



PYRENEES  
— S H I R E —

Annual Report  
2013/14

# Our Vision

**We want the Pyrenees area to be a healthy, vibrant, prosperous and connected community.**

# Our Mission

**To achieve this Pyrenees Shire will:**

- Provide quality road and built infrastructure for the community;
- Work with others to provide services to maintain the wellbeing of the community, and
- Operate an efficient, forward looking organisation.

# Guiding Principles

- **Accessibility and responsiveness**

We ensure that access to services is equitable. We respect our communities and respond to their needs in a timely manner.

- **Integrity and accountability**

We operate honestly and openly, serving the best interests of our greater community at all times. We are accountable for our actions and decisions. We actively seek ideas and responses from our community.

- **Standards for Council activity**

Our activities are guided by written policies, we work with our communities to manage and adapt to risk.

**PYRENEES**  
— S H I R E —



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# PYRIEN SHIRE





PS

## Section 1

The Pyrenees Shire comprises an area of almost 3,500 square kilometres and a population of 6,669 residents. The Shire takes its name from the ranges in the north that hold similarity to the Pyrenees Ranges in Europe.



# Purpose of this Report

This Annual Report informs the Pyrenees community and stakeholders about Council's performance for the financial year July 1, 2013 to June 30, 2014.

Performance is measured against Council's strategic goals and objectives through a sustainable approach to achieving the community's vision for our Shire.

As outlined on page 9 of this report, Council's strategic framework is based on the following key areas:

- Road Infrastructure
- Community Infrastructure and Wellbeing
- Good Governance and Leadership
- Economic, Agriculture and Tourism Development
- Environment

This report includes Council's audited financial statements, an audited performance statement, the Victorian Local Government Indicators and other details as required by the *Local Government Act 1989*.

To reduce environmental impact, a limited number of printed copies of this Annual Report have been produced. Residents and interested parties are encouraged to access the report via Council's website, [www.pyrenees.vic.gov.au](http://www.pyrenees.vic.gov.au)

Electronic copies are also available on CD and can be obtained by contacting Customer Services on (03) 5349 1100.

## PYRENEES — S H I R E —



# About Pyrenees Shire

## Location

Pyrenees Shire is located in the Central West of Victoria, about 130 kilometers north west of Melbourne. It is heavily dependent on primary industry and is renowned for its wool, viticulture and forestry activity. Thirty per cent of the workforce is involved in agriculture. Key areas of production are wool, cereal, hay crops and meat. Grape and wine production has recently expanded significantly. Gold, along with sand, gravel and slate all contribute to the economy.

## Characteristics

The Pyrenees Shire comprises an area of almost 3,500 square kilometres and a population of 6,669 residents. The Shire takes its name from the ranges in the north that hold similarity to the Pyrenees Ranges in Europe.

Council administration is based in the township of Beaufort, and a number of Council services also operate from the township of Avoca. These services include health and aged care, library and information centres.

Excellent educational facilities are available in Pyrenees Shire, including integrated children's centres, primary schools, a secondary college and Community Resource and Information Centres incorporating adult education and library services.

Recreational activities are available in abundance in the region, giving community members and visitors wonderful opportunities to experience new pastimes. Most townships in the Shire have their own sporting facilities, such as football fields and netball courts. Avoca and Beaufort also have skate parks.

Tourism is ever growing throughout the region. Hang-gliding from Mount Cole and the French game of Petanque in Avoca, attract large numbers of visitors year round. In recent years, the action sport of mountain bike riding has risen in popularity.

In addition to the sporting opportunities, the Pyrenees is known for its wineries and culinary delights. Community markets are a popular attraction, as are the region's antique fairs, picnic horse races and music festivals.



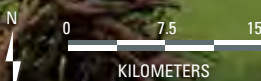
**1 DE CAMERON WARD**  
Councillors: 1

**2 AVOCA WARD**  
Councillors: 1

**3 ERCILDOUNE WARD**  
Councillors: 1

**4 BEAUFORT WARD**  
Councillors: 1

**5 MOUNT EMU WARD**  
Councillors: 1



# Demographics

**People 6,669**

Male 3,427

Female 3,242

Median age 47

Median weekly household income \$732

Median monthly mortgage repayments \$997

**Median weekly rent  
\$130**

**Families 1,786**

Average children per family 1.9



All private dwellings 3,527

**Average people per  
household 2.3**

Average motor vehicles per dwelling 2.1

Age	Pyrenees (S)	%	Victoria	%	Australia	%
<i>People</i>						
0-4 years	344	5.2	344,733	6.4	1,421,050	6.6
5-9 years	383	5.7	326,121	6.1	1,351,921	6.3
10-14 years	413	6.2	327,939	6.1	1,371,054	6.4
15-19 years	379	5.7	345,339	6.5	1,405,798	6.5
20-24 years	205	3.1	375,108	7.0	1,460,673	6.8
25-29 years	229	3.4	388,669	7.3	1,513,236	7.0
30-34 years	282	4.2	372,214	7.0	1,453,775	6.8
35-39 years	364	5.5	383,415	7.2	1,520,138	7.1
40-44 years	464	7.0	391,197	7.3	1,542,879	7.2
45-49 years	467	7.0	372,367	7.0	1,504,142	7.0
50-54 years	525	7.9	354,110	6.6	1,447,404	6.7
55-59 years	579	8.7	317,438	5.9	1,297,244	6.0
60-64 years	633	9.5	293,812	5.5	1,206,116	5.6
65-69 years	520	7.8	224,911	4.2	919,319	4.3
70-74 years	339	5.1	177,316	3.3	708,090	3.3
75-79 years	222	3.3	140,338	2.6	545,263	2.5
80-84 years	184	2.8	114,020	2.1	436,936	2.0
85 years and over	137	2.1	104,995	2.0	402,681	1.9
Median age	47	--	37	--	37	--

Source: ABS 2011



# Our History

Pyrenees Shire Council was established by an Order of the Governor in Council on September 23, 1994 and operates in accordance with the Local Government Act 1989, as amended by the *Local Government (Democratic Reform) Act 2003*.

The role of Council is to:

- Act as a representative government by taking into account the diverse needs of the local community in decision-making
- Provide leadership by establishing strategic objectives and monitoring their achievement
- Maintain the viability of the Council by ensuring that resources are managed in a responsible and accountable manner
- Advocate the interests of local communities to other communities and governments
- Act as a responsible partner in government by taking into account the needs of other communities
- Foster community cohesion and encourage active participation in civic life.

The Council comprises five elected representatives who are supported by an organisation of 123 staff and many dedicated volunteers, including members of Council Advisory Committees and Section 86 Committees of Management.

## Strategic Framework

The Council Plan 2013–2017 is the primary vision and planning document on which Council broadly bases its decisions. The Plan contains 38 specific initiatives under the following five themes:

- **Road Infrastructure**  
We will maintain a safe and effective road system that caters for all road users within the Shire.
- **Community Infrastructure and Wellbeing**  
We will provide safe and well utilised assets and services, to enhance the quality of life of residents and promote connected, active and resilient communities.
- **Good Governance and Leadership**  
We will provide community leadership and advocacy to ensure financial sustainability and improve the economic, social and environmental wellbeing of the Pyrenees Shire.

- **Economic, Agriculture and Tourism Development**

We will develop the local economy and increase the population of the Pyrenees Shire.

- **Environment**

We will show effective leadership in the management of the natural and build environments.

## Strategic Planning Framework

The Strategic Resource Plan, which flows from the Long Term Financial Plan, summarises the financial and non-financial impacts of Council's objectives and strategies and determines the sustainability of these objectives and strategies.

The Annual Budget is framed within this plan, taking into account the activities and initiatives included in the Annual Budget which contribute to achieving the objectives specified in the Council Plan.





## Mayor and CEO's Report

It is with pleasure that we reflect and report on the activities of our Council for the 2013-2014 financial year. This report represents the second year of reporting against the objectives set out in the Council Plan 2013-2017.

Council has achieved a number of important outcomes in a constrained financial climate. Given the reliance of the Council on grant and external funding and with the State and Federal Governments under financial pressure, Council has had to continue its lobbying with politicians and regional councils to promote community and regional projects to ensure funding is achieved. Council in the past twelve months has been involved in advocacy with other Central Highlands councils in Canberra and Melbourne.

However there has been some disappointments and times when we have not achieved what we would have wished. Despite this financial climate Council is in a healthy financial position which bodes well for an exciting and progressive future for all of our residents.

### **Achievements**

The final completion of the flood restoration works occurred during the year. This finalised works on the Shire road and bridge network (\$32m) and in excess of \$4.0m on buildings and community infrastructure. This work has been achieved by the commitment and dedication of Council's staff whilst still delivering their normal works programme. Congratulations to all staff on a job well done.

Strategic planning has again been a major consideration with our involvement in finalising the Central Highlands Regional Growth Plan which was launched by the Planning Minister in April 2014. This report recognised that Beaufort is an alternative location for residential development in Ballarat's hinterland.

Council has focussed on preparing the Shire for this potential growth in the coming years with projects such as the completion of Stage 2 of the residential land development (22 lots) at Correa Park, Beaufort and, planning commenced for a further 3 stages (58 lots) over the next 10 years.

The allocation of funding to carry out a detailed planning study to confirm the preferred route for a bypass of Beaufort was an excellent outcome. This together with the duplication of the

Western Highway between Ballarat and Beaufort will encourage further residential development and improve liveability for the Beaufort community.

Council over the year, through strong lobbying of all levels of government, has seen services improved with the completion of stage 2 of the Natte Yallock Community Facility. Also funding was confirmed for the Amphitheatre Community Hub and the Avoca Town Hall upgrade.

Council's results in the 2014 Community Satisfaction Survey has seen the Shire's overall performance remain on par with 2013 results, but this was still significantly higher than the Small Rural Shires average and higher than the state wide average. Also Council's overall direction was on a par with both 2013 and 2012 years. This figure is in line with the Small Rural Shire average and higher than the state wide average.

## Challenges

This year has again seen the issue of financial sustainability of the Shire on Council's agenda. The Whelan Report and the Victorian Auditor General's Report highlighted the reliance of small councils such as Pyrenees Shire on government grants and the capacity of the community to pay. During the preparation of this year's budget process it was evident that the capacity of Council to continue to raise rates in the long term is not sustainable.

Other challenges still confronting the Shire are improved telecommunications, in particular, the Moonambel / Landsborough area is high on Council's agenda as it is evident that tourism and job growth in these areas are constrained due to poor or no mobile phone coverage.

Whilst Council has progressed a feasibility study for the provision of a water supply for Moonambel, the lack of support from other levels of government and water authorities is disappointing. The Moonambel area is recognised in the Regional Growth Plans as a key regional tourism asset but requires basic infrastructure such as water to sustain and expand jobs in the region.

## Future

The year ahead will be shaped by the ongoing challenges of sustainability. The Central Highlands Regional Growth Plan recognised the Shire will experience growth particularly in the southern part. This is positive for the future of the Shire.

It will be a year of change in leadership and management for Pyrenees Shire Council. Terry Mathews, Director of Corporate and Community Services has departed after two years in the position. The work that Terry put in place has seen Council in a strong financial position. We wish to welcome Terry's replacement, Evan King.

Thank you to all the people who contributed to the Pyrenees Shire Council during 2013-2014. We value your contribution and we look forward to working with you in 2014-2015.

**Cr Robert Vance**  
Mayor

**Stephen Cornish**  
Chief Executive Officer



## Cr Ron Eason

### Avoca Ward

**First Elected:** October 2012

Cr Ron Eason and his wife Jenny came to Avoca in 2009 after purchasing the Newsagency. They moved from Tatura in the Goulburn Valley where the land is flat. The hills and the scenery of the Pyrenees is a pleasure to behold. Running the Newsagency together, has allowed us to get to know the community we are in and the people of our Shire.

### Key Achievements

- Completion of the Avoca Streetscape
- Opening of the Avoca Children's Centre
- Redevelopment and improvements to the Avoca and Natte Yallock Recreation Reserve facilities

### Key Challenges

- Improving resident services



## Cr David Clark

### Ercildoune Ward

**First Elected:** 1992, re-elected November 2008 and October 2012

Cr. David Clark operates a mixed farming property at Glenbrae, in the centre of the Ercildoune Riding, as well as working in natural resource management and community development. David is active in both the Waubra and Lexton communities.

Cr. Clark was Pyrenees Shire Mayor in 1999, 2003-04 and 2010. Cr Clark is the Rural South Central Representative and rural Deputy President of the Municipal Association of Victoria.

### Key Achievements

- Continued planning for the Beaufort bypass
- Joint community planning for future facilities development in Lexton
- Improving strategic approach and resourcing of gravel road maintenance

### Key Challenges

- Helping community manage the cost of providing local facilities
- Continuing to improve the effectiveness of gravel road maintenance
- More efficient waste management shire wide



## Cr Tanya Kehoe

### Mount Emu Ward

**First Elected:** October 2012

Cr. Tanya Kehoe and her husband Bernard operate a sheep property at Mt Emu. Cr Kehoe has lived in the area throughout her life and is involved in a number of community groups in the area. Cr Kehoe teaches at Beaufort Secondary College part time and is currently completing a PhD in moral education. Cr Kehoe has four children Annie, Thomas, Max and Jack.

#### Key Achievements

- Increasing opportunities for consultation and informing residents of Council matters
- Improving infrastructure in the Mt Emu Ward
- Carngham bushfire rehabilitation process
- Good Food Youth program

#### Key Challenges

- Improving road infrastructure and maintenance in all areas of the Ward
- Continuing and increasing contact with residents
- Implementation of the Snake Valley Streetscape

## Cr Michael O'Connor

### Beaufort Ward

Cr Michael O'Connor's professional background is in personnel, training and development over a wide range of industries.

Cr O'Connor moved to the Pyrenees Shire in January 2000 where he lives at Waterloo on a small property and is actively involved in the CFA and many other local groups. Since joining the Council, Cr O'Connor has served as Director of the former Highlands Regional Waste Management Association and is currently Chair of the Grampians Central West Waste and Resource Recovery Group. Cr O'Connor is serving a second term as a member of the School Council of the Beaufort Secondary College and is also a member of the Board of Management of the Beaufort and Skipton Health Services. He is married to Judy and has four adult children.

#### Key Achievements

- Finalisation of flood work programme
- Completion of the Beaufort Streetscape project
- Ongoing development of Correa Park residential estate
- Securing of funding for planning studies for the Beaufort bypass
- Implementation of improvement works of the Beaufort Caravan Park
- Development of the South Street Croquet/APEX precinct

#### Key Challenges

- To pursue the construction of the Beaufort bypass
- Sustainable growth and infrastructure development in Beaufort Ward and the Shire as a whole
- To promote increased community participation in Local Government affairs.
- To provide for youth retention within the Shire



## Cr Robert Vance Mayor

### **De Cameron Ward**

**First Elected:** 1987, re-elected 1996, 2008, October 2012.

Cr. Robert Vance started his career in local government with the Avoca Shire Council, where he served from 1987 to 1994, including one term as Mayor. He joined the post amalgamation Pyrenees Shire Council in 1996 when he was the Warrenmang Ward Councillor from 1996 until 2002, and was Mayor in 1997-98.

Cr. Vance returned to Council again to represent the Warrenmang Ward in March 2008, and was Mayor in 2008-09. Cr Vance represents Council on the Asset Management Committee, Municipal Fire Prevention, Central Victorian Green House Alliance and Timber Towns. Cr Vance offers good honest representation and enjoys meeting up with the different committees from the smaller towns across De Cameron Ward.

Cr. Vance is a farmer in Landsborough and is married to Jan.

### **Key Achievements**

- Correa Park residential development
- Finalisation of flood recovery works
- Bio Energy project with the Beaufort and Skipton Health Service

### **Key Challenges**

- Impact of the reduction in Financial Assistance Grants
- Keeping rates as low as possible
- Long term financial sustainability
- Improved telecommunications

# Our Executive Team

## **Stephen Cornish**

**Dip CE, Grad Dip Municipal Engineering**  
**Chief Executive Officer**

Stephen Cornish has been involved in local government in the Ballarat area for more than 30 years. Stephen joined Pyrenees Shire Council in May 1995 as the Director Assets and Infrastructure, and was appointed Chief Executive Officer in November 1999.

Stephen is responsible for the day-to-day operations of Council in accordance with the Council Plan, and in the implementation of Council decisions. The Department also incorporates tourism and economic development.



## **Evan King**

**B.Business (Acc), CPA**  
**Director Corporate and Community Services**

Evan joined Pyrenees Shire Council in June 2014. He has over 20 years of experience in financial management and community services gained in local government with Hepburn Shire Council and the social services and manufacturing industries.

Evan is responsible for the strategic management of the Corporate and Community Services Department, which includes finance and administration, information technology, governance, human resources, customer services and community wellbeing.



## **Andrew Leach**

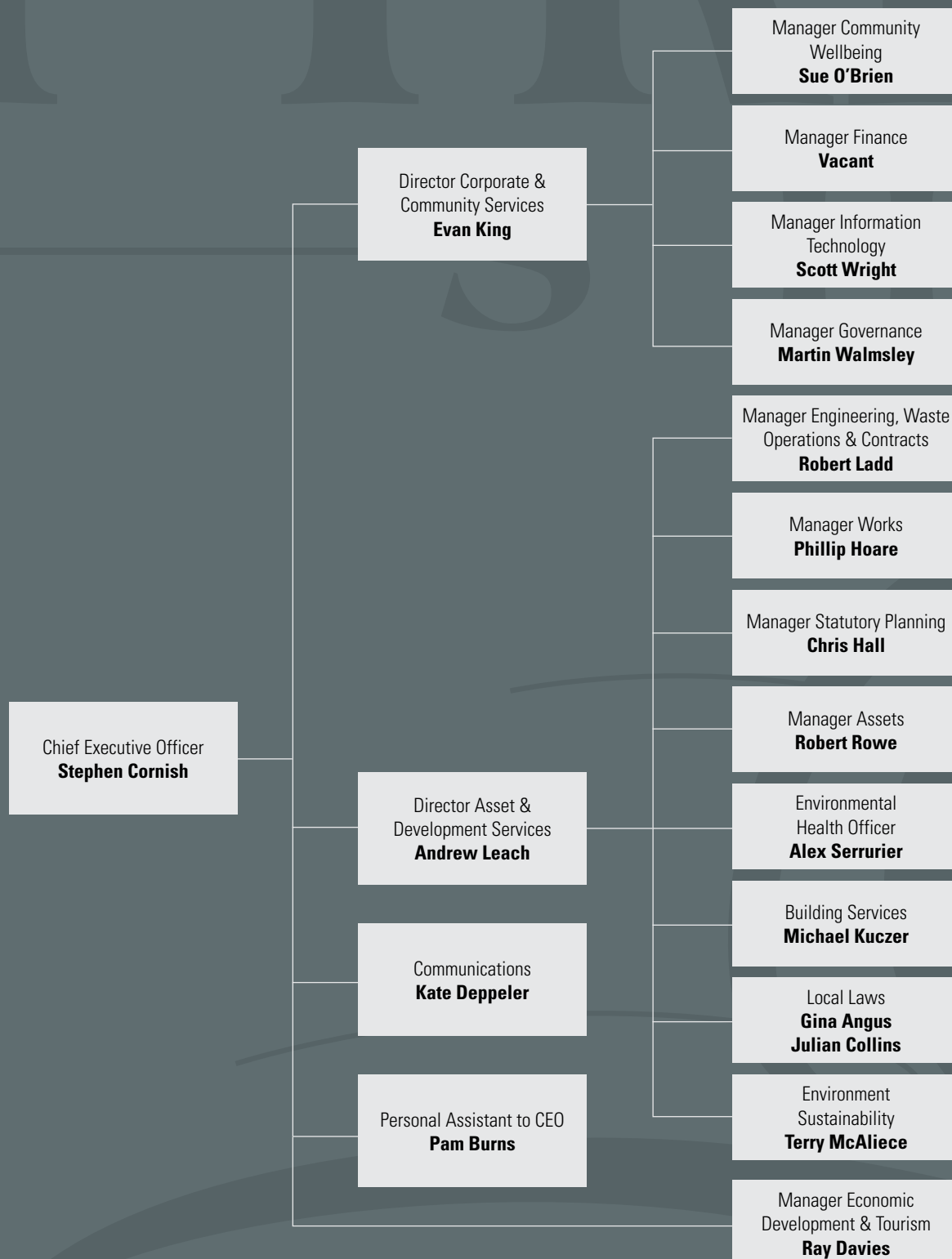
**Grad Cert Business Technology, Dip Business**  
**Director Assets and Development**

Andrew joined Pyrenees Shire Council in January 2007 and has over 26 years' experience in local government. He has held senior positions in infrastructure areas at both Pyrenees and Ballarat. Andrew was appointed Director in September 2008.

Andrew manages the operations, assets and development sections of Council. His responsibilities include the construction and maintenance of road, bridges and buildings, waste management and recycling, parks and gardens, town planning and building services, environmental health, local laws, emergency management and environmental sustainability.



# Organisational Structure





## The Year In Review

### July 2013

- Central Highlands Water announce a \$2,000,000 upgrade to Beaufort's water supply.
- Council renames the Beaufort Community Development Centre to the Beaufort Beeripmo Development Centre in recognition of local forests.
- Council adopts a new Code of Conduct for scare guns.
- Refurbished Public Toilets in Lexton are completed.
- Demolition commences on the former Elizabeth Watkin Kindergarten building in Beaufort to make way for a new ambulance station.
- The new Avoca River footbridge was opened in Avoca replacing the former bridge that was severely damaged in the 2011 floods.
- Mayor, Cr. Michael O'Connor meets with Premier Dr. Denis Napthine in Beaufort to highlight the need for the Beaufort bypass and poor telecommunication issues throughout the Shire.

### August 2013

- Pacific Hydro commences excavation and building work at the Crowlands Wind Farm project.
- The \$1.5 million Avoca Children's Centre is officially opened by Minister for Early Childhood Development, Hon. Wendy Lovell.
- Community consultation commences on the development of a new playground in Beaufort.
- State Government funding of \$325,000 is announced for the redevelopment of the Natte Yallock Recreation facility.
- Finalists in the Powercor Grampians Pyrenees Business Achievement Awards are announced with six of the fifteen finalists being from Pyrenees Shire.
- New Netball Courts at Carngham Recreation Reserve are officially opened by Member for Wannon, Hon. Dan Tehan.
- Council resolved to proceed with Stage 2 of the Correa Park Residential Estate in Beaufort creating an additional 14 allotments.

### September 2013

- Powercor Grampians Pyrenees Business Achievement Awards are announced at the Avoca Racecourse with Pyrenees businesses taking eight of the sixteen awards.
- Work commences on the new state-of-art ambulance station in Beaufort on the former preschool site.

### October 2013

- Councillors meet with the Minister for Local Government, Hon. Jeanette Powell in Beaufort to discuss improving lines of communication.
- Council celebrates Children's Week with a range of activities in Avoca.
- Council trials a new Community Meals program in Beaufort.
- Beaufort Primary School celebrates its 150 year anniversary.

### November 2013

- Lake Goldsmith Steam Rally conducts its 102nd Steam Rally.
- Cr Robert Vance is elected Mayor of the Pyrenees Shire Council at the Statutory Meeting in Beaufort.
- Mayor, Cr Robert Vance attends the National Roads Conference in Alice Springs.
- Pyrenees Shire Councillors and staff celebrate the 150th anniversary of the establishment of the Shire of Ripon by dressing in period costume at the November Council Meeting at the Beaufort Court House.

