



Ararat Rural City

# AGENDA

## COUNCIL MEETING

**Tuesday 24 September 2024**

To be held in the Council Chambers, Shire Offices  
(Livestreamed)

Commencing at 6.00pm

Council:

Cr Bob Sanders (Mayor)

Cr Gwenda Allgood

Cr Jo Armstrong

Cr Rob Armstrong

Cr Peter Beales

Cr Henry Burridge

Cr Bill Waterston



Ararat Rural City

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

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

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

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## SECTION 1 – PROCEDURAL MATTERS

### 1.1 LIVE STREAMING

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

### 1.2 TRADITIONAL ACKNOWLEDGEMENT/OPENING PRAYER/COUNCILLORS PLEDGE

#### *Traditional acknowledgement*

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

#### *Opening Prayer*

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

#### *Councillors Pledge*

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

### 1.3 APOLOGIES

#### RECOMMENDATION

That the apology of Cr be accepted.

### 1.4 CONFIRMATION OF MINUTES

#### RECOMMENDATION

That the Minutes of the Council Meeting held on 27 August 2024 be confirmed.

## 1.5 DECLARATION OF CONFLICT OF INTEREST

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

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

and then immediately before the matter is considered at the meeting announcing to those present that he or she has a conflict of interest and that a written notice has been given to the *Chief Executive Officer* under this sub-Rule.

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

## SECTION 2 – PUBLIC PARTICIPATION

### 2.1 PETITIONS AND JOINT LETTERS

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

## SECTION 3 – REPORTS REQUIRING COUNCIL DECISION

### 3.1 PERFORMANCE AND FINANCIAL STATEMENTS

**RESPONSIBLE OFFICER:** CHIEF EXECUTIVE OFFICER  
**DEPARTMENT:** CEO'S OFFICE  
**REFERENCE:** 17151

#### **OFFICER DECLARATION OF INTEREST:**

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

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

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### EXECUTIVE SUMMARY

The Financial Statements and Performance Statement (the statements) have been prepared for the period ended 30 June 2024. The Victorian Auditor-General is required to audit the statements but cannot issue his report unless Council approves the statements.

The Audit and Risk Committee reviewed the statements on 3 September 2024 and recommended that Council authorises Councillor Bob Sanders, Councillor Jo Armstrong and Dr Tim Harrison to certify the Financial Statements and the Performance Statement in their final form.

### DISCUSSION

Pursuant to the Local Government Act 2020 (the Act) Council is required to give "in principle approval" to the 2023/24 Financial Statements and Performance Statement and submit the statements to the auditor for reporting on the audit.

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

The Auditor-General's agent conducted the offsite audit during August and September 2024.

#### **Key Financial information:**

##### **Financial Statements – Income Statement**

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

The draft Comprehensive Income Statement shows total income in 2024 of \$27.347 million compared with \$38.445 million in 2023. Rates & Charges income increased by \$0.187 million, Government Grants for operations decreased by \$10.111 million, and Government Grants for capital works decreased by \$2.203 million.

Council has delivered a net zero percent rate rise for the six year period up to 2023-2024. Total income from rates increased by only 1.06%. The income from general rates and municipal charges increased with movements of properties between differential classes and new building works. Most of the increase has resulted from additional waste management charges resulting from the expanded kerbside collection area now being serviced.

Council received several grants that were not budgeted including the following:

- Ararat East Development Zone Trunk Infrastructure - \$0.419 million
- Local Roads and Community Infrastructure Gordon St Redevelopment - \$1.461 million
- Disaster Recovery Funding (Flood Oct 2022) - \$1.255 million
- Planning and Data Development - \$0.103 million
- Pomonal Bushfire Recovery Assistance Planning Hub - \$0.100 million

Total expenses in 2024 were \$33.973 million compared with \$33.682 million in 2023, an increase of \$0.291 million. A breakdown of expenses reveals an increase in employee costs of \$0.923 million.

