

PYRENEES
— S H I R E —



PYRENEES
— S H I R E —
ANNUAL REPORT
2012/2013



OUR VISION

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

OUR MISSION

To achieve this Pyrenees Shire Council 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 will ensure that access to services is equitable. We respect our communities and respond to their needs in a timely manner.

- **Integrity and accountability**

We will 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 maintain quality, safety and environmental certification, we will work with our communities to manage and adapt to risk.

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PURPOSE OF THIS REPORT

This Annual Report informs the Pyrenees community and stakeholders about Council's performance for the financial year July 1, 2012 to June 30, 2013.

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 7 of this report, Council's strategic framework is based on the following key areas:

- Community Infrastructure
- Road Infrastructure
- Community Wellbeing
- Growth and Employment Development

- Governance and Community Leadership
- The Environment
- Organisational Development

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

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

ABOUT PYRENEES SHIRE

Location

Pyrenees Shire is located in the Central West of Victoria, about 130 kilometres north west of Melbourne. It is heavily dependent on primary industry and is renowned for its wool, viticulture and forestry activity. Thirty percent 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 covers an area of almost 3,500 square kilometres and has 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.

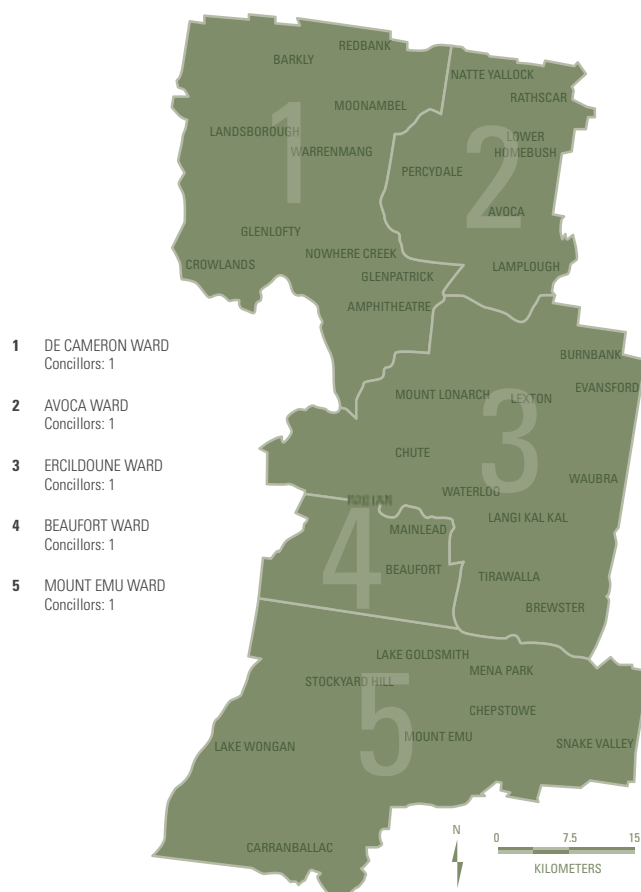
Council administration is based in the township of Beaufort. A number of Council services also operate from the township of Avoca. These services include health and aged care, library and information centres.

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 in abundance across in the region, giving community members and visitors wonderful opportunities to experience new pastimes. Most townships 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 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.



Fast Facts: Demographics

- People: **6,669**

- Male: **3,227**
Female: **3,242**

- Families: **1,786**

- Average children per family: **1.9**

- All private dwellings: **3,572**

- Average people per household: **2.3**



- Medium weekly household income: **\$732**

- Medium monthly mortgage repayments: **\$997**

- Medium weekly rent: **\$130**

- 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	--

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 116 staff and many dedicated volunteers, including members of Council Advisory Committees and Section 86 Committees of Management.

Strategic Framework

The Council Plan 2009–2013 is the primary vision and planning document on which Council broadly bases its decisions. The Plan contains 50 specific initiatives under the following seven themes:

- **Community Infrastructure**
To provide safe, well maintained, functional and well utilised assets to support communities.
- **Road Infrastructure**
To maintain a safe and effective road system that caters for all road users within the Shire.
- **Community Wellbeing**
To enhance the quality of life of residents by building connected, active and resilient communities.
- **Growth and Employment**
To develop the local economy and increase the population of the Pyrenees Shire.

- **Governance and Community Leadership**

To provide leadership for the community and advocate on its behalf to improve the economic, social and environmental wellbeing of the Pyrenees Shire.

- **The Environment**

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

- **Organisational Development**

To ensure the organisation is financially sustainable and has the capacity to meet current and future needs.

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. When framing the Annual Budget, Council takes into consideration the activities and initiatives which will contribute to achieving the objectives specified in the Council Plan.





MAYOR'S REPORT

It is with great pleasure and pride in the Pyrenees Shire that I offer this report on the achievements of Council for the financial year ending June 30, 2013.

This financial year saw Council elections conducted across Victoria in October 2012 with these elections resulting in two new Councillors entering our Council Chamber. A fast paced program of briefings and induction quickly brought all Councillors to a high level of understanding as to where Council had been and what the future thoughts were.

This program of induction led to an extremely smooth process for the review of the Council Plan and consideration of the new budget. I am firmly of the belief that the Pyrenees Shire Council has five individual Councillors all committed in a unified way to the growth and development of the whole Shire.

The closure of the financial year saw a return to 'normality' in relation to many of the projects that were required to restore much of our Council infrastructure, i.e., roads, bridges, culverts, etc., so severely damaged in the 2011 floods. The total spend in flood recovery works is in excess of \$35 million. This includes repairs and upgrades to many of our community facilities that were also damaged.

Right across the Shire communities can be proud of the works carried out by Council on their behalf. Some examples of the projects undertaken include Avoca and Natte Yallock Recreation Reserves, the Avoca Children's Centre, Snake Valley Sewerage Programme and railway culvert upgrading in Beaufort. These,

and other projects undertaken, also set us up well for future growth and development.

We continue to work closely with our regional partners to promote the growth and development of the overall region. It is far easier to work to improve aspects such as transportation, telecommunications, roads, etc., by working on a regional collaborative basis.

These are but a small snapshot of Council's achievements over the last 12 months.

Looking to the future the greatest challenge that Council faces is dealing with financial sustainability whilst maintaining the principles of sound financial management that have guided Council so well. The question of financial sustainability is strongly linked to the amount of State and Federal grant money that is likely to be available. Current indications are that this funding will be far more difficult to obtain. However, Council will not 'shy' away from projects that will increase the liveability and prosperity of our Shire.

I commend this Annual Report.

Cr Michael O'Connor
Mayor



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; they find the hills and the scenery of the Pyrenees a pleasure to behold. Running the newsagency together has allowed them to get to know the community and the people of the Shire.

Ron has found his first year as a Councillor to be exciting and daunting. With the support of Jenny and his constituents, he provides an understanding ear for the community and is an advocate for the Shire. He encourages constituents to call into the shop to discuss any matters requiring his assistance.

Key Achievements

- Getting to know the workings of the Pyrenees Shire
- Understanding better the interaction with residents
- Showing residents how Shire systems work

Key Challenges

- Understanding Federal, State and Local government interaction
- Trying to demystify Local Government for residents

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.

David was Pyrenees Shire Mayor in 1999, 2003-04 and 2010. He is the MAV rural vice-president and represents its rural south central region.

Key Achievements

- Improved outcomes in gravel road structure and drainage works
- Delivery of flood repair works on roads, in particular new culverts and obstacle clearing in waterways.
- Parking works at the Waubra Community Hub
- New netball court at Lexton
- Upgrade to Evansford Community Centre

Key Challenges

- Improved facilities for the Lexton township
- Effective Council roadside weed program implementation
- Continued improvement in gravel road maintenance



Cr Tanya Kehoe

Mount Emu Ward

First elected: October 2012.

Cr Tanya Kehoe and her husband Bernard operate a sheep property at Mt Emu. Tanya has lived in the area throughout her life and is involved in several community groups in the area.

Tanya teaches at Beaufort Secondary College part time and is currently completing a PhD in moral education. She has three children Annie, Thomas and Max.

Key Achievements

- Carngham Recreation Reserve netball court upgrade
- Community support for Carngham fire
- Promotion of Snake Valley Progress Network
- Ongoing support of road maintenance issues
- Ongoing community meetings
- Promotion of Mt Emu Ward to the Governor
- Funding for local community projects in Mt Emu Ward

Key challenges:

- Roads upgrade
- Support for Carngham community
- Improving communication between residents and Shire including using CARS system

Cr Robert Vance

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 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 in 2012/13

- Landsborough 150 years Celebrations
- Funding for upgrade of the Moonambell Hall
- New bridge works throughout the Ward

Key Challenges

- Keeping rates as low as possible
- Improved telecommunications throughout the Shire



CHIEF EXECUTIVE OFFICER'S REPORT

It is with pleasure that I reflect and report on the activities of our Shire for the 2012/2013 financial year.

This year brought a change of leadership for Pyrenees Shire with two new Councillors joining the three existing Councillors who were re-elected in October to serve for the next four years.

It has been a hectic time for the new Council with training, budgets and the preparation of the Council Plan all needing to be completed in the first six months.

While we have achieved some fantastic outcomes over the past 12 months, there have also been some disappointments and times when we have not achieved what we would have wished. Despite this, the Shire is in a healthy financial position which bodes well for an exciting and progressive future for all our residents.

Achievements

Our commitment to return our communities to their pre-flood condition, following the 2011 floods, has seen the completion of extensive works on the Shire road and bridges network (\$32.5m) and in excess of \$4m on buildings and community infrastructure. This included extensive work at the Avoca and Natte Yallock Recreation Reserves and the commencement of the new Beaufort Croquet and Apex clubrooms.

In addition, extensive work has been completed in Beaufort to help protect our communities from any future flood event. This included the upgrade of the railway line culverts at a cost of \$2.6m. This project was a partnership between the State Government and Council.

Council has focused strongly on preparing the Shire for the year ahead with the completion of projects such as the Avoca Children's and Family Centre (\$1.5m), Snake Valley Sewerage Scheme (\$2.8m), Beaufort Streetscape (\$500,000) and Avoca Streetscape (\$400,000).

Strategic planning has also been a major consideration with our involvement in finalising the draft Central Highlands Regional Growth Plan, further updates to the Central Highlands Small Town Enhancement Project and a review of the Avoca and Snake Valley Structure Plans.

Along with this, we have campaigned for and received funding towards the provision of natural gas to Avoca with the State Government allocating \$8.4m from the Energy for the Region program. Also, our Council, along with 14 other Councils, was successful in obtaining a grant towards the roll out of energy-efficient lighting. Finally, the Correa Park residential land development has seen the sale of 15 lots which has allowed Council to plan for the next 22 lot development.

Challenges

Financial sustainability remains Council's major challenge especially in light of the Whelan Report and the Victorian Auditor General's report on Organisational Sustainability of Small Councils. These reports highlighted the reliance of small councils such as Pyrenees on government grants and the capacity of the community to pay.

As a Council we are acutely aware of the tough economic times faced by our rate payers and must therefore weigh up carefully our capacity to raise rates in the long term against the community's ability to pay.



While Council has progressed the Beaufort Bypass by identifying its preferred option, the lack of State or Federal government funding to carry out further studies to reinforce this outcome is disappointing. Council will continue to make representations on this issue to the State and Federal governments.

An ongoing challenge still facing Council is improved telecommunications throughout the Shire; in particular, the Moonambel area where tourism and job growth is constrained because of poor mobile phone coverage. Finally, the current Regional Development Australia Fund (RDAF) funding model is seen by Council as inequitable and therefore inaccessible to smaller regional councils and communities. Council will continue to take representations on this to the Federal Government.

Residents can be reassured that Council is committed to tackling these issues for the betterment of individual residents and for the Shire as a whole.

Future

The Central Highlands Growth Plan confirms Council's view that development will occur in Beaufort, Snake Valley and Waubra, which is positive for the future of the Shire.

However to make the most of such developments we, as a whole, must focus on developing the social and community structures, infrastructure and communications that will attract more home-based businesses and more young families to our Shire. It is these families and businesses that will allow us to continue to flourish.

Stephen Cornish

Chief Executive Officer



OUR SENIOR MANAGEMENT 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 for the implementation of Council decisions. His department also incorporates quality assurance, tourism and economic development.



Terry Mathews Bachelor Economics, CPA Director Corporate and Community Services

Terry joined Pyrenees Shire Council in 2008. Terry was appointed Director Corporate and Community Services in March 2012. He has worked in Local Government for 30 years, most recently at Northern Grampians Shire Council, Borough of Queenscliffe and Darwin City Council.

Terry 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.

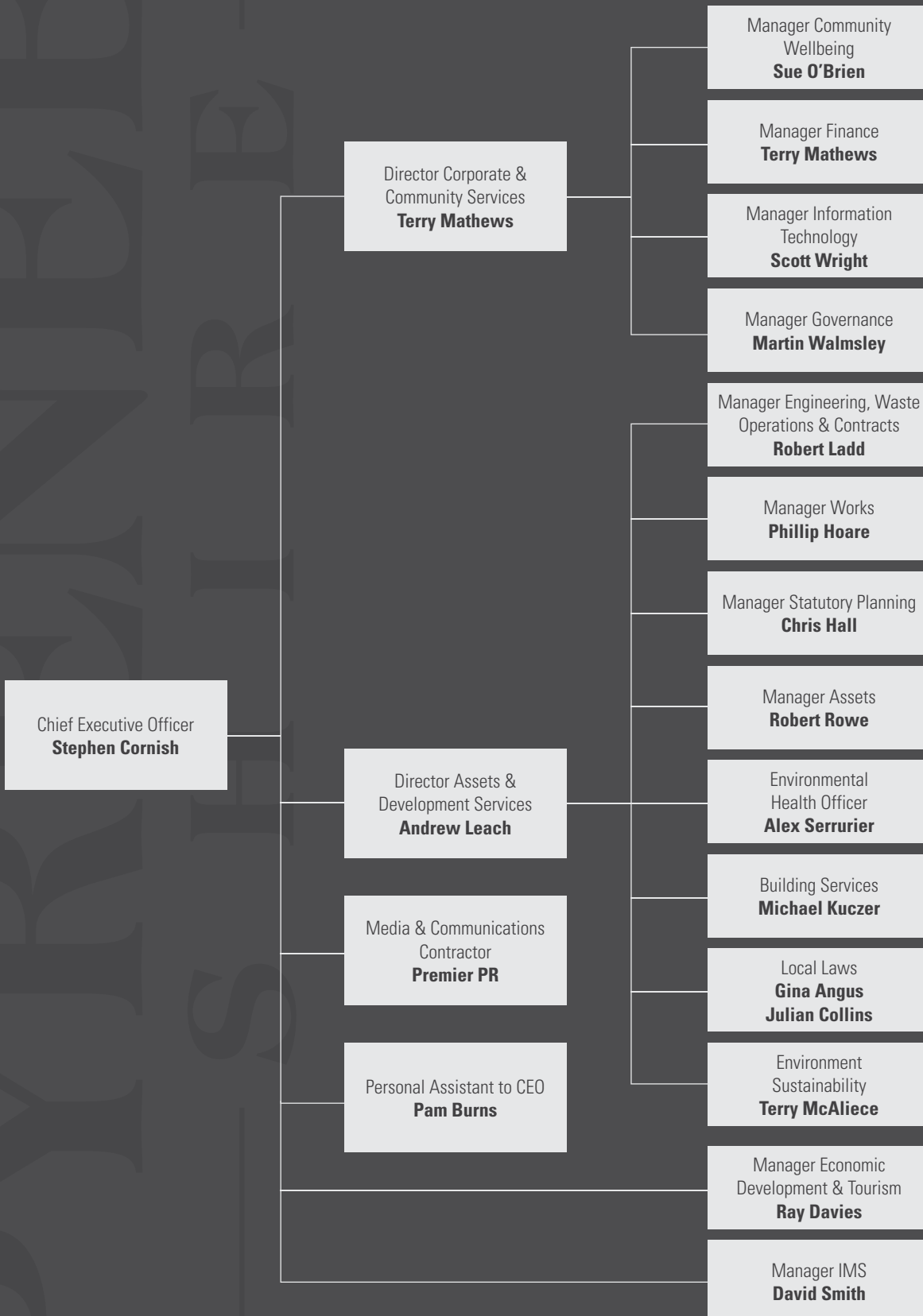


Andrew Leach Grad Cert Business Technology, Dip Business Director Assets and Development

Andrew joined Pyrenees Shire Council in January 2007 and has more than 26 years experience in Local Government. He has held senior positions in infrastructure areas at both Pyrenees and Ballarat. Andrew was appointed Director Assets and Development in September 2008.

Andrew manages the operations, assets and development sections of Council. His responsibilities include the construction and maintenance of roads, 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 2012

- Council adopts Councillor Resources and Reimbursement of Expenses policy.
- Council adopts a new IT Strategy.
- Minister for Corrections officially opens Langi Kal Kal prison expansion.
- Residential building works commence at Correa Park Estate, Beaufort.
- Amphitheatre Post Office established at former Maternal & Child Health Centre in Bailey Street, Amphitheatre.
- Weekly library services commence in Landsborough, Lexton and Snake Valley.
- State Government investigates alternate ways to supply natural gas to Avoca.
- Fiery Creek receives more than \$150,000 funding to replace vegetation.
- Council agrees on a new location for the Beaufort Netball Courts.

August 2012

- Avoca Streetscape plans adopted by Council for public consultation.
- Council adopts Complaints Handling Policy.
- Council adopts Pyrenees Shire Heatwave Plan.
- Council awards tender for the Beaufort Economic Growth Project – railway culverts.
- Member for Western Victoria, the Hon David O'Brien announces \$240,000 of safety improvement works to be carried out on Sunraysia Highway north of Lexton.
- Council secures funding to undertake a pilot program which will allow the Shire to be better prepared for emergencies.
- Department of Planning and Community Development releases Community Satisfaction survey results with Pyrenees Shire Council results being generally positive.
- Landsborough community raises \$35,000 to go towards two new fully-serviced cabins at the caravan park.
- Pyrenees Shire Council wins the Heart Foundation Victorian Healthy Community Award for Councils with populations of 15,000 or less.



