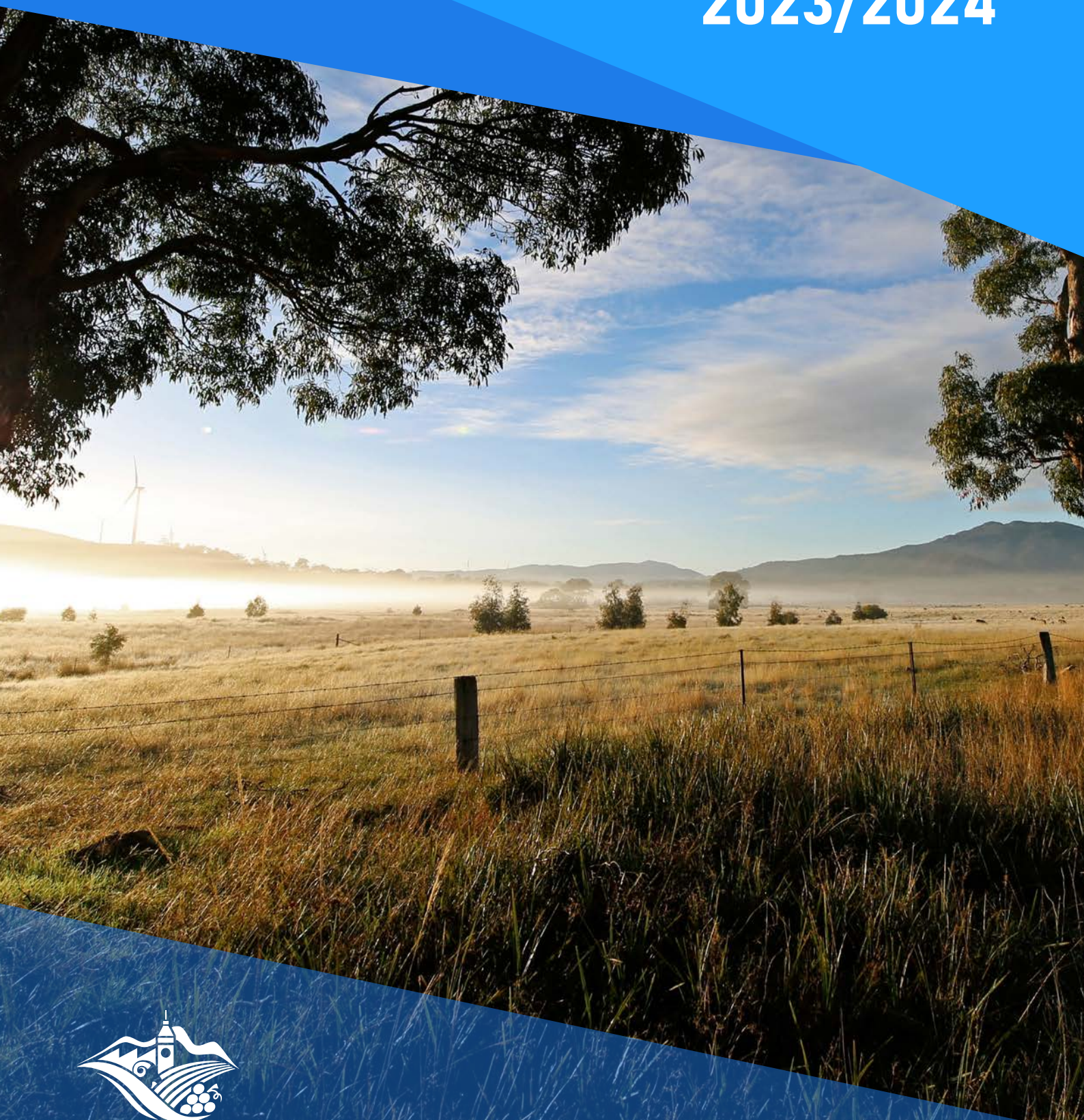


ARART RURAL CITY COUNCIL

Annual Report

2023/2024



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, Barengi Gadjin, 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 2023/2024.

We are committed to transparent reporting and accountability to our community and the Annual Report for 2023/2024 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



We are pleased to present to the Ararat Rural City community the Annual Report 2023/2024.

We have faced several challenges this year, most notably the devastating impact of the February bushfires on Pomonal and surrounding districts. Moreover, we have continued to implement strategic measures to maintain stability, amidst persistent economic challenges.

This report provides a comprehensive overview of Ararat Rural City Council's activities during the 2023/2024 financial year, demonstrating progress towards the six key objectives outlined in the Council Plan 2021-2025. It has been a great privilege to serve as your Mayor, alongside my fellow Councillors and the whole organisation who are committed to serving the needs of our residents.

We are immensely proud to have continued to maintain our rating strategy, delivering a net zero percent rate rise for the sixth year running. With the confidence of our community and local businesses, the municipality has continued to experience a sustained increase in employment and economic growth.

One of the major accomplishments of the 2023/2024 year is the completion of the \$4.725 million Gordon Street Recreation Reserve redevelopment project.

This facility will be a cornerstone for regional sports in Victoria, offering opportunities for young people to engage with their community as well as promote diversity and inclusion. It will also become the home of Women's AFL, creating a centre of excellence and providing pathways for women and girls to pursue careers in the sport.

Other notable achievements in advocating for the community and delivering significant projects include:

- \$5 million from the Federal Government to support Council's efforts to upgrade a section of Mount William Road
- \$250,000 from the Victorian Government to help Council to upgrade Tatyoon Recreation Reserve Sports Oval
- \$50,000 from the Victorian Government received under the Tiny Towns Fund to carry out upgrades to Buangor Recreation Reserve
- Announced delivery of Free TAFE Certificate 3 in Early Childhood Education and Care to the Ararat Jobs and Technology Precinct, in conjunction with Federation University Australia
- Completion of the Helendoite Road Bridge construction project, Alexandra Oval resurfacing project, and McLellan Street culvert project
- Completion of trunk infrastructure at Ararat East Development Zone, and continuation of the Workforce Pilot Program to stimulate economic growth, create jobs, and alleviate workforce shortages.

Council's primary focus for the upcoming year will be on the timely delivery of planned projects, as well as the ongoing improvement of our essential services, which are vital to the wellbeing of our community.

Cr Bob Sanders
Mayor

Message from the CEO



Thank you for your interest in reading Ararat Rural City Council's Annual Report for 2023/2024.

I hope you find its overview of the last financial year informative and can see where we have been focusing our efforts to better serve our community.

Across the course of the 2023/2024 period, we responded to two significant fire events: the Pomonal bushfires of February 2024 and, one week later, the Bayindeen bushfires. Both impacted our community environmentally, economically and psychologically. Their effects can be seen within this report, as can Council's determination to continue delivering tangible support and improvements to services in their wake.

We have been actively working to build genuine trust with our local businesses both established and brand new, whose investment in the municipality and provision of local jobs shows their commitment to Ararat Rural City.

Council achieved better than state average scores across every measure recorded within the 2024 Community Satisfaction Survey, our best-performing areas being Arts Centres and Libraries, Emergency and Disaster Management, and Waste Management.

While these results are very encouraging, there's still plenty of work to be done. Our commitment is to continue engaging with the community to deliver improvements across all service areas.

The 2023/2024 Budget saw Council deliver another zero percent rate rise, the sixth financial year in a row that the municipality's ratepayers have overall not seen an increase in their rates. As an organisation we are very proud of this result and the responsible financial decisions it reflects.

The entire budget was framed around key drivers for the financial sustainability of our municipality, including our focus on infrastructure. Coming out of the volatile construction and civil works market of 2022/2023, Council took the opportunity to reaffirm our commitment to renewing the community's assets through the expansion of our Capital Works program.

I want to take this opportunity to show my appreciation for all our Council staff for the dedication and versatility they have shown across what has often been a challenging year.

They are conscientious and committed to implementing the strategies Council develops to the very best of their abilities, and it is a privilege to work with them in my role as CEO.

Dr Tim Harrison
Chief Executive Officer



Financial Summary

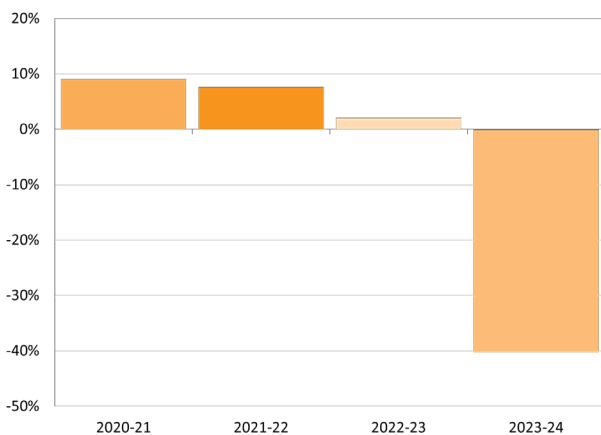
Council’s short term financial position continues to remain sound. A summary of our performance is outlined below. Detailed information relating to Council’s financial performance is included within the Financial Statements and Performance Statement sections of this Report.

Operating Position

Council recorded a deficit of \$6.626 million in 2023/2024, compared to the prior year surplus of \$4.763 million in 2022/2023. The adjusted underlying deficit of Council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is \$9.751 million (or -40.25% when compared to adjusted underlying revenue). This result is a decrease compared with a surplus of \$0.718 million in 2022/2023 (or 2.06%).

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. This has resulted in the indicator being outside Local Government Victoria’s expected range of -20% to 20%.

Adjusted underlying result ratio %

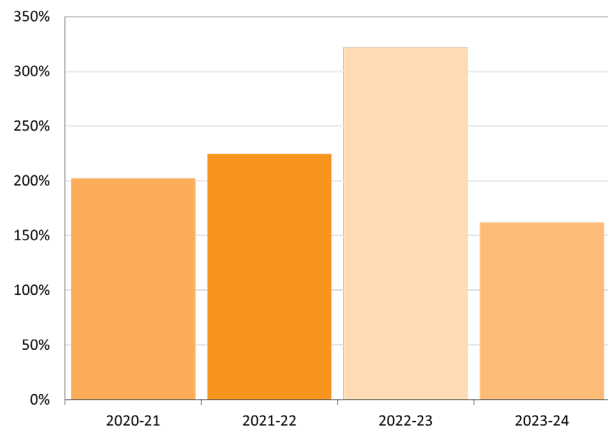


Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew community assets under Council’s control. The budget for 2024/2025 includes an adjusted underlying surplus of \$2.320 million or 7.65%.

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 162% in 2023/2024 is an indicator of satisfactory financial position and within Local Government Victoria’s expected range of 100% to 400%.

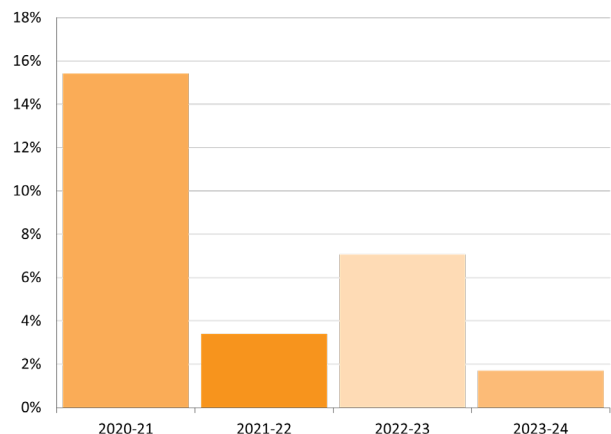
Working capital ratio %



Obligations

At the end of 2023/2024 Council’s debt ratio, which is measured by comparing interest bearing loans and borrowings to rate revenue, was 1.7% which was within the expected target band of 0%-70%. The decrease in this ratio is a result of two equipment finance loans being refinanced to leases during 2023/2024.

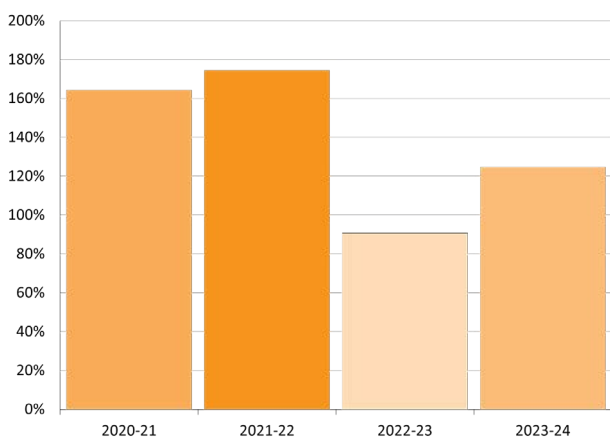
Loans and borrowings ratio %



Council aims to ensure that it can maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. During 2023/2024 Council completed \$15.033 million in capital works with \$12.186 million relating to the renewal and upgrade of assets.

Council’s asset renewal & upgrade ratio, which is measured by comparing asset renewal and upgrade expenditure to depreciation, was 125% in 2023/2024 compared with 91% in 2022/2023. The reduced percentage during 2022/2023 resulted from several asset renewal and upgrade projects being delayed due to unfavourable weather conditions. 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.

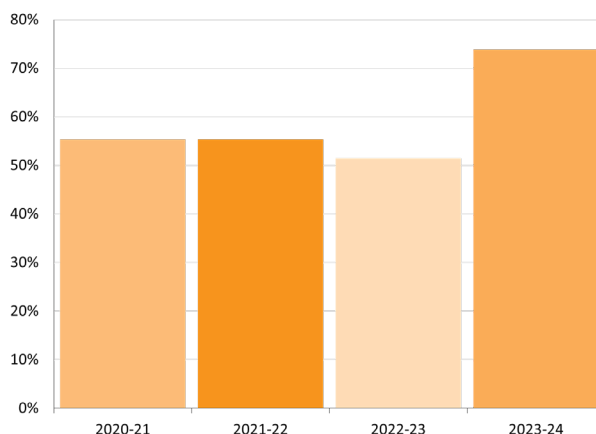
Asset renewal and upgrade ratio %



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 74% for 2023/2024 compared with 51% in 2022/2023. 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. The budget for 2023/2024 allowed for a 0% increase in the amount raised in general rates and municipal charges. Local Government Victoria’s expected range is 30%-80%.

Rates concentration ratio %

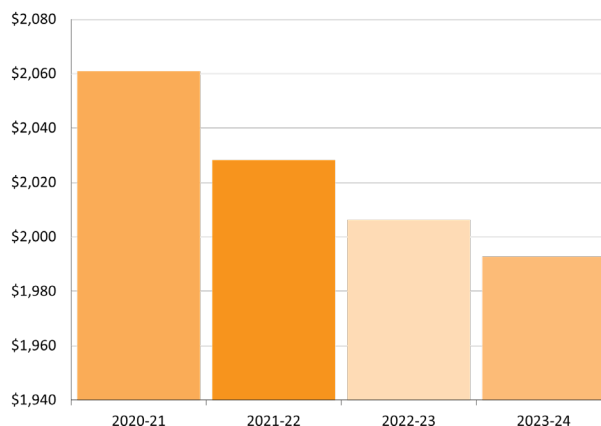


The average rates per property assessment is the total rate revenue (general rates and municipal charges) divided by the number of property assessments. It excludes other charges listed on the rate notice such as waste management charges and the fire services levy.

The average rate per assessment of \$1,993 for 2023/2024 is a further reduction compared to previous years. Council has delivered a net rate rise of 0% over the six-year period up to 2023/2024. The rate cap set by the State Government was 3.50% for 2023/2024.

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

Average rates per property assessment



Description of Operations

Ararat Rural City Council is responsible for more than 150 services, from community services, heritage and culture, recreation, transport and waste management; to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget. This broad range of community services and infrastructure for residents support the wellbeing and prosperity of our community. Council Vision, Strategic Objectives and strategies to further improve services and facilities are described in our Council Plan and the associated Budget 2023/2024 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 redirected savings to provide a net zero percent rate rise over the past six years.

Capital Works

During 2023/2024 the capital works included the below:

	\$'000
Land	88
Buildings	3,716
Plant, machinery and equipment	581
Library books	45
Roads	8,599
Bridges	1,025
Footpaths and cycleways	732
Drainage	247
Total capital works expenditure	15,033

- Building capital works included \$0.608 million for All Abilities Playground projects and \$2.721 million for the Gordon Street Recreation Reserve development.