There has been a decrease of \$1.528 million in materials and services to deliver the outcomes for the additional operating grants and to complete projects carried forward from the previous financial year.

Depreciation expenses have increased by \$0.655 million as a result of the revaluation completed as at 30 June 2023.

The net result for 2024 was a deficit of \$6.626 million compared with a surplus of \$4.763 million in 2023. The revaluation of property and infrastructure assets at 30 June 2024 has resulted in an increase in value of \$8.340 million.

#### **Financial Statements – Balance Sheet**

The Balance Sheet is one of the main financial statements and it reports Council's assets, liabilities and equity at a given date, in this case 30 June 2024. Comparative figures have been provided as at 30 June 2023.

Council's current assets have decreased by \$12.325 million, from \$24.057 million as at 30 June 2023 to \$11.732 million as at 30 June 2024. Cash and cash equivalents have decreased by \$8.408 million and other financial assets have decreased by \$4.962 million, whilst current trade and other receivables increased by \$0.703 million. Rate debtors have increased by \$0.365 million.

Total liabilities have increased by \$0.181 million from \$8.596 million in 2023 to \$8.777 million in 2024.

#### **Financial Statements – Cash Flows**

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

The Cash Flow Statement shows a net decrease in cash and cash equivalents of \$8.408 million compared with a net decrease of \$10.058 million in 2023. Cash and cash equivalents excludes funds transferred to a term deposit investment which are classified as an other financial asset.

The Cash Flow Statement shows net cash provided by operating activities was \$2.048 million in 2024 compared with \$8.919 million in 2023, representing a decrease of \$6.871 million. This is largely due to a decrease in operating grants of \$9.142 million with the delayed receipt of financial assistance grant payments until July 2024, which had been partially received in advance in prior years.

Net cash used in investing activities (e.g. payments for property, infrastructure, plant and equipment) was \$9.283 million in 2024, which included \$4.962 million net transfers from a term deposit investment with a six-month maturity period. In comparison the net cash used in investing in 2023 was \$19.598 million, which included \$8.500 million transferred to a term deposit investment with a six-month maturity period.

Net cash used in financing activities was \$1.173 million in 2024 compared with \$0.621 million provided by financing activities in 2023, with the refinance of two equipment finance loans to leases during the year.

#### **Financial Statements – Capital works**

The Statement of Capital Works details the capital works completed during 2024. It shows \$15.033 million invested in 2024 compared with \$11.586 million in 2023, an increase of \$3.447 million. Total Infrastructure works increased by \$4.504 million with several projects completed from funds carried forward from the previous year.



Highlights in the building area included completion of the Gordon Street Recreation Reserve precinct, upgrade of Lake Bolac Complex and Willaura Memorial Hall kitchens, and completion of all abilities playgrounds at the Alexandra Gardens and Lake Bolac.

Highlights in the infrastructure area included an increased road sealing program, road works at Chatsworth-Bolac Road, Ararat East Development Zone, completion of bridge works on Helendoite Road, and the trial of innovative Otta sealing to a number of rural and urban gravel roads.

### **Performance Statement**

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

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

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

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

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

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

### **Audit and Risk Committee Review**

The draft Financial Statements and Performance Statement were considered by the Audit and Risk Committee on 3 September 2024. Mr Ryan Schischka from Johnsons MME presented the draft Auditors Closing Report at that meeting, and discussed the audit progress with the Audit and Risk Committee members. Further changes may be required after the Victorian Auditor General's Office has reviewed the statements and before the nominated Councillors certify the accounts in their final form.

## **KEY CONSIDERATIONS**

### **Alignment to Council Plan Strategic Objectives**

6 Strong and Effective Governance

### **Budget Implications**

Approving the Statements does not have any budget implications.

### **Policy/Relevant Law**

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

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

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

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

#### ***Sustainability Implications***

This report does not raise any sustainability implications.