### December 2013

- The Victorian Government announce major funding to upgrade the Beaufort Railway Station Precinct.
- Council approves 19 applications to local community groups in the first round of Council's Community Grants program.
- The Victorian Government announce \$99,000 funding for the Pyrenees Emergency Communications – Small Towns Network Project.



#### **January 2014**

- Many communities in the Pyrenees Shire experience extreme heat and then fires as a result of lightning strikes.
- Victorian Premier, Dr. Denis Napthine visits Beaufort.
- Council in conjunction with Beaufort Ranger Guides celebrate Australia Day with a range of events at the Goldfields Recreation Reserve.
- More than 10,000 people celebrate at the annual Rainbow Serpent Music Festival.
- Waubra's Nancy Dean and Moonambel's Pat Murrell are announced our top Citizens in Council's Australia Day celebrations. Landsborough's Meagan Hodgetts is awarded the Young Citizen of the Year and the Moonambel Taltarni Fireworks, Event of the Year.

#### **February 2014**

- Beaufort Men's Shed is officially opened by Cr Michael O'Connor.

#### **March 2014**

- Central Highlands Water completes \$2.5 million works upgrade to the Musical Gully Reservoir.
- Cr Robert Vance officially opens the Moonambel Hall Kitchen upgrade.
- Council hosts Business Leaders Lunch in Beaufort.

#### **April 2014**

- Council hosts community consultation meetings in Raglan and Natte Yallock to assist with the 2014/15 budget preparation.
- Beaufort's new Ambulance Station is officially opened by the Minister for Health, the Hon. David Davis.
- The Victorian Government announces that Lend Lease is awarded the \$95 million contract for the Western Highway duplication between Beaufort and Buangor.
- Funding of more than \$3 million is announced for a pipeline from Stawell to vineyards in the Landsborough Valley.
- Council releases its draft 2014/15 budget for public comment.
- Council Economic Development Unit attend the annual Regional Living Expo in Melbourne to showcase what the Pyrenees has to offer.



- Council launches new Building and Planning services in Avoca.
- Communities from across the Shire commemorate Anzac Day.
- Minister for Local Government, the Hon. Tim Bull officially opens the new Beggs Street Youth Play Space in Beaufort.

#### **May 2014**

- Council hosts new resident welcomes and barbecues in Beaufort and Avoca.
- The Commonwealth and Victorian Governments announce \$4 million funding to carry out detailed planning for the Beaufort and Ararat Western Highway bypasses.
- Council undertakes Streetscape consultations in Redbank, Landsborough and Raglan.
- The Victorian State Emergency Service launches the Beaufort Local Flood Guide in Floodsafe Week.
- Council's 2013/14 Annual Report wins the Best Communications award in the MAV Annual Report Awards.

#### **June 2014**

- Minister for Environment and Climate Change, the Hon. Ryan Smith officially opens the \$600,000 Regional Bioenergy Project at the Beaufort Hospital.
- Mayor, Cr Robert Vance and Chief Executive Officer attend the National General Assembly of Local Government in Canberra.
- Council launches a new tourism branding strategy "Pyrenees Unearthed".

# PYRENEAN — S H I R E



# ES

## Section 2

The financial framework to achieve a balance between expectations and financial responsibility is achieved by the continued development of the Long Term Financial Plan, coupled with a commitment to cost restraint and the provision of value-for-money services to our community. This financial framework remains imperative and continues to drive Council's financial decisions.

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# Financial Officer's Report

In 2013/14 we continued to balance the expectations of our community with the need to assure that the financial foundations of Council remain strong and capable to meet the challenges of the future.

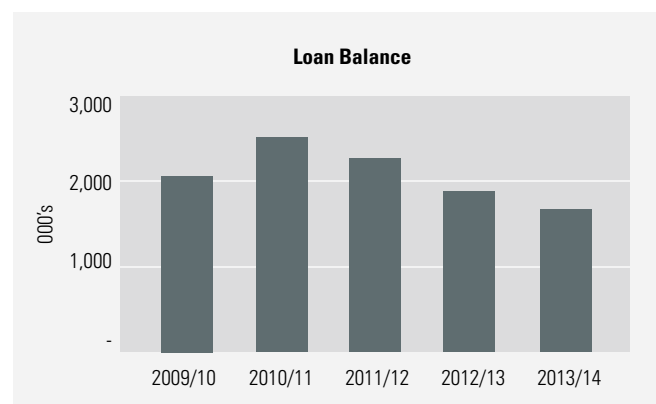
The financial framework to achieve a balance between expectations and financial responsibility is achieved by the continued development of the Long Term Financial Plan, coupled with a commitment to cost restraint and the provision of value-for-money services to our community. This financial framework remains imperative and continues to drive Council's financial decisions.

While this report focuses on the 2013/14 financial results, it is important to see this result in light of the long-term financial objectives developed by Council. These are to:

- Maintain the existing range and level of service provision.
- Maintain a strong cash position, ensuring Council remains financially sustainable in the long-term.
- Maintain debt levels below prudential guidelines.
- Continue to pursue recurrent grant funding for strategic capital funds from the State and Federal governments.
- Ensure adequate rate increases to maintain a sustainable level of funding.
- Ensure critical infrastructure renewal is funded annually over the timeframe of the Long Term Financial Plan.

The following is a snapshot of the 2013/14 financial position:

- \$18.3 million revenue.
- \$6.1 million Capital Works program delivered.
- Rates and charges comprised \$7.7 million (42%) of the total operating revenue.
- Expenditure of \$4.9 million on flood restoration works for the year.
- Operating deficit of \$8.2 million. Occurring as a result of carried over flood restoration works and the cessation of prepaid government funding.
- Cash holdings of \$5.6 million at year end. This includes works to be carried forward.
- Debt decreased from \$2.2 million in 2012/13 to \$1.9 million in 2013/14.



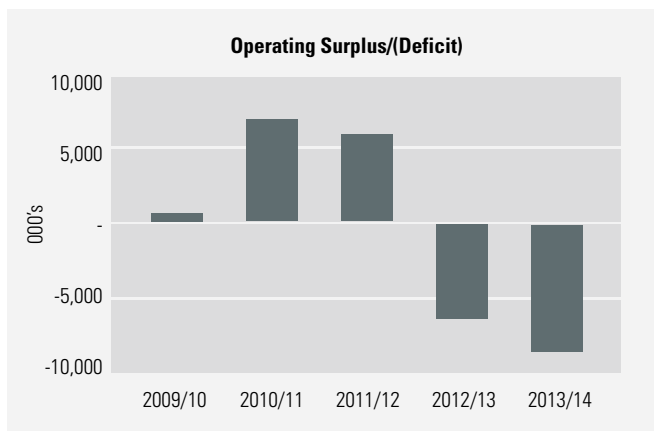


### Operating Result

We produced an operating deficit of \$8.2 million in 2013/14 compared with a \$6.1 million deficit for 2012/13. This result was driven by a number of factors including the completion of flood works funded in prior years and the cessation of the prepayment of government grants.

There were several large contributing one-off occurrences during 2013/14 that drove the operating deficit. We did not receive the prepayment of \$2.4 million in Grants Commission funding and \$1.0 million in Rural Roads and Bridges funding that we have received in the past three years. The receipt of these funds in prior years has had a significant impact on the 2013/14 financial year operating result.

Council has been challenged by one-off items such as flood restoration works over the past three years. If you combine the operating results for the past four years, that have been significantly impacted by flood we have maintained an overall surplus position. This combined four year surplus position maintains our longer-term trend towards improving Council’s financial sustainability.

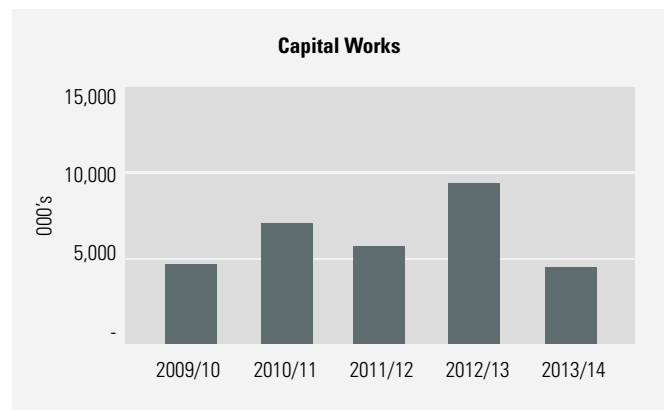


### Sustainable Capital Expenditure

We aim to ensure that our assets can be maintained at the expected levels, while at the same time continue to deliver services needed by our community.

During 2013/14, we spent a total of \$6.1 million on capital works (capital expenditure/investment) across the Shire. This included a total of \$2.0 million (33%) on renewal works/activities and \$4.1 million (67%) on new and upgrade works/activities.

In 2013/14 the level of capital expenditure continued to deliver on the challenge of renewing the community’s assets. It is anticipated that future capital expenditure will be maintained at realistic levels with a high degree of dependence on government grants.



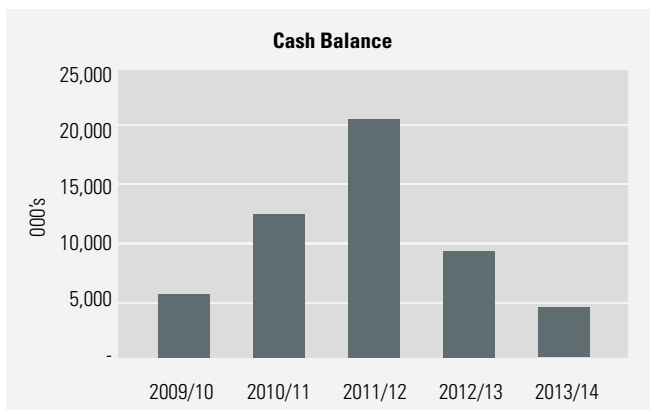




## Cash holdings

Cash holdings at the end of the financial year were \$5.6 million. This figure includes funds required for works carried forward from 2013/14 to 2014/15. The reduction in cash compared to 2012/13 occurs as a result of flood restoration grants having been received in 2012/13 and spent in 2013/14 and the cessation of prepaid government grants.

Our aim is to continue to retain moderate levels of cash holdings. This will allow Council the flexibility to respond to future opportunities or unexpected events. This may include the potential to strategically acquire an asset or to respond to natural disasters such as flooding events.

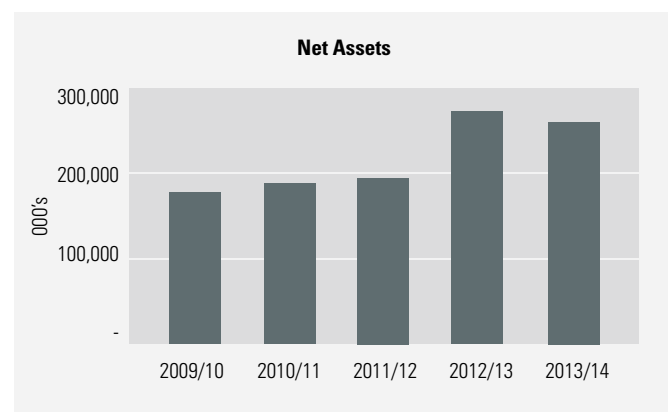


## Financial Sustainability

We have many current and future demands on funding, highlighting the need for strong, long-term planning and the targeted allocation of resources. This is achieved through the preparation and review process of the Council Plan which is supported by Council's Strategic Resource Allocation Plan. Ultimately, these documents are guided by longer-term visions and plans including the Long Term Financial Plan, which projects our financial commitments for the next 10 years. This enables Council to identify and analyse trends of significance and provide for sound financial planning and decision-making.

The continued development of the Long Term Financial Plan enables longer-term conversations with our community and this makes possible long-term goals that assist in creating engaged and vibrant communities.

The financial snapshot for the 2013/14 financial year gives a brief overview of our financial performance and the significant factors that impacted on our financial resources used to support the achievement of long-term community service and asset management objectives.



### Evan King

Director Corporate & Community Services



**ROAD  
WORK  
AHEAD**

A stack of road signs is shown in a grassy field. The top sign is yellow with black text that reads 'ROAD WORK AHEAD'. Below it is a white sign with a red border and the number '80' in black. The bottom sign is white with a black border and the number '40' in black, with the word 'HEAD' written below it. The signs are leaning against each other and are set against a background of green grass and a blurred road.

## Section 3

### Road infrastructure

We will maintain a safe and effective road system that caters for all road users for all roads within the Shire.

”

## Services, projects and programs supporting this key result area

- Asset Management
- Engineering Design
- Avoca and Beaufort Works Depots
- Contract Management
- Maintenance

## Key Achievements

- Delivery of intersection works at Beaufort Carngham Road and Carngham Streatham Road.
- Being a charter member of a group of Councils who have a joint tender for Road Re-seals delivering savings to Council and the community.
- Delivering \$4.9 million of Flood Recovery works.
- Major bridges re-constructed at three sites. Duke Street Avoca, Amphitheatre Road and Lexton Ararat Road Bridges.
- Bridges reconstructed to Major Culverts at eight sites. Lexton Ararat Road, Gillidays Road, Pretty Tower Road, Trawalla Road, Mt Lonarch Road, Eurambeen Raglan Road (2), Carngham Streatham Road.
- New Major Culverts at three sites, Redbank Barkly Road, Amphitheatre Road (2).

**14 bridges** and major culvert structures constructed in 2013/14

**8.5 kilometres** of sealed road reconstructed



25 kilometres of **unsealed roads re-sheeted**

**128,046** square metres of roads resealed

## Highlights

- Delivering \$453,000 Gravel Re-sheet program.
- Trawalla Road Pavement Extensions (5.8 kilometres), Raglan Elmhurst Road (2.5 kilometres) and delivered on time and budget by Works Group.
- Delivering \$181,000 Road Shoulder program.
- All restoration works from 2010 and 2011 floods completed.

## Disappointments

- Delays in delivery of some major projects due to environmental reporting requirements.
- Lack of substantial rainfall in some areas restricting the ability to grade gravel roads.

## Challenges

- The ability to manage the substantial increase in capital works due to the amount of flood restoration works.

## The Year Ahead

- Further works on the strategic transport routes such as Raglan – Elmhurst Road and Mount William Road.
- Complete enhanced re sheet programs and re sealing programs.
- Mt William Road – 2 segments.
- Avoca Bealiba Road realignment at Scott's Bridge.
- \$1 million of major works at numerous bridge locations – rebuilding (1 site) and re-decking (3 sites), replacement of bearing pads (2 sites), repair of spalled concrete components (11 sites), replacement of guardrail (3 sites), installation of new guardrail (1 site).

## Local Government Community Satisfaction Survey Results – Council's Performance

### Maintenance of Unsealed Roads

2012 – **47**

2013 – **44**

2014 – **46**

Small Rural Shires 2014 – **46**

### Condition of Sealed Local Roads

2013 – **N/A**

2014 – **56**

Small Rural Shires 2014 – **51**

### Condition of Local Street and Footpaths

2013 – **N/A**

2014 – **58**

Small Rural Shires 2014 – **58**

## Road Infrastructure – Council Plan Commitments

Implement the Asset Management Strategy and review the policy annually.	Asset Management Policy reviewed and adopted by Council.	<b>Completed and continuing</b> in 2014/15.
Continue to participate in the MAV STEP Asset Management Program, and the National Asset Management Assessment Framework (NAMAF) to ensure that road management within the Shire complies with the requirements of the Framework.	A review of the 2013/14 STEP program was undertaken. Council will be participating in the 2014/15 STEP program. Council achieved NAMAF "core maturity" in October 2012 – one of the first small rural municipalities in Victoria to achieve this.	<b>Completed and continuing</b> in 2014/15.
Develop a gravel road management strategy.	A number of actions have been identified that need to be undertaken to allow the gravel road strategy to be effective within the current funding allocation	<b>Not completed.</b> To be addressed in 2014/15.
Communicate to residents regarding the management of the road network.	Weekly updates regarding road network upgrades provided in Council Public Notices in the Pyrenees Advocate, Stawell Times News, Ararat Advertiser, Maryborough and District News and Council's website.	<b>Completed and continuing</b> in 2014/15.



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ROAD

# PYRENEE SHERRE



## Section 4

### **Community Infrastructure and Wellbeing**

We will provide safe, functional and well utilised assets and services, to enhance the quality of life of residents and promote connected, active and resilient communities.

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## Services, projects and programs supporting this key result area

- Community Action Planning
- Community Development
- Recreation
- Arts and Culture
- Youth Services
- Aged and Disability Services
- Family Day Care
- Emergency Relief
- Healthy Together Grampians Goldfields
- Transport Connections
- Emergency Recovery Management
- Maternal and Child Health
- Library Services
- Community Resource Centres
- Streetscape Development

## Key Achievements

- Completion of Natte Yallock Community Centre Stage Two.
- Construction of two additional tennis courts at the Amphitheatre Recreation Reserve.
- Completion and official opening of the Avoca Children's Centre.
- Completion of flood repairs at the Avoca Recreation Reserve.
- Adoption of 'Healthy and Well Pyrenees – Our Municipal Public Health and Wellbeing Plan 2013-17.
- Undertaking Home and Community Care Accreditation.
- Establishment of the Community Meals Program in Beaufort.
- Review of the Home and Community Care Diversity Plan.
- Strengthened relationship with EKCA as Family Day Care management group.
- Development of the Draft Municipal Early Years Plan.
- Strengthening community playgroups in Snake Valley, Crossroads, Beaufort and continued support and development of Avoca and Waubra.
- Rewrite of the Municipal Emergency Management Plan including Municipal Recovery Plan.
- Construction of the Beggs Street Youth and Children's Playground.
- The installation of a condom vending machine in the public toilets in Beaufort.
- Family Day Care Accreditation Audit.
- Mobile library activity has increased at Landsborough and Lexton and is well supported by the local communities.
- Council increased the number of housebound services where fortnightly deliveries are made to the Beaufort Hostel and Nursing Home.
- Council is delivering library materials to Langi Kal Kal Prison.
- Commencement of a movie club at Beaufort Community Resource Centre.
- Significant increases in circulations, holds and wi-fi usage at Avoca and Beaufort.
- 26.9 per cent increase in booking of rooms at the Avoca Visitor Information and Community Centre.

**14,677 kilometres travelled**

by Maternal and Child Health Services staff.

**6,556 hours of Family Day Care provided.**

Family Day Care



Active membership was slightly down by 0.4% (5 members) to 1449



## Highlights

### Transport Connections Project

The completion of the Transport Connections project and the establishment of schools as Local Community Hubs for Adult Learning model and Medical Companion Transport program.

### Municipal Emergency Management Plan including Municipal Recovery Plan

These plans have been rewritten to reflect Councils recent Emergency Management experiences. The style of the document has purposely been written to be a practical tool that guides officers through the steps required to undertake a series of roles.

### Library Services

Significant increases in circulations, holds and wi-fi usage at Avoca and Beaufort.

Avoca Visitor Information and Community Centre experienced a 26.9% increase in room bookings.

## Disappointments

### Amphitheatre Community Centre

The Federal Government funding of \$279,517 for a new Amphitheatre Community Centre was announced by the Labor Government and then that promise not honoured by the incoming Coalition Government.

### Library Services

The lack of local community support for Story Time and Baby Rhyme programs which are well supported at libraries elsewhere throughout the Central Highlands Library Network. Use of the mobile library at Snake Valley has declined by 25 per cent.

## Challenges

### Family Day Care Educator Shortage

This service requires more educators to work within our Family Day Care program to meet community needs. Regular advertisements have not succeeded in attracting more educators.

Establishment of childcare options in the northern part of the Shire – Avoca.

## The Year Ahead

- Tackling the high smoking rates (Pyrenees Shire has the highest rate in the state) in partnership with Healthy Together Grampians Goldfields, other stakeholders and the community.
- The delivery of the Pyrenees Emergency Communications, Small Towns Network Project – to achieve:
  - Communities equipped with the knowledge and skills so they can make informed and safer decisions when faced with an emergency.
  - Communities better able to coordinate themselves under stress and more capable to recover from adversity.
  - Communities knowing where they can access information and when to seek it.
  - More community members with personal bushfire survival plans
- Gaining funding for the Amphitheatre Community Centre.
- Preparation for Home and Community Care funding change to the Commonwealth.
- Ensuring all Home and Community Care clients are reviewed annually.

### Library Services

Circulations increased by 15.6% to 32549

Holds were up by 34.8% to 9130

Room usage at the Avoca Visitor Information and Community Centre has increased by 41.8% to 1988 participants.

**224** residents became new library members.

**The number of people accessing wi-fi increased by 117.8% to 1261 users representing 2381 hours.**





### Home and Community Care (HACC) Service Provision

Function	2011/12	2012/13	2013/14
<b>Domestic Support</b>	8,081 hours	7,053 hours	5,671 hours
<b>Personal Care</b>	2,464 hours	1,070 hours	1,275 hours
<b>Respite Care</b>	2,770 hours	1,589 hours	1,680 hours
<b>Meals</b>	7,540 meals	3,312 meals	5,218 meals
<b>Home Modifications</b>	246 hours	86 hours	142 hours

### New initiatives in Home and Community Care

- Establishment and consolidation of Support Staff meetings in Beaufort and Avoca.
- Extension of the Supported Shopping service into Avoca.
- Establishment of Annual Survey for HACC clients.
- Training of HACC staff based on directions from Community Care Common Standards Audit, Active Service Model and Diversity Planning.



## Maternal and Child Health Service Provision

Consultations	2011/12	2012/13	2013/14
Number of infants enrolled from birth notifications	60	60	58
Number of new enrolments	83	81	85
Number of active infant records	267	269	293
Additional consultations	285	259	306
Telephone consultations	89	79	108
Community strengthening activities	6	6	7

### New Initiatives in Maternal and Child Health Services

- SMS alerts to clients to remind them when an upcoming Maternal and Child Health visit is due.
- Waubra Centre for Maternal and Child Health Service established.
- Snake Valley Playgroup established at the Woody Yallock Primary School (Snake Valley Primary School).
- Council continues to provide families with a free picture story book at their 4 month and 2 year Key Age and Stage visit to Maternal and Child Health Service. Clients continue to be delighted with the service and highly value the emphasis placed on literacy from the earliest Maternal and Child Health visits.

## New Initiatives in Family Day Care

- Introduction of quarterly Team Meetings of Educators and Co-ordination staff.
- Restructured Support for Family Day Care Educators.
- Establishment of monthly Co-ordination Team Meetings.
- Adoption of and roll out of Early Years Learning Framework principles in all settings.
- Delivery of Avoca Service from the new Avoca Children's Centre.

## Youth Activities

Young people have been involved in a variety of projects across the Pyrenees Shire. These projects have been driven by youth and community needs and have had a positive impact for those participating. Some of the key projects delivered have included workshops where young people have had an opportunity to gain skills, learn about the foundations of that particular skill and then be able to share with both their peers and the broader community. All of these programs allow young people to develop personally, build relationships, contribute to community and enjoy the opportunity among their friends.

### Key projects delivered have included:

- Beggs Street Youth and Children's Playground Launch
- Pool Parties
- Food and Culture Program
- Music Performance
- Media Publication for Youth
- Grant Writing

## Community Action Planning

A Community Action Plan is an important community document which helps a community prioritise community needs, set out a list of priorities for a community and helps the various levels of government understand what the needs are for communities.

16 Communities in the Pyrenees Shire have Community Action Plans.

Council refers to all Community Action Plans when making future plans that affect the Shire and the communities within the Pyrenees Shire.

