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PYRENEES SHIRE
**ANNUAL
REPORT**

2014/2015



PYRENEES
— SHIRE —



Three strong elements make up the Pyrenees Shire Council logo: wool, the Pyrenees mountain range and wine. The logo embraces all three images in an elegant and stylised representation, intertwining as a consolidated unit.

Photos: Jayne Newgreen and Barbara Edmonds
Cover: Jayne Newgreen

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PYRENEES SHIRE

Section 1

INTRODUCTION





Welcome to the Report of Operations 2014/15

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2014/15 is the primary means of advising the Pyrenees Shire community about Council's operations and performance during the financial year 1 July 2014 to 30 June 2015.

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

Council's strategic framework is based on the following key areas:

- Leadership
- Community
- Roads
- Commerce
- Environment

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

To reduce environmental impact, a limited number of printed copies of this Annual Report have been produced. In addition, the Annual Financial Reports have been provided on a disk in the inside rear cover.

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.

Snapshot of Pyrenees Shire

Pyrenees Shire includes the townships of Beaufort, Avoca and Landsborough and the communities of Amphitheatre, Barkly, Bo Peep, Brewster, Bung Bong, Burnbank, Carngham, Carranballac, Chepstowe, Chute, Cross Roads, Crowlands, Ercildoune, Eurambeen, Evansford, Eversley, Frenchmans, Glenbrae, Glenlofty, Glenpatrick, Glenshee, Hillcrest, Lake Goldsmith, Lamplough, Langi Kal Kal, Lexton, Lillicur, Lower Homebush, Main Lead, Mena Park, Middle Creek, Moonambel, Mortchup, Mount Emu, Mount Lonarch, Natte Yallock, Nerring, Nowhere Creek, Percydale, Raglan, Rathscar, Redbank, Shays Flat, Shirley, Snake Valley, Stockyard Hill, Stoneleigh, Tanwood, Trawalla, Warrenmang, Waterloo, Wattle Creek and Waubra.

Pyrenees Shire had an estimated resident population of 6,979 people in 2014, an increase of 223 persons from the previous year.



Purpose

Our Vision

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

Our Mission

To achieve this Pyrenees Shire will:

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

Guiding Principles

- **Accessibility and responsiveness**

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

- **Integrity and accountability**

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

- **Standards for Council activity**

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

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.

Fast Facts

37,844 library items circulated

11,616 library collection items

2,681 animals registered



94 building permits issued

5,835 rateable properties

44 septic tank permits issued

261 fire prevention notices issued

210 permits to burn issued

116 new planning permit applications received

729 kilometres of sealed road network



156 bridges and 134 major culverts



11,815 visits to swimming pools in Landsborough, Avoca and Beaufort

67,096 visits to Resource Centres

16,720 hours of aged and disability support provided

37 groups assisted by Community Grants program

Strategic Objective Achievements

Strategic Objective: Leadership

We will provide community leadership and advocacy to ensure we are a financially sustainable organisation, working hard to improve the economic, social and environmental wellbeing of the Pyrenees Shire.

Achievements:

- Re-established quarterly Community Newsletter.
- Occupational Health and Safety Committee relaunched in November 2014.
- Municipal Emergency Management Plan audited by State Emergency Service in July 2014. Plan assessed Best Practice for all 24 elements.
- Emergency Management Team co-ordinated response and recovery activities following the Avoca storm event in February.

Strategic Objective: Community

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

Achievements:

- Construction of the Amphitheatre Community Centre completed.
- Establishment of Playgroups in Waubra and Lexton.
- Successful funding application to support Youth Program.
- 137 Pyrenees residents participated in "Jamie's Ministry of Food" sessions.
- Home and Community Care Community Lunches launched in Beaufort and Avoca.
- Upgrade of the Avoca Hall.
- Municipal Early Years Plan adopted.

Strategic Objective: Roads

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

Achievements:

- Finalisation of all Flood Recovery Works.
- Bridge guard rail renewal program completed for three significant bridges.
- Roads to Recovery program successfully implemented.
- Country roads and Bridges program completed.

Strategic Objective: Commerce

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

Achievements:

- Continued release and sale of residential land at Correa Park, Beaufort.
- Completion of infrastructure upgrades at the Beaufort Caravan Park valued at over \$300,000.
- Development of a television advertising campaign "My Pyrenees" to increase visitor numbers to the Shire.
- Development of a quarterly economic development newsletter "Development Press" to inform the community on progress with projects.
- Construction of the Landsborough water pipeline.
- Federal Government funding commitment under the Mobile Communications Black Spot Program to install new towers in Moonambel and Landsborough.

Strategic Objective: Environment

We will show effective leadership in managing our own environmental impacts as well as in the management of the local natural and built environment.

Achievements:

- Domestic Waste Water Management Plan 2015/18 finalised.
- New garbage and recycling collection schedule implemented.
- Implementation of the Roadside Weeds and Pests Strategy.
- Fire prevention works.



Challenges and Future Outlook

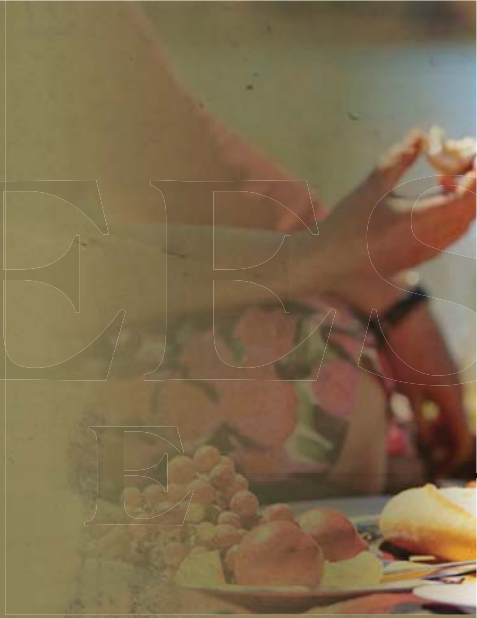
Challenges

- Impact of the freeze on Commonwealth Financial Assistance Grants
- Introduction of rate capping
- Securing funding for major initiatives
- Improving the economic capacity of the municipality
- Long term financial sustainability

The Future

- Continued advocacy for improved telecommunications
- Reticulated water for Moonambel
- Construction of the Beaufort bypass
- Sustainable growth and infrastructure development across the Shire

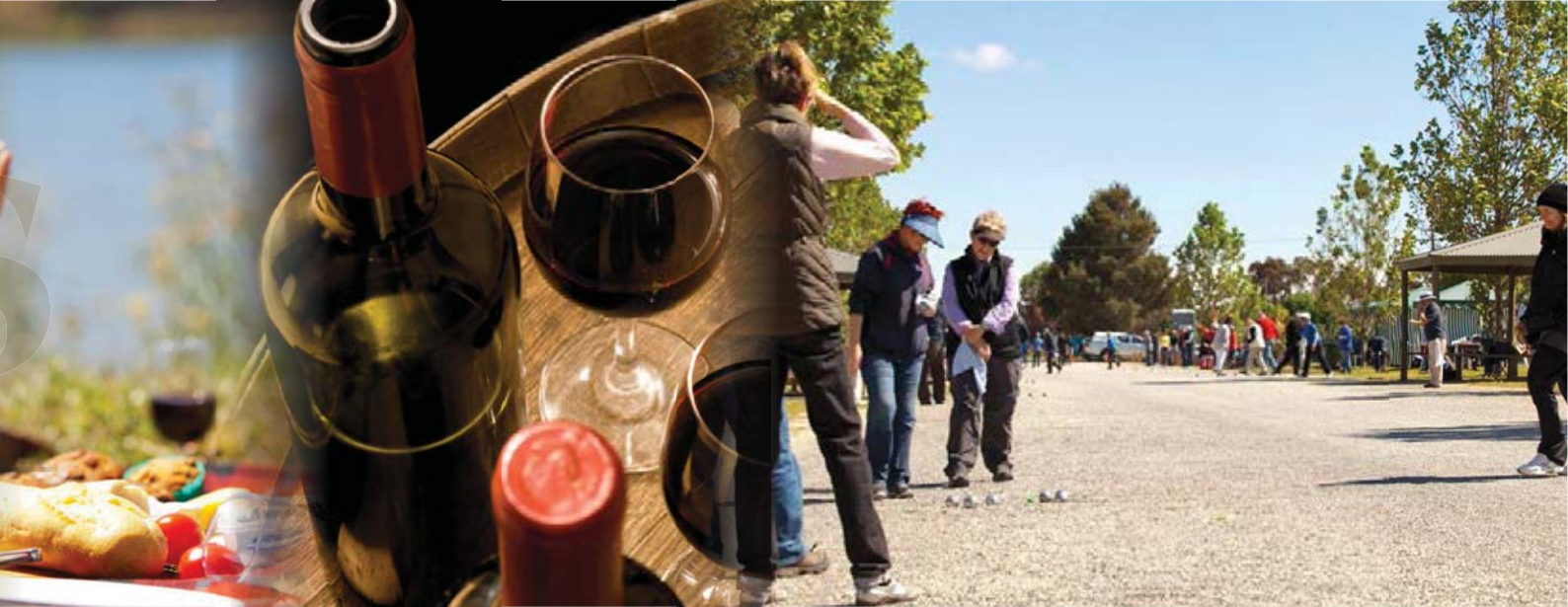
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Section 2

THE YEAR IN REVIEW





Message from the Mayor and CEO

We are pleased to provide this report on the activities of the Pyrenees Shire Council for the 2014/15 year.

The Council Plan for 2013/17 reflects Council's vision for the Pyrenees Shire 'to be a healthy vibrant, prosperous and connected community'. During the year Councillors and senior officers workshopped the Council Plan, and after much discussion and some refinement, restated its strategic objectives for Leadership, Community, Roads, Commerce and Environment, to provide a clear direction for the future.