- 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.
- Bridge works included \$0.631 million for the Helendoite Road Bridge Replacement.
- Footpaths and cycleways included new and renewal works in various urban locations.
- Drainage works included renewal works in various locations across the municipality.

Major Changes

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

Major Achievements

Council's Capital Works Program has exceeded \$15 million. All significant road projects set out in Council's Budget 2023/2024 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:

- Significant works at Gordon Street with the project completed
- Upgrade of the Alexandra Oval playing surface including irrigation and drainage
- Installation of the Helendoite Road Bridge
- Stage 1 of the Mt William Road Reconstruction
- Completion of the McLellan Street construction connecting Alfred Street and the new Green Hill Lake Estate

Our Council



Our Vision

The Community Vision 2031 enhances the connection between Council and the community, providing a shared vision to work towards.

Council's Community Vision 2031 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 2031, the Council Plan sets the strategic direction for Council over four years.

The Council Plan 2021-2025 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. 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, offering paddock to plate experiences, artisan products, world-renowned wines, harvest festivals and events.

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



11,683

Population



4,230 km²

Area



2,455 km

Length of local roads



7,399

Rateable properties

141.15

Number of employees EFT



7

Number of Councillors



\$17.883m

Rate and charge revenue

\$27.347m

Total revenue

Where We Live

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

The municipality covers 4,211 square kilometres and has an estimated residential population of 11,683 people (as at 2023).

Compared to the Victorian average, the population has a smaller proportion of young people, and a larger proportion of people aged over 60 years. Within Ararat Rural City, 20% of the population are aged between 0 and 19 years, and 32.3% are aged 60 years and over.

While 92.0% of the population is non-Indigenous, 1.9% is Aboriginal and/or Torres Strait Islander. A little over eight out of ten Ararat Rural City residents were born in Australia; the next four most common countries of birth are England (1.9%), New Zealand (1.6%), India (1.1%) and the Philippines (0.7%). Almost one fifth of the population have at least one parent born overseas.

In the last Census (2021), the most common language used at home other than English was Mandarin (0.6%), followed by Punjabi and Urdu, both at 0.4%. Total households where a non-English language was spoken were 5.9%.

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:

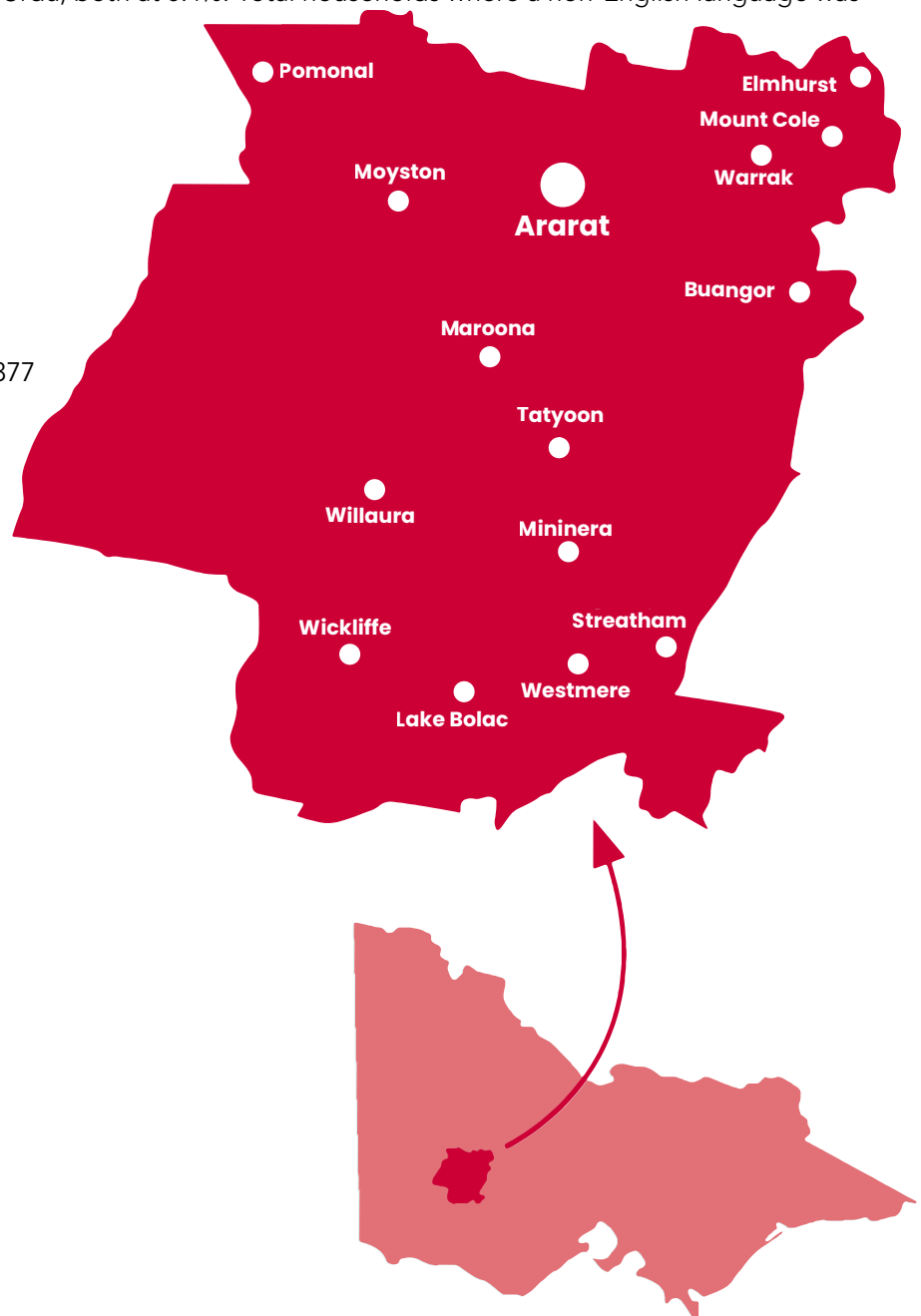
council@ararat.vic.gov.au

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 2020 the Ararat Rural City Council community elected this Council for a four-year term. The municipality is an unsubdivided Council, represented by seven Councillors. The Councillors are the elected representatives of all residents and ratepayers across the municipality. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation.

The Councillors are listed below.



Cr Jo Armstrong - Deputy Mayor

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



Cr Gwenda Allgood

Date elected: August 1982
E: gallgood@ararat.vic.gov.au
M: 0458 583 746



Cr Rob Armstrong

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



Cr Peter Beales

Date elected: 22 October 2016
E: pbeales@ararat.vic.gov.au
M: 0437 118 582



Cr Henry Burridge

Date elected: 24 October 2020
E: hburridge@ararat.vic.gov.au
M: 0436 599 380



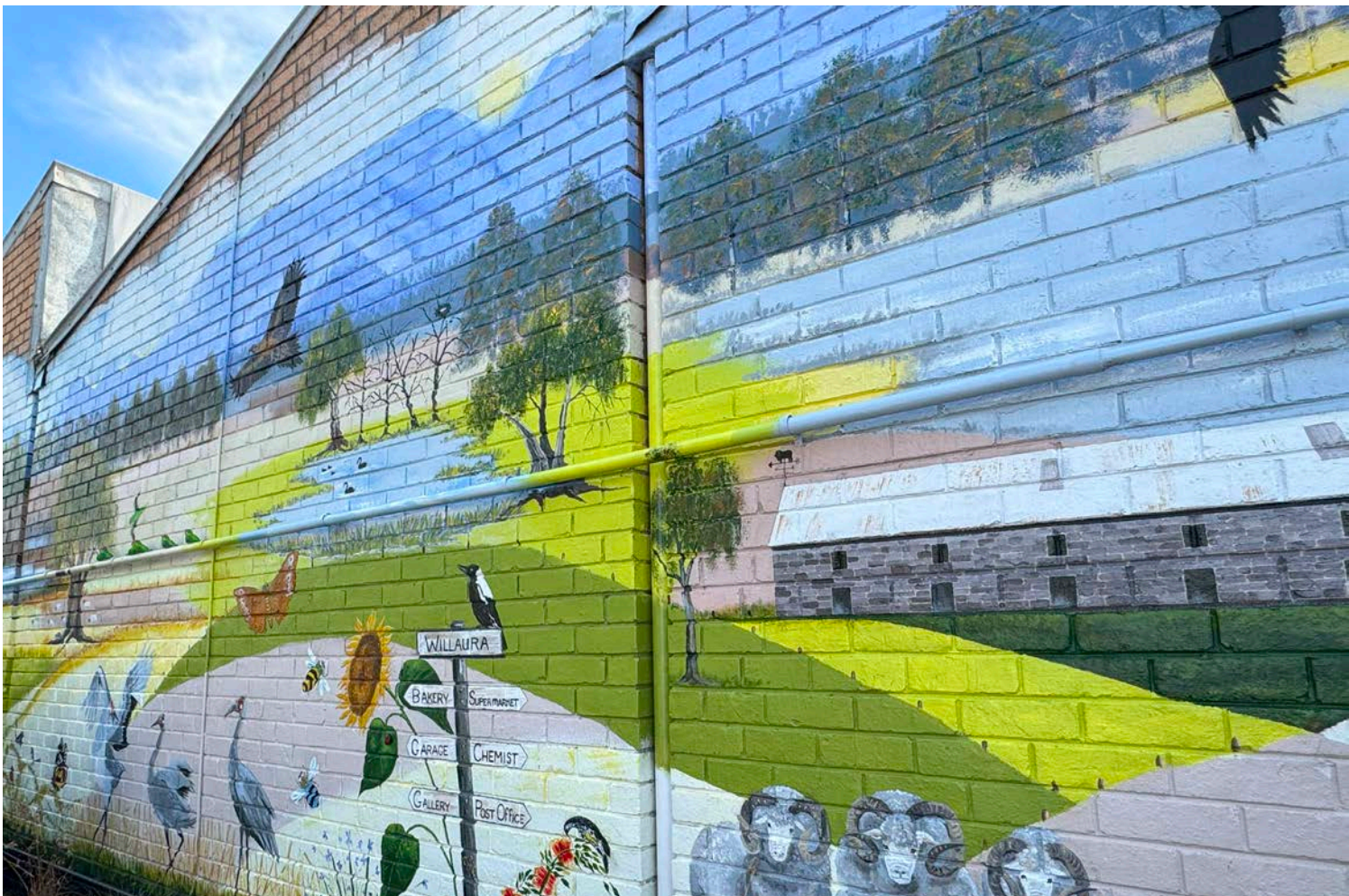
Cr Bob Sanders – Mayor

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



Cr Bill Waterston

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



Our People



Organisational Structure

Council is the governing body that appoints the Chief Executive Officer.

The CEO has responsibility for the day-to-day management of operations in accordance with the strategic directions of the Council Plan.

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

The results of the 2024 Local Government Community Satisfaction Survey show that Ararat Rural City continues to outperform most other councils. In every core measure, the 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 140 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

CEOs Office

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

Council Employees

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

	Permanent						Casual			Total
	Full Time			Part Time			W	M	X	
	W	M	X	W	M	X				
Growing Our Place	3	3	0	0.69	0	0	0.23	0	0	6.92
Building Robust Local Economies	3	1	0	0	0	0	0	0	0	4
Preserving Our Environment	1	20	0	1.26	0	0	0	1.49	0	23.75
Developing & Maintaining Key Enabling Infrastructure	4	41	0	1.48	1.09	0	0.57	0.75	0	48.89
Enhancing Community Life	5	7	0	7.29	0.19	0	8.57	2.77	0	30.82
Strong & Effective Governance	16	5	0	4.05	1.13	0	0.38	0.21	0	26.77
Total Staff	32	77	0	14.77	2.41	0	9.75	5.22	0	141.15

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	Total FTE
Band 1	3.42	2.09	5.51
Band 2	6.74	5.32	12.06
Band 3	4.59	26.63	31.22
Band 4	11.66	22.00	33.61
Band 5	8.53	14.00	22.53
Band 6	8.11	3.00	11.11
Band 7	4.70	4.62	9.32
Band 8	5.00	5.00	10.00
Senior Officers	0.00	2.00	2.00
Maternal and Child Health	2.77	0.00	2.77
Apprentices	0.00	0.00	0.00
Trainees	1.00	0.00	0.00
Total	56.52	84.63	141.15

Other Staff Matters

Gender Equality Action Plan (GEAP)

Council's Gender Equality Action Plan is intersectional in nature and will build on our history and approach to diversity and inclusion while explicitly focusing on and addressing gender inequality in our workplace.

Submitted to the Gender Equality Commission in the previous financial year, Council's Action Plan has generated a number of completed actions. Council is committed to our ongoing journey in this space. Completed actions include:

- Active bystander training of all staff
- Review of Recruitment Policy and Procedure
- Review of Equal Employment Opportunity Policy
- Review of Family Violence Leave and Disclosures Policy

The Act requires Council, through regular reporting to the Gender Equality Commission, to consider and promote gender equality in our policies, programs, and services.

Professional Development

Council is committed to the ongoing development of the workforce through further education and training. This year saw many employees embrace this opportunity through online, face-to-face, and asynchronous modes.

A range of other professional development opportunities are also available to eligible staff across the organisation each year. Council maintains a comprehensive induction program for new employees, along with a number of e-learning modules in compliance.

The investment in training is developed in alignment with strategic priorities as well as in response to the individual needs of the employee.

Prevention of Violence Against Women

Council recognises gender inequality as the root cause of violence against women, and is committed to leading a gender equitable, safe, and inclusive community and workplace.

As members of the CoRE (Communities of Respect & Equality) Alliance, Council incorporates initiatives and programs focusing on education for all Councillors and employees.

Health and Safety

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

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

Service Recognition

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

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

During the 2023/2024 financial year the following employee milestones were reached:



5 years

Erin Mackley
Chris Kircos
Katy Mitchell
Tim Harrison
Max Carroll
Ellen Fordham



10 years

Janeen Williamson
Tim McDougall
Glenn Carman



15 years

Yawen Qin
Peter Eastick
William Eastick



20 years

Daryl Ralph



Our Performance



Integrated Strategic Planning and Reporting Framework

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

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

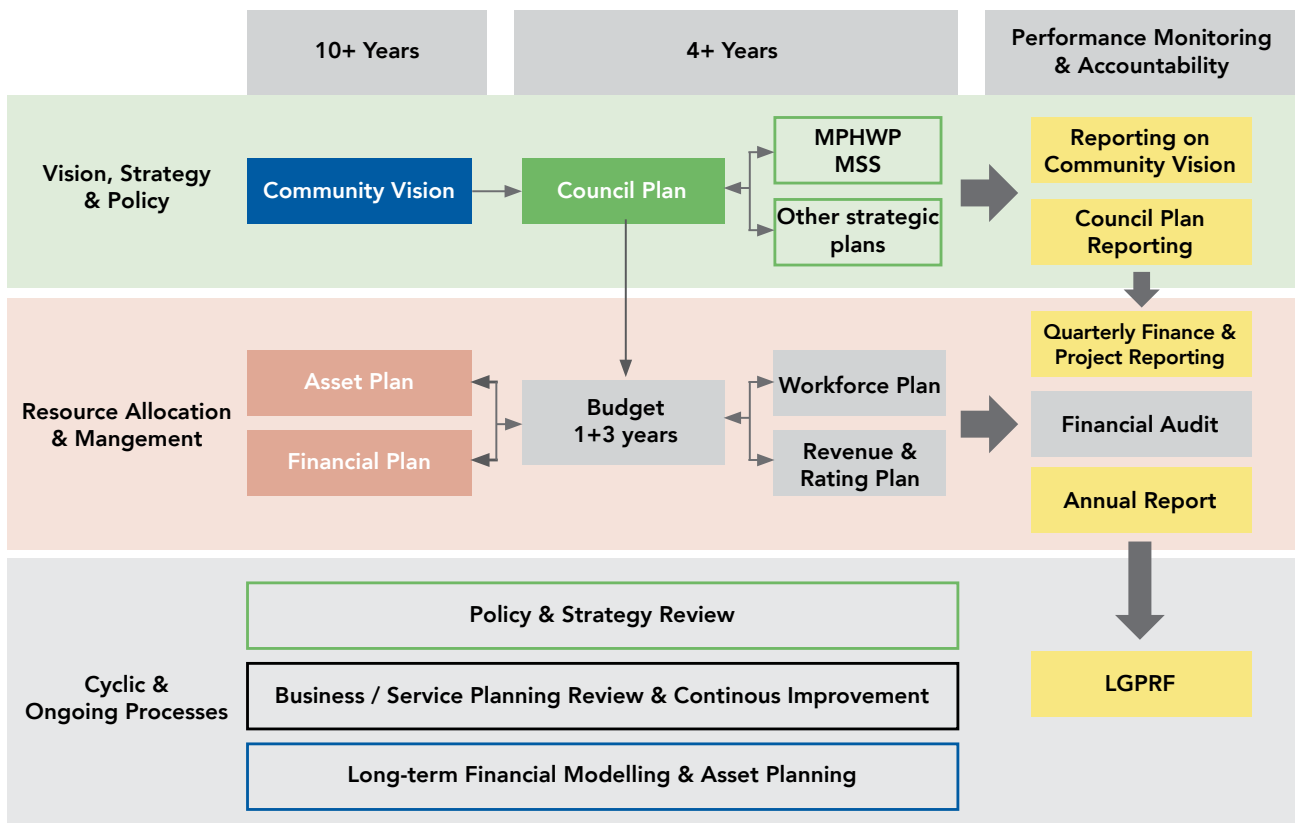
- A Quarterly Budget Report;
- An Annual Report (for each financial year); and
- Financial Policies.