Community Action Plans play a significant role in keeping community aspirations at the forefront of Council planning. Projects such as the Moonambel Pavilion, Waubra Community Hub and the Avoca Children's Centre, streetscape planning in Beaufort and Avoca and the new netball court at Snake Valley all happened as a result of being identified in the Community Action Plans. This year the Community Action Plans achieved the following outcomes:

- Investigation into additional usage of the Avoca Town Hall.
- Funding to upgrade the Tennis Courts at Amphitheatre.
- Funding to Complete Stage 2 of the Natte Yallock Community Centre at the Natte Yallock Recreation Reserve.
- New Netball Court and viewing shelter constructed at the Carngham Recreation Reserve.
- New equipment purchased for the kitchen at the Beaufort Town Hall.
- Streetscape works in Snake Valley, Beaufort and Avoca.



Carla Baker of Beaufort reading to daughter Elsie.

## Community Grants – Round 1 for 2013/14

The following community groups were awarded funding under Council's Community Grants program:

Group name	Grant Amount Approved	Total Project	Description
Avoca Golf Bowling Club	\$1,000	\$3,200	to assist with replacing the floor coverings in the club kitchen, which does not currently meet requirements.
Carngham Recreation Reserve	\$1,500	\$5,120	to assist with the replacement of an existing non-compliant access ramp with a compliant accessible entry ramp.
Landsborough and District Historical Society	\$1,338	\$2,676	to assist with the development of a new exhibition room by refurbishing an existing store room.
Beaufort and District Adult Riding Club Inc.	\$750	\$2,563	to assist with hosting a Dressage day in September to raise funds for the club.
Carngham Cricket Club	\$1,500	\$4,800	to assist with the replacement of the worn and unsafe cricket pitch at the Carngham Recreation Reserve.
Amphitheatre Mechanics Institute	\$500	\$1,000	to assist with the Amphitheatre Rocks function to thank volunteers for supporting the community.
Avoca Shire Turf Club	\$1,000	\$2,420	to assist with the purchase of a glass washer for the Pyrenees Function Centre.
Carranballac Fire Brigade	\$500	\$2,000	to assist with the purchase of a fridge and portable fridge for the Fire Brigade volunteers.
Lexton Golf Club	\$1,500	\$15,300	to assist with the refurbishment of the clubrooms.
Landsborough Public Hall	\$1,500	\$4,500	to assist with the purchase and installation of an air conditioner at the Hall.
Snake Valley News auspiced by Carngham Linton Football Netball Club	\$750	\$1,950	to assist with the purchase of photographic equipment to improve with the production of the Snake Valley News
Upper Mount Emu Landcare Network Inc.	\$1,500	\$24,610	to undertake a number of projects with Landcare members to control woody weed in support of Council's current weed control program for members.
Waubra & District Horticultural Society	\$750	\$1,725	to assist with pathway paving creating a safe path between the storage shed and the Hub.
Beaufort Municipal Band	\$430	\$880	to assist with painting and affixing Band Logo to the new instrument trailer.
Avoca Girl Guides	\$800	\$1,265	to assist with the restoration of storm water drainage at the guide hall.
Landsborough Primary School	\$750	\$3,200	to assist with the purchase of a Barbecue and other items to allow the school to continue to provide community catering and fundraise.
Snake Valley & District Historical Society Inc.	\$695	\$695	to fund the reprint of the Snake Valley Tourist Brochure.
Maryborough Field Naturalists Club Inc.	\$475	\$5,475	to assist with a Pyrenees focused project to detect and digitally record rare species such as the brush tailed phascogale.
<b>Round 1 Total</b>	<b>\$ 17,238</b>	<b>\$ 74,009</b>	

## Community Grants – Round 2 for 2013/14

The following community groups were awarded funding under Council's Community Grants program:

Group name	Grant Amount Approved	Total Project	Description
Moonambel Events Inc.	\$ 500	\$16,000	to assist with the application fee to the Melbourne Food & Wine Festival to participate in the World's Longest Lunch on March 14th 2014.
The Friends of the RSL - Snake Valley Carngham Branch	\$250	\$540	to assist with the 2014 ANZAC Day Commemorative Service.
Landsborough Festivals Inc	\$500	\$1,519	to assist with the payment of public liability insurance for 2013/2014
Avoca & District Historical Society	\$1,000	\$3,250	to assist with the repairs of the town clock.
Avoca Riding Club	\$750	\$2,320	to assist with the running of the annual Dressage Competition in April 2014
Avoca Business & Tourism Inc.	\$500	\$4,665	to assist with the annual Avoca Christmas Street Party.
Beaufort Senior Citizens Club	\$1,000	\$1,750	to assist with upgrading the furniture to comply with Occupational Health & Safety requirements.
Lexton Football Netball Club	\$1,500	\$21,000	to assist with the construction of a netball courtside shelter.
Carranballac Cricket Club	\$1,500	\$9,040	to assist with the installation of replacement practice nets and pitch.
Beaufort Croquet Club	\$1,494	\$1,494	to purchase stackable chairs for the Apex/Croquet Club Rooms.
Pyrenees Presents Inc.	\$1,000	\$2,284	to assist with the initial establishment fees and insurance for Pyrenees Presents.
Moonambel Arts & History Group	\$1,000	\$1,874	to assist with the purchase of weatherproof marque for activities and events.
Waubra Bowling Club Inc	\$1,500	\$3,500	to assist with the sanding and sealing the floor at the club rooms.
Raglan Hall & Recreation Reserve CoM	\$1,500	\$7,800	to assist with the fencing repairs at the Raglan Recreation Reserve.
Avoca Tennis Club	\$1,200	\$3,251	to assist with the construction of a shade/all-weather shelter and an honour board.
Carngham Linton Football Netball Club	\$1,500	\$2,250	to assist with the purchase and installation of split system air conditioning units.
Amphitheatre Tennis Club	\$600	\$950	to assist with the purchase of a fixed noticeboard.
Redbank Hall CoM	\$1,000	\$3,650	to assist with the purchase of a community ride on mower.
Redbank Cemetery Trust	\$1,000	\$3,650	to assist with the purchase of a community ride on mower.
<b>Round 2 Total</b>	<b>\$19,294</b>	<b>\$90,787</b>	
<b>Total Allocated Grants 2013/2014</b>	<b>\$36,532</b>		



# PYRENEES SHIRE

## Local Government Community Satisfaction Survey Results – Council's Performance

### Elderly Support Services

2012 – **72**

2013 – **71**

2014 – **70**

Small Rural Shires 2014: **73**

### Family Support Services

2012 – **66**

2013 – **67**

2014 – **58**

Small Rural Shires 2014: **58**

### Recreation Facilities

2012 – **71**

2013 – **67**

2014 – **67**

Small Rural Shires 2014: **71**

## Community Infrastructure and Wellbeing – Council Plan Commitments

Complete and implement the community infrastructure asset management strategy and review policy annually.	Community infrastructure asset management strategy implemented and policy reviewed.	<b>Completed and continuing</b> in 2014/15.
Implement and update Council's Recreation Strategy to ensure our communities have access to resources and facilities that encourage participation.	<p>New pool liner at the Beaufort pool.</p> <p>Completion of Snake Valley Netball Court.</p> <p>Amphitheatre Tennis Courts renewed.</p> <p>All playgrounds were upgraded to meet current standards.</p> <p>Beggs Street Youth and Children's Playground completed and officially opened.</p> <p>Lexton Netball Court lighting upgrade designed and costed.</p>	<b>Completed.</b>
Use Community Action Plan to inform Council's priorities for determining the use, and future needs for community facilities.	<p>Council's Community Action Plan Liaison Officers continue to work with Community Action Plan groups.</p> <p>Community Action Plan Co-ordinator's Forum conducted in October 2013 and February 2014.</p> <p>Funding proposal submitted for Avoca Hall, Landsborough Hall and streetscape.</p>	<b>Completed and continuing</b> in 2014/15.
Support and promote the development of community hubs as a means of increasing the utilisation of community assets throughout the Shire.	<p>Natte Yallock Recreation Reserve Stage 2 completed.</p> <p>Amphitheatre Community Centre funding application submitted.</p> <p>Application for Lexton Community Facility Feasibility study completed.</p>	<b>Completed and continuing</b> in 2014/15.
Promote, develop and maintain tidy, attractive and functional streetscapes that encourage tourism, town pride and new residents.	<p>Beaufort, Avoca, Waubra, Lexton, Snake Valley and Moonambel streetscapes completed.</p> <p>Consultations for Redbank, Landsborough and Raglan undertaken.</p>	<b>Completed and continuing</b> in 2014/15.



<p>Provide responsive and sustainable community services in aged care, child care and maternal and child health.</p>	<p>New initiatives for Home and Community Care clients developed and implemented:</p> <ul style="list-style-type: none"> <li>• Community Shopping Bus – Avoca</li> <li>• Community Meals project – Beaufort</li> <li>• Senior’s Week activities</li> <li>• Maternal &amp; Child Health and Family Day Care services provided from the Avoca Children’s Centre</li> <li>• Maternal &amp; Child Health service delivered from Waubra Primary School.</li> </ul>	<p><b>Completed and continuing</b> in 2014/15.</p>
<p>Facilitate youth involvement in community activities.</p>	<p>Youth input in the Beaufort Community Action Plan.</p> <p>A range of FFreeZa events were undertaken including launch of the Beggs Street Youth and Children’s Playground.</p>	<p><b>Completed and continuing</b> in 2014/15.</p>
<p>Utilise Council’s Health and Wellbeing Plan to improve the health of the community.</p>	<p>New Health and Wellbeing Plan adopted by Council in October 2013.</p> <p>Community Smoking Cessation program implemented.</p>	<p><b>Completed and continuing</b> in 2014/15.</p>
<p>Support arts and cultural initiatives within the Shire to enhance community participation and wellbeing.</p>	<p>Council has provided a range of ongoing support, including funding to arts and culture groups:</p> <ul style="list-style-type: none"> <li>• Pyrenees Music Festival</li> <li>• Beaufort Country Talent Club</li> <li>• Avoca Do</li> <li>• Pyrenees Presents Inc.</li> <li>• Pyrenees Chorale</li> <li>• Casablanca Movie Club</li> <li>• Pyrenees Arts Council</li> </ul>	<p><b>Completed and continuing</b> in 2014/15.</p>
<p>Promote the use of Community Resource Centres to enhance the communities’ educational, training and social networking opportunities.</p>	<p>A range of activities including promotion of food pantry, story time, reading hour and school holiday programs have been provided in Community Resource Centres.</p>	<p><b>Completed and continuing</b> in 2014/15.</p>





# LYRENEES SHIRE

LYRENEES SHIRE

HALL ↑

← OFFICE

©

A large, mature tree with thick, gnarled branches and dense foliage of yellowing leaves stands in front of a brick building. The ground is covered with fallen leaves, and the scene is brightly lit, suggesting a sunny day in autumn. A white semi-transparent box is overlaid on the right side of the image, containing text.

## Section 5

### **Good Governance and Leadership**

We will provide community leadership and advocacy to ensure financial sustainability and improve the economic, social and environmental wellbeing of the Pyrenees Shire.

”

## *Services, projects and programs supporting this key result area*

- Corporate Governance
- Councillor Support
- Audit Program
- Human Resource Management
- Occupational Health and Safety
- Communications
- Customer Services
- Records Management
- Emergency Management
- Information Technology
- Domestic Animal Services
- Local Laws Enforcement
- Rating / Property Services
- Risk Management
- Financial Management

The Pyrenees Shire Council was established by an Order of the Governor in Council on September 23, 1994 and is a body corporate. The Local Government Act 1989 sets out the roles and responsibilities of Council.

Pyrenees Shire Council is represented by five ward Councillors. Cr. Robert Vance became Mayor of the Council following the Statutory Meeting in November 2013.

### **Council Plan**

The 2013 - 2017 Council Plan describes, in broad terms, the goals and aspirations of the Pyrenees Shire Council for those four years. It describes what Council believes is important to the residents of the Pyrenees Shire and what it hopes to achieve in the near future.

Armed with specific strategies and guided by principles and vision, Council aims to continually improve its operation and its achievements for the future prosperity and fulfilment of the Pyrenees Shire.

The plan is reviewed annually by Councillors and the Management Team. A copy is available on Council's website.

### **Mayoral & Councillor Allowances**

The Mayoral allowance is currently \$58,515. The Councillor allowance is \$19,586. These allowances include superannuation and are reviewed annually by the Department of Transport, Planning and Local Infrastructure.

### **Council Meetings**

Council conducts its business in open and publically advertised meetings. Ordinary Council Meetings are usually held on the third Tuesday of each month at the Council Chambers in Beaufort, commencing at 6pm.

During the year an Ordinary Council Meeting was also held in Avoca in April 2014.

The Statutory Meeting, which included election of the Mayor, was held in Beaufort in November 2013.

## Councillor Attendance at Council Meetings

Date	Cr Kehoe	Cr Clark	Cr O'Connor	Cr Eason	Cr Vance
16th July 2013	✓	✓	✓	✓	✓
20th August 2013	✓	✓	✓	✓	✓
17th September 2013	✓	✓	✓	✓	✓
15th October 2013	✓	✓	✓	✓	✓
7th November 2013 (Statutory)	✓	✓	✓	✓	✓
19th November 2013	✓	✓	✓	✓	✓
10th December 2013	✓	✓	✓	✓	✓
17th December 2013 (Special)	✓	✓	✓	✓	✓
18th February 2014	✓	✓	✓	✓	✓
18th March 2014	✓	✓	✓	✓	✓
15th April 2014	✓	✓	✓	✓	✓
20th May 2014	✓	✓	✓	✓	✓
19th June 2014	✓	✓	✓	✓	✓

### Code of Conduct

Council has adopted a Code of Conduct to provide guidance to Councillors on ethical conduct and the standard of behaviours expected in relation to other Councillors, Council staff and the Community.

The Code of Conduct is reviewed annually and is available upon request from Council.

### Internal Audit

The Internal Audit Committee is an Advisory Committee of Council and monitors internal controls, financial management and risk management. Council's Internal Audit Committee is comprised of three independent external members and two Councillors.

Meetings were held on 26th August, 26th November 2013 and 27th May 2014.

The Committee considered reports from the internal auditor on procurement practices; administration and tender management processes; capital works planning and management processes; asset management policies, procedures and practices.

### Committees (Section 86)

Council could not operate effectively without the assistance of the many volunteers represented on Council's Special Committees (Section 86 Committees).

The following Committees have been established under the Local Government Act 1989 for the purpose of advising Council on specific matters. Meetings of these Committees are open to the public and minutes of the meetings are available for public inspection.

- Beaufort Community Bank Complex
- Brewster Hall
- Landsborough Community Precinct
- Lexton Community Centre
- Snake Valley Hall
- Waubra Community Hub

In accordance with the Local Government Act, Council commenced a review of Section 86 Committees and their Deeds of Delegation during the year. The review concluded in October 2013.



## Continuous Improvement

As outlined in the Local Government Act, the Best Value provisions require Council to review its services against the following principles;

- Specific quality and cost standards for every Council service
- Responsiveness to community needs
- Accessibility and appropriately targeted services
- Continuous improvement
- Regular community consultation on all services and activities
- Frequent community reporting

## Communications

Council has continued to monitor, report and review communication activities to ensure residents remain well-informed and educated on Council's programs and services. Through this reporting system, Council has established a streamlined approach in delivering messages to residents. An overview of communications channels used are:

- Public notices appear in the weekly newspapers and have proved to be an efficient way to communicate with residents on all matters including (but not limited to) public meetings, grants, capital works and upcoming events.
- The website is a central hub for residents to go to for information and details on Council matters. It has evolved to provide two-way communication between Council and residents.
- Media releases are distributed regularly providing a proactive way to highlight Council activity.
- Advertisements are often used to publicly advertise Council events.

Information technology plays an important role in providing residents and staff with an efficient means of communication. Council has developed a website model that provides residents with a central point to gain information on Council activity while also providing an avenue for Council to gain feedback and collect payments.

Identifying and highlighting Council's key projects and priorities has been beneficial in effectively engaging with stakeholders and government on a local, state and federal level. It has allowed materials to be clear and concise so that government and stakeholders are clear on objectives and Council's requests. A number of priority projects have been identified and include:



- Telecommunications in rural and regional areas
- Western Highway Bypass

### Information Technology

Information technology plays an important role in the efficient functioning of the Pyrenees Shire and its ability to provide residents and other stakeholders with access to information regarding Council plans and activities.

Council's Information Technology Department develops, configures and maintains existing software and technologies and integrates new software and technologies to maximise efficiency of Council processes and is responsible for the installation of appropriate electronic equipment to improve community services.

Council's Information Technology Department is mainly an internal service unit, with only a minor level of interaction with the community. Underneath the surface however, the Information Technology Department is responsible for almost everything electronic in our Organisation.

Our Information Technology Department maintains:

- 25 Public Access/Community Training Personal Computers across five locations

- Eight Broadband For Seniors computers across four locations
- Three Mobile Library computers across three locations
- Free Public Wi-Fi infrastructure across three locations
- 15 Photocopiers/Printers/Fax machines across eight locations
- 89 staff computers, 30 servers and associated network infrastructure across six locations
- 76 landline VOIP phone handsets across four locations
- Solar energy generation systems across three locations
- 24 electronic locks across 4 locations
- Diesel Backup Power Generator at Beaufort Office
- 94 software applications
- 74 mobile phone handsets
- 24 tablet devices

Our Information Technology staff are very passionate about the challenge of selecting appropriate software and technology to simplify and automate processes, increase efficiency and generally make things easier for both staff and the community.



Council is keen to see its public access computer facilities used to their fullest potential. Shire residents are encouraged to visit the centres in Avoca, Landsborough, Lexton and Beaufort and speak with the staff who are more than happy to assist in the use of the Public Access Computers and navigation of Council's website.

### **Risk Management**

Council is committed to proactive risk management and ensures the environment and facilities provided for the community and staff are safe with the necessary practices and procedures in place for the control of all identified risks.

During the year, Council's Risk Management Framework was reviewed and the Risk Register updated. Major Risk Assessments were conducted on seven key Council business functions.

### **Emergency Management**

Municipal Emergency Management Plan (MEMP) Review and Re-write Project – the following outcomes have been achieved:

- The MEMP Review Workgroup was formed in January 2014.

- A Risk Management and MEMP Action Work plan has been completed.
- A MECC Operations Manual has been completed.
- An Emergency Animal Welfare Sub-Plan has been developed.
- A MEMP Audit workgroup has formed.
- Beaufort Flood Guide has been drafted and was launched in May 2014.
- Beaufort Flood Plan has been drafted and has been approved by SES, MEMPC and Council.
- The MEMPC plan includes a significant change to the MEMPC Terms of Reference to focus more on local emergency planning issues.

### **Privacy**

Council complies with the Victorian Information Privacy Act 2000. Council staff have attended privacy training to ensure understanding and compliance with the legislation. A copy of Council's policy is available for viewing at the Council Office. Questions, complaints or further information can be obtained by calling Council's Privacy Officer, the Manager Governance.





### **Freedom of Information**

The Freedom of Information Act (1982) provides all residents and ratepayers with a legally enforceable right to obtain access to a document in accordance with the Act. The Officer with authority to make a decision in relation to a request for access to documents under the Act is Martin Walmsley, Manager Governance. All requests must be made in writing and be accompanied by an application fee.

Council processed one application under the Freedom of Information Act during 2013/14.

A report on the operation of the Act is prepared each year and a copy of the report is available for inspection. Publications under Section 7 and 8 of the Act are available to the public and can be obtained by contacting the Freedom of Information Officer.

### **Chief Executive Officer Delegation**

Not all powers and functions of Council are exercised directly by the Council. The Chief Executive Officer (CEO) is appointed by Council for the purposes of managing the daily business of the organisation. To assist in the efficient operation of the organisation, an instrument of delegation exists which provides the CEO with the necessary authority to perform the duties of the position. Some of these powers are further delegated to staff.

### **Occupational Health & Safety (OH&S)**

Pyrenees Shire Council recognises and is committed to preventing injury and illness by providing as far as practicable, a safe and healthy environment for its employees, contractors and the public. Council is not only committed to ensuring that all legislative requirements are met, but to maintaining a position of excellence in its handling of the occupational health, safety and welfare issues affecting its workforce.

The Occupational Health and Safety Committee is responsible for maintaining an active oversight of health and safety issues in the workplace and monitoring the organisation's performance against established indicators. These include a number of incidents, both reportable and non-reportable to Worksafe, and time lost due to injury.

The Occupational Health and Safety Committee has ensured that all Council's OH&S policies and procedures reflect the requirements of the Occupational Health and Safety Act, 2004.

## Equal Employment Opportunity

Council is committed to providing a workplace free of any form of discrimination and harassment through its Equal Opportunity Policy and Code of Conduct. This is achieved by mandating a work environment that provides for mutual respect and a professional approach to relationships at all levels.

Pyrenees Shire Council is committed to the recruitment, training, transfer and promotion of employees on the basis of merit and open competition regardless of age, sex or gender identity, disability, industrial or political activity or inactivity, lawful sexual activity, marital status, physical features, pregnancy, race, religion, parental status or personal association.

The Equal Opportunity Policy describes the rights and responsibilities of all employees and provides a means of addressing any issues of concern. Trained Contact Officers are available to provide an initial point of contact for employees.

Our employee induction process includes training in equal opportunity awareness and compliance.

Council's holistic approach to risk management relies on the commitment of employees at all levels to ensure not only their own safety, but also the safety of other staff, safety of the public and the protection of corporate assets.

## Documents available for inspection

Documents are available at the Beaufort Council Offices during normal business hours.

- Details of current allowances fixed for the Mayor and Councillors under Section 74 or 74A of the Local Government Act 1989.
- The total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states:
  - 1) Ranges of remuneration, where the maximum difference in each range must not exceed \$10,000; and
  - 2) The number of senior officers whose total annual remuneration falls within the ranges referred to in subparagraph (i).
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost to Council of the overseas or interstate travel, including accommodation costs;
- Names of Council officers who were required to submit a return

of interest during the financial year and the dates the returns were submitted.

- Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
- Agendas and Minutes of ordinary and special meetings held in the previous 12 months kept under Section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act.
- A list of all special committees established by the Council and the purpose for which each committee was established.
- A list of all special committees established by the Council which were abolished or ceased to function during the financial year.
- Minutes of meetings of Special Committees established under Section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act.
- Register of delegations kept under Sections 87, 88 and 98 of the Act, including the date on which the last review under section 98(6) of the Act took place.
- Submissions received in accordance with Section 223 of the Act during the previous 12 months.
- Agreements to establish regional libraries under Section 196 of the Act.
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease.
- A Register of authorised officers appointed under Section 224 of the Act.
- A list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant.
- A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council.
- A list of contracts valued at \$100,000 (or such higher amount as is fixed from time to time under section 186(1) of the Act) or more which the Council entered into during the financial year without first engaging in a competitive process and which are not contracts referred to in Section 186(5) or (5A) of the Act.

## Domestic Animal Services

- Registered dogs - 2322
- Registered cats - 562
- 52 dogs at large and impounded
- 35 stray cats impounded
- 28 animals surrendered
- 13 infringement notices issued - animal related
- 5 infringement notices issued under Local Laws for breaches of fencing and environment

## Organisational Development

### Learning & Development

The Pyrenees Shire Council continues to provide ongoing learning and development to all staff through internal and external training sessions.