#### ***Risk Assessment***

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

#### ***Innovation and Continuous Improvement***

The Financial Statements and Performance Statement are primary documents used to report on Council’s achievements in continuous improvements. For example, introducing organisational efficiencies leads to a reduction in operating expenses and investing more in infrastructure spending leads to an improvement in the satisfaction rating for sealed roads.

#### ***Stakeholder Consultation and Communication***

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

### **RECOMMENDATION**

That:

- 1 Pursuant to Section 99 of the Local Government Act 2020, Council gives approval in principle to the Financial Statements and Performance Statements for the year ended 30 June 2024; and
- 2 Pursuant to Section 99 of the Local Government Act 2020, Council authorises the Chief Executive Officer, Councillor Bob Sanders and Councillor Jo Armstrong to certify the 2023/24 Financial Statements and Performance Statement in their final form.

### **ATTACHMENTS**

The Financial Statements and Performance Statement are provided as 3.1

### 3.2 QUARTERLY PERFORMANCE REPORT

**RESPONSIBLE OFFICER:** CHIEF EXECUTIVE OFFICER  
**DEPARTMENT:** CEO'S OFFICE  
**REFERENCE:** 17152

#### **OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:**

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

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

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#### **EXECUTIVE SUMMARY**

The financial statements and performance indicators have been prepared for the period ended 30 June 2024. The actual year-to-date figures included in this report have been used to compile Council's "in principle" Financial Statements, which are subject to audit by the Victorian Auditor-General.

The unaudited figures show Council's overall financial performance is less favourable than the Original Budget, finishing with an operating deficit of \$6.626 million rather than an operating surplus of \$1.296 million. However, the financial performance is slightly more favourable than the Current Budget figures for 2023/24 which includes adjustments for the projects carried forward from 2022/23 and grant funds received in advance.

#### **DISCUSSION**

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

#### **Key Financial information:**

##### **Income Statement (Attachment 1)**

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

Attachment 1 shows that Council generated \$27.347 million in revenue and \$33.973 million in expenses to 30 June 2024. This has resulted in an operating deficit of \$6.626 million for the year ended 30 June 2024 and a comprehensive surplus result of \$1.714 million after including revaluations of Council's property and infrastructure assets.

##### ***Income***

**Rates and charges** account for 63% of the total budgeted income for 2023/24. Rates and charges are recognised when the rates have been raised, not when the income has been received. An amount of \$17.883 million has been recognised as income for the year ended 30 June 2024.

**User fees** account for 5% of the total budgeted income for 2023/24 and \$1.620 million has been received to 30 June 2024. The majority of this relates to transfer station fees, fitness centre income and commercial waste management charges.

**Recurrent Operating Grants** total \$1.226 million to 30 June 2024, including \$0.200 million from the Victorian Local Government Grants Commission for general purpose grants and \$0.128 million for the local roads grants.

**Non-recurrent Operating Grants** total \$1.920 million to 30 June 2024. Council has been successful in obtaining several grants that had not been budgeted for, as detailed in the table below. The amounts shown as unearned

income will be treated as income in future accounting periods once the performance obligations of the grant have been met.

<b>Non-Recurrent Operating Grants</b>	<b>Budget 2023/24 \$'000</b>	<b>Income 2023/24 \$'000</b>	<b>Unearned Income \$'000</b>
New Arrivals Settlement Program	-	44	-
Pilot Coordination Grampians Workforce	-	50	-
Ararat Housing Transition	-	-	300
Digital Twin Victoria	-	-	954
Free Public WiFi Services	-	-	1,196
LSIF Ararat Bowls Club Lighting	-	5	-
Rural Roads Support Program	-	56	-
Supported Playgroups	63	65	-
Kindergarten Infrastructure and Services Plan (KISP) Support Grant	-	30	-
Council COVID-19 Rapid Antigen Test Program	-	59	-
Power our Future!! Tatyoon Recreation Reserve	-	20	-
Tatyoon Oval Upgrade	-	-	225
Natural Disaster Relief	-	1,255	-
Planning & Data Development	-	103	-
Pedestrian Infrastructure Program	-	-	70
Ararat Rural City Sport, Active Recreation & Open Space Strategy	-	-	36
Tiny Towns Fund - Pomonal Community Hub	-	-	200
Regional Planning Hub - Pomonal Bushfire Recovery Assistance	-	100	-
Wage Subsidies	-	60	-
Other Minor Grants (under \$20,000)	-	73	-
	<b>63</b>	<b>1,920</b>	<b>2,981</b>