September 2012

- Council adopts the Snake Valley Structure Plan.
- Council accepts nomination from Moonambel Events Inc. to assist Council in hosting the 2013 Australia Day celebration.
- State Government allocates \$2.6 million to construct a new bridge over the Wimmera River at Crowlands following flooding in 2010 and 2011.
- Council awards contracts with a value approaching \$1.5 million for flood rectification works at five community facilities in the Shire.
- State Government announces funding to upgrade Beaufort's central business district through a \$300,000 grant.
- State Government announces \$75,000 funding for Pyrenees Shire to support business and economic development – funding to engage a Business Development Officer.

October 2012

- Council adopts the 2012 Annual Report.
- Council releases Community Satisfaction and Priorities survey for residents.

November 2012

- Council allocates funding to 14 community groups under its Community Grants Program.
- A new Council is announced for Pyrenees Shire Council.
- Victorian Government announces \$150,000 funding for the Avoca Family and Children's Centre.
- The 100th Lake Goldsmith Steam and Vintage Rally is held.
- State Government, local Councils and community health services joined forces to push for healthier lifestyles in Central Goldfields, Pyrenees and Ararat communities - Healthy Together Project.
- Council approves the establishment of a 400,000 bird capacity broiler farm at Trawalla.
- State Government approves proposal for limited salvage of commercial grade timber at Mt Cole.

December 2012

- State Government announces \$300,000 funding for Avoca Streetscape Works.
- Beautification works commence at Beaufort Lake.

January 2013

- Carngham fire.
- Economic Growth Project – flood mitigation railway culverts works complete.

February 2013

- Council endorses plans for Moonambel, Lexton, Snake Valley and Waubra streetscapes.
- Council adopts revised Councillor Code of Conduct.
- Council adopts process to review Council's 10 Section 86 Committees of Management.
- Council adopts Instruments of Delegation to Chief Executive Officer and members of Council staff.
- First stage of Western Highway duplication Ballarat to Burrumbeet is completed.

March 2013

- Council endorses contract for mowing services in Pyrenees townships.
- Council adopts Procurement Policy.
- Council adopts Rating Strategy.
- State Government announces \$370,000 to upgrade primary care facilities at the Beaufort campus.
- Domestic battery recycling commences at Beaufort Community Resource Centre.
- Works commence on a new primary school building at Beaufort Secondary College.
- The Avoca Family and Children's Centre is completed.
- National Broadband Network Co announces 41 towns and suburbs, including Beaufort, have been included in the NBN rollout.
- Governor Alex Chernov AC QC and Mrs Chernov visit the Pyrenees Shire.
- \$2.7 million Snake Valley sewerage plant officially opens.
- Council receives \$1.039 million under the Roads to Recovery program.
- Council nominates its preferred route for Western Highway Beaufort bypass.
- New Waubra sewerage plant commences operation.
- Council releases draft budget for 2013/14 with an average rate increase of 5.25% - the lowest of any Council in the region.
- Council investigates reticulated water supply for Moonambel.
- Council commits to the establishment of a mobile telephone tower servicing Landsborough and Moonambel.
- Council commences community consultation for future use of the Avoca Town Hall.

April 2013

- Council supports 'Bonjour Beaufort'.
- Council adopts Acceptance of Gifts or other Gratuities by Councillors / Employees policy.
- Council adopts Special Committees of Council policy.
- Council adopts revised community grants policies and procedures.
- Council endorses Melbourne Cup public holiday for 2013, 2014, 2015 and 2016 following broad community consultation.
- Council adopts the 2013-2017 Council Plan.
- State Government announces \$53,000 in funding towards the tennis courts at Amphitheatre.
- Council showcases region at Melbourne Regional Living Expo.
- Deputy Premier and Minister for Regional Development visits Avoca to announce connection to natural gas.
- Works commences on upgrade to Beaufort swimming pool.

May 2013

- Council approves the consolidation and retendering of waste management contracts.
- State Government announces \$322,500 to improve infrastructure in Moonambel, Snake Valley, Lexton and Waubra.

June 2013

- Council allocates funding to 20 community groups under the Community Grants Program.
- Council adopts revised Privacy Policy.
- Beaufort Community Development Centre is renamed Beeripmo Development Centre and the meeting room within the centre renamed to 'Tommy McDonnell Room'.
- Council's Mayor and Chief Executive Officer visit Canberra for a series of meetings with politicians to discuss issues concerning the Shire.
- Restoration works commence at Beaufort War Memorial.
- Department of Sustainability and Environment allocates funding to Moonambel Hall for refurbishment of its floor and kitchen.
- Football returns to Snake Valley after a major upgrade to the Carngham Recreation Reserve.

The Victorian Governor Alex Chernov and Mrs Chernov visit the Pyrenees Shire

It was a busy two-day schedule for Victoria's Governor Alex Chernov AC QC and wife Elizabeth during their trip to the Pyrenees. The Chernovs spent Wednesday, May 8 and Thursday, May 9 in the Shire, meeting residents, visiting schools and a kindergarten and viewing the operations of numerous businesses.

The first stop was the Snake Valley Primary School, where the Chernovs were greeted by campus captains Alaya Humber and Rory Van Bolton. The captains gave Governor Chernov a tour of the school starting with the vegetable garden which the school intends to develop into a "food forest", growing produce for the community.

From there, the Chernovs were shown through the Beaufort Early Learning Centre by Eureka Community Kindergarten Association manager Jo Guerts. The Centre houses our maternal child health nurse, toddler and baby rooms and kindergarten. The Centre is the first long-day care centre in Pyrenees Shire and has 40 children enrolled.

Late Wednesday morning the Governor and Mrs Chernov visited the Imperial Egg Gallery for a tour from co-owner Margaret Saunders. Mrs Saunders gave a detailed explanation of her extensive collection of egg art and the history of painted eggs dating back centuries.

Lunch on Wednesday was held at Senses Desserts at the old Amphitheatre pub. Several members of the Pyrenees Arts Council joined the lunch which included a serve of award-winning ice cream.

From there, the Governor and Mrs Chernov visited Avoca Primary School, where the eldest and youngest students - Noah Elliott and Macey Gollop - presented them with a book of drawings by the students before they toured some of the class rooms.

The next stop was the Pyrenees Hay Co-op where the Chernovs met manager Dennis Ross and chairman John Field who took them on a guided tour of the plant explaining the company, its procedures and achievements.

Later in the afternoon, the vice regal couple attended Watford House to meet residents from various organisations including owner Lyndal Jones, who gave them a history of the house and how it arrived in Avoca.

The final stop was Pyrenees Timber, where the Chernovs were given a tour by owner Ian Crick and an explanation of the company and its processes.

On Wednesday night, more than 100 people were invited to a Civic Reception for the Chernovs at the Beaufort Town Hall.

Thursday was also a full schedule for the Governor and Mrs Chernov. They started the day with breakfast at Eurambien Homestead and then moved on to Landsborough to view the studios and garden of local sculptor Kevin Free ahead of morning tea with Landsborough residents.

From there, the official party moved to Moonambel for a tour of Taltarni Vineyard and then on to lunch at another vineyard - Quoin Hill at Waubra.

In the afternoon, the Governor and Mrs Chernov toured the Waubra Wind Farm and finished their visit with afternoon tea with Waubra residents.



Carngham Fire

The Carngham fire started about 3pm on Tuesday, January 8, 2013 and burned approximately 1,319 hectares of farmland and bush. Nine houses, including the historic Carngham Station Homestead, seven of which were primary residences, were destroyed in the fire together with 13 other buildings and farm machinery. Other losses included 132 kilometres of fencing, approximately 700 livestock, damage to vineyards and shedding at Chepstowe Winery and in excess of 1000 burned trees along roadways.

When the fire was at its height, there were 360 CFA personnel, 42 DSE personnel, six aircraft, three dozers and 10 private plantation fire fighters battling the blaze. Fire fighters did a great job in the difficult windy conditions. Two males were taken to Ballarat Health Services Base Hospital with minor burns. Four other people reported to hospital with various injuries including smoke inhalation. No lives were lost and numerous houses and a pine plantation were saved.

Council established a Municipal Emergency Co-ordination Centre at the Beaufort Community Development Centre about 4pm. A Relief Centre was established in Ballarat that evening and several Carngham / Chepstowe residents relocated to that Centre.

More than 250 people attended a Community Meeting at Snake Valley Hall on Wednesday, January 9, 2013 at 10.30am.

A Recovery Centre was established at the Snake Valley Hall to provide residents with information, personal support and basic necessities.

Following the release of VicPol's Rapid Impact Assessment, Council's Post Impact Assessment Team began assessments on the afternoon of the January 9.

Council developed a range of fact sheets and newsletters to provide those impacted with information regarding clean up, personal support, insurance and the availability of financial assistance.

The Community Enterprise Foundation (charitable arm of the Bendigo Bank) launched the Carngham Bush Fire Appeal on January 9, 2013 to support Carngham and surrounding communities with the goal "that the funds raised will go towards the relief, recovery and reconstruction effort and support of the community in recovering from the devastating bushfires."

The Carngham Bush Fire Appeal raised in order of \$139,500 and was provided to residents in three rounds according to the extent to which the fire impacted their properties. A committee was formed to administer the appeal and consequent distribution of funds.

Council would like to acknowledge the roles played by emergency services in fighting the fire, the many agencies, organisations and local community that provided support to the community and individuals as part of the recovery efforts.







Donate at any Bendigo Bank branch


Help support our
Carngham Community

Carngham Bushfire Appeal

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This Campaign is a charitable arm of the Community Enterprise Foundation. For more information, visit www.bendigobank.com.au/foundation/carnghamfire. Phone: 03 9472 1111. 1800 654 444.




Community Enterprise Foundation™ 

The background is a solid blue color. It features a large, stylized, light blue bird-like shape in the upper half, with a long, curved beak and a tail. Below the bird, there is a cluster of light blue circles, resembling a bunch of grapes or berries, arranged in a roughly triangular pattern. The overall design is clean and modern.

FINANCIAL SNAPSHOT



FINANCIAL OFFICER'S REPORT

In 2012/13 we continued to balance the expectations of our community with the need to ensure that the financial foundations of Council remain strong and capable of meeting the challenges of the future.

The financial framework used to achieve a balance between expectations and financial responsibility is 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 2012/13 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 2012/13 financial position:

- \$28.8 million revenue.
- \$10.2 million Capital Works program delivered.
- Rates and charges comprised \$7.3 million (25%) of the total operating revenue.
- Expenditure of \$13.8 million on flood restoration works for the year.
- Operating deficit of \$6.2 million as a result of carried-over flood restoration works.
- Cash holdings of \$10.9 million at year end. This includes grants received in advance and works to be carried forward.

- Debt decreased from \$2.5 million in 2011/12 to \$2.2 million in 2012/13.

Operating Result

We achieved an operating deficit of \$6.2 million in 2012/13. Compared with a \$6.8 million surplus for 2011/12, this appears to be a significant decrease; however the 2012/13 result included \$11.4 million of flood restoration works of which part were funded by flood grants received in 2011/2012.

There were several large contributing one-off occurrences during 2012/13. We received \$2.4 million in Grants Commission funding and a \$1.0 million Rural Roads and Bridges program a year in advance. These had a positive impact on our cash flow, however for 2012/2013 rate calculation purposes they are included as funds pertaining to the 2012/2013 period. This means that there will be no significant negative impact at some future date when the decision is made not to maintain these forward payments.

Council has been challenged by one-off items such as flood restoration works over the past two years. If you combine the operation results for the past two years, that have been significantly impacted by flood, we have maintained an overall surplus. This combined two-year surplus 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 2012/13, we spent \$10.2 million on capital works (capital expenditure/investment) across the Shire. This included \$3.7 million (36%) on renewal works/activities and \$6.5 million (64%) on new and upgrade works/activities. The majority, \$8.3 million (81%), of the capital works/activities were undertaken on our infrastructure assets.



In 2012/13 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, albeit challenged by one-off occurrences.

Cash holdings

In total, our cash holdings have decreased to \$10.9 million during 2012/13. Included in this figure are funds required for works carried forward from 2012/13 to 2013/14 and significant amounts received in advance from the Federal Government Grants Commission (\$2.4 million) and the State Government Country Roads and Bridges Program (\$1 million). The reduction in cash compared with 2011/12 is a result of flood restoration grants having been received in 2011/12 (in advance). These advance payments were expended in 2012/13.

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 floods.

Financial Sustainability

We have many current and future demands on funding which highlights the need for strong, long-term planning and the targeted allocation of resources. This is achieved through the preparation and review of the Council Plan and 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 as at 2012/13 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.



COMMUNITY INFRASTRUCTURE

“We will provide safe, well maintained, functional and well utilised assets to support communities.”

Services, projects and programs supporting this key result area

- Asset Management
- Building Maintenance
- Engineering Design
- Contract Management
- Building Design

Key Achievements

- The National Asset Management Assessment Framework was completed ahead of the December 2012 deadline.
- Pyrenees Shire Council was the first Small Rural Municipality in Victoria to achieve National Asset Management Assessment Framework “Core Maturity”.
- Levels of Service and Service Planning ideals were introduced and documents developed across a significant number of Council service areas.
- Asset Management Plans were developed and endorsed by Council for Buildings and Other Structures and Bridges and Major Culverts. 96% of Council’s asset-base by value is now covered by Asset Management Plans.
- A draft Dams Asset Management Plan and Dams Emergency Plan was prepared.
- Completion of Avoca and Beaufort streetscapes.
- Completion of the Beaufort Lake precinct.



Highlights

- Pyrenees Shire Council was the first Small Rural Municipality in Victoria to achieve National Asset Management Assessment Framework "Core Maturity".
- The finalisation of many community infrastructure projects, including:

Project	Status as at June 30, 2013
Avoca & Beaufort skate park improvements	Completed
Beaufort Scout Hall improvements	Completed
Beaufort Croquet/Apex Clubrooms	Commenced
Avoca Swimming Pool entrance	Completed
Avoca Recreation Reserve building upgrade	Completed
Natte Yallock Recreation Reserve building upgrade	Completed
Natte Yallock Oval and light towers	Completed
Natte Yallock netball tennis courts	Completed
Natte Yallock playground	Completed
Evansford Hall	Completed
Crowlands Hall	Completed
Lexton netball court	Completed
Beaufort netball court	Completed
Beaufort Lake walking tracks and surrounds	Completed
Snake Valley oval	Completed
Raglan Recreation Reserve	Completed
Beaufort motor cycle track	Completed
Lake Goldsmith Steam Rally site	Completed
Waubra Recreation Reserve	Completed
Avoca streetscape	Completed
Beaufort streetscape	Completed

The Year Ahead

- Complete renewal of another 15 bridges and major culvert structures resulting from flood damage and capital works projects.
- Completion of small town streetscapes in Waubra, Lexton, Moonambel and Snake Valley.

Local Government Community Satisfaction Survey Results - Council's Performance

Recreational Facilities

2012: **70**

2013: **72**

Small Rural Shires 2013: **70**

Appearance of Public Areas

2012: **73**

2013: **70**

Small Rural Shires 2013: **73**

Community Infrastructure - Council Plan Commitments

Complete and implement the community infrastructure asset management strategy and review the policy annually.	<ul style="list-style-type: none"> • Strategy and policy reviewed 	Completed
Implement and review annually Council's Recreation Strategy.	<ul style="list-style-type: none"> • Funding to upgrade the tennis courts at Amphitheatre • Funding to complete Stage Two of the Natte Yallock Community Centre at the Natte Yallock Recreation Reserve • New netball court and viewing shelter constructed at Carngham Recreation Reserve • Planning for new croquet facility in Beaufort 	Completed
Use Community Action Plans to inform Council's priorities in determining the use of, and future needs for, community facilities.	<ul style="list-style-type: none"> • Investigation into additional usage of the Avoca Town Hall – report pending • Funding to upgrade the tennis courts at Amphitheatre • Funding to complete Stage Two of the Natte Yallock Community Centre at the Natte Yallock Recreation Reserve • New netball court and viewing shelter constructed at the Carngham Recreation Reserve 	Completed and continuing in 2013/14 Completed
Support and promote the development of community hubs as a means of increasing the utilisation of community assets throughout the Shire.	<ul style="list-style-type: none"> • Avoca Children's Centre completed March 2013 • Funding application for Stage Two of Natte Yallock Community Centre 	Completed Completed and continuing in 2013/14
Continue to educate, encourage and support user groups regarding the governance, resourcing and use of community facilities.	<ul style="list-style-type: none"> • One-on-one advice to groups regarding governance issues • Consumer Affairs Victoria and Sports Central training on changes to Incorporations Act • Volunteers Training in Food Security and First Aid • Grants training undertaken 	Completed
Promote community pride through developing tidy, attractive and functional streetscapes that encourage tourism, town pride and new residents.	<ul style="list-style-type: none"> • Streetscape works completed in Beaufort, Avoca and Snake Valley • Funding applied for and approved for streetscape works in Waubra, Lexton and Moonambel 	Completed Completed and continuing in 2013/14

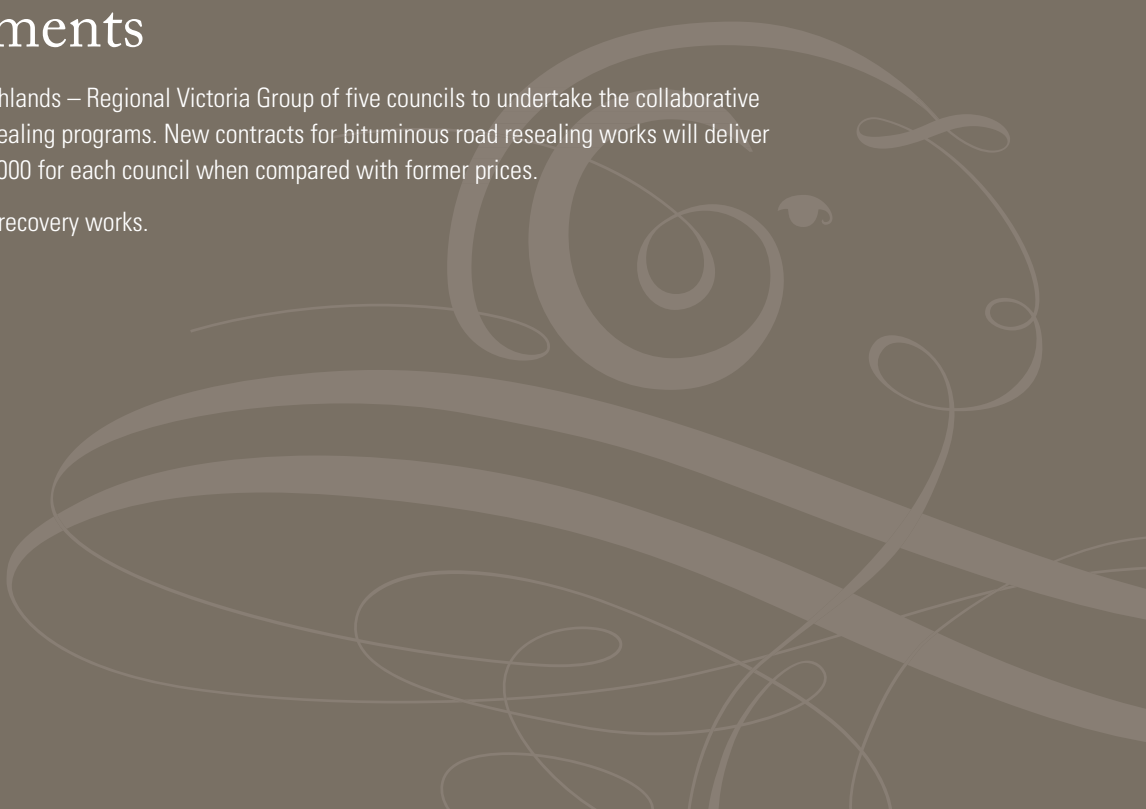
ROAD INFRASTRUCTURE

“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
- Contract Management
- Engineering Design
- Maintenance
- Avoca and Beaufort Works

Key Achievements

- Participating in the Central Highlands – Regional Victoria Group of five councils to undertake the collaborative procurement of bituminous resealing programs. New contracts for bituminous road resealing works will deliver an annual saving of over \$630,000 for each council when compared with former prices.
 - Delivering \$12 million of flood recovery works.
- 





Highlights

- Delivering \$370,000 of gravel re-sheet program.
- Taltarni Road and Waubra Talbot Road delivered on time by Works Group.
- Reconstruction of three major bridges.

