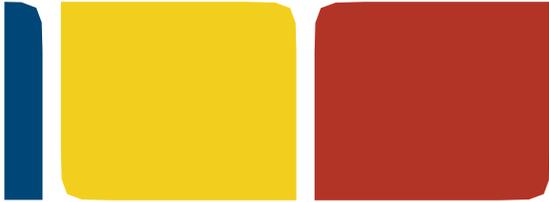




Ararat Rural City



AGENDA

SPECIAL MEETING OF COUNCIL

Tuesday 30 October 2018

To be held in the
Council Chamber, Shire Hall,
233-235 Barkly Street, Ararat
Commencing at 6.30pm

Council:

**Cr Gwenda Allgood
Cr Jo Armstrong
Cr Peter Beales
Cr Bill Braithwaite
Cr Frank Deutsch
Cr Fay Hull
Cr David Pettman**

Our Vision

Our communities, our opportunities

Our Mission Statement

We will demonstrate leadership through social responsibility, openness and transparency by actively working with our community to achieve shared goals.

Our Values

Respect - Respect for each other and the wider community.

Excellence - Striving for ongoing professionalism and organisational excellence.

Passion - Passion for our people, community and services.

A video recording of this meeting is being made for the purpose of verifying the accuracy of the minutes of the Council Meeting, Special Council Meeting or Assembly of Councillors.

The recording is being streamed live via Facebook, to improve transparency between council and the community and give more people the opportunity to view what decisions are being made.

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

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SECTION 1 – PROCEDURAL MATTERS

1.1 LIVE STREAMING

Council is keen to engage with members of the community and now live streams the formal Council Meetings to make them accessible. The stream will be available to view on Ararat Rural City Council's Facebook page from 6pm and on Council's website, www.ararat.vic.gov.au from Wednesday morning following the Council Meeting.

You do not require a Facebook account to watch the live broadcast, simply enter www.facebook.com/aratruralcitycouncil into your address bar.

1.2 TRADITIONAL ACKNOWLEDGEMENT/OPENING PRAYER/COUNCILLORS PLEDGE

Traditional acknowledgement

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

Opening Prayer

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

Councillors Pledge

We will undertake the duties of the office of Councillor in the best interests of the people of the municipal district of the Ararat Rural City Council and faithfully and impartially carry out the functions, powers, authorities and discretions vested in us under the local government act 1989 or any other act to the best of our skill and judgment.

1.3 APOLOGIES

RECOMMENDATION (if required)

That the apology of (Name) be accepted.

1.4 DECLARATION OF DISCLOSURE OF INTERESTS

Disclosure of Interests are to be made immediately prior to any relevant item being discussed.

Local Government Act 1989 Section 79 (2) A Councillor or member of a special committee who has a conflict of interest and is attending the meeting of the Council or special committee must make a full disclosure of that interest -

- (a) by either -
 - (i) advising the Council or special committee at the meeting of the details required under paragraph (b) and (c) immediately before the matter is considered at the meeting; or
 - (ii) advising the Chief Executive Officer in writing of the details required under paragraphs (b) and (c) before the meeting; and
- (b) classifying the type of interest that has given rise to the conflict as either -
 - (i) a direct interest: or
 - (ii) an indirect interest and specifying the particular kind of indirect interest under section 78, 78A, 78B, 78C, 78D or 78E; and
- (c) describing the nature of the interest; and
- (d) if the Councillor or member advised the Chief Executive Officer of the details under paragraph (a) (ii), the Councillor or member must make a disclosure of the class of interest only to the meeting immediately before the matter is considered at the meeting.

Local Government Act 1989 Section 80C) A person who is providing advice or a report to a meeting of the Council or a special committee, and who has a conflict of interest in a matter to which the advice or report relates, must disclose the constituting the conflict of interest when providing the advice or report and before the advice or report is considered by the Council or the committee.

SECTION 2 – REPORTS REQUIRING COUNCIL DECISION

2.1 CONSIDERATION OF 2017/2018 ANNUAL REPORT

RESPONSIBLE OFFICER: CHIEF EXECUTIVE OFFICER
DEPARTMENT: EXECUTIVE SERVICES
REFERENCE: 18098357

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

Under Section 80C of the *Local Government Act 1989* officers providing advice to Council must disclose any interests, including the type of interest.

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.

PURPOSE

Section 131 of the Local Government Act 1989 (the Act) requires Council to prepare an Annual Report and hold a meeting to discuss the Annual Report (Section 134 of the Act) as soon as practicable after the Council has sent the report to the Minister.

EXECUTIVE SUMMARY

The Act requires Council to submit the Annual Report to the Minister by 30 September and Council has complied with this requirement.

Copies of the Annual Report have been placed on display in the customer services department of the municipal offices. A copy of the Annual Report has also been placed on the Council's web site www.ararat.vic.gov.au.

RECOMMENDATION

That Council consider and adopt the Annual Report 2017/2018 as presented to this meeting in accordance with Sections 131 and 134 of the Local Government Act 1989 noting information contained in the report, including the Financial Report, Performance Report and associated Auditors Reports.