**Non-recurrent Capital Grants** total \$2.107 million to 30 June 2024, as detailed in the table below. The amounts shown as unearned income will be treated as income in future accounting periods once the performance obligations of the grant have been met.

<b>Non-Recurrent Capital Grants</b>	<b>Budget 2023/24 \$'000</b>	<b>Income 2023/24 \$'000</b>	<b>Unearned Income \$'000</b>
Gordon Street Recreation Reserve Development	-	1,511	-
Wilson Street	-	92	-
Ararat East Development Zone Trunk Infrastructure Project	-	419	-
Ararat Regional Playgrounds All Abilities Redevelopment	-	18	-
Buangor-Ben Nevis Road Widening	-	67	-
Tiny Towns Fund - Buangor Rec Reserve Pavilion Redevelopment	-	-	25
	<b>0</b>	<b>2,107</b>	<b>25</b>

### Note

It is important to note the following:

1. The Grants Operating (recurrent) figure in the Original Budget was \$7.677 million and in the Current Budget is recorded as \$0.191 million, as \$7.426 million was paid to Council in 2022/23 by the Victorian Local Government Grants Commission (VLGGC) for the 2023/24 financial year. Council has still received the expected VLGGC income, to be spent in 2023/24, however it will be reported over two financial years. Council also received \$0.060 million funding in advance for the Municipal Emergency Response Plan which has also been adjusted in the current budget.
2. Unearned revenue received in prior years has been adjusted between the Original Budget and Current Budget with an additional \$2.593 million for Grants Operating (non-recurrent), \$0.056 million for Grants Capital (recurrent) and \$0.419 million for Grants Capital (non-recurrent) included in the Current Budget on the assumption that each of the grant projects will be completed during the 2023/24 financial year.
3. These changes in the budget, plus the note reported under expenses, create a change in the reported surplus position from a projected surplus of \$1.296 million to a deficit of \$6.812 million for 2023/24. The year-end variance is a surplus of \$0.185 million when the actual year to date expenses are compared to the year to date budget.

### *Expenses*

**Employee Costs** account for approximately 41% of the total budgeted expenditure for 2023/24. For the year ended 30 June 2024 Council has incurred \$11.973 million in employee costs.

**Materials and Services** account for approximately 29% of the total budgeted expenditure for 2023/24. For the year ended 30 June 2024, Council has incurred \$11.595 million in materials and services costs. There are a number of projects, including those carried forward from 2022/23 that were completed before the end of the financial year.

### Note

It is important to note the following:

There has been an increase in expenditure on materials and services from \$8.035 million in the Original Budget to \$11.555 million in the Current Budget for 2023/24. This has resulted from a carry forward amount of \$3.520 million from the 2022/23 financial year surplus and unspent grant funds which will be used for additional activity in 2023/24. Additionally, there has been an increase of \$0.170 million in employee costs from \$11.134 million in the Original Budget to \$11,304 million in the Current Budget with some grant-funded projects requiring additional staffing to meet the requirements of the grant.

### **Balance Sheet (Attachment 2)**

The Balance Sheet is one of the main financial statements and reports Council's assets, liabilities and equity at a given date, in this case 30 June 2024. Comparative figures have been provided as at 30 June 2023.

Council's current assets have decreased by \$12.325 million from \$24.057 million as at 30 June 2023 to \$11.732 million as at 30 June 2024. Cash and cash equivalents have decreased by \$8.408 million from \$11.457 million to \$3.049 million, with another \$3.040 million held in a term deposit now classified as a financial asset. Trade and other receivables have increased by \$0.703 million from \$4.509 million as at 30 June 2023 to \$5.212 million as at 30 June 2024.