A sample of the training undertaken in 2013/14 includes:

Training	Attendees
OHS for Managers	16
Apply First Aid – incorporating CPR	15
Integrated Management Systems Workshop – all departments	35
Fraud Prevention Training	30
Freedom of Information/Privacy Information Session	14
Contact Officer Training	2
Self Management in Your Role	13
Canine Anatomy & Identification Training	2
Building Bonds – A Communication Mastery Workshop	6
Microsoft Word 2010 Advanced	1
Microsoft Excel 2010 Advanced	2
Advanced Writing Skills	2
Business Writing Skills	2
Traffic Control	5
Implement Traffic Management Plans	5
Safe Operation of new plant (Induction)	18

Home and Community Care Specific:

• Annual Training Review – assist clients with medication	20
• Reflective Practise Skills or Support Workers	4
• Your Brain Matters (Alzheimer's Education)	18
• Occupational Therapist Information	17
• Active Services Model Review	16
• Professional Boundaries	7
• Community Support Register	17
• CFA Home Safety Training / Travel Safely Training	11
• Fire Prevention – CFA	9

In addition to the specific staff development program, Pyrenees Shire Council also provides and encourages professional development education programs. Council is committed to ongoing training and development of employees to increase efficiency, improve service delivery and develop staff skills and knowledge.

Our Educational Support Policy provides financial assistance for tertiary study in courses that are beneficial to our staff and organization. During the year, the following courses were completed:

- Graduate Certificate in Community Development & Planning 1

### Work Experience

Council provides students from the Beaufort Secondary College with the opportunity to participate in work experience programs. Such programs allow students the opportunity to work in a local government environment – this year placements were made in the Beaufort Resource Centre (incorporating library services and tourism).

### Recruitment

During the year, Council advertised 17 positions with 163 applications being considered.

A Senior Management position (Director Corporate and Community Services) attracted 29 applications and Council continues to receive multiple applications for most positions advertised with all positions being filled.



## Employees

As at the 30th June, 2014 the Pyrenees Shire Council had a total workforce of 82.37 EFT positions.

Workforce Profile	30th June 2014
<b>Full Time</b>	
Male	44
Female	18
	62
<b>Permanent Part Time</b>	
Male	7
Female	32
	39
<b>Casual</b>	
Male	1
Female	21
	22
<b>Total</b>	
Male	52
Female	71
	123

## Workforce Age

	Number	% of Workforce
Staff Aged 15 – 19	0	0.00%
Staff Aged 20 – 24	1	0.81%
Staff Aged 25 – 34	8	6.50%
Staff Aged 35 – 44	8	6.50%
Staff Aged 45 – 54	46	37.40%
Staff Aged 55 – 64	48	39.03%
Staff Aged 65 +	12	9.76%

In summary, Council's workforce is ageing with 48.79% of the total workforce over the age of 55 – up 8.29% from last year.

A key factor in relation to the aging workforce is that 50% of the staff in Council's Works Department are over the age of 55.

Out of a total workforce of 123 employees, 60 staff members over the age of 55. Retirements over the next 5 to 10 years will see a significant change in Council's workforce - strategies will need to be implemented to overcome the significant loss of experience.



## Staff Milestones

Pyrenees Shire Council recognises and appreciates staff milestones.

Staff to have reached milestones are:

### 15 Years:

Stephen Cornish – Chief Executive Officer  
 Gina Angus – Authorised Municipal Officer  
 Ernest Welsh – Municipal Fire Prevention Officer  
 Brendan Amarant – Truck Driver  
 Darren Kerr – Plant Operator

### 20 years:

Robert Rayner – Revenue Officer  
 Lorraine Thomson – Finance Officer Payroll & Accounts Receivable  
 Paul Karlake – Grader Driver/Leading Hand  
 Phillip Diprose – Contract Officer  
 Susan Mahony – Support Staff (HACC)  
 Sharon Moran – Support Staff (HACC)  
 Dean Nunn – Plant Operator

### 25 Years:

Christine Pearce – School Crossing Supervisor  
 Lorraine Cooper – Support Worker (HACC)  
 Anita Impey – Support Worker & PAG Assistant (HACC)

Peter Flenley – Grader Driver/Leading Hand  
 Desmond Lindsay – Loader Backhoe Operator  
 Trevor Robinson – Truck Driver  
 Shayne Murphy – Truck Driver

### 30 Years:

Greg Lofts – Manager Human Resources  
 Sandra Hunter – Support Worker (HACC)  
 Maree Neil – Support Worker (HACC)  
 Brian Hayes – Grader Driver / Leading Hand  
 Kevin Tregrove – Plant Operator  
 Lance Farnsworth – Plant Operator  
 Peter Moran – Grader Driver / Leading Hand  
 Ian Robinson – Works Officer Avoca

### 35 Years

Trevor Thomson – Works Officer Beaufort  
 Robin Davis - Loader Driver

Council provides Service Awards when staff reach milestones at 15 years and 30 years of service respectively – a formal function is held to celebrate these milestones.

## Summary of Years of Service

Years of Service	No. of Staff Members
15	5
20	7
25	7
30	8
35	2

## Workcover

The Pyrenees Shire Council experienced a number of claims during the 2013/2014 insurance period, with the claims profile detailed below. Council continues its strategy to encourage the return to work of injured employees.

## Claims Profile - 2013/2014

Claims under Section 98, 98A, 98C, 98E 7 103(1)(b) of the Act	0
Claims – minor (under council's liability)	2
– major (exceeds Council's liability)	4

The total time lost as a result of these claims were:

- Minor claims – 0.0 hours lost
- Major Claims - 135.8 hours lost – of the four major claims, 92.0 hours lost time was associated with the one claim. The reason why the remaining claims were classified as major claims was that the medical and like services exceeded Council's liability.

Council continues its strategy to encourage the return to work of injured employees and all staff associated with these claims have returned to full pre-injury duties.

## Cambron Human Resource Manager

Council continues to undertake Annual Performance Appraisals for employees through its electronic database system – Cambron Human Resource Manager.

The electronic database system allows employees to record achievement during the year and assists Managers to monitor and track employee performance in three major areas:

- Objective setting and review
- Behavioural feedback and
- Development planning and review.

All 2013 performance reviews were completed by 19th November, 2013 and the 2014 performance reviews for employees is well advanced and should be completed by the end of September, 2014.

## Industrial Relations

Council's 2010 Enterprise Agreement expired on the 15th October, 2013 and as required by legislation, negotiations for a new Enterprise Agreement commenced in April, 2013.

Council's Consultative Committee (made up of management and employee representatives) along with representatives from the Australian Services Union and the Australian Nurses Federation met on a regular basis to negotiate a new Enterprise Agreement.

The Fair Work Act states that all negotiations must be undertaken in good faith and that any new agreement must reflect the new National Employment Standards.

Through amicable negotiations with staff and the unions, a new three year agreement was finalised prior to the expiry of the 2010 Enterprises Agreement. The new agreement known as the Pyrenees Shire Council 2013 Enterprise Bargaining Agreement was introduced in the first pay period after the 15th October, 2013.

The 2013 Enterprise Agreement will expire on the 15th October, 2016.

## Local Government Community Satisfaction Survey Results – Council’s Performance

### Overall Performance

2012 – **62**  
 2013 – **63**  
 2014 – **63**  
 Small Rural Shires 2014 – **60**  
 State-wide 2014 – **61**

### Community Consultation

2012 – **59**  
 2013 – **59**  
 2014 – **58**  
 Small Rural Shires 2014 – **58**  
 State-wide 2014 – **57**

### Advocacy

2012 – **58**  
 2013 – **58**  
 2014 – **56**  
 Small Rural Shires 2014 – **57**  
 State-wide 2014 – **56**

### Customer Service

2012 – **72**  
 2013 – **68**  
 2014 – **71**  
 Small Rural Shires 2014 – **71**  
 State-wide 2014 – **72**

### Overall Council Direction

2012 – **54**  
 2013 – **54**  
 2014 – **54**  
 Small Rural Shires 2014 – **54**  
 State-wide 2014 – **53**

### Emergency & Disaster Management

2012 – **69**  
 2013 – **73**  
 2014 – **71**  
 Small Rural Shires 2014 – **71**

## Good Governance and Leadership – Council Plan Commitments

Communicate the Council’s decisions, policies and activities and the reasons behind them, in a form relevant to ratepayer needs and expectations.	Communications Officer appointed. Regular media releases developed. Weekly communications provided in Council Public Notices in the Pyrenees Advocate, Stawell Times News, Ararat Advertiser, Maryborough and District News and Council’s website.	<b>Completed and continuing</b> in 2014/15.
Mitigate risk and improve employee safety through proactive risk management.	Active Occupational Health and Safety Committee. Risk register updated.	<b>Completed and continuing</b> in 2014/15.
Continue Councillor training and development and ensure adherence to Councillor code of conduct.	Councillors advised of training opportunities. Conflict of Interest training undertaken. No Code of Conduct issues.	<b>Completed and continuing</b> in 2014/15.
Work with the state and federal governments and the MAV on a new and sustainable funding model for local government.	Council agreed to support the ALGA and the MAV on Constitutional Recognition of Local Government which would have permitted direct funding of Local Government. Referendum on Constitution Recognition of Local Government withdrawn by former Labor Government.	<b>Completed and continuing</b> in 2014/15.

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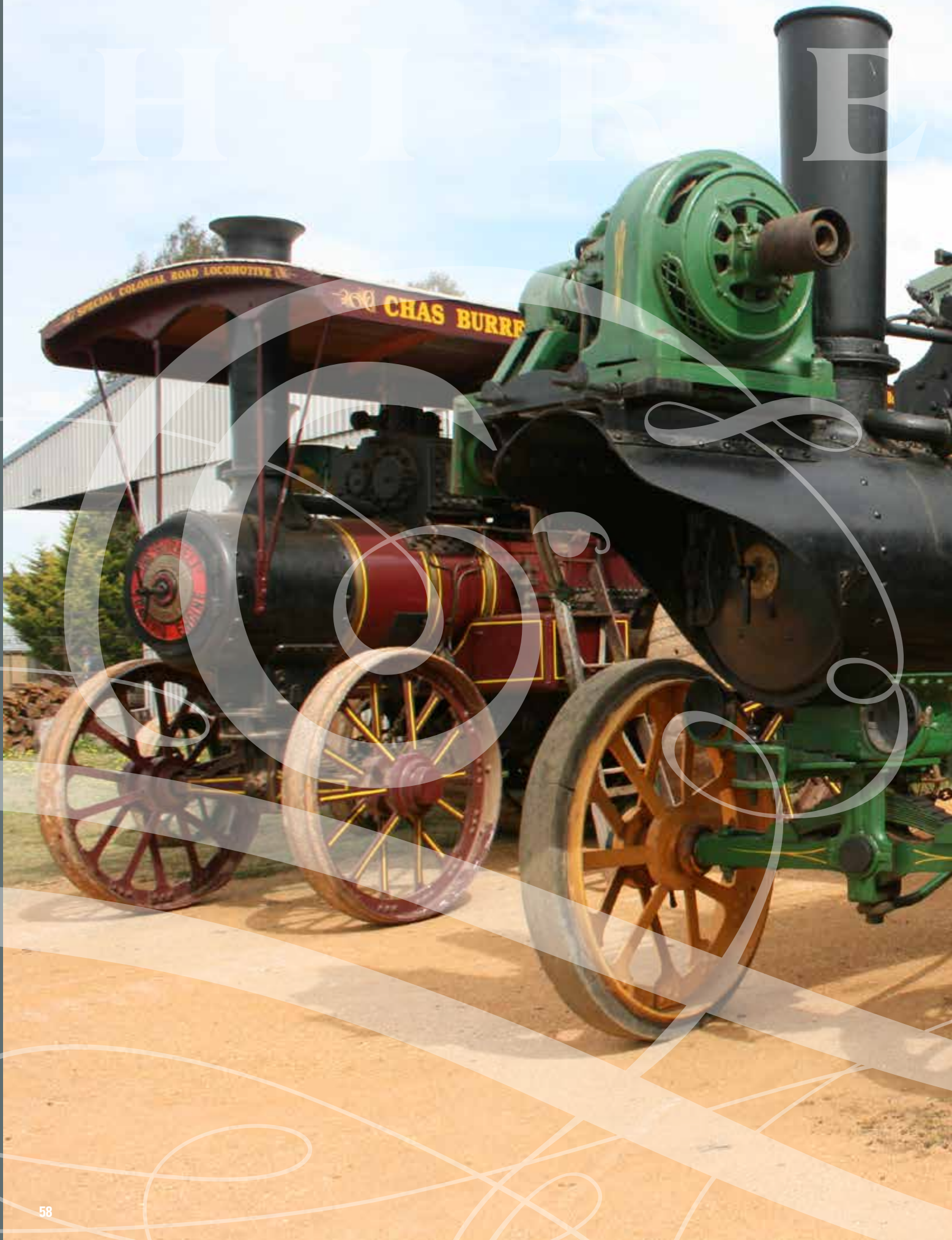
**Good Governance and Community Leadership –  
Council Plan Commitments (continued)**

<p>Advocate to ensure adequate grant funding to provide and improve infrastructure, such as telecommunications, housing, water, sewerage and energy.</p>	<p>On two occasions during the year a delegation of Mayors, Councillors and Chief Executive Officers from Pyrenees, Ararat and Northern Grampians Shire Councils met various Ministers in Canberra to lobby for funding for various issues including telecommunications and duplication of the Western Highway.</p>	<p><b>Completed and continuing</b> in 2014/15.</p>
<p>Develop and implement the emergency management plan.</p>	<p>Municipal Emergency Management Plan (MEMP) Review and Re-write Project – the following outcomes have been achieved:</p> <p>The MEMP Review Workgroup was formed in January 2014.</p> <p>A Risk Management and MEMP Action Work completed.</p> <p>A MECC Operations Manual has been drafted.</p> <p>An Emergency Animal Welfare Sub-Plan developed.</p> <p>Beaufort Flood Guide completed and launched in May 2014.</p> <p>Beaufort Flood Plan approved by SES, MEMPC and Council.</p>	<p><b>Completed and continuing</b> in 2014/15.</p>
<p>Work with the MAV and state government departments to bring about improvements in guidelines and regulations regarding wind farm development.</p>	<p>Council has been actively working with the MAV to seek clarification concerning enforcement responsibility for Ministerial approved wind farm permits. Recent amendments to the Planning and Environment Act have clarified the Department's position concerning this matter. Assistance in the form of professional expertise has been requested assessing noise compliance with permit conditions. Council, with the support of other councils in the region, sought to have the Department of Planning, Transport and Local Infrastructure introduce scheme changes that would provide councils with the option of scheduling in permit triggers for new dwellings within designated noise buffers around wind farms. These changes did not receive support as part of recent rural zone amendments.</p>	<p><b>Completed and continuing</b> in 2014/15.</p>
<p>Respond to the community in a timely manner, in accordance with Council's customer request charter.</p>	<p>Council's Customer Action Request system is regularly promoted to the community with requests for service monitored.</p> <p>595 service requests received for 2013/14.</p>	<p><b>Completed and continuing</b> in 2014/15.</p>
<p>Pursue efficiencies and productivity throughout the organisation and communicate achievements to the community.</p>	<p>2013 Enterprise Bargaining Agreement negotiated and implemented.</p>	<p><b>Completed</b></p>



## Victorian Local Government Indicators

	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Affordability</b>					
Average rates and charges per assessment	\$1,064	\$1,138	\$1,158	\$1,215	\$1,279
Average rates and charges per Residential assesment	\$747	\$798	\$836	\$886	\$946
<b>Sustainability</b>					
Average liabilities per assesment	\$795	\$1,025	\$1,474	\$1,079	\$873
Operating result per assesment - surplus / (defecit)	\$94	\$1,391	\$1,188	(\$1,059)	(\$1,401)
<b>Services</b>					
Average operating expenditure per assessment	\$2,706	\$3,403	\$5,800	\$6,017	\$4,536
Community Satisfaction Survey for overall performance of the Council	66	60	62	63	63
<b>Infrastructure</b>					
Average capital expenditure per assessment	\$982	\$1,457	\$1,163	\$1,755	\$1,050
<b>Renewal</b>					
Current spending on renewal to Asset base consumed during the year	49%	66%	20%	75%	42%
<b>Renewal and Maintenance</b>					
Current spending on renewal plus maintenance to Asset base consumed during the year, plus maintenance	71%	77%	140%	89%	67%
<b>Governance</b>					
Community Satisfaction Survey for Council's advocacy and community representation on key local issues	67	62	58	58	56
Community Satisfaction Survey for Council's engagement in decision-making on key local issues	63	58	59	59	58





## Section 6

### **Economic, Agriculture and Tourism Development**

We will develop the local economy and grow the population of the Pyrenees Shire.



## Services, projects and programs supporting this key result area

- Support Key Industry Sectors
- Partnerships which support local Business Associations
- Provide training and mentoring opportunities for small business owners
- Plan for and initiate growth of Tourism
- Nurture and grow festivals and events
- Capitalise on nature- based tourism opportunities
- Help develop infrastructure that supports the growth of local industries
- Seek Improved Telecommunications
- Capitalise on Renewable Energy Opportunities

## Key Achievements

- Successful sale of 12 blocks from the Correa Park residential subdivision at Beaufort during the past 12 months.
- Landsborough and Moonambel nominated by Member for Wannan, the Hon. Dan Tehan as priority mobile black spots in the Federal Government program.
- Completed the Beaufort Hospital Bioenergy project.
- Worked in collaboration with the Landsborough vignerons, Grampians Wimmera Mallee Water and Regional Development Victoria to access State Government funding of \$1.95 million to build the Landsborough Valley Water Supply Pipeline.
- Completed masterplans for caravan parks at Avoca, Beaufort and Landsborough.
- Project managed the 2014 Powercor Grampians Pyrenees Business Awards.
- Expanded the role of the Events Officer to include Communications which has enabled Council to become more proactive with promoting the Shire.
- Supported the Central Highlands Agribusiness Forum (CHAF) in the delivery of the "My Farm Store" project.
- Hosted the Digital Enterprise team at the Beaufort Resource Centre to enable one-on-one mentoring and e-commerce training for small businesses.
- Coordinated a variety of small business events including:
  - ✓ Digital and social media training at Beaufort and Avoca.
  - ✓ Farming in the 21st Century events at Brewster and Landsborough.
  - ✓ A business breakfast at Avoca and business lunch in Beaufort to explain Council's priority projects to the business community and bring keynote speakers such as Federal MP Dan Tehan to talk about the Federal Government's Mobile Phone Black Spot Program and Assistant Minister Jamie Briggs regarding infrastructure projects.
  - ✓ Two "TenderWrite" training sessions conducted to assist people in the construction industry gain government contracts.
  - ✓ Visits by the Business Victoria Small Business Van to Avoca and Beaufort.
  - ✓ Held an open day for potential new residents following the 2014 Regional Victorian Living Expo.
  - ✓ New residents barbecues in Avoca and Beaufort.
  - ✓ Hosted business planning workshops run by the Ballarat Business Centre at Avoca and Beaufort.
  - ✓ Coordinated the "Revitalising Rural Retail" Streetlife project to improve retail outcomes for traders at Avoca and Beaufort.
- Developed tourism brand templates for use in promoting the Shire's tourism assets.
- Updated the tourism web site which is now accessible using mobile devices.
- The Events Officer created new templates and guidelines for running events to make it easier for event organisations to plan and run their events successfully. A new event sponsorship application form has also been developed.
- Commenced a quarterly newsletter, the "Development Press".



## Highlights

### Correa Park Land Sales

Land sales from Council's residential subdivision at Correa Park Beaufort have reached a level that has enabled Council to develop a further two subdivision stages to date. This has stimulated economic activity for local trades and encouraged new people to the town.

### Landsborough Pipeline

The State Government of Victoria approved funding of \$1.95 million to allow the Landsborough Pipeline to be built. The 25.5 kilometre pipeline from Stawell to the Landsborough Valley is estimated to cost \$5.0 million and secure around 60 jobs. The project will also make water available to local farmers along the pipeline and to the Country Fire Authority for emergency purposes.

### Beaufort Bypass planning

The State government committed \$4 million to planning highway bypasses of both Beaufort and Ararat in its May 2014 budget. Council actively lobbied for this outcome with its counterparts from the Central Highlands Region and believes the bypass will deliver significant long term benefits to the local community. Council will continue to work proactively with the business community to prepare for the future.

### Beaufort Hospital Bioenergy Project

Council was successful in installing a wood chip heating source at the Beaufort Hospital as a pilot project and example for institutions throughout regional Victoria where heating costs can be significantly reduced over that of electricity or LPG. The fuel source is from a local sawmill at Chute which is approximately 12 kilometres from Beaufort.

## Disappointments

### Mobile Phone Black Spots

Council continued its lobbying of telecommunications companies, Federal and State governments to overcome communications black spots. This remains a key priority for Council to encourage further investment and population growth. Council's review of its 2010-14 growth and Development Strategy will incorporate the need for improved telecommunications infrastructure and continuing training for businesses to upskill them in the area of the digital economy.

### Industrial Land

Council is continuing its negotiations with landholders to enable development of industrial land and was unable to complete this project during 2013-14.

## Challenges

### Telecommunications Black Spots

Council mapped out its telecommunications black spots which remain an area of priority. These details have been forwarded to the Federal Government as part of a submission to the Mobile Phone Black Spot Program. Council is continuing to seek progress in this area to support both businesses and local communities.

## The Year Ahead

- Work will be undertaken with an aim to connect Moonambel to the Avoca water supply. This \$4 million project will enable businesses and residents to access a reliable potable water source, which will encourage further investment in the tourism industry.
- SP Ausnet has been allocated the contract to install natural gas to Avoca and works are expected to commence in the last quarter of 2014.
- The Business Development Officer Project will be finalised at the end of 2014. The aim of this project is to improve awareness of the Pyrenees Wine Brand, grow nature-based tourism experiences, heritage and farm tourism to the region.
- Physical works will be completed at the Beaufort Caravan Park to install three new cabins, renovate the toilet block and other park infrastructure by December 2014.
- Council will review its Growth and Development Strategy during the second half of 2014.
- Complete a feasibility study for a business incubator.
- Supporting the Pyrenees Arts Council with their new gallery to be opened at the Beaufort Railway Station and Lake Goldsmith Steam Preservation Association with the steam museum at the former railway goods shed.

