks are identified and assessed, treatment options are prioritized and implemented, actions are assigned, and performance is monitored and reviewed.

The Chief Executive Officer has a yearly plan for viewing strategic risks with Ararat Rural City Council. The suggested program is outlined below which focuses on the highest risk areas earlier on in the program.

July 2026	Fraud and Corruption; Cyber Attack	January 2027	Legislative Compliance
August 2026	Asset Management	February 2027	Workforce Planning
September 2026	Business Continuity	March 2027	Procurement; and Emergency Management
October 2026	Financial Sustainability	April 2027	Waste Management; and Occupational Health and Safety
November 2026	IT Infrastructure	May 2027	Strategic Leadership and Advocacy
December 2026	Governance	June 2027	Climate Change; and Records Management

At the previous Audit and Risk Committee meeting, it was agreed that the Chief Operating Officer and Deputy Chief Executive Officer would undertake a comprehensive review of Council's Strategic Risk Register. The existing register has evolved over a number of years through the addition and amendment of individual risks and controls. As a result, it has become increasingly difficult to navigate and no longer provides the clear and contemporary view of Council's strategic risk environment that is required. Rather than continuing to update the existing register, a full review is being undertaken to reconsider the structure, strategic risks, controls and overall presentation.

Initial meetings have been held to commence this work and consider the approach to the review. However, competing organisational priorities, together with a period of extended leave, have limited progress since the previous Committee meeting. Consequently, there is not revised Strategic Risk Register to present at this meeting.

The Deputy Chief Executive Officer will commence as the Chief Executive Officer on 1 October 2026, providing an appropriate opportunity to progress and finalise the review within the context of Council's strategic priorities and risk environment. The review will continue as a priority, and a Strategic Risk Register will be presented at the next Audit and Risk Committee meeting for consideration.

The Chief Operating Officer continues to work with service owners to review the operational risks and set ongoing review dates. The table below outlines the timeframe for each of these reviews to take place over the next 6 months.

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and continuing training for key service providers in using the system. Reviews have been completed up to the end of June. Continued works with the digital Risk Register are currently being reviewed as now that the digital Risk Register has been in place for just over a year, there are some changes in report generation which is required.

Month	Service Area
February	Local Laws, Municipal Building Services, Planning, Environmental Health, Environmental Management and Sustainability
March	Risk Management, Governance, Emergency Management, Insurance Management
April	Design and Project Management, Information Technology, Asset Management, Records Management, Graphic Information Systems
May	Maternal & Child Health, Occupational Health and Safety
June	Sport and recreation, Tourism, Economic Development
July	Depot, Contracts and Procurement, Finance, Property Rates and Valuation
August	Library Service, Events, Human Resource, Customer Services, Waste management
September	Art Gallery / TAMA, Town Hall, Media and Communications

RECOMMENDATION

That the Strategic Risk Review and Update Report be received.

ATTACHMENTS

There are no attachments.

ACTION:

1. Next Audit and Risk Committee Meeting report of internal audit recommendation
2. Next Audit and Risk Committee to present an update of the Risk Management System

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SECTION 7- FRAUD PREVENTION
No Report Table

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SECTION B- INTERNAL AUDIT

B.1 INTERNAL AUDIT – STRATEGIC INTERNAL AUDIT PROGRAM STATUS UPATE

Aligns with Audit and Risk Committee Charter 5.23 Review progress of annual internal audit plan

BACKGROUND

Council appointed AES & Associates from Bendigo as Council's internal Auditors. This report outlines the audit program that was presented and accepted at the last Audit and Risk Committee meeting with the current status.

DISCUSSION

AES & Associates have provided the Internal Audit Program Review document which outlines the forward rolling four-year program for Council. For 2026/27, the Grant Management audit is currently in progress, while reviews of Long-Term Financial Planning, Procurement and Accounts payable data analytics, Economic Development are scheduled for the remainder of the year and into 2027.

This Status Update includes:

- The current status of SIAP
- Review of the 2026/27 – 2028/29 internal audit program
- Extending the 4-year rolling program to 2029/2030
-

RECOMMENDATION

The revised program has been reviewed and endorsed
The Strategic Audit Program Status Update be received

ENDORSED AND RECEIVED

ATTACHMENTS

The Strategic Internal Audit Program Status Update as Attachment B.1.

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8.2 INTERNAL AUDIT – RECORDS MANAGEMENT

Aligns with Audit and Risk Committee Charter 5.25 Review reports of internal audit reviews, including recommendations for improvement arising from those reviews.

BACKGROUND

In accordance with Ararat Rural City Council Internal Audit Program, AFS has undertaken a detailed analysis of ARCC's records management.