DISCUSSION

In accordance with Section 131 (2), an Annual Report must contain the following in respect of the financial year reported on:

- a) A report of operations of the Council
- b) An audited performance statement
- c) Audited financial statements
- d) A copy of the auditor's report on the performance statement, prepared under Section 132 of the Act
- e) A copy of the auditor's report on the financial statements under Part 3 of the Audit Act 1994, and
- f) Any other matter required by the regulations

Unqualified Audit Opinions on the Performance Statement and Financial Statements were received from the Auditor General on 12 September 2018.

Report of Operations

The Report of Operations is the primary means of advising the community about Council's operations and performance during the year ended 30 June 2018.

2017/18 represents the fourth year Council is required to report against a set of prescribed service, financial and sustainability performance indicators and measures, and a checklist of governance and management frameworks.

Additional information outlined in the attached Annual Report includes:

- A summary of Council's activities and performance
- Information on Council's service delivery
- Information pertaining to governance activities undertaken by Council
- Information pertaining to the structure of our organisation
- Report on Council's compliance and accountability

Some significant highlights to note from the Report of Operations are as follows:

- Council Meetings are livestreamed for the first time on 17 April 2018, with over 10,000 reach
- Council's subsidised desexing scheme successful in that 31 dogs and 43 cats were adopted directly from the pound and given a second chance at life.
- Council's "no kill" policy of dogs in the pound successful. Of the two dogs that were euthanised, they were surrendered for destruction after becoming aggressive, attacking livestock or other animals. All other impounded dogs were reclaimed or successfully rehoused via the subsidised desexing scheme or through rescue organisations.
- Construction begins on the Ararat Men's Shed at the Kokoda Park site.
- Ararat Art Precinct Redevelopment nearing completion.
- Council received \$100,000 funding from the Victorian Government towards the Bill Waterston Skate Park redevelopment.
- Council supports the Willaura Railway Station Precinct Development.
- Ararat Freight and Logistics Strategy completed.
- Widening of Tatyoon Road between Richardson Road and Burnett Road
- Council establishes a Rating Strategy Advisory Group to undertake a review of the Council's Rating Strategy.
- Council accepts and endorses the Minister for Local Government's recommendation following the Commission of Inquiry into Ararat Rural City Council.
- Council establishes a Citizens Jury to review the Rating Strategy Advisory Group's recommendations. The advisory group and Jury marks a new way for Council to engage with the people of Ararat Rural City on important topics that affect everyone in the municipality.
- Irrigations Systems installed at Gordon Street Oval, Pomonal Recreation Reserve and Lake Bolac Recreation Reserve.
- Cr. Bill Braithwaite, Cr. Fay Hull and Cr. Frank Deutsch elected following the resignations of Cr. Paul Hooper, Cr. Glenda McLean and Cr. Darren Ford.

Performance Statement

The Performance Statement is prepared in accordance with the requirements of the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014. The Performance Statement prescribes performance indicators to be included in Council's Annual Report.

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

Part of the performance reporting framework includes the State Government setting expected ranges for each indicator. Based on the audited financial statement and performance statement, Council is within the expected range for the majority of indicators.

Financial Statement

The financial statements included in the Annual Report are required to be prepared in accordance with applicable Australian Accounting Standards and the financial reporting requirements of the Local Government Act 1989. The financial statements include:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works

Comprehensive Income Statement

The Comprehensive Income Statement measures how well Council has performed from an operating nature. It reports revenue and expenditure from the activities and functions undertaken, with the net effect being a surplus or deficit. Capital expenditure is excluded from this statement, as it is reflected in the Balance Sheet. Depreciation is recognised as a cost to Council in this statement and is measured as an estimate of the reduction of the future value of property, infrastructure, plant and equipment over the period. While this is a significant cost, it does not represent a cash outflow to Council.

The Comprehensive Income Statement shows total income of \$32.848 million in revenue and \$29.770 million in expenses to 30 June 2018. This has resulted in a surplus of \$3.078 million for the year ended 30 June 2018.

Income

Rates and charges account for 51% of the total income for 2017/18. Rates and charges are recognised when the rates have been raised, not when the income has been received. An amount of \$16.629 million has been recognised as income for the year ended 30 June 2018.

User fees account for 5% of the total income for 2017/18, and \$1.505 million has been received to 30 June 2018. The majority of this relates to home care services, parking fees, animal registration fees and landfill gate fees reimbursed from Northern Grampians Shire Council.

Recurrent Operating Grants total \$6.632 million to 30 June 2018, including \$3.417 million from the Victorian Grants Commission for general purpose grants and \$2.134 million for the local roads grants.

Non-recurrent Capital Grants – Council has been successful in obtaining Local Roads to Market funding of \$0.950 million for road reconstruction works on Tatyoon Road. This year, Council also received \$2.400 million from the State Government and \$0.756 million from the Federal Government to partly fund the Ararat Arts Precinct upgrade.