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 flood recovery process.

The Year Ahead

- Hillcrest Burrumbeet Road
- Raglan Elmhurst Road
- Trawalla Road
- \$1 million of major culvert works at three sites
- Road Shoulder Program - \$200,000

Fast Facts

- **27** bridges and major culvert structures constructed in 2012/13
- **4.3** kilometres of sealed road reconstructed
- **25** kilometres of unsealed roads re-sheeted



Local Government Community Satisfaction Survey Results - Council's Performance

Maintenance of Unsealed Roads

2012: **47**

2013: **44**

Small Rural Shires 2013: **46**

Condition of Local Streets/Footpaths

2012: **74**

2013: **75**

Small Rural Shires 2013: **76**

Road Infrastructure - Council Plan Commitments

Implement the asset management strategy and review the policy annually.	<ul style="list-style-type: none"> Asset Management Strategy reviewed and adopted by Council. 	Completed
Continue to participate in the Municipal Association of Victoria's STEP Asset Management program, and the National Asset Management Assessment Framework to ensure that road management within the Shire complies with the requirements of the Framework.	<ul style="list-style-type: none"> Council was the first Small Rural Municipality in Victoria to achieve National Asset Management Assessment Framework "Core Maturity." 	Completed and continuing in 2013/14
Update the Road Management Strategy.	<ul style="list-style-type: none"> Road Management Strategy reviewed. 	Completed
Review the Road Management Plan annually ensuring that intervention levels and levels of service are appropriate for the prevailing road network conditions (including response to natural events). See also Governance and Leadership section)	<ul style="list-style-type: none"> Road Management Plan reviewed and adopted by Council in July 2012. 	Completed
Improve communication to the community regarding the management of the road network.	<ul style="list-style-type: none"> Weekly updates provided to the community on road management in Council's "Noticeboard." 	Completed and continuing in 2013/14



COMMUNITY WELLBEING

“We will enhance the quality of life of residents by building connected, active and resilient communities.”

Services, projects and programs supporting this key result area

- Community Action Planning
- Community Development
- Maternal & Child Health Services
- Recreation
- Arts and Culture
- Aged and Disability Services
- Healthy Communities
- Youth Activities
- Transport Connections
- Family Day Care
- Emergency Recovery (Carngham Fire)
- Emergency Relief
- Avoca and Beaufort Resource Centres
- Library Services

Key Achievements

- Establishment of Grampians Goldfields Healthier Communities project.
- The Heart Foundation Healthy Community Awards - the Pyrenees Shire won both the state and national titles for a Local Government with a population of 15,000 or less.
- Completion of flood repair works on community facilities in Beaufort, Waubra, Evansford, Lexton, Avoca, Natta Yallock, Moonambel, Landsborough and Crowlands.
- New netball court and viewing shelter constructed at the Carngham Recreation Reserve
- Contracted management of the Landsborough swimming pool to the YMCA
- The systematic upgrade of all playgrounds across the Shire to meet national standards.
- Increase in visitation to Resource Centres.
- Renovation of the Beaufort Resource Centre.



Highlights

Localities Enhancing Arts Participation (LEAP)

The LEAP project continued to be consolidated across the Pyrenees Shire with several new projects developed including:

Arts Participation Activities	Touring Shows	Beaufort
	The Weather & Your Health	Beaufort
	The Empty Chair	Landsborough
	Girls In Grey	Beaufort
	The Ring, Wagner	Elmhurst
	Mireside, The String Contingent	Amphitheatre
	Secret Bridesmaids Business	Crowlands
	Screenings of The Quiet Man & How Green was My Valley	
	Swing into Singing - Pyrenees Singing Group	Avoca and Beaufort
	Pyrenees Writing Group	Avoca
	Craft Slam	Beaufort
Calender & Exhibition showcasing Older Artists	Snake Valley, Amphitheatre & Moonambel	
Communication	Newsletter and promotions	Shire wide
Learning for Life	Arts About workshops	Landsborough Beaufort Avoca
	Baby Boomers R U Happy screening followed by a debate titled: "Can the arts keep you young?"	Snake Valley
Autumn of Arts	Tweet the Pyrenees exhibition	Amphitheatre
	A week-long arts showcase culminating in a number of activities.	Avoca Beaufort Landsborough Elmhurst Moonambel Snake Valley
Pyrenees Presents	The formation of an incorporated group called 'Pyrenees Presents' which focuses on coordinating touring products across the Shire. The Project Reference Group made this decision to ensure sustainability of activity and will be the foundation members.	Shire wide

- New Community Action Planning Liaison roles established to provide closer linkages between the Community Action Planning Groups and Council. The closer relationship will allow Council to have a better understanding of the aspirations of each community.

Disappointments

- Inability to recruit Family Day Care Educators
- Low number of schools across the Pyrenees willing to sign up to the Schools Achievement Program and become Health Promoting schools.
- Pyrenees Shire has the highest rate of tobacco consumption per capita in the State.

Challenges

Family Day Care Educator Shortage

Our Family Day Care program needs more educators to meet community needs. Regular advertisements have not succeeded in attracting more educators.

The Year Ahead

- Complete the Municipal Health and Wellbeing Plan
- Complete an Early Years Plan
- Complete the Avoca Town Hall needs assessment
- Upgrade the tennis courts at Amphitheatre
- Complete Stage Two of the Natte Yallock Community Centre at the Natte Yallock Recreation Reserve.

Fast Facts

- Two community gardens were established – one in Amphitheatre and one in Snake Valley
- **2,256** Family Day Care places provided
- **1,022** patrons attended Landsborough Swimming Pool
- Average time between Home and Community Care Assessment and service provision - 15 days
- Aged Care Support staff travelled **162,156** kilometres
- **3,312** meals delivered





Home and Community Care (HACC) Services

Home and Community Care Statistics for 2011-12

Function	July-Sept	Oct-Dec	Jan-March	April-June	Total
Domestic Support	1831	1993	2117	2140	8081 hours
Personal Care	624	408	425	442	2464 hours
Respite	473	466	490	441	2770 hours
Meals	2911	2584	2628	2601	7540 meals
Home Modifications	89	81	57	19	246 hours

Home and Community Care Statistics for 2012-13

Function	July-Sept	Oct-Dec	Jan-March	April-June	Total
Domestic Support	1842	1744	1762	1705	7053 hours
Personal Care	479	465	427	499	1870 hours
Respite	686	381	274	248	1589 hours
Meals	920	729	839	824	3312 meals
Home Modifications	16	17	25	28	86 hours

New initiatives in HACC:

- Client newsletter distributed quarterly.
- Assessments focus on building people's strengths and capabilities.
- Active service approach in assessment has enabled more people to remain active by accessing strength building activities.
- Active service approach supports people to remain living in their homes and to participate in their community.
- Compliments, comments and complaints forms have been distributed to clients, enabling constructive feedback.
- Ongoing HACC staff training ensures professional development, including online learning.

New initiatives in Family Day Care

- All policies reviewed in accordance with the National Quality Framework.
- Regular fortnightly support visits by coordination unit.

Maternal and Child Health Services

Maternal and Child Health consultations for 2011-2012

Number of infants enrolled from birth notifications	60
Number of new enrolments	83
Number of active infant records	267
Additional consultations	285
Telephone consultations	89
Community strengthening activities	6

Maternal and Child Health consultations for 2012-13

Number of infants enrolled from birth notifications	60
Number of new enrolments	81
Number of active infant records	269
Additional consultations	259
Telephone consultations	79
Community strengthening activities	6



Youth Activities

Several young people have been involved in a variety of projects across the Pyrenees Shire. Projects have been driven by youth and community needs and have had a positive impact for participants. Some of the key projects have included workshops during which young people had an opportunity to gain skills, learn about the foundations of those particular skills and then share them with their peers and the broader community. All of these programs allowed young people to develop personally, build relationships, contribute to their community and enjoy the opportunity among their friends.

Key projects delivered have included:

- Photographic Workshop
- Cultural Food Program
- Youth Singing Program
- Pool Parties for Landsborough, Beaufort and Avoca
- Building Bridges Cultural Workshops with Indigenous Artists

Resource / Visitor Information Centres

Beaufort visitations: **35,119**

Avoca visitations: **24,964**



Community Action Planning

A Community Action Plan is a list of objectives and issues that a community puts together to create a catalogue of needs for its community. The plan lists issues and has timelines set against them.

16 communities in the Pyrenees Shire have drawn up Community Action Plans.

A Community Action Plan is an important document which helps a community prioritise community needs, sets out a list of required activities and helps the various levels of government understand the needs of that particular community.

Council refers to all Community Plans when making plans that affect the Shire and communities within the 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 were all identified in Community Action Plans. This year Community Action Plans achieved the following outcomes:

- Investigation conducted into additional usage of the Avoca Town Hall – report pending.
- Funding to upgrade tennis courts at Amphitheatre.
- Funding to Complete Stage Two of the Natte Yallock Community Centre at the Natte Yallock Recreation Reserve.
- New netball court and viewing shelter constructed at Carngham Recreation Reserve.
- New equipment purchased for the kitchen at the Beaufort Town Hall.
- Streetscape works in Snake Valley, Beaufort and Avoca

Community Grants

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

COMMUNITY GRANTS - ROUND 1 for 2012-2013

SUMMARY OF SUCCESSFUL APPLICATIONS

Organisation	Grant Amount Approved	Total Project \$	Description
Moonambel Arts & History Group	\$1,000	\$5,000	For the installation of the permanent sun dial at Moonambel Common.
Waterloo Cemetery Trust	\$1,500	\$3,750	For cemetery access gates at front entrance.
Snake Valley News	\$700	\$1,816	To purchase photographic equipment.
RSL - Avoca Sub Branch	\$800	\$1,500	Safety improvements, including for the visually impaired.
Beaufort Table Tennis Club	\$1,500	\$1,500	To purchase additional equipment for the newly formed club.
Lexton Football Netball Club	\$1,500	\$2,500	To assist with completing works and purchasing equipment.
Redbank Cemetery Trust	\$460	\$1,260	To assist with a new sign at the cemetery.
Carngham Recreation Reserve	\$1,200	\$2,088	To continue to improve the facilities by purchasing presentation and catering equipment.
Avoca Cemetery Trust	\$716	\$23,500	For building permit fees paid in the process of lodging a building permit.
Avoca Men's Shed	\$1,500	\$14,115	To assist with extensions to the Avoca Men's Shed.
Landsborough Public Hall	\$1,500	\$3,183	To replace the stage curtains and tracks.
Crowlands Landcare Group	\$1,500	\$17,751	To assist with the purchase of a new sprayer.
Moonambel Community Theatre Company	\$700	\$1,400	To purchase fireproof stage wings and three wireless microphones.
UMEC Landcare Network	\$1,500	\$6,950	To support planned roadside weed control.
Ripon-Beaufort RSL Sub-Branch	\$1,495	\$1,895	To assist with the provision of a reliable modern stove.
Beaufort and District Adult Riding Club	\$750	\$3,750	To assist with the Beyond Blue mental health awareness ride.
Beaufort Municipal Band	\$1,000	\$1,500	To assist with the purchase of a selection of sheet music including modern scores.
Beaufort Croquet Club	\$1,000	\$2,000	To assist with additional storage shed.
Amphitheatre Progress Association and Amphitheatre Mechanics Institute	\$ 1,200	\$1,730	To install a notice board and equipment for a newsletter.
Becken Project (on behalf of the Lake Goldsmith Steam Preservation Society Inc.)	\$750	\$49,065	To assist with the publicity and marketing cost for STEAM!
Evansford Community Centre	\$750	\$1,400	To assist in providing a disco for young people (primary and secondary) on a quarterly basis.
TOTALS	\$23,012	\$54,195	

Community Grants

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

COMMUNITY GRANTS - ROUND 2 for 2012-2013

SUMMARY OF SUCCESSFUL APPLICATIONS

Organisation	Grant Amount Approved	Total Project \$	Description
The Big Avoca Do Inc	\$750	\$750	To assist with fees to secure the services of artists at The Big Avoca Do.
Waubra Bowling Club Inc	\$1,500	\$3,500	To assist with the purchase of an air conditioner.
Beaufort Garden Club	\$500	\$500	For plants at the four entrances of the Beaufort Railway Station.
Avoca RSL	\$700	\$1,100	To assist with the purchase of new bias bowls.
Moonambel Events Inc	\$750	\$12,000	To support the Longest Lunch.
Beaufort Primary School Parents & Friends	\$750	\$2,150	To assist with professional performers for fundraising event.
Carngham Linton Football Netball Club	\$1,500	\$10,050	To assist with the completion of the change rooms at the reserve.
Beaufort Agricultural Society	\$850	\$1,700	To assist with the purchase of two tents for use at the shows.
Snake Valley Hall Committee of Management	\$750	\$1,750	To assist with a professional performance for the Snake Valley community.
Beaufort Community House & Learning Centre	\$750	\$2,175	To support advertising and equipment purchase for twilight fundraiser.
Beaufort Municipal Band	\$1,500	\$4,500	To assist with enclosing a band trailer.
Barkly Hall and Recreation Reserve Committee	\$750	\$1,200	To assist with the local artists performance at "Barkly Unplugged".
TOTALS	\$11,050	\$41,375	



Local Government Community Satisfaction Survey Results - Council's Performance

Elderly Support Services

2012: **72**
2013: **71**
Small Rural Shires 2013: **72**

Family Support Services

2013: **66**
Small Rural Shires 2013: **67**



Community Wellbeing – Council Plan Commitments

<p>Ensure Community Action Plans (CAPs) are relevant, current, and representative of the views of each community. Encourage participation in the review of the CAPs. Support communities to implement their plans and access grant funding.</p>	<ul style="list-style-type: none"> • CAPs liaison officers are communicating regularly with CAPs coordinators to provide advice. • Annual calendar of CAPs Process developed and updated to include recommendations from CAPs coordinators Forum December 4, 2012 	<p>Completed and continuing in 2013/14</p>
<p>Encourage volunteers through recognition and celebration of their valuable contribution.</p>	<ul style="list-style-type: none"> • Volunteer thank you events held in Avoca, Amphitheatre and Lexton. 	<p>Completed</p>
<p>Provide responsive and sustainable community services in aged care, family day care and maternal and child health.</p>	<p>In 2012/13 Council provided:</p> <ul style="list-style-type: none"> • 7053 hours of domestic support • 1870 hours of personal support • 1589 hours of respite • 3312 delivered meals • Eureka Community Kindergarten Association (ECKA) engaged to provide Family Day Care Coordination ongoing. 	<p>Completed and continuing in 2013/14</p>
<p>Engage young people in community life</p>	<ul style="list-style-type: none"> • Engage work plan implemented. • Pyrenees Shire has directly engaged with 477 young people across the Shire in 2012/13. 	<p>Completed and continuing in 2013/14</p>
<p>Review and implement the Municipal Public Health and Wellbeing Plan</p>	<ul style="list-style-type: none"> • Municipal Public Health and Wellbeing Plan report to Council six monthly. • New Health and Wellbeing Plan underway 	<p>Completed and continuing in 2013/14</p>
<p>Promote arts and culture within the Shire to enhance community participation and develop sustainable cultural events.</p>	<ul style="list-style-type: none"> • Localities Enhancing Arts Participation (LEAP) Project has been delivered. • Art Atlas is up and running and provides an ongoing resource for artists to connect across the region. • Art of Ageing has been delivered. • Pyrenees Chorale, Pyrenees Writers Group and Pyrenees Presents are ongoing activities. 	<p>Completed</p>
<p>Ensure communities have access to resources and facilities that encourage participation in sport and recreation throughout the Shire.</p>	<ul style="list-style-type: none"> • Funding to upgrade the tennis courts at Amphitheatre. • New netball court and viewing shelter constructed at the Carngham Recreation Reserve and Beaufort Recreation Reserve. • The systematic upgrade of all playgrounds across the Shire to meet national standards. • Installation of new outdoor exercise equipment at Beaufort Lake. • Upgrade of the walking track around Beaufort Lake. • Repairs and upgrade of the pool infrastructure at the Beaufort and Avoca swimming pools. • Contracted management of the Landsborough pool to the YMCA. 	<p>Completed</p>

GROWTH AND EMPLOYMENT

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

Services, projects and programs supporting this key result area

- Support key industry sectors
- Create 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
- Develop infrastructure that supports the growth of local industries
- Seek improved telecommunications
- Capitalise on renewable energy opportunities

Key Achievements

- Completion of the \$2.5 million “Beaufort Economic Growth Project” on time and under budget.
- Streetscape works in Beaufort and Avoca.
- Replacement of amenities block at the Avoca Caravan Park.
- Support of the 100th Lake Goldsmith Steam Rally.
- Successfully project managed renovations at the Beaufort Community Resource Centre and Landsborough Community Resource Centre. Works were completed within timeframes and budget.
- Development of a wine brand strategy and tourism and marketing strategy to support the promotion of the Pyrenees Wine Industry.
- Accessed funding for the Beaufort e-commerce project to support Business for Beaufort (B4B) with implementation of a digital strategy.
- Accessed funding to employ a Business Development Officer to implement four key actions in the Shire’s Tourism Strategy.
- Worked in partnership with University of Ballarat, Regional Development Victoria, City of Ballarat, Hepburn Shire Council and Golden Plains Shire Council to facilitate workshops under the Digital Enterprise Program.
- Recruited a full-time Events Officer to support the development of festivals and events.
- Accessed funding for the development of a formal wine brand strategy and wine marketing plan for the Pyrenees Wine Industry.
- Commenced a Business Breakfast series held on a six-monthly basis.
- Facilitated business workshops in partnership with the Ballarat Business Centre.
- Represented Council at the 2013 Regional Victorian Living Expo and launched the “Pyrenees Jobs Hub”, a website developed to link job seekers to employment opportunities.
- Promoted the Grampians Tourism Region and Pyrenees Shire over a two-day period at the 2013 Melbourne Caravan and Camping Show.