The Act also requires Councils to prepare:

- A Workforce Plan;

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

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



Council Plan

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

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

Performance

Council's performance for the 2023/2024 year has been reported against each Strategic Objectives to demonstrate how Council is performing in achieving the 2021-2025 Council Plan.

Performance has been measured as follows:

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

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

Strategic Objective 1: Growing Our Place

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2023/2024 budget for the year.

Strategic Indicator/Measure	Result	Comments
Develop a revised approach to ensuring that Council is able to make clear intentions around planning that support growth and certainty around land use without exposing landowners to unnecessary risk around the imposition of the Windfall Gains Tax.	✓	The reframing of the planning scheme project has encountered a significant setback due to unforeseen impacts of the Windfall Gains Tax. At the September 2023 Council meeting, Council adopted a revised plan which is currently being implemented.
Complete the environmental planning study being undertaken by Federation University Australia.	~	Fieldwork for the study is complete. The draft report has been completed and mapping is currently being finalised.
Recruit a community reference group to provide community input to the planning scheme review process.	▲	Formation of the community reference group has been delayed due to changes in the planning scheme review progress detailed in the first action in 1.1.
Finalise existing flood study work undertaken by Council.	~	The Flood Study is complete. Discussions are underway with the Department of Transport and Planning to implement a planning scheme amendment to finalise the process.
Undertake a strategic planning study for the Ararat East Development Zone which will inform a future growth strategy.	~	The Aradale Development Strategy has been completed. Planning requirements for other elements of the Ararat East Development Zone are being explored. Key stakeholders are being engaged in the process and trunk infrastructure requirements are being explored. VPA funding has been secured to support development of a structure plan.
Continue to develop the Ararat Housing Enterprise Pty Ltd, delivering the first four houses in Ararat during 2023/2024.	→	The Ararat Housing Enterprise has purchased land for six dwellings, with construction of four commencing in 2023/2024. Building contracts have been signed for delivery of two houses.
Work with stakeholders towards implementation of the key recommendations of the Aradale Development Strategy.	→	A group of key government departments and Council members has been formed to work towards implementation of the key outcomes of the Aradale Development Strategy.
Complete construction of McLellan Street extension to provide alternate access to the Ararat East Development Zone.	✓	Construction is complete and the McLellen St extension is open for traffic.

Explore additional models for investment in affordable housing, including adoption of one new model in 2023/2024.	✓	A number of models for supply of affordable worker housing were put forward to the RDV Worker Housing Fund. One of these projects has moved forward to the expression of interest stage.
Continue to support and develop the in-migration program for people from the communities of Burma, transitioning from the Workforce Pilot Program to a locally based model.	✓	Council has ensured that in-migration is fully resourced to continue until 31/12/2023 and has budgeted to continue supporting the project for the 2023/2024 financial year. Council continues to work with key stakeholders and government to build an innovative, place based model of support.
Develop an ARCC population strategy that will explore mechanisms for building sustainable population growth.	~	Data science research has been used to develop a real benchmark for population growth in Ararat .

The following statement provides information in relation to the services funded in the 2023/2024 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 including the strategic land use and policy planning.	183 <u>315</u> 132
	The department processes planning permit applications including subdivision compliance certificates and planning permit amendments. The department also manages planning activities compliance.	
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.	196 <u>164</u> (32)
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.	61 <u>153</u> 92

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

Service/Indicator/Measure	Result 2020/2021	Result 2021/2022	Result 2022/2023	Result 2023/2024	Council Explanation
Statutory Planning					
Timeliness <i>Time taken to decide planning applications. [The median number of days between receipt of a planning application and a decision on the application]</i>	31	41	44	58	The average time taken between receipt of a planning application and a decision made has increased significantly this reporting period. Factors that have contributed to this increase are both an increase in the number of applications received, and an increase in the complexity of development proposals and applications now processed in-house.
Service standard <i>Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100</i>	80.67%	90.98%	74.78%	78.91%	This year, Council aimed to hit a stretch target of 85% of applications decided in required time frames, with a commitment to improvement in this area with the implementation of ongoing monitoring. A result of 79% did not meet the stretch target set, however the result remains well above state average for this indicator. Council discovered an error in reporting for the previous 3 years for this indicator which has now been rectified.
Service cost <i>Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received]</i>	\$1685.46	\$2340.69	\$1854.77	\$2649.99	Council's planning costs per application were unusually high this reporting period. Council engaged consultants to process a significant number of planning applications during a period where the Planning Manager position was vacant, and Council had limited planning resources. Following the appointment of a Planning Manager, Council ceased to use consultants during the second half of 2023, in-housing many of the more complex applications once again.
Decision-making <i>Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	0.00%	0.00%	0.00%	0.00%	Council have had no VCAT decisions in relation to planning applications during this reporting period.

Service/Indicator/Measure	Result 2020/2021	Result 2021/2022	Result 2022/2023	Result 2023/2024	Council Explanation
Foot Safety					
Timeliness <i>Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]</i>	1.00	1.00	1.00	1.20	Council received 5 food complaints for the 2023/2024 year. Environmental health officers have continued to prioritise food complaints and food safety, having responded to/acknowledged 4 out of the 5 complaints received within 1 business day. The other complaint was acknowledged within 2 business days, due to staff absence.
Service standard <i>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</i>	82.88%	94.55%	100.00%	100.00%	Council undertook 100% of required food safety assessments on local food businesses for 2023/2024.
Service cost <i>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]</i>	\$689.13	\$688.20	\$746.53	\$739.41	The cost of the food safety service for this reporting period has remained steady compared to 2022/2023.
Health and safety <i>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</i>	100.00%	83.33%	0.00%	100.00%	There were 2 major non-compliance issues for this reporting period, with both of these followed up with a compliant result in a timely manner. Council's Environmental Health service continues to work with businesses to ensure regulatory standards are met.

Strategic Objective 2: Building Robust Local Economies

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2023/2024 budget for the year.

Strategic Indicator/Measure	Result	Comments
Activate the "Tech Lab" at the Laby St site	✓	The Tech Lab has been completed and will be officially opened in December 2023.
Hold a twice-yearly research seminar which will showcase research activity from the AJTP to key stakeholders and the broader community	✓	Two research seminars have been undertaken during 2023/2024.
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.
Develop an ARCC Economic Development and Innovation Strategy that supports development of agriculture, circular economy, advanced manufacturing and high yield tourism	~	Work on major economic development projects has delayed development and adoption of the strategy.
Continue to develop the Ararat Digital Twin and Rural Smart City as an innovative model; deliver three key project outcomes in 2023/2024	✓	Council is currently making significant progress around delivery of Digital Twin / Smart City projects. These include development of the Attentis network, introduction of bin level monitoring and installation of the "smart pole" on the corner of Barkly and Vincent St. A range of additional projects will be explored during 2023/2024.
Working with Invest Victoria, Regional Development Victoria and private sector partners develop plans for the ARCC Circular Economy Hub	→	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.
Attract one new circular economy industry to Ararat during 2023/2024	✓	Council is currently in discussion with a number of circular economy businesses in a commercial in confidence basis. Plastoil Pty Ltd is committed to delivering a soft plastic recycling project in Ararat.

Strategic Indicator/Measure	Result	Comments
Continue to support Valorify Pty Ltd to develop a biogas plant in Ararat which utilises straw as the major input	→	The Valorify biogas plant is being strongly supported by Council to move towards financial close and construction commencing in the 2024 calendar year. Sufficient straw has been committed by local farmers for the project to move to the next stages of development.
Partnering with local wine makers, Grampians Wine Incorporated and Grampians Tourism to develop an annual fine wine and food event at Mt Langi Ghiran vineyard	▲	Council is currently working with wineries to build a sustainable fine wine event, supporting Grampians Wine Incorporated with developing an event strategy while also identifying funding streams.
Work with operators and Grampians Tourism to establish three new tourism businesses in the municipality during 2023/2024	✓	A comprehensive investment prospectus has been developed by Grampians Tourism and member Councils, with significant investment interest already received. Council is supporting development of a range of tourism businesses in the municipality and is hopeful that there will be three new businesses established during 2023/2024.



The following statement provides information in relation to the services funded in the 2023/2024 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.	459 611 152
This service includes the Visitor Information Centre operations.		



Strategic Objective 3: Preserving Our Environment

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2023/2024 budget for the year.

Strategic Indicator/Measure	Result	Comments
Assess the effectiveness of Council's current 4 bin domestic materials recovery service and develop a model which utilises higher value uses for recovered material	→	An evaluation of the effectiveness of Revolution Ararat will be undertaken in 2023/2024.
Explore a model for working with the Community Asset Committees to utilise rooftop solar to increase use of renewable energy at community facilities	→	Willaura Recreation Reserve has fitted rooftop solar to their facility through their own resources. Most Community Asset Committees will engage with rooftop solar options as grant funding becomes available.
Assess the feasibility of transitioning Council's passenger vehicle fleet to electric vehicles	✓	Council adopted an Electrification Policy covering its fleet and light plant at the August 2023 Council meeting. The CEO has transitioned to an electric vehicle at a saving of in excess of \$20,000. Another fleet vehicle has been converted to an electric vehicle. Further opportunities for conversion will be assessed on a case by case basis.
Undertake a staged implementation of the energy saving initiatives identified from EcoSave's report on Council owned assets	→	There are a range of opportunities for energy conservation based on EcoSave's report. The financial payback period on the majority of these projects currently makes them cost prohibitive.
Continue to support Valorify Pty Ltd to develop a biogas plant in Ararat which utilises straw as the major input	→	The Valorify biogas plant is being strongly supported by Council to move towards financial close and construction commencing in the 2024 calendar year. Sufficient straw has been committed by local farmers for the project to move to the next stages of development.
Leverage the work in developing the Circular Economy Hub by attracting another business in the waste to energy/ circular economy space	✓	Council is currently in discussion with a number of circular economy businesses in a commercial in confidence basis. Plastoil Pty Ltd is committed to delivering a soft plastic recycling project in Ararat.
Support Pomonal Power to implement community-based energy solutions for the community	~	Council is working on a community battery for Pomonal through the Regional Greenhouse Alliance Neighbourhood Battery Project.
Complete the environmental planning study being undertaken by Federation University Australia	~	Fieldwork for the study is complete. The draft report has been completed and mapping is currently being finalised. It is anticipated that this report will be received at the June 2024 Council meeting.

Strategic Indicator/Measure	Result	Comments
Working with the Environment Working Group to develop the Environment Strategy 2022-2032.	✓	A draft Environment Strategy has been developed based on Working Party feedback. It will be approved by the Working Party and then put out for community consultation.
Develop an implementation plan for Council's Environment Strategy	✓	The Environment Working Group have completed development of Council's Environment Plan, including annual implementation plans. This will be presented to the June 2024 Council meeting for adoption and community consultation.
Produce an annual scorecard outlining Council's progress on environmental outcomes	✓	The environmental score card has been developed by the Environment Working Group following adoption of the Environment Strategy.



The following statement provides information in relation to the services funded in the 2023/2024 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 changed significantly in 2023/2024 as Council moved to in-house collection of waste and recycling and also moved to establish the four materials streams required by the State Government's Circular Economy Policy. This service also manages the transfer stations situated throughout the municipality.	1,093 66 (1,027)
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.	8 49 41
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, and management of conservation and parkland areas, creeks and other areas of environmental significance. This service also includes playground maintenance and safety improvement programs.	1,652 1,362 (290)
Emergency Services Management	This service includes emergency services management and fire prevention. The increased net result for 2023/2024 is due to inclusion of natural disaster claims related to the October 2022 flood event.	(800) 75 875

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

Service/Indicator/Measure	Result 2020/2021	Result 2021/2022	Result 2022/2023	Result 2023/2024	Council Explanation
Waste Collection					
Service standard	6.99	4.80	16.63	7.59	Council's waste team have worked hard to reduce the number of missed bins from 2022/2023, which was high during a transition period of Council implementing a 4 bin system. The number of missed bins has now reduced by 54%, with the service bedded down and more consistent.
<i>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</i>					

Service/Indicator/Measure	Result 2020/2021	Result 2021/2022	Result 2022/2023	Result 2023/2024	Council Explanation
Waste Collection					
Service cost	\$174.65	\$181.96	\$186.99	\$203.70	
<i>Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>					The cost of the kerbside recyclables collection service has increased slightly due to Council now providing a pick up service to every household in the municipality.
<i>Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>	\$83.96	\$88.30	\$78.53	\$82.15	The cost of the kerbside bin collection service has increased slightly due to Council now providing a pick-up service to every household in the municipality.
Waste Diversion	23.96%	21.02%	22.90%	25.17%	
<i>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] x 100</i>					Council is continuously striving to divert as much waste as possible from landfill. Although not reaching our target of 35%, we have achieved an almost 10% increase on waste diverted from landfill from 2022/2023. A more mature reporting approach will be implemented this financial year to more accurately measure this indicator.



Strategic Objective 4: Developing and Maintaining Key Enabling Infrastructure

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2023/2024 budget for the year.

Strategic Indicator/Measure	Result	Comments
Complete preliminary planning for the North-South Heavy Vehicle Route	→	Some initial planning discussions have been undertaken with the Department of Transport and Planning around planning of the North-South Heavy Vehicle Route.
Undertake lobbying to seek funding for the North - South Heavy Vehicle Route	→	Initial lobbying for the North-South Heavy Vehicle Route has been undertaken with local state members and senior bureaucrats. The project has been included in Council's Advocacy Strategy for 2023/2024.
Complete 2023/2024 Capital Works Program	✓	The 2023/2024 Capital Works program is progressing well and tracking towards full completion. Progress is reported at each monthly Council meeting.
Adopt key road sealing, gravel resheeting, drainage, footpath and cycleway and community projects relating to the 2023/2024 Capital Works Program at the August 2023 Council Meeting	✓	Key elements of the Capital Works Program have been developed and progress is reported on a monthly basis to Council and the community.
Adopt the Asset Plan 2023/2024 (Year 2) Program at the August 2023 Council Meeting	~	A revised Asset Plan for 2024/2025 will be developed by the newly elected Council in 2024/2025.
Adopt individual asset plans for each asset class at the September 2023 Council Meeting	✓	Asset Plans for each asset class have been adopted by Council with the final plan to be adopted at the November 2023 Council Meeting.
Undertake the road related elements of the Advocacy Program adopted by Council	→	Council has undertaken significant advocacy around Mt William Road and the North-South Heavy Vehicle Route. Roads lobbying is a key element of every meeting with politicians and every forum attended by Councillors or Council staff. Council received \$5 million from the Federal Government to support rebuilding of Mt William Rd.
Reinstitute biannual meetings of the Rural Roads Group	▲	This was delayed by the impacts of the February 2024 fire events.
Conduct an annual asset forum that provides an opportunity to engage the community in development and review of key asset plans	▲	This was delayed by the impacts of the February 2024 fire events.

