ARART RURAL CITY COUNCIL

Annual Report

2025/2026



Ararat Rural City

Traditional Acknowledgement

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

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

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Introduction

Ararat Rural City Council is pleased to present our Annual Report for 2025/2026.

We are committed to transparent reporting and accountability to our community and the Annual Report for 2025/2026 is the primary means of advising the Ararat Rural City community about Council's operations and performance during the financial year.

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

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

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

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



The Year in Review



Message from the Mayor



I am pleased to present Ararat Rural City Council's Annual Report for 2025/2026 to the community.

This report provides an overview of Council's operational performance, assessing its alignment with the primary goals and strategies outlined in our Council Budget for the 2025/2026 financial year, and the first year of our 2025 to 2029 Council Plan.

Serving as your Mayor over the past year has been deeply rewarding. My fellow Councillors and the entire organisation remain steadfast in our commitment to delivering the best possible outcomes for our community.

I would like to acknowledge the outstanding leadership of our CEO, Dr Tim Harrison, who announced his resignation in June. As a thoughtful and principled leader, Dr Harrison's focus on getting the fundamentals right, including our roads, drainage, community facilities, and long-term financial sustainability, has built a resilient foundation and positioned Ararat Rural City Council strongly for the future.

Navigating broader economic pressures has required clear strategy and disciplined focus. By delivering a robust capital works program and high-quality services, we strive to earn the continued trust of our residents and business community, driving sustained job growth and economic momentum across Ararat Rural City.

One significant initiative that I wish to highlight is Council's Disability Action Plan. Guided by our Disability Action Plan Working Group and residents with lived experience, this vital roadmap will remove barriers and ensure our services, facilities, and workforce are accessible to everyone. By directly engaging our community through workshops and open consultations, we are creating a more inclusive, welcoming Ararat Rural City where every resident has a voice and equal opportunity to thrive.

We expended $15.06 million on our Capital Works Program, delivering critical road and infrastructure improvements across Ararat and our surrounding rural townships. Major initiatives include significant road sealing on the ongoing $5.5 million Mount William Road rehabilitation project, completing the Ararat Library facade upgrade, and making substantial progress on the new covered sports arena at the Ararat Pony Club.

Across the municipality, key projects included extensive upgrades to Churchill Avenue, nearly 10km of new bike paths, footpath works on Wilson Street, an upgraded High Street pedestrian crossing, and a community-scale battery system in Pomonal providing backup power during outages and bushfires.

Council also stepped up its advocacy efforts, focusing on securing funding and policy support to unlock new jobs, support local industry, and deliver infrastructure for communities across the municipality, including:

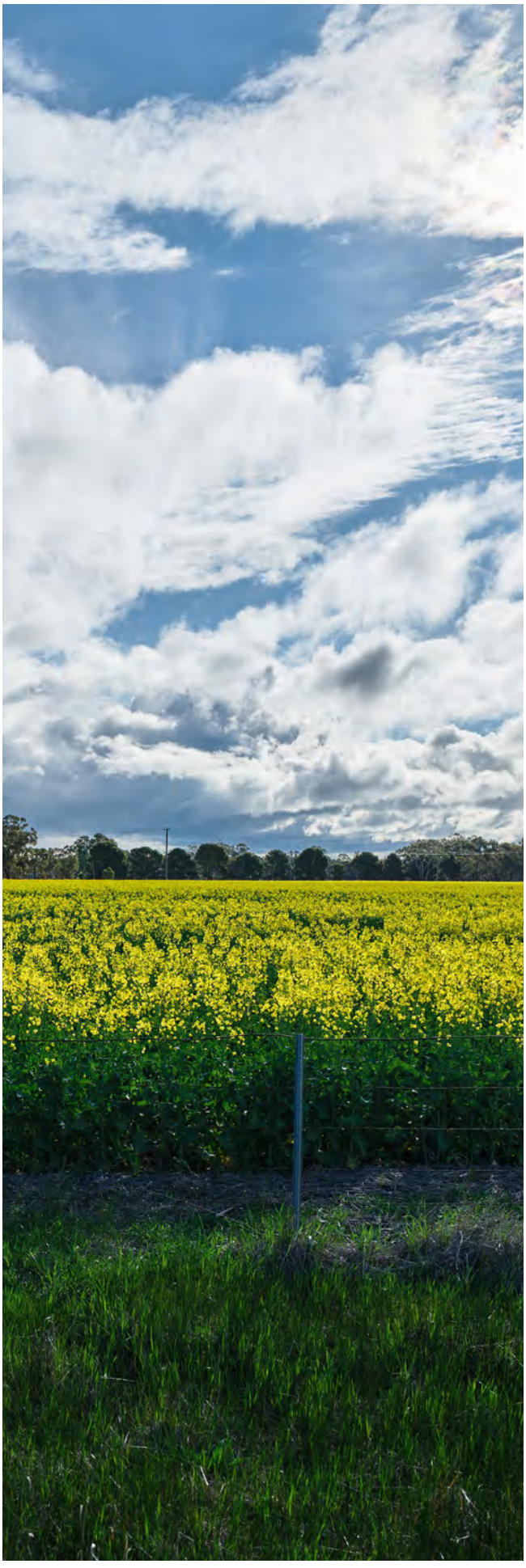
- Pushing for the delivery of the full extent of the East Grampians Rural Water Pipeline, including the completion of the Mininera Extension

- Actively advocating to state and federal governments for stronger renewable gas policy support
- Delivery of the Western Highway Upgrade from Buangor to Ararat
- Development of a North–South Heavy Vehicle Route
- Standing up for people seeking asylum in Australia as part of the national Back Your Neighbour campaign

We remain committed to ensuring our community has a voice in the decisions that impact them. Throughout 2025/2026, we engaged residents on several key initiatives, including the 2026/2027 Council Budget, the Ararat Rural City Sport and Active Recreation Strategy, the Eastern Entrance Signage project, and the naming of several local roads.

Looking ahead, Council is dedicated to keeping critical infrastructure projects on track and elevating our essential services to better serve our community.

Cr Bob Sanders
Mayor



Message from the CEO



Thank you for your interest in Ararat Rural City Council's 2025/2026 Annual Report.

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

Our organisation continues to seek to improve our performance across all areas of operation. Once again, Council outperformed the statewide average across every single measure in the 2025 Community Satisfaction Survey. Scoring 64 out of 100 for overall performance, we surpassed both the statewide average of 57 (by 7 points) and the small rural council benchmark of 60 (by 4 points). Our strongest results were delivered in Arts Centres and Libraries (77), Emergency and Disaster Management (74), and Customer Service (72).

While these results show we are performing strongly against our peer councils, we know there is always room to grow. We remain fully committed to listening to our community and continuously raising the standard of our services across all areas.

Strengthening our partnership with local businesses remains a key driver of job growth and economic confidence across our municipality. Beyond core commercial growth, we are actively advancing renewable energy solutions and establishing Ararat Rural City as a prime mover in the circular economy.

Our commitment to disciplined financial management and on-time infrastructure delivery continues to yield results. By bringing key services in-house and executing record capital works programs, we have strengthened the local economy, balanced our long-term budget, and delivered lasting value for our residents.

Council delivered a 2025/2026 Budget centred on community value and financial responsibility. By keeping rate increases to a minimum while maintaining significant capital works investment, we are renewing vital assets without overburdening ratepayers. This disciplined approach ensures we continue providing high-quality essential services and long-term infrastructure improvements.

I am immensely proud of our Council staff and the extraordinary dedication and versatility they have demonstrated throughout a challenging year. It has been a true privilege to lead this organisation as CEO and work alongside a team that operates with such strong purpose.

As I prepare to step down, I look back on my time serving the Ararat Rural City community with deep gratitude. I am incredibly proud of what we have achieved together, the infrastructure we have built, and the long-term foundations we have set will benefit this region for generations. I leave with immense respect for our Councillors, our hard-working staff, and a community that cares deeply about its future. Ararat Rural City is in good hands, and I look forward to seeing its continued success.

Dr Tim Harrison
Chief Executive Officer



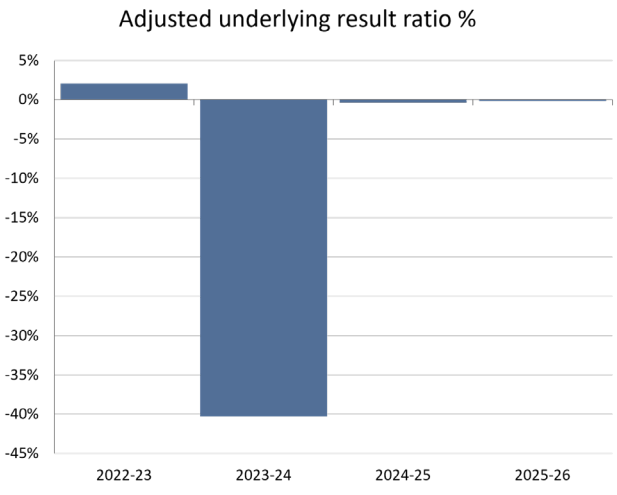
Financial Summary

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

Operating Position

Council recorded a surplus of $8.906 million in 2025/2026, compared to the prior year surplus of $1.157 million in 2024/2025. The adjusted underlying deficit of Council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is $0.057 million (or -0.15% when compared to adjusted underlying revenue). This result is an increase compared with a deficit of $0.127 million in 2024/2025 (or -0.35%). This indicator is within Local Government Victoria's expected range of -20% to 20%.

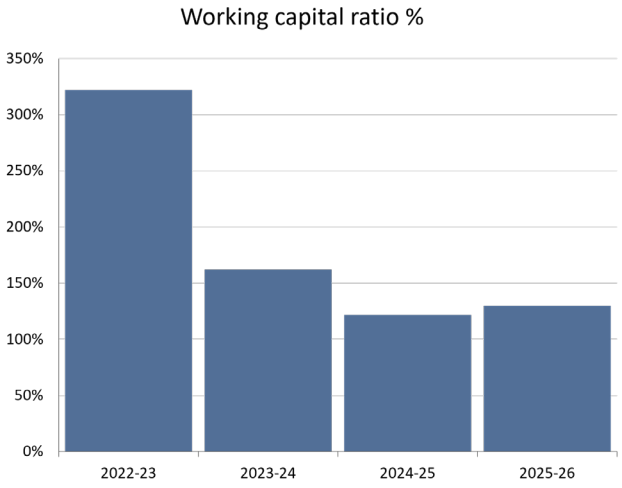
In 2023/2024 there was a change in timing of the financial assistance grants resulting in $6.656 million being received early in July 2024, compared to $7.426 million being received in advance in June 2023.



Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew community assets under Council's control. The budget for 2026/2027 includes an adjusted underlying deficit of $0.376 million or 1.12%.

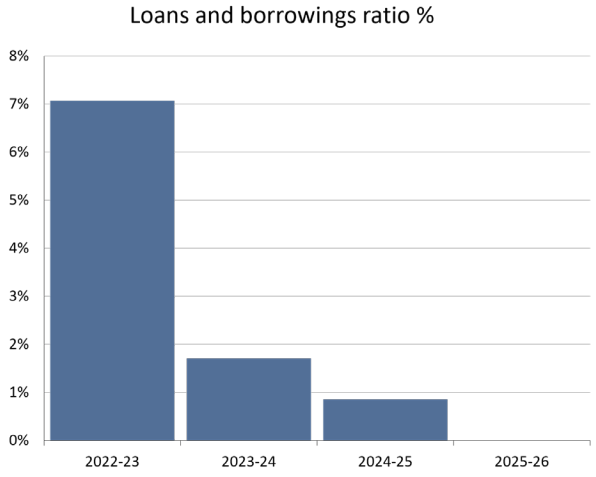
Liquidity

The working capital ratio which assesses Council's ability to meet current commitments is calculated by measuring Council's current assets as a percentage of current liabilities. Council's result of 130% in 2025/2026 is an indicator of satisfactory financial position and within Local Government Victoria's expected range of 100% to 400%.



Obligations

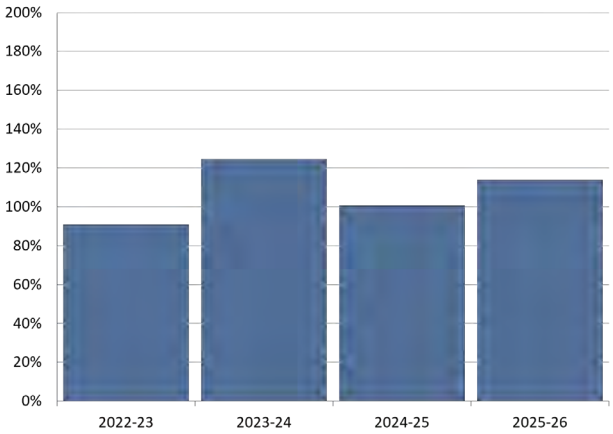
At the end of 2025/2026, Council's debt ratio, which is measured by comparing interest bearing loans and borrowings to rate revenue, was 0.00% as Council held no loans at 30 June 2026. This was within the expected target band of 0%-70%.