Highlights for the Year

Completion of the \$2.5 million Beaufort Economic Growth Project

Contractors installed four culverts under the railway line in Beaufort in January 2013 to alleviate the impact of major floods on our industrial area and many of the residential properties along water courses throughout the town. The mitigation of flooding will reduce the number of planning constraints that would otherwise apply, provide confidence for further investment and support the growth of jobs and population in the town.

Streetscape works in Avoca and Beaufort costing \$0.9 million

Works to enhance the appearance of the retail precincts in Avoca and Beaufort were completed during the first half of 2013. These works support our business sector by encouraging tourists to stop during their travels and improve amenity for the local community.

Snake Valley Sewerage Project \$2.8 million

The completion of this project will improve environmental health conditions for Snake Valley residents and enable growth of the town by unlocking the potential for residential development and satisfying unmet demand.

100th Lake Goldsmith Steam Rally

Council officers successfully assisted the Lake Goldsmith Committee to obtain funding from both Tourism Victoria and Regional Development Victoria to assist with the promotion of the event.

Support for event management was also provided. An attendance of 15,000 is a credit to the hard work of the Lake Goldsmith Steam Preservation Association.

Disappointments

Telecommunications

Despite ongoing lobbying for improved communications for our rural areas, particularly at the northern end of the Shire, we have not achieved a better outcome for internet and mobile communications. This remains a key focus in 2013-14.

Beaufort Bypass Planning

Council is yet to secure State Government funding for the planning of a bypass of Beaufort. These plans are essential for the strategic development of the town in the longer term.

Challenges

Carngham Fire

The Economic Development Team assisted with the recovery work that followed the Carngham fire and acknowledges the efforts of VFF representatives James Kirkpatrick and David Bain who donated their time to assist with volunteer coordination of fencing repairs and distribution of fodder donations. Langi Kal Kal Correctional Centre also provided the valuable support of its Bush Gang with fencing works.

Council also acknowledges the work of the Rural Financial Counselling Service, Central Highlands Agribusiness Forum (CHAF), Rural Finance, Central Highlands Water, Department of Primary Industries and numerous volunteer organisations who assisted in various ways.

The year ahead

- Seek funds to complete planning of the Beaufort bypass.
- Pyrenees Shire is continuing to work with Grampians Wimmera Mallee Water and Regional Development Victoria to complete the Landsborough Pipeline Project. This project will provide security and growth of jobs in the wine industry in the Landsborough Valley and is estimated to result in flow-on investment of \$4.5 million by the industry.
- Development of Stage Two of Correa Park Residential Estate once 80% of the blocks from Stage One is sold.
- Complete purchase of suitable land for development of further industrial properties in Beaufort and Avoca.
- Complete a small town's renewal project for Lexton, Moonambel, Snake Valley and Waubra.
- Develop an Information and Communications Technology Strategy to facilitate improved telecommunications throughout the Shire.
- Complete master plans for caravan parks at Avoca, Beaufort and Landsborough which will guide Council investment into these facilities.
- Promotion of our nature-based tourism assets, wine region and brand and heritage tourism precincts and explore the potential for farm-based tourism.
- Successful completion of the 2013 Powercor Grampians Pyrenees Business Awards for which Pyrenees Council is host organisation and project manager.
- Undertake a Streetlife Project to support traders in Beaufort and Avoca.
- Redevelop the tourism website.
- Provide support and training to community groups holding events.
- Build stronger relationships with regional tourism networks.
- Run a "Tenderwrite Program" to improve the prospects of local tradespeople writing successful bids for government tenders.





Local Government Community Satisfaction Survey Results - Council's Performance

Business, Community Development and Tourism

2012: **64**

2013: **68**

Small Rural Shires 2013: **62**

Fast Facts

- Invested **\$6.7 million** in infrastructure which will support the growth of jobs and population in the local community.
- Served **60,083** people at our Community Resource Centres at Avoca and Beaufort.
- Refurbished two of our resource centres.
- Represented the Shire at the 2013 Regional Victorian Living Expo attended by approximately 9,500 people.



Growth and Employment – Council Plan Commitments

Continue Council's involvement with the Central Highlands Regional Strategic Plan, Grampians Tourism, Regional Management Forum, and Regional Development Australia, to maintain and expand the regional development focus.	<ul style="list-style-type: none"> • Council Officers representing Council at the Central Highlands Regional Strategic Plan, Grampians Tourism, Regional Management Forum, and Regional Development Australia. • Manager Economic Development and Tourism represents Council on the Grampians Tourism Board, Central Highlands Agribusiness Forum Board and Central Highlands Economic Development Managers Forum. 	Completed and continuing in 2013/14
Implement the priority actions in the Economic Development Strategy and the Tourism Strategy to attract, retain and develop business, industry and tourism.	<ul style="list-style-type: none"> • State Government funding accessed to employ Business Development Officer to implement key strategies of the Tourism Strategy. 	Ongoing
Work with the telecommunications companies and government representatives to improve mobile phone and broadband internet access throughout the Shire.	<ul style="list-style-type: none"> • Council continues to advocate for improved mobile phone and broadband access throughout the Shire. 	Ongoing
Review industrial land requirements in Beaufort and Avoca in conjunction with the review of the current land strategy.	<ul style="list-style-type: none"> • Council continues to explore availability of land for industrial development in Beaufort and Avoca. 	Ongoing
Review residential land requirements in Beaufort and Avoca in conjunction with the review of the current residential land strategy.	<ul style="list-style-type: none"> • Council's Stage 1 residential subdivision at Correa Park has reached a level of sale to allow Stage 2 to proceed. 	In progress and continuing in 2013/14.
Demonstrate the liveability of the shire by continuing to support existing and promoting future events in the Shire.	<ul style="list-style-type: none"> • Council attended the Regional Victorian Living Expo to promote Pyrenees Shire. 9,500 people attended the Expo. 	Ongoing
Provide support to the Pyrenees wine region.	<ul style="list-style-type: none"> • Council facilitated a new event on the Avoca River bank in March 2013 to promote our wineries as part of the Melbourne Food and Wine Festival. 	Ongoing
Advocate for the Landsborough pipeline.	<ul style="list-style-type: none"> • Council has worked in partnership with GWMWater and Landsborough vignerons to seek State Government support to progress this project. 	In progress and continuing in 2013/14.



PYRENEE — S H I R E

GOVERNANCE AND COMMUNITY LEADERSHIP

“We will provide leadership for the community and advocate on its behalf to improve the economic, social and environmental wellbeing of the Pyrenees Shire.”

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 Michael O’Connor became Mayor of the Council following Council elections in October 2012.

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Council Plan

The 2009-2013 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.

Council Election – 2012

Council elections were conducted by the Victorian Electoral Commission by postal voting in October. Ten candidates stood for election; two candidates for each of the five wards. The following individuals contested the election:

Avoca Ward

Ron Eason
Gary Moore

Beaufort Ward

Michael O'Connor
Julie Kendall

Ercildoune Ward

David Clark
Leanne Sharam

De Cameron Ward

Robert Vance
Wendy Stevens

Mount Emu Ward

Alec Carson
Tanya Kehoe

Cr John Quinn (Mayor) retired at the election.

At the declaration of the poll, three sitting Councillors were returned – Michael O'Connor, David Clark and Robert Vance - and Council was joined by new representatives, Ron Eason and Tanya Kehoe.

Cr Michael O'Connor was elected Mayor at the Statutory Meeting in October 2012.



Mayoral & Councillor Allowances

The Mayoral allowance is currently \$58,515. The Councillor allowance is \$19,586. Allowances 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 Ordinary Council Meetings were also held in Avoca in November 2012 and April 2013.

The Statutory Meeting, which included election of the Mayor, was held in Lexton in October 2012.

Councillor Attendance at Council Meetings

Date	Cr Carson	Cr Clark	Cr O'Connor	Cr Quinn	Cr Vance
July 17, 2012	✓	✓	✓	✓	✓
August 21, 2012	✓	✓	✓	✓	✓
September 18, 2012	✓	✓	✓	✓	✓
October 16, 2012	✓	✓	✓	✓	✓

Council election – October 27, 2013

Date	Cr Carson	Cr Clark	Cr O'Connor	Cr Quinn	Cr Vance
October 30, 2012 (Statutory)	✓	✓	✓	✓	✓
November 20, 2012	✓	✓	✓	✓	✓
December 11, 2012	✓	✓	✓	✓	✓
February 19, 2013	✓	✓	✓	✓	✓
March 19, 2013	✓	✓	✓	✓	✓
April 16, 2013	✓	✓	✓	✓	✓
May 21, 2013	✓	✓	✓	✓	✓
June 25, 2013	✓	✓	✓	✓	✓

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

Meetings were held on May 29, August 28, November 27, 2012 and June 3, 2013.

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) and Advisory 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 Resource Centre
- Beaufort Mechanics Institute
- Beaufort Community Bank Complex
- Brewster Hall
- Goldfields Recreation Reserve
- Landsborough Community Resource Centre
- Landsborough Swimming Pool and Caravan Park
- 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 will conclude 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

A key focus of 2012/13 was the implementation of an electronic records management system which went live on July 1. This significant "change management" process was implemented successfully and has resulted in improved management of Council's records.

Communications

Council continues 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 to delivering messages to residents. An overview of communications channels used:

- Public notices appear in 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 containing information and details on Council matters. It has evolved to provide two-way communication between Council and residents.

- Media releases are distributed regularly to proactively 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's website is a central point from which residents can 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. The information is comprehensive yet concise so that governments and stakeholders are clear on Council's objectives and requests. A number of priority projects have been identified and include:

- Telecommunications in regional areas
- Western Highway Bypass

This approach has proved to be successful with Council securing funding through the Regional Development Australia Fund Round Three for the Natte Yallock Community Centre (stage two) earlier this year.

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.

The following projects were identified for completion by June 2013:

- Maintain Shire software and hardware.
- Maintain public access and broadband for seniors' computer facilities in Avoca, Beaufort, Landsborough and Snake Valley.
- Maintain library system hardware and infrastructure in Avoca and Beaufort and mobile library system infrastructure in Snake Valley, Lexton and Landsborough.



- Installation of audio-visual equipment in Council Chambers, Herbertson Room and Beaufort Community Development Centre.
- Installation of a diesel generator at Shire offices to provide power back-up.
- NBN interim satellite at Landsborough.
- Electricity consumption monitoring equipment at Shire offices, Beaufort Community Resource Centre and Avoca Information Centre.

Projects identified for the next 12 months are:

- Remove Windows XP machines from service.
- Improve disaster recovery facilities - offsite backup.
- Installation of solar systems at Shire offices, Avoca Information Centre and Beaufort Community Resource Centre.
- Maintain Shire software and hardware.
- Maintain public access and broadband for seniors' computer facilities in Avoca, Beaufort, Landsborough and Snake Valley.
- Maintain library system hardware and infrastructure in Avoca and Beaufort and mobile library system infrastructure in Snake Valley, Lexton and Landsborough.

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 and Beaufort and speak with 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

Key achievements in relation to Emergency Management have been:

- Appointment of a Municipal Emergency Resource Officer
- Review and updating of the Municipal Emergency Co-ordination Centre Manual
- Appointment and training of Incident Control Centre Liaison Officers
- Implementation and training of key Emergency Management staff on Crisisworks
- Review and redevelopment of the Municipal Recovery Plan
- Chepstowe/Carngham fire debrief and development of an action plan
- Fire Plan updated.

The Chepstowe/Carngham fire in January was a clear warning to Council and the community that we live in a dangerous environment and cannot afford to be complacent.

Many of the Emergency Management changes implemented after the 2010/2011 floods were put to the test during the fire. Council's response was quick and appropriate and generally praised by most people. Despite this, a number of improvements were identified and are being acted upon.

Although major components of the Municipal Emergency Plan have been reviewed and updated, the whole plan will require review during the forthcoming year. The Community Emergency Risk Management assessment will need to be completed when the State Government guidelines are known. The Emergency White Paper will have significant implications for Council and these will need to be addressed as the State Government's intentions are made clear.

Quality Assurance

Pyrenees Shire Council is still the only small rural Council that has received certification in Quality Management Systems – Australian Standards 9001 Quality, Australian Standards 1401 Environment and Australian Standards 4801 Occupational Health and Safety. External insurance audits continue to show Council's improvement in the areas of public liability, professional indemnity and asset protection.

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 Shire 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 three applications under the Freedom of Information Act during the year.

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)

The 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.

During the year all staff were given the opportunity to undertake Work Health Checks and hearing tests. There were no major accidents or incidents for the year.

Equal Opportunity Employment

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.

Whistleblower Protection / Protected Disclosure

The Whistleblowers Protection Act 2001 protects people who disclose information about serious wrongdoing by Councillors and Council officers. There have not been any disclosures, as at June 30, 2013. Pyrenees Shire Council has procedures in place to provide protection from reprisals for persons making disclosures and provides a framework for investigation.

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 sub-paragraph (1).
- 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 that 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.

Local Government Community Satisfaction Survey Results - Council's Performance

Overall Performance

2012: **62**

2013: **63**

Small Rural Shires 2013: **59**

State wide 2013: **60**

Community Consultation

2012: **59**

2013: **59**

Small Rural Shires 2013: **59**

State wide 2013: **57**

Advocacy

2012: **58**

2013: **58**

Small Rural Shires 2013: **56**

State wide 2013: **55**

Customer Service

2012: **72**

2013: **68**

Small Rural Shires 2013: **70**

State wide 2013: **71**

Overall Council Direction

2012: **54**

2013: **54**

Small Rural Shires 2013: **52**

State wide 2013: **53**

Governance and Community Leadership – Council Plan Commitments

Ensure that the community's views are expressed and considered by Council in its decision making.	<ul style="list-style-type: none"> • Council Plan was updated and placed on exhibition in February 2012. Advertisements were placed in local media requesting submissions and comment. 	Completed and continuing in 2013/14
Communicate the Council's decisions, policies and activities and the reasons behind them, in a form relevant to ratepayer needs and expectations.	<ul style="list-style-type: none"> • Communication Strategy reviewed • Weekly Public Notices columns in four local / regional newspapers. • Premier PR developing regular media releases 	Completed and continuing in 2013/14
Mitigate risk and improve employee safety through proactive risk management.	<ul style="list-style-type: none"> • Active Occupational Health and Safety Committee • Risk register updated 	Completed and continuing in 2013/14
Continue Councillor training and development and ensure adherence to Councillor code of conduct.	<ul style="list-style-type: none"> • Councillor Induction program • No Code of Conduct issues 	Completed and continuing in 2013/14
Work with the State and Federal governments and the MAV on a new and sustainable funding model for Local Government.	<ul style="list-style-type: none"> • Extensive lobbying of Federal and State governments 	Completed and continuing in 2013/14
Advocate to ensure adequate grant funding to provide and improve infrastructure, such as telecommunications, housing, water, sewerage and energy.	<ul style="list-style-type: none"> • Council is actively seeking funds for the Beaufort Railway Culvert Project, Amphitheatre Recreation Centre and Natte Yallock Recreation Reserve 	Completed and continuing in 2013/14
Improve community engagement.	<ul style="list-style-type: none"> • Improved Public Notice information • Community Action Plan processes 	Completed and continuing in 2013/14
Develop and implement the Emergency Management Plan.	<ul style="list-style-type: none"> • Municipal Emergency Management Plan reviewed and Standard Operating Procedure developed for the Municipal Emergency Co-ordination Centre • Heat Wave Strategy reviewed and updated • Municipal Recovery Plan reviewed and updated 	Completed and continuing in 2013/14
Work with the MAV and State Government departments to bring about improvements in guidelines and regulations regarding wind farm development.	<ul style="list-style-type: none"> • Meeting with Planning Minister and three other impacted Councils regarding improvement to guidelines and regulations 	Completed and continuing in 2013/14
Review CARS and other related systems to improve customer enquiry and response.	<ul style="list-style-type: none"> • Monthly Report provided to Council 	Completed and continuing in 2013/14

Victorian Local Government Indicators

	2008/09	2009/10	2010/11	2011/12	2012/13
Affordability					
Average rates and charges per assessment	\$973	\$1,064	\$1,138	\$1,158	\$1,215
Average rates and charges per residential assessment	\$696	\$747	\$798	\$846	\$886
Sustainability					
Average liabilities per assessment	\$790	\$795	\$1,025	\$1,474	\$1,474
Operating result per assessment – surplus/(deficit)	\$999	\$94	\$1,391	\$1,188	\$1,188
Services					
Average operating expenditure per assessment	\$2,522	\$2,706	\$3,403	\$5,800	\$6,017
Community Satisfaction Survey for overall performance of the Council	66	66	60	62	63
Infrastructure					
Average capital expenditure per assessment	\$1,577	\$982	\$1,457	\$1,163	\$1,755
Renewal					
Current spending on renewal to asset base consumed during the year	81%	49%	66%	20%	75%
Renewal and Maintenance					
Current spending on renewal plus maintenance to asset base consumed during the year, plus maintenance	87%	71%	77%	140%	155%
Governance					
Community Satisfaction Survey for Council's advocacy and community representation on key local issues	65	67	62	58	58
Community Satisfaction Survey for Council's engagement in decision making on key local issues	65	63	58	59	59



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
- Waste Management and Recycling
- Environment and Sustainability
- Native Vegetation
- Roadside Weeds and Pests
- Regional Bioenergy Project
- Landfill Rehabilitation

Key Achievements

- Completion and adoption of planning scheme amendments C31 (Beaufort flood study) and C32 (General amendment).
- Preparation of draft heritage study for Avoca and Beaufort townships which, when implemented, will provide exemptions from planning requirements for a range of minor building works within the heritage overlay.
- Completion of Snake Valley structure plan and review of Avoca structure plan which promote a broad range of positive residential and commercial growth opportunities for the next 10 – 20 years.
- 144 planning permit applications were received during the financial year with 138 determined by the Planning Unit or Council.
- Improved compliance of plumbers and owners with conditions placed on septic tank system permits.
- Increase in Building Permit applications.
- Project manager appointed for the Regional Bioenergy Project.
- Regional Biomass Supply Chain Strategy developed.
- Bioenergy Project information displays at two major events – Maryborough Energy Breakthrough and Wimmera Field Days.
- Snake Valley stormwater drainage completed.