Strategic Indicator/Measure	Result	Comments
Complete Stage 1 of the Ararat Leisure Centre redevelopment	→	A revised model for the Ararat Leisure Centre redevelopment is being explored and further planning required to deliver the first stage. There is a need to mitigate risks around potential project cost and complexity in any redesign process. This revision will be presented to the July 2024 Council Meeting.
Review the 10-year Capital Works Strategy to inform 2024/2025 Budget	✓	Review will be completed in Q4 2023/2024 and presented to the June 2024 Council Meeting.
Develop a detailed two-year Capital Works Plan 2024/2025-2025/2026 to inform 2024/2025 Budget	▲	The detailed two-year capital works plan will be completed in Q3 2023/2024 and presented to the March 2024 Council Meeting.
Deliver key outcomes from Council's Asset Plan 2022-2032 during the planning period	~	A number of key outcomes of the 2022/2023 Asset Plan have been delivered in Q1 and Q2 2023/2024.
Complete Gordon Street Recreation Reserve Redevelopment	~	The official opening of the Gordon Street Recreation Reserve will occur in June 2024. Works have been completed and the soccer pitches have been seeded. There is already significant activity at the site including soccer and Auskick.
Develop plans for development of walking / cycling tracks as an element of the Ararat on the Move strategy	▲	Council is working on design and implementation of a number of walking and cycling tracks around the municipality.
Undertake renovation and extension of the Buangor Recreation Reserve kitchen	→	Designs and costing are complete. Additional funding beyond Council's contribution of \$270,000 is being sought to ensure that the project can be complete to the community's satisfaction.
Develop the redevelopment of the Tatyoon Recreation Reserve Clubrooms as a fully costed, "shovel ready" project	~	Preliminary design and costing work has been completed. There has been a change in strategy and the Tatyoon Recreation Reserve has chosen to invest resources in improvements to the football ground. A grant has been received from SRV and along with Council funding will see \$330,000 invested in the project.
Complete Stage 1 of Pomonal Tunnel Track Linkage Plan	~	Council is progressing with Planning permissions. Further work with Ecology and Heritage and Arborist is complete and will be resubmitted with DEECA in December.

The following statement provides information in relation to the services funded in the 2023/2024 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, car parks, 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 with the individual projects.	321 <u>107</u> (214)
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.	2,031 <u>871</u> (1,160)
City Services	This service includes street lighting, Aerodrome operations and the operations, maintenance, and cleaning of public conveniences throughout the municipality.	691 <u>922</u> 231
Infrastructure – Miscellaneous	This service includes private works, maintenance of water supplies and emergency bores.	29 <u>74</u> 45
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.	3,272 <u>3,320</u> 48
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.	1,487 <u>984</u> (503)
Major Plant Recoups	Plant used on works generates plant hire income used to fund operations and maintenance and the replacement of the major plant.	(976) <u>(1,450)</u> (474)
Minor Plant	This service purchases and maintains Council's minor plant and equipment, including trailers	12 <u>9</u> (3)
Infrastructure Capital	This service provides for capital expenditure on Council's infrastructure incorporating roads, bridges, drainage, footpaths, kerb and channel, streetscapes and car parks.	3,345 <u>4,997</u> (1,652)
Funded Infrastructure Projects - Capital	This service includes the delivery of one-off capital infrastructure projects partly or wholly funded by non-recurrent government grants.	(128) <u>0</u> 128
Asset Management	This service predominantly provides asset management services. The service also approves and supervises infrastructure works associated with private development activities.	162 <u>296</u> 134

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

Service/Indicator/measure	Result 2020/2021	Result 2021/2022	Result 2022/2023	Result 2023/2024	Council Explanation
Roads					
Satisfaction of use	12.13	4.64	7.07	6.08	Council continues to encourage the community to submit a customer request in order to lodge issues with Council maintained roads. We have seen a small decrease in sealed road requests this reporting period compared to last financial year. Significant rain events during last reporting period saw a higher number of requests during 2022/2023, compared to the current reporting period which has seen drier conditions. Council are aware that the condition of roads remains a concern for the community. This is again recognised in Council's 2024/2025 Budget which includes a significant emphasis on capital works and road renewal.
<i>Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x 100</i>					
Condition	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.
<i>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</i>					
Service cost	\$62.08	\$42.80	\$53.32	\$35.13	The cost of road reconstruction has decreased significantly this reporting period as over half of road reconstruction projects utilised a new type of seal. Council is trialling a new technology named OTTA seal, that uses waste tyre rubber for bitumen binder in road reconstruction. This seal is significantly more cost effective than previous methods.
<i>Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</i>					
<i>Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</i>	\$5.09	\$6.70	\$5.57	\$6.06	2023/2024 saw a small increase in seal cost per square metre, but reflects the expected range. Council is confident that the cost per square metre specific to sealed road remains at a very competitive level and accurately reflects Council's diligence to seek best price for road sealing contracts.

Service/Indicator/measure	Result 2020/2021	Result 2021/2022	Result 2022/2023	Result 2023/2024	Council Explanation
<p>Satisfaction</p> <p><i>Satisfaction with sealed local roads</i></p> <p><i>[Community satisfaction rating out of 100 for how Council has performed on the condition of sealed local roads]</i></p>	59	58	51	54	<p>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 2024/2025 will continue to improve community satisfaction in the longer term.</p>



Strategic Objective 5: Enhancing Community Life

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2023/2024 budget for the year.

Strategic Indicator/Measure	Result	Comments
Continue to support the Friends of Gum San as the community committee of management manages the site	→	Support for the Friends of Gum San is ongoing. This includes working with Friends of Gum San and Monash University to explore support for educational and curatorial outcomes.
Form a Town Hall User Group to provide feedback to Council on community use of the Town Hall	→	Discussions have been held around forming a Town Hall Users Group and these will be further pursued in Q3 2023/2024. Significant work has been done by Council staff to clarify relationships and expectations.
Negotiate a Memoranda of Understanding with key users of the Town Hall to ensure shared models of community use	✓	Significant improvements in the model of working with key community stakeholders have been achieved in 2023/2024. The need to establish a Memoranda of Understanding is being assessed on a case by case basis.



Strategic Indicator/measure	Result	Comments
Commit to regular meetings with the Langi Morgala Committee to assist in developing the museum	→	Four meetings with Langi Morgala Committee members have been held so far in 2023/2024. Relationships between Council and the Committee have improved considerably.
Promote the benefits and achievements of volunteers to encourage participation	→	A Volunteer Expo and Volunteer Celebration will be held during Volunteer Week 2024 to recognise and encourage volunteering.
Develop a project based, opt-in opt-out community volunteering model	▲	Some work has been done on developing this model during the second half of 2023/2024.
Undertake a community skills audit to develop a database of skills available among community members for volunteering	✓	The community skills audit was launched by the Mayor at the Volunteering Celebration during Volunteer Week 2024.
Facilitate networks/partnerships with and between community groups	→	Some work has been done in this space as a result of other programs such as the Workforce Pilot Program.
Work with community stakeholders to hold a community cultural festival	✓	A successful festival was held in February 2024.
Engage with key stakeholders to redevelop Council's Access and Inclusion Policy	▲	Work on developing the Engagement and Inclusion Policy will commence in Q4 2023/2024.
Develop an engagement plan to work with the Barengi Gadjin Land Council in implementation of the Recognition and Settlement Agreement	→	Council have been briefed and remain supportive of positive engagement with the Barengi Gadjin Land Council around the Recognition and Settlement Agreement. The Mayor made a public statement supporting positive relationships and the CEO and Mayor have met with the Co-Executive Officer of the Barengi Gadjin Land Council.
Commence a process of establishing respectful and productive relationships with Traditional Owner organisations	→	This is an ongoing and significant activity. Council has engaged in meeting with the Barengi Gadjin Land Council in relation to implementation of the Barengi Gadjin Land Council Recognition and Settlement Agreement (RSA). Council have also commenced engagement with Eastern Maar Aboriginal Corporation to work on a constructive engagement around the Eastern Maar Aboriginal Corporation Recognition and Settlement Agreement.
Engage in supporting the development of an Ararat interfaith group	✓	The CEO attended a meeting at Ararat Neighbourhood House regarding establishment of an interfaith group in July 2023. It was agreed to support the formation of the interfaith group at this meeting. Follow-up on progress is required.

The following statement provides information in relation to the services funded in the 2023/2024 Budget and the persons or sections of the community who are provided the service. The figures presented are based on the cash basis of accounting.

Service	Description	Net Cost Actual Budget Variance \$000
Ararat Gallery TAMA	This service includes the operations, projects, exhibitions, acquisitions and administration of the Ararat Gallery TAMA.	415 <u>347</u> (68)
Ararat Town Hall	This service operates and manages the Ararat Town Hall which provides artistic programs for the region.	393 <u>360</u> (33)
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.	20 <u>34</u> 14
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.	30 <u>96</u> 66
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.	14 <u>33</u> 19
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. Liaison with sporting clubs and management of Alexandra Oval and Great Hall have been included in this function.	748 <u>656</u> (92)
Alexandra Oval Community Centre and Great Hall	This service operates and maintains the Alexandra Oval Community Centre and Great Hall. The facility provides the Ararat and greater Grampians community, clubs and businesses with centrally located, high quality, modern, flexible and dynamic multipurpose community and recreation spaces.	45 <u>12</u> (33)
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.	212 <u>317</u> 105
Positive Ageing	This service includes Senior Citizens support and grant funding for service system resourcing.	(15) <u>6</u> 21

Service	Description	Net Cost Actual Budget Variance \$000
Children Services	This service provides family-oriented support services including maternal and child health, immunisation and early childhood education and support.	(98) <u>25</u> 123
Community Safety	This service maintains and improves the health and safety of people, animals and the environment 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 school crossings.	254 <u>245</u> (9)
Funded Recreation Projects - Capital	This service includes the delivery of one-off capital building projects partly or wholly funded by non-recurrent government grants.	740 <u>0</u> (740)



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

Service/Indicator/Measure	Result 2020/2021	Result 2021/2022	Result 2022/2023	Result 2023/2024	Council Explanation
Animal Management					
Timeliness <i>Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	1	1	1	1	All animal management requests received by Council were acknowledged within 1 business day. Council places a strong emphasis on responsible pet ownership and community safety.
Service standard <i>Animals reclaimed [Number of animals reclaimed / Number of animals collected] x 100</i>	43.72%	63.64%	30.95%	39.72%	The number of animals collected that were reclaimed by their owners has increased by 28% this reporting period. The total number of animals collected has again risen compared to last financial year, so to see an increase in reclaimed animals is positive for Council's animal management team and the community. Council's aim is to ensure as many impounded animals as possible are reclaimed by their owners, utilising communication channels and implementing pet owner education programs.
<i>Animals rehomed [Number of animals rehomed / Number of animals collected] x 100</i>	28.37%	25.13%	11.11%	24.71%	The percentage of animals rehomed during this reporting period has increased from 11% last year to almost 25% this financial year. This is a positive result for Council, who aim to ensure as many surrendered animals as possible are rehomed. Increased adoption drives, and social media/website promotion has contributed to this rise.
Service cost <i>Cost of animal management service per population Direct cost of the animal management service / Population]</i>	\$20.53	\$22.12	\$20.02	\$20.02	The cost of Council's animal management service has increased by 14% from the last reporting period. This is due to an increased EFT within the Community Safety Team, as a new full-time officer commenced in late 2023.

Health and safety	0%	0%	100%	0%	There were no animal management prosecutions during this reporting period.
<i>Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100</i>					
Maternal and Child Health (MCH)					
Service standard					
<i>Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</i>	101.60%	100.00%	100.00%	97.89%	All newborns in the municipality have received a first home visit from the MCH nurses. In two cases, Ararat Council received notification for the birth, however the family elected to enrol in the Northern Grampians Shire MCH service due to location. This resulted in a percentage lower than 100, as Ararat Council received the notification however Northern Grampians MCH service conducted the home visit and subsequent enrolment.
Service cost					
<i>Cost of the MCH service [Cost of the MCH Service / Hours worked by MCH nurses]</i>	\$69.86	\$71.86	\$80.82	\$82.24	The cost of the MCH Service has remained steady for this reporting period.
Participation					
<i>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</i>	85.59%	85.53%	84.87%	87.11%	Participation levels have slightly increased on last reporting period, with Council continuing to review engagement practices within the MCH service to increase participation rates.
<i>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</i>	92.00%	87.50%	90.48%	89.47%	Council has 19 Aboriginal children enrolled in the MCH service with 2 children having not attended in the last 12 months. Such low numbers 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	90.40%	99.20%	104.67%	90.53%	All newborns in the municipality have received a first home visit. This percentage is misleading due to the reporting timelines. There were a number of babies born late June 2023, who did not receive their first home visit until July 2024, which was outside this reporting period.
Aquatic Facilities					
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0.25	1.00	1.00	1.00	All four of Council's aquatic facilities underwent an inspection by an authorised officer during the 2023/2024 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]	1.20	2.65	3.05	4.91	A Council decision to make entry to all outdoor municipal pools free for the 2023/2024 season has seen an expected increase in the utilisation of aquatic facilities.
Service cost Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	\$57.14	\$23.46	\$16.24	\$13.02	The 2023/2024 reporting period has seen a slight increase in cost for Council's aquatic facilities. This is attributed to higher staff costs, maintenance and chemical costs. However this cost has been offset by a 60% increase in utilisation of our aquatic facilities, due to a Council decision to make entry to all municipal pools free for the 2023/2024 season.
Libraries					
Resource currency Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x 100	47.54%	48.67%	54.92%	51.21%	The purchasing of book stock is managed under a service agreement with the City of Ballarat, which ensures a modern and relevant library collection. The Library continues to make a concerted effort to reduce its collection of older stock, and has remained steady on this indicator, aiming to stay above 50%. There is also an increasing focus on digital stock, including e-audio, e-magazines and e-books to meet demand in this area.

Service cost	\$20.69	\$24.67	\$29.83	\$28.96	The cost of the Library service for this reporting period has remained steady compared to 2022/2023.
<i>Cost of library service per population [Direct cost of the library service / Population]</i>					
Utilisation	New	New	New	3.69	This new indicator is an assessment of the degree to which Council's library items are utilised by the community. Council's result of 3.69 loans per head of population is reflective of a small rural Council, however Council is actively working to encourage new members and borrowers, with new and varied programs aimed at different demographics, along with a small interior upgrade budgeted for 2024.
<i>Loans per head of population [Number of library collection item loans / Population]</i>					
Participation	New	New	New	19.11%	This new indicator is an assessment of the degree to which the community participate in Council's library service. Council's result of 19.11% (of the municipal population being Library members) is reflective of a small rural Council. Council is actively working to encourage new members and borrowers with new and varied programs aimed at different demographics, along with a small interior upgrade planned for 2024.
<i>Library membership [Number of registered library members / Population] x1 00</i>					
<i>Library visits per head of population [Number of library visits / Population]</i>	New	New	New	1.97	The Ararat Library service (incorporating Lake Bolac Library) had 1.97 visits per head of population during this reporting period. Council is actively working to encourage new members and borrowers, with new and varied programs aimed at different demographics, along with a small interior upgrade budgeted for 2024.

Strategic Objective 6: Strong and Effective Governance

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. The statement also reviews the progress of Council in relation to major initiatives identified in the 2023/2024 budget for the year.

Strategic Indicator/Measure	Result	Comments
Develop a 2024/2025 Council Budget that delivers public value and returns dividends to the community where appropriate	✓	The Draft Budget 2024/2025 has been developed and community consultation has commenced.
Provide monthly financial reporting to Council and the community commencing Q3 2023/2024	~	Regular quarterly reporting has been provided for Q1 and Q2 2023/2024. Monthly reporting to the CEO has commenced and a model for reporting will be implemented to commence in the 2024/2025 financial year.
Provide monthly reporting on Capital Works Program implementation, including cost against budget information	✓	Monthly reporting of progress of the Capital Works Program has been implemented since the August 2023 Council Meeting.
Undertake an annual review of Council's Business Continuity Plan and Disaster Recovery Plan	✓	A workable business continuity and disaster recovery plan has been developed and discussed with the Audit and Risk Committee.
Undertake an Annual review of Council's Risk Management Policy and Framework	✓	The Annual Review of Council's Risk Management and Policy Framework has been completed. It was reviewed at the April 2024 Audit and Risk Committee Meeting and adopted at the April 2024 Council Meeting.
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.
Develop and implement a new risk management information system	✓	A new risk management system has been developed.
Respond to all issues raised through Council's Internal Audit function	→	Opportunities for improvement identified through the internal audit process are being implemented and current status of outstanding items is being reported to each quarterly Audit and Risk Committee meeting.
Review Council's Deliberative Engagement Strategy	▲	This will be reviewed by the new communication and engagement team and be presented for adoption at the June 2024 Council Meeting.
Develop an approach for informing the community of development and progress on major projects	✓	Increased staffing in the communication and engagement function has enabled improved communication around major projects. Templates have been developed for use on Council's website and Engage Ararat.