Council aims to ensure that it can maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. During 2025/2026 Council completed $15.063 million in capital works with $13.029 million relating to the renewal and upgrade of assets.

Council's asset renewal and upgrade ratio, which is measured by comparing asset renewal and upgrade expenditure to depreciation, was 114% in 2025/2026 compared with 101% in 2024/2025. The expected range for this indicator is between 40% and 130%, and Council is within the expected range as it continues to prioritise capital works.

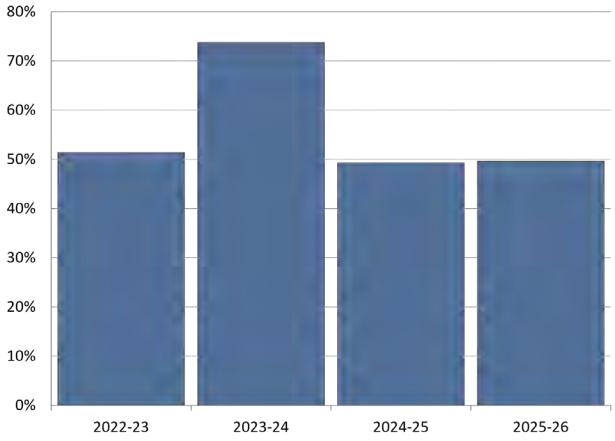
Asset renewal and upgrade ratio %



Stability and Efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions, relying heavily on rates and grants to fund services. Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 50% for 2025/2026 compared with 49% in 2024/2025. In 2023/2024 revenue from rates represents a larger proportion of Council's income, due to a change in the timing of financial assistance grants resulting in $6.656 million being received early in July 2024, compared to $7.426 million being received in advance in June 2023. Local Government Victoria's expected range is 30%-80%.

Rates concentration ratio %

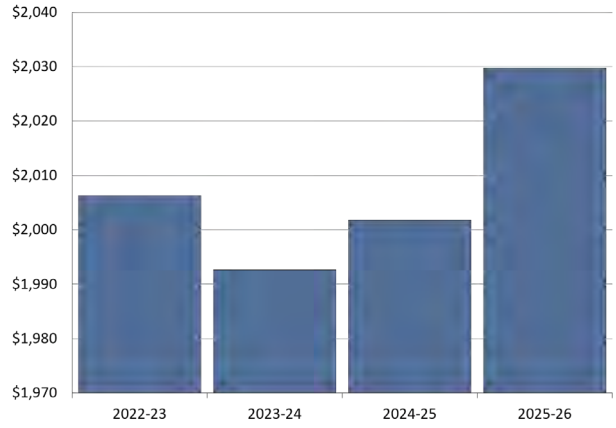


The average rates per property assessment is the total rate revenue (general rates and municipal charges) divided by the number of property assessments. It excludes other charges listed on the rate notice such as waste management charges and the emergency services and volunteers fund.

The average rate per assessment was $2,030 in 2025/2026 compared to $2,002 in 2024/2025. Council has delivered a net rate rise of 1.5% over the eight-year period up to 2025/2026. The rate cap set by the State Government was 3.00% for 2025/2026.

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

Average rates per property assessment



Description of Operations

Ararat Rural City Council is responsible for more than 150 services, from community services, heritage and culture, recreation, transport and waste management; to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget. This broad range of community services and infrastructure for residents supports the wellbeing and prosperity of our community. Council's Vision, Strategic Objectives and strategies to further improve services and facilities are described in our Council Plan and the associated Budget 2025/2026 and reported upon in this document. Refer to the section on Our Performance for more information about Council services.

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

Economic Factors

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

Capital Works

	$'000
Land Improvements	14
Buildings	2,922
Plant, machinery and equipment	668
Fixtures, fittings and furniture	54
Library books	53
Roads	8,979
Bridges	1,877
Footpaths and cycleways	430
Drainage	66
Total capital works expenditure	**15,063**

During 2025/2026 the capital works included the below:

- Webb Street reconstruction, including the construction of a new road surface, driveways, kerb and channel, drainage and new footpaths.
- Design and Construction of Buangor-Ben Nevis Road Bridge over Mt Cole Creek.
- Bridge Strengthening works on McCrows Road and Buangor-Ben Nevis Road over Billy Billy Creek.
- Reconstruction of Mt William Road, Yalla-Y-Poora.
- Construction of Ararat Pony Club Equestrian Arena.
- Roadworks included reseals and reconstruction of various roads across the municipality. Council received funding through the Federal Government's Roads to Recovery Program and the Local Roads and Community Infrastructure Program to assist with the cost of works.
- Footpaths and cycleways included new, and renewal works in various urban locations.
- Drainage works included renewal works in various locations across the municipality.

Major Changes

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

Major Achievements

Council's Capital Works Program exceeded $15 million. All significant road projects set out in Council's Budget 2025/2026 have been tendered and yielded significant value for ratepayers and contributed to an uplift in local jobs.

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

- A covered equine arena at the Ararat Pony Club, complete with lighting, to provide a climate-controlled riding space that is protected from rain and sunlight.

Major Achievements (continued)

- New dog park at Ararat's Centenary Park, providing a dedicated secure outdoor space for dog owners to exercise and socialise their dogs off-leash safely.
- Jack and Jill Kindergarten Redevelopment, delivering a more contemporary space that better reflects the expectations of local families and the broader kindergarten community.
- Contemporary exterior upgrade of the Ararat Library including new exterior signage, repainting, external lighting.



Our Council



Our Vision

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

Council's Community Vision 2035 is characterised by:

1. Strong population growth trajectories that buck trends in rural Victoria

2. Continuous and sustainable economic development which is focused on job creation through value adding in agriculture, advanced manufacturing and tourism

3. Leadership in pragmatic approaches to local environmental management

4. Sustainable and effective local transport networks underpinned by careful technical and financial planning undertaken jointly between asset users and asset owners

5. Communities that are enhanced by access to artistic, cultural, sporting and recreational opportunities that meet needs and expectations

6. Strong and robust democratic processes underpinned by transparent governance, good financial management and organisational innovation

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

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

1. Growing our place

2. Building robust local economies

3. Preserving the environment

4. Developing and maintaining key enabling infrastructure

5. Enhancing community life; and

6. Strong and effective governance



Municipal Profile

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

The land has a wealth of natural attractions that set the region apart, such as Mount Langi Ghiran, Mount Cole and the Ararat Hills National Park, which frame our townships with scenic views and unique landscapes. Offering a fantastic regional lifestyle with a diverse economy underpinned by full employment, the recent shift in population to the regions has delivered an uplift in local investment and confidence.

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

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

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

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

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

Municipal Snapshot

11,732
Population

4,211 km2
Area

2,455 km
Length of local roads

7,505
Rateable properties

122.8
Number of employees EFT

7
Number of Councillors

$18.510 m
Rate and charge revenue

$46.232 m
Total revenue

Where We Live

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

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

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

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

Council Offices

Depots:
24 Flattely Street, Ararat
32 Leach Road, Lake Bolac

Municipal Offices:
59 Vincent Street, Ararat VIC 3377

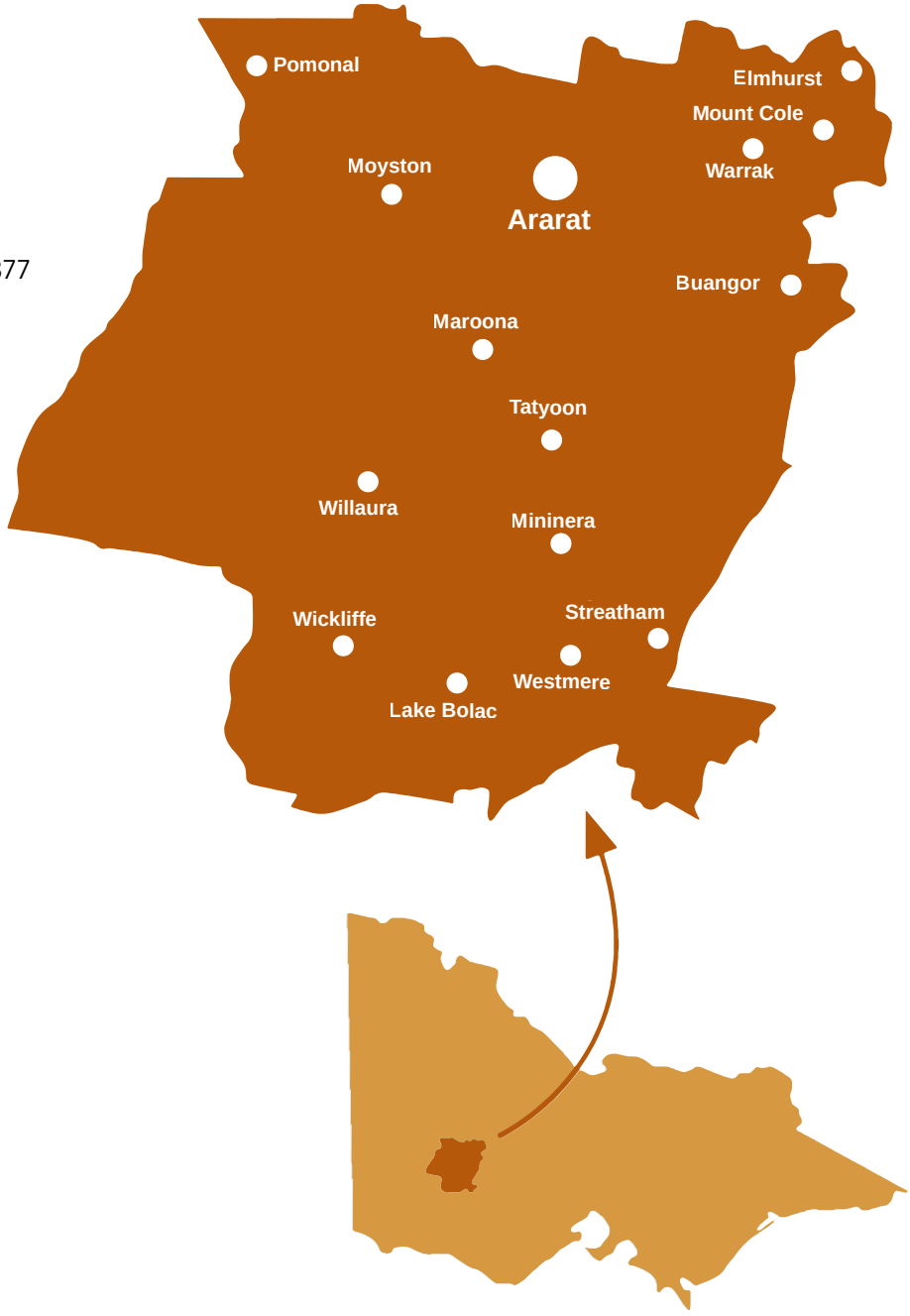
Telephone:
(03) 5355 0200

Fax:
(03) 5352 1695

Email:
council@ararat.vic.gov.au

Website:
www.ararat.vic.gov.au

Postal address:
PO Box 246
Ararat VIC 3377



Our Councillors

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

The Councillors are listed below.



Cr Bob Sanders – Mayor

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



Cr Teli Kaur - Deputy Mayor

Date elected: 26 October 2024
E: tkaur@ararat.vic.gov.au
M: 0456 025 749



Cr Jo Armstrong

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



Cr Rob Armstrong

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



Cr Luke Preston

Date elected: 26 October 2024
E: lpreston@ararat.vic.gov.au
M: 0467 707 566



Cr Peter Joyce

Date elected: 26 October 2024
E: pjoyce@ararat.vic.gov.au
M: 0482 979 079



Cr Bill Waterston

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



Our People


Are you a cat owner?
This brochure contains important information you need to know. It also tells you where to find further helpful advice about cat ownership.
Are you a dog owner?
This brochure contains important information you need to know. It also tells you where to find further helpful advice about dog ownership.

Organisational Structure

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

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

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

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

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

We employ around 122.9 equivalent full time (EFT) staff, and our focus is on service delivery. We do not need to have a large, costly and unwieldy management structure – we need to have great people focused on delivery of services to our community.

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



Dr Tim Harrison
Chief Executive Officer

Commenced: 1 October 2018

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

Council Employees

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

	Permanent						Casual			Total
	Full Time			Part Time						
	W	M	X	W	M	X	W	M	X	
Growing Our Place	1	2	0	2.39	0	0	0	0	0	5.39
Building Robust Local Economies	3	0	0	0.76	0	0	0	0	0	3.76
Preserving Our Environment	0	17	0	0.24	0.93	0	0	0	0	18.17
Developing & Maintaining Key Enabling Infrastructure	5	33	1	1.52	1.05	0	0	0.40	0.54	42.51
Enhancing Community Life	6	6	0	10.86	2.51	0	4.08	0.87	0	30.32
Strong & Effective Governance	15	1	0	5.24	0.84	0	0.30	0.43	0	22.81
Total Staff	**30**	**59**	**1**	**21.01**	**5.33**	**0**	**4.38**	**1.70**	**0.54**	**122.96**

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

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

Employment Classification	Female FTE	Male FTE	X FTE	Total FTE
Band 1	3.80	0.21	0.00	4.01
Band 2	5.08	4.12	0.00	9.20
Band 3	5.51	24.01	0.54	30.07
Band 4	11.40	17.00	0.00	28.40
Band 5	8.59	7.00	0.00	15.59
Band 6	8.09	7.00	1.00	16.09
Band 7	4.46	0.00	0.00	4.46
Band 8	4.00	4.00	0.00	8.00
Senior Officers	2.00	1.84	0.00	3.84
Maternal and Child Health	2.47	0.00	0.00	2.47
Apprentices	0.00	0.00	0.00	0.00
Trainees	0.00	0.84	0.00	0.84
Total	**55.40**	**66.02**	**1.54**	**122.96**

Other Staff Matters

Gender Equality Action Plan (GEAP)

During 2025-2026, Council adopted its Gender Equality Action Plan (GEAP) 2026-2029, reinforcing its commitment to fostering a safe, inclusive and equitable workplace for all employees.