Highlights

Rural and Regional Planning Flying Squad Program

Council secured more than \$25,000 through the Regional and Rural Planning Flying Squad Program to complete several important strategic projects including the Beaufort Structure Plan Review and Amendment C27, which proposes changes to the current Restructure Overlay controls and the rezoning of large areas of land around several townships to Rural Living.

Carngham Fire

Participation in Post Impact Assessment following the Carngham Fire.

Regional Biomass Supply Chain Strategy

The development of the Regional Biomass Supply Chain Strategy was a major project and brings together information from studies undertaken in the Central Highlands and Wimmera to give an overview of the biomass resources available throughout the region. It is still a work in progress and will be built on as the project unfolds.

Beaufort Hospital Boiler Project

After a long process of developing specifications and a failed tender process, a boiler supplier for this innovative project has been appointed. Living Energy, a New Zealand-based company, was the successful tenderer and expects to have the boiler installed by November 2013. The boiler is expected to save the hospital \$60,000 in heating costs per year.

Disappointments

- Delays to the installation of solar panels at the Beaufort Shire Office, Beaufort Community Development Centre and Avoca Information Centre due to staff changes.
- Expired Building Permits not finalised.
- The long specification process and failed tender process for the Beaufort Hospital Boiler Project. However, it did provide learning opportunities and future bioenergy installations will benefit.



Challenges

- Delivery of revised Bioenergy Project

The Year Ahead

Town Planning

Undertaking follow-up enforcement of illegal dwellings and weekenders on private land. A contract enforcement officer will be engaged to assist with enforcement of this and other planning local laws enforcement priorities.

Strategic Planning

- Preparation of a Domestic Wastewater Management Plan and land use strategy for properties within proclaimed Open Potable Water Supply Catchments.
- Completion of Beaufort Structure Plan review.
- Preparation of Lexton Structure Plan
- Adoption of Amendment C27 (completion of which has been funded by the State Government)
- Completion of heritage report for currently listed heritage properties within the southern part of the Shire.

Regional Bioenergy Project

Obtaining information of bioenergy systems is a challenge as there is currently no recognised bioenergy industry in Australia.

Building Services

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

Fast Facts

Building Services: Building Permit Applications

2011: **108**

2012: **130**

2013: **144**





90% of planning permit applications were determined within the statutory timeframe compared with 87% for the 2011/12 financial period. This is significantly better than the 74% state-wide average for rural Councils over the 2012/13 period.

Local Government Community Satisfaction Survey Results - Council's Performance

Waste Management

2012: **72**

2013: **71**

Small Rural Shires 2013: **71**

Planning and Building Permits

2012: **57**

2013: **58**

Small Rural Shires 2013: **55**

PYRENEES
SHIRE

Environment – Council Plan Commitments

Implement community education campaigns to reduce the amount of waste sent to landfill and encourage recycling.	<ul style="list-style-type: none"> • Ongoing as part of Highlands Regional Waste Management Group education. 	Completed and continuing in 2013/14.
Review land use planning strategies.	<ul style="list-style-type: none"> • Avoca and Snake Valley Structure Plans completed. 	Completed and continuing in 2013/14.
Encourage environmentally sustainable development.	<ul style="list-style-type: none"> • Participation in Koala Connect Project 	Ongoing
Prepare and implement Flood Management Plans for the main townships.	<ul style="list-style-type: none"> • Draft Beaufort and Landsborough Flood Management Plans developed. 	Ongoing
Implement the Municipal Waste Management Plan.	<ul style="list-style-type: none"> • Municipal Waste Management Plan implemented and collection monitored. 	Completed and ongoing in 2013/14.
Maintain membership of the Highlands Regional Waste Management Group.	<ul style="list-style-type: none"> • Council is an active member of the Highlands Regional Waste Management Group 	Ongoing
Engage an Environmental Officer to brief Council on environmental and climate change issues.	<ul style="list-style-type: none"> • Environmental Officer appointed December 2012. 	Completed and continuing in 2013/14.
Roadside Management Plan adopted and implemented.	<ul style="list-style-type: none"> • Roadside Management Plan adopted. 	Completed
Participate in regional and state environmental forums.	<ul style="list-style-type: none"> • Council is an active member of the Solar Cities project, Bio energy and Streetlight project. 	Ongoing
Continue the implementation of the Cities for Climate Protection Program.	<ul style="list-style-type: none"> • Council represented at various forums. 	Ongoing
Support the development of renewable energy projects where they will not be to the detriment of the amenity of the community.	<ul style="list-style-type: none"> • Bioenergy project and solar projects being undertaken by the Shire. 	Ongoing
Minimise the impacts of forestry on infrastructure and the environment.	<ul style="list-style-type: none"> • Harvesting Management Plans submitted through Planning area and through Asset Protection. 	Ongoing

CHALLENGES

CURRE —

ORGANISATIONAL DEVELOPMENT

“We will ensure the organisation is financially sustainable and has the capacity to meet current and future needs.”





Employees

As at the June 30, 2013 the Council had a total workforce of 77.30 EFT positions.

WORKFORCE PROFILE

Full Time	30th June 2013
Male	42
Female	15
	57
Permanent Part Time	
Male	7
Female	35
	42
Casual	
Male	1
Female	16
	17
Total	
Male	50
Female	66
	116

Workforce Age

Staff aged	Number	% of Workforce
15-19	0	0.00%
20-24	0	0.00%
25-34	10	8.60%
35-44	19	16.40%
45-54	40	34.50%
55-64	41	35.40%
65+	6	5.10%

In summary, Council's workforce is ageing with 40.50% of the total workforce over the age of 55 – up 2.55% from last year.

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

Of a total workforce of 116 employees, 47 staff members are over the age of 55. Retirement over the next five to 10 years will see a significant change in our workforce - strategies will need to be implemented to overcome the significant loss of experience.

Workplace Achievement Program

The Healthy Together initiative aims to improve people's health where they live, learn, work and play. Healthy Together Grampians Goldfields is one of 12 selected Healthy Together Communities in Victoria. Pyrenees Shire Council, in partnership with Ararat Rural City Council and Central Goldfields Shire, community health organisations, local stakeholders and communities, will lead prevention efforts in the Grampians Goldfields region.

Pyrenees Shire Council has signed up to be a leader in workplace health by being the first organisation in the Shire to register for the Workplace Achievement Program. The Achievement Program is a framework for action that supports workplaces to provide safe, healthy and friendly environments for workers, their families and the community. The program encourages organisations to take stock of their existing health promotion activities, recognise their strengths and identify opportunities for improvement. Four domains are identified; a healthy culture, healthy physical environment, healthy community connections and health and wellbeing opportunities. By working in these four domains, health and wellbeing will become embedded in the workplace, benefitting both employees and employers.

Expected benefits of becoming a health promoting workplace;

Within a few months		
↗ Employee engagement	Within 1-2 years	
↗ Team cohesiveness	↗ Health knowledge	Within 3-5 years
	↗ Job satisfaction	↘ Absenteeism
	↗ Productivity	↘ Injuries
	↗ Corporate image	↘ Workers compensation costs

Learning & Development

Council provides ongoing learning and development to all staff through internal and external training sessions.

A sample of the training undertaken in 2012/13 includes:

Training	Attendees
Charter of Human Rights and Responsibilities – Manager, Supervisors, Team Leaders and Councillors	29
Charter of Human Rights and Responsibilities – staff	84
Conducting an Effective Performance Review Workshop	24
SynergerySoft V10 – Introduction (council's accounting system)	28
Deflecting Anger Techniques and Building Emotional Resilience	12
Land Laws for Managers of Roads, Streets and Lanes	6
Ag Vet Chemicals Users Course	15
Health and Human Services Emergency Management	5
First Aid Updates	24
HACC Specific – Diabetes Workshop, Understanding Dementia, Manual Handling in Aged Care, Assist Clients with Medication	

In addition to the specific staff development program, the Council 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 organisation. During the year, the following courses were completed:

Diploma of Project Management	1
Vocational Graduate Certificate in Community Services Practice	1

Work Experience

Council provides students from the Beaufort Secondary College with an 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 15 positions with 95 applications being considered.

Council continues to receive multiple applications for most positions advertised with all positions being filled.





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

Phillip Diprose, Contract Officer

Ernest Welsh, Municipal Fire Prevention Officer

Susan Mahony, Support Staff (HACC)

Sharon Moran, Support Staff (HACC)

Brendan Amaran, Truck Driver

Dean Nunn, Truck Driver

Darren Kerr, Plant Operator

20 years:

Robert Rayner, Revenue Officer

Lorraine Thomson, Finance Officer Payroll and Accounts Receivable

Paul Karlake, Grader Driver/Leading Hand

Shayne Murphy, Truck Driver

25 Years:

Christine Pearce, School Crossing Supervisor

Lorraine Cooper, Support Worker (HACC)

Anita Impey, Support Worker and PAG Assistant (HACC)

Peter Flenley, Grader Driver/Leading Hand

Desmond Lindsay, Loader Backhoe Operator

Trevor Robinson, Truck Driver



30 Years:

Greg Lofts, Manager Human Resources

Lynne Grant, Support Worker (HACC)

Sandra Hunter, Support Worker (HACC)

Maree Neil, Support Worker (HACC)

Robin Davis, Loader Driver

Brian Hayes, Grader Driver / Leading Hand

Kevin Trengove, Loader Backhoe Operator

Lance Farnsworth, Plant Operator

Peter Moran, Grader Driver / Leading Hand

Ian Robinson, Works Officer Avoca

Council provides service awards when staff reach milestones at 15 years and 30 years service respectively – a formal function is held to celebrate the milestones.

Summary of Years of Service

Years of Service	No. of Staff Members
10	7
15	9
20	4
25	6
30	10
35	1

35 Years

Trevor Thomson, Works Officer Beaufort

RENEES
SHURE



Workcover

The Pyrenees Shire Council continues its strategy to encourage the return to work of injured employees.

Claims Profile 2012/2013

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

Workcover claims during the year were of a minor nature and as a result, total lost time due to injury for the financial year was 0.0 hours.

Cambron Human Resource Manager

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

The electronic database system allows employees to record achievements 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 2012 performance reviews were completed by August 31, 2012 and the 2013 performance reviews for employees are well advanced and should be completed by the end of September, 2013.

Industrial Relations

Council continues to operate under its 2010 Enterprise Bargaining Agreement. With the Enterprise Agreement due to expire on the October 15, 2013, Council's Consultative Committee is currently overseeing negotiations for a new agreement with employees and unions.

A new agreement should be finalised by the October 15, 2013 and will be known as the Pyrenees Shire Council 2013 Enterprise Bargaining Agreement.



Organisational Development – Council Plan Commitments

Review the Council's long-term financial strategy each year.	<ul style="list-style-type: none"> • 10-Year Financial Strategy reviewed annually. 	Completed and continuing in 2013/14
Improve the Council's financial position, with an operating surplus to meet the needs of asset maintenance and renewal.	<ul style="list-style-type: none"> • Council had \$10.2 million of capital expenditure for the year. This included expenditure of \$3.3 million on asset renewal. 	Ongoing
Attract, develop and retain good staff.	<ul style="list-style-type: none"> • 15 positions advertised with 95 applications. All positions filled. 	Ongoing
Develop and implement a succession plan for critical organisation positions.	<ul style="list-style-type: none"> • Three-Year Strategic Human Resource Plan developed. 	Completed and continuing in 2013/14
Respond to the community in a timely manner, in accordance with Council's customer service charter.	<ul style="list-style-type: none"> • Customer Action Request system. 	Ongoing



FINANCIALS

EXPERIENCE



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 2012/2013 financial year and the overall position at the end (June 30, 2013) 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 39 Notes. These are prepared by Council's staff, examined by the Council Audit

Committee and by Council and then 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 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 Statement is sometimes referred to as a '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 compiled 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 Council land that is 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 compiled 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 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 an 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 breakdown 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.

11. General

The Pyrenees Shire Council was established by an Order of the Governor in Council on September 23, 1994 and is a body corporate.

The Council's main office is located at 5 Lawrence Street, Beaufort.

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



FINANCIAL STATEMENTS

For the Year Ending 30 June 2013



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Comprehensive Income Statement

For the Year Ended June 30, 2013

Revenue	Note	2013 \$'000	2012 \$'000
Rates and garbage charge	2	7,331	6,928
User charges and other fines	3	917	848
Grants - Recurrent	4	5,646	7,130
Grants - Non Recurrent	4	13,654	24,095
Contributions - cash	5	218	159
Other income	6	1,101	1,180
Total Revenue		28,867	40,340
Expenses			
Employee benefits	8	(6,046)	(7,628)
Contract payments, materials and services	9	(22,733)	(19,488)
Depreciation	10	(5,976)	(5,755)
Finance costs	11	(160)	(183)
Other expenses	12	(181)	(221)
Net profit/(loss) on disposal of property, plant and equipment, infrastructure	7	64	(209)
Total Expenses		(35,032)	(33,484)
(Deficit)/Surplus for the year :		(6,165)	6,856
Other comprehensive income			
Net asset revaluation increment(decrement) reversals		84,098	(3,098)
Comprehensive result		77,933	3,758

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

Balance Sheet

As at June 30, 2013

	Note	2013 \$'000	2012 \$'000
Assets			
Current Assets			
Cash and cash equivalents	14	4,875	5,897
Trade and other receivables	15	2,587	3,430
Financial assets	16	6,000	16,000
Other assets	17	245	476
Non-current assets classified as held for sale	18	1,119	1,102
Total current assets		14,826	26,905
Non-current assets			
Trade and other receivables	15	32	50
Property, infrastructure, plant and equipment	19	287,251	199,446
Total non-current assets		287,283	199,496
Total Assets		302,109	226,401
Liabilities			
Current Liabilities			
Trade and other payables	20	1,947	3,955
Trust funds and deposits	21	171	214
Provisions	22(a)(i)	1,761	1,627
Interest-bearing loans and borrowings	23	272	255
Total current liabilities		4,151	6,051
Non-current liabilities			
Trade and other payables	20	29	58
Provisions	22(a)(ii)	175	201
Interest-bearing loans and borrowings	23	1,929	2,199
Total non-current liabilities		2,133	2,458
Total liabilities		6,284	8,509
Net Assets		295,825	217,892
Equity			
Accumulated surplus		93,285	99,380
Reserves	24	202,540	118,512
Total Equity		295,825	217,892

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

Statement of Changes in Equity

For the Year Ended June 30, 2013

	Note	Total 2013 \$'000	Total 2012 \$'000	Accumulated Surplus 2013 \$'000	Accumulated Surplus 2012 \$'000	Asset Revaluation Reserve 2013 \$'000	Asset Revaluation Reserve 2012 \$'000	Other Reserves 2013 \$'000	Other Reserves 2012 \$'000
Balance at beginning of the financial year		217,892	214,134	99,380	92,524	118,433	121,531	79	79
Surplus (deficit) for the year		(6,165)	6,856	(6,165)	6,856	-	-	-	-
Transfer from reserve		-	-	70	-	-	-	(70)	-
Net asset revaluation increment (decrement)	24(a)	84,098	(3,098)	-	-	84,098	(3,098)	-	-
Balance at end of the financial year		295,825	217,892	93,285	99,380	202,531	118,433	9	79

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

Statement of Cash Flows

For the Year Ended June 30, 2013

	Note	2013 Inflows/(Outflows) \$'000	2012 Inflows/(Outflows) \$'000
Cash flows from operating activities			
Rates		7,255	7,084
User charges and other fines (inclusive of GST)		1,177	933
Grants (inclusive of GST)		21,231	30,417
Contributions (inclusive of GST)		235	169
Interest		917	936
Other receipts (inclusive of GST)		205	128
Net GST (refund/payment)		1,169	327
Payments to suppliers (inclusive of GST)		(25,163)	(20,363)
Payments to employees (including redundancies)		(7,728)	(5,741)
Other payments		(199)	(243)
Net cash provided by (used in) operating activities	25	(901)	13,647
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(10,249)	(6,650)
Proceeds from sale of property, infrastructure, plant and equipment		584	1,262
Purchase of investments		(35,700)	(58,400)
Proceeds from redemption of investments		45,700	42,400
Net cash provided by (used in) investing activities		335	(21,388)
Cash flows from financing activities			
Trust funds and deposits		(43)	(13)
Repayment of interest bearing liabilities		(253)	(267)
Finance costs		(160)	(183)
Net cash provided by (used in) financing activities		(456)	(463)
Net increase (decrease) in cash and cash equivalents held		(1,022)	(8,204)
Cash and cash equivalents at the beginning of the financial year		5,897	14,101
Cash and cash equivalents at the end of the financial year	26	4,875	5,897
Financing arrangements	27		
Restrictions on cash assets	28		

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

NOTES TO THE FINANCIAL REPORT

PYRENEES
SHIRE

Introduction

- (a) The Pyrenees Shire Council was established by an Order of the Governor in Council on September 23, 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:
- maintain a safe and effective road system that caters for all road users within the Shire.
 - provide safe, functional and well utilised assets and services, to enhance the quality of life of residents and promote connected, active and resilient communities.
 - provide community leadership and advocacy to ensure financial sustainability and improve the economic, social and environmental wellbeing of the Pyrenees Shire.
 - develop the local economy and increase the population of the Pyrenees Shire.
 - 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

This financial report is a general purpose financial report that consists of a 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 2004.