Expenses

Employee Costs account for approximately 37% of the total expenditure for 2017/18. For the year ended 30 June 2018, Council has incurred \$11.147 million in employee costs, which was \$0.481 million less than budget. There have been delays in replacing some staff members and other recent vacancies that have not been filled at year end.

Materials and Services account for approximately 35% of the total expenditure for 2017/18. For the year ended 30 June 2018, Council has incurred \$10.367 million in materials and services costs compared to a budget of \$8.570 million, a variance of \$1.797 million. Flood recovery works of \$0.309 million were not included in the budget. Grading and resheeting maintenance works exceeded budget by \$0.267 million and pothole patching exceeded budget by \$0.114 million. Local Government Victoria invoiced Council \$0.087 million for the costs associated with the Commission of Inquiry. Council has incurred a further \$0.091 million in cost associated with implementing the recommendations made by the Minister for Local Government. These costs were not in the budget. A government grant of \$0.100 million was received to upgrade bus shelters. The income and the expenditure associated with upgrading the bus shelters was not in the budget.

Balance Sheet

The Balance Sheet is one of the main financial statements and it reports Council's assets, liabilities and equity at a given date, in this case 30 June 2018. Comparative figures have been provided as at 30 June 2017.

Council's current assets have decreased by \$2.328 million from \$20.757 million as at 30 June 2017 to \$18.429 million as at 30 June 2018. Cash and cash equivalents have decreased by \$2.258 million.

Total liabilities have decreased from \$7.119 million in 2016/17 to \$6.238 million in 2017/18, largely due to \$0.800 million less in trade and other payables at balance date. Also, the level of payables in 2017 was inflated as it included large contract payments and accrued expenses - \$0.221 million for flood recovery works, \$0.322 million for the Ararat Arts Precinct and \$0.230 million for plant hire and gravel supplies for road reconstruction.

Statement of Cash Flow shows:

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

The Cash and Cash Equivalents at the beginning of the financial year of \$17.963 million have decreased by \$2.258 million to \$15.705 million as at 30 June 2018. A proposed \$1.000 million loan included in the budget was not required during the year as Council received an advance payment of \$2.879 million from the Victorian Grants Commission.

Net cash provided by operating activities was \$10.127 million, however \$12.339 million was used in investing activities and \$0.046 million was used in financing activities.

Investing activities includes payments for property, plant and equipment, and infrastructure totalling \$12.690 million. Major capital building works included the Ararat Arts Precinct (\$5.668 million); Moyston Community Hall (\$0.486 million); the Tatyoon Recreation Reserve Change Rooms (\$0.264 million). Infrastructure works included Roads (\$4.072 million), Bridges (\$0.177 million), Footpaths & Cycle ways (\$0.214 million) and Drainage (\$0.230 million).

Statement of Changes in Equity

The Statement of Changes in Equity provides information on changes in the funds or reserves of a council, including opening and closing balances, net surplus or deficit (profit or loss) and transfers between reserves.

Total Equity in 2018 of \$234.733 million compared with \$182.660 million in 2017, an increase of \$52.073 million. The change directly relates to the \$3.078 million surplus for the year plus the \$48.995 million net asset revaluation increment. Funded reserves at the start of the year were \$15.910 million. During the year \$8.995 million was transferred to reserves and \$8.365 million transferred from reserves, leaving a balance of \$16.540 million at the end of the financial year. Part of the \$8.995 million transferred to reserves was the \$2.879 million grants commission allocation for 2019 which was paid in advance.

Statement of Capital Works

The Statement of Capital Works shows where Council spent funds on long life assets - Land, Buildings, Plant and Equipment and Infrastructure works, including Roads, Bridges, Footpaths and Drainage.

Total capital works of \$12.690 million in 2018 compared with \$7.362 million in 2017, an increase of \$5.328 million. Major capital building works in 2018 included the Ararat Arts Precinct (\$5.668 million); Moyston Community Hall (\$0.486 million); the Tatyoon Recreation Reserve Change Rooms (\$0.264 million). Infrastructure works included Roads (\$4.072 million), Bridges (\$0.177 million), Footpaths & Cycle ways (\$0.214 million) and Drainage (\$0.230 million).

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

- 5.1 Good governance through leadership
- 5.5 Sustainable, long term financial management

Financial

There are no direct financial and resource consequences as a result of this report.

Policy/Legal/Statutory

Completion and circulation of the Annual Report is a key legislative requirement for all Councils.

Risk Assessment

The risk implications as a result of this report are considered low.

Stakeholder Consultation and Communication

None identified.

CONCLUSION

Section 131 of the Local Government Act 1989 (the Act) requires Council to prepare an Annual Report and hold a meeting to discuss the Annual Report (Section 134 of the Act) as soon as practicable after the Council has sent the report to the Minister. A copy of the Annual Report 2017/2018 was forwarded to the Minister for Local Government on 26 September 2018.

ATTACHMENTS

1 Annual Report 2017/2018.

SECTION 3 - CLOSURE OF MEETING

Meeting closed at pm.