DISCUSSION

Records management is overseen by the Records Officer with ultimate accountability resting with the Chief Executive Officer. ARCC's primary electronic records platform is SharePoint, supported by AvePoint for records classification, retention and disposal processes. Physical records are stored at the Depot and in basement storage areas, including permanent records, records pending disposal and other physical records.

As a local government entity, ARCC is required to manage public records in line with Public Record Office Victoria (PROV) Standards and the Public Records Act 1973 (Vic). ARCC must also comply with the Privacy and Data Protection Act 2014 (Vic) administered by the Office of the Victorian Information Commission (OVIC) and the Freedom of Information Act 1982 (Vic).

The recommendation from this internal audit focuses on consolidating improvement actions into a Records Management Improvement Plan, strengthening policy and governance controls, improving disposal evidence, formalising awareness and training, addressing physical storage issues and strengthening access controls. There were six moderate finding and nine areas of strengths.

RECOMMENDATION

That the Records Management Internal Audit Report be noted.

NOTED

ATTACHMENTS

The AFS & Associate Audit of Records Management report is provided as Attachment 8.2.

ACTION:

1. Present and project plan and update for Records Management Plan at the next Audit and Risk Committee

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SECTION 9- GENERAL BUSINESS

9.1 INDUSTRY UPDATE- RECENT REPORTS AND PUBLICATIONS OF INTEREST

BACKGROUND

AFS & Associates (AFS) are Council's Internal Auditors. AFS have provided an Industry Update report to be included in the agenda. The Industry Update report lists recent reports and publications that may be of interest to Ararat Rural City Council.

DISCUSSION

The Industry Update report lists 15 recent articles and reports, covering a range of different topics from sources such as IBAC, IIA, and OVIC etc.

RECOMMENDATION

That the Industry Update report be noted.

NOTED

ATTACHMENTS

The Industry Update report is provided as Attachment 9.1

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SECTION 10 – FUTURE MEETINGS

10.1 FUTURE MEETING DATES

Future meetings of the Audit and Risk Committee are scheduled as follows:

- Tuesday 1 December 2026 1pm
- Tuesday 2 March 2027 1pm
- Tuesday 1 June 2027 1pm
- Tuesday 7 September 2027 1pm

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SECTION 11- NEXT MEETING/CHARTER ITEMS

December 2026	
Ref. from Charter	
5.6	Review the appropriateness of the format and content of periodic management financial reports and performance statements
5.7	Review the adequacy and effectiveness of key policies, systems and controls for providing a sound internal control environment*
5.8	Determine whether systems and controls are reviewed regularly and updated where required*
5.9	Monitor significant changes to systems and controls to assess whether those changes significantly impact Council's risk profile
5.19	Receive reports from management about actual or suspected instances of fraud or corruption (as required)
5.20	Review reports by management about the actions taken by Council to report such matters to the appropriate integrity bodies (as required)
5.24	Review and approve proposed scopes for each review in the annual internal audit plan (as required)
5.25	Review reports on internal audit reviews, including recommendations for improvement arising from those reviews.
5.27	Monitor action by management on internal audit findings and recommendations
5.29	Ensure that the Committee is aware of and appropriately represented regarding any proposed changes to the appointment of the internal audit service provider. (as required)
5.30	Recommend to Council, if necessary, the termination of the internal audit contractor
5.35	Consider the findings and recommendations of any relevant performance audits undertaken by VAGO and monitor Council's responses to them
7	Annual Performance Review

SECTION 6 - INFORMAL MEETINGS

6.1 COUNCIL BRIEFINGS

AUTHOR'S TITLE: CHIEF EXECUTIVE OFFICER
DEPARTMENT CEO'S OFFICE
REFERENCE: 31680

OFFICER'S DECLARATION OF INTEREST

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

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

EXECUTIVE SUMMARY

The Governance Rules state that if there is a meeting of Councillors that:

1. is scheduled or planned for the purpose of discussing the business of *Council* or briefing Councillors;
2. is attended by at least one member of Council staff; and
3. is not a *Council meeting*, *Delegated Committee* meeting or *Community Asset Committee* meeting,
the *Chief Executive Officer* must ensure that a summary of the matters discussed at the meeting are:
 - a. tabled at the next convenient *Council meeting*; and
 - b. recorded in the minutes of that *Council meeting*.

DISCUSSION

As a requirement of the Governance Rules, a summary of matters discussed at the Council Briefings held since the last Council Meeting are presented to Council and will be recorded in the minutes.