The year has very much been one of achievement of those Council objectives, many of which are reflected in this Annual Report.

Advocacy and the development of relationships with state and federal government leaders saw visits to both parliaments and presentations to various political leaders on key issues of Council including transport, telecommunications, emergency management, economic development, health and funding for key services and infrastructure.

The Andrew's Labor Government came to power in November 2014 and with it new opportunities, in a tightening financial environment.

Council's delivery of substantial public infrastructure has been a highlight of the year. The Amphitheatre Community Facility was constructed under contract by Resicare. The \$631,000 project was funded by the Victorian Government (\$425,000) Council (\$191,000), Amphitheatre Community Group (\$10,000) and the Avoca Community Bank (\$5,000).

The restoration of the Avoca Hall has restored a magnificent asset to its former glory for the community to enjoy.

A significant Council construction program saw the completion of two major funding programs, the Local Government Infrastructure Program (LGIP) and the Country Roads and Bridges Program which have delivered over \$6m worth of road, bridges and community asset projects over the past four years.

The Roads to Recovery Program provides almost \$1m per annum of federal funding for Council works, and recent commitment to expand the program has been well received.

Major road projects completed this year include Raglan-Elmhurst Road, Mt William Road and Carngham-Trawalla Road, while significant bridge strengthening and repair works were completed on the Carngham-Streatham, Carngham-Trawalla, Pretty Tower and Avoca-Bealiba Road bridges.

Economic Growth has been an area of Council attention with the adoption of the Pyrenees Shire Growth Strategy 2015/18.

Growth and sustainability of the agriculture sector is evidenced in Council's participation in the Line of Sight Agri Industries project, and in maintaining relationships with peak bodies such as the Victorian Farmers Federation and Cultivate Agriculture.

Wine production and wine tourism is a strength of the Pyrenees Shire and the intended Victorian Wine Strategy provides an opportunity to strengthen this sector.



Wine production will increase as a result of the water pipeline to the Landsborough Valley. Initiated by Council, funded by the Victorian Government, and delivered by Grampians Wimmera Mallee Water, the project will see 'growth water' from the Wimmera Mallee flow in 2015.

At Moonambel, a feasibility study into a long term water supply solution has commenced as a result of funding from the Victorian Government, Central Highlands Water and Council.

The funding under the National Blackspot Program for mobile phone towers for Moonambel and Landsborough has been a rewarding culmination of advocacy by Council over a long period, and will benefit communities, businesses and tourists to our region.

Council successfully advocated through the Local Government National General Assembly for a national renewable energy target to be set. A bipartisan agreement resulted in a target of 33,000 GWH which provides improved certainty for the renewable energy industry.

Beaufort continues to provide an attractive lifestyle place for residents with the completion of stage Two of Council's Correa Park residential development. The proposed Western Highway bypass of Beaufort will also inevitably shape its future. Council and the community will be actively participating in the consultation around this following the announcement by the Minister for Planning that an Environmental Effects Statement is required for the proposed bypass.

Responsiveness to customer requests and processing statutory planning applications has been a focus of review and attention during the year to reflect community expectations.

There are many challenges for rural councils ahead with large asset renewal demands and diminishing revenue due to freezing of indexation of Federal Assistance Grants, and intended rate capping.

Strong financial control, reducing debt, reviewing and improving efficiency and effectiveness in service delivery, and resource sharing will build Council's capacity to respond to the challenges in the year ahead.

Councillor Tanya Kehoe, Mayor
Jim Nolan, Chief Executive Officer





Highlights for the Year

July 2014

- 10 year anniversary of trains running again through Beaufort.
- Deputy Premier Peter Ryan announced the Government will contribute \$210,000 towards the \$280,000 redevelopment of the Avoca Hall.
- Beaufort and Skipton Foundation handed over Mechanics Institute and Croquet Club land to Beaufort Skipton Health Services to allow for expansion of the Beaufort Hospital.
- Federal MP Dan Tehan nominated Moonambel and Landsborough to be considered among the priority areas for funding under the Coalition Government's \$100 million program to eliminate mobile phone black spots.
- All repairs to damage caused by 2010/11 floods have been completed.
- Lexton Transaction Centre celebrated 10 year anniversary.
- Council approves 16 applications to local community groups in the first round of Council's Community Grants Program.
- Council seeks public feedback on the draft Road Safety Strategy 2014.
- Corrections Minister Edward O'Donohue officially opened a 126 bed expansion at Langi Kal Kal Prison.
- State Government announced \$425,000 contribution towards a new multi-purpose facility at Amphitheatre Recreation Reserve.
- Victorian Labor promises \$5 million to build stage one of Beaufort Secondary College redevelopment.
- Council farewelled one of its longest serving employees Robin 'Hippy' Davis who retired after working with Council for 35 years.
- Chief Executive Officer Stephen Cornish announced his decision to retire in November.

August 2014

- Beaufort Men's Shed selected to receive \$4,700 in funding through Round Seven of the National Shed Development Program announced by Member for Wannan, Dan Tehan.
- Council called for Expressions of Interest from Community Groups to host the official 2015 Australia Day Celebrations.
- Council farewelled Lorraine Thompson who retired after working with Council for 30 years.
- Crowlands Bridge officially opened after being washed away during the 2011 floods.
- Simon Ramsay MP and Louise Staley promise that \$875,000 has been allocated to improve two sections of the Sunraysia Highway.

September 2014

- Council contractors installed speed humps outside of the Beaufort Hospital in Havelock Street.
- Avoca Business and Tourism Inc. were selected to host the official 2015 Australia Day Celebrations.
- Waubra Horticultural Society held its 55th Annual Spring Show.
- Council endorsed a new Municipal Early Years Plan.
- Avoca Fire Brigade received a new tanker which was partially funded through a grant from the Volunteer Emergency Services Equipment Program (VESEP) alongside a contribution from the Avoca brigade.

October 2014

- Federal Member for Wannon Dan Tehan confirmed Pyrenees Shire will receive \$5.9 million to maintain local roads.
- Works commenced on new multi-purpose pavilion at the Amphitheatre Recreation Reserve.
- Rally held to support the return of freight to the Ararat-Maryborough railway line.
- The Minister for Agriculture and Food Security Peter Walsh officially opened the Department of Environment and Primary Industries new base in Beaufort.
- Restoration works on Beaufort Railway Station are complete.
- Community forums held in Avoca, Beaufort and Moonambel to discuss the economic future of the Pyrenees Shire as part of the review of Councils Economic Development Strategy.
- Member for Western Victoria Simon Ramsay officially opened the Warrenmang and District Fire Station.
- Former Premier and Minister for the Arts Ted Baillieu, Avoca Chinese Garden Chairman Jane Howe, Member for Western Victoria Simon Ramsay and Director of the Bendigo Golden Dragon Museum Russell Jack officially open the gates to Avoca's new Chinese Garden.
- Avoca and Beaufort Men's Sheds received funding to upgrade their premises.
- Council agreed to an amended garbage collection schedule.
- Premier Denis Napthine announced the Government would provide the Avoca Shire Turf Club with \$26,000 to improve raceday safety, enhance viewing of the racecourse and to promote its December meeting.
- Council appoints new Chief Executive Officer, Jim Nolan.
- Council commences its annual road maintenance program which includes re-sealing of more than 20 roads.
- Council released its Annual Report for 2013/14.

November 2014

- Mt Emu Ward Councillor Cr Tanya Kehoe was elected Mayor.
- Council agreed to officially close the Ercildoune Road intersection with the Western Highway.
- The Coalition announced it will fund a feasibility study to identify and assess possible future water supply options to Moonambel.
- Council approves 19 applications to local community groups in the second round of Council's Community Grants Program.
- Beaufort held its annual Agricultural show.
- Councillor Eason officially opened Avoca's newest business – Avoca Sticky Beaks Craft Co-op.

- National Candidate for Ripon Scott Turner promises \$30,000 in grant funding for the Beaufort Men's Shed.
- Stephen Cornish officially retired from his role as Chief Executive Officer of Pyrenees Shire Council.

December 2014

- Western Victoria MP Jaala Pulford became the new Agriculture and Regional Development Minister.
- Council adopted a policy to deal with Code Red Days.
- The Avoca Shire Turf Club was recognised for excellence at the Australian Governments Wannon Sports Awards.

January 2015

- Council held its annual official Australia Day Celebrations at Avoca including the naming of Citizens of the Year, Junior Citizen of the Year and Event of the Year.
- More than 16,500 people attended the annual Rainbow Serpent Music Festival.

February 2015

- Construction of three new deluxe cabins at Beaufort Lake Caravan Park was completed.
- Labor Member for Western Victoria Jaala Pulford announced Amphitheatre Tennis Club and Avoca Golf Bowling Club are both recipients of the first round of VicHealth's Active Club Grants.
- Council hosted an agritourism and farmstay information night.
- The duplicated highway between Beaufort and Burrumbeet opened to traffic.
- Pyrenees Shire Council agreed to lobby the State Government for a comprehensive study into the effects of the proposed Beaufort Bypass.
- Council approves Planning Applications for Stages Three, Four and Five of Correa Park Estate adding an additional 58 blocks to the site.
- Wild wind storm hit Avoca damaging several houses and left Avoca without power for up to 24 hours.

March 2015

- Council agreed to work with Ararat Rural City to attract an additional train service.
- Council agreed on new names for a number of roads created as part of the Western Highway Duplication at Trawalla.

April 2015

- Council's Director Asset and Development Services Andrew Leach resigned after working with the Council for eight years.
- Council adopted a Procurement Policy to encourage more local trades people to apply for contracts.
- Pyrenees Shire Council released draft budget for 2015/16 for community comment.