## Local Government Community Satisfaction Survey Results – Council's Performance

### Business and Community Development

2012 – **N/A**

2013 – **N/A**

2014 – **69**

Small Rural Shires – 2014: **71**

### Tourism Development

2012 – **N/A**

2013 – **N/A**

2014 – **65**

Small Rural Shires – 2014: **66**





**A \$4 million water supply project for Moonambel** is a current Council focus and priority

**\$5 million Landsborough Valley water supply project funded**

\$2 million funding approved for planning of the highway bypass of Beaufort and Ararat

**Beaufort Hospital bioenergy project completed**

Coordinated 20 economic development events

Avoca Natural Gas project commencing in 2014

Communications black spots at Moonambel and Landsborough a Council priority in 2014-15



## Economic, Agriculture and Tourism Development – Council Plan Commitments

<p>Continue Council's involvement with Central Highlands Regional Strategic Plan, Grampians Tourism, the Regional Management Forum, and Regional Development Australia, to maintain and expand the regional development focus.</p>	<p>Representation ongoing.</p> <p>Implementation Plan being developed.</p>	<p><b>Ongoing and continuing</b> in 2014/15.</p>
<p>Implement the priority actions in the economic development strategy and the tourism strategy to attract, retain and develop business, industry and tourism.</p>	<p>Funding approved for planning of Beaufort Bypass in the State Government's May budget.</p> <p>Lobbying is continuing for improved telecommunications in mobile black spot areas.</p> <p>Streetlife Project completed.</p> <p>Economic case for the Moonambel water project is being developed to support the project, and Council has been lobbying for funding of the project.</p>	<p><b>Completed and continuing</b> in 2014/15.</p>
<p>Work with telecommunications companies and government representatives to improve mobile phone and broadband internet access throughout the Shire.</p>	<p>Correspondence has been sent to the federal government in June to nominate our priority areas, being Landsborough, Moonambel and Lexton. Federal Member for Wannon Dan Tehan has nominated Landsborough and Moonambel as two of his three priority areas.</p>	<p><b>Continuing</b> in 2014/15.</p>
<p>Review industrial land requirements in Beaufort and Avoca in conjunction with the review of the current industrial land strategy.</p>	<p>Pending successful negotiation of appropriate land with existing vendors.</p> <p>Development cost for McVilly Timber site presented to Council.</p> <p>Council unsuccessful with Mc Villy site at this point.</p>	<p><b>Continuing</b> in 2014/15.</p>
<p>Review residential land requirements in Beaufort and Avoca in conjunction with the review of the current residential land strategy.</p>	<p>Stage Two Correa Park subdivision completed.</p> <p>Correa Park sales have been sufficient to progress the next stage of subdivision.</p>	<p><b>Completed and continuing</b> in 2014/15.</p>





<p>Demonstrate the liveability of the Shire by continuing to support existing and promoting future events in the Shire.</p>	<p>Council website updated with “Live, Work, Invest” theme in first half of 2013.</p> <p>Tourism website redeveloped.</p> <p>Events Officer commenced July 2013 and developed events documentation.</p> <p>Events documentation (application form and sponsorship request) updated and face-to-face approach being taken by Events Officer with events organisations as Council’s single point of contact.</p> <p>Representing Council at the 2014 Regional Victorian Living Expo with expressions of interest taken in those interested in attending an open day in Pyrenees during May.</p>	<p><b>Completed and continuing</b> in 2014/15.</p>
<p>Advocate for the Landsborough pipeline.</p>	<p>State Government Funding of \$1.95 million announced in April 2014.</p> <p>GWMWater and the Landsborough Valley vignerons are progressing through the planning phase at this time. The water authority aims to complete construction within the current financial year and has budgeted for the works accordingly.</p>	<p><b>Completed and continuing</b> in 2014/15.</p>
<p>Maximise commercial opportunities from Shire Caravan Parks.</p>	<p>Caravan Park Masterplans for Avoca, Beaufort and Landsborough adopted by Council in December 2013.</p> <p>Contracts have been let for the purchase of three new cabins at Beaufort Caravan Park.</p> <p>Council has been working with the lessee of the Avoca Caravan Park to enhance the amenity of the park.</p>	<p><b>Completed and continuing</b> in 2014/15.</p>





## Section 7 Environment

We will show effective leadership in the management of the natural and built environments.

”

## *Services, projects and programs supporting this key result area*

- Statutory Planning
- Strategic Planning
- Building Services
- Places of Public Entertainment (PoPE)
- Environmental Health
- Environment and Sustainability
- Native Vegetation
- Roadside Weeds and Pests
- Regional Bioenergy Project
- Waste Management and Recycling
- Landfill Rehabilitation

## *Key Achievements*

### **Planning**

- Completion and exhibition of the updated structure plan for the Beaufort township.
- Undertaking of the four yearly planning scheme review.
- Preparation of an amendment to the planning scheme (C39) which provides exemptions from the requirement to obtain a permit for a minor building works in the Beaufort and Avoca heritage precincts.
- Appointment of a part time planning/building enforcement officer.
- Over 140 planning permit applications were received and determined over the course of the 2013/14 period.

### **Waste Management**

- New waste management contract awarded.
- Expansion of waste collection districts to rural areas.

### **Environment and Sustainability**

- Manage Native Vegetation reforms through Council's planning scheme. This has enabled Council operations to be conducted within guidelines and a Memorandum of Understanding.
- Development of a three-year Roadside Weeds and Pests plan with stakeholders and set priorities for the annual control program.
- Secured funding to upgrade and improve street lighting efficiency by 70 per cent using the latest technology in LED lamps.

## Highlights

### Planning

- Completion and exhibition of the updated structure plan for the Beaufort township.
- Preparation of a draft Heritage Strategy which provides a range of actions to improve community knowledge, information and awareness of heritage assets.
- Establishment of a fortnightly planning service out of the Avoca Information Centre. This initiative has provided important access to planning services for has been very well received by the local community and will be continued on an on-going basis.

### Environment and Sustainability

- Successful consultation with all stakeholders including the community, government departments, Catchment Management Authorities, Landcare groups resulting in a very successful Roadside Weeds and Pests control program being implemented.
- In conjunction with a number of other councils in the region, securing funding to upgrade and improve street lighting efficiency.
- Worked with Powercor and Vemco to develop a management plan for power line clearance to meet legislative requirements.
- Council worked closely with the Catchment Management Authority on the Fiery Creek restoration project.

## Disappointments

### Planning

- Council determining to not proceed with amendment C27 (variations to existing restructure overlay controls and Rural Living rezoning).

### Environment and Sustainability

- Inability to engage all stakeholders to co-operate on the control of weeds on their properties. Continuing to work with relevant authorities.

## The Year Ahead

### Planning

- Completion and exhibition of the 2014-18 Domestic Wastewater Management Plan.
- Review of internal planning systems which will include the preparation of user-friendly planning tools/checklists and improved web-based information. An external consultant will be appointed to assist this task.
- Development of urban design guidelines for heritage areas.
- Preparation of a structure plan for the Lexton township.
- Completion of new strategy plans for small settlements and update of local planning policies.

### Building Services

- Continue Essential Safety Measure inspections on high risk buildings.
- Continue inspections and audits on swimming pools.
- Reduce time on Building Permits approvals.
- Provide education on Building Permit process and develop documentation.



## Local Government Community Satisfaction Survey Results – Council's Performance

### Waste Management

2012 – **72**

2013 – **71**

2014 – **73**

Small Rural Shires 2014 – **73**

### Planning and Building Permits

2012 – **57**

2013 – **58**

2014 – **52**

Small Rural Shires 2014 – **55**

## Environment – Council Plan Commitments

Implement the municipal waste management plan to reduce the amount of waste sent to landfill and to encourage recycling.	Waste management contract awarded in December 2013. Collection districts expanded to rural areas.	<b>Completed and continuing</b> in 2014/15.
Review land use planning strategies.	Council continues to review land use strategies to align with State planning requirements.	<b>Continuing</b> in 2014/15.
Prepare and implement Council's flood management plans.	Beaufort flood major projects completed. Beaufort Flood Guide completed and launched.	<b>Completed and continuing</b> in 2014/15.
Implement the Environment and Sustainability Strategy.	Projects such as solar power for Council buildings completed for Beaufort Shire Office, Beaufort Hall, Beeripmo Centre, Beaufort Community Resource Centre and Avoca Information Centre.  Council has been involved in a range of regional environmental projects such as Lighting the Regions Project.	<b>Completed and ongoing</b> in 2014/15.
Review the Roadside Management Plan to include weeds and pest management.	Roadside weed and pest management plan adopted by Council in June 2013 with actions described in the Plan being progressively implemented – gorse eradication program.	<b>Continuing</b> in 2014/15.
Support the development of renewable energy projects where they will not be to the detriment of the community.	The Beaufort Hospital Bioenergy project has been completed and officially launched. The project is estimated to save \$35,000 per annum in hospital heating costs.	<b>Completed.</b>
Minimise the transportation impacts of industry on infrastructure and the environment.	Officers continue to work with haulage contractors to reduce damage to the environment and road infrastructure.	<b>Continuing</b> in 2014/15.



PYRENEES RANGES





## Section 8 Financials

# A Plain English Guide to the Financial Report

## 1. Introduction

The Financial Report is a key report of the Pyrenees Shire Council. It shows how Council performed financially during the 2013/2014 financial year and the overall position at the end (June 30, 2014) of the financial year.

Council presents its financial report in accordance with the Australian Accounting Standards. Particular terms required by the Standards may not be familiar to some readers. Further, Council is a 'not-for-profit' organisation and some of the generally recognised terms used in private sector company reports are not appropriate to Council's reports.

Council is committed to accountability. It is in this context that the Plain English Guide has been developed to assist readers understand and analyse the financial report.

## 2. What is contained in the Annual Financial Report?

Council's financial report has two main sections, namely; the Report and the Notes. There are four Statements and 38 Notes. These are prepared by Council's staff, examined by the Council Audit Committee and by Council, and then are audited by the Victorian Auditor-General.

The four Statements are included in the first few pages of the report. They are the Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows.

The Notes detail Council's accounting policies and make up of values contained in the Statements.

## 3. Income Statement

The Income Statement is sometimes referred to as a 'Profit and Loss Statement' and shows the sources of Council's revenue under various income headings; and the expenses incurred in running the Council during the year. These expenses relate only to the 'Operations' and do not include the cost associated with the purchase or the building of assets. While asset purchase costs are not included in the Expenses there is an item for 'Depreciation'. This value is the value of the assets used up during the year.

The key figure to look at is the surplus or (deficit) for the year which is equivalent to the profit or (loss) of Council for the year. A surplus means that the revenue was greater than the expenses.

## 4. Balance Sheet

This one-page summary is a snap shot of the financial situation as at June 30. It shows what the Council owns as Assets and what it owes as Liabilities. The bottom line of this Statement is Net Assets. This is the net worth of Council which has been built up over many years.

The assets and liabilities are separated into Current and Non-current. Current means those assets or liabilities which will fall due in the next 12 months. The components of the Balance Sheet are described here.

### 4.1 Current and Non-Current Assets

Cash includes cash and investments, i.e. cash held in the bank and in petty cash and the market value of Council's investments.

Receivables are monies owed to Council by ratepayers and others.

Other is inventory and accounts which have been prepaid.

Non-Current Assets as held for sale. This includes land assets that Council holds that are currently for sale.

Property, Infrastructure, Plant & Equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years.

### 4.2 Current and Non-Current Liabilities

Payables are those to whom Council owes money as at June 30.

Employee Benefits includes accrued Long Service and Annual Leave owed to employees.

Trust Monies represents monies held in Trust by Council.

### 4.3 Net Assets

This term is used to describe the difference between the value of Total Assets and the value of Total Liabilities. It represents the net worth of Council as at June 30.

#### 4.4 Total Equity

This always equals Net Assets. It is made up of the following components:

- Asset Revaluation Reserve is the difference between the previously recorded value of assets and their current valuations;
- General Reserves are allocations of the Accumulated Surplus to specific projects; and
- Accumulated Surplus is the value of all net assets accumulated over time.

#### 5. Statement of Changes in Equity

During the course of the year the value of Total Ratepayers Equity as set out in the Statement of Income changes. This Statement shows the values of such changes and how these changes arose.

The main reasons for a change in equity stem from:

- The 'profit or loss' from operations, described in the Statement as Operating Surplus or (Deficit) for the year; the use of monies from Council's reserves;
- Revaluation of the assets; this takes place on a regular basis. It also occurs when existing assets are taken up in the books for the first time.

#### 6. Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. This Statement is presented according to a very specific Accounting Standard and needs some care in analysis. The values may differ from those shown in the Statement of Income because the Statement of Income is prepared on an accrual accounting basis.

Cash in this Statement refers to Bank Deposits and other forms of highly liquid investments that can readily be converted to cash, such as cash invested with Funds Managers.

Council's cash arises from, and is used in, three main areas:

#### Cash Flows from Operating Activities:

Receipts – All cash received into Council's bank account from ratepayers and others who owe money to Council. Receipts also include the interest earnings from Council's cash investments. It does not include the costs associated with the sale of assets.

Payments – All cash paid by Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets.

#### Cash Flows from Investing Activities

This section shows the cash invested in the creation or purchase of Property, Infrastructure, Plant & Equipment assets and the cash received from the sale of these assets.

#### Cash Flows from Financing Activities

This is where the receipt and repayment of borrowed funds are recorded. The bottom line of the Statement of Cash Flows is the Cash at End of Financial Year. This shows the capacity of Council to meet its cash debts and other liabilities.

#### 7. Notes to the Accounts

The Notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive in a lot of issues. Therefore, to enable the reader to understand the basis on which the values shown in the Statements are established it is necessary to provide details of Council's accounting policies. These are described in Note 1.

Apart from the accounting policies, the Notes also give details behind many of the summary figures contained in the Statements. The Note numbers are shown beside the relevant items in the Income Statement, Balance Sheet and the Statement of Cash Flows.

Where Council wishes to disclose other information which cannot be incorporated into the Statements then this is shown in the Notes.

Other Notes include: the cost of the various functions of Council; the break down of expenses, revenues, reserves and other assets; contingent liabilities; transactions with persons related to Council; and financial performance indicators. The Notes should be read at the same time as, and together with, the other parts of the Financial Statements to get a clear picture of the accounts.

## 8. Standard Statements

The Standard Statements section provides three of the four statements mentioned above (Income Statement, Balance Sheet and Statement of Cash Flows) together with a further statement (Statement of Capital Works).

The Statement of Capital Works sets out the expenditure on creating or buying Property, Infrastructure, Plant & Equipment assets by each category of asset. It also shows how much has been spent on renewing, upgrading, expanding or creating new assets of this type.

These Standard Statements provide a comparison between the actual results for the year and the budget that was set at the start of the year. All major differences are explained in accompanying notes.

## 9. Statements by Principal Accounting Officer and Councillors

The Certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council that, in her/his opinion, the Financial Statements have met all the statutory and professional reporting requirements.

The Certification of Councillors is made by two Councillors on behalf of Council that, in their opinion, the Financial Statements are fair and not misleading.

## 10. Auditor General's Report

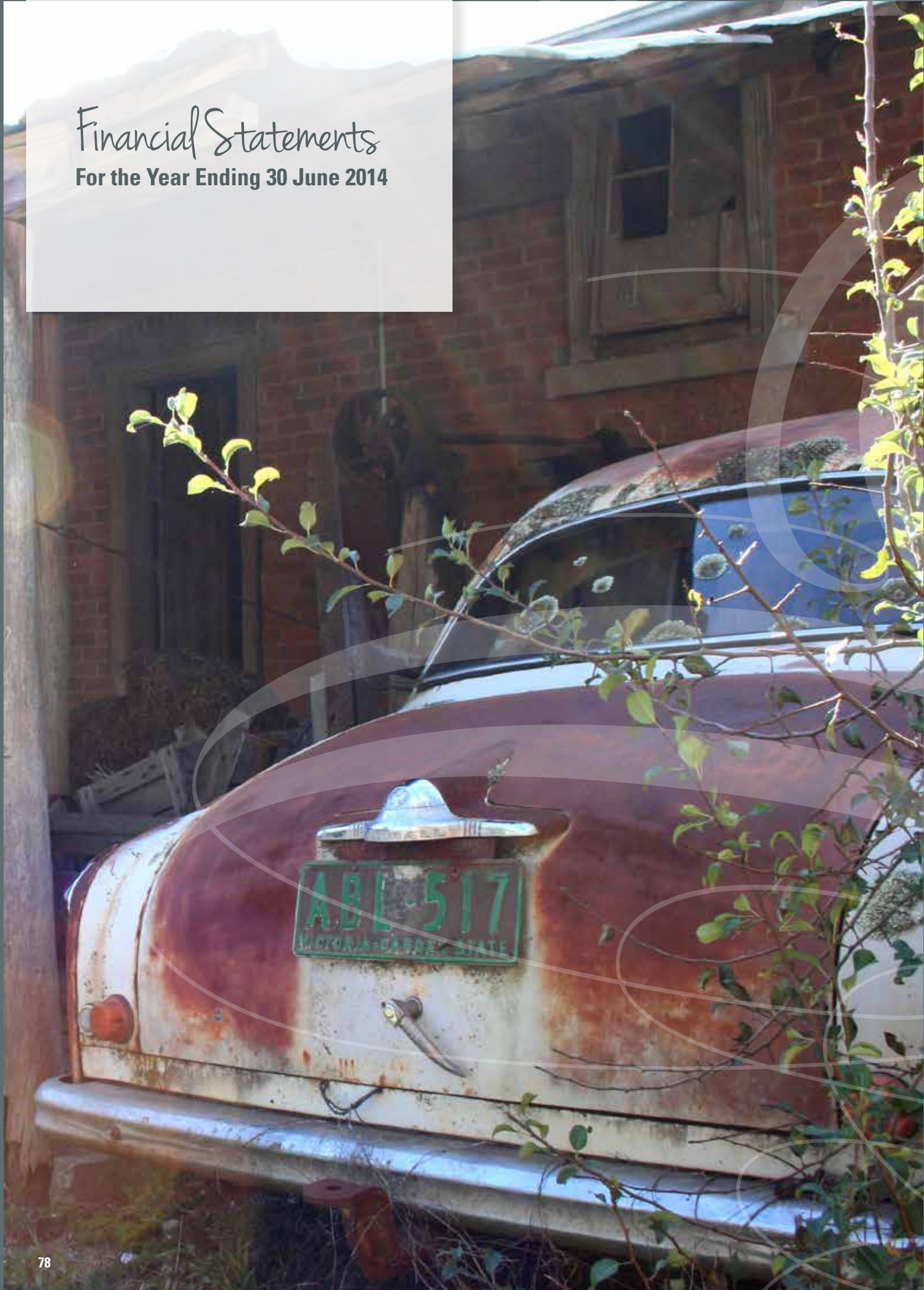
The Independent Audit Report provides the reader with an external and independent opinion on the Financial Statements. It confirms that the financial report has been prepared in accordance with relevant legislation and professional standards and that it represents a fair picture of the financial affairs of the Council.





# Financial Statements

For the Year Ending 30 June 2014



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## Comprehensive Income Statement

For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Revenue</b>			
Rates and garbage charge	2	7,702	7,331
User charges and other fines	3	868	917
Grants - Recurrent	4	3,476	5,646
Grants - Non Recurrent	4	5,472	13,654
Contributions - cash	5	266	218
Other income	6	530	1,101
<b>Total Revenue</b>		<b>18,314</b>	<b>28,867</b>
<b>Expenses</b>			
Employee benefits	8	(6,053)	(6,046)
Contract payments, materials and services	9	(12,390)	(22,733)
Depreciation	10	(7,711)	(5,976)
Finance costs	11	(144)	(160)
Other expenses	12	(137)	(181)
Net profit/(loss) on disposal of property, plant and equipment, infrastructure	7	(61)	64
<b>Total Expenses</b>		<b>(26,496)</b>	<b>(35,032)</b>
<b>(Deficit)/Surplus for the year :</b>		<b>(8,182)</b>	<b>(6,165)</b>
<b>Other comprehensive income</b>			
Net asset revaluation (decrement) increment reversals		(285)	84,098
<b>Comprehensive result</b>		<b>(8,467)</b>	<b>77,933</b>

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



## Balance Sheet

As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Assets</b>			
Current assets			
Cash and cash equivalents	14	116	4,875
Trade and other receivables	15	832	2,587
Other financial assets	16	5,512	6,000
Other assets	17	158	245
Non-current assets classified as held for sale	18	809	1,119
<b>Total current assets</b>		<b>7,427</b>	<b>14,826</b>
<b>Non-current assets</b>			
Trade and other receivables	15	53	32
Property, infrastructure, plant and equipment	19	284,976	287,251
Total non-current assets		285,029	287,283
<b>Total Assets</b>		<b>292,456</b>	<b>302,109</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	972	1,947
Trust funds and deposits	21	173	171
Provisions	22(a)(i)	1,862	1,761
Interest-bearing loans and borrowings	23	298	272
<b>Total current liabilities</b>		<b>3,305</b>	<b>4,151</b>
<b>Non-current liabilities</b>			
Trade and other payables	20	-	29
Provisions	22(a)(ii)	161	175
Interest-bearing loans and borrowings	23	1,632	1,929
Total non-current liabilities		1,793	2,133
<b>Total Liabilities</b>		<b>5,098</b>	<b>6,284</b>
<b>Net Assets</b>		<b>287,358</b>	<b>295,825</b>
<b>Equity</b>			
Accumulated surplus		85,103	93,285
Reserves	24	202,255	202,540
<b>Total Equity</b>		<b>287,358</b>	<b>295,825</b>

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

## Statement of Changes in Equity

For the Year Ended 30 June 2014

	Note	Total 2014 \$'000	Total 2013 \$'000	Accumulated Surplus 2014 \$'000	Accumulated Surplus 2013 \$'000	Asset Revaluation Reserve 2014 \$'000	Asset Revaluation Reserve 2013 \$'000	Other Reserves 2014 \$'000	Other Reserves 2013 \$'000
Balance at beginning of the financial year		295,825	217,892	93,285	99,380	202,531	118,433	9	79
Surplus(deficit) for the year		(8,182)	(6,165)	(8,182)	(6,165)	-	-	-	-
Transfer from reserve		-	-	-	70	-	-	-	(70)
Net asset revaluation increment (decrement)	24(a)	(285)	84,098	-	-	(285)	84,098	-	-
Balance at end of the financial year		287,358	295,825	85,103	93,285	202,246	202,531	9	9

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

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## Statement of Cash Flows

For the Year Ended 30 June 2014

	Note	2014 Inflows/ (Outflows) \$'000	2013 Inflows/(Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates		7,625	7,255
User charges and other fines (inclusive of GST)		955	1,177
Grants (inclusive of GST)		10,774	21,231
Contributions (inclusive of GST)		266	235
Interest		374	917
Other receipts (inclusive of GST)		228	205
Net GST (refund)/payment		1,132	1,169
Payments to suppliers (inclusive of GST)		(14,654)	(25,163)
Payments to employees (including redundancies)		(5,966)	(7,728)
Other payments		(151)	(199)
<b>Net cash provided by (used in) operating activities</b>	<b>25</b>	<b>583</b>	<b>(901)</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(6,079)	(10,249)
Proceeds from sale of property, infrastructure, plant and equipment		662	584
Purchase of investments		(38,500)	(35,700)
Proceeds from redemption of investments		38,988	45,700
<b>Net cash provided by (used in) investing activities</b>		<b>(4,929)</b>	<b>335</b>
<b>Cash flows from financing activities</b>			
Net movement in trust funds and deposits		2	(43)
Repayment of interest bearing liabilities		(271)	(253)
Finance costs		(144)	(160)
Net cash provided by (used in) financing activities		(413)	(456)
Net increase (decrease) in cash and cash equivalents held		(4,759)	(1,022)
Cash and cash equivalents at the beginning of the financial year		4,875	5,897
<b>Cash and cash equivalents at the end of the financial year</b>	<b>26</b>	<b>116</b>	<b>4,875</b>
Financing arrangements	27		
Restrictions on cash assets	28		

The above cash flow statement should be read with the accompanying notes.

A close-up photograph of weathered, greyish-brown wood bark with a prominent, cracked texture. The bark is layered and peeling, showing signs of decay and age. A semi-transparent white rectangular box is overlaid on the top left corner, containing the text "Notes to the Financial Report" in a black, handwritten-style font.

Notes to the  
Financial Report

## Introduction

- (a) The Pyrenees Shire Council was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate. The Council's main office is located at 5 Lawrence Street Beaufort.
- (b) The purpose of the Council is to:
- to maintain a safe and effective road system that caters for all road users within the Shire.
  - to provide safe, functional and well utilised assets and services, to enhance the quality of life of residents and promote connected, active and resilient communities.
  - to provide community leadership and advocacy to ensure financial sustainability and improve the economic, social and environmental wellbeing of the Pyrenees Shire.
  - to develop the local economy and increase the population of the Pyrenees Shire.
  - to show effective leadership in the management of the natural and built environments.

**External Auditor** - Auditor-General of Victoria

**Internal Auditor** - DJK Consulting

**Solicitors** - Peter S Glare and Associates

**Bankers** - Bendigo Community Bank

**Website address** - [www.pyrenees.vic.gov.au](http://www.pyrenees.vic.gov.au)

This financial report is a general purpose financial report that consists of an Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the Local Government (Finance and Reporting) Regulations 2014.