Total liabilities have increased from \$8.596 million in 2022/23 to \$8.777 million in 2023/24. Trade and other payables have decreased by \$0.741 million. Unearned income/revenue increased by \$0.304 million, and includes grants received by Council, where in accordance with accounting standards they are held as a liability until grant-related performance obligations have been met. Interest-bearing liabilities have decreased by \$0.945 million largely due to the refinance of two equipment finance loans as leases. Lease liabilities increased by \$1.375 million with four new leases entered into during 2023/24.

### Statement of Cash Flows (Attachment 3)

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

The Cash and Cash Equivalents at the beginning of the financial year of \$11.457 million have decreased by \$8.408 million to \$3.049 million as at 30 June 2024. Council has a term deposit of \$3.040 million with a term greater than three months, which is currently classified as a financial asset, and is no longer included in cash and cash equivalents.

Net cash of \$2.048 million was provided by operating activities, \$9.283 million was used in investing activities, and \$1.173 million was used in financing activities.

Investing activities includes payments for property, plant and equipment, and infrastructure, as well as transfers to and from financial assets and other investments.

### Financial Performance Indicators (Attachment 4)

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

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

Indicator	30/6/2024	30/6/2023
<p><b>Working capital</b>  <i>Measure - Current assets compared to current liabilities.</i>                      Expected values in accordance with the Local Government Performance Reporting Framework 100% to 400%                      Indicator of the broad objective that sufficient working capital is available to pay bills as and when they fall due. High or increasing level of working capital suggests an improvement in liquidity</p>	162%	322%
<p><b>Loans and borrowings</b>  <i>Measure - Loans and borrowings compared to rates.</i>                      Expected values in accordance with the Local Government Performance Reporting Framework – 0% to 70%                      Indicator of the broad objective that the level of interest-bearing loans and borrowings should be appropriate to the size and nature of a council’s activities. Low or decreasing level of loans and borrowings suggests an improvement in the capacity to meet long term obligations</p>	1.71%	7.07%
<p><b>Indebtedness</b>  <i>Measure - Non-current liabilities compared to own source revenue</i>                      Expected values in accordance with the Local Government Performance Reporting Framework – 2% to 70%                      Indicator of the broad objective that the level of long-term liabilities should be appropriate to the size and nature of a Council’s activities. Low or decreasing level of long-term liabilities suggests an improvement in the capacity to meet long term obligations</p>	7.49%	5.47%
<p><b>Rates concentration</b>  <i>Measure - Rates compared to adjusted underlying revenue</i>                      Expected values in accordance with the Local Government Performance Reporting Framework – 30% to 80%                      Indicator of the broad objective that revenue should be generated from a range of sources. High or increasing range of revenue sources suggests an improvement in stability</p>	73.82%	51.46%

Indicator	30/6/2024	30/6/2023
<p><b>Expenditure level</b> <i>Measure - Expenses per property assessment</i> Expected values in accordance with the Local Government Performance Reporting Framework \$2,000 to \$10,000 Indicator of the broad objective that resources should be used efficiently in the delivery of services. Low or decreasing level of expenditure suggests an improvement in organisational efficiency</p>	\$4,592	\$4,616
<p><b>Indicator - Revenue level</b> <i>Measure - Average residential rate per residential property assessment</i> Expected values in accordance with the Local Government Performance Reporting Framework - \$700 to \$2,000 Indicator of the broad objective that resources should be used efficiently in the delivery of services. Low or decreasing level of rates suggests an improvement in organisational efficiency</p>	\$1,993	\$2,006
<p><b>Indicator – Percentage of total rates collected</b> The internal audit conducted in 2019 on Rates Revenue and Rate Debtor Management found no routine or regular reporting of large and long outstanding rates debtors. The outstanding Rates Debtors is reported in the Annual Financial report. As at 30 June 2024 the outstanding Rates Debtors totalled \$2.320 million compared to \$1.955 million as at 30 June 2023, an increase of \$0.365 million. In percentage terms 88.1% of the rates raised have been collected at 30 June 2024 compared to 90.2% up to 30 June 2023. Outstanding rates are currently charged 10% interest. Council issues approximately 7,500 rate notices. In 2023/24 there are 2,640 assessments paying by instalments compared with 2,843 assessments in 2022/23.</p>	88.1%	90.2%
<p><b>Indicator – Asset Renewal &amp; Upgrade</b> <i>Measure - Asset renewal &amp; Upgrade compared to depreciation</i> Expected range in accordance with the Local Government Performance Reporting Framework – 40% to 130% Assessment of whether council assets are being renewed or upgraded as planned. It compares the rate of spending on existing assets through renewing, restoring, replacing or upgrading existing assets with depreciation. Ratios higher than 1.0 indicate there is a lesser risk of insufficient spending on Council’s asset base.</p>	124.63%	90.93%