The GEAP was informed by workforce gender audit findings, employee consultation and a review of outcomes achieved through Council's previous plan. The audit highlighted positive results, including strong gender representation across the organisation and women holding 60% of senior leadership positions. It also identified opportunities to further address occupational gender segregation, support career progression, strengthen flexible work practices and improve gender equity outcomes.

The new GEAP outlines actions to promote equitable recruitment and advancement opportunities, support flexible and family-friendly workplaces, strengthen leadership development, address gender barriers, and maintain a culture that is safe, respectful and inclusive.

Council will continue to embed gender equality considerations into decision-making through Gender Impact Assessments and will monitor progress against clear objectives and measures throughout the life of the plan.

Through the implementation of the GEAP 2026-2029, Council remains committed to creating a workplace where all employees have equitable access to opportunities, leadership pathways and meaningful participation.

Professional Development

Council continued to invest in the development and capability of its workforce throughout 2025-2026, supporting employees to build the skills and knowledge needed to deliver high-quality services to the community.

Employees participated in a range of professional development opportunities, including industry-specific training, leadership development programs, conferences, workshops, webinars and online learning. These opportunities supported both individual career growth and organisational capability, ensuring Council remains responsive to emerging challenges and changing community needs.

Council also maintained its comprehensive induction program for new employees, complemented by mandatory compliance and safety training to support safe, respectful and effective workplace practices. Professional development initiatives were aligned with Council's strategic objectives and individual learning needs, fostering a culture of continuous improvement, innovation and lifelong learning.

By investing in employee development, Council strengthens organisational performance, supports succession planning and leadership capability, and reinforces its commitment to being an employer of choice.

Prevention of Violence Against Women

Council continued its commitment to preventing violence against women by promoting gender equality, respect and inclusion across the organisation and the broader community.

As a member of the Communities of Respect and Equality (CoRE) Alliance, Council worked collaboratively with regional partners to support initiatives that address the underlying drivers of violence against women and family violence. Throughout the year, employees participated in education and awareness activities designed to strengthen understanding of gender equality and support respectful workplace and community cultures.

Council also participated in the annual 16 Days of Activism against Gender-Based Violence campaign, raising awareness of the impacts of violence and encouraging collective action to create safer communities. These initiatives complement Council's Gender Equality Action Plan and reinforce its commitment to creating environments where all people are treated with dignity, respect and equity.

Other Staff Matters

Health and Safety

Council remains committed to providing a safe and healthy workplace for employees, contractors, volunteers and visitors through continuous improvement of its health and safety systems, processes and practices.

During 2025-2026, Council continued to review and strengthen its safety management framework, with a focus on risk management, injury prevention, wellbeing and legislative compliance. Employees participated in a range of health and safety programs, including Health and Safety Representative (HSR) training, and other role-specific safety initiatives.

Council maintained its commitment to fostering a positive safety culture by encouraging consultation, hazard reporting and proactive risk management across all work areas. Through ongoing training, engagement and system improvements, Council continues to support the health, safety and wellbeing of its workforce and the community.



Service Recognition

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

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

During the 2025/2026 financial year, the following employee milestones were reached:



5 years
Rachel Gunning
Richard McMillan
Sheree Ferguson
Suzanne Blizzard



10 years
Darren Hampson
Lyndon Turner
Nicole Gerrard
Robert Herbert
Trevor Quick



15 years
Judy Bigmore
Tanya Cronin



20 years
Katie Collins
Maureen Sladdin



25 years
Susan Brown



30 years
Dorothy Jerram



50 years
Russell Ferguson

Our Performance



Integrated Strategic Planning and Reporting Framework

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

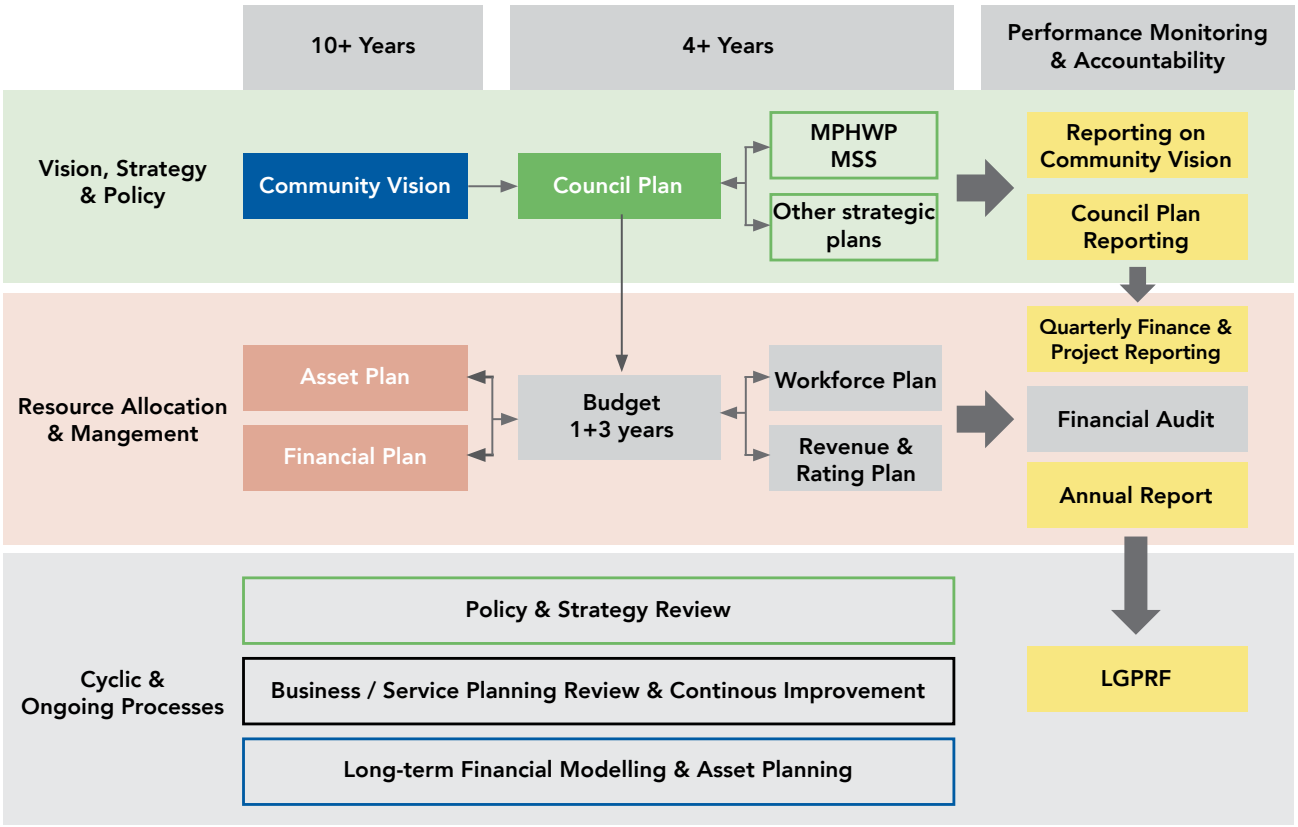
- A Community Vision (for at least the next 10 financial years);
- A Council Plan (for at least the next 4 financial years);
- A Financial Plan (for at least the next 10 financial years);
- An Asset Plan (for at least the next 10 financial years);
- A Revenue and Rating Plan (for at least the next 4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

The Act also requires Councils to prepare:

- A Workforce Plan;

(including projected staffing requirements for at least 4 years);

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



Council Plan

The Ararat Rural City Council Plan 2025-2029 includes Strategic Objectives, strategies for achieving these for the four-year period, strategic indicators for monitoring achievement of the Strategic Objectives and a strategic resource plan. The following are the six Strategic Objectives as detailed in the Council Plan.

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

Performance

Council's performance for the 2025/2026 year has been reported against each Strategic Objective to demonstrate how Council is performing in achieving the 2025-2029 Council Plan.

Performance has been measured as follows:

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

Key	
Completed	✓
Not Completed	✗
Ongoing	→
In progress 51-99%	~
In progress 0-50%	▲
Not Started	✧

Strategic Objective 1: Growing Our Place

Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2025/2026 budget for the year.

Strategic Indicator/Measure	Result	Comments
Complete a review of Council's Planning Scheme as required under Section 12B of the Planning Environment Act 1987.	~	Council officers are working with the Department of Transport and Planning's (DTP) Regional Planning Hub on the Ararat Planning Scheme review.
Establish annual targets for sustainable urban growth.	✓	As part of the Planning Scheme Review process, it has been identified that the Victorian Government's housing target of 1000 net new dwellings for Ararat Rural City by 2051 provides a suitable urban growth annual target of 40 homes per year.
Complete the 'Unlocking Ararat North East' Structure Plan project.	✓	This project has assessed the physical capacity of the Ararat North East area and the utility services that would be needed if the subject site were to be developed in the future.
Deliver enabling infrastructure for well-located homes that address critical housing gaps in central Ararat, with support from the Housing Support Program: Community Enabling Infrastructure Stream.	▲	Demolition works are continuing into 2026/27 under strict environmental and safety regulations and in accordance with WorkSafe Victoria and the Environment Protection Authority requirements.
Continue to develop the Ararat Housing Enterprise P/L, delivering another four houses in Ararat during 2025/2026.	✓	Four houses have now completed construction in this financial year, enabling this action to be marked complete. Preconstruction planning for the next set of homes had commenced.
Work with developers to submit EOI application/s to the National Housing Infrastructure Facility Crisis and Transitional Housing (NHIF CT) program.	✓	The EOI was submitted but due to significantly high volumes of applications submitted to the NHIF-CT program, Ararat Rural City Council's EOI was placed on a deferred list and may be considered in the future if additional Federal Government funding is provided to this program.
Complete the Jack and Jill Kindergarten Refurbishment, with support from the Building Blocks Improvement Grant.	✓	Refurbishment works commenced in the April 2026 school holidays and the Jack and Jill Kindergarten program returned to their upgraded facility on Monday 18th May 2026.
Establish a new childcare centre in Lake Bolac.	▲	Council officers are continuing to liaise with potential childcare providers to deliver this project.
Deliver the CALD Outreach Initiative.	✓	The CALD Outreach Initiative for 2025/26 is complete. The broader CALD Outreach Initiative will continue until in 2027.

Services

The following statement provides information in relation to the services funded in the 2025/2026 budget and the persons or sections of the community who are provided the service. The figures presented are based on the cash basis of accounting.

Service	Description	Net Cost Actual Budget Variance $000
Planning	This statutory planning service is responsible for administering the Ararat Rural City Council Planning Scheme. It considers new planning scheme amendment proposals and reviews the Municipal Strategic Statement of the Ararat Planning Scheme.	409 302 (107)
Building Control	This service provides statutory building services to the community including processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	313 263 (50)
Environmental Health	This service protects the community's health and wellbeing by coordinating food safety programs, Tobacco Act activities, and overseeing wastewater systems and installations. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	146 161 15



Service performance indicators

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

Service/Indicator/Measure	Result 2022/2023	Result 2023/2024	Result 2024/2025	Result 2025/2026	Council Explanation
Statutory Planning					
Timeliness *Time taken to decide planning applications. [The median number of days between receipt of a planning application and a decision on the application]*	44	58	35	27	Council made 89 planning application decisions within the reporting period, 10 less than last year. A lower volume of applications, along with a period of stability in staff resourcing has seen a 22% decrease in time taken to decide planning applications since last year.
Service standard *Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100*	74.78%	78.91%	79.80%	85.39%	Council has a target of 90% of applications decided in required timeframes, with a commitment to improvement in this area. Although not quite meeting this target, a result of 85% has seen an increase on last year's result and well above state average for this indicator.
Service cost *Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received]*	$1854.77	$2649.99	$3365.80	$4477.43	A decreased number of planning applications processed this reporting period, but costs remaining steady for the service has seen a 33% increase in the cost per application.
Decision-making *Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100*	100.00%	0.00%	100.00%	0.00%	No Council planning decisions were taken to VCAT in this reporting period.