## Note 1

### Significant accounting policies

#### (a) Basis of accounting

This financial report has been prepared on the accrual and going concern bases.

The Pyrenees Shire Council is a not for profit entity.

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(g), 1(i), and 1(k).

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.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full.

#### (b) Change in accounting policies

##### **AASB 13 Fair Value Measurement**

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given

to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2013 comparative period.

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the 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.

## **(c) Revenue recognition**

### ***Rates, grants and contributions***

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 4. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

### ***User fees and fines***

User fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A provision for doubtful debts is recognised when collection in full is no longer probable.

Sale of property, plant and equipment, infrastructure

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

### ***Trade and other receivables***

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.

### ***Interest and rents***

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

**(d) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles**

Buildings, land improvements, plant and equipment, infrastructure, heritage assets, 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 infrastructure 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.

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

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

<b>Property</b>	<b>Period 2014</b>
<b>Land and buildings</b>	
Buildings	50 years
Land improvements	25 years
<b>Heritage assets</b>	
Heritage assets	50 years
<b>Plant and equipment</b>	
Plant and machinery	5-10 years
Furniture, equipment, and computers	3-10 years
<b>Infrastructure</b>	
Roads	
- Substructure	50 years
- Seal	13 years
Footpaths	50 years
Kerb and channel	50 years
Culverts	50 years
Bridges	
- Substructure	50-75 years
- Deck	50-75 years

**Other**

Other structures	10-25 years
Library books	3-10 years

**(e) Repairs and maintenance**

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. 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.

**(f) Borrowing costs**

Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges.

**(g) Recognition and measurement of assets**

**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 amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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.

The following classes of assets have been recognised in note 18. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

<b>\$'000</b>	<b>Threshold</b>
<b>Land and buildings</b>	
Land	nil
Land under roads	nil
Buildings	10
Land improvements	10

### **Plant and equipment**

Plant and machinery	1
Furniture, equipment, and computers	1

### **Infrastructure**

Roads	
- Earthworks	10
- Substructure	10
- Seal	10
Footpaths	10
Kerb and channel	10
Culverts	10
Bridges	
- Substructure	10
- Deck	10

### **Other**

Mobile garbage bins/recycling crates	1
Irrigation & sprinkler systems	1
Street furniture	1
Parks & gardens furniture & equipment	1
Playground equipment	1
Fencing	1
Library books	1
Artworks	1

### **Revaluation**

Subsequent to the initial recognition of assets, non-current physical assets are measured at their fair value. Fair value is the written down current replacement cost. 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.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 3 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the

extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

### **Land under roads**

Land under roads acquired after 30 June 2008 is 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.

### **(h) Cash and cash equivalents**

For the purposes of the statement of cash flows, 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.

### **(i) Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars.

### **(j) Other financial assets**

Investments, other than investments in associates, are measured at cost.

### **(k) Contingent assets and contingent liabilities and commitments**

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

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and inclusive of the GST payable.



## (l) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 21).

## (m) Employee benefits

### **Wages and salaries and annual leave**

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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 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**

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to reporting date. Consideration is given to expected future wage levels, including oncosts, experience of employee departures and periods of service.

Where Council does not have an unconditional right to defer long service leave it is treated as current. Only pro rata conditional long service leave is treated as non-current.

### **Employee Entitlements General Commentary**

All annual leave and unconditional vested LSL representing more than 7 years of continuous service is:

- (a) disclosed in accordance with AASB 101, as a current liability even where the agency does not expect to settle the liability within 12 months as it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months;
- (b) measured at:
  - nominal value under AASB 119 where a component of this current liability is expected to fall due within 12

- months after the end of the period; and
- present value under AASB 119 where the entity does not expect to settle a component of this current liability within 12 months.

LSL representing less than 7 years of continuous service is:

- (a) disclosed in accordance with AASB 101 as a non-current liability; and
- (b) measured at present value under AASB 119 as the entity does not expect to settle this non-current liability within 12 months.

### **Superannuation**

The amount charged to the Comprehensive Income Statement in respect of superannuation represents contributions made or due by Pyrenees Shire Council to the relevant superannuation plans in respect to the services of Pyrenees Shire Council staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that the Pyrenees Shire Council is required to comply with.

## (n) Operating leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Council.

### **Leasehold improvements**

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 20 year period.

## (o) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

#### **(p) Agreements equally proportionately unperformed**

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the balance sheet. Such agreements are recognised on an 'as incurred' basis.

#### **(q) Web site costs**

Costs in relation to websites are charged as an expense in the period in which they are incurred.

#### **(r) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **(s) 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 to sell 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 income statement.

#### **(t) Non-current assets held for sale**

A non-current asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

#### **(u) Inventories**

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

#### **(v) Pending Accounting Standards**

##### ***Pronouncement***

AASB 9 Financial Instruments

##### ***Summary***

AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas.

AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.

The new categories of financial assets are:

- Amortised cost – those assets with 'basic' loan features'.
- Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable).
- Fair Value through profit and Loss - everything that does not fall into the above two categories.

The following changes also apply:

- Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value.
- There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal.

Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no

longer any requirement to book decrements through the income statement, and increments through equity.

**Application Date**

1 July 2015

**Impact on Council**

The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities.

This will also create a requirement to measure some instruments annually that has not previously existed.

**Pronouncement**

AASB 10 Consolidated Financial Statements

**Summary**

This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.

The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.

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The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.

**Application Date**

1 July 2014

**Impact on Council**

The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities,

Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.

**Pronouncement**

AASB 11 Joint Arrangements

**Summary**

This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.

**Application Date**

1 July 2014

**Impact on Council**

The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.

**Pronouncement**

AASB 12 Disclosure of Interests in Other Entities

**Summary**

This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.

The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.

**Application Date**

1 July 2014

**Impact on Council**

Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.

## Note 2

### Rates and garbage charge

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its market value (land and buildings inclusive).

The valuation base used to calculate general rates for 2013/2014 was \$1,539 million (2012/2013 \$1,531 million). The 2013/2014 rate in the CIV dollar was 0.4479 (2012/2013, was 0.4239).

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Residential	2,286	2,088
Commercial/Industrial	168	158
Recreation & Cultural	16	15
Farm/Rural	3,363	3,222
Vacant land	748	748
Wind Farm	203	200
Interest on rates	26	57
Garbage charge	892	843
	<b>7,702</b>	<b>7,331</b>

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation was first applied to the rating period commencing 1 July 2014.

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2016, and the valuation will be first applied in the rating year commencing 1 July 2016.

## Note 3

### User charges and other fines

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Animal registration fees and fines	84	87
Town planning fees	49	40
Building fees	61	110
Meals on wheels	49	44
General home help	126	125
Legal fees - rates	49	59
Community transports fees	8	11
Garbage disposal fees	12	12
Caravan park fees	165	175
Environmental health	41	37
Resource & information centre fees & charges	57	58
Land information certificates	7	6
Economic development	57	15
Hall hire	9	8
Rental and function fees	18	22
Goldfields Recreation Reserve venue hire	30	37
ADASS	7	8
Other	39	63
	<b>868</b>	<b>917</b>

## Note 4

### Grants

Grants were received in respect of the following :

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Commonwealth Government</i>		
Commonwealth Government - roads to recovery	1,222	1,160
Family and children	92	94
	<b>1,314</b>	<b>1,254</b>
<i>State Government - General Purpose</i>		
Flood restoration natural disaster	2,855	7,760
Victoria Grants Commission - unallocated	1,378	2,295
Victoria Grants Commission - local roads	974	2,217
Aged care & senior citizens	477	448
Natte Yallock community hub - PLF & DYSR	292	-
Small rural township streetscape upgrade	235	-
Bio energy	144	85
Adult day care	136	134
Other	121	121
Local government infrastructure program	100	170
Maternal & child health	95	90
Library	93	91
Emergency communications project	90	-
Beaufort playground - DYSR	74	-
Emergency planning	60	60
Flood restoration - RDV	48	-
Amphitheatre tennis courts - DYSR	48	-
Roadside weeds and pests management program	43	43
Fire restoration works natural disaster	40	626
Emergency relief program	40	27
Tourism project officer	38	34
Transport connections project	37	251
Meals on wheels	32	17
Avoca streetscape PLF	30	270
Youth Outreach program	30	30
Podiatry	29	28
Tobacco	21	16
Local government pools program	20	180

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Avoca families and children centre	15	665
Garibaldi Creek flood mitigation project	15	-
Freeza program	12	12
Heritage grant	12	-
Rural roads and bridges program	-	1,000
Beaufort flood mitigation works	-	926
Beaufort streetscape PLF	-	300
Flood - community recovery program	-	60
Netball facilities - DYSR	-	21
Improved liveability for older persons	-	20
Event sponsorship	-	20
Flood restoration - DTPLI	-	16
Healthy eating project	-	13
	<b>7,634</b>	<b>18,046</b>

**Total Grants** **8,948** **19,300**

Victorian Grants Commission	2,352	4,512
Other Government Grants	6,596	14,788
<b>Total</b>	<b>8,948</b>	<b>19,300</b>

Recurrent	3,476	5,646
Non-Recurrent	5,472	13,654
<b>Total</b>	<b>8,948</b>	<b>19,300</b>

#### **Conditions on Grants**

Grants recognised as revenue during the year or in previous years that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:

Rural roads and bridges program	868	1,000
Flood restoration	-	2,310
Bio energy	-	376
Beaufort Pool upgrade	-	66
Garibaldi Creek flood mitigation	-	44
	<b>868</b>	<b>3,796</b>

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Flood restoration	2,310	5,829
Rural roads and bridges program	492	-
Bio energy	376	-
Bio energy	376	75
Beaufort Pool upgrade	66	12
Garibaldi Creek flood mitigation	44	205
Flood restoration - DEPI	-	1,459
Beaufort flood mitigation works	-	1,100
Local government infrastructure program	-	1,090
Rural roads and bridges program	-	1,000
Flood restoration - RDV	-	777
Snake Valley sewerage scheme	-	350
Flood restoration - DTPLI	-	65
	<b>3,664</b>	<b>7,580</b>

**Net increase (decrease) in restricted assets resulting from grant revenues for the year:**

**(2,796) (3,784)**

## Note 5

### Contributions - cash

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital Works	224	132
General	42	86
	<b>266</b>	<b>218</b>

## Note 6

### Other income

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest on investments	322	864
Private works - reimbursements	119	138
Other	89	99
	<b>530</b>	<b>1,101</b>

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## Note 7

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

	2014 \$'000	2013 \$'000
<i>Plant and equipment</i>		
Proceeds from sale of assets	107	373
Written down value of assets sold	(107)	(268)
<b>Profit(loss) on sale of land, plant and equipment</b>	<b>-</b>	<b>105</b>
<i>Land and buildings</i>		
Proceeds from sale of land & buildings	555	211
Written down value of land & buildings sold	(616)	(252)
<b>Profit(loss) on sale of land and buildings</b>	<b>(61)</b>	<b>(41)</b>
<i>Summary</i>		
Proceeds from sale of assets	662	584
Written down value of assets sold	(723)	(520)
<b>Profit(loss) on sale of assets</b>	<b>(61)</b>	<b>64</b>

## Note 8

### Employee benefits

	2014 \$'000	2013 \$'000
Wages and salaries	4,780	4,843
Annual leave and long service leave	605	552
Superannuation	513	476
Fringe benefits tax and work cover	155	175
	<b>6,053</b>	<b>6,046</b>

## Note 9

### Contract payments, materials and services

	2014 \$'000	2013 \$'000
Advertising	113	120
Audit - internal and external	74	69
Cleaning	101	83
Conferences	41	46
Contractors	8,663	17,894
Contributions and donations	118	148
Councillor allowances	143	139
Information technology	130	110
Insurance	300	265
Legal fees	50	60
Light, power and water	226	180
Materials and services	1,742	2,964
Photocopying	28	26
Plant expenses	300	305
Postage	25	25
Stationery and printing	43	38
Subscriptions and memberships	86	85
Telephone	156	165
Valuations	51	11
	<b>12,390</b>	<b>22,733</b>



**Note 10  
Depreciation**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Buildings	1,002	958
Land improvements	209	134
Plant and machinery	492	462
Furniture, equipment and computers	135	150
Roads	4,036	2,744
Road seals	1,219	979
Footpaths	38	38
Kerb and channel	62	64
Culverts	202	141
Bridges	274	261
Library books	11	12
Other Structures	31	33
	<b>7,711</b>	<b>5,976</b>

**Note 11  
Finance costs**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest - borrowings	144	160
	<b>144</b>	<b>160</b>





**Note 12**  
**Other expenses**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Other	137	181
	<b>137</b>	<b>181</b>

**Note 13**  
**Auditors' remuneration**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Audit fee to conduct external audit - Victorian Auditor-General	25	25
Internal audit fees	49	36
	<b>74</b>	<b>61</b>



**Note 14**  
**Cash and cash equivalents**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash on hand	2	2
Cash at bank	114	1,852
Bank term deposits	-	3,021
	<b>116</b>	<b>4,875</b>

**Note 15**  
**Receivables**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current</i>		
Rates debtors	380	303
Loans and advances to community organisations	-	14
Private scheme debtors	6	-
Sundry debtors	418	2,004
Net ATO receivable	28	266
<b>Total</b>	<b>832</b>	<b>2,587</b>
<i>Non-current</i>		
Community loans	-	32
Private scheme debtors	53	-
<b>Total</b>	<b>53</b>	<b>32</b>
<b>Total trade and other receivables</b>	<b>885</b>	<b>2,619</b>



**Note 16**  
**Financial assets**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank term deposits	5,512	6,000
	<b>5,512</b>	<b>6,000</b>

**Note 18**  
**Assets held for sale**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Cost of acquisition	809	1,119
<b>Total</b>	<b>809</b>	<b>1,119</b>

**Note 17**  
**Other assets**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Accrued income	54	106
Prepayments	99	136
Inventories	5	3
<b>Total</b>	<b>158</b>	<b>245</b>

**Note 19****Property, infrastructure, plant and equipment**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Summary</i>		
at cost	17,055	14,843
Less accumulated depreciation	(5,133)	(4,396)
	<b>11,922</b>	<b>10,447</b>
at fair value as at 30 June 2011	-	46,548
Less accumulated depreciation	-	(18,147)
	-	<b>28,401</b>
at fair value as at 30 June 2012	235	235
Less accumulated depreciation	(151)	(140)
	<b>84</b>	<b>95</b>
at fair value as at 30 June 2013	331,846	331,846
Less accumulated depreciation	(89,382)	(83,538)
	<b>242,464</b>	<b>248,308</b>
at fair value as at 30 June 2014	50,330	-
Less accumulated depreciation	(19,824)	-
	<b>30,506</b>	-
<b>Total</b>	<b>284,976</b>	<b>287,251</b>

*Land and Buildings**Land - Freehold*

at cost	-	270
	-	<b>270</b>

*Land - Freehold*

at fair value as at 30 June 2011	-	3,013
	-	<b>3,013</b>

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Land - Freehold</i>		
at fair value as at 30 June 2014	2,983	-
	<b>2,983</b>	-

*Land Improvements*

at cost	5,550	4,968
Less accumulated depreciation	(1,114)	(906)
	<b>4,436</b>	<b>4,062</b>

<b>Total Land</b>	<b>7,419</b>	<b>7,345</b>
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*Buildings*

at cost	-	2,248
Less accumulated depreciation	-	(13)
	-	<b>2,235</b>

at fair value as at 30 June 2011	-	43,535
Less accumulated depreciation	-	(18,147)
	-	<b>25,388</b>

at fair value as at 30 June 2014	47,347	-
Less accumulated depreciation	(19,824)	-
	<b>27,523</b>	-

<b>Total Buildings</b>	<b>27,523</b>	<b>27,623</b>
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<b>Total Land and Buildings</b>	<b>34,942</b>	<b>34,968</b>
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Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by Mr Chris Barrett BSc,MBA, AAPI, Certified Practising Valuer of VRC Property Valuations to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

The market based direct comparison method is also used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Plant and Machinery</i>		
at cost	5,567	5,356
Less accumulated depreciation	(2,896)	(2,508)
<b>Total Plant and Machinery</b>	<b>2,671</b>	<b>2,848</b>
<i>Furniture, Equipment, and Computers</i>		
at cost	1,296	1,204
Less accumulated depreciation	(1,105)	(969)
<b>Total Furniture, Equipment, and Computers</b>	<b>191</b>	<b>235</b>
<b>Total Plant and Equipment</b>	<b>2,862</b>	<b>3,083</b>

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Infrastructure</i>		
<i>Road Substructure</i>		
at cost	2,398	-
Less accumulated depreciation	(10)	-
	<b>2,388</b>	<b>-</b>

at fair value as at 30 June 2013	255,591	255,591
Less accumulated depreciation	(56,323)	(52,297)
	<b>199,268</b>	<b>203,294</b>

<i>Road Seal</i>		
at cost	698	-
Less accumulated depreciation	(6)	-
	<b>692</b>	<b>-</b>

at fair value as at 30 June 2013	20,377	20,377
Less accumulated depreciation	(11,907)	(10,694)
	<b>8,470</b>	<b>9,683</b>

<i>Footpaths</i>		
at fair value as at 30 June 2013	1,796	1,796
Less accumulated depreciation	(819)	(781)
	<b>977</b>	<b>1,015</b>

<i>Kerb and Channel</i>		
at fair value as at 30 June 2013	4,747	4,747
Less accumulated depreciation	(1,479)	(1,417)
	<b>3,268</b>	<b>3,330</b>

	2014 \$'000	2013 \$'000
<i>Culverts</i>		
at cost	130	-
Less accumulated depreciation	-	-
	<b>130</b>	<b>-</b>
at fair value as at 30 June 2013	16,281	16,281
Less accumulated depreciation	(4,594)	(4,392)
	<b>11,687</b>	<b>11,889</b>
<i>Bridges</i>		
at cost	118	-
Less accumulated depreciation	(2)	-
	<b>116</b>	<b>-</b>
at fair value as at 30 June 2013	32,683	32,683
Less accumulated depreciation	(14,023)	(13,751)
	<b>18,660</b>	<b>18,932</b>
<i>Other Structures</i>		
at fair value as at 30 June 2013	371	371
Less accumulated depreciation	(237)	(206)
	<b>134</b>	<b>165</b>
 <b>Total Infrastructure</b>	 <b>245,790</b>	 <b>248,308</b>

	2014 \$'000	2013 \$'000
<i>Library materials</i>		
at fair value as at 30 June 2012	235	235
Less accumulated depreciation	(151)	(140)
<b>Total</b>	<b>84</b>	<b>95</b>
<i>Work in progres</i>		
at cost	1,298	797
<b>Total</b>	<b>1,298</b>	<b>797</b>
<b>Total property, infrastructure, plant and equipment</b>	<b>284,976</b>	<b>287,251</b>

Valuation of infrastructure assets has been determined by the following independent valuations.

Sealed pavements, unsealed pavements, sealed surfaces, sealed road formation, kerb and channel and footpaths assets were valued by Mr Peter Moloney, Dip.C.E.C.E, MIE Aust as at 30 June 2013.

Culverts and other structures assets were valued by Mr Stephen Cornish, Dip.C.E., Grad Dip Municipal Engineering as at 30 June 2013.

Infrastructure is valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/ component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

**Fair value measurement hierarchy for assets as at 30 June 2014**

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land – non specialised		2,983	
Buildings – non specialised		27,523	
Road Substructure			199,268
Road Seal			8,470
Footpaths			977
Kerb and Channels			3,268
Culverts			11,687
Bridges			18,660
Other structures			134
Library materials			84
<b>Total</b>		<b>30,056</b>	<b>242,548</b>
<b>Reconciliation of Level 3 fair value</b>			<b>Infrastructure</b>
Opening balance			248,403
Depreciation			(5,855)
<b>Closing Balance</b>			<b>242,548</b>

### Description of significant unobservable inputs into level 3 valuations

Infrastructure	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Road Seal	Depreciated Replacement Cost	Cost per unit Sprayseal \$5.19 per sq metre based on 2012/13 Revaluation	\$3.8 to - \$8.4	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.
		Useful Life of Road Seal Assets is 24 years and Sprayseal at 17.4 years. Life assessed at revaluation	14 to 18 years	Increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher fair value.
Road Substructure	Depreciated Replacement Cost	Sealed \$33.10 per sq metre, unsealed \$22.00per sq metre	\$22 to \$33.10	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.
Footpaths	Depreciated Replacement Cost	Cost per unit \$84.00 per metre based on 2012/13 Revaluation	\$74 to \$94	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.
Kerb and Channels	Depreciated Replacement Cost	Cost per unit \$109.00 per metre based on 2012/13 Revaluation	\$99 to \$119	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.
Culverts	Depreciated Replacement Cost	Cost per unit \$2500.00 per cubic metre based on 2012/13 Revaluation	\$2200 to \$3400	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.
Bridges	Depreciated Replacement Cost	Cost per unit \$3500.00 per metre of deck area based on 2012/13 Revaluation	\$2800 to \$7200	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.



2014	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Transfers	Balance at end of financial year
			(note 23)	(note 10)			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>							
land	3,283	-	(666)	-	-	366	2,983
land improvements	4,062	583	-	209	-	-	4,436
<b>Total land</b>	<b>7,345</b>	<b>583</b>	<b>(666)</b>	<b>209</b>	<b>-</b>	<b>366</b>	<b>7,419</b>
buildings	27,623	155	382	1,002	-	365	27,523
<b>Total buildings</b>	<b>27,623</b>	<b>155</b>	<b>382</b>	<b>1,002</b>	<b>-</b>	<b>365</b>	<b>27,523</b>
<b>Total property</b>	<b>34,968</b>	<b>738</b>	<b>(284)</b>	<b>1,211</b>	<b>-</b>	<b>731</b>	<b>34,942</b>
<b>Plant and Equipment</b>							
plant, machinery and equipment	2,848	422	-	492	107	-	2,671
fixtures, fittings and furniture	235	91	-	135	-	-	191
<b>Total plant and equipment</b>	<b>3,083</b>	<b>513</b>	<b>-</b>	<b>627</b>	<b>107</b>	<b>-</b>	<b>2,862</b>
<b>Infrastructure</b>							
road substructure	203,294	1,372	-	4,036	-	1,026	201,656
road seals	9,683	698	-	1,219	-	-	9,162
footpaths	1,015	-	-	38	-	-	977
kerb & channel	3,330	-	-	62	-	-	3,268
culverts	11,889	130	-	202	-	-	11,817
bridges	18,932	-	-	274	-	118	18,776
other structures	165	-	-	31	-	-	134
<b>Total infrastructure</b>	<b>248,308</b>	<b>2,200</b>	<b>-</b>	<b>5,862</b>	<b>-</b>	<b>1,144</b>	<b>245,790</b>
<b>Library Materials</b>							
book stock	95	-	-	11	-	-	84
<b>Total library materials</b>	<b>95</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>84</b>
<b>Work in Progress</b>							
Work in Progress	797	2,682	-	-	-	(2,181)	1,298
<b>Total property, plant and equipment, infrastructure</b>	<b>287,251</b>	<b>6,133</b>	<b>(284)</b>	<b>7,711</b>	<b>107</b>	<b>(306)</b>	<b>284,976</b>

## Fair value measurement hierarchy for assets as at 30 June 2014

2013	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Transfers	Balance at end of financial year
			(note 23)	(note 10)			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>							
land	3,032	270	-	-	19	-	3,283
land improvements	2,349	1,751	-	134	-	96	4,062
<b>Total land</b>	<b>5,381</b>	<b>2,021</b>	<b>-</b>	<b>134</b>	<b>19</b>	<b>96</b>	<b>7,345</b>
buildings	26,434	1,917	-	958	-	230	27,623
<b>Total buildings</b>	<b>26,434</b>	<b>1,917</b>	<b>-</b>	<b>958</b>	<b>-</b>	<b>230</b>	<b>27,623</b>
<b>Total property</b>	<b>31,815</b>	<b>3,938</b>	<b>-</b>	<b>1,092</b>	<b>19</b>	<b>326</b>	<b>34,968</b>
<b>Plant and Equipment</b>							
plant, machinery and equipment	2,303	1,275	-	462	268	-	2,848
fixtures, fittings and furniture	301	84	-	150	-	-	235
<b>Total plant and equipment</b>	<b>2,604</b>	<b>1,395</b>	<b>-</b>	<b>612</b>	<b>268</b>	<b>-</b>	<b>3,083</b>
<b>Infrastructure</b>							
road substructure	137,706	2,162	65,662	2,744	-	508	203,294
road seals	7,667	694	2,301	979	-	-	9,683
footpaths	891	-	162	38	-	-	1,015
kerb & channel	1,672	11	1,711	64	-	-	3,330
culverts	3,736	612	7,640	141	-	42	11,889
bridges	11,775	418	6,622	261	-	378	18,932
other structures	198	-	-	33	-	-	165
<b>Total infrastructure</b>	<b>163,645</b>	<b>3,897</b>	<b>84,098</b>	<b>4,260</b>	<b>-</b>	<b>928</b>	<b>248,308</b>
<b>Library Materials</b>							
book stock	107	-	-	12	-	-	95
<b>Total library materials</b>	<b>107</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>95</b>
<b>Work in Progress</b>							
Work in Progress	1,275	776	-	-	-	(1,254)	797
<b>Total property, plant and equipment, infrastructure</b>	<b>199,446</b>	<b>9,970</b>	<b>84,098</b>	<b>5,976</b>	<b>287</b>	<b>-</b>	<b>287,251</b>

### (a) Impairment losses

Impairment losses are recognised in the income statement under other expenses.