May 2015

- Communities from across the Shire commemorate Anzac Day.
- Council's Economic Development Unit and volunteers attend the annual Regional Living Expo in Melbourne to showcase what the Pyrenees has to offer.
- Construction commenced on the gas pipeline to Avoca.
- Pyrenees Shire Council in conjunction with the Pyrenees Arts Council held an event to recognise volunteers that contribute to the Pyrenees Shire community.
- Council adopts its 2015/16 Budget.
- Council completed refurbishment works on Pratt Street Beaufort.
- Council agreed to support the City of Ballarat's plan to relocate saleyards.

June 2015

- Business Victoria's Small Business Bus visits Beaufort and Avoca.



Financial Summary

Throughout 2014/15 we continued to work on balancing the expectations of our community with the need to ensure that the financial foundations of Council remain strong and capable to meet the challenges of the future.

The continual refinement of our Long Term Financial Plan is the financial framework that we use to address the balance between community expectations and financial responsibility, 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 2014/15 financial results, it is important to see these results in light of the long-term financial objectives developed by Council. These are to:

- Maintain the existing range and level of services available to our communities.
- Maintain a strong cash position.
- Ensure that Council remains financially sustainable in the long-term.
- Reduce debt levels with the aim of becoming debt free within two years.
- Continue to pursue recurrent grant funding for strategic capital works from the state and federal governments.
- Ensure adequate revenue to maintain a sustainable level of services for our community.
- Ensure that the renewal of critical infrastructure is funded annually over the timeframe of the Long Term Financial Plan.

The following is a snapshot of our 2014/15 financial position:

- \$21.4 million revenue.
- \$6.4 million Capital Expenditure program delivered.
- Rates and waste charges comprised \$8.2 million (38%) of total revenue.
- Operating surplus of \$0.5 million.
- Cash holdings of \$7.0 million at year end.
- Debt reduced from \$1.9 million at 30 June 2014 to \$1.2 million at 30 June 2015.

Operating Result

We achieved an operating surplus of \$0.5 million in 2014/15 compared with an \$8.2 million deficit for 2013/14. (It should be noted that the 2013/14 deficit was magnified by the expenditure of flood grants received in prior years.) The 2014/15 operating result was impacted by a number of factors including the completion of road and bridge works funded in prior years and the reintroduction of the prepayment of government grants.

In addition to receiving a full year's worth of Victorian Grants Commission funding during 2014/15, we received an advance of half of our 2015/16 funding in June 2015. Despite this advance relating to the 2015/16 financial year, the accounting standards require these funds to be included as income for the 2014/15 financial year. Without this advance we would have reported a \$2.0 million deficit rather than a \$0.5 million surplus which would have been in alignment with the budget.

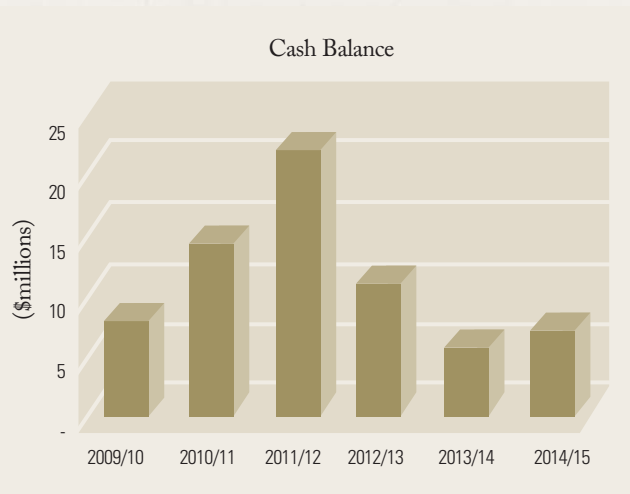
Whilst the nominal operating result has fluctuated wildly over the past six years, it is interesting to note that the aggregate operating result for this period is a surplus of \$1.5 million, which indicates that Council is in a sound underlying operating position.



Cash Holdings

Cash holdings at the end of the financial year are \$7.0 million. This figure includes \$1.2 million funds required for capital works carried forward from 2014/15 which will be undertaken in 2015/16. The receipt of a \$2.5 million advance of Victoria Grants Commission funding in June provided a significant increase in cash held at year end.

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



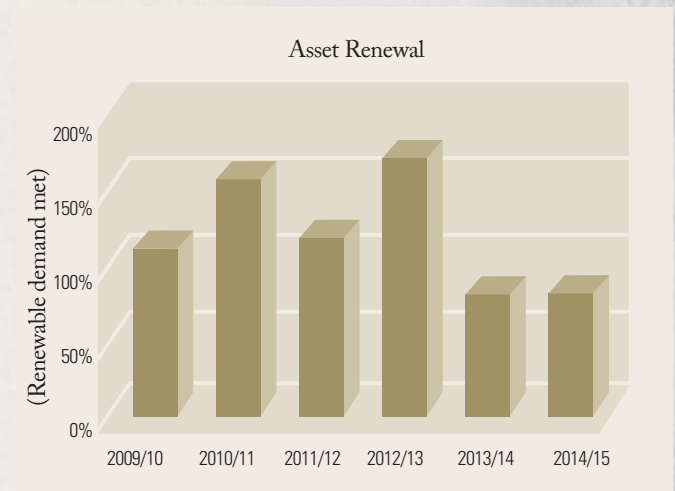
Sustainable Capital Expenditure

We aim to ensure that our assets are maintained at a standard that allows them to continue to deliver the services needed by our community at a standard that is acceptable to the community. During 2014/15, we spent a total of \$6.4 million on capital expenditure across the shire, including \$4.9 million (77%) on renewing existing assets.

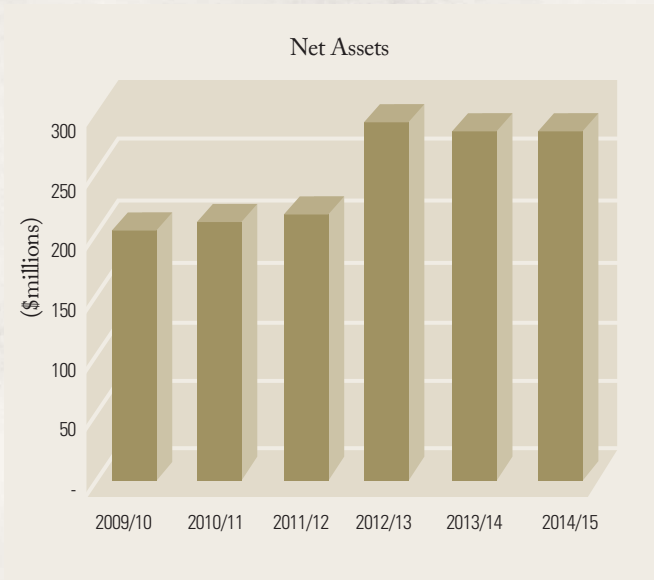


Our 2014/15 capital expenditure continued to address the challenge of renewing our community's assets. It is anticipated that in future, capital expenditure will be maintained at a realistic level with a high degree of dependence on funding from government grants.

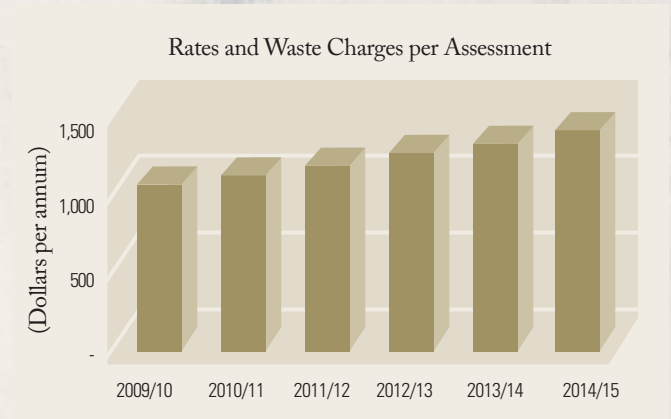
Asset renewal is measured as capital expenditure relative to asset depreciation. The additional capital works undertaken during 2010/13 arising from the extensive flood events in 2010/11 increased our asset renewal performance above our long-term average during those years.



Meeting the continual renewal of our vast asset base remains an ongoing challenge for us all.

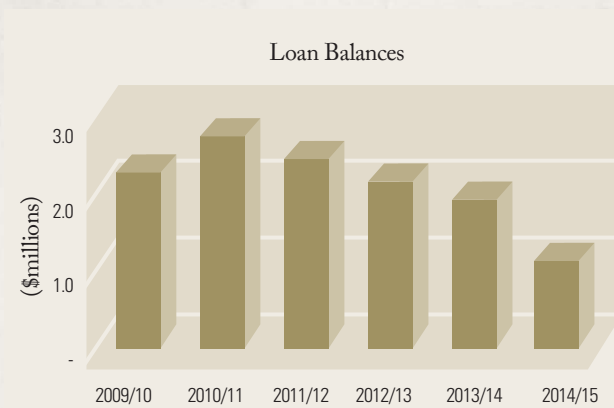


The average rates and waste charges per assessment have grown at an average compound rate of 5.56% over the past five years, notwithstanding that approximately 0.7% of this annual increase is generated from new buildings. Council is working towards lowering this rate of annual increase to reduce the impact on ratepayers.



Financial Sustainability

Council is working towards repaying all of its outstanding debt within two years. Currently interest on borrowings and debt redemption consumes around \$0.5 million per annum. Once Council becomes debt free this capital can then be allocated to other Council priorities which then strengthens Council's financial sustainability in the medium term.