Service/Indicator/Measure	Result 2022/2023	Result 2023/2024	Result 2024/2025	Result 2025/2026	Council Explanation
Foot Safety					
Timeliness *Time taken to action food complaints* *[Number of days between receipt and first response action for all food complaints / Number of food complaints]*	1.00	1.20	3.80	1.71	Council received 7 food complaints for the 2025 year. Environmental health officers have worked to prioritise food complaints and food safety, having responded to/ acknowledged 6 out of the 7 complaints received within 1 business day, an almost 55% improvement on last year.
Service standard *Food safety assessments* *[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100*	100.00%	100.00%	100.00%	100.00%	Council undertook 100% of required food safety assessments on local food businesses for 2025
Service cost *Cost of food safety service* *[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]*	$746.53	$739.41	$904.60	$1028.69	There has been a 13% increase in the cost of Council's food safety service per registered food premises in 2025/2026. This is a result of a combination of less food businesses registered this reporting period, and an increase in the cost of our food safety contractors.
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 food premises] x100*	0.00%	100.00%	100.00%	100.00%	Council had one major non-compliance outcome notification for this reporting period, which was followed up in a timely manner.
Service standard *Food safety samples* *[Number of food samples obtained / Required number of food samples] x 100*	New	$100.00	110.00%	106.90%	Council's environmental health team completed 31 food samples in 2025, exceeding the required number of 29 for the reporting period.

Strategic Objective 2: Building Robust Local Economies

Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2025/2026 budget for the year.

Strategic Indicator/Measure	Result	Comments
Build stronger connections between AJTP and local industry, including promotion of industry internships for research students.	➔	The AJTP Advisory Group and the Future of the Regions group are focused on industry and stakeholder engagement. As PhD students commence their research projects the level of industry engagement is increasing.
Work with Federation University, community and industry stakeholders to apply for a grant for National Science Week in August 2026.	✓	Council collaborated with Federation University to submit an application to support National Science Week activities.
Continue to support the delivery of TAFE courses at the Ararat Jobs and Technology Precinct.	✓	Supporting the delivery of the Cert 3 in Early Childhood Education and Care courses has now become embedded in Council's day to day operations at the Precinct.
Work with Invest Victoria, Regional Development Victoria and private sector partners to develop plans for the ARCC Circular Economy Precinct.	➔	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
Continue to support Valorify P/L to develop a biogas plant in Ararat which uses straw as the major input.	➔	Council continues to strongly support Valorify P/L.
Seek funding from the Victorian Government's $10 million fund to unlock industrial trunk infrastructure to accelerate new industrial developments.	✓	The Trunk Infrastructure Fund opened on 13 February 2026. Council did not submit an application and instead provided support to emerging industries to apply. Council also continued to advocate for funding to be awarded to projects in Ararat Rural City
Deliver the Ararat Hills Outdoor Adventure Precinct Feasibility Study	▲	Engagement with key stakeholders on the feasibility study is underway.

Strategic Indicator/Measure	Result	Comments
Partner with local hospitality, accommodation, food and wine industry to develop an annual fine wine and food event within the municipality.	✓	Council staff and Grampians Wimmera Mallee Tourism identified that supporting the growth and development of an existing food and wine event in Ararat Rural City is likely to leverage a greater outcome with fewer resources than a new event.
Work with operators and Grampians Wimmera Mallee Tourism to deliver 4 star and above accommodation	✓	The quality of accommodation and tourism offerings in Ararat Rural City has significantly improved. Highlights include Mount William Station which won Gold at the 2025 Victorian Tourism Awards in the "5 Star Luxury Accommodation" category. More high quality accommodation options are in the pipeline.

Services

The following statement provides information in relation to the services funded in the 2025/2026 Budget and the persons or sections of the community who are provided the service. The figures presented are based on the cash basis of accounting.

Service	Description	Net Cost Actual Budget Variance $000
Economic Development	The economic development service assists in facilitation of business opportunity across the municipality. It aims to grow the local business sector and provide support for growth and development in employment. This service includes the Visitor Information Centre operations.	491 578 87

Strategic Objective 3: Preserving Our Environment

Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2025/2026 budget for the year.

Strategic Indicator/Measure	Result	Comments
Develop and adopt an ambitious business based on key partnerships and production of higher value outputs, that views municipal "waste" as an economic resource.	✓	The results of stakeholder's use of Council's compost created from green waste has demonstrated that this is a useful and valuable resource. Efforts will now focus on promotion of the availability of the compost to purchase from Council.
Continue to support Plastoil to develop a plastics recycling facility in Ararat.	✓	With Council's support, Plastoil reached a mature stage of planning and development.
Continue to support Valorify P/L to develop a biogas plant in Ararat which uses straw as the major input.	➔	Council continues to strongly support Valorify P/L.
Work with Federal and State Government and private sector partners to plan, fund and develop a circular economy industrial precinct.	▲	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.
Continue to advocate for greater policy confidence and support for renewable gas generation	➔	This issue has been identified as a priority in the 2026 Advocacy Priorities.
Deliver the Pomonal Community Hall Battery Project with the Central Victorian Greenhouse Alliance and with support from the 100 Neighbourhood Batteries Grants Program.	✓	The installation of the new battery was completed on 17 June 2026.
Deliver the Roadside Weeds and Pests Program.	✓	The Roadside Weeds and Pest Program for 2025/26 was successfully completed.
Explore a model for collaborating with community asset committees to use rooftop solar to increase use of renewable energy at community facilities.	✓	Council attempted to secure funding from the Community Energy Upgrades Fund but was unsuccessful. Council will continue to liaise with interested community asset committees to explore rooftop solar and renewable energy options at community facilities.

Services

The following statement provides information in relation to the services funded in the 2025/2026 budget and the persons or sections of the community who are provided the service. The figures presented are based on the cash basis of accounting.

Service	Description	Net Cost Actual Budget Variance $000
Waste Management	This service provides for collection and processing of four materials streams from household collection: general waste, mixed recyclables, glass and green organics. Council has committed to local processing where possible. Council has local processing of green organics and glass at the Ararat Transfer Station.	554 87 (467)
Natural Resources & Sustainability	This service promotes environmentally sustainable development principles, coordinates and implements environmental projects, and works with other services to improve Council's environmental performance. Projects include roadside weeds and pests and renewable energy projects.	(20) 5 25
Parks and Gardens	This service covers a range of areas such as grass and turf cutting, tree pruning, planting, removal, planning and street tree strategies, management of conservation and parkland areas, creeks and other areas of environmental significance. This function is responsible for playground maintenance and safety improvement programs.	1,636 1,538 (98)
Emergency Services Management	This service includes emergency services management and fire prevention.	(151) (24) 127



Service performance indicators

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

Service/Indicator/Measure	Result 2022/2023	Result 2023/2024	Result 2024/2025	Result 2025/2026	Council Explanation
Waste Collection					
Service standard *Kerbside collection bins missed* *[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000*	16.63	7.59	10.36	16.89	Although Council's waste team have worked hard to refine the 4 bin service since 2023, Council have reported 166 more missed bins this year compared to last year. The introduction of the app Snap, Send Solve has seen an easier community reporting process to report missed bins. Difficulty cross checking reports is also an issue that will hopefully be addressed with some changes in the way the routes are recorded. This remains an area to be addressed over the next reporting period.
Service cost *Cost of kerbside garbage bin collection service* *[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]*	$186.99	$203.70	$216.93	$198.26	Council has seen a slight decrease in cost of both garbage and recyclables collection this period. A decision to in-house the hook truck service for skip bin collection (garbage and recycling), plus a more updated fleet of waste trucks on a leased arrangement have seen lower running costs (tyres/registration etc) and less spent on repairs and maintenance.
Cost of kerbside recyclables collection service *[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]*	$78.53	$82.15	$93.61	$81.95	Council has seen a slight decrease in cost of both garbage and recyclables collection this period. A decision to in-house the hook truck service for skip bin collection (garbage and recycling), plus a more updated fleet of waste trucks on a leased arrangement have seen lower running costs (tyres/registration etc) and less spent on repairs and maintenance.
Waste Diversion *Kerbside collection waste diverted from landfill* *[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100*	22.90%	25.17%	61.21%	58.97%	The introduction of a four bin system incorporating kerbside waste, recycling, organics and glass collection in 2023 has helped promote diversion of waste from landfill. Council set a target of 40% of diversion of waste from landfill for this reporting period.

Strategic Objective 4: Developing and Maintaining Key Enabling Infrastructure

Strategic indicators

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

Strategic Indicator/Measure	Result	Comments
Develop the Asset Plan 2025-35.	✓	The Asset Plan 2025-35 was adopted at the October 2025 Council Meeting.
Continue to advocate for the Western Highway Upgrade from Buangor to Ararat.	➔	The Federal and State Governments announced on 15 May 2026 that construction on the Western Highway Upgrade between Buangor and Ararat will begin before the end of 2026.
Continue to advocate for a North South Heavy Vehicle Route.	➔	This issue has been identified as a priority in the 2026 Advocacy Priorities.
Progress plans and costings for a new indoor sports facility and the outdoor pool upgrade.	~	Basketball Victoria released new facility guidelines in May 2026. The concept designs are being reviewed against the latest guidelines. The concepts for the outdoor pool upgrade is also being reviewed in light of recent community feedback received through the Budget and the Sport and Active Recreation Strategy engagement processes.
Deliver the Community Road Safety Strategy.	✓	The draft Strategy was presented to Council at the April Council Meeting for consideration, with the final document adopted at the September 2026 Meeting.
Deliver the Ararat Rural City Sport and Active Recreation Strategy.	✓	This Strategy was adopted at the May 2026 Council Meeting.
Deliver the 2025/26 Capital Works Program.	✓	The 2025/26 Capital Works Program was delivered successfully.

Services

The following statement provides information in relation to the services funded in the 2025/2026 budget and the persons or sections of the community who are provided the service. The figures presented are based on the cash basis of accounting.

Service	Description	Net Cost Actual Budget Variance $000
Design & Project Management	This service conducts capital works planning for Council's main civil infrastructure assets including roads, laneways, carparks, foot/ bike paths, drains, and bridges. This service undertakes design and supervision of Council's capital works program. Most staffing and design costs are capitalised within completed projects.	819 678 (141)
Property Maintenance & Capital	This service prepares maintenance management programs for Council's property assets including municipal buildings, pavilions and other community buildings. The service also includes emergency building and facility maintenance. This service includes capital expenditure on Council's property assets in order to optimise their strategic value and service potential.	1,531 925 (606)
City Services	This service includes street lighting, Aerodrome operations and the operations, maintenance, and cleaning of public conveniences throughout the municipality.	674 771 97
Infrastructure – Miscellaneous	This service includes private works, maintenance of water supplies and emergency bores.	25 75 50
Road Maintenance	This service provides for management and maintenance on Council's infrastructure incorporating roads, bridges, drainage, footpaths, kerb and channel, street furniture, line marking and signage.	4,576 3,342 (1,234)
Major Plant	This service operates and maintains Council's major plant and equipment, to meet functionality and safety needs and to maximise the performance and minimise the operational cost of the fleet.	1,572 1,450 (122)
Major Plant Recoups	Plant used on works generates plant hire income used to fund operations and maintenance and the replacement of the major plant.	(2,200) (1,450) 750
Minor Plant	This service purchases and maintains Council's minor plant and equipment, including trailers.	10 0 (10)
Infrastructure Capital	This service provides for capital expenditure on Council's infrastructure incorporating roads, bridges, drainage, footpaths, kerb and channel, streetscapes and car parks.	(703) 4,241 4,944
Funded Infrastructure Projects - Capital	This service includes the delivery of one-off capital infrastructure projects partly or wholly funded by non-recurrent government grants.	(765) 0 765
Asset Management	This service predominantly provides asset management services. The service also approves and supervises infrastructure works associated with private development activities.	(25) (15) 10

Service performance indicators

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

Service/Indicator/measure	Result 2022/2023	Result 2023/2024	Result 2024/2025	Result 2025/2026	Council Explanation
Roads					
Satisfaction of use *Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x 100*	7.07	6.08	5.53	10.85	In 2024/2025, Council received 42 sealed local road requests. This has increased to 84 requests in 2025/2026. This increase in sealed local roads requests can be attributed to Council's introduction of an easier reporting process for ratepayers. Council signed up to the Snap, Send Solve application and have promoted this throughout the municipality as a tool for the community to report issues to Council. This has seen an increase in requests to Council in general through this medium.
Condition *Sealed local roads maintained to condition standard [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100*	100.00%	100.00%	100.00%	100.00%	Council has had no roads fall below the renewal intervention level this year. A proactive approach by Council's roads team has seen maintenance conducted regularly and pre-emptively, to ensure sealed roads remain at condition standard.
Service cost *Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]*	$53.32	$35.13	$39.44	$25.59	The cost of sealed local road construction per square metre is reporting 35% lower than last reporting period. A couple of factors have caused this decrease. Firstly, we have 70% of our planned sealed road reconstruction for this period still being completed, therefore will be reported on in the 2026/2027 period. The majority of works that were completed were using a more cost effective seal called OTTA seal, that uses waste tyre rubber for bitumen binder. Next year we will see a return to a more average cost per square metre with greater works completed with traditional materials.