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

There has been no change in accounting policy in the last financial year.

(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.

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:

	Period 2013
Property	
Land and buildings	
Buildings	50 years
Land improvements	25 years
Heritage assets	
Heritage assets	50 years
Plant and equipment	
Plant and machinery	5-10 years
Furniture, equipment and computers	3-10 years
Infrastructure	
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

(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.

(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:

	Threshold \$'000
Property	
Land and buildings	
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 and sprinkler systems	1
Street furniture	1
Parks and gardens furniture and 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 June 30, 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) Investments

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

(k) Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entities. The Council's share of the financial result of the entities is recognised in the income statement.

(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***

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.

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled. Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Annual leave is classified as a current liability as the entity does not have an unconditional right to defer settlement of the liability.

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.

Superannuation

The amount charged to the Comprehensive Operating 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's 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 Pyrenees Shire Council is required to comply with.

(n) Leases***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) Website 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 with the asset's carrying value. Any excess of the asset's 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

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date.

Pronouncement

AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements.

What's new?

The standards require the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called "corridor" method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.

Impact/Action

Where adequate information is available, the entity will apply the new standard from July 1, 2013 when the new standard applies to the Pyrenees Shire Council.

Effective date

July 1, 2013.

(w) 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.

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 2012/2013 was \$1,531 million (2011/2012 \$1,533 million). The 2012/2013 rate in the CIV dollar was 0.4239 (2011/2012, was 0.4016).

	2013	2012
	\$'000	\$'000
Residential	2,088	1,884
Commercial / Industrial	158	136
Recreation and Cultural	15	12
Farm/Rural	3,222	3,180
Vacant land	748	677
Wind Farm	200	197
Interest on rates	57	48
Garbage charge	843	794
	7,331	6,928

The date of the last general revaluation of land for rating purposes within the municipal district was January 1, 2012 and the valuation was first applied to the rating period commencing July 1, 2012.

The date of the next general revaluation of land for rating purposes within the municipal district is January 1, 2014 and the valuation will be first applied in the rating year commencing July 1, 2014.

Note 3: User charges and other fines

	2013	2012
	\$'000	\$'000
Animal registration fees and fines	87	63
Town planning fees	40	62
Building fees	110	73
Meals on wheels	44	55
General home help	125	119
Legal fees - rates	59	37
Community transports fees	11	12
Garbage disposal fees	12	13
Caravan park fees	175	161
Environmental health	37	32
Resource and information centre fees and charges	58	62
Land information certificates	6	7
Economic development	15	8
Hall hire	8	7
Rental and function fees	22	26
Goldfields Recreation Reserve venue hire	37	27
ADASS	8	8
Other	63	76
	917	848

Note 4: Grants

	2013 \$'000	2012 \$'000		2013 \$'000	2012 \$'000
Grants were received in respect of the following :					
<i>Commonwealth Government</i>					
Commonwealth Government - roads to recovery	1,160	835			
Family and children	94	95			
	1,254	930			
<i>State Government - General Purpose</i>					
Flood restoration natural disaster	7,760	13,234	Podiatry	28	28
Victoria Grants Commission - unallocated	2,295	3,479	Emergency relief program	27	24
Victoria Grants Commission - local roads	2,217	2,497	Netball facilities - DYSR	21	102
Rural roads and bridges program	1,000	2,000	Improved liveability for older persons	20	80
Beaufort flood mitigation works	926	1,100	Event sponsorship	20	-
Avoca families and children centre	665	-	Meals on wheels	17	16
Fire restoration works natural disaster	626	-	Flood restoration - DCPD	16	65
Aged care and senior citizens	448	369	Tobacco	16	13
Beaufort streetscape PLFF	300	-	Healthy eating project	13	19
Avoca streetscape PLFF	270	-	Freeza program	12	12
Transport connections project	251	49	Flood restoration - DSE	-	2,611
Local government pools program	180	-	Flood restoration - RDV	-	813
Local government infrastructure program	170	1,320	Main Lead Road black spot program	-	463
Adult day care	134	131	Raglan - Elmhurst Road - Vic Roads	-	387
Other	121	197	Raglan - Elmhurst Road - Timber Towns	-	373
Library	91	85	Global skills program	-	63
Maternal and child health	90	77	Garibaldi Creek flood mitigation project	-	60
Bio energy	85	375	Emergency volunteer program	-	35
Flood - community recovery program	60	184	Go For Your Life' active program	-	5
Emergency planning	60	-		18,046	30,295
Roadside weeds and pests management program	43	-	Total Grants	19,300	31,225
Tourism project officer	34	-	Victorian Grants Commission	4,512	5,479
Youth Outreach program	30	29	Other Government Grants	14,788	25,746
			Total	19,300	31,225
			Recurrent	5,646	7,130
			Non-Recurrent	13,654	24,095
			Total	19,300	31,225

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:

	2013	2012
	\$'000	\$'000
Flood restoration	2,310	5,829
Rural roads and bridges program	1,000	1,000
Bio energy	376	366
Beaufort Pool upgrade	66	-
Garibaldi Creek flood mitigation	44	249
Snake Valley sewerage scheme	-	350
Flood restoration - DSE	-	1,459
Flood restoration - RDV	-	777
Flood restoration - DCPD	-	65
Beaufort flood mitigation works	-	1,100
Local government infrastructure program	-	1,090
Generator for Beaufort MECC	-	12
	3,796	12,297

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

Flood restoration	5,829	6,449
Flood restoration - DSE	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	650
Garibaldi Creek flood mitigation	205	-
Bio energy	75	-
Flood restoration - DCPD	65	-
Generator for Beaufort MECC	12	-
Raglan Elmhurst Rd roads to recovery	-	244
Raglan Elmhurst timber towns	-	144
Main Lead Road (Blackspot) State Govt	-	38
	11,962	7,525

Net increase (decrease) in restricted assets resulting from grant revenues for the year: (8,166) 4,772

Note 5: Contributions - Cash

	2013	2012
	\$'000	\$'000
Capital Works	132	65
General	86	94
	218	159

Note 6: Other income

	2013	2012
Interest on investments	864	1,064
Private works - reimbursements	138	56
Other	99	60
	1,101	1,180

Note 7:

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

	2013 \$'000	2012 \$'000
Plant and equipment		
Proceeds from sale of assets	373	256
Written down value of assets sold	(268)	(149)
Profit (loss) on sale of land, plant and equipment	105	107

Land and buildings

Proceeds from sale of land and buildings	211	899
Written down value of land and buildings sold	(252)	(1,093)
Profit (loss) on sale of land and buildings	(41)	(194)

Equity in regional library

Proceeds from the disposal of Council's share of the equity in the regional library	-	107
Written down value of library equity	-	(229)
Profit (loss) on disposal of Council's share of the equity in the regional library	-	(122)

Summary

Proceeds from sale of assets	584	1,262
Written down value of assets sold	(520)	(1,471)
Profit (loss) on sale of assets	64	(209)

Note 8:

Employee benefits

	2013 \$'000	2012 \$'000
Wages and salaries	4,843	4,579
Annual leave and long service leave	552	600
Superannuation	476	469
Superannuation - defined benefit - additional call *	-	1,840
Fringe benefits tax and work cover	175	140
	6,046	7,628

*The Local Authorities Superannuation Fund latest December 31, 2011 actuarial investigation identified an unfunded liability of \$406 million excluding the contributions tax in the defined benefit fund of which we are a member. Council was made aware of the expected shortfall in early 2012 and was informed formally of their share of the shortfall on July 31, 2012 which amounted to \$1,840,057. Council elected to pay this shortfall by lump sum on the August 31, 2012. Council accounted for this shortfall in 2011/12 in the Balance Sheet under Current Liabilities (See Note 20).

Note 9:

Contract payments, materials and services

	2013	2012
	\$'000	\$'000
Advertising	120	91
Audit - internal and external	69	50
Cleaning	83	81
Conferences	46	35
Contractors	17,894	13,799
Contributions and donations	148	404
Councillor allowances	139	135
Information technology	110	119
Insurance	265	238
Legal fees	60	43
Light, power and water	180	147
Materials and services	2,964	3,649
Photocopying	26	37
Plant expenses	305	327
Postage	25	27
Stationery and printing	38	37
Subscriptions and memberships	85	80
Telephone	165	146
Valuations	11	43
	22,733	19,488

Note 10:

Depreciation

	2013	2012
	\$'000	\$'000
Buildings	958	951
Land improvements	134	121
Plant and machinery	462	446
Furniture, equipment and computers	150	133
Roads	2,744	2,678
Road seals	979	964
Footpaths	38	38
Kerb and channel	64	63
Culverts	141	125
Bridges	261	223
Library books	12	-
Other Structures	33	13
	5,976	5,755

Note 11:

Finance costs

Interest - borrowings	160	183
	160	183

Note 12: Other expenses

	2013 \$'000	2012 \$'000
Other	181	221
	181	221

Note 13: Auditors' remuneration

Audit fee to conduct external audit - Victorian Auditor-General	25	25
Internal audit fees	36	23
	61	48

Note 14: Cash and cash equivalents

Cash on hand	2	2
Cash at bank	1,852	375
Bank term deposits	3,021	5,520
	4,875	5,897

Note 15: Receivables

	2013 \$'000	2012 \$'000
<i>Current</i>		
Rates debtors	303	227
Loans and advances to community organisations	14	13
Sundry debtors	2,004	3,190
Net ATO receivable	266	-
Total	2,587	3,430
<i>Non-current</i>		
Community loans	32	50
Total	32	50
Total trade and other receivables	2,619	3,480

Note 16: Financial assets

Bank term deposits	6,000	16,000
	6,000	16,000

Note 17:

Other assets

	2013 \$'000	2012 \$'000
Accrued income	106	312
Prepayments	136	161
Inventories	3	3
Total	245	476

Note 18:

Assets held for sale

Cost of acquisition	1,119	1,102
Total	1,119	1,102

Note 19:

Property, infrastructure, plant and equipment

	2013 \$'000	2012 \$'000
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Summary

Proceeds from sale of assets		
at cost	14,843	17,616
Less accumulated depreciation	(4,396)	(4,220)
	10,447	13,396

at fair value as at June 30, 2010	-	251,855
Less impairment	-	(11,926)
Less accumulated depreciation	-	(83,352)
	-	156,577

at fair value as at June 30, 2011	46,548	46,567
Less accumulated depreciation	(18,147)	(17,201)
	28,401	29,366

at fair value as at June 30, 2012	235	235
Less accumulated depreciation	(140)	(128)
	95	107

at fair value as at June 30, 2013	331,846	-
Less accumulated depreciation	(83,538)	-
	248,308	-

Total	287,251	199,446
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Land and buildings

Land - Freehold		
at cost	270	-
	270	-

Land - Freehold		
at fair value as at June 30, 2011	3,013	3,032
	3,013	3,032

	2013 \$'000	2012 \$'000
Land Improvements		
at cost	4,968	3,121
Less accumulated depreciation	(906)	(772)
	4,062	2,349
Total Land	7,345	5,381
Buildings		
at cost	2,248	101
Less accumulated depreciation	(13)	(1)
	2,235	100
at fair value as at June 30, 2011	43,535	43,535
Less accumulated depreciation	(18,147)	(17,201)
	25,388	26,334
Total Buildings	27,623	26,434
Total Land and Buildings	34,968	31,815

Valuation of land and building assets has been determined in accordance with a valuation carried out by Mr Chris Barrett BSc, MBA, AAPI, Certified Practising Valuer of VRC Property Valuations.

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

Plant and machinery

at cost	5,356	4,858
Less accumulated depreciation	(2,508)	(2,555)
Total Plant and Machinery	2,848	2,303

Furniture, equipment and computers

at cost	1,204	1,121
Less accumulated depreciation	(969)	(820)
Total Furniture, Equipment, and Computers	235	301
Total Plant and Equipment	3,083	2,604

Infrastructure

Road Substructure

	2013 \$'000	2012 \$'000
at cost	-	3,051
Less accumulated depreciation	-	(25)
	-	3,026
at fair value as at June 30, 2010	-	196,294
Less impairment	-	(7,499)
Less accumulated depreciation	-	(54,115)
	-	134,680
at fair value as at June 30, 2013	255,591	-
Less accumulated depreciation	(52,297)	-
	203,294	-

Road Seal

at cost	-	1,366
Less accumulated depreciation	-	(22)
	-	1,344
at fair value as at June 30, 2010	-	15,805
Less impairment	-	(517)
Less accumulated depreciation	-	(8,965)
	-	6,323

at fair value as at June 30, 2013	20,377	-
Less accumulated depreciation	(10,694)	-
	9,683	-

Footpaths

at fair value as at June 30, 2010	-	1,709
Less accumulated depreciation	-	(818)
	-	891
at fair value as at June 30, 2013	1,796	-
Less accumulated depreciation	(781)	-
	1,015	-

	2013 \$'000	2012 \$'000		2013 \$'000	2012 \$'000
Kerb and Channel			Other Structures		
at fair value as at June 30, 2010	-	3,153	at fair value as at June 30, 2010	-	371
Less accumulated depreciation	-	(1,481)	Less accumulated depreciation	-	(173)
	-	1,672	Total	-	198
at fair value as at June 30, 2013	4,747	-	at fair value as at June 30, 2013	371	-
Less accumulated depreciation	(1,417)	-	Less accumulated depreciation	(206)	-
	3,330	-		165	-
Culverts			Total Infrastructure		
at cost	-	411		248,308	163,645
Less accumulated depreciation	-	(1)	Library Materials		
	-	410	at fair value as at June 30, 2012	235	235
at fair value as at June 30, 2010	-	9,726	Less accumulated depreciation	(140)	(128)
Less impairment	-	(1,961)	Total	95	107
Less accumulated depreciation	-	(4,439)	Work in Progress		
	-	3,326	at cost	797	1,275
at fair value as at June 30, 2013	16,281	-	Total	797	1,275
Less accumulated depreciation	(4,392)	-	Total property, infrastructure, plant and equipment		
	11,889	-		287,251	199,446
Bridges			Valuation of infrastructure assets has been determined by the following independent valuations.		
at cost	-	2,312	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.		
Less accumulated depreciation	-	(24)	Culverts and other structures assets were valued by Mr Stephen Cornish, Dip.C.E., Grad Dip Municipal Engineering at at 30 June 2013.		
	-	2,288	The valuation of all infrastructure assets are at fair value based on replacement cost less accumulated depreciation as at the date of valuation.		
at fair value as at June 30, 2010	-	24,797			
Less impairment	-	(1,949)			
Less accumulated depreciation	-	(13,361)			
	-	9,487			
at fair value as at June 30, 2013	32,683	-			
Less accumulated depreciation	(13,751)	-			
	18,932	-			

2013	Balance at beginning of financial year	Aquisition of assets	Revaluation increments (decrements) (note 23)	Depreciation and amortisation (note 10)	Written down value of disposals	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property							
land	3,032	270	-	-	19	-	3,283
land improvements	2,349	1,751	-	134	-	96	4,062
Total land	5,381	2,021	-	134	19	96	7,345
buildings	26,434	1,917	-	958	-	230	27,623
Total buildings	26,434	1,917	-	958	-	230	27,623
Total property	31,815	3,938	-	1,092	19	326	34,968
Plant and Equipment							
plant, machinery and equipment	2,303	1,275	-	462	268	-	2,848
fixtures, fittings and furniture	301	84	-	150	-	-	235
Total plant and equipment	2,604	1,359	-	612	268	-	3,083
Infrastructure							
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 and 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
Total infrastructure	163,645	3,897	84,098	4,260	-	928	248,308
Library materials							
book stock	107	-	-	12	-	-	95
Total library materials	107	-	-	12	-	-	95
Library materials							
work in progress	1,275	776	-	-	-	(1,254)	797
Total property, plant and equipment, infrastructure	199,446	9,970	84,098	5,976	287	-	287,251

2012	Balance at beginning of financial year	Aquisition of assets	Revaluation increments (decrements) (note 23)	Depreciation and amortisation (note 10)	Written down value of disposals	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property							
land	3,466	-	-	-	1,010	576	3,032
land improvements	2,390	80	-	121	-	-	2,349
Total land	5,856	80	-	121	1,010	576	5,381
buildings	27,367	101	-	951	83	-	26,434
Total buildings	27,367	101	-	951	83	-	26,434
Total property	33,223	181	-	1,072	1,093	576	31,815
Plant and Equipment							
plant, machinery and equipment	2,067	831	-	446	149	-	2,303
fixtures, fittings and furniture	269	164	-	132	-	-	301
Total plant and equipment	2,336	995	-	578	149	-	2,604
Infrastructure							
road substructure	137,721	1,809	-	2,679	-	855	137,706
road seals	7,884	747	-	964	-	-	7,667
footpaths	929	-	-	38	-	-	891
kerb and channel	1,735	-	-	63	-	-	1,672
culverts	3,450	411	-	125	-	-	3,736
bridges	9,896	1,916	-	223	-	186	11,775
other structures	211	-	-	13	-	-	198
Total infrastructure	161,826	4,883	-	4,105	-	1,041	163,645
Library materials							
book stock	-	-	-	-	-	107	107
Total library materials	-	-	-	-	-	107	107
Library materials							
work in progress	3,339	655	-	-	-	(2,719)	1,275
Total property, plant and equipment, infrastructure	200,724	6,714	-	5,755	1,242	(995)	199,446

Note 20:

Trade and other payables

	2013 \$'000	2012 \$'000
<i>Current</i>		
Trade creditors	1,515	1,328
Land purchase creditor	29	29
Accrued expenses	403	758
Defined benefits superannuation - additional call	-	1,840
	1,947	3,955
<i>Non-current</i>		
Land purchase creditor	29	58
	29	58
Total	1,976	4,013

Note 21:

Trust funds and deposits

	2013 \$'000	2012 \$'000
Refundable building deposits	46	71
Refundable contract deposits	28	29
Refundable Camp Hill trust funds	20	21
Refundable Grampians Pyrenees Regional Development Board	-	88
Other refundable deposits	77	5
Total trust funds and deposits	171	214

Note 22: Provisions

2013	Annual leave \$'000	Long service leave \$'000	Landfill restoration \$'000	Total \$'000
Balance at beginning of the financial year	529	1,249	-	1,778
Additional provisions	481	153	-	634
Amounts used	(400)	(76)	-	(476)
Balance at the end of the financial year	610	1,326	-	1,936
2012				
Balance at beginning of the financial year	486	1,083	50	1,619
Additional provisions	423	386	-	809
Amounts used	(380)	(220)	-	(600)
Balance at the end of the financial year	529	1,249	50	1,828

(a) Employee benefits

All annual leave and LSL entitlements representing more than 7 years of continuous service

	2013 \$'000	2012 \$'000
<i>(i) Current</i>		
Short term benefits, that fall due within 12 months after the end of the period measured at nominal value	476	600
Other long term employee benefits that do fall due within 12 months after the end of the period measured at nominal value	1,285	1,027
	1,761	1,627
<i>(ii) Non-Current</i>		
LSL representing less than 7 years of continuous service measured at present value	175	151
Total	175	151

Commentary - Employee Entitlements

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.