We have many current and future demands on funding, highlighting the need for strong, long-term planning and the targeted allocation of resources. This is achieved through the preparation and annual review process of the Council Plan which is supported by Council's Strategic Resource Plan. Ultimately, these documents are guided by longer-term visions and plans including the Long Term Financial Plan, which projects our financial direction 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 revision and refinement 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.

This financial snapshot for the 2014/15 financial year gives a brief overview of our financial performance and the significant factors that impacted on our financial resources used to support the achievement of long-term community service and asset management objectives. A more detailed analysis of our financial performance for 2014/15 can be found in the annual financial report which is available on our website and is attached to our physical annual report.

Paul Brumby
Principal Accounting Officer



AVOCA
SOLDIERS
MEMORIAL

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FRANCE

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THE FALLEN

ALLEN, J.	BURTON, R.	DEW, J.
ANDERSON, J.	CHAPMAN, J.	DUNN, J.
BROWN, J.	CORRY, J.	EVANS, J.
CLARK, J.	FRY, J.	FERGUSON, J.
COOPER, J.	GIBSON, J.	GILBERT, J.
DAVIS, J.	HARRIS, J.	HUGHES, J.
EDWARDS, J.	IRVING, J.	JONES, J.
EVANS, J.	LEWIS, J.	KELLY, J.
FRY, J.	MURPHY, J.	LYONS, J.
GIBSON, J.	NICHOLS, J.	MCCARTHY, J.
HARRIS, J.	OLIVER, J.	MURPHY, J.
IRVING, J.	PHILLIPS, J.	NICHOLS, J.
LEWIS, J.	ROBERTS, J.	OLIVER, J.
MURPHY, J.	SMITH, J.	PHILLIPS, J.
NICHOLS, J.	TAYLOR, J.	ROBERTS, J.
OLIVER, J.	WALKER, J.	SMITH, J.
PHILLIPS, J.	YOUNG, J.	TAYLOR, J.
ROBERTS, J.		WALKER, J.
SMITH, J.		YOUNG, J.
TAYLOR, J.		
WALKER, J.		
YOUNG, J.		

PYRENEES SHIRE

Section 3

OUR COUNCIL





Council Profile

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 comprises an area of nearly 3,500 square kilometres and a population of 6,979 residents. The Shire takes its name from the ranges in the north that hold similarity to the Pyrenees Ranges in Europe.

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

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

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

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

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

Council Offices

Pyrenees Shire Council

5 Lawrence Street
Beaufort, Victoria 3373

Telephone (03) 5349 1100

Facsimile (03) 5349 2068

Website www.pyrenees.vic.gov.au

Email pyrenees@pyrenees.vic.gov.au

Avoca Office

122 High Street
Avoca, Victoria 3467

Telephone (03) 5465 1000

Facsimile (03) 5465 3597



Fast Facts

All private dwellings 3,527

Average people per household 2.3

Median weekly household income \$732

Median monthly mortgage repayments \$997

Median weekly rent \$130



People 6,669

Male 3,427

Female 3,242

Median age 47

Families 1,786

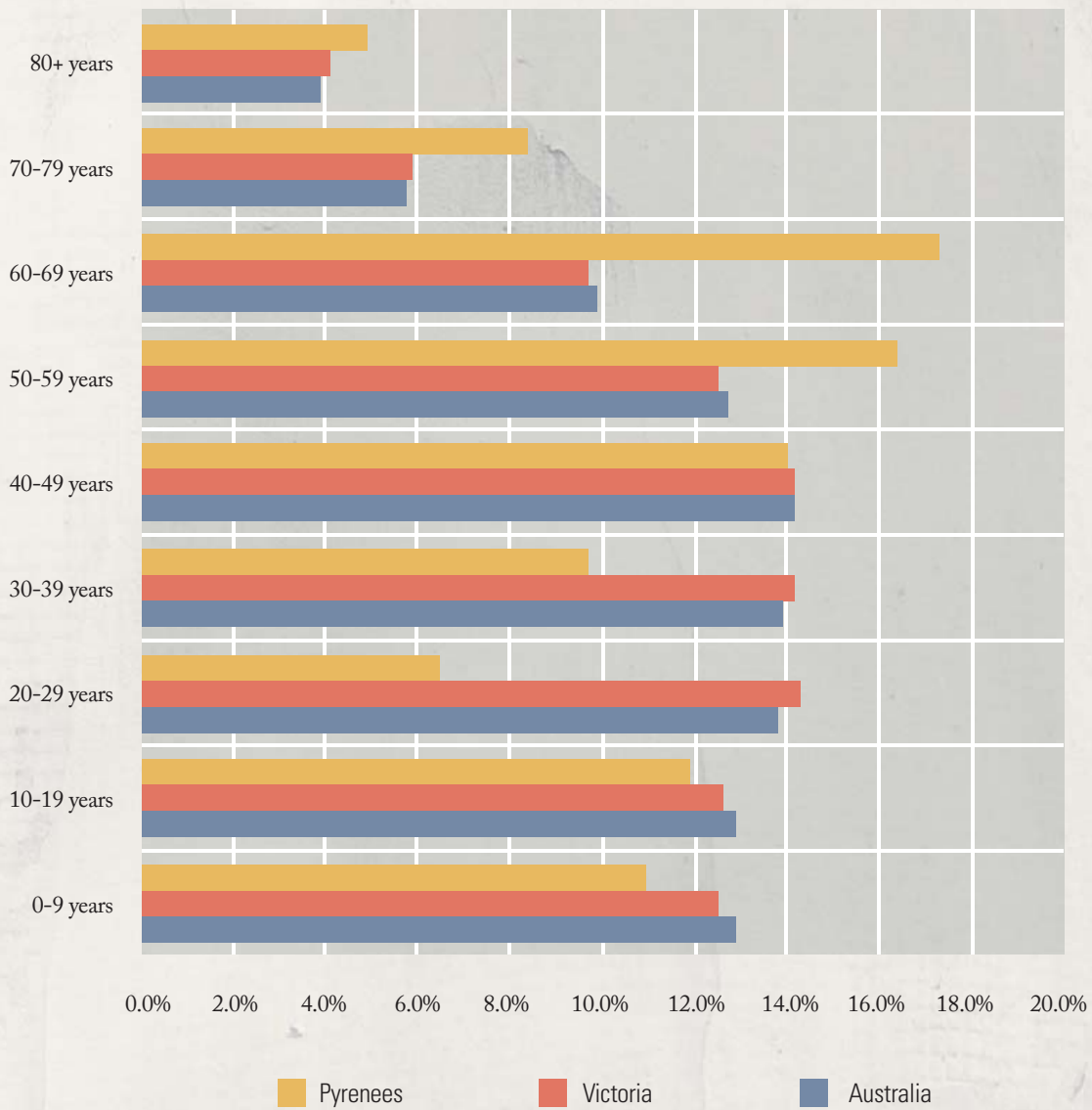
Average children per family 1.9

Average motor vehicles per dwelling 2.1

Source: ABS 2011



Demographics



Councillors

The Council was elected to provide leadership for the good governance of the municipal district and the local community. On 27 October 2012 the Pyrenees Shire community elected this Council for a four year term. The municipality is divided into five wards, represented by one Councillor in each ward. The five Councillors are the elected representatives of all residents and ratepayers across the Shire. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation.





Cr Tanya Kehoe - Mayor

Mount Emu Ward

Phone: 0439 571 480

Email: mountemu@pyrenees.vic.gov.au

First Elected: 2012

Cr. Tanya Kehoe and her husband Bernard operate a sheep property at Mt Emu.

Cr Kehoe has lived in the area throughout her life and is involved in a number of community groups in the area.

Cr Kehoe teaches at Beaufort Secondary College part time and is currently completing a PhD in moral education. Cr Kehoe has four children Annie, Thomas, Max and Jack.

Key Achievements

- Increasing opportunities for consultation and informing residents of Council matters
- Improving infrastructure in the Mt Emu Ward

Key Challenges

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



Cr Robert Vance

De Cameron Ward

Phone: 0447 384 500

Email: decameron@pyrenees.vic.gov.au

First Elected: 1987, re-elected 1996, 2008 and 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 and 2013/14. Cr Vance represents Council on the Asset Management Committee, Timber Towns and Rural Councils Victoria. Cr Vance offers good honest representation and enjoys meeting up with the different committees from the smaller towns across De Cameron Ward.

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

Key Achievements

- Water supply Stawell to Landsborough Valley
- Advocacy of Mobile Phone Blackspot funding for Moonambel and Landsborough
- Bio Energy project with the Beaufort and Skipton Health Service

Key Challenges

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



Cr David Clark

Ercildoune Ward

Phone: 0417 374 704

Email: ercildoune@pyrenees.vic.gov.au

First Elected: 1992, 1996, 1999, re-elected 2008 and 2012

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

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

Key Achievements

- Small town streetscape and public amenity works
- Joint community planning for future facilities development in Lexton
- Growth Strategy for Municipality

Key Challenges

- Issues arising from wind farm development and operations
- Continuing to improve the effectiveness of gravel road maintenance
- Improving the economic capacity of the Municipality



Cr Michael O'Connor

Beaufort Ward

Phone: 0437 662 295

Email: beaufort@pyrenees.vic.gov.au

First Elected: 2008, re-elected 2012

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

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

Key Achievements

- Ongoing development of Correa Park residential estate
- Securing of funding for planning studies for the Beaufort bypass
- Implementation of improvement works of the Beaufort Caravan Park

Key Challenges

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



Cr Ron Eason

Avoca Ward

Phone: 0417 508 471

Email: avoca@pyrenees.vic.gov.au

First Elected: 2012

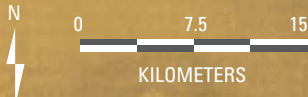
Cr Ron Eason and his wife Jenny came to Avoca in 2009 after purchasing the Newsagency. They moved from Tatura in the Goulburn Valley where the land is flat. The hills and the scenery of the Pyrenees is a pleasure to behold. Running the Newsagency together, has allowed us to get to know the community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

Key Achievements

- Upgrade of the Avoca Hall
- Recovery operations following wind storm event in February 2015

Key Challenges

- Improving resident services



- 1 DE CAMERON WARD**
Concillors: 1
- 2 AVOCA WARD**
Concillors: 1
- 3 ERCILDOUNE WARD**
Concillors: 1
- 4 BEAUFORT WARD**
Concillors: 1
- 5 MOUNT EMU WARD**
Concillors: 1



PYRENEES SHIRE

Section 4

OUR PEOPLE





Executive Management Team

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day to day management of operations in accordance with the strategic directions of the Council Plan. Two Directors and the CEO form the Executive Management Team (EMT) and lead the organisation.