The following statement provides information in relation to the services funded in the 2023/2024 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.	(20,809)	<u>(20,105)</u> 704
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.	995	<u>950</u> (45)
Customer Services	This service includes the customer service operations of the Municipal Office.	319	<u>214</u> (105)
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.	(67)	<u>(33)</u> 34
Property Development - Capital	This service includes the purchase and sale of Council properties.	88	<u>0</u> (88)
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.	480	<u>110</u> (370)
CEO's Office	This area includes Chief Executive Officer and executive support. This service includes media and communications, marketing and government relations.	850	<u>942</u> 92
Funded Operating Projects	This service includes the delivery of one-off operating projects partly or wholly funded by non-recurrent government grants.	(719)	<u>0</u> 719
Community Support Grants	This service provides support grants to community organisations for projects, sponsorships, and minor capital and community infrastructure.	35	<u>100</u> 65
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.	420	<u>392</u> (28)
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.	942	<u>1,065</u> 123
Business Transformation	This service includes service reviews and business improvement.	445	<u>497</u> 52
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.	1,144	<u>786</u> (358)

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

Service/Indicator/Measure	Result 2020/2021	Result 2021/2022	Result 2022/2023	Result 2023/2024	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	20.49%	25.18%	20.33%	19.55%	Council continues to improve its processes in relation to decision - making and transparency, which is a contributing factor to the decrease in decisions made in closed meetings. The increased number of decisions in closed meetings fluctuates and is reflective of the number of tenders and contract reports considered during the year. Items included in the majority of decisions were commercial in confidence procurement.
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]	61	62	60	59	Council set a stretch target of 77 for community satisfaction with consultation and engagement. Although failing to reach this target, Council has maintained consistency with a result of 59, compared to 60 in 2022/2023. This result has remained steady over the last 3 years. Council is continuing its commitment to listening to and addressing, community concerns and will continually set high performance targets in this space.
Attendance Council attendance at Council meetings [The sum of the number of councillors who attended each ordinary and special Council Meeting / (Number of ordinary and special Council Meetings) x (Number of councillors elected at the last Council general election)] x100	97.14%	94.29%	96.43%	92.86%	Councillor attendance at Council meetings remains consistently high, reflecting Councillors' commitment to active participation in decision-making.

Service/Indicator/measure	Result 2020/2021	Result 2021/2022	Result 2022/2023	Result 2023/2024	Council Explanation
Governance					
Service cost					
Cost of elected representation [Direct cost of the governance service / Number of councillors elected at the last Council general election]	\$36,629.95	\$37,598.47	\$39,746.14	\$41,735.57	The cost of elected representation remains consistent with the last 3 years, with a slight increase in line with increases mandated 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]	63	65	60	61	Council is pleased to see a slight increase in community sentiment in regard to satisfaction with Council decisions. Although Council remains significantly above the state average for this indicator, we are committed to continuous and ongoing improvement in this area.

Reconciliation of Cash Result with Operating Result

	Net Cost Revenue \$'000
Growing Our Place	440
Building Robust Local Economies	459
Preserving Our Environment	1,953
Developing and Maintaining Key Enabling Infrastructure	10,246
Enhancing Community Life	2,758
Strong and Effective Governance	(15,877)
Total	(21)
Less capital expenditure on fixed assets	(15,033)
Add depreciation	9,778
Add depreciation – right of use assets	149
Add written down value of assets sold	765
Less fair value adjustments for investment property	(46)
Less decrease in unearned revenue	304
Add share of net loss in joint venture	3
Less increase in prepayments	(347)
Less repayment of borrowings	(945)
Less repayment of lease liabilities	(133)
Add transfer from reserves	14,780
Less transfer to reserves	(2,628)
Operating (Surplus) / Deficit for the Year	6,626

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 15 December 2020. 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 2023/2024, 11 conflicts of interest were declared at Council Meetings.

COMMUNITY ENGAGEMENT

Council adopted its Community Engagement Policy on 23 February 2021.

Meetings of Council

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

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

Council Meetings also provide the opportunity for community members to submit a request to address Council, submit a question, or make a submission or presentation. For the 2023/2024 term Council held the following meetings:

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

The following table provides a summary of Councillors' attendance at Council Meetings and Special Council Meetings for the 2023/2024 financial year.

Councillors	Council Meetings	Statutory Meeting	Unscheduled Council Meetings	Total
Cr Gwenda Allgood	11	1	0	12
Cr Jo Armstrong (Deputy Mayor)	9	1	0	10
Cr Rob Armstrong	11	1	0	12
Cr Peter Beales	9	1	0	10
Cr Henry Burridge	11	1	0	12
Cr Bob Sanders (Mayor)	11	1	0	12
Cr Bill Waterston	9	1	0	10

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	
Tatyoan Hall and Recreation Reserve Community Asset Committee ¹	0	1	12	
Warrak Public Hall Community Asset Committee ¹	0	1	8	
Wickliffe Recreation Reserve Community Asset Committee ¹	0	1	17	
Willaura Recreation Reserve Community Asset Committee ¹	0	1	9	
Yalla-Y-Poora Community Centre Community Asset Committee ¹	0	1	9	
Has delegated functions, duties or powers ¹				

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

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

Councillors	Allowance \$
Cr Gwenda Allgood	26,067
Cr Jo Armstrong*	55,289
Cr Rob Armstrong	26,067
Cr Peter Beales	26,067
Cr Henry Burridge	26,067
Cr Bob Sanders*	65,825
Cr Bill Waterston	26,067
*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 2023/2024 year, are set out in the following table.

Councillor	Attendances Meals/Din- ing \$	Travel \$	Conferences and Training \$	Information and Communication Technology \$	Mayoral Vehicle (car mileage expenses) \$	Total \$
Cr Allgood				381.00		381.00
Cr J Armstrong	90.00		2298	381.00	1257.27	4026.27
Cr R Armstrong				163.00		163.00
Cr Beales				381.00		381.00
Cr Burridge				163.00		163.00
Cr Sanders			1628	163.00	2252.10	4043.10
Cr Waterston				163.00		163.00
Totals	90.00	0	3926.00	1795.00	3473.33	9320.37

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), Mr Robert Tommasini and Mr Greg Jakob - and two Councillors, Cr Jo Armstrong and Cr Bob Sanders. Independent members are appointed for a three-year term. Independent members may be reappointed for two additional three-year terms subject to satisfactory performance, that is, a maximum of nine years. The Chair is elected by Council.

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

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

Internal Audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council.

Council uses the services of an external provider who has extensive local government experience to carry out the internal audit function. A risk-based four-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas.

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

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

The Internal Auditor completed the following reviews during 2023/2024:

- Maternal Health and Child Care
- Procurement Service Performance
- Human Resources – Risk Management
- Asset Management – Infrastructure
- Accounts Payable – Efficiency and Control
- Customer Request and Complaint Management

External Audit

Council is externally audited by the Victorian Auditor-General. For the 2023/2024 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend Audit and Risk Committee meetings as required, to present the annual audit plan and Independent Audit Report. The external audit management letter and management's responses are also provided to the Audit and Risk Committee.

Risk Management

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

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

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

6 Strong and Effective Governance

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

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

Governance and Management Checklist

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

	Governance and Management Items	Assessment
1	Community Engagement Policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date adopted: 23 February 2021
2	Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Community Engagement Policy includes: Appendix 2 Community Engagement Template and Appendix 3 Engagement Checklist included Date adopted: 23 February 2021
3	Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date adopted: 26 October 2021
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 June 2022
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: 29 June 2021
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: 25 June 2024
7	Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of commencement of current policy: 30 April 2024
8	Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of commencement of current policy: 30 April 2024
9	Municipal Emergency Management Plan (plan under section 60ADB of the Emergency Management Act 2013 for emergency mitigation, response and recovery)	Prepared and maintained in accordance with section 60ADB of the Emergency Management Act 2013 Date of preparation: 21 July 2020

Governance and Management Items		Assessment
10	Procurement Policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by Council)	Adopted in accordance with section 108 of the Act Date adopted: 30 May 2023
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: 01 March 2022
12	Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Disaster Recovery Plan Date of commencement of current plan: 27 January 2010
13	Risk Management Framework (framework outlining Council's approach to managing risks to Council's operations)	Risk Management Framework Date of commencement of current framework: 30 April 2024
14	Audit and Risk Committee (see sections 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date established: 17 June 1997
15	Internal Audit (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider: 23 December 2008
16	Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Local Government Act 2020)	Framework Date of operation of current framework: 01 July 2014
17	Council Plan Report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Council Plan Action Report Date of reports: 25 July 2023, 28 November 2023, 28 May 2024
18	Financial reporting (quarterly statements to Council under section 97(1) of the Local Government Act 2020, comparing actual and budgeted results and an explanation of any material variations)	Reports presented to Council in accordance with section 97(1) of the Local Government Act 2020 Date reports presented: 31 October 2023, 28 November 2023, 26 March 2024, 30 April 2024
19	Risk reporting (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of Reports: 26 September 2023, 30 January 2024, 30 April 2024, 25 June 2024
20	Performance Reporting (6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Local Government Act 2020)	Reports Date of Reports: 31 October 2023, 28 November 2023, 30 April 2024

Governance and Management Items		Assessment
21	Annual Report (annual report under sections 98,99 and 100 of the Local Government Act 2020 containing a report of operations and audited financial and performance statements)	Presented at a meeting of Council in accordance with section 100 of the Act Date presented: 31 October 2023
22	Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act Date reviewed: 15 December 2020
23	Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of reviews: S5 25 July 2023 S6 28 May 2024 S7 16 February 2024 S12 28 July 2023 S13 3 November 2023 S14 6 February 2023 S16 23 March 2023 S18 23 March 2023
24	Meeting Procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date adopted: 25 October 2022

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



Dr Tim Harrison
Chief Executive Officer
Dated: 24 September 2024



Cr Bob Sanders
Mayor
Dated: 24 September 2024

Statutory Information

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

Public Transparency Policy

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

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

Freedom of Information

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

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

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

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

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

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

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

Contracts

During the year Council did not enter into any contracts valued at \$150,000 or more for services, or \$200,000 or more for works, without engaging in a competitive process.

Council issued 19 tenders in 2023/2024, covering the following service categories:

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

Disability Action Plan

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

During 2023/2024 Council has continued to ensure activities under its jurisdiction are accessible to people with a disability through the implementation of the Community Access Strategy. The Community Access Strategy contains strategies to ensure Council's buildings, infrastructure, and recreation facilities are accessible to all people in the community and that Council's policies and procedures are inclusive and equitable.

Domestic Animal Management Plan (DAMP) Statistics and Data (2023/2024)

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 the Domestic Animal Management Plan 2021-2025 in September 2023. The new plan was developed through consultation with council's Community Safety Team and input from other Council departments. The new DAMP was provided for public exhibition, with the community and partner agencies invited to give input.

Council continued to work with rescue organisations over the past year, resulting in Council achieving the target of less than 7% of dogs (4.3%) entering the pound being euthanised.

Of the 160 dogs processed, over 73% were returned to their owners and 20% were rehoused, adopted, or taken in by a rescue organisation. Seven dogs were euthanised due to aggressive behaviours making them unsuitable for rehousing.

Of the 158 cats processed, 92 were euthanised as part of the feral trapping program and 20 for aggressive behaviours making them unsuitable for rehousing. A total of 31% 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 2023/2024 year zero disclosures were notified to Council officers appointed to receive disclosures, or to the Independent Broad Based Anti-Corruption Commission (IBAC).

Road Management Act Ministerial Direction

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

Infrastructure and Development Contributions

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



Glossary

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

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

Contact Council

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32 Leach Road, Lake Bolac

Municipal Offices:

59 Vincent Street, Ararat VIC 3377

Telephone:

(03) 5355 0200

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03 5352 1695

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council@ararat.vic.gov.au

Website:

www.ararat.vic.gov.au

Postal address:

PO Box 246
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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Ararat Rural City Council

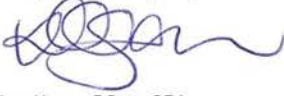
Financial Report

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Certification of the Financial Statements

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



Karissa Hogan, BCom, CPA
Principal Accounting Officer

Dated : 24 September 2024
Ararat

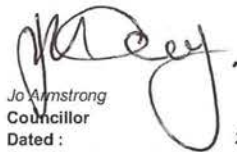
In our opinion, the accompanying financial statements present fairly the financial transactions of the Ararat Rural City Council for the year ended 30 June 2024 and the financial position of the Council as at that date.

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 : 24 September 2024
Ararat



Jo Armstrong
Councillor
Dated : 24 September 2024
Ararat



Dr Tim Harrison
Chief Executive Officer
Dated : 24 September 2024
Ararat

Independent Auditor's Report

To the Councillors of Ararat Rural City Council

Opinion	<p>I have audited the financial report of Ararat Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2024 • 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.
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In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2024 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	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p>
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My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the 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	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p>
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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.

MELBOURNE
26 September 2024



Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income / revenue			
Rates and charges	3.1	17,883	17,696
Statutory fees and fines	3.2	369	220
User fees	3.3	1,620	1,556
Grants - operating	3.4	3,146	13,257
Grants - capital	3.4	2,329	4,532
Contributions - monetary	3.5	1,190	181
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	23	185
Fair value adjustments for investment property	6.3	46	162
Share of net profits (or loss) of joint ventures	6.2	(3)	1
Other income	3.7	744	655
Total income / revenue		27,347	38,445
Expenses			
Employee costs	4.1	11,973	11,050
Materials and services	4.2	11,595	13,123
Depreciation	4.3	9,778	9,123
Depreciation - right of use assets	4.4	149	-
Borrowing costs	4.5	44	33
Finance costs - leases	4.6	35	-
Other expenses	4.7	399	353
Total expenses		33,973	33,682
Surplus/(deficit) for the year		(6,626)	4,763
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.1	8,340	14,518
Total other comprehensive income		8,340	14,518
Total comprehensive result		1,714	19,281

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

Balance Sheet As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	3,049	11,457
Trade and other receivables	5.1	5,212	4,509
Other financial assets	5.1	3,040	8,002
Inventories	5.2	71	74
Prepayments	5.2	360	15
Total current assets		11,732	24,057
Non-current assets			
Trade and other receivables	5.1	5	7
Investments in joint arrangements	6.2	498	501
Property, infrastructure, plant and equipment	6.1	308,261	295,269
Right-of-use assets	5.7	1,359	-
Investment property	6.3	1,535	1,661
Total non-current assets		311,658	297,438
Total assets		323,390	321,495
Liabilities			
Current liabilities			
Trade and other payables	5.3	1,024	1,765
Trust funds and deposits	5.3	303	305
Contract and other liabilities	5.3	3,372	3,068
Provisions	5.5	2,104	2,084
Interest-bearing liabilities	5.4	150	253
Lease liabilities	5.7	275	-
Total current liabilities		7,228	7,475
Non-current liabilities			
Provisions	5.5	293	123
Interest-bearing liabilities	5.4	156	998
Lease liabilities	5.7	1,100	-
Total non-current liabilities		1,549	1,121
Total liabilities		8,777	8,596
Net assets		314,613	312,899
Equity			
Accumulated surplus		98,126	92,600
Reserves	9.1	216,487	220,299
Total Equity		314,613	312,899

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

Statement of Changes in Equity For the Year Ended 30 June 2024

2024	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		312,899	92,600	199,783	20,516
Surplus/(deficit) for the year		(6,626)	(6,626)	-	-
Net asset revaluation gain/(loss)	6.1	8,340	-	8,340	-
Transfers to other reserves	9.1	-	(2,628)	-	2,628
Transfers from other reserves	9.1	-	14,780	-	(14,780)
Balance at end of the financial year		314,613	98,126	208,123	8,364