Service/Indicator/measure	Result 2022/2023	Result 2023/2024	Result 2024/2025	Result 2025/2026	Council Explanation
Cost of sealed local road resealing *[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]*	$5.57	$6.06	$6.51	$0.00	Council did not complete a reseal program in the 2025/2026 reporting period. This was due to the budget being spent in advance in 2024/2025, prior to expected pricing increases.
Satisfaction *Satisfaction with sealed local roads* *[Community satisfaction rating out of 100 for how Council has performed on the condition of sealed local roads]*	58	51	54	56	This result reflects an improvement in community satisfaction with Council's local roads compared to recent years. It is envisaged that the ongoing investment in road renewal outlined in Council's budget 2025/2026 will continue to improve community satisfaction in the longer term.



Strategic Objective 5: Enhancing Community Life

Strategic Indicators

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

Strategic Indicator/Measure	Result	Comments
Deliver artist and community group exhibits in the Barkly St Laneway and Community Wall within the Ararat Gallery TAMA.	✓	The exhibit programs for the Barkly St Laneway and Community Wall to 30 June 2026 from the EOI process was finalised and works were exhibited on the Community Wall and in the Laneway throughout the year.
Increase participation in programs at Ararat Gallery TAMA.	✓	Ararat Gallery TAMA increased its promotion of events and programs, and the strength and reputation of artists and exhibitions. This approach will continue where possible, in order to maintain this growth in participation. The number of school students visiting TAMA as part of a school groups also increased significantly in 2025/26.
Investigate ways to maximise scheduling of community events at the Town Hall.	✓	The Town Hall reviewed its previous bookings and schedules, and identified that the number of events has been increasing each year, with a strong level of community usage. Auditorium utilisation has increased from 105 bookings in 2023/24, to 153 bookings in 2024/25 and 129 for 2025/26. Community are encouraged to reach out to the Town Hall as early as possible to secure their bookings.
Identify innovative ways to increase the promotion and reach of performances at the Town Hall.	✓	A staffing and structural update occurred within the Arts Precinct that better integrated our arts, culture, visitor services and venue operations, as well as increased the promotion, reach and participation in events and programs.
Deliver the first of three years of the Youth Events, Activities and Happenings (YEAH) Crew.	✓	YEAH Crew program for 2025/26 was completed and is continuing in 2026/27.
Deliver young people's programs across schools, largely through the Crazy Ideas College.	✓	Crazy Ideas College completed their 2025/26 program and have commenced activities for 2026/27.
Work with community groups to deliver an annual Volunteer Expo.	✓	Council have promoted and supported range of community events held by other groups and organisation to recognise and celebrate volunteers across the municipality.

Strategic Indicator/Measure	Result	Comments
Promote the benefits and achievements of volunteers, to encourage participation.	→	Applications to join Council's volunteer team opened. The application form and Frequently Asked Questions are available via Engage Ararat.
Develop the Disability Action Plan.	~	Public consultation and engagement on for the development of the Disability Action Plan will commence in early 2026/27.
Develop the Municipal Public Health and Wellbeing Plan 2025-29.	✓	The Municipal Public Health and Wellbeing Plan 2025-29 was adopted at the October 2025 Council Meeting.
Hold quarterly meetings of the Child Friendly Cities and Communities Working Group.	✓	All quarterly meetings of the Working Group were held in 2025/26.
Deliver multicultural events.	✓	Council partnered with the Grampians/ Gariwerd Rural Australians for Refugees, Ararat Neighbourhood House, and many other community organisations and groups to deliver the Ararat Cultural Showcase Lunch at Alexandra Oval Community Centre on 6 December 2025 and Harmony Day at the Ararat Town Hall on Saturday 21st March 2026.

Services

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

Service	Description	Net Cost Actual Budget Variance $000
Ararat Gallery TAMA	This service includes the operations, projects, exhibitions, acquisitions and administration of the Ararat Gallery TAMA.	367 351 (16)
Ararat Town Hall	This service operates and manages the Ararat Town Hall which provides artistic programs for the region.	629 528 (101)
Gum San Chinese Heritage Museum	Management of Gum San has been handed over to the Friends of Gum San. Council has an MoU with the group and continues to provide financial and maintenance support.	30 24 (6)
Community and Events Support	This service provides for the employment of community development staff who work with communities to develop community action plans and implement other community building initiatives.	58 56 (2)
Recreation Services	This service provides some services to young people. Most of the recreational services function has been rolled into the Ararat Fitness Centre activity.	62 100 38

Service	Description	Net Cost Actual Budget Variance $000
Ararat Fitness Centre and Outdoor Pools	This service operates and maintains a range of recreational facilities including aquatic facilities, indoor (1) and outdoor (3) swimming pools. The Ararat Fitness Centre provides an extensive range of recreational programs and opportunities accessible to individuals of all ages, sexes and abilities which contribute to the general wellbeing of the community.	794 713 (81)
Alexandra Oval Community Centre and Great Hall	This service operates and maintains the Alexandra Oval Community Centre, Gordon Street Oval and Great Hall. The facilities provide the Ararat and greater Grampians community, clubs and businesses with centrally located, high quality, modern, flexible and dynamic multipurpose community and recreation spaces.	93 40 (53)
Library Services	This service provides public library services at the Ararat Library and the Lake Bolac Business and Information Centre and through the mobile library outreach service to rural communities.	258 310 52
Positive Ageing	This service includes Senior Citizens support and grant funding for service system resourcing.	7 0 (7)
Children Services	This service provides family-oriented support services including maternal and child health, immunisation and early childhood education and support.	39 44 5
Community Safety	This service maintains and improves the health and safety of people, animals and the environment in Council by providing animal management services including a cat trapping program, a dog and cat collection service, a pound service, a registration and administration service, and an after-hours emergency service. This service also includes local laws and parking enforcement and the operations of the school crossings.	262 142 (120)
Funded Recreation Projects - Capital	This service includes the delivery of one-off capital building projects partly or wholly funded by non-recurrent government grants.	2,151 0 (2,151)



Strategic Indicators

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

Service/Indicator/Measure	Result 2022/2023	Result 2023/2024	Result 2024/2025	Result 2025/2026	Council Explanation
Animal Management					
Timeliness *Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]*	1	1	1	1	All animal management requests received by Council were acknowledged within 1 business day. Council places a strong emphasis on responsible pet ownership and community safety.
Service standard *Animals reclaimed [Number of animals reclaimed / Number of animals collected] x 100*	30.95%	39.72%	48.57%	41.96%	Of the 255 animals collected by Council, 107 were reclaimed. This is 13% less than last reporting period, however we have seen a 16% higher percentage of animals rehomed during 2025/2026 financial year.
Animals rehomed [Number of animals rehomed / Number of animals collected] x 100	11.11%	24.71%	37.04%	43.24%	Council has rehomed 43% of animals this reporting period, a 16% higher figure than last year. Council continues to work with animal adoption organisations to re-house all suitable animals who are unable to be reunited with their owners or are surrendered. Some animals collected from Council's cat trapping program are also often unsuitable for re-homing.
Service cost *Cost of animal management service per population Direct cost of the animal management service / Population]*	$20.02	$22.96	$20.21	$24.85	Council has seen an increase in the cost of animal management service due to additional FTE hired within the community safety team for increased service delivery in this area.
Health and safety *Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100*	100%	0%	0%	0%	There were no animal management prosecutions during this reporting period.

Service/Indicator/Measure	Result 2022/2023	Result 2023/2024	Result 2024/2025	Result 2025/2026	Council Explanation
Maternal and Child Health (MCH)					
Service standard *Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100*	100.00%	97.89%	101.16%	101.74%	Enrolments in Council's Maternal Child Health service remain consistently high. Council's result of over 100% this reporting period is due to a relocation from outside the municipal area.
Service cost *Cost of the MCH service [Cost of the MCH Service / Hours worked by MCH nurses]*	$80.82	$82.24	$80.85	$87.04	The cost of the Maternal Child Health service has increased by 7% compared to last reporting period due to increased running costs of the service along with a slight increase of staff costs.
Participation *Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100*	84.87%	87.11%	83.35%	84.87%	Participation levels have remained steady on last reporting period, with Council continuing to review engagement practices within the maternal and child health service to increase participation rates.
Participation in the MCH service by Aboriginal children [Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	90.48%	89.47%	87.10%	88.10%	Participation levels remain steady amongst aboriginal children in the service. Low numbers in this indicator creates sensitivity when reporting in percentages, however attendance in the program continues to be strong.
Satisfaction *Participation in 4-week Key Age and Stage visit [Number of 4-week Key Age and Stage visits / Number of birth notifications received] x 100*	104.67%	90.53%	108.14%	94.78%	This indicator shows the percentage of infants enrolled in the MCH service who participated in a 4 week Key Age and Stage visit. This figure has remained steady and within the normal range from the last several years. Last reporting period, the figure was over 100% due to timing difference that can occur between birth notices being received and the home visit being completed across reporting periods.

Service/Indicator/Measure	Result 2022/2023	Result 2023/2024	Result 2024/2025	Result 2025/2026	Council Explanation
Aquatic Facilities					
Service standard *Health inspections of aquatic facilities* *[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]*	1.00	1.00	1.00	1.00	All four of Council's aquatic facilities underwent an inspection during the 2025/2026 financial year. Aquatics staff also assess water quality four times daily, and records of results are maintained at all locations.
Utilisation *Utilisation of aquatic facilities* *[Number of visits to aquatic facilities / Municipal population]*	3.05	4.91	5.67	5.29	The 2025/2026 reporting period has seen a slight decrease in overall utilisation of aquatic facilities. Ararat Fitness Centre has shown steady numbers however Lake Bolac and Willaura pools attendances were down slightly. This is attributed to the Willaura pool being closed for maintenance until the start of January. Tourist numbers were down in Lake Bolac for the season with Lake Bolac unusable from blue green algae. The weather and cooler days also meant there were less days open at the rural pools
Service cost *Cost of aquatic facilities* *[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]*	$16.24	$13.02	$11.09	$12.27	An increase in cost per visit relates slightly to the decrease in visitation, but can also be attributed to increased costs in pool maintenance and running costs of the pools (insurance costs, energy, chemical etc.)
Libraries					
Resource currancy *Recently purchased library collection* *[Number of library collection items purchased in the last 5 years / Number of library collection items] x 100*	54.92%	51.21%	53.29%	49.24%	The purchasing of book stock is managed under a service agreement with the City of Ballarat, who ensures a modern and relevant library collection. There is also an increasing focus on digital stock, including e-audio, e-magazines and e-books to meet demand in this area. Although this result is consistent with previous years, Council aims to reduce its collection of older stock to keep this result over 50% next financial year.
Service cost *Cost of library service per population* *[Direct cost of the library service / Population]*	$29.83	$28.96	$30.20	$32.73	An increase in running costs of the library service has seen an 8% increase in the cost of Library service per head of population for this reporting period.

Service/Indicator/Measure	Result 2022/2023	Result 2023/2024	Result 2024/2025	Result 2025/2026	Council Explanation
Libraries (cont'd)					
Utilisation *Loans per head of population* *[Number of library collection item loans / Population]*	New	3.69	2.46	2.59	This indicator is an assessment of the degree to which Council's library items are utilised by the community. Council's result of 2.59 loans per head is steady with the previous year. Council is committed to providing a modern, relevant library service to the community and acknowledges that this indicator only assesses the borrowing of resources and not other services offered by the Library. (ie programs, public internet access, etc)
Participation *Library membership* *[Number of registered library members / Population] x1 00*	New	19.11	19.12%	19.41%	This indicator is an assessment of the degree to which the community participate in Council's library service. Council's result of 19.41% is reflective of a small rural Council and has remained steady from the previous year. Its also important to note that patrons don't need to be Library members to access many of the Library services ie public PCs, photocopying, etc.
Library visits per head of population *[Number of library visits / Population]*	New	1.97	2.17	2.16	The Ararat Library service (incorporating Lake Bolac Library) had 2.16 visits per head of population during this reporting period, remaining steady from last period. Council is actively working to encourage new members and diversify programming to attract new visitors to the Library.

Strategic Objective 6: Strong and Effective Governance

Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2025/2026 budget for the year.

Strategic Indicator/Measure	Result	Comments
Deliver operational efficiencies to reduce avoidable overtime and improvements in casual staff rostering.	✓	Efficiencies in casual staffing arrangements were identified and implemented. Further efficiencies will continue to be found as part of continuous improvement.
Undertake a review of Council's insurance coverage and policies to ensure they continue to provide value for money.	✓	Multiple meetings were held with insurance representatives and all opportunities for cost efficiencies were found and implemented.
Undertake the Strategic Internal Audit Program – 5 years.	✓	The Strategic Internal Audit Program items for 2025/26 were completed.
Develop the 2026-2030 Gender Equality Action Plan (GEAP).	✓	Development of the 2026-30 GEAP was completed.
Ensure appropriate analysis of all inquiry and investigation reports relevant to Council operations are examined and recommendations implemented.	➔	Each external enquiry and investigation undertaken in the local government sector is examined and appropriate actions undertaken. Significant issues and remedies are reported to the audit and risk committee.
Deliver a new Customer Request Management System (CRMS) integrated with the Snap Send Solve app.	✓	The Snap Send Solve app was rolled out in July 2026.
Develop a regular biannual program of face-to-face community engagement opportunities.	✓	Community Engagement Program 2025/26 was adopted at the November 2025 Council Meeting and implemented from December 2025 onwards.