Jim Nolan
B. Eng (Civil)
Chief Executive Officer

Jim was appointed Chief Executive Officer with Pyrenees Shire Council in December 2014. He has 25 years' experience in local government at Glenelg, Southern Grampians and Northern Grampians. Jim has experience across infrastructure, project delivery, community and economic development.

As Chief Executive Officer, Jim is responsible for the day to day operations of Council, the delivery of the Council Plan and the implementation of Council decisions. Jim also has direct responsibility for economic development and communications.



Evan King
B. Bus (Accounting), CPA
Director Corporate and Community Services

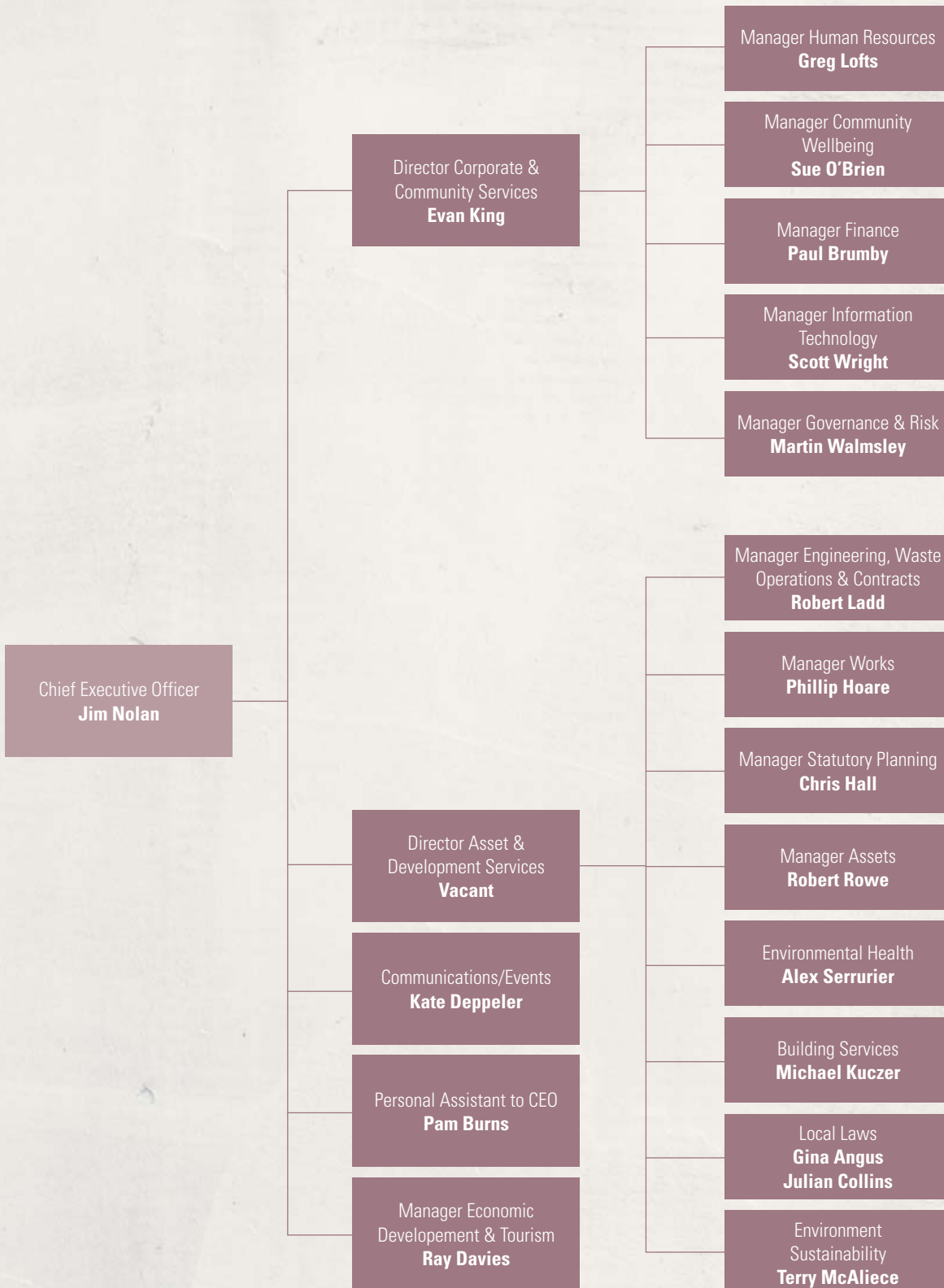
Evan joined Pyrenees Shire Council in June 2014. He has over 20 years of experience in financial management and community services gained in local government with Hepburn Shire Council and the social services and manufacturing industries.

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

Director Assets and Development **Vacant as of 30th June 2015**

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

Management Organisational Structure





Council Staff

A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.

2014 - 2015	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other	Total FTE
Permanent Full Time - Female	0	0	1	3	6	2	0	0	1	13
Permanent Full Time - Male	0	0	18	5	4	4	1	0	12	44
Permanent Part Time - Female	0	5.7	2.5	1	3	1.4	0	0	0.82	14.4
Permanent Part Time - Male	0	1.1	0.5	1	0.6	0.9	0	0	0.8	4.8
Casual - Female	0.6	0	2	0.6	0	0	0	0	0.16	3.4
Casual - Male	0	0	0	0	0	0	0	0	0	0
Total	0.6	6.8	23.9	10.6	13.6	8.4	1	0	14.8	79.6

Employees

As at the 30th June, 2015 the Pyrenees Shire Council had a total workforce of 79.60 EFT positions.

Workforce Profile		30th June 2015
Fulltime		
Male		44
Female		13
		57
Permanent Part Time		
Male		10
Female		35
		45
Casual		
Male		0
Female		16
		16
Total		
Male		54
Female		65
		118

Workforce Age

	Number	% of Workforce
Staff Aged 15 – 19	0	0.00%
Staff Aged 20 – 24	1	0.85%
Staff Aged 25 – 34	10	8.47%
Staff Aged 35 – 44	14	11.86%
Staff Aged 45 – 54	47	39.83%
Staff Aged 55 – 64	34	28.81%
Staff Aged 65 and over	12	10.18%

In summary, Council's workforce is ageing with 78.82% of the total workforce over the age of 45.

Out of a total workforce of 119 employees, 46 staff members are over the age of 55. Retirements over the next 5 to 10 years will see a significant change in Council's workforce - strategies will need to be implemented to overcome the significant loss of experience.

Learning & Development

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

A sample of the training undertaken in 2014/15 includes:

Training	Attendees
Charter of Human Rights and Responsibilities	80
Charter of Human Rights and Responsibilities – Managers	23
Confidentiality, Privacy and Professional Boundaries	7
Privacy and Confidentiality Workshop	5
Health and Safety Representative OHS Course – 5 days	22
Control Traffic with Stop/Go Batten	22
Fundamentals of Road Construction	1
Introduction to Pavements	1
Pavement Design	1
Pavement Evaluation and Rehabilitation	1
Continuing Professional Development – Immunisation	3
Building Bonds – A Communications Mastery Workshop	7
Provide Cardiopulmonary Resuscitation	6
CPR Update	18
Provide First Aid – incorporating CPR	4
Provide Basic Emergency Life Support	2

HACC Specific:

HACC Annual Training Review – Assist Clients with Medication	19
Medication Review Update	16
Alcohol and Other Drugs in the Workplace	2
Managing Clients Effected by Alcohol and Other Drugs	2
Manual Handling in Aged Care	2
Dementia and Incontinence	1
Driver Safety	2
Bullying and Harassment of Employees	2
Duty of Care for Workers	2
Lone Worker Safety	2
Microsoft – MS Publisher	1
Minute Taking	1

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

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

Diploma of Business Administration	1
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Work Experience

Council continues to provide students from the Beaufort Secondary College with the opportunity to participate in work experience programs. Such programs allow students the opportunity to work in a Local Government environment – this year placements were made in the Beaufort Resource Centre (incorporating Library Services and Tourism) and Community Services.

Recruitment

During the year, Council advertised 16 positions with 203 applications being considered.

Council continues to receive multiple applications for most positions advertised – the positions that attracted most applications were:

Maintenance Labourer – Beaufort Depot	46 applications
Plant Operator – Avoca Depot	39 applications
Director Assets and Development Services	22 applications

The recruitment of the new Chief Executive Officer was undertaken externally.

Staff Milestones

Pyrenees Shire Council recognises and appreciates staff milestones.