2023		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		293,618	86,349	185,265	22,004
Surplus/(deficit) for the year		4,763	4,763	-	-
Net asset revaluation gain/(loss)	6.1	14,518	-	14,518	-
Transfers to other reserves	9.1	-	(14,845)	-	14,845
Transfers from other reserves	9.1	-	16,333	-	(16,333)
Balance at end of the financial year		312,899	92,600	199,783	20,516

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 2024

	Note	2024 Inflows/ (Outflows) \$'000	2023 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		17,520	17,480
Statutory fees and fines		368	221
User fees		1,985	1,627
Grants - operating		3,210	12,352
Grants - capital		2,226	1,406
Contributions - monetary		1,294	201
Interest received		589	515
Trust funds and deposits taken		428	352
Other receipts		162	149
Net GST refund/payment		2,011	1,774
Employee costs		(12,110)	(12,022)
Materials and services		(14,794)	(14,422)
Trust funds and deposits repaid		(431)	(399)
Other payments		(410)	(315)
Net cash provided by/(used in) operating activities	9.2	<u>2,048</u>	<u>8,919</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(15,033)	(11,586)
Proceeds from sale of property, infrastructure, plant and equipment		788	488
Payments for investments		(3,040)	(8,500)
Proceeds from sale of investments		8,002	-
Net cash provided by/(used in) investing activities		<u>(9,283)</u>	<u>(19,598)</u>
Cash flows from financing activities			
Finance costs		(44)	(33)
Proceeds from borrowings		-	834
Repayment of borrowings		(945)	(180)
Interest paid - lease liability		(38)	-
Repayment of lease liabilities		(146)	-
Net cash provided by/(used in) financing activities		<u>(1,173)</u>	<u>621</u>
Net increase (decrease) in cash and cash equivalents		(8,408)	(10,058)
Cash and cash equivalents at the beginning of the financial year		11,457	21,515
Cash and cash equivalents at the end of the financial year	5.1	<u>3,049</u>	<u>11,457</u>

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 2024

	Note	2024 \$'000	2023 \$'000
Property			
Land		88	-
Land improvements		608	-
Buildings		3,108	3,543
Total property		3,804	3,543
Plant and equipment			
Plant, machinery and equipment		581	1,900
Library books		45	44
Total plant and equipment		626	1,944
Infrastructure			
Roads		8,599	5,300
Bridges		1,025	548
Footpaths and cycleways		732	221
Drainage		247	30
Total infrastructure		10,603	6,099
Total capital works expenditure	6.1	15,033	11,586
Represented by:			
New asset expenditure		2,847	3,290
Asset renewal expenditure		10,247	6,990
Asset upgrade expenditure		1,939	1,306
Total capital works expenditure		15,033	11,586

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 2024

Note 1 OVERVIEW

Introduction

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

Statement of compliance

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

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

Accounting policy information

1.1 Basis of accounting

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

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

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

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.7)
- other areas requiring judgements

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

Goods and Services Tax (GST)

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

Notes to the Financial Report For the Year Ended 30 June 2024

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 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	17,881	17,883	2	0%	
Statutory fees and fines	262	369	107	41%	
User fees	1,454	1,620	166	11%	
Grants - operating	7,746	3,146	(4,600)	-59%	1
Grants - capital	533	2,329	1,796	337%	2
Contributions - monetary	100	1,190	1,090	1090%	3
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	28	23	(5)	-18%	
Fair value adjustments for investment property	-	46	46	-100%	
Share of net profits/(losses) of associates and joint ventures	-	(3)	(3)	-100%	
Other income	542	744	202	37%	
Total income / revenue	28,545	27,347	(1,198)	-4%	
Expenses					
Employee costs	11,134	11,973	839	8%	4
Materials and services	8,035	11,595	3,560	44%	5
Depreciation	7,492	9,778	2,286	31%	6
Depreciation - right of use assets	167	149	(18)	-11%	
Borrowing costs	11	44	33	300%	
Finance costs - leases	45	35	(10)	-22%	
Other expenses	365	399	34	9%	
Total expenses	27,249	33,973	6,724	25%	
Surplus/(deficit) for the year	1,296	(6,626)	(7,922)	-611%	

Notes to the Financial Report For the Year Ended 30 June 2024

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - operating	Council has received \$6.500 million less than budget for financial assistance grants due to an advance payment of the annual allocation for 2023-2024 being received in June 2023, and no advance payment for 2024-2025 being received during 2023-2024. Council was successful in obtaining over \$2.000 million in grants that had not been budgeted for, including \$1.255 million for flood disaster relief claims submitted under the Disaster Recovery Funding Arrangements (DRFA).
2	Grants - capital	Council has undertaken several projects funded by the Local Roads and Community Infrastructure program, resulting in \$1.619 million being recognised in income.
3	Contributions - monetary	Moyne Shire Council received a Remote Roads grant to upgrade Chatsworth-Bolac Road. Since the asset is shared, half of the grant funds have been recognised as a contribution from Moyne Shire Council of \$1.018 million.
4	Employee costs	In 2023/2024 Council has incurred increased staffing costs associated with responding to bushfire emergency events, including the operation of relief and recovery centres. There has also been an increase in provisions for annual leave and long service leave resulting in additional expenditure of \$0.190 million, and Council has received government funding for additional staff positions that had not been included in the budget.
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. Council also incurred over \$0.300 million expenditure for emergency and reinstatement works, and operating relief and recovery centres in response to the February 2024 bushfire events.
6	Depreciation	The revaluation of infrastructure assets as at 30 June 2023 resulted in higher depreciation than had been budgeted for 2023-2024.

Notes to the Financial Report For the Year Ended 30 June 2024

2.1.2 Capital works

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	-	88	88	100%	
Land improvements	-	608	608	100%	1
Buildings	1,350	3,108	1,758	130%	2
Total property	1,350	3,804	2,454	182%	
Plant and equipment					
Plant, machinery and equipment	-	581	581	100%	3
Library books	40	45	5	13%	
Total plant and equipment	40	626	586	1465%	
Infrastructure					
Roads	7,000	8,599	1,599	23%	4
Bridges	-	1,025	1,025	100%	5
Footpaths and cycleways	400	732	332	83%	6
Drainage	750	247	(503)	-67%	7
Total infrastructure	8,150	10,603	2,453	30%	
Total capital works expenditure	9,540	15,033	5,493	58%	
Represented by:					
New asset expenditure	338	2,847	2,509	742%	
Asset renewal expenditure	7,876	10,247	2,371	30%	
Asset upgrade expenditure	1,326	1,939	613	46%	
Total capital works expenditure	9,540	15,033	5,493	58%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land improvements	During the year Council has completed the upgrade of the playground at Alexandra Gardens and installation of a new playground at the Gordon Street Recreation Reserve.
2	Buildings	The Gordon Street Recreation Reserve development has now been completed with works totalling \$2.721 million undertaken during the financial year. The budget included \$0.950 million for redevelopment of the Ararat Fitness Centre which has not commenced.
3	Plant, machinery and equipment	The budget for 2023-2024 was prepared with the intention that Council would lease rather than purchase to meet its plant and equipment needs. However during the year there have been occasions where Council has opted to purchase plant and equipment rather than entering a lease.
4	Roads	Moyne Shire Council completed works on Chatsworth-Bolac Road with Council's share of the asset upgrade totalling \$1.273 million.
5	Bridges	The installation of the Helendoite Road bridge has now been completed with \$0.681 million spent during the financial year. Additional renewal of major culverts of almost \$0.400 million have been undertaken funded from income carried forward from the previous year.
6	Footpaths and cycleways	Council has completed additional footpath works from funds carried forward from the previous year.
7	Drainage	Contractors have been engaged and funds have been committed to undertake drainage works in Walkerville Street and Wileman Street in Willaura, and for Queen Street stormwater drainage in Ararat during 2024-2025.

Notes to the Financial Report For the Year Ended 30 June 2024

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 2024

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

	Income / revenue	Expenses	Surplus / (deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Growing our place	716	1,047	(331)	229	-
Building robust local economies	26	493	(467)	3	500
Preserving our environment	3,715	5,850	(2,135)	75	675
Developing and maintaining key enabling infrastructure	2,617	16,259	(13,642)	2,330	288,455
Enhancing community life	3,622	4,572	(950)	2,591	21,573
Strong and effective governance	16,651	5,752	10,899	247	12,187
	27,347	33,973	(6,626)	5,475	323,390

	Income / revenue	Expenses	Surplus / (deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Growing our place	530	760	(230)	153	-
Building robust local economies	934	1,708	(774)	906	500
Preserving our environment	3,552	5,226	(1,674)	801	3
Developing and maintaining key enabling infrastructure	6,043	16,463	(10,420)	5,974	274,633
Enhancing community life	4,966	3,993	973	4,011	21,319
Strong and effective governance	22,420	5,532	16,888	5,944	25,040
	38,445	33,682	4,763	17,789	321,495

Notes to the Financial Report For the Year Ended 30 June 2024

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 Rates and charges

2024 **2023**
\$'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 2023.

The valuation base used to calculate general rates for 2023/24 was \$6,739 million (2022/23 \$6,161 million). The 2023/24 rate in the Capital Improved Valuation dollar was General 0.3508, Farm 0.1333, Commercial 0.5052, and Industrial 0.5052 (2022/23 General 0.3960, Farm 0.1426, Commercial 0.5702, and Industrial 0.5702).

Council has delivered a net zero percent rate rise for the six year period up to 2023-2024, with the minimal growth in general rates and charges resulting from supplementary rates adjustments.

General	7,070	6,978
Commercial	745	751
Industrial	240	223
Farm	6,054	6,060
Municipal charge	635	628
Waste management charge	2,422	2,375
Interest on rates and charges	164	160
Revenue in lieu of rates	553	521
Total rates and charges	17,883	17,696

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2023 and the valuation was first applied in the rating year commencing 1 July 2023.

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	23	4
Town planning fees	300	179
Land information certificates	14	15
Permits	32	22
Total statutory fees and fines	369	220

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

Aged and health services	-	3
Leisure centre and recreation	529	512
Child care/children's programs	5	6
Registration and other permits	134	148
Building services	53	57
Waste management services	491	336
Ararat Town Hall Charges	145	115
Visitor Information Centre	6	5
Alexandra Oval	109	110
Road occupancy	11	7
Private Works	3	32
Other fees and charges	134	225
Total user fees	1,620	1,556

User fees by timing of revenue recognition

User fees recognised at a point in time	1,620	1,556
Total user fees	1,620	1,556

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 2024

	2024	2023
	\$'000	\$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	2,180	10,543
State funded grants	3,295	7,246
Total grants received	5,475	17,789
(a) Operating Grants		
 Recurrent - Commonwealth Government		
Financial Assistance Grants	328	9,319
 Recurrent - State Government		
Aged care	4	25
School crossing supervisors	15	15
Libraries	155	149
Maternal and child health	457	339
Environment	82	254
Culture	140	140
Administration	45	45
 Total recurrent operating grants	1,226	10,286
 Non-recurrent - Commonwealth Government		
Community development	10	17
 Non-recurrent - State Government		
Natural disaster	1,255	-
Community development	162	675
Libraries	-	26
Maternal and child health	95	106
Environment	-	921
Employment	62	16
Planning and development	310	1,006
Recreation	26	204
 Total non-recurrent operating grants	1,920	2,971
Total operating grants	3,146	13,257
(b) Capital Grants		
 Recurrent - Commonwealth Government		
Roads to recovery	222	477
 Total recurrent capital grants	222	477
 Non-recurrent - Commonwealth Government		
Transport	158	680
Recreation	1,462	50
 Non-recurrent - State Government		
Transport	419	531
Recreation	68	2,662
Waste management	-	132
 Total non-recurrent capital grants	2,107	4,055
Total capital grants	2,329	4,532

Notes to the Financial Report For the Year Ended 30 June 2024

(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15 Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement;
- determines the transaction price;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations, at the point in time or over time when services are rendered.

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

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

	2024	2023
	\$'000	\$'000
Income recognised under AASB 1058 Income of Not-for-Profit Entities		
General purpose	328	9,319
Specific purpose grants to acquire non-financial assets	2,329	4,532
Other specific purpose grants	2,095	2,053
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	723	1,885
	5,475	17,789

(d) Unspent grants received on condition that they be spent in a specific manner

Operating

Balance at start of year	2,593	3,561
Received during the financial year and remained unspent at balance date	578	557
Received in prior years and spent during the financial year	(190)	(1,525)
Balance at year end	2,981	2,593

Capital

Balance at start of year	475	3,614
Received during the financial year and remained unspent at balance date	391	151
Received in prior years and spent during the financial year	(475)	(3,290)
Balance at year end	391	475

Unspent grants are determined and disclosed on a cash basis.

Notes to the Financial Report For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
3.5 Contributions		
Monetary	1,190	181
Total contributions	1,190	181

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	788	488
Written down value of assets disposed	(765)	(303)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	23	185

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	589	515
Investment property rental	155	140
Total other income	744	655

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 2024

	2024	2023
	\$'000	\$'000
Note 4 THE COST OF DELIVERING SERVICES		
4.1 (a) Employee costs		
Wages and salaries	10,532	9,817
WorkCover	200	142
Superannuation	1,163	1,032
Fringe benefits tax	78	59
Total employee costs	11,973	11,050

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	14	14
	14	14

Employer contributions payable at reporting date.

- -

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	676	661
Employer contributions - other funds	473	357
	1,149	1,018

Employer contributions payable at reporting date.

- -

Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Materials and services	7,956	8,843
Contract payments	690	1,572
Plant and equipment maintenance	1,702	1,682
Utilities	785	655
Consultants	462	371
Total materials and services	11,595	13,123

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

4.3 Depreciation

Property	1,955	1,824
Plant and equipment	916	929
Infrastructure	6,907	6,370
Total depreciation	9,778	9,123

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

Notes to the Financial Report For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
4.4 Depreciation - Right of use assets		
Plant and equipment	149	-
Total Depreciation - Right of use assets	149	-
4.5 Borrowing costs		
Interest - Borrowings	44	33
Total borrowing costs	44	33
<p>Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.</p>		
4.6 Finance Costs - Leases		
Interest - Lease Liabilities	35	-
Total finance costs	35	-
4.7 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	55	43
Auditors' remuneration - Other External Audits	1	1
Auditors' remuneration - Internal Audit	91	71
Councillors' allowances	252	238
Total other expenses	399	353

Notes to the Financial Report For the Year Ended 30 June 2024

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS	2024	2023
5.1 Financial assets	\$'000	\$'000
(a) Cash and cash equivalents		
Cash on hand	4	4
Cash at bank	3,045	5,445
Term deposits	-	6,008
Total cash and cash equivalents	3,049	11,457
(b) Other financial assets		
Current		
Term deposits	3,040	8,002
Total current other financial assets	3,040	8,002
Total other financial assets	3,040	8,002
Total cash and cash equivalents and other financial assets	6,089	19,459

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

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

Notes to the Financial Report For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	2,320	1,955
Net GST receivable	403	308
<i>Non statutory receivables</i>		
Other debtors	2,489	2,246
Total current trade and other receivables	5,212	4,509
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	5	7
Total non-current trade and other receivables	5	7
Total trade and other receivables	5,217	4,516

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) Ageing of Receivables

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

Current (not yet due)	2,367	2,229
Past due by up to 30 days	102	3
Past due between 31 and 180 days	12	14
Past due between 181 and 365 days	3	-
Past due by more than 1 year	5	-
Total trade and other receivables	2,489	2,246

Notes to the Financial Report For the Year Ended 30 June 2024

5.2 Non-financial assets	2024	2023
	\$'000	\$'000
(a) Inventories		
Inventories held for sale	23	23
Inventories held for distribution	48	51
Total inventories	71	74

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets		
Prepayments	360	15
Total other assets	360	15

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

(a) Trade and other payables

Current

Non-statutory payables

Trade payables	689	1,589
Accrued expenses	335	176
Total current trade and other payables	1,024	1,765

(b) Trust funds and deposits

Current

Refundable deposits	51	108
Fire services levy	90	33
Retention amounts	69	45
Other refundable deposits	93	119
Total current trust funds and deposits	303	305

(c) Contract and other liabilities

Contract liabilities

Current

Grants received in advance - operating	2,981	2,593
Grants received in advance - capital	391	475
Total contract liabilities	3,372	3,068

Notes to the Financial Report For the Year Ended 30 June 2024

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.