INFORMAL MEETINGS

Council Briefing held on 22 September 2026
--

Matters discussed at the briefing:

- Annual Performance & Financial Statements 2025/26
- Monthly Performance Report - June 2026
- Monthly Performance Report - August 2026
- Mayors, Deputy Mayors and Councillors Allowance
- S5 - Instrument of Delegation from Council to CEO
- Road Safety Strategy
- Rural Skip Bins
- Mayoral and Councillor Taskforce Supporting People Seeking Asylum - General Membership Fees 2026/27
- Dobie War Memorial Committee - request for financial assistance for Memorial repairs
- Monthly Community Engagement Report
- Monthly Progress Report - Prestige Mill Infrastructure Project Update - August 2026
- Monthly Progress Report - Council Plan - Annual Plan
- Capital Works Program - August 2026
- Building approvals
- Planning approvals under delegation

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

The report supports the strategic objective of the Council Plan 2021-2025:

6. STRONG AND EFFECTIVE GOVERNANCE

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

- 6.3** Continuously improve Council's community engagement process and practices in line with deliberative engagement practices, while ensuring that Councillors' roles as elected community representatives are understood and reflected in decision-making.

Financial

There are no financial impacts for the receiving of Informal Meetings of Councillors.

Policy/Relevant Law

Reporting of Informal Meetings is in line with the requirements of the Governance Rules.

Risk Assessment

Following the requirements of the Governance Rules will ensure that Council meets its legislative requirements.

Stakeholder Collaboration and Community Engagement

A summary of matters discussed at the Council Briefings are presented for community information.

RECOMMENDATION

That

1. *the Informal Meetings of Councillors Report be received.*

MOVED CR R ARMSTRONG SECONDED CR KAUR

That

- 1. the Informal Meetings of Councillors Report be received.**

No Councillors spoke for or against the motion.

**CARRIED 6/0
5429/26**

ATTACHMENTS

The Summary of Council Briefings are provided as Attachment 6.1.

Councillor Briefing Agenda



Date: Tuesday 22 September 2026

Commencement: 5.00 pm

Location: Council Chamber, Shire Offices

Councillors:	Cr Bob Sanders Cr Jo Armstrong Cr Rob Armstrong Cr Peter Joyce Cr Teli Kaur Cr Bill Waterston
Officers:	Deputy CEO, Phuong Au Major Projects Lead, Rebecca Rodger Chief Operating Officer, Chandra Willmott
Apologies:	Cr Luke Preston, CEO, Dr Tim Harrison

Disclosure of Conflict of Interests

Disclosure of Interests are to be made immediately prior to any relevant item being discussed (*Local Government Act 2020 - Section 131 and Chapter 5, Section 6 of the Governance Rules*).

1. Matters to be considered

- 1.1 Mayor's roundup
- 1.2 Annual Performance & Financial Statements 2025/26
- 1.3 Monthly Performance Report - June 2026
- 1.4 Monthly Performance Report - August 2026
- 1.5 Mayors, Deputy Mayors and Councillors Allowances
- 1.6 SS - Instrument of Delegation from Council to CEO
- 1.7 Road Safety Strategy
- 1.8 Rural Skip Bins
- 1.9 Mayoral and Councillor Taskforce Supporting People Seeking Asylum - General Membership fees 2026/27
- 1.10 Dobie War Memorial Committee - request for financial assistance for Memorial repairs

2. For noting

- 2.1 Monthly Community Engagement Report
- 2.2 Monthly Progress Report - Prestige Mill Infrastructure Project Update - August 2026
- 2.3 Monthly Progress Report - Council Plan - Annual Plan
- 2.4 Capital Works Program - August 2026
- 2.5 Building approvals
- 2.6 Planning approvals under delegation

Dr Tim Harrison

SECTION 7 - NOTICES OF MOTION

A *notice of motion* must be in writing signed by a Councillor and be lodged with or sent to the *Chief Executive Officer* no later than 12.00pm (noon) and at least six (6) days prior to the Council Meeting to allow sufficient time for the *Chief Executive Officer* to include the *notice of motion* in agenda papers for a *Council meeting*.

SECTION 8 - URGENT BUSINESS

Items cannot be admitted as urgent business other than by resolution of *Council* and only then if it:

- 1 relates to or arises out of a matter which has arisen since distribution of the *agenda*; and
- 2 cannot safely or conveniently be deferred until the next *Council meeting*.

SECTION 9 - CLOSE SESSION (CONFIDENTIAL)

In accordance with section 66(2)(a), 3(1) *Confidential Information* (a) of the Local Government Act 2020, the following agenda items are listed for consideration in the confidential section:

There are No Confidential Items

Meeting closed at 6:31pm

I HEREBY CERTIFY THAT PAGES 13677 - 14102 ARE CONFIRMED AND ARE A TRUE AND CORRECT RECORD.

MAYOR - CR BOB SANDERS