The following assumptions were adopted in measuring the present value of long service leave and retirement gratuity:

	2013 \$'000	2012 \$'000
Weighted average increase in employee costs	4.31%	4.31%
Weighted average discount rates	3.06%	3.06%
Weighted average settlement period	15	15

(b) Landfill restoration

(ii) Non-Current

Landfill Restoration	-	50
Total	-	50

Note 23:

Interest-bearing liabilities

	2013 \$'000	2012 \$'000
<i>Current</i>		
Borrowings - secured	272	255
<i>Non-current</i>		
Borrowings - secured	1,929	2,199
Total	2,201	2,454

The maturity profile for Council's borrowings is:

Not later than one year	272	255
Later than one year and not later than five years	1,278	1,206
Later than five years	651	993
	2,201	2,454

Note 24:

Reserves

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

(a) Asset revaluation reserves 2012	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Property			
land	2,075	-	2,075
buildings	18,759	-	18,759
	20,834	-	20,834
Infrastructure			
road substructure	84,540	-	84,540
road seals	2,730	-	2,730
footpaths	597	-	597
kerb and channel	802	-	802
culverts	2,617	-	2,617
bridges	5,972	-	5,972
plant and equipment	301	-	301
furniture and fittings	40	-	40
	97,599	-	97,599
Total Asset revaluation reserves	118,433	-	118,433

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(b) Other reserves 2013	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
recreation land	9	-	-	9
gravel pits	70	-	(70)	-
Total Other reserves	79	-	(70)	9

2012				
recreation land	9	-	-	9
gravel pits	70	-	-	70
Total Other reserves	79	-	-	79

(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)

	2013	2012
	\$'000	\$'000
(Deficit)/Surplus for Year	(6,165)	6,856
Finance costs	160	183
Depreciation/amortisation	5,976	5,755
Net gain/loss on disposal of property, infrastructure, plant and equipment (note 7)	(64)	209
<i>Change in assets and liabilities:</i>		
(Increase) in receivables	861	(1,898)
(Increase)/decrease in prepayments	25	(82)
(Increase) in accrued income	207	(128)
Increase in payables	(2,008)	2,542
Decrease in inventories	-	1
Increase in provisions	107	209
Net cash provided by/(used in) operating activities	(901)	13,647

Note 26:

Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 14)	4,875	5,897
Less bank overdraft	-	-
Total reconciliation of cash and cash equivalents	4,875	5,897

Note 27:

Financing arrangements

	2013	2012
	\$'000	\$'000
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	79
Trust funds (note 21)	171	214
	180	293

Note 29: Superannuation

Council made contributions to the following funds:

	2013 \$'000	2012 \$'000
Defined benefit funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	251	298
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date.	-	1,840
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	352	300
Employer contributions to -		
Health Super	7	6
Rowe Family Superannuation Fund	17	33
Elliott & Strietman Superannuation Fund	25	43
Adelaide Managed Fund	22	21
Sun Superannuation	-	-
Australian Super	8	7
Australian Ethical Investments	14	33
Mathews Superannuation Fund	25	3
	470	446

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)	16	16
Employer contributions to -		
Elliott & Strietman Superannuation Fund	1	1
Adelaide Managed Fund	1	1
Australian Super	1	1
Mathews Superannuation Fund	1	1
	20	20

*The Local Authorities Superannuation Fund latest December 31, 2011 actuarial investigation identified an unfunded liability of \$406 million excluding the contributions tax in the defined benefit fund of which we are a member. Council was made aware of the expected shortfall in early 2012 and was informed formally of their share of the shortfall on July 31, 2012 which amounted to \$1,840,057. Council elected to pay this shortfall by lump sum on the August 31, 2012. Council accounted for this shortfall in 2011/12 in the Balance Sheet under Current Liabilities (See Note 20).

Note 30: Commitments

2013	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
Capital				
construction works	1,421			1,421
Operating				
delivered meals	129			129
waste services	513			513
Totals	2,063	-	-	2,063
2012				
Capital				
construction works	2,884	-	-	2,884
Operating				
delivered meals	129	129		258
swimming pool management	146		-	146
waste services	616	513		1,129
Totals	3,775	642	-	4,417

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):

	2013	2012
	\$'000	\$'000
Not later than one year	72	141
Later than one year and not later than five years	-	152
	72	293

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 and Conditions

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash and cash equivalents	14	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Investments and Bills are valued at cost.</p> <p>Investments are held to maximise interest returns of surplus cash.</p> <p>Interest revenues are recognised as they accrue.</p>	<p>On-call deposits return a floating interest rate. The interest rate at balance date was 4.0% (5.5% in 2011/2012).</p> <p>Funds returned fixed interest rate of between 2.75% (4.75% in 2011/2012), and 6.15% (6.35% in 2011/2012) net of fees.</p>
Receivables - other debtors	15	<p>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.</p> <p>Collectability of overdue accounts is assessed on an ongoing basis.</p>	<p>General debtors are unsecured and arrears attract an interest rate of 10.5% (10.5% in 2011/2012). Credit terms are based on 30 days. Community loan debtors are unsecured and arrears attract an interest rate of 6.99% (6.99% in 2011/2012)</p>
Financial assets	16	<p>Investments and Bills are valued at cost.</p> <p>Investments are held to maximise interest returns of surplus cash.</p> <p>Interest revenues are recognised as they accrue.</p>	<p>Funds returned fixed interest rate of between 2.75% (4.75% in 2011/2012), and 6.15% (6.35% in 2011/2012) net of fees.</p>
Financial Liabilities			
Payables	20	<p>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.</p>	<p>General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.</p>
Interest bearing liabilities	23	<p>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.</p>	<p>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.</p>
Bank overdraft	27	<p>Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.</p>	<p>The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand.</p>

(b) Interest Rate Risk

2012/2013	Floated Interest Rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets						
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
Total financial assets	1,852	9,035	45	23	2,613	13,568
Weighted average interest rate	3.00%	4.25%				
Financial liabilities						
Payables	-	-	-	-	1,947	1,947
Trust funds and deposits	-	-	-	-	171	171
Interest-bearing liabilities	-	272	1,278	651		2,201
Total financial liabilities	-	272	1,278	651	2,118	4,319
Weighted average interest rate		6.96%	6.96%	6.96%		
Net financial assets (liabilities)	1,852	8,763	(1,233)	(628)	495	9,249

2011/2012	Floated Interest Rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets						
Cash assets	375	21,520	-	-	2	21,897
Financial assets	-	-	-	-	-	-
Receivables	-	13	46	23	3,348	3,430
Accrued income	-	-	-	-	312	312
Total financial assets	375	21,533	46	23	3,662	25,639
Weighted average interest rate	4.50%	5.25%				
Financial liabilities						
Payables	-	-	-	-	3,955	3,955
Trust funds and deposits	-	-	-	-	214	214
Interest-bearing liabilities	-	255	1,206	993	-	2,454
Total financial liabilities	-	255	1,206	993	4,169	6,623
Weighted average interest rate		6.96%	6.96%	6.96%		
Net financial assets (liabilities)	375	21,278	(1,160)	(970)	(507)	19,016

(c) Net Fair Values

The net fair value of financial assets and liabilities as disclosed in the Statement of Financial Position 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:

	2013	2012
	\$'000	\$'000
Current (not yet due)	1,919	2,812
Past due by up to 30 days	250	250
Past due between 31 and 180 days	300	300
Past due between 181 and 365 days	30	30
Past due by more than 1 year	88	88
Total Trade & Other Receivables	2,587	3,480

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 asset 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 Council's 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 months or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000
2013						
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
Total financial liabilities	2,241	294	417	1,238	776	4,965
2012						
Trade and other payables	3,955	-	-	-	-	3,955
Trust funds and deposits	107	107	-	-	-	214
Interest-bearing loans and borrowings	128	128	416	1,248	1,206	3,125
Total financial liabilities	4,190	235	416	1,248	1,206	7,294

(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 4.0% (6.2% 2011/12).

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						
		-1%		2%		
		100 basis points		200 basis points		
Market risk exposure 2013	Carrying amount subject to interest \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	
Financial assets						
Cash and cash equivalents	4,875	(49)	(49)	98	98	
Trade and other receivables	2,587	(26)	(26)	52	52	
Financial assets:	6,000	(60)	(60)	120	120	
Financial liabilities						
Interest-bearing loans and borrowings	2,201	(22)	(22)	44	44	
2012						
Financial assets						
Cash and cash equivalents	21,897	(219)	(219)	438	438	
Trade and other receivables	3,430	(34)	(34)	69	69	
Financial liabilities						
Interest-bearing loans and borrowings	2,454	(25)	(25)	49	49	

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 M O'Connor
(Councillor 1.7.2012 to Current, Mayor 29.10.2012 to Current)

Councillor R Vance
(Councillor 1.7.12 to Current)

Councillor D Clark
(Councillor 1.7.2012 to Current)

Councillor T Kehoe
(Councillor Elected 27.10.2012 to Current)

Councillor R Eason
(Councillor Elected 27.10.2012 to Current)

Councillor J Quinn
(Mayor 1.7.2012 to 26.10.2012)

Councillor A Carson
(Councillor 1.7.2012 to 26.10.2012)

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:

	2013	2012
	No	No
\$0 - \$9,999	1	-
\$10,000 - \$19,999	4	3
\$20,000 - \$29,999	1	-
\$30,000 - \$39,999	-	2
\$40,000 - \$49,999	1	-
\$180,000 - \$189,999	-	1
\$200,000 - \$209,999	1	-
	8	6

2013	2012
\$	\$

Total Remuneration for the reporting year for Responsible Persons included above amounted to:	339,000	319,000
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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 (2011/2012 - Nil).

(iv) Other Transactions

There were no other transactions other than remuneration payments or the reimbursement of approved expenses entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2011/2012 - Nil).

(v) 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 \$127,000 (2011/2012 - \$127,000).

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

<i>Income Range</i>	No	No
>\$127,000	-	2
\$144,000 - \$154,999	2	1
	2	3
	\$	\$

Total Remuneration for the reporting year for Senior Officers included above, amounted to:	303,000	300,000
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Note 35:

Revenues, expenses and assets by function/activity

	Road Infrastructure		Community Infrastructure		Community Wellbeing		Growth and Employment Development	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Revenue								
Grants	12,785	24,727	60	147	3,734	1,934	315	499
Other	126	69	61	135	332	305	342	329
Total	12,911	24,796	121	282	4,066	2,239	657	828
Expenses	15,454	14,359	1,307	2,649	5,053	2,306	1,435	1,146
Comprehensive Result								
Surplus/(Deficit)	(2,543)	10,437	(1,186)	(2,367)	(987)	(67)	(778)	(318)
Assets Attributed to functions/activities	248,953	194,144	25,493	-	6,158	3,614	3,273	1,712

*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

To provide safe, well maintained and functional assets to support communities.

Community Wellbeing

To enhance the quality of life by building connected, active and resilient communities.

Growth & Employment Development

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

Governance & Community Leadership

To provide leadership for the community and advocate on its behalf to improve the economic, social and environmental wellbeing of the Pyrenees Shire.

Organisational Development

To ensure the organisation is financially sustainable and has the capacity and capability to meet current and future needs.

Environment

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

	Governance and Community Leadership		Organisational Development		Environment		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Revenue								
Grants	-	-	2,217	3,519	189	399	19,300	31,225
Other	-	-	7,687	7,319	1,019	886	9,567	9,115
Total	-	-	9,904	10,910	1,208	1,285	28,867	40,340
Expenses	1,202	1,030	8,788	10,596	1,793	1,398	35,032	33,484
Comprehensive Result								
Surplus/(Deficit)	(1,202)	(1,030)	1,116	314	(585)	(113)	(6,165)	6,856
Assets Attributed to functions/activities	17,420	26,088	387	404	425	439	302,109	226,401

Note 36: Capital Expenditure

	Note	2013 \$'000	2012 \$'000
Capital Expenditure Areas			
Land		520	-
Land improvements		1,962	80
Buildings		2,092	101
Plant, equipment and other		1,359	995
Roads		4,287	4,883
Work in progress		-	655
Total capital works		10,220	6,714

Represented by:

Renewal		3,691	978
Upgrade		2,721	2,079
New assets		3,808	3,657
Total capital works		10,220	6,714

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 Statement of Financial Position links to the net of the following items:

Total capital works		10,220	6,714
Land held for sale movement		(17)	-
Asset revaluation movement	23(a)	84,098	-
Depreciation and amortisation	10	(5,976)	(5,755)
Written down value of assets sold	7	(520)	(1,471)
Net movement in property, plant & equipment	18	87,805	(512)

(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

	2013 \$'000	2013 %	2012 \$'000	2012 %	2011 \$'000	2011 %
(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)						
<u>Debt servicing costs</u>	160		183		154	
Total revenue	28,867	0.55%	40,340	0.45%	27,437	0.56%
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) Debt commitment ratio (to identify Council's debt redemption strategy)						
<u>Debt servicing and redemption costs</u>	413		450		363	
Rate revenue	7,331	5.63%	6,928	6.50%	6,572	5.52%
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.						
(c) Revenue ratio (to identify Council's dependence on non-rate income)						
<u>Rate revenue</u>	7,331		6,928		6,572	
Total revenue	28,867	25.40%	40,340	17.17%	27,437	23.95%
The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.						

	2013 \$'000	2013 %	2012 \$'000	2012 %	2011 \$'000	2011 %
(d) Debt Exposure Ratio (to identify Council's exposure to debt)						
<u>Total indebtedness</u>	<u>6,284</u>		<u>8,509</u>		<u>5,866</u>	
Total realisable assets	45,764	13.73%	56,421	15.08%	49,118	11.94%
<p>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.</p> <p>Any liability represented by a restricted asset (note 25) is excluded from total indebtedness.</p> <p>The following assets are excluded from total assets when calculating Council's realisable assets:</p> <p>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.</p> <p>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.</p>						
(e) Working Capital Ratio (to assess Council's ability to meet current commitments)						
<u>Current assets</u>	<u>14,826</u>		<u>26,905</u>		<u>15,888</u>	
Current liabilities	4,151	357.17%	6,051	444.64%	3,121	509.07%
<p>The ratio expresses the level of current assets the Council has available to meet its current liabilities.</p>						

Note 38: Special committees and other activities

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

- Goldfields Recreation Reserve Committee of Management
- 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 Swimming Pool/Caravan Park
- Waubra Sporting Complex
- Beaufort Mechanics Institute
- Landsborough Community Resource Centre

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 2013, and have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*, Australian Accounting Standards and other mandatory professional reporting requirements.



.....
Terrence Mathews CPA
Principal Accounting Officer

Dated at Beaufort this 5th day of September 2013

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 2013 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 20th August 2013 to certify the financial statements in their final form.



.....
Michael O'Connor
Mayor



.....
Ron Eason
Councillor



.....
Stephen Cornish
Chief Executive Officer

Dated at Beaufort this 5th day of September 2013

STANDARD STATEMENTS

For the Year Ending June 30, 2013

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 82 to 87 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 10 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 June 12, 2012. 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 82 to 87. 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 June 30, 2013

	Budget 2012/13 \$'000	Variances \$'000	%	Ref	Actuals 2012/13 \$'000
Revenue					
Rates and charges	7,258	73	1.0		7,331
Grants - operating	9,447	502	5.3		9,949
Grants - capital	3,053	6,298	206.3	1	9,351
User fees	841	76	(9.0)		917
Contributions	36	182	505.6	2	218
Other revenue	390	711	182.3	3	1,101
Net gain (loss) on disposal of assets	-	64	-		64
Total revenue	21,025	7,906			28,931
Expenses					
Employee benefits	5,952	94	(1.6)		6,046
Materials and services	21,257	1,476	(6.9)		22,733
Depreciation	5,400	576	(10.7)	4	5,976
Finance costs	161	(1)	0.6		160
Other expenses	188	(7)	(3.7)		181
Total expenses	32,958	2,138			35,096
Surplus (deficit) for the period	(11,933)	5,768			(6,165)

Variance Explanation Report

Ref.	Item	Explanation
1	Grants - capital	Higher than budget as a result of the flood events experienced in September 2010 and January 2011. Another factor also was Council receiving \$710,000 in 12/13 for The Avoca Family and Children's Centre. These funds had been anticipated to be received in 11/12.
2	Contributions	Higher than budget for two reasons. Firstly, a contribution to the Avoca Family and Children's Centre was received in 2012/13 which had been budgeted for in the previous financial year. The second reason was the increased contributions during the year from community groups to fund various minor works.
3	Other revenue	Higher than budget as a result of interest on investments. The higher than anticipated level of non-recurrent grants received in 2012/13 has resulted in Council maintaining higher levels of investments than normal. This has increased interest on investment in the current year.
4	Depreciation	Council valued its building assets at the June 30, 2011. The revaluation resulted in a significant increase in depreciation on building assets. The calculation of the significant increase as a result of the new valuations was not completed until after the 2012/13 budget was adopted.