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

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

#### Transfers to and from Reserves 2023/24

The following tables represent the amounts proposed to be transferred to and from Reserves for the year ended 30 June 2024. A number of these transfers are in accordance with the budget. The Transfers to the Capital Works Reserves includes funds received in 2023/24 that relate to 2024/25 and a number of specific projects included in the budget for 2023/24 that have not commenced or are in progress and proposed to be carried forward to 2024/25.

#### Transfers To Reserves

CAPITAL WORKS & PROJECTS RESERVE	
Ararat Housing Transition	\$300,000
Free Public WiFi Services	\$1,099,723
Ararat Rural City Sport, Active Recreation & Open Space Strategy	\$36,000
Digital Twin Victoria	\$549,277



Community Recovery Hubs Grant	\$145,000
Tatyoan Oval Upgrade	\$225,000
Pomonal Community Hub	\$200,000
Buangor Recreation Reserve Pavilion Redevelopment	\$25,000
<b>Total for Capital Works Reserve</b>	<b>\$2,580,000</b>

<b>RECREATIONAL LANDS RESERVE</b>	
Open Space Contributions	\$48,250
<b>Total for Recreational Lands Reserve</b>	<b>\$48,250</b>

<b>TOTAL TRANSFERS TO RESERVE</b>	<b>\$2,628,250</b>
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**Total From Reserves**

<b>CAPITAL WORKS &amp; PROJECTS RESERVE</b>	
Transfer from Capital Works Reserve for 23/24 Works/Projects	\$14,780,498
<b>Total for Capital Works &amp; Projects Reserve</b>	<b>\$14,780,498</b>

<b>TOTAL TRANSFERS FROM RESERVES</b>	<b>\$14,780,498</b>
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A summary of movements in reserve balances is included in the following table:

	Balance at 30 June 2023	Transfers to Reserve	Transfers from Reserve	Balance at 30 June 2024
Capital works and projects	14,780,498	2,580,000	14,780,498	2,580,000
Recreational land	164,960	48,250	-	213,210
Building capital	4,958,402	-	-	4,958,402
Environmental projects	94,709	-	-	94,709
Waste management	517,412	-	-	517,412
<b>Total Reserves</b>	<b>20,515,981</b>	<b>2,628,250</b>	<b>14,780,498</b>	<b>8,363,733</b>

**KEY CONSIDERATIONS**

**Alignment to Council Plan Strategic Objectives**

**6 Strong and Effective Governance**

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

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

**Budget Implications**

Council's financial performance is in line with expectations, once the original budget has been adjusted for the projects carried forward from 2022/23 and for grant funds received in advance.



***Policy/Relevant Law***

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

- 1 As soon as practicable after the end of each quarter of the financial year, the Chief Executive Officer must ensure that a quarterly budget report is presented to the Council at a Council meeting which is open to the public.
- 2 A quarterly budget report must include—
  - (a) a comparison of the actual and budgeted results to date; and
  - (b) an explanation of any material variations; and
  - (c) any other matters prescribed by the regulations.
- 3 In addition, the second quarterly report of a financial year must include a statement by the Chief Executive Officer as to whether a revised budget is, or may be, required.