Purpose and nature of items

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

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

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

5.4 Interest-bearing liabilities

	2024	2023
	\$'000	\$'000
Current		
Other borrowings - secured	150	253
Total current interest-bearing liabilities	150	253
Non-current		
Other borrowings - secured	156	998
Total non-current interest-bearing liabilities	156	998
Total	306	1,251

Borrowings are secured by Council's rates

(a) The maturity profile for Council's borrowings is:

Not later than one year	150	253
Later than one year and not later than five years	156	998
	306	1,251

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities based on contractual repayment terms at every balance date.

Notes to the Financial Report For the Year Ended 30 June 2024

5.5 Provisions

	2024	2023
	\$ '000	\$ '000
Employee		
Balance at beginning of the financial year	2,207	2,429
Additional provisions	1,266	1,087
Amounts used	(1,076)	(1,309)
Balance at the end of the financial year	2,397	2,207
<i>Provisions - current</i>	2,104	2,084
<i>Provisions - non-current</i>	293	123
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	698	627
Other leave	76	74
	774	701
Current provisions expected to be wholly settled after 12 months		
Annual leave	225	218
Long service leave	1,105	1,165
	1,330	1,383
Total current employee provisions	2,104	2,084
Non-current		
Long service leave	293	123
Total non-current employee provisions	293	123
Aggregate carrying amount of employee provisions:		
Current	2,104	2,084
Non-current	293	123
Total aggregate carrying amount of employee provisions	2,397	2,207

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	4.35%	4.06%
- index rate	4.45%	4.35%

Notes to the Financial Report For the Year Ended 30 June 2024

5.6 Commitments

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

2024	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Consultancies	69	-	-	-	69
Digital Twin Victoria Monitoring Project	225	-	-	-	225
Total	294	-	-	-	294
Capital					
Buildings	67	-	-	-	67
Roads	246	-	-	-	246
Drainage	207	-	-	-	207
Digital Twin Victoria Equipment	132	-	-	-	132
Total	652	-	-	-	652
2023	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Consultancies	58	-	-	-	58
Total	58	-	-	-	58
Capital					
Land	73	-	-	-	73
Land improvements	507	-	-	-	507
Buildings	2,269	-	-	-	2,269
Plant and equipment	51	-	-	-	51
Roads	2,003	-	-	-	2,003
Drainage	643	-	-	-	643
Footpaths and cycleways	142	-	-	-	142
Total	5,688	-	-	-	5,688

Notes to the Financial Report For the Year Ended 30 June 2024

5.7 Leases

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

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

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

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

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

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

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

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

- Fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

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

Right-of-Use Assets - Plant & Equipment	2024	2023
	\$'000	\$'000
Opening balance	-	-
Additions	1,508	-
Depreciation charge	(149)	-
Closing balance	1,359	-
Lease Liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	348	-
One to five years	1,226	-
Total undiscounted lease liabilities as at 30 June:	1,574	-
Lease liabilities included in the Balance Sheet at 30		
Current	275	-
Non-current	1,100	-
Total lease liabilities	1,375	-

Notes to the Financial Report For the Year Ended 30 June 2024

Note 6 ASSETS WE MANAGE

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2023 \$'000	Additions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	Carrying amount 30 June 2024 \$'000
Property	69,456	3,712	2,356	(1,955)	-	3,583	77,152
Plant and equipment	8,690	626	-	(916)	(765)	-	7,635
Infrastructure	212,158	9,793	5,984	(6,907)	-	1,017	222,045
Work in progress	4,965	902	-	-	-	(4,438)	1,429
	295,269	15,033	8,340	(9,778)	(765)	162	308,261

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Closing WIP \$'000
Property	3,503	92	(3,411)	184
Infrastructure	1,462	810	(1,027)	1,245
Total	4,965	902	(4,438)	1,429

**Notes to the Financial Report
For the Year Ended 30 June 2024**

(a) Property

	Freehold Land	Controlled Land*	Land under roads	Land improvements	Total Land & Land Improvements	Building on freehold land	Building on controlled land*	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	8,865	8,683	301	1,000	18,849	72,841	58,987	131,828	3,503	154,180
Accumulated depreciation at 1 July 2023	-	-	-	(618)	(618)	(47,323)	(33,280)	(80,603)	-	(81,221)
	8,865	8,683	301	382	18,231	25,518	25,707	51,225	3,503	72,959
Movements in fair value										
Additions	88	-	-	608	696	3,008	8	3,016	92	3,804
Revaluation	-	-	-	-	-	3,351	2,714	6,065	-	6,065
Transfers	160	-	-	241	401	3,138	44	3,182	(3,411)	172
	248	-	-	849	1,097	9,497	2,766	12,263	(3,319)	10,041
Movements in accumulated depreciation										
Depreciation and amortisation	-	-	-	(52)	(52)	(1,144)	(759)	(1,903)	-	(1,955)
Revaluation	-	-	-	-	-	(2,177)	(1,532)	(3,709)	-	(3,709)
	-	-	-	(52)	(52)	(3,321)	(2,291)	(5,612)	-	(5,664)
At fair value 30 June 2024	9,113	8,683	301	1,849	19,946	82,338	61,753	144,091	184	164,221
Accumulated depreciation at 30 June 2024	-	-	-	(670)	(670)	(50,644)	(35,571)	(86,215)	-	(86,885)
Carrying amount	9,113	8,683	301	1,179	19,276	31,694	26,182	57,876	184	77,336

* Controlled land is Crown land for which Council is Committee of Management

**Notes to the Financial Report
For the Year Ended 30 June 2024**

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Library books \$'000	Artworks \$'000	Total plant and equipment \$'000
At fair value 1 July 2023	10,668	1,003	1,347	2,105	15,123
Accumulated depreciation at 1 July 2023	(4,681)	(839)	(913)	-	(6,433)
	5,987	164	434	2,105	8,690
Movements in fair value					
Additions	581	-	45	-	626
Disposal	(857)	-	-	-	(857)
	(276)	-	45	-	(231)
Movements in accumulated depreciation					
Depreciation and amortisation	(845)	(49)	(22)	-	(916)
Accumulated depreciation of disposals	92	-	-	-	92
	(753)	(49)	(22)	-	(824)
At fair value 30 June 2024	10,392	1,003	1,392	2,105	14,892
Accumulated depreciation at 30 June 2024	(5,434)	(888)	(935)	-	(7,257)
Carrying amount	4,958	115	457	2,105	7,635

**Notes to the Financial Report
For the Year Ended 30 June 2024**

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	364,399	45,769	10,803	13,926	1,462	436,359
Accumulated depreciation at 1 July 2023	(188,566)	(21,523)	(4,987)	(7,663)	-	(222,739)
	175,833	24,246	5,816	6,263	1,462	213,620
Movements in fair value						
Additions	7,921	1,025	714	133	810	10,603
Revaluation	10,203	1,282	303	487	-	12,275
Transfers	531	486	-	-	(1,027)	(10)
	18,655	2,793	1,017	620	(217)	22,868
Movements in accumulated depreciation						
Depreciation and amortisation	(6,162)	(412)	(158)	(175)	-	(6,907)
Revaluation	(5,280)	(603)	(140)	(268)	-	(6,291)
	(11,442)	(1,015)	(298)	(443)	-	(13,198)
At fair value 30 June 2024	383,054	48,562	11,820	14,546	1,245	459,227
Accumulated depreciation at 30 June 2024	(200,008)	(22,538)	(5,285)	(8,106)	-	(235,937)
Carrying amount	183,046	26,024	6,535	6,440	1,245	223,290

Notes to the Financial Report

For the Year Ended 30 June 2024

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

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

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

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Land & land improvements		
land	-	10,000
land under roads	-	10,000
land improvements	20 years	10,000
Buildings		
buildings	25 - 193 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 - 50 years	10,000
roads - substructure, formation and earthworks	30 - 100 years	10,000
roads - kerb, channel and minor culverts and other	80 - 120 years	10,000
	100 - 125 years	10,000
bridges		
footpaths and cycleways	20 - 125 years	10,000
drainage	80 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 2024

Valuation of artworks

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

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

The date and type of the current valuation is detailed in the following table.

Details of Council's artworks and information about the fair value hierarchy as at 30 June 2024 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 by a qualified independent valuer, PW Newman Pty Ltd, Certified Practising Valuer 62050. 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. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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. Indexed based revaluations were conducted in the previous year, based on the Valuer-General Victoria land indexation factors for land assets and based on the ABS Producer Price Index for building construction in Victoria for building assets. For 2023/24 the ABS Producer Price Index for building construction in Victoria was applied to revalue building assets, however no indexation was applied to land asset values due to minimal indexation rates. A full revaluation of land and building assets will be conducted in 2024/25.

Valuation of land improvements was undertaken as at 30 June 2023 by Council's Coordinator Strategic Asset Management & IT, Shaun Foy. 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 land and buildings and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land	-	7,071	-	Jun-23	index
Specialised land	-	-	11,026	Jun-23	index
Land Improvements	-	-	1,179	Jun-23	full Council
Buildings	-	830	57,046	Jun-24	index
Total	-	7,901	69,251		

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken as at 30 June 2022 by Council's Coordinator Strategic Asset Management & IT, Shaun Foy.

The date and type of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, 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 2024/25.

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 2024 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	183,046	Jun-24	index
Bridges	-	-	26,024	Jun-24	index
Footpaths and cycleways	-	-	6,535	Jun-24	index
Drainage	-	-	6,440	Jun-24	index
Total	-	-	222,045		

Notes to the Financial Report For the Year Ended 30 June 2024

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 15% and 80%. The market value of land varies significantly depending on the location of the land and the current market conditions.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 193 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 10 years to 120 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.

	2024	2023
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	301	301
Parks and reserves	10,725	10,725
Total specialised land	11,026	11,026

Notes to the Financial Report For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
6.2 Investments in joint arrangements		
(a) Investments in joint venture		
- Ararat Housing Enterprise Pty Ltd		
Ararat Housing Enterprise Pty Ltd		
<i>Background</i>		
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 the next 15 years. The structure of the project will be to build four new houses a year for the next 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	498	501
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	1	-
Reported surplus/(deficit) for year	(3)	1
Council's share of accumulated surplus/(deficit) at end of year	(2)	1
Movement in carrying value of specific investment		
Carrying value of investment at start of year	501	-
Share of surplus/(deficit) for year	(3)	1
Contribution to joint venture	-	500
Carrying value of investment at end of year	498	501

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

6.3 Investment property

Balance at beginning of financial year	1,661	1,499
Transfers	(172)	-
Fair value adjustments	46	162
Balance at end of financial year	1,535	1,661

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 PW Newman Pty Ltd, Certified Practising Valuer 62050, who has recent experience in the location and category of the property being valued. The date of valuation is 30 June 2024. 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 2024

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:

	2024 No.	2023 No.
Councillors		
Councillor Bob Sanders (Mayor)		
Councillor Jo Armstrong (Deputy Mayor)		
Councillor Gwenda Allgood		
Councillor Rob Armstrong		
Councillor Peter Beales		
Councillor Henry Burridge		
Councillor Bill Waterston		
Chief Executive Officer		
Manager Development & Regulation		
Total Number of Councillors	7	7
Total of Chief Executive Officer and other Key Management Personnel	2	3
Total Number of Key Management Personnel	9	10

(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.

	2024 \$'000	2023 \$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	668	623
Other long-term employee benefits	17	12
Post-employment benefits	43	39
Total	728	674

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

	2024 No.	2023 No.
\$20,000 - \$29,999	5	5
\$30,000 - \$39,999	-	1
\$50,000 - \$59,999	1	1
\$60,000 - \$69,999	1	-
\$70,000 - \$79,999	-	1
\$90,000 - \$99,999	-	1
\$190,000 - \$199,999	1	-
\$280,000 - \$289,999	1	1
	9	10

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 2024

(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.

	2024 \$'000	2023 \$'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	153	-
Other long-term employee benefits	5	-
Post-employment benefits	17	-
Total	175	-

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

	2024 No.	2023 No.
Income Range:		
\$170,000 - \$179,999	1	-
	1	-

Total remuneration for the reporting year for other senior staff included above, amounted to:	175	-
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7.2 Related party disclosure

	2024 \$'000	2023 \$'000
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(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.

Remuneration to a related party of a Councillor. The employment was on normal terms and conditions of employment with Council.	-	3
Locksmith, engraving and site camera installation services supplied to Council by a business that is a related party of a Councillor.	4	8

(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:	-	-
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Notes to the Financial Report For the Year Ended 30 June 2024

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.

October 2022 Flood

Heavy rainfall during October 2022 resulted in damage to infrastructure assets within the municipality. Council undertook extensive works to reinstate all assets impaired by the event by 30 June 2023. At balance date Council had submitted claims for \$1.402 million in Disaster Recovery Funding Arrangements (DRFA). During the 2023-2024 financial year Council has recognised \$1.255 million in income for DRFA assistance for flood claims, however income for the remaining flood claims under assessment of \$0.147 million has not been recognised as income due to the level of uncertainty regarding the final amount of claims that will be approved.

February 2024 Bushfires

In February 2024 two significant bushfires impacted the municipality. Council has submitted claims totalling \$0.329 million in Disaster Recovery Funding Arrangements (DRFA) for costs incurred operating relief and recovery centres, and for the reinstatement of Council assets. Council has not recognised any income for DRFA assistance for bushfire claims, due to the level of uncertainty regarding the final amount of claims that will be approved.

(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.

Notes to the Financial Report For the Year Ended 30 June 2024

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council assesses the impact of these new standards.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities to modify AASB 13 Fair Value Measurement. AASB 2022-10 amends AASB 13 Fair Value Measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The AASB 13 modifications:

- are applicable only to not-for-profit public sector entities;
 - are limited to fair value measurements of non-financial assets not held primarily for their ability to generate net cash inflows;
 - are to be applied prospectively for annual periods beginning on or after 1 January 2024;
 - would not necessarily change practice for some not-for-profit public sector entities; and
 - do not indicate that entities changing practice in how they measure relevant assets made an error in applying the existing requirements of AASB 13.
- Council will assess any impact of the modifications to AASB 13 ahead of the 2024-25 reporting period.

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.

Notes to the Financial Report For the Year Ended 30 June 2024

(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.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements, it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 2% and - 2% in market interest rates (AUD) from year-end rates of 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.

Notes to the Financial Report For the Year Ended 30 June 2024

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.

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.