Staff to have reached milestones are:

15 Years:

Gina Angus	Authorised Municipal Officer
Ernest Welsh	Municipal Fire Prevention Officer
Brendan Amarant	Truck Driver
Darrin Kerr	Plant Operator
Nicole Taylor	Support Staff (HACC)

20 years:

Robert Rayner	Revenue Officer
Phillip Diprose	Contract Officer
Sharon Moran	Support Staff (HACC)
Dean Nunn	Plant Operator

25 Years:

Christine Pearce	School Crossing Supervisor
Shayne Murphy	Truck Driver
Paul Karlake	Grader Driver/Leading Hand

30 Years:

Greg Lofts	Manager Human Resources
Sandra Hunter	Support Worker (HACC)
Maree Neil	Support Worker (HACC)
Peter Flenley	Grader Driver / Leading Hand
Brian Hayes	Grader Driver / Leading Hand
Kevin Tregrove	Plant Operator
Lance Farnsworth	Plant Operator
Desmond Lindsay	Plant Operator
Trevor Robinson	Truck / Water Cart Driver

35 Years

Trevor Thomson	Works Officer Beaufort
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 these milestones.



Workcover

Pyrenees Shire Council both recognises and is committed to providing as far as practicable, a safe and healthy environment for its employees, contractors, and the public. Council's commitment further extends to ensuring that work systems and methods are assessed, monitored and reviewed within a framework of improving Occupational Health and Safety performance.

Claims Profile	2014/2015
Claims under Section 98, 98A, 98C, 98E 7 103(1)(b) of the Act	0
Claims - Minor (under Council's liability)	9
- Major (exceeds Council's liability)	0

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

Minor claims – 117.0 hours lost

Major Claims – 0.0 hours lost

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

Cambron Human Resource Manager

Council continues to undertake annual performance appraisals for employees through its electronic database system – Cambron Human Resource Manager.

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

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

Industrial Relations

The second increment under Council's 2013 Enterprise Agreement was implemented on the 15th October, 2014.

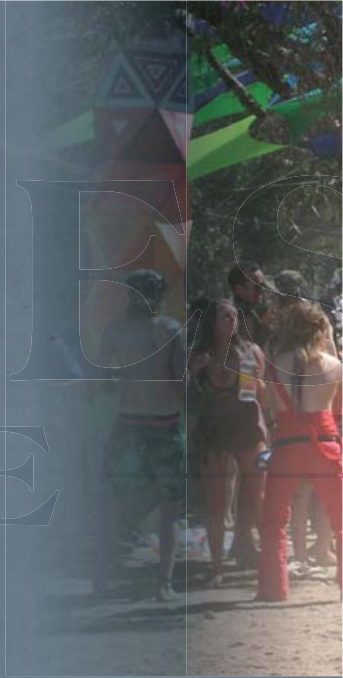
The 2013 Enterprise Agreement will expire on the 15th October, 2016.

Equal Employment Opportunity Program

A Council with 40 or more members of staff must have developed and implemented an equal opportunity program. Pyrenees Shire Council has implemented an equal employment opportunity program which is designated to eliminate discrimination against and promote equal opportunity for women and persons in designated groups in relation to employment matters.

The objective of Council's Equal Employment Opportunity Program is to ensure there is no discrimination relating to the characteristics listed under the Equal Opportunity Act 2010 such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. Further objectives include ensuring the workplace is free from bullying and harassment.

PYRENEES SHIRE



Section 5

OUR PERFORMANCE





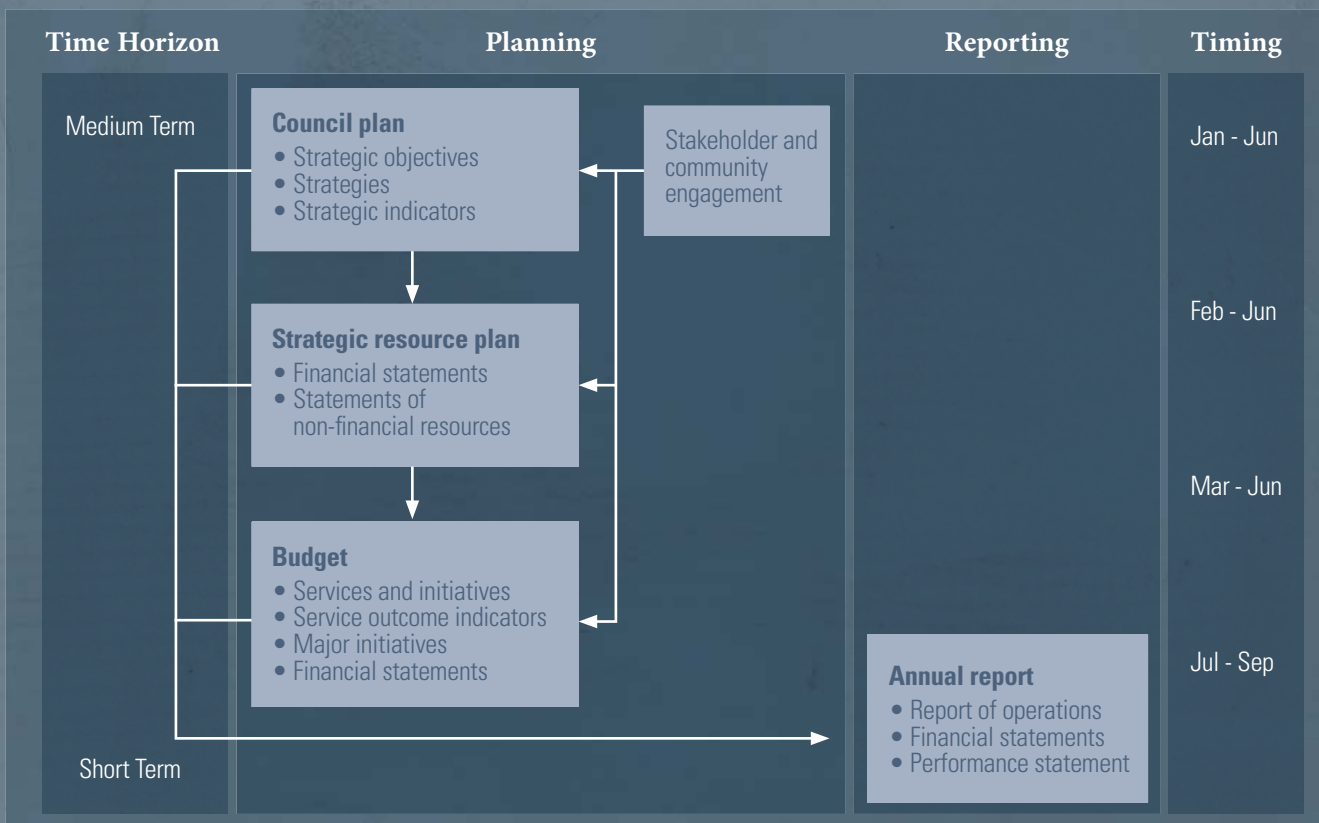
Planning and Accountability Framework

The Planning and Accountability Framework is found in part 6 of the Act. The Act requires councils to prepare the following planning and reporting documents:

- A council plan within the six months after each general election or by 30 June, whichever is later
- A strategic resource plan for a period of at least four years and include this in the council plan

- A budget for each financial year
- An annual report in respect of each financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



Council Plan

The Council Plan 2013/17 includes strategic objectives, strategies for achieving these for the four year period, strategic indicators for monitoring achievement of the strategic objectives and a strategic resource plan. The following are the five strategic objectives as detailed in the Council Plan.

1. Leadership

We will provide community leadership and advocacy to ensure we are a financially sustainable organisation, working hard to improve the economic, social and environmental wellbeing of the Pyrenees Shire.

2. Community

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

3. Roads

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

4. Commerce

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

5. Environment

We will show effective leadership in managing our own environmental impacts as well as in the management of the local natural and built environment.

Performance

Council's performance for the 2014/15 year has been reported against each strategic objective to demonstrate how council is performing in achieving the 2013/17 Council Plan. Performance has been measured as follows:

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

Strategic Objective 1

Leadership

To achieve our objective of Leadership, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services, projects and programs supporting this key result area

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

Strategic Indicator/Measure (Council Plan)

Indicator Measure	Result	Comments
Maintain a total debt to rate revenue ratio below 35%	Achieved	Debt to rate revenue ratio for the year ended 30th June 2015 was 15%
Maintain a level in the Community Satisfaction Survey rating for Consultation and Engagement above the State average.	58	This result is 2 points higher than both the State and Small Rural Council average.

Major Initiative (Budget)

Major Initiative	Progress
Mitigate risk and improve employee safety through pro-active risk management.	Occupational Health and Safety Committee re-launched in November 2014 and systematic review of safety systems being undertaken in accordance with Occupational Health and Safety Action Plan.

Services / Indicator / Measure	Result	Material Variations
Governance		
Transparency Council resolutions at meetings closed to the public [Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / number of council resolutions made at ordinary or section meetings of council or at meetings of special committee consisting of only councillors] x100	14.01%	
Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]	58	This result is 2 points higher than both the State and Small Rural Council average.
Attendance Council attendance at council meetings [The sum of the number of councillors who attended each ordinary and special council meeting / (number of ordinary and special council meetings) x (number of councillors elected at the last council general election)] x100	100%	Councillors had a 100% attendance record.
Service cost Cost of governance [Direct cost of the governance service / number of councillors elected at the last council general election]	\$47,483	
Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decision in the interest of the community]	57	This result was one point higher than the Small rural Council average and two points higher than the State average.