Services

The following statement provides information in relation to the services funded in the 2025/2026 budget and the persons or sections of the community who are provided the service. The figures presented are based on the cash basis of accounting.

Service	Description	Net Cost Actual Budget Variance $000
Corporate Revenue	This service includes Council's rates and charges revenue, interest income and general-purpose grant funds received from the Victorian Local Government Grants Commission.	(20,679) (21,190) (511)
Financial Services	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, procurement practices and contracting of services, raising rates and charges and the processing of accounts payable and receivables. This service also includes property management and corporate expenses including stationery, telecommunications, revenue collection fees and valuations.	741 905 164
Customer Services	This service includes the customer service operations of the Municipal Office.	284 252 (32)



Service	Description	Net Cost Actual Budget Variance $000
Property Operations	This service is responsible for the operations of Council's assets, including insurances and utility charges such as water and electricity. The service also includes Council's building, land and property leases and licenses.	(41) (79) (38)
Vehicles	This service operates, maintains and purchases Council vehicles, excluding major plant and equipment, to meet functionality and safety needs and to maximise the performance and minimise the operational cost of the fleet.	355 339 (16)
CEO's Office	This area includes Chief Executive Officer and executive support. This service includes media and communications, marketing and government relations.	1,236 1,202 (34)
Funded Operating Projects	This service includes the delivery of one-off operating projects partly or wholly funded by non-recurrent government grants.	637 21 (616)
Community Support Grants	This service provides support grants to community organisations for projects, sponsorships, and minor capital and community infrastructure.	78 100 22
Human Resources	This service provides Council with strategic and operational organisation development support. The service develops and implements strategies, policies and procedures through the provision of human resources and industrial relations services. This service includes training programs and business excellence. This service also includes payment of salaries and wages to Council employees.	461 389 (72)
Governance	This service provides support to the Mayor, Councillors and executive support. This service provides statutory and corporate support services to Council, including coordination of business papers for meetings of the Council and maintenance of statutory registers. This service also provides facilities maintenance grants for recreation reserves and public halls and coordinates risk management.	1,302 1,329 27
Business Transformation	This service includes service reviews and business improvement.	619 492 (127)
Information Services	This service provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way.	1,335 975 (360)

Service performance indicators

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

Service/Indicator/Measure	Result 2022/2023	Result 2023/2024	Result 2024/2025	Result 2025/2026	Council Explanation
Governance					
Transparency *Council decisions made at meetings closed to the public* *[Number of council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x 100*	20.33%	19.55%	11.45%	12.28%	Council have reviewed how items are taken to Council meetings with an eye to ensuring maximum transparency around Council decision making. Majority of Council decisions this reporting period were made in open Council meetings, with only 12% made in closed meetings. (Majority of these were pertaining to contracts/tenders etc).
Consultation and engagement *Satisfaction with community consultation and engagement* *[Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]*	60	59	59	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.
Attendance *Councillor attendance at Council meetings* *[The sum of the number of councillors who attended each ordinary and special Council Meeting / (Number of ordinary and special Council Meetings) x (Number of councillors elected at the last Council general election)] x100*	96.43%	92.86%	91.67%	94.51%	Councillor attendance at Council meetings remains consistently high, reflecting Councillor's commitment to active participation in decision making.

Service/Indicator/Measure	Result 2021/2022	Result 2022/2023	Result 2023/2024	Result 2024/2025	Council Explanation
Governance (cont'd)					
Service cost *Cost of elected representation [Direct cost of the governance service / Number of councillors elected at the last Council general election]*	$39,746.14	$41,735.57	$43,567.71	$46,062.14	The cost of elected representation remains steady, a slight increase is due to a change in Mayor and Councillor allowances. These are set by the Victorian Independent Remuneration Tribunal.
Satisfaction *Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]*	60	61	59	60	Satisfaction with Council making decisions in the interest of the community increased by one point compared to the previous year, to 60. The state average result for similar sized Councils is 50. Council is committed to continuous and ongoing improvement in this area.

Reconciliation of Cash Result with Operating Result

	Net Cost Revenue $'000
Growing Our Place	868
Building Robust Local Economies	491
Preserving Our Environment	2,019
Developing and Maintaining Key Enabling Infrastructure	5,514
Enhancing Community Life	4,750
Strong and Effective Governance	(13,670)
Total	**(28)**

Less capital expenditure on fixed assets	(15.063)
Add depreciation	11,436
Add depreciation – right of use assets	459
Add written down value of assets sold	159
Less fair value adjustments for investment property	(195)
Add increase in unearned revenue	4,542
Less non-monetary contribution	(1,815)
Less share of net profit in joint venture	(90)
Less contribution to joint venture	(500)
Add decrease in prepayments	3
Less repayment of borrowings	(156)
Less repayment of lease liabilities	(426)
Add transfer from reserves	9,421
Less transfer to reserves	(16,653)
Operating (Surplus) / Deficit for the Year	**(8,906)**

Governance, Management and Other Information



Governance

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

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

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

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

SPECIAL COMMITTEES

Council does not have any Special Committees

COUNCIL CODE OF CONDUCT

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

CONFLICT OF INTEREST

Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of Conflict of Interest is a standard Council Meeting agenda item. During 2025/2026, 3 conflicts of interest were declared at Council Meetings.

COMMUNITY ENGAGEMENT

Council adopted its Community Engagement Policy on 27 January 2026.

Meetings of Council

Council conducts open public meetings on the last Tuesday of each month. Council meetings also provide the opportunity for community members to submit questions to the Council.

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

Council Meetings also provide the opportunity for community members to submit a request to address Council or make a submission or presentation. For the 2025/2026 term Council held the following meetings:

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

The following table provides a summary of Councillors' attendance at Council Meetings and Special Council Meetings for the 2025/2026 financial year.

Councillors	Council Meetings	Statutory Meeting	Unscheduled Council Meetings	Total
Cr Bob Sanders* (Mayor)	11	1	0	12
Cr Teli Kaur (Deputy Mayor)	11	1	1	13
Cr Jo Armstrong**	11	1	1	13
Cr Rob Armstrong	10	1	1	12
Cr Peter Joyce	11	1	1	13
Cr Luke Preston	10	1	1	12
Cr Bill Waterston	9	1	1	11

* Deputy Mayor until Statutory Meeting held on 11 November 2025
** Mayor until Statutory Meeting held on 11 November 2025

Delegated Committees

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

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

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

Delegated committee	Councillors	Officers	Other	Purpose
Alexandra Hall Community Asset Committee[1]	0	1	8	To assist Council to economically manage community assets and assist in the management, control and maintaining of the facility.
Buangor Community Sport Centre Community Asset Committee[1]	0	1	11	
Elmhurst Public Hall Community Asset Committee[1]	0	1	10	
Lake Bolac Memorial Hall Community Asset Committee[1]	0	1	7	
Maroona Recreation Reserve Community Asset Committee[1]	0	1	9	
Mininera Recreation Reserve Community Asset Committee[1]	0	1	7	
Moyston Public Hall Community Asset Committee[1]	0	1	8	
Pomonal Hall Community Asset Committee[1]	0	1	7	
Streatham Memorial Hall Community Asset Committee[1]	0	1	13	
Tatyoon Hall and Recreation Reserve Community Asset Committee[1]	0	1	12	
Warrak Public Hall Community Asset Committee1	0	1	8	
Wickliffe Recreation Reserve Community Asset Committee[1]	0	1	17	
Willaura Recreation Reserve Community Asset Committee[1]	0	1	9	
Yalla-Y-Poora Community Centre Community Asset Committee[1]	0	1	9	

[1]Has delegated functions, duties or powers

Mayor, Deputy Mayor and Councillor Allowances

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

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

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

Councillors	Allowance $
Cr Bob Sanders*	74,149
Cr Teli Kaur*	39,196
Cr Jo Armstrong*	50,582
Cr Rob Armstrong	28,109
Cr Peter Joyce	28,109
Cr Luke Preston	28,109
Cr Bill Waterston	28,109
*includes Mayor Allowance and Deputy Mayor Allowance	

Councillor Expenses

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

The details of the expenses, including reimbursement of expenses for each Councillor paid by the Council for the 2025/2026 year, are set out in the following table

Councillor	Attendances Meals/Dining $	Travel $	Conferences and Training $	Information and Communication Technology $	Mayoral Vehicle (car mileage expenses) $	Total $
Cr Sanders	714.27		608.18	163.68	3192.84	**4678.97**
Cr Kaur	311.49	407.52	2640.81	163.68	-	**3523.50**
Cr J Armstrong	886.40	2252.99		381.72	-	**3521.11**
Cr R Armstrong	-			163.68	-	**163.68**
Cr Joyce	190.50			163.68	-	**354.18**
Cr Preston	70.00			163.68	-	**233.68**
Cr Waterston	-			163.68	-	**163.68**
Totals	**2172.66**	**2660.51**	**3248.99**	**1363.80**	**3192.84**	**12638.80**

Management

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

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

Audit and Risk Committee

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

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

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

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

Internal Audit

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

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

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

The Internal Auditor completed the following reviews during 2025/2026:

- Rates Revenue and Debtor Management
- Environmental Health – service review
- Waste Management
- Records Management

External Audit

Council is externally audited by the Victorian Auditor-General. For the 2025/2026 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend Audit and Risk Committee meetings as required, to present the annual audit plan and Independent Audit Report. The external audit management letter and management's responses are also provided to the Audit and Risk Committee.

Risk Management

Council's commitment to risk management has supported its progression towards an embedded risk management culture. Council continues to work towards being an organisation that works to reduce risk in all its operations whilst balancing risk with innovation by meeting the requirements of the Strategic Objectives in the Council Plan 2025-2029

6 Strong and Effective Governance

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

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

6.2 Ensure appropriate risk management is applied to Council and organisational decisions. Council's internal function is applied to areas of perceived risk.

6.3 Continuously improve Council's community engagement process and practices in line with deliberative engagement practices, while acknowledging the need for a range of different techniques to ensure effective engagement.

In June 2026 Council reviewed and adopted the Risk Management Policy and Risk Management Framework in line with best practice in the management of business enterprise risks and current AS/NZS ISO 31000 principles and guidelines. The Risk Management Policy and Risk Management Framework addresses such items as:

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

Governance and Management Checklist

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

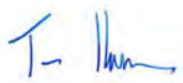
	Governance and Management Items	Assessment
1	**Community Engagement Policy** (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date adopted: 27 January 2026
2	**Community Engagement Guidelines** (guidelines to assist staff to determine when and how to engage with the community)	Community Engagement Policy includes: Appendix 2 Community Engagement Template and Appendix 3 Engagement Checklist included Date adopted: 27 January 2026
3	**Financial Plan** (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date adopted: 27 May 2025
4	**Asset Plan** (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act Asset Plan Date adopted: 28 October 2025
5	**Revenue and Rating Plan** (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act Date adopted: 27 May 2025
6	**Annual Budget** (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act Date adopted: 26 May 2026
7	**Risk Policy** (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of commencement of current policy: 30 June 2026
8	**Fraud Policy** (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of commencement of current policy: 30 April 2024
9	**Municipal Emergency Management Plan** (plan under section 60ADB of the Emergency Management Act 2013 for emergency mitigation, response and recovery)	Prepared and maintained in accordance with section 60ADB of the Emergency Management Act 2013 Date of preparation: 20 May 2026

	Governance and Management Items	Assessment
10	**Procurement Policy** (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by Council)	Adopted in accordance with section 108 of the Act Date adopted: 17 June 2025
11	**Business Continuity Plan** (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Business Continuity Plan Date of commencement of current plan: 27 August 2024
12	**Disaster Recovery Plan** (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Disaster Recovery Plan Date of commencement of current plan: 27 January 2010
13	**Compliant policy** (Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints)	Policy developed in accordance with section 107 of the Act. Date of commencement: 21/01/2026
14	**Workforce plan** (Plan outlining Council's committment and approach to planning the current and future wrokforce requirements of the organisation)	Plan developed in accordance with section 46 of the Act. Date of commencement: 01/07/2025
15	**Payment of rates and charges hardship policy** (Policy outlining Council's commitment and approach to assisting rate payers experiencing financial hardship or difficulty paying their rates)	Current policy in operation. Date of commencement: 30/07/2024
16	**Risk Management Framework** (framework outlining Council's approach to managing risks to Council's operations)	Risk Management Framework Date of commencement of current framework: 30 June 2026
17	**Audit and Risk Committee** (see sections 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date established: 17 June 1997
18	**Internal Audit** (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider: 23 December 2008
19	**Performance Reporting Framework** (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Local Government Act 2020)	Framework Date of operation of current framework: 01 July 2014

	Governance and Management Items	Assessment
20	**Council Plan Report** (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Council Plan Action Report Date of reports: 25 August 2025 30 September 2025 28 October 2026 25 November 2026 27 January 2026 24 February 2026 31 March 2026 28 April 2026 26 May 2026 30 June 2026
21	**Financial reporting** (quarterly statements to Council under section 97(1) of the Local Government Act 2020, comparing actual and budgeted results and an explanation of any material variations)	Reports presented to Council in accordance with section 97(1) of the Local Government Act 2020 Date reports presented: 25 August 2025 30 September 2026 25 October 2025 25 November 2025 27 January 2026 24 February 2026 31 March 2026 28 April 2026 26 May 2026 30 June 2026
22	**Risk reporting** (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 25 September 2025 26 January 2026 31 March 2026 30 June 2026
23	**Performance Reporting** (6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Local Government Act 2020)	Reports Date of reports: 25 August 2025 30 September 2025 25 October 2025 25 November 2025 27 January 2026 24 February 2026 31 March 2026 28 April 2026 26 May 2026 30 June 2026

	Governance and Management Items	Assessment
24	**Annual Report** (annual report under sections 98,99 and 100 of the Local Government Act 2020 containing a report of operations and audited financial and performance statements)	Presented at a meeting of Council in accordance with section 100 of the Act Date presented: 27 January 2026
25	**Councillor Code of Conduct** (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act Date reviewed: 28 January 2025
26	**Delegations** (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of reviews: S5 26 August 2025 S6 25 November 2025 S7 18 November 2025 S12 4 July 2025 S13 13 November 2025 S14 18 November 2025 S16 23 March 2023 S18 28 February 2023
27	**Meeting Procedures** (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date adopted: 25 March 2025

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



Dr Tim Harrison
Chief Executive Officer
Dated: 29 September 2026



Cr Bob Sanders
Mayor
Dated: 29 September 2026

Statutory Information

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

Public Transparency Policy

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

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

Freedom of Information

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

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

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

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

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

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

Contracts

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

Council issued 30 tenders in 2025/2026, covering the following service categories:

- capital and infrastructure works, including footpaths, roads and bridges
- building renovations
- Solar battery installation

Disability Action Plan

The development of Council's Disability Action Plan has been guided by Council's ongoing commitment to inclusion and its obligations under the Disability Act 2006.