Reversals of impairment losses are recognised in the income statement under other revenue.

**Note 20****Trade and other payables**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current</i>		
Trade creditors	811	1,515
Land purchase creditor	29	29
Accrued expenses	132	403
	<b>972</b>	<b>1,947</b>
<i>Non-current</i>		
Land purchase creditor	-	29
	-	<b>29</b>
<b>Total</b>	<b>972</b>	<b>1,976</b>

**Note 21****Trust funds and deposits**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Refundable building deposits	41	46
Refundable contract deposits	43	28
Refundable Camp Hill trust funds	20	20
Other refundable deposits	69	77
<b>Total trust funds and deposits</b>	<b>173</b>	<b>171</b>

**Note 22**  
**Provisions**

<b>2014</b>	<b>Annual Leave \$'000</b>	<b>Long Service Leave \$'000</b>	<b>Total \$'000</b>
Balance at beginning of the financial year	610	1,326	1,936
Additional provisions	477	215	692
Amounts used	(452)	(153)	(605)
<b>Balance at the end of the financial year</b>	<b>635</b>	<b>1,388</b>	<b>2,023</b>

<b>2013</b>			
Balance at beginning of the financial year	529	1,249	1,778
Additional provisions	481	153	634
Amounts used	(400)	(76)	(476)
<b>Balance at the end of the financial year</b>	<b>610</b>	<b>1,326</b>	<b>1,936</b>

**(a) Employee provisions**

**Current provisions expected  
to be settled within 12 months**

	<b>2014 \$'000</b>	<b>2013 \$'000</b>
Annual leave	594	476
	<b>594</b>	<b>476</b>

**Current provisions expected  
to be settled after 12 months**

Long service leave	1,268	1,285
	<b>1,268</b>	<b>1,285</b>
<b>Total Current provisions</b>	<b>1,862</b>	<b>1,761</b>

**Non-current**

Long service leave	161	175
	<b>161</b>	<b>175</b>

Aggregate carrying amount of employee provisions:

Current	1,862	1,761
Non-current	161	175
	<b>2,023</b>	<b>1,936</b>

The following assumptions were adopted in measuring the present value of employee benefits:

Weighted average increase in employee costs	4.44%	4.31%
Weighted average discount rates	3.75%	3.06%
Weighted average settlement period	15 yrs	15 yrs

## Note 23

### Interest-bearing liabilities

	2014 \$'000	2013 \$'000
<i>Current</i>		
Borrowings - secured	298	272
<i>Non-current</i>		
Borrowings - secured	1,632	1,929
<b>Total</b>	<b>1,930</b>	<b>2,201</b>

The maturity profile for Council's borrowings is:

Not later than one year	298	272
Later than one year and not later than five years	1,222	1,278
Later than five years	410	651
	<b>1,930</b>	<b>2,201</b>



## Note 24 Reserves

### (a) Asset revaluation reserves

2014	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>Property</b>			
land	2,075	(666)	1,409
buildings	18,759	381	19,140
	<b>20,834</b>	<b>(285)</b>	<b>20,549</b>
<b>Infrastructure</b>			
road substructure	150,202	-	150,202
road seals	5,031	-	5,031
footpaths	759	-	759
kerb & channel	2,513	-	2,513
culverts	10,257	-	10,257
bridges	12,594	-	12,594
plant & equipment	301	-	301
furniture & fittings	40	-	40
	<b>181,697</b>	<b>-</b>	<b>181,697</b>
<b>Total Asset revaluation reserves</b>	<b>202,531</b>	<b>(285)</b>	<b>202,246</b>



2013	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>Property</b>			
land	2,075	-	2,075
buildings	18,759	-	18,759
	<b>20,834</b>	<b>-</b>	<b>20,834</b>
<b>Infrastructure</b>			
road substructure	84,540	65,662	150,202
road seals	2,730	2,301	5,031
footpaths	597	162	759
kerb & channel	802	1,711	2,513
culverts	2,617	7,640	10,257
bridges	5,972	6,622	12,594
plant & equipment	301	-	301
furniture & fittings	40	-	40
	<b>97,599</b>	<b>84,098</b>	<b>181,697</b>
<b>Total Asset revaluation reserves</b>	<b>118,433</b>	<b>84,098</b>	<b>202,531</b>

**(b) Other reserves**

	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>2014</b>				
recreation land	9	-	-	9
<b>Total Other reserves</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>9</b>

<b>2013</b>				
recreation land	9	-	-	9
gravel pits	70	-	(70)	-
<b>Total Other reserves</b>	<b>79</b>	<b>-</b>	<b>(70)</b>	<b>9</b>

(i) recreation land (subdivisions) - funds used for public open space.

(ii) gravel pits restoration reserve - provides for the restoration of pits as required



## Note 25

### Reconciliation of cash flows from operating activities to surplus (deficit)

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
(Deficit)/Surplus for Year	(8,812)	(6,615)
Finance costs	144	160
Depreciation/amortisation	7,711	5,976
Net gain/loss on disposal of property, infrastructure, plant and equipment (note 7)	61	(64)
<i>Change in assets and liabilities:</i>		
Decrease in receivables	1,734	861
Decrease in prepayments	37	25
Decrease in accrued income	7	207
(Decrease) in payables	(1,013)	(2,008)
(Increase) in inventories	(2)	-
Increase in provisions	86	107
<b>Net cash provided by/(used in) operating activities</b>	<b>583</b>	<b>(901)</b>

## Note 26

### Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 14)	116	4,875
Less bank overdraft	-	-
Total reconciliation of cash and cash equivalents	116	4,875

## Note 27

### Financing arrangements

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank overdraft	400	400
Unused facilities	400	400

## Note 28

### Restricted assets

Council has cash assets (note 14) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to reserve funds (Recreational Lands Reserves).

Reserves (note 24b)	9	9
Trust funds (note 21)	173	171
	<b>182</b>	<b>180</b>

## Note 29

### 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. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Council and the Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are due.

### Accumulation

The Fund's accumulation category, 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 2014, this was 9.25% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Effective from 1 July 2014, the Superannuation Guarantee contribution rate will increase to 9.50%, and will progressively increase to 12% by 2022.

### Defined Benefit

The Fund's Defined Benefit category is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated to each employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32 (b) of AAS 119, the Council does not use defined benefit accounting for these defined benefit obligations.

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2011, Council makes employer contributions to the Funds Defined Benefit category at rates determined by the Fund's Trustee. This rate is currently 9.25% of member's salaries (9.25% in 2012/13).

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 (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

### Unfunded Superannuation Liability - Funding Calls

The fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standards SPS 160, The Fund is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- a fund's VBI is below the shortfall limit at any time other than the date of the actuarial investigations.

If either of the above occur, the Fund 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. There may be circumstances where the Australian Prudential Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. Since 30 June 2013 the VBI has been in excess of 100%. The 31 March estimated VBI was 104.6%. As this is greater than 100%, the fund is considered to be fully funded with no action required by employers at this stage.

Council made contributions to the following funds:

	<b>2014</b>	<b>2013</b>
<b>Defined benefit funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	212	251

Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date.	-	-
-----------------------------------------------------------------------------------------------------------	---	---

**Accumulation funds**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	484	352
--------------------------------------------------------------------------------	-----	-----

**Employer contributions to -**

Health Super	8	7
Rowe Family Superannuation Fund	29	17
Elliott & Strietman Superannuation Fund	4	25
Adelaide Managed Fund	23	22
Australian Super	10	8
Australian Ethical Investments	-	14
Mathews Superannuation Fund	25	25
	<b>583</b>	<b>470</b>

Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date.

**Employer contributions payable to -**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	13	16
--------------------------------------------------------------------------------	----	----

**Employer contributions to -**

Elliott & Strietman Superannuation Fund	1	1
Adelaide Managed Fund	1	1
Australian Super	1	1
Mathews Superannuation Fund	-	1
	<b>16</b>	<b>20</b>

## Note 30 Commitments

The Council has entered into the following commitments

2014	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Total \$'000
<b>Capital</b>				
Construction works	402			402
<b>Operating</b>				
Delivered meals	54			54
Swimming pool management	161	161		322
Waste services	741	764	2,497	4,002
<b>Totals</b>	<b>1,358</b>	<b>925</b>	<b>2,497</b>	<b>4,780</b>

2013				
<b>Capital</b>				
Construction works	1,421			1,421
<b>Operating</b>				
Delivered meals	129			129
Swimming pool management	513			513
Waste services				
	<b>2,063</b>	<b>-</b>	<b>-</b>	<b>2,063</b>

## Note 31 Operating lease commitments

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

	2014 \$'000	2013 \$'000
No later than one year	33	72
Later than one year and not later than five years	31	-
	<b>64</b>	<b>72</b>

## Note 32 Contingent liabilities

The Council is presently involved in confidential legal matters, which are being conducted through Council's solicitors. As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

## Note 33

### Financial Instruments

#### (a) Accounting Policy, Terms & Conditions

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>	14	Cash on hand and at bank and money market call account are valued at face value. Investments and Bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue. Investments with maturity dates of 90 days or less are classified as cash and cash equivalents as they are considered to be liquid.	On call deposits return a floating interest rate. The interest rate at balance date was 2.75% (4.0% in 2012/2013). Funds returned fixed interest rate of between 2.75% (2.75% in 2012/2013), and 4.44% (6.15% in 2012/2013) net of fees.
<b>Receivables - other debtors</b>	15	Receivables are carried at nominal amounts due less any provision for doubtful debts. Community loans are included in receivables. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears attract an interest rate of 10.5% (10.5% in 2012/2013). Credit terms are based on 30 days.
<b>Other financial assets</b>	16	Investments and Bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue. Investments with a maturity of greater than 90 days are classified as other financial assets as they are not considered liquid.	Funds returned fixed interest rate of between 2.75% (2.75% in 2012/2013), and 4.44% (6.15% in 2012/2013) net of fees.
<b>Financial Liabilities</b>			
<b>Payables</b>	20	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
<b>Interest bearing liabilities</b>	23	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.96% during 2013/2014 (6.96% in 2012/2013).
<b>Bank overdraft</b>	27	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand.

## (b) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

2013/2014	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
		1 year or less	Over 1 to 5 years	More than 5 years		
<b>Financial assets</b>						
Cash assets	114	-	-	-	2	116
Financial assets	-	5,512	-	-	-	5,512
Receivables	-	-	30	23	832	885
Accrued income	-	-	-	-	54	54
<b>Total financial assets</b>	<b>114</b>	<b>5,512</b>	<b>30</b>	<b>23</b>	<b>888</b>	<b>6,567</b>
Weighted average interest rate	2.75%	3.50%				
<b>Financial liabilities</b>						
Payables	-	-	-	-	972	972
Trust funds and deposits	-	-	-	-	173	173
Interest-bearing liabilities	-	298	1,222	410		1,930
<b>Total financial liabilities</b>	<b>-</b>	<b>298</b>	<b>1,222</b>	<b>410</b>	<b>1,145</b>	<b>3,075</b>
Weighted average interest rate		6.96%	6.96%	6.96%		
<b>Net financial assets (liabilities)</b>	<b>114</b>	<b>5,214</b>	<b>(1,192)</b>	<b>(387)</b>	<b>(257)</b>	<b>3,492</b>

2012/2013	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
		1 year or less	Over 1 to 5 years	More than 5 years		
<b>Financial assets</b>						
Cash assets	1,852	3,021	-	-	2	4,875
Financial assets	-	6,000	-	-	-	6,000
Receivables	-	14	45	23	2,505	2,587
Accrued income	-	-	-	-	106	106
<b>Total financial assets</b>	<b>1,852</b>	<b>9,035</b>	<b>45</b>	<b>23</b>	<b>2,613</b>	<b>13,568</b>
Weighted average interest rate	3.00%	4.25%				
<b>Financial liabilities</b>						
Payables	-	-	-	-	1,947	1,947
Trust funds and deposits	-	-	-	-	171	171
Interest-bearing liabilities	-	272	1,278	651	-	2,201
<b>Total financial liabilities</b>	<b>-</b>	<b>272</b>	<b>1,278</b>	<b>651</b>	<b>2,118</b>	<b>4,319</b>
Weighted average interest rate		6.96%	6.96%	6.96%		
<b>Net financial assets (liabilities)</b>	<b>1,852</b>	<b>8,763</b>	<b>(1,233)</b>	<b>(628)</b>	<b>495</b>	<b>9,249</b>

### (c) Net Fair Values

The net fair value of financial assets and liabilities as disclosed in the Balance Sheet are not materially different to the carrying value of the financial assets and liabilities.

### (d) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the statement of financial position.

## (e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

### **Market risk**

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices.

The Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

### **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. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Australian Loan Council each year.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- adequate safety,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

### **Credit risk**

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on all financial assets included in our balance sheet. To help manage this risk:

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

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 30.

### **Ageing of Trade and Other Receivables**

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade & Other Receivables was:

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Current (not yet due)	361	1,919
Past due by up to 30 days	14	250
Past due between 31 and 180 days	306	300
Past due between 181 and 365 days	32	30
Past due by more than 1 year	119	88
<b>Total Trade &amp; Other Receivables</b>	<b>832</b>	<b>2,587</b>



### Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

To help reduce these risks we:

- 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 Councils exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for Financial Liabilities.

These amounts represent undiscounted gross payments including both principal and interest amounts.

	6 mnths or less \$'000	6 - 12 mnths \$'000	1 - 2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000
<b>2014</b>						
Trade and other payables	972	-	-	-	-	972
Trust funds and deposits	88	87	-	-	-	175
Interest-bearing loans and borrowings	149	149	298	924	410	1,930
<b>Total financial liabilities</b>	<b>1,209</b>	<b>236</b>	<b>298</b>	<b>924</b>	<b>410</b>	<b>3,077</b>
<b>2013</b>						
Trade and other payables	1,947	-	-	-	-	1,947
Trust funds and deposits	86	86	-	-	-	171
Interest-bearing loans and borrowings	208	208	417	1,238	776	2,847
<b>Total financial liabilities</b>	<b>2,241</b>	<b>294</b>	<b>417</b>	<b>1,238</b>	<b>776</b>	<b>4,965</b>

## (f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of +2% and -1% in market interest rates (AUD) from year-end rates of 3.50% (4.0% 2012/13).

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year-end, if the above movements were to occur.

Interest rate risk					
Market risk exposure 2014	Carrying amount subject to interest \$'000	1% 100 basis point		2% 200 basis point	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>Financial assets:</b>					
Cash and cash equivalents	116	(1)	(1)	2	2
Trade and other receivables	832	(8)	(8)	17	17
Other financial assets:	5,512	(55)	(55)	110	110
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	1,930	(19)	(19)	39	39
<b>Market risk exposure 2013</b>					
<b>Financial assets:</b>					
Cash and cash equivalents	4,875	(49)	(49)	98	98
Trade and other receivables	2,587	(26)	(26)	52	52
Other financial assets:	6,000	(60)	(60)	120	120
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	2,201	(22)	(22)	44	44

## Note 34

### Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

**Councillors**

Councillor R Vance (Mayor 7.11.2013 To Current)  
 Councillor M O'Connor (Mayor 1.7.2013 to 7.11.2013)  
 Councillor D Clark  
 Councillor T Kehoe  
 Councillor R Eason

**Chief Executive Officer**

Stephen Cornish

(ii) Remuneration of Responsible Persons

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:

	2014 No	2013 No
\$0 - \$9,999	-	1
\$10,000 - \$19,999	3	4
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	1	1
\$200,000 - \$209,999	-	1
\$210,000 - \$219,999	1	-
	<b>6</b>	<b>8</b>

**Total Remuneration for the reporting year for Responsible Persons included above amounted to:**

**\$354,000    \$339,000**

No retirement benefits have been made by the Council to a Responsible Person.

(iii) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2012/2013 - Nil).

(iv) Other Transactions

(v) The following responsible persons and senior officers provided services/goods to Council during the reporting period. All purchases were at arms length and in the normal course of the Shire's business.

	2014 \$	2013 \$
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**CEO - Stephen Cornish**

Stephen Cornish Drafting and Design	860	-
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Provision of drafting services, managed and operated by wife of Stephen Cornish.

**Cr R Eason**

Avoca Newsagency	1,753	1,675
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Cr Eason is a partner in this business that provides printing and stationery goods to Council.

**Director of Assets and Infrastructure - Andrew Leach**

A & C Leach Consulting Pty Ltd	1,375	-
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Provision of staff training services, managed and operated by wife of Andrew Leach.

**Senior Officers Remuneration**

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$133,000 (2012/2013 - \$130,000).

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

	2014 No	2013 No
<b>Income Range:</b>		
>\$130,000	-	-
\$144,000 - \$154,999	-	2
\$155,000 - \$164,999	2	-
	<b>2</b>	<b>2</b>

**Total Remuneration for the reporting year for Senior Officers included above, amounted to:**

**\$331,000    \$303,000**

## Note 35

### Revenues, expenses and assets by function/activity

	Road Infrastructure		Community Infrastructure and Wellbeing	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Revenue</b>				
Grants	5,716	12,785	1,529	3,794
Other	331	126	417	393
Total	6,047	12,911	1,946	4,187
<b>Expenses</b>	<b>15,762</b>	<b>22,118</b>	<b>3,538</b>	<b>6,360</b>
<b>Comprehensive Result</b>				
<b>Surplus / (Defecit)</b>	<b>(9,715)</b>	<b>(9,207)</b>	<b>(1,592)</b>	<b>(2,173)</b>
Assets Attributed to functions / activities*	250,499	248,953	31,470	31,651

\*Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

#### **Road Infrastructure**

To maintain a safe and effective road system that caters for all road users within the shire.

#### **Community Infrastructure and Wellbeing**

To provide safe, well utilised assets and services, to enhance the quality of life of residents and promote connected, active and resilient communities.

#### **Good Governance**

To provide community leadership and advocacy to ensure financial sustainability and improve the economic, social and environmental wellbeing of the Pyrenees Shire.

#### **Economic, Agriculture and Tourism Development**

To develop the local economy and increase the population of the Pyrenees Shire.

#### **Environment**

To show effective leadership in the management of the natural and built environments.

	Good Governance		Economic, Agriculture and Tourism Development		Environment		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
	1,378	2,217	46	315	279	189	8,948	19,300
	7,285	7,687	310	342	1,023	1,019	9,366	9,567
	8,663	9,904	356	657	1,302	1,208	18,314	28,867
	<b>3,288</b>	<b>3,326</b>	<b>1,527</b>	<b>1,435</b>	<b>2,381</b>	<b>1,793</b>	<b>26,496</b>	<b>35,032</b>
	<b>5,375</b>	<b>6,578</b>	<b>(1,171)</b>	<b>(778)</b>	<b>(1,079)</b>	<b>(585)</b>	<b>(8,182)</b>	<b>(6,165)</b>
	7,053	17,807	3,024	3,273	410	425	292,456	302,109

**Note 36**  
**Capital Expenditure**

	<b>Note</b>	<b>2014</b>	<b>2013</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Capital Expenditure Areas</b>			
Land		-	520
Land improvements		1,159	1,962
Buildings		851	2,092
Plant, equipment and other		549	1,359
Roads		3,574	4,287
Work in progress		-	-
<b>Total capital works</b>		<b>6,133</b>	<b>10,220</b>

Represented by:

Renewal		2,060	3,691
Upgrade		2,393	2,721
New assets		1,680	3,808
<b>Total capital works</b>		<b>6,133</b>	<b>10,220</b>

**Property, Infrastructure, Plant and Equipment movement**

The movement between the previous year and the current year in property, infrastructure, plant and equipment movement as shown in the Balance Sheet links to the net of the following items:

Total capital works		6,133	10,220
Land held for sale movement		310	(17)
Asset revaluation movement	23(a)	(285)	84,098
Depreciation and amortisation	10	(7,711)	(5,976)
Written down value of assets sold	7	(723)	(520)
<b>Net movement in property, plant &amp; equipment</b>	<b>18</b>	<b>(2,276)</b>	<b>87,805</b>

**(a) Renewal**

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

**(b) Upgrade**

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base.

**(c) Expansion**

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.

## Note 37

### Financial ratios

	2014 \$'000	2014 %	2013 \$'000	2013 %	2012 \$'000	2012 %
<b>(a) Debt servicing ratio</b>						
(to identify the capacity of Council to service its outstanding debt)						
$\frac{\text{Debt servicing costs}}{\text{Total revenue}}$	$\frac{144}{18,314}$	0.79	$\frac{160}{28,867}$	0.55	$\frac{183}{40,340}$	0.45
Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.						
The ratio expresses the amount of interest paid as a percentage of Council's total revenue.						
<b>(b) Debt commitment ratio</b>						
(to assess Council's debt redemption strategy)						
$\frac{\text{Debt servicing \& redemption costs}}{\text{Rate revenue}}$	$\frac{415}{7,702}$	5.39	$\frac{413}{7,331}$	5.63	$\frac{450}{6,928}$	6.50
The strategy involves the payment of loan principal and interest, finance lease principal and interest.						
The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.						
<b>(c) Revenue ratio</b>						
(to identify Council's dependence on non-rate income)						
$\frac{\text{Rate Revenue}}{\text{Total revenue}}$	$\frac{7,702}{18,314}$	42.06	$\frac{7,331}{28,867}$	25.40	$\frac{6,928}{40,340}$	17.17
The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.						