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 2 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	3 to 5 years
Land	2 to 3 years
Land improvements	2 to 3 years
Buildings	2 to 3 years
Roads	2 to 3 years
Bridges	2 to 3 years
Footpaths and cycleways	2 to 3 years
Drainage	2 to 3 years

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

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Notes to the Financial Report For the Year Ended 30 June 2024

Note 9 OTHER MATTERS

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Balance at end of reporting period \$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2024			
Artworks			
Artworks	1,255	-	1,255
	1,255	-	1,255
Property			
Land and land improvements	14,509	-	14,509
Buildings	33,898	2,356	36,254
	48,407	2,356	50,763
Infrastructure			
Roads	123,429	4,923	128,352
Bridges	19,720	679	20,399
Footpaths and cycleways	5,871	163	6,034
Drainage	1,101	219	1,320
	150,121	5,984	156,105
Total asset revaluation reserves	199,783	8,340	208,123
2023			
Artworks			
Artworks	961	294	1,255
	961	294	1,255
Property			
Land	14,333	176	14,509
Buildings	30,694	3,204	33,898
	45,027	3,380	48,407
Infrastructure			
Roads	115,185	8,244	123,429
Bridges	18,572	1,148	19,720
Footpaths and cycleways	4,730	1,141	5,871
Drainage	790	311	1,101
	139,277	10,844	150,121
Total asset revaluation reserves	185,265	14,518	199,783

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 2024

	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				
2024				
Capital works and projects	14,780	2,580	(14,780)	2,580
Recreational land	165	48	-	213
Building capital	4,958	-	-	4,958
Environmental projects	95	-	-	95
Waste management	518	-	-	518
Total Other reserves	20,516	2,628	(14,780)	8,364
2023				
Capital works and projects	13,817	14,780	(13,817)	14,780
Plant replacement	506	-	(506)	-
Recreational land	100	65	-	165
Gravel pit restoration	10	-	(10)	-
Building capital	5,958	-	(1,000)	4,958
Environmental projects	95	-	-	95
Waste management	1,518	-	(1,000)	518
Total Other reserves	22,004	14,845	(16,333)	20,516

Description of the nature and purpose of each reserve:

- Capital works and projects – specific purpose reserve used to fund major capital works projects.
- Plant replacement – specific purpose reserve used to replace major items of plant and equipment.
- Recreational land – specific purpose reserve used to fund public open space works.
- Gravel pit restoration – specific purpose reserve used to fund works required to reinstate gravel pits.
- 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 2024

	2024	2023
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	\$'000	\$'000
Surplus/(deficit) for the year	(6,626)	4,763
<i>Non-cash adjustments:</i>		
Depreciation	9,927	9,123
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(23)	(185)
Fair value adjustments for investment property	(46)	(162)
Borrowing costs	44	33
Lease interest	35	-
Other	29	(3)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(701)	(585)
(Increase)/decrease in inventories	3	(10)
(Increase)/decrease in prepayments	(345)	(2)
Increase/(decrease) in trade and other payables	(741)	225
Increase/(decrease) in trust funds and deposits	(2)	51
Increase/(decrease) in contract and other liabilities	304	(4,107)
Increase/(decrease) in provisions	190	(222)
Net cash provided by/(used in) operating activities	2,048	8,919

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2024, this was 11.0% as required under Superannuation Guarantee (SG) legislation (2023: 10.5%)).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2023 was 104.1%. Council was notified of the 30 June 2023 VBI during August 2023. The financial assumptions used to calculate the 30 June 2023 VBI were:

Net investment returns	5.7% pa
Salary information	3.5% pa
Price inflation (CPI)	2.8% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2023 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Notes to the Financial Report For the Year Ended 30 June 2024

Employer contributions

(a) Regular contributions

On the basis of the results of the 2023 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2024, this rate was 11.0% of members' salaries (10.5% in 2022/23). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

(b) Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2023 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2023.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2023 (Triennial) \$m	2022 (Interim) \$m
- A VBI Surplus	84.7	44.6
- A total service liability surplus	123.6	105.8
- A discounted accrued benefits surplus	141.9	111.9

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2023.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2023.

The discounted accrued benefits surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2023.

Notes to the Financial Report For the Year Ended 30 June 2024

The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2024.

The VBI of the Defined Benefit category was 105.4% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

Net investment returns	5.6% pa
Salary information	3.5% pa
Price inflation (CPI)	2.7% pa

Council was notified of the 30 June 2024 VBI during August 2024.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2024 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

The 2020 triennial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

	2020 Triennial investigation	2023 Triennial investigation
Net investment return	5.6% pa	5.7% pa
Salary inflation	2.5% pa for two years and 2.75% pa thereafter	3.5% pa
Price inflation	2.0% pa	2.8% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2024 are detailed below:

Scheme	Type of Scheme	Rate	2024 \$'000	2023 \$'000
Vision super	Defined benefits	11.0% (2023:10.5%)	14	14
Vision super	Accumulation	11.0% (2023:10.5%)	676	661
Other super funds	Accumulation	11.0% (2023:10.5%)	473	357

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$13,000.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

Note 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies in the 2023-24 year.

Performance Statement

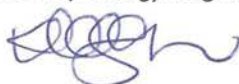


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Certification of the Performance Statement

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: 24 September 2024

In our opinion, the accompanying performance statement of the Ararat Rural City Council for the year ended 30 June 2024 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*.

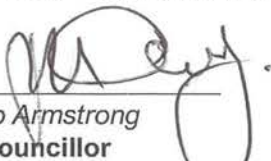
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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.

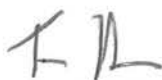
We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify this performance statement in its final form.



Bob Sanders
Councillor
Dated: 24 September 2024



Jo Armstrong
Councillor
Dated: 24 September 2024



Dr Tim Harrison
Chief Executive Officer
Dated: 24 September 2024

Independent Auditor's Report

To the Councillors of Ararat Rural City Council

Opinion	<p>I have audited the accompanying performance statement of Ararat Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2024 • service performance indicators for the year ended 30 June 2024 • financial performance indicators for the year ended 30 June 2024 • sustainable capacity indicators for the year ended 30 June 2024 • notes to the accounts • certification of the performance statement. <p>In my opinion, the performance statement of Ararat Rural City Council in respect of the year ended 30 June 2024 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> 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.</p>

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
26 September 2024



Travis Derricott
as delegate for the Auditor-General of Victoria

Section 1. Description of municipality

For the year ended 30 June 2024

Ararat Rural City lies 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.

Centrally located to the Grampians National Park, the Goldfields, the Southern Coast and metropolitan Melbourne, the Ararat region is not far from anywhere.

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

Ararat Rural City is also the gateway to the world-renowned Grampians region where local produce, wine production, agriculture and tourism are among the economic mainstays. Diverse retail and manufacturing industries are spearheading a growing economy.

The region is nestled within picturesque landscapes which include magnificent natural environments and beautiful inland lakes. Our environment allows for a diverse range of recreational activities to be enjoyed by both residents and visitors to the municipality.

Municipal Snapshot

Population » 11,683 (Australian Bureau of Statistics – Population Estimates by Local Government Area)

Area » 4,230 square kilometres

Rateable properties » 7,399

Number of Councillors » 7

Rates and charges revenue » \$17.883 million

Total revenue » \$27.347 million

Length of sealed local roads » 735 kms

Length of unsealed local roads » 1,466 kms

Length of natural surface roads » 254 kms

Total road length » 2,455 kms

Section 2. Service performance indicators

For the year ended 30 June 2024

	Results					Comments
	2021	2022	2023	2024		
<i>Service / indicator / measure / [formula]</i>	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.20	2.65	3.05	N/A	4.91	A Council decision to make entry to all outdoor municipal pools free for the 2023/2024 season has seen an expected increase in the utilisation of aquatic facilities.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	0%	100%	N/A	0%	There were no animal management prosecutions during this reporting period.
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	83.33%	0.00%	N/A	100%	There were 2 major non-compliance issues for this reporting period, with both of these followed up with a compliant result in a timely manner. Council's Environmental Health service continues to work with businesses to ensure regulatory standards are met.

Service / indicator / measure / [formula]	2021	2022	2023	2024		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Governance Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]	61	62	60	77	59	Council set a stretch target of 77 for community satisfaction with consultation and engagement. Although failing to reach this, Council has maintained consistency with a result of 59, compared to 60 in 2022/2023. This result has remained steady over the last 3 years. Council is continuing its commitment to listening to, and addressing, community concerns, and will continually set high performance targets in this space.
Libraries Participation <i>Library membership</i> [Number of registered library members / Population] x100	N/A	N/A	N/A	N/A	19.11%	This new indicator is an assessment of the degree to which the community participate in Council's library service. Council's result of 19.11% (of the municipal population being Library members) is reflective of a small rural Council. Council is actively working to encourage new members and borrowers with new and varied programs aimed at different demographics, along with a small interior upgrade planned for 2024.
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	85.59%	85.53%	84.87%	N/A	87.11%	Participation levels have slightly increased on last reporting period, with Council continuing to review engagement practices within the maternal and child health service to increase participation rates.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	92.00%	87.50%	90.48%	N/A	89.47%	Council has 19 Aboriginal children enrolled in the maternal and child health service with 2 children having not attended in the last 12 months. Such low numbers creates sensitivity when reporting in percentages, however attendance in the program continues to be strong.

Service / indicator / measure / [formula]	2021	2022	2023	2024		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Roads Condition <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	100.00%	100.00%	100.00%	99.50%	100.00%	Council has had no roads fall below the renewal intervention level this year. A proactive approach by Council's roads team has seen maintenance conducted regularly and pre-emptively, to ensure sealed roads remain at condition standard.
Statutory Planning Service standard <i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	87.80%	91.49%	80.41%	85.00%	78.91%	This year, Council aimed to hit a stretch target of 85% of applications decided in required timeframes, with a commitment to improvement in this area with the implementation of ongoing monitoring. A result of 79% didn't meet the stretch target set, however the result remains well above state average for this indicator. Council discovered an error in reporting for the previous 3 years for this indicator which has now been rectified.
Waste Management Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	23.96%	21.02%	22.90%	35.00%	25.17%	Council is continuously striving to divert as much waste as possible from landfill. Although not reaching our target of 35%, we have achieved an almost 10% increase on waste diverted from landfill from 2022/2023. A more mature reporting approach will be implemented this financial year to more accurately measure this indicator.

Section 3. Financial performance indicators

For the year ended 30 June 2024

Dimension / indicator / measure / [formula]	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
<p>Efficiency</p> <p>Expenditure level</p> <p><i>Expenses per property assessment</i></p> <p>[Total expenses / Number of property assessments]</p>	\$4,049.49	\$4,064.44	\$4,615.87	\$3,734.00	\$4,591.57	\$3,787.40	\$3,868.44	\$3,953.76	\$4,042.77	Expenditure in 2023/2024 has remained consistent with 2022/2023 as Council continues to deliver outcomes for several large project grants, and the completion of projects carried forward from the previous year. The reduced indicator in the target and future years is based on minimal non-recurrent operating grants being received.
<p>Revenue level</p> <p><i>Average rate per property assessment</i></p> <p>[Sum of all general rates and municipal charges / Number of property assessments]</p>	\$2,060.89	\$2,028.33	\$2,006.30	N/A	\$1,992.70	\$2,010.41	\$2,046.17	\$2,106.13	\$2,183.42	Council has delivered a net rate rise of 0% for a seven-year period up to 2024/2025. Additionally, the number of properties within the municipality continues to grow. Forecast results differ to the indicators in Council's budget due to budgeted supplementary rates being included in these calculations.

Dimension / indicator / measure / [formula]	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	202.08%	224.65%	321.83%	248.10%	162.31%	157.99%	172.41%	164.81%	162.63%	Council's cash and investments decreased by \$13.370 million, partly 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. Council incurred additional expenditure to satisfy the requirements of grants received through the year, and also completed additional works from funds carried forward from the previous year. The target for this indicator was based on the full amount of financial assistance grants for 2023/2024 being received in that financial year. The indicator is forecast to reduce in future years when outstanding trade and other receivables are expected to reduce upon completion of the grant requirements for the Local Roads and Community Infrastructure grants.

Dimension / indicator / measure / [formula]	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	64.51%	64.66%	64.43%	N/A	-12.98%	145.22%	156.91%	148.21%	143.91%	Council held reduced cash at 30 June 2024 due to \$2.828 million for works and services related to 2023/2024 that had not yet been received from Government departments. Council also received the financial assistance grant payment for 2024/2025 of \$6.656 million early in July 2024, compared to \$7.426 million being received in advance in June 2023. The forecast indicators are based on minimal unearned revenue held as current liabilities in future years.
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	15.43%	3.41%	7.07%	N/A	1.71%	0.87%	0.00%	0.00%	0.00%	During the year Council refinanced two equipment finance loans to leases. Council now only has a single loan which is due to be repaid in April 2026.

Dimension / indicator / measure / [formula]	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
<p><i>Loans and borrowings repayments compared to rates</i></p> <p>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</p>	1.41%	12.51%	1.20%	N/A	5.53%	0.87%	0.86%	0.00%	0.00%	This indicator has increased in 2023/2024 due to the refinance of two equipment finance loans to leases. The indicator is forecast to reduce in future years as the loan balance decreases.
<p>Indebtedness</p> <p><i>Non-current liabilities compared to own source revenue</i></p> <p>[Non-current liabilities / Own source revenue] x100</p>	4.29%	3.30%	5.47%	N/A	7.49%	4.56%	2.99%	1.38%	0.55%	Council's own source revenue increased minimally with small increases resulting from supplementary rates, town planning fees and interest on investments. The non-current liabilities increased by \$0.428 million in 2023/2024 with an increase in lease liabilities and provisions for long service leave. This indicator is forecast to reduce each year based on Council's loan and lease repayments reducing the level of non-current liabilities in future years. No further borrowings or leases have been factored into the forecast indicators.

Dimension / indicator / measure / [formula]	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	164.30%	174.50%	90.93%	122.80%	124.63%	200.17%	120.79%	127.23%	128.45%	In 2022/2023 and 2023/2024 there has been an increase in capital works expenditure, however there has also been a higher proportion spent on new assets, including the Gordon Street Recreation Reserve development, Ararat East development zone infrastructure and new footpath connections. The budget for 2024/2025 is focussed on an increased level of renewal and upgrade works in the capital works program.
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	9.08%	7.64%	2.06%	N/A	-40.25%	7.65%	6.68%	6.47%	6.56%	The adjusted underlying revenue decreased 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.

Dimension / indicator / measure / [formula]	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> <i>[Rate revenue / Adjusted underlying revenue] x100</i>	55.31%	55.29%	51.46%	62.6%	73.82%	59.16%	59.45%	59.78%	60.24%	In 2023/2024 rate revenue represents a larger proportion of Council's income despite a net rate rise of %0 for the seven-year period up to 2024/2025. The adjusted underlying revenue decreased 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.
Rates effort <i>Rates compared to property values</i> <i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	0.54%	0.41%	0.29%	N/A	0.27%	0.27%	0.27%	0.27%	0.27%	Property values within the municipality increased by 44.85% between 2021/2022 and 2022/2023, and have remained consistent since that time. Additionally, Council has delivered a net rate rise of 0% for the seven-year period up to 2024/2025.

Section 4. Sustainable capacity indicators

For the year ended 30 June 2024

Results					
<i>Indicator / measure / [formula]</i>	2021	2022	2023	2024	Comments
	Actual	Actual	Actual	Actual	
<p>Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]</p>	\$2,434.43	\$2,454.62	\$2,868.75	\$2,908.16	Expenditure has remained relatively consistent with 2022/2023 levels as Council continued to deliver the outcomes for several large project grants, and works carried forward from the previous year. In 2020/2021 and 2021/2022 there was significantly less non-recurrent expenditure compared to recent years.
<p><i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]</p>	\$19,138.82	\$21,849.19	\$23,628.31	\$24,836.43	The increase in 2023/2024 is mostly due to an \$8.340 million revaluation of property and infrastructure assets. There is an increasing trend over time as a result of the capital works program exceeding depreciation each year, in addition to revaluation increases.
<p><i>Population density per length of road</i> [Municipal population / Kilometres of local roads]</p>	4.94	4.86	4.78	4.77	This indicator has remained consistent to the previous year.

Indicator / measure / [formula]	2021	2022	2023	2024	Comments
	Actual	Actual	Actual	Actual	
<p>Own-source revenue</p> <p><i>Own-source revenue per head of municipal population</i></p> <p>[Own-source revenue / Municipal population]</p>	\$1,611.45	\$1,623.47	\$1,743.89	\$1,770.52	Council's own source revenue increased minimally with small increases resulting from supplementary rates, town planning fees and interest on investments.
<p>Recurrent grants</p> <p><i>Recurrent grants per head of municipal population</i></p> <p>[Recurrent grants / Municipal population]</p>	\$943.59	\$921.74	\$916.70	\$123.94	Recurrent grants are significantly lower in 2023/2024, 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.
<p>Disadvantage</p> <p><i>Relative Socio-Economic Disadvantage</i></p> <p>[Index of Relative Socio-Economic Disadvantage by decile]</p>	1.00	1.00	2.00	2.00	The Australian Bureau of Statistics have revised Council's Socio-Economic Index for Areas (SEIFA) with the municipality now considered to be less disadvantaged than in previous years.
<p>Workforce turnover</p> <p><i>Percentage of staff turnover</i></p> <p>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</p>	13.5%	16.8%	23.4%	7.6%	There have been a number of organisational changes in recent years resulting in higher workforce turnover, with a return to steadiness achieved in 2023/2024.

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 2024-25 to 2027-28 by the council's annual budget.

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

5.2. Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current assets	means all assets other than current assets
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

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

5.3. Other Matters

Overview of 2024

During the financial year Council has undertaken a number of significant projects including completion of the Gordon Street Recreation Reserve upgrade, completion of the Helendoite Road Bridge, completion of the Ararat East Development Zone infrastructure, an increased road sealing program, substantial resheeting of gravel roads and the trial of innovative Otta sealing to a number of rural and urban gravel roads, bushfire emergency and recovery works, and substantial work towards completing the Ararat Digital Twin project.



Ararat Rural City

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