During 2025/2026, Council sought expressions of interest from the community to form a dedicated DAP Working Group, partnering with the community to develop a Disability Action Plan (DAP) that reflects real community needs and delivers practical, meaningful change across the municipality.

This group brings together Council representatives, community members with lived experience of disability, and organisations with expertise in inclusive practices, ensuring the plan is informed by diverse perspectives and real-world insight. Alongside this, broader community and stakeholder reference groups have provided additional opportunities for input, helping to shape a plan that reflects the needs and priorities of the Ararat Rural City community.

Council's DAP Working Group have prepared a Discussion Paper which was made publicly available to help generate community discussion and feedback. Council also held a series of community consultation sessions to provide residents with a range of opportunities to participate and have their say.

Following community feedback, Council is continuing to work with its DAP Working Group to finalise the Disability Action Plan to present to Council for adoption in 2026/27.

Domestic Animal Management Plan (DAMP) Statistics and Data (2025/2026)

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

Council adopted an amendment to the Domestic Animal Management Plan 2021-2025 in September 2022. Council are currently in the process of preparing the Domestic Animal Management Plan 2026-2030. The updated plan will be developed through consultation with Council's Community Safety Team and input from other Council departments. The new DAMP will be provided for public exhibition, with the community and partner agencies invited to give input.

Council continued to work with rescue organisations over the past year, resulting in Council achieving the target of less than 7% of dogs (1.5%) entering the pound being euthanised.

Of the 131 dogs processed, over 78% were returned to their owners and 19% were rehoused, adopted, or taken in by a rescue organisation. Two dogs were euthanised due to aggressive behaviours making them unsuitable for rehousing.

Of the 135 cats processed, 82 were euthanised as part of the feral trapping program and 8 for aggressive behaviours making them unsuitable for rehousing. A total of 38% of impounded cats were returned directly to their owners, adopted, or rehoused with a rescue organisation.

Food Act Ministerial Directions

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

Public Interest Disclosure Procedures

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

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

For the 2025/2026 year **zero disclosures** were notified to Council officers appointed to receive disclosures, or to the Independent Broad Based Anti-Corruption Commission (IBAC).

Road Management Act Ministerial Direction

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

Infrastructure and Development Contributions

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

Carers Recognition

Council is required to comply with the reporting obligations set out in the *Carers Recognition Act 2012*. No reporting obligations were applicable to Council this financial year.



Glossary

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

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

Contact Council

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Ararat VIC 3377

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

Financial Report



Ararat Rural City Council
Financial Report
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Financial Report
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Certification of the Financial Statements

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

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

Independent Auditor's Report

Victorian Auditor-General's Office

To the Councillors of Ararat Rural City Council

Opinion	I have audited the financial report of Ararat Rural City Council (the council) which comprises the: • balance sheet as at 30 June 2026 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including material accounting policy information • certification of the financial statements. In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2026 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the financial report	The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Travis Derricott
as delegate for the Auditor-General of Victoria

MELBOURNE
2 October 2026

Comprehensive Income Statement
For the Year Ended 30 June 2026

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

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

Balance Sheet
As at 30 June 2026

	Note	2026 $'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	2,810	2,615
Total non-current assets		**691,497**	**655,005**
Total assets		**718,600**	**672,983**
Liabilities			
Current liabilities			
Trade and other payables	5.2	3,753	2,357
Trust funds and deposits	5.2	381	315
Contract and other liabilities	5.2	13,879	9,337
Provisions	5.3	2,358	2,175
Interest-bearing liabilities		-	156
Lease liabilities	5.5	455	426
Total current liabilities		**20,826**	**14,766**
Non-current liabilities			
Provisions	5.3	260	286
Lease liabilities	5.5	956	1,412
Total non-current liabilities		**1,216**	**1,698**
Total liabilities		**22,042**	**16,464**
Net assets		**696,558**	**656,519**
Equity			
Accumulated surplus		306,536	304,862
Reserves	9.1	390,022	351,657
Total Equity		**696,558**	**656,519**

2025 comparative balances have been restated as detailed in Note 11

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

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

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

Restated 2025		Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year		515,757	299,270	208,123	8,364
Correction of prior period error - retrospective	11	9,361	9,361	-	-
Surplus/(deficit) for the year		1,157	1,157	-	-
Net asset revaluation gain/(loss)	9.1	130,244	-	130,244	-
Transfers to other reserves	9.1	-	(8,978)	-	8,978
Transfers from other reserves	9.1	-	4,052	-	(4,052)
Balance at end of the financial year		**656,519**	**304,862**	**338,367**	**13,290**

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

Statement of Cash Flows
For the Year Ended 30 June 2026

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

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

Statement of Capital Works
For the Year Ended 30 June 2026

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

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

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

Note 1 OVERVIEW

Introduction

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

Statement of compliance

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

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

Accounting policy information

1.1 Basis of accounting

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

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

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

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:
- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.3)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3.4)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.5)
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Note 1.2 Impacts of other external events

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

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

Note 2 ANALYSIS OF OUR RESULTS

2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of $250,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income / Revenue and expenditure

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

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

(i) Explanation of material variations

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

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

2.1.2 Capital works

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

(i) Explanation of material variations

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

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

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Growing our place

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

Building robust local economies

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

Preserving our environment

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

Developing and maintaining key enabling infrastructure

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

Enhancing community life

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

Strong and effective governance

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

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

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

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

2025	Income / revenue	Expenses	Surplus / (deficit)	Grants included in income / revenue	Total assets Restated
	$'000	$'000	$'000	$'000	$'000
Growing our place	382	1,170	(788)	7	-
Building robust local economies	32	647	(615)	3	1,502
Preserving our environment	3,883	6,284	(2,401)	1,062	2,367
Developing and maintaining key enabling infrastructure	5,723	16,691	(10,968)	5,652	594,312
Enhancing community life	2,825	4,958	(2,133)	1,731	53,781
Strong and effective governance	24,681	6,619	18,062	7,365	21,021
	37,526	**36,369**	**1,157**	**15,820**	**672,983**

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

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

	2026	2025
3.1 Rates and charges	**$'000**	**$'000**

Council uses the Capital Improved Valuation as the basis of valuation of all properties within the municipal district. The Capital Improved Valuation of a property is its approximate market value at a given date of 1 January 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	788	766
Industrial	266	252
Farm	6,160	6,054
Municipal charge	647	642
Council rebate	(13)	-
Waste management charge	2,531	2,451
Interest on rates and charges	164	161
Revenue in lieu of rates	581	573
Total rates and charges	**18,510**	**18,093**

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

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

3.2 Statutory fees and fines

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

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

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

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

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

(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15 Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:
- identifies each performance obligation relating to revenue under the contract/agreement;
- determines the transaction price;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations, at the point in time or over time when services are rendered.

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

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

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

Unspent grants are determined and disclosed on a cash basis.

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

3.5 Contributions	**2026 $'000**	**2025 $'000**
Monetary	236	397
Non-monetary	1,815	-
Total contributions	**2,051**	**397**
Contributions of non monetary assets were received in relation to the following asset classes.		
Land	439	-
Buildings	1,376	-
Total non-monetary contributions	1,815	-

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

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

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

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

3.7 Other income

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

Interest is recognised as it is earned.

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

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

Note 4 THE COST OF DELIVERING SERVICES

	2026 $'000	2025 $'000
4.1 (a) Employee costs		
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.

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

	2026	2025
	$'000	$'000

4.2 Materials and services

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

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

4.3 Depreciation

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**

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

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS

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

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(b) Trade and other receivables

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.

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

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

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

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

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

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

Purpose and nature of items

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

Emergency Services and Volunteers Fund - Council is the collection agent for the Emergency Services and Volunteers Fund on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the State Government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

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

5.3 Provisions

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

(a) Employee provisions

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%

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

5.4 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

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

2025	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Operating					
Consultancies	166	-	-	-	166
Digital Twin Victoria Monitoring Project	225	-	-	-	225
Total	**391**	**-**	**-**	**-**	**391**
Capital					
Roads	79	-	-	-	79
Digital Twin Victoria Equipment	132	-	-	-	132
Total	**211**	**-**	**-**	**-**	**211**

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

5.5 Leases

At inception of a contract, Council assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- Council has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Council has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

· any lease payments made at or before the commencement date less any lease incentives received; plus

· any initial direct costs incurred; and

· an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

· Fixed payments;

· Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

· Amounts expected to be payable under a residual value guarantee; and

· The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-Use Assets - Plant & Equipment	**2026**	**2025**
	$'000	**$'000**
Opening balance	1,784	1,359
Additions	-	788
Depreciation charge	(459)	(363)
Closing balance	**1,325**	**1,784**
Lease Liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	544	544
One to five years	1,039	1,583
Total undiscounted lease liabilities as at 30 June:	**1,583**	**2,127**
Lease liabilities included in the Balance Sheet at 30 June:		
Current	455	426
Non-current	956	1,412
Total lease liabilities	**1,411**	**1,838**

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

Short-term and low value leases

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

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

Non-cancellable lease commitments - Short-term leases

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

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

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

Note 6 ASSETS WE MANAGE

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

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

Summary of Work in Progress

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

* 2025 balances have been restated as detailed in Note 11

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

(a) Property

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

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

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

(b) Plant and Equipment

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

Plant and equipment are carried at historical cost.

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

(c) Infrastructure

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

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

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

Acquisition

Initial measurement

Council initially measures its property, infrastructure, plant and equipment assets at cost. The cost of an acquired asset is the fair value of the consideration that Council has provided at the date of acquisition plus any incidental costs attributable to the acquisition.

Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer to Note 8.4 for more information on how Council measures fair value.

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

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

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

Land under roads

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

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Artworks are not depreciated.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

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

Valuation of artworks

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

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

The date and type of the current valuation is detailed in the following table. A full revaluation of these assets will be conducted in 2027/28.

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

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

Valuation of land and buildings

Valuation of land and buildings were undertaken as at 1 July 2024 by a qualified independent valuer, Jake Musgrave of APV Valuers and Asset Management, Certified Practicing Valuer 113610. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.

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

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

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

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year, this valuation was based on the ABS Producer Price Index for building construction in Victoria for land improvement and building assets. No indexation was applied to land assets due to minimal indexation rates. A full revaluation of land and building assets will be conducted in 2027/28. The most recent previous full revaluation of these classes of land and building assets were undertaken by a qualified independent valuer, Jake Musgrave of APV Valuers and Asset Management, Certified Practicing Valuer 113610 in July 2024.

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

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

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

Valuation of infrastructure

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

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conductedin the current year, this valuation was based on the ABS Producer Price Index for road and bridge construction in Victoria for roads, bridge and footpath assets and the ABS Producer Price Index for other heavy and civil engineering construction in Victoria for drainage assets. A full revaluation of these assets will be conducted in 2027/28. The most recent previous full revaluation of these classes of land and building assets were undertaken by a qualified independent valuer, Janaka Weerasinghe of APV Valuers and Asset Management, Bachelor of Engineering - Civil Engeering in July 2024.