Local Government Community Satisfaction Survey Results – Council’s Performance

Overall Performance

2013	63
2014	63
2015	62
Small Rural Shires 2015	59
State-wide 2015	60

Community Consultation

2013	59
2014	58
2015	58
Small Rural Shires 2015	56
State-wide 2015	56

Advocacy

2013	58
2014	56
2015	57
Small Rural Shires 2015	56
State-wide 2015	55

Making Community Decisions

2013	N/A
2014	57
2015	57
Small Rural Shires	56
State-wide	55

Customer Service

2013	68
2014	71
2015	72
Small Rural Shires 2015	70
State-wide 2015	70

Overall Council Direction

2013	54
2014	54
2015	54
Small Rural Shires 2015	53
State-wide 2015	53



Strategic Objective 2

Community

To achieve our objective of Community we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services, projects and programs supporting this key result area

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



Strategic Indicator/Measure (Council Plan)

Indicator Measure	Result	Comments
Maintain a level in the Community Satisfaction Survey rating for Elderly Support Services above the State average.	70	State-wide average - 69
Maintain immunisation levels above 95% of participant families.	Achieved	Pyrenees Shire has the highest rate of immunisations in the Grampians Region.

Major Initiative (Budget)

Major Initiative	Progress
Funding to the Community Grants program which is a continuation of funding for some years for this significant community program (\$41,000 net cost).	37 groups assisted with Community Grants program at a cost of \$39,866.
Implement and update Council's recreation strategy to ensure our communities have access to resources and facilities that encourage participation.	Recreation Strategy implemented. Awaiting State Government funding and guidelines to review Recreational Strategy.
Investigate the concept of a 'Pyrenees Fund'	Council chose not proceed with the Pyrenees Fund initiative.

Services / Indicator / Measure	Result	Material Variations	
Libraries			
Utilisation Library collection usage [Number of library collection item loans / number of library collection items]	3.26		
Resource standard Standard of library collection [Number of library collection items purchased in the last 5 years / number of library collection items] x100	75.59%		
Service cost [Direct cost of the library services / number of visits]	\$4.72		
Participation Active library members [Number of active library members / municipal population] x100	12.55%		
Maternal and Child Health			
Satisfaction Participation in first MCH home visit [Number of fist MCH home visits / number of birth notifications received] x100	92.86%		
Service Standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / number of birth notifications received] x100	97.14%		
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / number of children enrolled in the MCH service] x100	86.79%		
Participation in the MCH service by Aboriginal children [Number of aboriginal children who attend the MCH service at least once (in the year) / number of aboriginal children enrolled in the MCH service] x100	100%		
Maternal & Child Health Service Provision			
	2012/13	2013/14	2014/15
Number of infants enrolled from birth notifications	60	58	68
Number of new enrolments	81	85	90
Number of active infant records	269	293	276
Additional consultations	259	306	296
Telephone consultations	79	108	117
Community Strengthening Activities	6	7	25

Services / Indicator / Measure	Result	Material Variations
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Food Safety		
Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	72.13%	
Service cost Cost of food safety service [Direct cost of the food safety service / number of food premises registered or notified in accordance with the Food Act 1984]	\$329.39	
Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / number of critical non-compliance notifications and major non-compliance outcome notifications about food premises] x100	100%	All critical and major non-compliance outcomes were followed up.

Home and Community Care		
Service standard Compliance with Community Care Common Standards [Number of Community Care Common Standards expected outcomes met / number of expected outcomes under the Community Care Common Standards] x100	50%	All required improvements have been completed and reported to the Department of Health and Human Services prior to 30 June 2015
Participation Participation in HACC service [Number of people that received a HACC service / municipal target population for HACC services] x100	30.12%	
Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / municipal target population in relation to CALD people for HACC services] x100	31.88%	

Home and Community Care Service Provision	2012/13	2013/14	2014/15
Domestic Support	7,035 hours	5,671 hours	4,945 hours
Personal Care	1,070 hours	1,275 hours	1,188 hours
Respite Care	1,589 hours	1,680 hours	2,217 hours
Delivered Meals	3,312 meals	5,218 meals	5,381 meals
Home Modifications	86 hours	142 hours	63 hours
Assessment	521 hours	619 hours	706 hours
Planned Activity Groups	5,940 hours	5,415 hours	8,199 hours
Community Meals			247 meals
Podiatry	78 hours	52 hours	108 hours



Services / Indicator / Measure	Result	Material Variations
Animal Management		
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected]	27.71%	
Service cost Cost of animal management service [Direct cost of the animal management service / number of registered animals]	\$48.67	
Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	0	There were no animal prosecutions in 2014/15.
Aquatic Facilities		
Service standard Health inspections of aquatic facilities [Number of authorised officer inspection of council aquatic facilities / Number of council aquatic facilities]	0	9 microbiological tests were conducted (3 at each of the 3 swimming pools) by a contractor during the pool season.
Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	0	There were no reportable safety incidents at aquatic facilities.
Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / number of visits to outdoor aquatic facilities]	\$17.73	
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	1.69	

Community Grants

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

Group Name	Grant Amount Approved	Grant Requested	Project Total	Description
Snake Valley Golf Club Inc.	\$250	\$1,500	\$93,875	to assist with the drought resistant greens replacement program.
Landsborough & District Historical Society	\$1,500	\$1,500	\$4,246	to assist with the costs of painting the exterior wall of the Barkley Room.
UMEC Landcare Network	\$1,500	\$1,500	\$21,687	to support the planned Pyrenees Shire work to control weeds on roadsides by supporting the purchase of three new spray units.
Amphitheatre Mechanics Institute Hall	\$1,000	\$1,500	\$8,910	to assist with the interior painting of the Amphitheatre Hall.
Redbank Reserves Committee	\$1,500	\$1,500	\$2,500	to create a concrete path to improve access to the rotunda at ANZAC Park.
RSL Bias Bowling	\$1,100	\$1,500	\$2,200	to assist with the purchase of new competition mats to replace the worn mats that create a trip hazard.
Friends of the Avoca Pool	\$1,500	\$1,500	\$1,750	to assist with the purchase of replacement swimming lane ropes.
Avoca Country Golf Bowling Club Inc.	\$600	\$1,000	\$1,160	to assist with the purchase of a deep freezer to support volunteers.
Moonambel Recreation Committee of Management	\$1,500	\$1,500	\$2,343	to assist with the purchase of two cabinets to display historical books and memorabilia.
Waubra Football Netball Club	\$1,500	\$1,500	\$7,645	to assist with the purchase and installation of non slip floor covering in the players change rooms.
Landsborough Public Hall Committee of Management	\$1,500	\$1,500	\$7,500	to assist with painting and repair work to the Hall.
Australian Red Cross Elmhurst Branch	\$400	\$400	\$800	to assist with the centenary celebration of the Red Cross Elmhurst Branch, incorporating Pyrenees Shire.
Lexton Golf Club	\$1,500	\$1,500	\$7,950	to assist with the upgrade of the watering system at the Lexton Golf Course.
Wednesday Knitters & Craft Group	\$330	\$330	\$940	to assist the group to attend the Australian Sheep & Wool show in Bendigo.

Group Name	Grant Amount Approved	Grant Requested	Project Total	Description
Beaufort & District Adult Riding Club	\$750	\$750	\$3,000	to assist with holding a Dressage Jackpot in October 2014.
Carngham Cricket Club Inc.	\$1,500	\$1,500	\$2,550	to assist with the purchase and installation of a split system air conditioner.
Avoca Men's Shed	\$1,500	\$1,500	\$21,000	to assist with enclosing and insulating the ceiling of the Avoca men's shed.
Central Grampians LLEN	\$1,000	\$1,200	\$9,200	to assist with the shortfall for the purchase and branding of a Pyrenees Specific L2P Program Car.
Waubra Bowling Club Inc	\$1,500	\$1,500	\$14,200	to assist with the replacement of the equipment shed for all user groups of the Hub.
Avoca & District Senior Citizens Inc.	\$500	\$525	\$690	to purchase bowls sets to assist vision impaired people to actively participate.
Pyrenees Community Food Pantry	\$1,500	\$1,500	\$7,410	to assist with volunteer training, transport and food deliveries to support the service.
Pyrenees Petanque Club Inc.	\$1,000	\$1,485	\$8,879	to assist addressing OH&S issues for the Trans Tasman tournament, including shelter, shade and other items.
Barkly Hall & Rec Reserve CoM	\$500	\$853	\$1,003	to assist with the installation of Food Grade Trolley Benches to meet health standards.
Barkly Hall & Rec Reserve CoM	\$1,000	\$1,500	\$2,359	to assist with the replacement of hot water service at the Hall.
Avoca Cemetery Trust	\$800	\$800	\$6,528	to assist with the replacement of the ride on mower, sprinkler system and levelling of the parking area.
Amphitheatre Tennis Club	\$750	\$750	\$1,500	to assist with the purchase of three Rain Shuttle devices and ball baskets.
Beaufort Community House & Learning Centre	\$960	\$960	\$2,020	to assist with the installation of permanent composite signs at the town entrances.
Art Trax Gallery	\$1,500	\$1,500	\$2,163	to assist with the purchase of a computer and laser printer.
Beaufort & Skipton Health Service Foundation Limited	\$1,200	\$1,500	\$13,500	to assist with the purchase of air-conditioning units as part of the restoration of the Mechanics Institute.
Carranballac Progress Association Inc.	\$750	\$750	\$1,050	to assist with training for volunteers in Responsible Service of Alcohol.



Group Name	Grant Amount Approved	Grant Requested	Project Total	Description
Avoca Business & Tourism	\$500	\$750	\$4,785	to assist with the hosting of the annual Avoca Christmas Street Party.
Landsborough & District Bowling Club	\$1,000	\$1,500	\$2,665	to assist with the repairs to the ditches of the synthetic green, due to disintegration after 10 years.
Carngham Recreation Reserve	\$1,500	\$1,500	\$3,500	to assist with the improved surface of the car park at the reserve to prevent bogging and other issues.
Moonambel Events Inc.	\$726	\$726	\$12,026	to assist with the presentation of Moonambel's Longest Lunch 2015.
Raglan Hall & Recreation Reserve CoM	\$1,500	\$1,500	\$3,024	to assist with the replacement of kitchen cupboards & shelving at the recreation reserve.
Redbank Reserves CoM	\$1,500	\$1,500	\$2,100	to assist with concrete works to remove uneven bricks at toilet block entrance at ANZAC Park.
Moonambel Recreation Reserve CoM	\$750	\$1,499	\$1,930	to enhance the kitchen and purchase utensils and small equipment pieces.
	\$39,866	\$45,777	\$290,587	



Emergencies Happen

Think ahead, know what to do

Pyrenees Emergency Communications – Small Towns Network Project

This Project is a community led emergency readiness program for small communities across the Pyrenees Shire to help households and their communities plan for and safely react to emergencies.