(Continued next page)

## Note 37

### Financial ratios (continued)

	2014 \$'000	2014 %	2013 \$'000	2013 %	2012 \$'000	2012 %
<b>(d) Debt Exposure Ratio</b> (to identify Council's exposure to debt)						
<u>Total indebtedness</u>	5,098		6,284		8,509	
<u>Total realisable assets</u>	37,986	13.42	46,764	13.73	56,421	15.08
For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.						
Any liability represented by a restricted asset (note 25) is excluded from total indebtedness.						
The following assets are excluded from total assets when calculating Council's realisable assets:						
land - other controlled; buildings on other controlled land; restricted assets; heritage assets; roads and lanes; footpaths; kerb and channel; drains; bridges; and Council's investment in associate.						
This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the multiple of total liabilities for each dollar of realisable assets.						
<b>(e) Working Capital Ratio</b> (to assess Council's ability to meet current commitments)						
<u>Current assets</u>	7,427		14,826		26,905	
<u>Current liabilities</u>	3,305	224.72	4,151	357.17	6,051	444.64
The ratio expresses the level of current assets the Council has available to meet its current liabilities.						

## Note 38

### Special committees of Council and other activities

The following Section 86 Committees of Council have been consolidated into this financial report

Beaufort Community Bank Complex

The following Section 86 Committees of Council have not been consolidated into this financial report as the annual turnover of these committees is minor and are not considered material in the context of this financial report.

Brewster Hall Committee

Snake Valley Hall Committee

Lexton Community Centre

Landsborough Community Precinct

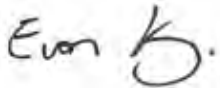
Waubra Sporting Complex



Certification of the Financial Report

STATEMENT BY PRINCIPAL ACCOUNTING OFFICER

I certify that in my opinion the accompanying financial statements present fairly the results of Pyrenees Shire Council for the year ended 30 June 2014, and have been prepared in accordance with the Local Government Act 1989, the Local Government (Finance and Reporting) Regulations 2014, Australian Accounting Standards and other mandatory professional reporting requirements.



.....  
Evan King CPA  
Principal Accounting Officer

Dated at Beaufort this 8th day of September 2014

STATEMENT BY COUNCILLORS and CHIEF EXECUTIVE OFFICER

In our opinion the accompanying financial statements present fairly the financial transactions of Pyrenees Shire Council for the year ended 30 June 2014 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council on 19th August 2014 to certify the financial statements in their final form.



Robert Vance  
Mayor



Michael O'Connor  
Councillor



.....  
Stephen Cornish  
Chief Executive Officer

Dated at Beaufort this 8th day of September 2014





# Standard Statements

# Standard Statements

For the Year Ending 30 June 2014

## Notes to the Standard Statements

### 1. Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for General Purpose Financial Report and the Budget. The result reported in these statements are consistent with those reported in the General Purpose Financial Report.

The Standard Statements are not a substitute for the General Purpose Financial Report, which are included on pages 78 - 83 of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of ten per cent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Standard Statements are those adopted by Council on 12 June 2013. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from assets revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements Report on pages 72 - 83. The detailed budget can be obtained by contacting council or through the Council's website. The Standard Statements must be read with reference to these documents.

**Standard Income Statement**  
**For the year ending 30 June 2014**

	Budget 2013/2014 \$'000	Variances		Reference	Actuals 2013/2014 \$'000
		\$'000	%		
<b>Revenue</b>					
Rates and charges	7,680	22	0.3		7,702
Grants - operating	9,949	(4,477)	(45.0)	1	5,472
Grants - capital	3,114	362	11.6		3,476
User fees	897	(29)	(3.2)		868
Contributions	306	(40)	(13.1)	2	266
Other revenue	488	42	8.6		530
<b>Total revenue</b>	<b>22,434</b>	<b>(4,120)</b>			<b>18,314</b>
<b>Expenses</b>					
Employee benefits	6,110	(57)	(0.9)		6,053
Materials and services	10,374	2,016	19.4	3	12,390
Depreciation	6,000	1,711	28.5	4	7,711
Finance costs	141	3	2.1		144
Other expenses	143	(6)	(4.2)		137
Net gain (loss) on disposal of assets	-	61	-		61
<b>Total expenses</b>	<b>22,768</b>	<b>3,728</b>			<b>26,496</b>
<b>Surplus (deficit) for the period</b>	<b>(334)</b>	<b>(7,848)</b>			<b>(8,182)</b>

**Variance Explanation Report**

Reference	Item	Explanation
1	Grants - operating	Lower than budget as a result of the change to the timing of grants commission payments. Council in past years had received approximately half of its grant commission payment in advance, in June each year. This year the June payment was not made. The Grants Commission payments now match with the financial year.
2	Contributions	Slightly less than budget. Contributions for the Amphitheatre Recreation Facility were delayed as a result of a delay in the construction of this project.
3	Materials and services	Higher than budget as a result of the flood events experienced in September 2010 and January 2011. Council completed these works this year. However a delay in construction works in 2012/13 resulted in some of the works being brought forward from last year which caused expenditure in this area to be higher than budget.
4	Depreciation	Council revalued its infrastructure assets at the 30.6.2013. The revaluation resulted in a significant increase in depreciation on infrastructure assets. The calculation of the new values was not completed until after the 2013/14 budget was adopted.

## Standard Balance Sheet

As at 30 June 2014

	Budget 2013/2014 \$'000	Variances		Reference	Actuals 2013/2014 \$'000
		\$'000	%		
<b>Current assets</b>					
Cash and cash equivalents	116	-	-		116
Trade and other receivables	3,445	(2,613)	(75.8)	5	832
Financial assets	5,503	9	0.2		5,512
Other	825	(667)	(80.8)	6	158
Non-current assets classified as held for sale	753	56	7.4		809
<b>Total current assets</b>	<b>10,642</b>	<b>(3,215)</b>			<b>7,427</b>
<b>Non-current assets</b>					
Trade and other receivables	50	3	6.0		53
Property, plant and equipment, infrastructure	205,844	79,132	38.4	7	284,976
<b>Total non-current assets</b>	<b>205,894</b>	<b>79,135</b>			<b>285,029</b>
<b>Total assets</b>	<b>216,536</b>	<b>75,920</b>			<b>292,456</b>
<b>Current liabilities</b>					
Trade and other payables	3,955	(2,983)	(75.4)	8	972
Trust funds and deposits	214	(41)	(19.2)	9	173
Provisions	1,627	235	14.4	10	1,862
Interest bearing loans and borrowings	285	13	(4.6)		298
<b>Total current liabilities</b>	<b>6,081</b>	<b>(2,776)</b>			<b>3,305</b>
<b>Non-current liabilities</b>					
Interest bearing loans and borrowings	1,653	(21)	(1.3)		1,632
Provisions	259	(98)	(37.8)	11	161
<b>Total non-current liabilities</b>	<b>1,912</b>	<b>(119)</b>			<b>1,793</b>
<b>Total liabilities</b>	<b>7,993</b>	<b>(2,895)</b>			<b>5,098</b>
<b>Net assets</b>	<b>208,543</b>	<b>78,815</b>			<b>287,358</b>
<b>Equity</b>					
Accumulated surplus	90,031	(4,928)	(5.5)		85,103
Asset revaluation reserve	118,433	83,813	70.8		202,246
Other reserves	79	(70)	(88.6)		9
<b>Total equity</b>	<b>208,543</b>	<b>78,815</b>			<b>287,358</b>

## Variance Explanation Report

Reference	Item	Explanation
5	Trade and other receivables - current	Lower as a result of a smaller amount of government grant funds being outstanding at the end of the financial year than anticipated at budget time.
6	Other current assets	At budget time there was uncertainty as to when certain prepayments would be made. The actual amount of these for 2013/14 is lower than anticipated.
7	Property, plant and equipment, infrastructure	Council revalued its infrastructure assets at the 30.6.2013. The revaluation resulted in a significant increase in the value of infrastructure assets. The calculation of the new values was not completed until after the 2013/14 budget was adopted.
8	Trade and other payables -current	Lower than budget as a result of the completion of works associated with the flood events experienced in September 2010 and January 2011. With the completion of these works there has been a corresponding decrease in Council's level of creditors at year end.
9	Trust funds and deposits	These vary from year to year and they are difficult to predict at budget time each year.
10	Provisions - current	There have been lower levels of leave taken during the year than anticipated. This has caused a variation from the original budget amount as the effect of this was not allowed in the budget. The lower level of leave taken can be attributed to the flood events experienced in September 2010 and January 2011. The ongoing works associated with this meant that it was not possible for staff to take their normal leave entitlements.
11	Provisions - non current	Lower than budget as a result of staff members attaining the seven years of service to qualify for long service leave. These liabilities then transferring to a current liability classification.

**Standard Cash Flow Statement**  
**For the year ending 30 June 2014**

	Budget 2013/2014 \$'000	Variances		Reference	Actuals 2013/2014 \$'000
		\$'000	%		
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
General rates	7,680	(55)	(0.7)		7,625
Operating grants and contributions	10,944	(3,646)	(33.3)	12	7,298
Capital grants and contributions	3,114	362	11.6		3,476
Interest	394	(20)	(5.1)		374
User charges	796	(6)	(0.8)		790
Statutory fees	173	(8)	(4.6)		165
Other revenue	440	54	12.3	13	494
Net GST Refund	627	505	80.5	14	1,132
	<b>24,168</b>	<b>(2,814)</b>			<b>21,354</b>
<b>Payments</b>					
Employee costs	(6,110)	144	2.4		(5,966)
Materials & contractors	(11,411)	(3,243)	(28.4)	15	(14,654)
Other expenses	(157)	6	3.8		(151)
	<b>(17,678)</b>	<b>(3,093)</b>			<b>(20,771)</b>
<b>Net cash inflow from operating activities</b>	<b>6,490</b>	<b>(5,907)</b>			<b>583</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment, infrastructure	685	(23)	(3.4)		662
Payments for property, plant and equipment, infrastructure	(8,366)	2,287	27.3	16	(6,079)
Purchase of investments	-	(38,500)	-		(38,500)
Proceeds from redemption of investments	-	38,988	-		38,988
<b>Net cash (outflow) from investing activities</b>	<b>(7,681)</b>	<b>(2,752)</b>			<b>(4,929)</b>
<b>Cash flows from financing activities</b>					
Trust funds and deposits	-	2	-		2
Finance costs	(267)	(4)	(1.5)		(271)
Repayment of interest bearing loans and borrowings	(144)	-	-		(144)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(411)</b>	<b>(2)</b>			<b>(413)</b>



	Budget 2013/2014 \$'000	Variances		Reference	Actuals 2013/2014 \$'000
		\$'000	%		
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,599)	(3,160)	(197.6)		(4,759)
Cash and cash equivalents at the beginning of the year	7,218	(2,343)	(32.5)		4,875
<b>Cash and cash equivalents at the end of the year</b>	<b>5,619</b>	<b>(5,503)</b>			<b>116</b>
<b>Reconciliation of Surplus (Deficit) and Net Cash Flows from Operating Activities For the year ending 30 June 2014</b>					
<b>Surplus (deficit)</b>	<b>(334)</b>	<b>(7,848)</b>	<b>(2,349.7)</b>		<b>(8,182)</b>
Depreciation and amortisation	6,000	1,711	28.5		7,711
Loan interest	144	-	-		144
Profit loss on sale of property, plant and equipment, infrastructure	-	61	-		61
Net movement in current assets and liabilities	539	310	57.5		849
<b>Net cash inflow (outflow) from operating activities</b>	<b>6,349</b>	<b>5,766</b>			<b>583</b>

## Variance Explanation Report

Reference	Item	Explanation
12	Operating grants and contributions	Lower than budget as a result of the change to the timing of grants commission payments. Council in past years had received approximately half of its grant commission payment in advance, in June each year. This year the June payment was not made and the Grants Commission now make the payments in the financial year to which they relate.
13	Other income received (inflow)	Higher than budget as a result of income from private works being a higher than anticipated.
14	Net GST Refund	Higher than budget as a result of the carryover of funding into the 2013/14 year in relation to flood related income. This has increased the overall level of receipts that attract GST.
15	Materials and contractors	Higher than budget as a result of the flood events experienced in September 2010 and January 2011. Council completed these works this year. However a delay in construction works in 2012/13 resulted in some of the works being brought forward from last year which caused expenditure in this area to be higher than budget.
16	Payments for property, plant and equipment, infrastructure	Council budgeted in the 2013/14 year for the purchase and development of additional industrial land. To date Council has been unable to find land in a suitable location.

**Standard Statement of Capital Works**  
**For the year ending 30 June 2014**

Capital Works Areas	Budget 2013/2014 \$'000	Variances		Reference	Actuals 2013/2014 \$'000
		\$'000	%		
Land	1,380	(1,380)	-	17	-
Roads	4,254	(680)	(16.0)	18	3,574
Land improvements	730	429	58.8	19	1,159
Buildings	440	411	93.4	20	851
Plant and equipment and other	801	(252)	(31.5)	21	549
<b>Total capital works</b>	<b>7,605</b>	<b>(1,472)</b>			<b>6,133</b>

**Represented by:**

Asset renewal	4,199	(2,139)	(50.9)		2,060
Upgraded assets	1,185	1,208	101.9		2,393
New assets	2,221	(541)	(24.4)		1,680
<b>Total capital works</b>	<b>7,605</b>	<b>(1,472)</b>			<b>6,133</b>

Property, plant and equipment, infrastructure movement reconcillation worksheet	Budget 2013/2014 \$'000	Variances		Reference	Actuals 2013/2014 \$'000
		\$'000	%		
The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:					
Total capital works	7,605	(1,472)	(19.4)		6,133
Land held for sale movement		310	-		310
Asset revaluation movement	-	(285)	-		(285)
Depreciation and amortisation	(6,000)	(1,711)	(28.5)		(7,711)
Written down value of assets sold	(623)	(100)	(16.1)		(723)
<b>Net movement in property, plant and equipment, infrastructure</b>	<b>982</b>	<b>(3,258)</b>			<b>(2,276)</b>

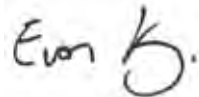
## Variance Explanation Report

Reference	Item	Explanation
17	Land	Council has been investigating the purchase of additional industrial land for development. To date Council has been unable to find land in a suitable location.
18	Roads	Less than budget as a result of delays in Council's 2013/14 Rural Roads and Bridges capital works construction program. These projects will now be constructed in 2014/15.
19	Land improvements	Higher than budget as a result of carryover of projects from Council's 2012/13 capital works program. Council also made a number of successful grant applications to improve and upgrade facilities during the year.
20	Buildings	Council made a number of successful grant applications to improve and upgrade buildings during the year. Council also upgraded the Beaufort office air conditioning system and the Beaufort Depot during the year. These items were not allowed for in the original budget.
21	Plant and equipment and other	A number of plant items scheduled to be purchased in 2013/14 will now be acquired in 2014/15. This reduced expenditure in this area below the amount that was budgeted for.

**Certification of the Standard Statements**

**STATEMENT BY PRINCIPAL ACCOUNTING OFFICER**

*In my opinion, the accompanying Standard Statements of Pyrenees Shire Council for the year ended 30 June 2014 have been prepared on accounting bases consistent with the annual financial report and in accordance with the Local Government Act 1989, the Local Government (Finance and Reporting) Regulations 2014, and other mandatory professional reporting requirements.*



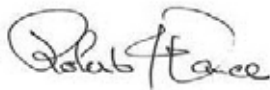
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Evan King CPA  
Principal Accounting Officer

**Dated at Beaufort this 8th day of September 2014**

**STATEMENT BY COUNCILLORS and CHIEF EXECUTIVE OFFICER**

*In our opinion, the accompanying Standard Statements have been prepared on accounting bases consistent with the annual financial report and presents fairly the financial transactions of Pyrenees Shire Council for the financial year ended 30 June 2014 and the financial position of the Council as at that date.*

*As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial report to be misleading or inaccurate.*



.....  
Robert Vance  
Mayor



.....  
Michael O'Connor  
Councillor



.....  
Stephen Cornish  
Chief Executive Officer

**Dated at Beaufort this 8th day of September 2014**



## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Pyrenees Shire Council

#### *The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2014 of the Pyrenees Shire Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, statements of cash flows, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2014 of Pyrenees Shire Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statement have been audited.

#### *The Councillors' Responsibility for the Financial Report and Standard Statements*

The Councillors of the Pyrenees Shire Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

## Independent Auditor's Report (continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Opinion*

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Pyrenees Shire Council as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

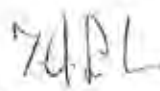
### *Basis of Accounting for Standard Statements*

Without modifying my opinion, I draw attention to Note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

### *Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements*

This auditor's report relates to the financial report and standard statements of the Pyrenees Shire Council for the year ended 30 June 2014 included both in the Pyrenees Shire Council's annual report and on the website. The Councillors of the Pyrenees Shire Council are responsible for the integrity of the Pyrenees Shire Council's website. I have not been engaged to report on the integrity of the Pyrenees Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE  
15 September 2014

  
Dr Peter Frost  
Acting Auditor-General

2  
*Auditing in the Public Interest*

**Performance Statement**  
**For the year ending 30 June 2014**

This statement reviews Council's annual budget's key strategic activities performance targets against Council's actual performance for the year.

<b>Key Strategic Activities</b>					
<b>Road Infrastructure</b>					
<b>Four year plan</b>		<b>Annual plan</b>			
<b>Objectives</b>	<b>Strategies</b>	<b>Key Strategic Activities</b>	<b>Targets</b>	<b>Achievement</b>	<b>Explanation</b>
1 - To maintain a safe and effective road system that caters for all road users within the shire.	1.1 - Develop a gravel road maintenance strategy.	1.1.1 - Implementation of the gravel road maintenance strategy.	Adopted by Council in December 2013.	No	To occur in 2014/15
		1.1.2 - Increased spending on gravel resheets.	20% increase in expenditure on 2012/13 levels.	Yes	"2012/13 \$324,391 2013/14 \$453,353 Increase of 39.8%"
		1.1.3 - Review Council's road network condition following completion of flood works.	Report to Council by February 2014.	No	To occur in 2014/15



**Key Strategic Activities  
Community Infrastructure and Wellbeing**

Four year plan		Annual plan			
Objectives	Strategies	Key Strategic Activities	Targets	Achievement	Explanation
2 - To provide safe, functional and well utilised assets and services, to enhance the quality of life of residents and promote connected, active and resilient communities.	2.1 - Use Community Action Plans to inform Council's priorities for determining the use, and future needs for community facilities.	2.1.1 - Determine the future of the Avoca Hall	Council decision by May 2014.	Yes	Report tabled at the 19 November 2013 Council meeting
	2.2 - Provide responsive and sustainable community services in aged care, child care and maternal and child health.	2.1.2 - Deliver responsive, quality aged care services.	Improve the Community Satisfaction Survey rating for elderly support services above 72.	No	Community Satisfaction Survey Rating 70
	2.3 - Utilise Council's health and wellbeing plan to improve the health of the community.	2.1.3 - Maternal and child health services	Maintain immunisation levels above 95% of participant families.	No	"Council achieved 91% 12-15 Months 100% 24-27 Months 85% 60-63 Months Average - 92%"
	2.3 - Utilise Council's health and wellbeing plan to improve the health of the community.	2.1.4 - Utilise Council's Municipal Public Health and Wellbeing (MPH&W) Plan to achieve co-ordinated Health Promotion activities across the shire.	Number of partner agencies included in MPH&W Plan (minimum of three)	Yes	4 partner agencies included in the MPH&W Plan

### Key Strategic Activities

#### Good Governance and Leadership

Four year plan		Annual plan			
Objectives	Strategies	Key Strategic Activities	Targets	Achievement	Explanation
3 - To provide community leadership and advocacy to ensure financially sustainability and improve the economic, social and environmental wellbeing of the Pyrenees Shire.	3.1 - Communicate the Council's decisions, policies and activities and the reasons behind them, in a form relevant to ratepayer needs and expectations in accordance to Councils Communication Strategy.	3.1.1 - Review Council's long-term financial strategy each year.	Reviewed twice annually.	Yes	"1. Report tabled at the 20 May 2014 Council meeting
	3.2 - Respond to the community in a timely manner, in accordance with Council's customer service charter.	3.1.2 - Improve customer response	Improve the Community Satisfaction Survey rating for Customer Service above 72.	No	Community Satisfaction Survey Rating 71
	3.1 - Communicate the Council's decisions, policies and activities and the reasons behind them, in a form relevant to ratepayer needs and expectations in accordance to Councils Communication Strategy.	3.1.3 - Review of Rating Strategy	Rating Strategy adopted by July 2013.	Yes	Report tabled at the 21 May 2013 Council meeting

### Key Strategic Activities

#### Economic, Agriculture and Tourism Development

Four year plan		Annual plan			
Objectives	Strategies	Key Strategic Activities	Targets	Achievement	Explanation
4 - To develop the local economy and increase the population of the Pyrenees Shire.	4.1 - Continue Council's involvement with Central Highlands Regional Strategic Plan, Grampians Tourism, the Regional Management Forum, and Regional Development Australia to maintain and expand the regional development focus.	4.1.1 - Lobby for federal and state government funding to enable the confirmation of the Beaufort Bypass route.	Funding secured June 2014.	Yes	In May 2014 the Victorian and Australian Governments announced \$4 million in funding to undertake planning for the bypass of Beaufort and Ararat.

**Key Strategic Activities  
Environment**

Four year plan		Annual plan			
Objectives	Strategies	Key Strategic Activities	Targets	Achievement	Explanation
5 - To show effective leadership in the management of the natural and built environments.	5.1 - Implement the municipal waste management plan to reduce the amount of waste sent to landfill and to encourage recycling.	5.1.1 - Waste reduction	Target of 380 kilograms per assessment per annum.	Yes	158 Tonnes per month (12x158= 1,896/5,841) =325 kg per assessment
	5.2 - Implement the environment and sustainability strategy.	5.1.2 - Reduce Council's environmental footprint.	Installation of solar power at one of Councils facilities by December 2013	Yes	3 Systems installed during the year:- Beaufort Office, Beaufort Resource Centre and Avoca Information Centre

Council Approval of the Performance Statement

In our opinion, the accompanying performance statement of the Pyrenees Shire Council in respect of the 2013/2014 financial year is presented fairly in accordance with the Local Government Act 1989. The statement outlines the Key Strategic Activities set out in Council's Budget and describes the extent to which these activities were achieved in the year.

At the date of signing, we are not aware of any circumstances, which would render any particulars in the statement to be misleading or inaccurate.



.....  
Robert Vance  
Mayor



.....  
Michael O'Connor  
Councillor



.....  
Stephen Cornish  
Chief Executive Officer

Dated at Beaufort this 8th day of September 2014



# PYRENEES

## SHIRE



Victorian Auditor-General's Office

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Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

## INDEPENDENT AUDITOR'S REPORT

To the Councillors, Pyrenees Shire Council

### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2014 of the Pyrenees Shire Council which comprises the statement, the related notes and the Council approval of the performance statement has been audited.

### *The Councillors' Responsibility for the Performance Statement*

The Councillors of the Pyrenees Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Independent Auditor's Report (continued)

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

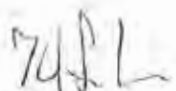
### *Auditor's Opinion*

In my opinion, the performance statement of the Pyrenees Shire Council in respect of the 30 June 2014 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

### *Matters Relating to the Electronic Publication of the Audited Performance Statement*

This auditor's report relates to the performance statement of the Pyrenees Shire Council for the year ended 30 June 2014 included both in the Pyrenees Shire Council's annual report and on the website. The Councillors of the Pyrenees Shire Council are responsible for the integrity of the Pyrenees Shire Council's website. I have not been engaged to report on the integrity of the Pyrenees Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE  
15 September 2014

  
Dr Peter Frost  
Acting Auditor-General

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— S H I R E —



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