***Sustainability Implications***

This report does not raise any sustainability implications.

***Risk Assessment***

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

***Innovation and Continuous Improvement***

The content of the Quarterly report is continually reviewed to ensure meaningful data is provided.

***Stakeholder Collaboration and Community Engagement***

Council's financial performance reports are published quarterly.

**RECOMMENDATION**

That the:

- 1 **Comprehensive Income Statement, Balance Sheet, Statement of Cash Flows and Financial Performance Indicators for the period ended 30 June 2024 be received and adopted, and**
- 2 **Transfers to reserves totalling \$2,628,250 and transfers from reserves totalling \$14,780,498 be adopted.**

**ATTACHMENTS**

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

**SECTION 4 – INFORMATION REPORTS**

No Information Reports received

## SECTION 5 – COMMITTEE MINUTES/REPORTS

### 5.1 AUDIT & RISK COMMITTEE MEETING

**AUTHOR'S TITLE:** CHIEF EXECUTIVE OFFICER  
**DEPARTMENT:** CEO'S OFFICE  
**REFERENCE:** 17153

#### **OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:**

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

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

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#### **EXECUTIVE SUMMARY**

This report contains the minutes of the Audit and Risk Committee meeting held on 3 September 2024

#### **DISCUSSION**

Minutes of Audit and Risk Committee meetings are provided to Council at the first available opportunity after clearance by the Audit and Risk Committee Chairperson. The report contains the Audit and Risk Committee Meeting held on 3 September 2024

Council Committees	Councillor representative	Current meeting (as presented)
Audit and Risk Committee	Cr Jo Armstrong	03 September 2024
Audit and Risk Committee	Cr Bob Sanders	03 September 2024

Next meeting is scheduled on 3 December 2024

#### **KEY CONSIDERATIONS**

##### ***Alignment to Council Plan Strategic Objectives***

The report supports the strategic objective of the Council Plan 2021-2025:

6 Strong and Effective Governance

##### ***Budget Implications***

No budget impact for the receiving of minutes.

##### ***Policy/Legal/Statutory***

Section 53 of the *Local Government Act 2020* states that Council must establish an Audit and Risk Committee.

Section 6.1 of the *Audit and Risk Committee Charter* states that minutes of Committee meetings will be provided to Council at the first available opportunity after clearance by the Committee Chairperson following each Committee meeting.

##### ***Risk Assessment***

Council needs to be aware of issues raised in the minutes.

##### ***Stakeholder Consultation and Communication***

Audit and Risk Committee members.

Councillor representation on Council Committees.

Chief Executive Officer and relevant Council officers.

**RECOMMENDATION**

That

1. the Audit and Risk Committee Meetings minutes of 03 September 2024 be received

**ATTACHMENTS**

The Audit and Risk Committee minutes as listed above are provided as Attachment 5.1

**SECTION 6 – INFORMAL MEETINGS**

No Informal Meetings held

**SECTION 7 – NOTICES OF MOTION**

*A notice of motion must be in writing signed by a Councillor and be lodged with or sent to the Chief Executive Officer no later than 12.00pm (noon) and at least six (6) days prior to the Council Meeting to allow sufficient time for the Chief Executive Officer to include the notice of motion in agenda papers for a Council meeting.*

No Notices of Motion received

**SECTION 8 – URGENT BUSINESS**

Items cannot be admitted as urgent business other than by resolution of *Council* and only then if it:

- 1 relates to or arises out of a matter which has arisen since distribution of the *agenda*; and
- 2 cannot safely or conveniently be deferred until the next *Council meeting*.

**SECTION 9 – CLOSE SESSION (CONFIDENTIAL)**

In accordance with section 66(2)(a), 3(1) *Confidential Information* (a) of the Local Government Act 2020, the following agenda items are listed for consideration in the confidential section:

No Confidential Agenda items