Standard Balance Sheet

As at June 30, 2013

	Budget 2012/13 \$'000	Variations \$'000	%	Ref	Actuals 2012/13 \$'000
Current Assets					
Cash and cash equivalents	1,631	3,244	198.9	5	4,875
Trade and other receivables	1,521	1,066	70.1	6	2,587
Financial assets	-	-	-		6,000
Other	266	(21)	7.9		245
Non-current assets classified as held for sale	-	1,119	-	7	1,119
Total current assets	3,418	5,408			14,826
Non-current Assets					
Trade and other receivables	83	(51)	(61.4)		32
Property, plant and equipment, infrastructure	209,219	78,032	37.3	8	287,251
Total non-current assets	209,302	77,981			287,283
Current liabilities					
Trade and other payables	1,185	762	(64.3)	9	1,947
Trust funds and deposits	225	(54)	(24.0)	10	171
Provisions	1,419	342	(24.1)	11	1,761
Interest bearing loans and borrowings	267	5	1.9		272
Total current liabilities	3,096	1,055			4,151
Non-current liabilities					
Trade and other payables	29	-	-		29
Interest bearing loans and borrowings	1,940	(11)	(0.6)		1,929
Provisions	288	(113)	(39.2)	12	175
Total non-current liabilities	2,257	(124)			2,133
Total liabilities	5,353	931			6,284
Net assets	207,367	88,458			295,825
Equity					
Accumulated surplus	88,855	4,430	5.0		93,285
Asset revaluation reserve	118,433	84,098	71.0		202,531
Other reserves	79	(70)	88.6		9
Total equity	207,367	88,458			295,825

Variance Explanation Report

Ref.	Item	Explanation
5	Cash assets and cash equivalents	Higher as a result of grant funding being received for the flood events experienced in September 2010 and January 2011. There has also been delays in completion of various operational and capital projects. This has resulted in Council holding higher levels of cash than anticipated.
6	Trade and other receivables - current	Higher as a result of a larger amount of government grant funds being outstanding at the end of the financial year than anticipated at budget time. Part of this occurs as a result of the fund associated with the Carngham fire in January 2013.
7	Non-current assets classified as held for sale	At budget time there was uncertainty as to when this land would be sold as it is difficult to project the timing of the sale of residential and industrial allotments. As a consequence no specific line item was recorded in the budget for this item.
8	Property, plant and equipment, infrastructure	Significant variation occur as a result of the infrastructure asset revaluation.
9	Trade and other payables - current	Firstly, higher than budget as a result of the flood events experienced in September 2010 and January 2011. Council has received \$29.8M for restoration works associated with these floods. At the end of the year Council had expended \$16.2M on works on various flood projects. With the higher than anticipated level of expenditure there has been a corresponding increase in Council's level of creditors at year end.
10	Trust funds and deposits	These vary from year to year and they are difficult to predict at budget time each year.
11	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.
12	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 June 30, 2013

	Budget 2012/13 \$'000	Variances \$'000		Ref	Actuals 2012/13 \$'000
			%		
Cash flows from operating activities					
Receipts					
General rates	7,258	(3)	(0.0)		7,255
Operating grants and contributions	10,392	3,944	(38.0)	13	14,336
Capital grants and contributions	3,053	4,077	(133.5)	14	7,130
Interest	365	552	(151.2)	15	917
User charges	748	264	(35.3)	16	1,012
Statutory fees	161	4	(2.5)		165
Other revenue	67	138	(206.0)	17	205
Net GST Refund	1,509	(340)	(22.5)	18	1,169
	23,553				32,189
Payments					
Employee costs	(5,952)	(1,776)	(29.8)	19	(7,728)
Materials and contractors	(23,383)	(1,780)	(7.6)		(25,163)
Other expenses	(207)	8	(3.9)		(199)
	(29,542)				(33,090)
Net cash inflow from operating activities	(5,989)				(901)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment, infrastructure	791	(207)	(26.2)	20	584
Payments for property, plant and equipment, infrastructure	(9,381)	(868)	9.3		(10,249)
Purchase of investments	-				(35,700)
Proceeds from redemption of investments	-				29,700
Net cash (outflow) from investing activities	(8,590)	(7,075)			(15,665)

	Budget 2012/13 \$'000	Variances \$'000	%	Ref	Actuals 2012/13 \$'000
Cash flows from financing activities					
Trust funds and deposits	-	(43)	-		(43)
Finance costs	(161)	1	(0.6)		(160)
Proceeds from borrowings	-	-	-		-
Repayment of interest bearing loans and borrowings	(250)	(3)	1.2		(253)
Net cash inflow (outflow) from financing activities	(411)	(45)			(456)
Net increase (decrease) in cash and cash equivalents	(14,990)	(2,032)	13.6		(17,022)
Cash and cash equivalents at the beginning of the year	16,620	5,277	31.8		21,897
Cash and cash equivalents at the end of the year	1,630	3,245			4,875
Reconciliation of Surplus (Deficit) and Net Cash Flows from Operating Activities For the year ending June 30, 2013					
Surplus (deficit)	(11,933)	5,768	48.3		(6,165)
Depreciation and amortisation	5,400	576	10.7		5,976
(Profit) loss on sale of property, plant and equipment, infrastructure	-	64	-		64
Finance costs	-	(160)	-		(160)
Net movement in current assets and liabilities	-	(616)	-		(616)
Net cash inflow (outflow) from operating activities	(6,533)	5,632			(901)

Variance Explanation Report

Ref.	Item	Explanation
13	Operating grants and contributions	Higher than budget as a result of the flood events experienced in September 2010 and January 2011. Council has received \$29.8M for restoration works associated with these floods.
14	Capital grants and contributions	Council budgeted to receive funding for the Avoca Family and Children's Centre in 2011/2012. Council did not receive all of these fund in 2011/2012. The additional funds were received in 2012/13.
15	Interest received (inflow)	Higher than budget as a result of interest on investments being higher than budget. The higher than anticipated level of non-recurrent grants has resulted in Council maintaining higher levels of investments than normal. This has increased interest on investment in the current year.
16	User Charges	Higher than budget as a result of an increase in the level of building fees, caravan park fees, animal registration, legal fees and venue hire fees received in 2012/13.
17	Other income received (inflow)	Higher than budget as a result of income from private works being higher than anticipated.
18	Net GST Refund	Lower than budget as a result of change in State Government policy that now pay most grant payment without GST.
19	Employee Expenses	The Local Authorities Superannuation Fund latest December 31, 2011 actuarial investigation identified an unfunded liability of \$333 million excluding the contributions tax in the defined benefit fund of which we are a member. Council was made aware of the expected shortfall during the 2011/12 year and was informed formally of their share of the shortfall on July 31, 2012 which amounted to \$1,840,057. Council elected to pay this shortfall by lump sum on the August 31, 2012. This large payment was unknown at budget time. It was accrued into the 2011/12 accounts but was physically paid in 2012/13. For that reason it impacts the 2012/13 Cash Flow Statement.
20	Proceeds from sale of property, plant and equipment, infrastructure	The sale of residential and industrial land blocks have been less than the amount originally budgeted for. This shortfall was compensated for by additional sales that occurred in May and June 2011.

Standard Statement of Capital Works

For the Year Ending June 30, 2013

Capital Works Areas	Budget 2012/13 \$'000	Variances		Ref	Actuals 2012/13 \$'000
		\$'000	%		
Land	1,200	(680)	(56.7)	21	520
Roads	3,278	1,009	(30.8)	22	4,287
Land improvements	1,017	945	(92.9)	23	1,962
Buildings	1,965	127	(6.5)	24	2,092
Plant and equipment and other	1,066	293	(27.5)	25	1,359
Total capital works	8,526	1,694			10,220

Represented by:

Renewal of infrastructure	5,628	(1,937)	(34.4)		3,691
Upgrade of infrastructure	625	2,096	(335.4)		2,721
New infrastructure	2,273	1,535	(67.5)		3,808
Total capital works	8,526	1,694			10,220


Property, plant and equipment, infrastructure movement reconciliation worksheet	Budget 2012/13 \$'000	Variances		Ref	Actuals 2012/13 \$'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	8,526	1,694	(19.9)		10,220
Land held for sale movement					(17)
Asset revaluation movement	-	84,098	-		84,098
Depreciation and amortisation	(5,400)	(576)	(10.7)		(5,976)
Written down value of assets sold	(719)	199	27.7		(520)
Net movement in property, plant and equipment, infrastructure	2,407	85,415			87,805

Variance Explanation Report

Ref.	Item	Explanation
21	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.
22	Roads	Higher than budget as a result of delays in Council's 2011/12 (i.e. previous year) capital works program. Some projects were delayed as they were reliant on government funding being approved before the project could commence. These projects have now been constructed in 2012/13.
23	Land improvements	Higher than budget as a result of carryover of projects from Council's 2011/12 capital works program. One of the major projects that has experienced delay was the Carngham netball courts. Construction occurred in 2012/13 when it was anticipated to occur the year prior. Construction of this facility was delayed as a result of inclement weather.
24	Buildings	Council made a number of successful grant applications to improve and upgrade buildings during the year. This includes the Avoca Family and Children's Centre. The delay in the approval of grant funding for this project resulted in the project being completed in 2012/13 rather than 2011/12.
25	Plant and equipment and other	A plant item purchased during the year was carried forward from the 2011/12 plant replacement program. This increased expenditure in this area above 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 2013 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 2004*, and other mandatory professional reporting requirements.



.....
Terrence Mathews CPA
Principal Accounting Officer

Dated at Beaufort this 5th day of September 2013

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 2013 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.



.....
Michael O'Connor
Mayor



.....
Ron Eason
Councillor



.....
Stephen Cornish
Chief Executive Officer

Dated at Beaufort this 5th day of September 2013

VAGO

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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 2013 of the Pyrenees Shire Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, statement 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 2013 of the 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 the standard statements 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 2013 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 2013 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
11 September 2013


John Doyle
Auditor-General

PERFORMANCE STATEMENT

For the Year Ending June 30, 2013

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

Key Strategic Activities For the year ending June 30, 2013					
Four year plan		Annual Plan			
Objectives	Strategies	Key Strategic Activities	Targets	Achievement	Explanation
1 – To maintain a safe and effective road system that caters for all road users within the shire.	1.1 – Improve communication to the community regarding the management of the road network.	1.1.1 – Improved information to the community regarding the management of the gravel road network.	Time - Gravel Roads Maintenance Focus Group developed in July 2012 to review level of service for gravel roads with a report to Council in November 2012.	No	To occur 2013/14.
			Time - Direct mail out to residents of the outcome of the Gravel Roads Maintenance Focus Group in November 2012.	No	Flyer for residents drafted. To occur 2013/14.

Key Strategic Activities For the year ending June 30, 2013					
Four year plan		Annual Plan			
Objectives	Strategies	Key Strategic Activities	Targets	Achievement	Explanation
2 – To provide safe, well maintained and functional assets to support communities.	2.1 – Promote community pride through developing tidy, attractive and functional streetscapes that encourage tourism, town pride and new residents.	2.1.1 – Beaufort streetscape works.	Time - Beaufort Streetscape Plan completed and adopted by Council by September 2012.	Yes	Beaufort streetscape completed June 2013.
		2.1.2 – Waubra, Snake Valley, Lexton, Moonambel and Avoca streetscape plans.	Time - Plans completed for designated towns and adopted by Council prior to March 2013.	Yes	Avoca streetscape plan adopted August 2012. Snake Valley, Moonambel, Lexton and Waubra adopted February 2013.
	2.2 – Use community action plans to inform Council's priorities for determining the use of, and future needs for, community facilities.	2.2.1 – Avoca Family and Children's Centre.	Time - Completion of the Avoca Centre prior to February 2013.	No	Avoca Family and Children's Centre completed March 2013. Delayed due to weather and additional works.

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Key Strategic Activities For the year ending June 30, 2013					
Four year plan		Annual Plan			
Objectives	Strategies	Key Strategic Activities	Targets	Achievement	Explanation
3 – To enhance the quality of life of residents by building connected, active and resilient communities.	3.1 – Provide responsive and sustainable community services in aged care, family day care and maternal and child health.	3.1.1 – Maintain the levels of high quantity aged care service delivery.	Quantity - Zero waiting list for the provision of home care services for aged clients.	Yes	There is no waiting list for home care services.
	3.2 – Encourage volunteers through the recognition and celebration of their valuable contribution.	3.2.1 – Maintain the levels of high recognition of Council's volunteer base.	Quality - Hold a volunteers recognition and celebration event in the 2012-2013 year.	No	Function not held.
	3.3 – Promote the use of libraries and community resource centres to enhance the community's educational, training and social networking opportunities.	3.3.1 – Improve the usage of Council's library facilities.	Quantity - Increase library materials usage by 5% over 2011/12 levels.	No	Library material usage up by 1.6%
	3.4 – Engage young people in community life.	3.4.1 – 'Youth re-engage' program.	Quantity - Increase number of participants in youth functions in 2012-2013 above 2011 level (590 youth attended).	No	477 individual youth participants.

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 – Review industrial land requirements in Beaufort and Avoca in conjunction with the review of the current industrial land strategy.	4.1.1 – Increased industrial land availability in Beaufort.	Time - Appropriate industrial land identified in Beaufort before June 30, 2013.	No	Awaiting outcome of VicRoads Beaufort bypass route.

Key Strategic Activities For the year ending June 30, 2013					
Four year plan		Annual Plan			
Objectives	Strategies	Key Strategic Activities	Targets	Achievement	Explanation
5 - To provide leadership for the community and advocate on its behalf to improve the economic, social and environmental wellbeing of the Pyrenees Shire.	5.1 - Mitigate public risk and improve employee safety through pro-active risk management	5.1.1 - Improved performance in Council's risk management areas.	5.1.1 - Review and update Council's risk register and present register to an Audit Committee Meeting during 2012-2013.	Yes	Report to Audit Committee November 2012.
		Continued certification to Australian Standards for safety, quality and environment	Quality - 5.1.2 ISO certification in Quality, Environment and Safety maintained.	Yes	
	5.2 Improve community engagement.	5.2.1 –Community informed regarding the Council elections.	Quantity - Increased number of candidates standing for election in 2012 above 2008 levels (total candidates 8 at 2008 election).	Yes	10 candidates stood for the Pyrenees Shire Council elections.
		5.2.2 – Improved communication and engagement.	Quantity - Public Notice advertisement is printed in regional newspapers at least 40 times during the 2012-2013 year.	Yes	Public Notices printed weekly in Pyrenees Advocate, Stawell Times News, Maryborough and District Advertiser.
			Quantity -Increase by 10% the number of hits on Council's website compared with 2011/12 year.	Yes	Increase of 10.43% .

Key Strategic Activities For the year ending June 30, 2013					
Four year plan		Annual Plan			
Objectives	Strategies	Key Strategic Activities	Targets	Achievement	Explanation
6 - To ensure the organisation is financially sustainable and has the capacity and capability to meet future and current needs.	6.1 - Review the Council's long-term financial strategy each year.	6.1.1 - Conformance to budget.	Time - Council to consider a report on its long term financial strategy in the 2012/2013 financial year.	Yes	Report to Council June 2013.
			Quality - Maintain a ration of current assets to current liabilities at a level in excess of 100% at June 30, 2013.	Yes	357.17%
			Quality - Maintain indebttness to rate reveune at less than 60% at June 30, 2013.	Yes	30.0% at 30.6.2013
	6.2 Attract, develop and retain good staff.	6.2.1 - Strong organisational climate.	Quality - That the retention rate of employees continuing with Council at June 30, 2013. compared to June 30, 2012 is 85%.	Yes	7 resignations of a total of 122 staff.

Key Strategic Activities For the year ending June 30, 2013					
Four year plan		Annual Plan			
Objectives	Strategies	Key Strategic Activities	Targets	Achievement	Explanation
7 - To show effective leadership in the management of the natural and built environments.	7.1 Implement the municipal waste management plan to reduce the amount of waste sent to landfill and to encourage recycling.	7.1.1 - A reduction in the amount of waste sent to council landfills.	Quantity - Conduct an annual hard waste collection in the townships of Avoca and Beaufort prior to June 15, 2013.	No	Proposed for September / October 2013.
			Quality - Maintain waste per assessment (excluding green waste) below the target of 380kg in 2012/2013.	Yes	Actual waste per assessment for the year 287kg.
	7.2 Prepare and implement the flood plain management plans for the main townships.	7.2.1 - Flood Management.	Time - Flood Study and Floodplain Management Plans completed for Landsborough by January 2013.	No	Project underway and driven by Wimmera Catchment Management Authority.
			Time - Funding Agreement with North Central CMA in place for preparation of the Avoca Flood Study by June 2013.	No	

PYRENEES SHIRE COUNCIL
Performance Statement
for the year ended 30th June 2013

Council Approval of the Performance Statement

In our opinion, the accompanying performance statement of the Pyrenees Shire Council in respect of the 2012/2013 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.



.....
Michael O'Connor
Mayor



.....
Ron Eason
Councillor



.....
Stephen Cornish
Chief Executive Officer

Dated at Beaufort this 5th day of September 2013

VAGO

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Pyrenees Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2013 of the Pyrenees Shire Council which comprises the statement and the certification of 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 2013 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 2013 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
11 September 2013



John Doyle
Auditor-General



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SHIRE



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SHIRE

PYRENEES