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

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

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

Description of significant unobservable inputs into level 3 valuations

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

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from $250 to $188,345 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year to 265 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 year to 195 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

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

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

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

6.2 Investments in joint arrangements

	2026 $'000	2025 $'000

(a) Investments in joint venture

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

Ararat Housing Enterprise Pty Ltd

Background

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

Fair value of Council's investment in Ararat Housing Enterprise Pty Ltd	**2,117**	**1,527**
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	27	(2)
Reported surplus/(deficit) for year	90	29
Council's share of accumulated surplus/(deficit) at end of year	**117**	**27**
Movement in carrying value of specific investment		
Carrying value of investment at start of year	1,527	498
Share of surplus/(deficit) for year	90	29
Contribution to joint venture	500	1,000
Carrying value of investment at end of year	**2,117**	**1,527**
Council's share of expenditure commitments		
Capital commitments	1,254	311
Council's share of expenditure commitments	**1,254**	**311**

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

6.3 Investment property

Balance at beginning of financial year	2,615	1,535
Fair value adjustments	195	1,080
Balance at end of financial year	**2,810**	**2,615**

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Peter Wigg of Wigg and Partners Pty Ltd, Certified Practicing Valuer 62580, who has recent experience in the location and category of the property being valued, including undertaking the previous year valuation at 30 June 2025. The date of valuation is 30 June 2026. The valuation is at fair value, based on the current market value for the property.

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

Note 7 PEOPLE AND RELATIONSHIPS

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Ararat Rural City Council

Subsidiaries and Joint arrangements

Interests in joint ventures are detailed in Note 6.2.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

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

(c) Remuneration of Key Management Personnel

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

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

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

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

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

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

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

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

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

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

(d) Remuneration of other senior staff

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

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

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

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

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

7.2 Related party disclosure	2026 $'000	2025 $'000
(a) Transactions with related parties		
During the period Council entered into the following transactions with related parties within normal customer relationships on terms and conditions no more favourable than those available in similar arm's length dealings.		
Locksmith, engraving and site camera installation services supplied to Council by a business that is a related party of a former Councillor.	-	1
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:	**-**	**-**
(c) Loans to/from related parties		
The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:	**-**	**-**
(d) Commitments to/from related parties		
The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:	**-**	**-**

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

Note 8 MANAGING UNCERTAINTIES

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

(a) Contingent assets
Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

At balance date the Council are not aware of any contingent assets.

(b) Contingent liabilities
Contingent liabilities are:
- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Superannuation
Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

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

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

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

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

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

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

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

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

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

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

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements, it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.
To help reduce these risks Council:
- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

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

(e) Sensitivity disclosure analysis

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

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. *AASB 13 Fair value measurement* aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. For assets where Council adopts a current replacement cost approach to determine fair value, Council considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

Revaluation
Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. For plant and equipment carrying amount is considered to approximate fair value given short useful lives. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of artworks, land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	**Revaluation frequency**
Artworks	5 years
Land	3 years
Land improvements	3 years
Buildings	3 years
Roads	3 years
Bridges	3 years
Footpaths and cycleways	3 years
Drainage	3 years

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

Impairment of assets
At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset. The impairment policy above does not apply to Council's property, infrastructure, specialised buildings and other non-current physical assets subsequently measured at fair value. These are primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity. Their recoverable amount is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 Impairment of Assets does not apply to such assets that are regularly revalued.

8.5 Events occurring after balance date

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

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

Note 9 OTHER MATTERS

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

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

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

	Balance at beginning of reporting period $'000	Transfer from accumulated surplus $'000	Transfer to accumulated surplus $'000	Balance at end of reporting period $'000
(b) Other reserves				
2026				
Capital works and projects	8,921	16,560	(8,921)	16,560
Recreational land	105	93	-	198
Building capital	3,958	-	(500)	3,458
Environmental projects	95	-	-	95
Waste management	211	-	-	211
Total Other reserves	**13,290**	**16,653**	**(9,421)**	**20,522**
2025				
Capital works and projects	2,580	8,921	(2,580)	8,921
Recreational land	213	57	(165)	105
Building capital	4,958	-	(1,000)	3,958
Environmental projects	95	-	-	95
Waste management	518	-	(307)	211
Total Other reserves	**8,364**	**8,978**	**(4,052)**	**13,290**

Description of the nature and purpose of each reserve:

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

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

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

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

Note 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies in the 2025-26 year.

Note 11 ERRORS AND CHANGES IN ACCOUNTING ESTIMATES

11.1 Correction of error relating to previous reporting period - retrospective

During the revaluation of infrastructure assets Council found stormwater drainage assets that had not previously been reflected in previous asset valuations. These found assets have been brought to account as an adjustment to Council's prior year asset balance comparatives and to accumulated surplus for the 2024-25 year.

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

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

Performance Statement



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Certification of the Performance Statement

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

Karissa Hogan, BCom, CPA
Principal Accounting Officer
Dated: 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

Independent Auditor's Report

Victorian Auditor-General's Office

To the Councillors of Ararat Rural City Council

Opinion	I have audited the accompanying performance statement of Ararat Rural City Council (the council) which comprises the: • description of municipality for the year ended 30 June 2026 • service performance indicators for the year ended 30 June 2026 • financial performance indicators for the year ended 30 June 2026 • sustainable capacity indicators for the year ended 30 June 2026 • notes to the accounts • certification of the performance statement. In my opinion, the performance statement of Ararat Rural City Council in respect of the year ended 30 June 2026 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the performance statement	The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the performance statement

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

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

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



MELBOURNE
2 October 2026

Travis Derricott
as delegate for the Auditor-General of Victoria

Section 1. Description of municipality

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

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

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

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

Municipal Snapshot

Population » 11,732 (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 » $18.510 million

Total revenue » $46.232 million

Length of sealed local roads » 774 kms

Length of unsealed local roads » 1,681 kms

Total road length » 2,455 kms

Section 2. Service performance indicators

For the year ended 30 June 2026

Results						
Service / *indicator* / *measure* / [formula]	**2023**	**2024**	**2025**	**2026**		**Comments**
	Actual	**Actual**	**Actual**	**Target as per budget**	**Actual**	
Aquatic Facilities ***Utilisation*** *Utilisation of aquatic facilities* [Number of visits to aquatic facilities / Municipal population]	3.05	4.91	5.67	4.00	5.29	The 2025/2026 reporting period has seen a slight decrease in overall utilisation of aquatic facilities. Ararat Fitness Centre has shown steady numbers however Lake Bolac and Willaura pools attendances were down slightly. This is attributed to the Willaura pool being closed for maintenance until the start of January. Tourist numbers were down in Lake Bolac for the season with Lake Bolac unusable from blue green algae. The weather and cooler days also meant there were less days open at the rural pools.
Animal Management ***Health and safety*** *Animal management prosecutions* [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	0%	0%	0%	0%	There were no animal management prosecutions during this reporting period.
Food Safety ***Health and safety*** *Critical and major non-compliance outcome notifications* [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	0%	100%	100%	100%	100%	Council had one major non-compliance outcome notification for this reporting period, which was followed up in a timely manner.

Service / ***indicator*** / *measure* / [formula]	2023	2024	2025	2026		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Governance ***Consultation and engagement*** *Satisfaction with community consultation and engagement* [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]	60	59	59	75	57	Council set a target of 75 for community satisfaction with consultation and engagement. Although failing to reach this, Council has maintained consistency with a result of 57. This result has remained reasonably steady over the last 3 years. Council is continuing its commitment to listening to and addressing community concerns, and will continually set high performance targets in this space.
Libraries ***Participation*** *Library membership* [Number of registered library members / Population] x100	#N/A	19.11%	19.12%	20.00%	19.41%	This indicator is an assessment of the degree to which the community participate in Council's library service. Council's result of 19.41% is reflective of a small rural Council and has remained steady from the previous year. Its also important to note that patrons don't need to be Library members to access many of the Library services ie public PCs, photocopying, etc.
Maternal and Child Health (MCH) ***Participation*** *Participation in the MCH service* [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	84.87%	87.11%	83.35%	85.00%	84.87%	Participation levels have remained steady on last reporting period, with Council continuing to review engagement practices within the maternal and child health service to increase participation rates.
Participation *Participation in the MCH service by Aboriginal children* [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	90.48%	89.47%	87.10%	85.00%	88.10%	Participation levels remain steady amongst aboriginal children in the service. Low numbers in this indicator creates sensitivity when reporting in percentages, however attendance in the program continues to be strong.

Service / *indicator* / *measure* / [formula]	2023	2024	2025	2026		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Roads ***Condition*** *Sealed local roads below the intervention level* [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100]	100.00%	100.00%	100.00%	100.00%	100.00%	Council has had no roads fall below the renewal intervention level this year. A proactive approach by Council's roads team has seen maintenance conducted regularly and pre-emptively, to ensure sealed roads remain at condition standard.
Statutory Planning ***Service standard*** *Planning applications decided within required time frames* [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	80.41%	78.91%	79.80%	90.00%	85.39%	Council has a target of 90% of applications decided in required timeframes, with a commitment to improvement in this area. Although not quite meeting this target, a result of 85% has seen an increase on last year's result and well above state average for this indicator.
Waste Management ***Waste diversion*** *Kerbside collection waste diverted from landfill* [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	22.90%	25.17%	61.21%	40.00%	58.97%	The introduction of a four bin system incorporating kerbside waste, recycling, organics and glass collection in 2023 has helped promote diversion of waste from landfill. Council set a target of 40% of diversion of waste from landfill for this reporting period.

Section 3. Financial performance indicators

For the year ended 30 June 2026

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

Dimension / *indicator* / *measure* / [formula]	2023	2024	2025	2026		2027	2028	2029	2030	Material Variations and Comments
	Actual	**Actual**	**Actual**	**Target as per budget**	**Actual**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	
Liquidity ***Working capital*** *Current assets compared to current liabilities* [Current assets / Current liabilities] x100	321.83%	162.31%	121.75%	235.30%	130.14%	171.30%	177.10%	187.79%	193.73%	Current assets have increased with $9.641 million in grant funds received in June 2026, including payment in advance of $7.022 million for the 2026/2027 financial assistance grant and $2 million for Buangor-Ben Nevis Road reconstruction works. However, current liabilities have also increased primarily due to an increase in unearned revenue of $4.541 million with grant performance obligations not yet satisfied. Trade payables have also increased by $1.396 million. The target was based on minimal unearned revenue. This indicator is forecast to increase in future years when unearned revenue is expected to reduce upon completion of the grant requirements.

Dimension / *indicator* / *measure* / [formula]	2023	2024	2025	2026		2027	2028	2029	2030	Material Variations and Comments
	Actual	**Actual**	**Actual**	**Target as per budget**	**Actual**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	
Unrestricted cash *Unrestricted cash compared to current liabilities* [Unrestricted cash / Current liabilities] x100	64.43%	-12.98%	34.50%	163.90%	32.73%	N/A	N/A	N/A	N/A	Unrestricted cash has increased since last year, however the indicator is still lower than the target due to the higher level of unearned revenue and trade payables at year end. The calculation for this indicator has changed within the Local Government Performance Reporting Framework that is applicable from 1 July 2026, as a result the 2026/27 budget did not include forecast results for this indicator based on the same indicator calculation
Obligations ***Loans and borrowings*** *Loans and borrowings compared to rates* [Interest bearing loans and borrowings / Rate revenue] x100	7.07%	1.71%	0.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Council held no loans at 30 June 2026 and no new borrowings have been included in Council's budget for future years.

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

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

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

Section 4. Sustainable capacity indicators

For the year ended 30 June 2026

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

***Indicator** / measure /* [formula]	2023	2024	2025	2026	Comments
	Actual	**Actual**	**Actual**	**Actual**	
Own-source revenue *Own-source revenue per head of municipal population* [Own-source revenue / Municipal population]	$1,743.89	$1,770.52	$1,856.67	$1,850.32	Council's own source revenue has remained mostly consistent, with the increase in 2024/2025 resulting from a revaluation adjustment of $1.080 million in the fair value assessment of Council's investment properties.
Recurrent grants *Recurrent grants per head of municipal population* [Recurrent grants / Municipal population]	$916.70	$123.94	$1,138.80	$1,204.74	Recurrent grants were significantly lower in 2023/2024, due to a change in the timing of financial assistance grants for 2024/2025 resulting in $6.656 million being received early in July 2024, compared to $7.426 million being received in advance in June 2023. In 2024/2025 50% of the annual allocation of the financial assistance grants was received in advance for 2025/2026, and in 2025/2026 80% was received in advance for 2026/2027.
Disadvantage *Relative Socio-Economic Disadvantage* [Index of Relative Socio-Economic Disadvantage by decile]	2.00	2.00	2.00	2.00	The Australian Bureau of Statistics revised Council's Socio-Economic Index for Areas (SEIFA) in 2022/2023 with the municipality now considered to be less disadvantaged than in prior years.
Workforce turnover *Percentage of staff turnover* [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	23.4%	7.6%	17.4%	17.2%	In 2025/2026 there have been a number of organisational changes, including some redundancies, resulting in higher workforce turnover, consistent with the previous year.

Section 5. Notes to the accounts

5.1. Basis of preparation

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

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

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by *the Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2026-27 to 2029-30 from the Council's annual budget.

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

5.2. Definitions

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

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

5.3. Other Matters

Overview of 2026

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



Ararat Rural City

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