The Project commenced in May 2014 with the engagement of a Project Advisory Group consisting of local community representatives, emergency service personnel and council officers to determine the direction of the project.

After meeting with local community members, conducting extensive research and liaising with organisations currently delivering safety awareness, the Pyrenees Community Emergency Planning Toolbox was produced.

With the key message of Emergencies Happen: Think ahead, know what to do, the toolbox includes a suite of eight practical tools that can be used to help household members be more prepared and to develop their connections with others within their communities.

Strategies behind the Tools & Toolbox:

- Simple, don't require a lot of actions in order to be able to use them.
- To help reduce the number of decisions that needs to be made if an emergency was to occur.
- To start conversations in households to encourage people to think ahead at the very least.
- Can be utilised across a number of situations both small (everyday) and large emergencies, so worthwhile utilising.
- Suitable for a variety of residents – as targeted at households.
- Ability to customise/or have been personalised to localities – making them more relevant.
- Complements activities that the CAP groups already do, kit well received as a resource.

Utilising the local knowledge and networks of the Community Action Planning groups in each of the small towns visited has ensured the most relevant tools are selected from the toolbox for their community and their networks utilised to help distribute the tools to local households.

The total numbers of tools distributed to date are:

Tool	No.
Sharing Numbers with your Neighbours Postcards	4761
My Household Emergency Plans	1609
Emergency Need to Leave Bags	1000
Local Town Emergency Plans	1497
Town Emergency Signage	28
Magnets	1437

The funding was received from Regional Development Victoria's Community Resilience Program which supports communities to build their capability to prepare for, withstand and recover from all types of hazards.

SHARING numbers with your NEIGHBOURS

It's not about being a "nosy" neighbour, but being able to make contact with someone nearby if needed.

Drop one of these completed cards into your neighbours today!

We can help each other out if in need.

Let each other know if the animals are out.

Have you heard the local emergency warning?

EMERGENCIES HAPPEN
Think ahead, know what to do

Pyrenees Shire Council logo

EMERGENCIES HAPPEN

Think ahead, know what to do

MY HOUSEHOLD EMERGENCY PLAN

My property address is: *

My nearest corner is:

My nearest landmark is:

My home phone number is:

In an emergency if we can't get in touch with each other, we'll contact:

If we need to leave we will go to/meet at:

Our neighbours/other local contacts are:

Our local radio station for emergency information is:

*Be sure to check your rate notice for the formal address of your property that the emergency services use, or contact Pyrenees Shire Council on 03 5349 1100.

Police, Fire & Ambulance 000
Flood/Storm Emergency 1300 737 737

Pyrenees Shire Council logo



AMPHITHEATRE GLENLOGIE & MOUNT LONARACH LOCAL TOWN EMERGENCY PLAN

Emergency (Fire/Flood/Flood/Storm/Other Incidents) can happen quickly. Planning and preparing for emergencies can help reduce the impact and to recover more quickly.

<p>THINK AHEAD</p> <ul style="list-style-type: none"> Understand the risks to your household. Develop and practice an emergency plan so your household members know what to do in an emergency. Know where to find salvages. Pack a kit with items you may need to cope in an emergency. Prepare your property. <p>DATE/ISSUE 2014 CFA Fire Ready Kit SIS Shire Emergency Plan RED CROSS Emergency REDBAG</p> <p>Notes: During major emergencies there are often many competing demands for the emergency services. Households need to share the responsibility for staying safe.</p> <p>WHEN TO GO</p> <ul style="list-style-type: none"> On Code Red Fire Danger Rating days when staff (or the night before). On severe hot weather days, if you are not prepared, leave. When advised to evacuate by the Police. Listen to the warning messages via radio, internet, phone etc. Don't forget to check in your neighbourhood or the others if it is safe to do so. <p>Take your household Emergency kit and plan to leave. Don't forget to check in with your neighbours with daily texts to help you cope.</p> <p>Version 2 - March 2015</p>	<p>BE ALERT</p> <p>Look, listen and smell. Be aware of what's happening around you.</p> <p>EMERGENCY NUMBERS</p> <p>To report an incident: Police, Fire, Ambulance: 000 Flood/Storm Emergency: 1300 737 737 Mobile 90 (with an internet 112)</p> <p>WHAT IS HAPPENING?</p> <p>Send reliable information about what is happening and where you are, from emergency services.</p> <p>Monitor your alert with station 1300 737 737 or commercial stations.</p> <p>Vic Emergency 1800 000 000 VIC Resilience Information Line 1800 363 000 VIC SES Information Line 1300 862 237 NURSE ON CALL 1300 900 000</p>	<p>WHAT TO EXPECT</p> <p>All Hazards</p> <ul style="list-style-type: none"> Many people will evacuate home, streets, areas and places. Dangerous to travel on the roads with limited visibility, debris and many emergency vehicles. Limited or restricted access to and within the area. Could have power outages, low water pressure and phone lines. <p>Fire</p> <ul style="list-style-type: none"> Smoke, heat, noise and limited visibility. Madness here this can kill. Strong embers landing ahead of the fire and after it's passed. <p>Heatwave</p> <ul style="list-style-type: none"> Unusual and uncomfortably hot weather. Can cause heat related illness that can be fatal. <p>Severe Thunderstorms & Weather</p> <ul style="list-style-type: none"> Hazards such as floodwater, debris and damaged roads or bridges. Damaged buildings, power lines and trees. <p>WEBSITES</p> <ul style="list-style-type: none"> Bureau of Meteorology (BOM) www.bom.gov.au Country Fire Authority (CFA) www.cfa.vic.gov.au SIS (FireReady) www.sis.vic.gov.au DEWV (Environment/Animals) www.dewv.vic.gov.au Red Cross (Rescue) www.redcross.org.au VicRoads (Traffic conditions) www.vicroads.vic.gov.au
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Pyrenees Community Emergency Planning Toolbox

The Toolbox includes a suite of eight tools that can be used to help household members be more prepared and to develop the connections within their communities. Representatives from each small town will have the opportunity to select the most suitable tools for their community and the most appropriate method of distribution.

1. Sharing Numbers with your Neighbour Postcard

A postcard to share phone numbers with others in a non-confrontational way, provides the opportunity for neighbours to introduce themselves to each other by having something tangible they can use to approach someone they don't know or to simply be able to put into a letterbox.

2. My Household Emergency Plan

Encouraging households to answer some key questions to create a basic household plan to display on the fridge, to help household members find the information they need in an emergency, helping them keep their stress levels down and a greater ability to make good decisions.

3. Emergency Need to Leave: Don't Forget Bag

A list of essential daily items to collect if required to leave your property in an emergency to help household members get organised quickly and ensure that they take all the items important to helping cope better when needing to be away from home.

4. Local Town Emergency Plan

A quick snapshot of important information that is helpful in creating conversation amongst household members prior to an emergency occurring or to refer to during an emergency.

Community Group Welcoming Health Check

Having a community group that is welcoming and inclusive not only provides local activities, but it also contributes to building the social connections in your community, which contributes to making a more resilient and able to cope in times of emergency.

The Welcoming Health Check is a checklist to help your community group identify opportunities to grow your membership. It is not designed as a test, but a tool to help implement new strategies to recruit and retain members.

Benefits for your group of being as "welcoming" as possible:

- Able to attract new members
- Grow the diversity of your group's skills and knowledge base.
- Opportunity to bring in new voices, experiences and approaches.
- More people to share the workload.
- Meet new people.
- Increase the connections of your community that is important before, during and after emergencies.

Increasing the variety of people who participate in your community group can offer the opportunity to tap into a rich pool of talent, bring in new voices, experiences and approaches, and add depth to existing skills and ideas.

Our Community: www.vic.gov.au/community

Building the connections of people within communities plays an important role in building their capacity to prepare for, withstand and recover from emergencies.

5. Community Group Welcoming Health Check

Building the capacity of local community groups to be as "welcoming" as possible to encourage any new participants looking to become involved with a positive early experience, increasing the likelihood of returning and becoming an ongoing member.

Understanding the Warnings Lesson Plan Ideas An All-Hazards Approach

There are a significant number of activities (available in hardcopy and online) that have been developed by the Emergency Services that can be utilised in a variety of settings for educating children, youth and adults on emergency readiness.

The list below contains a number of interesting activities and/or resources that could be utilised in the all-hazards approach to educating people about what they can do to be more prepared and therefore able to cope better in an emergency.

Key Themes	Available Activities	Resources
What types of emergencies are there?	Whodunnit	Red Cross - Emergency R2Diplan - Get Ready
	Colour by Numbers	Red Cross - Emergency R2Diplan - Get Ready
Identifying the final risk?	Disaster Mapper	http://whodunnit.melb.edu.au/DisasterMapper
	Hazard Identification Game - Home & School	Anti-Karne Vector - Interactive Activity www.vic.gov.au/anti-karne-vector
	History of Emergencies in Pyrennes	Municipal Emergency Management Plan
	Understanding your Level of Risk - Online	www.vic.gov.au/bushfire-preparation-form-of-risk
Who helps in emergencies and what do they do?	Matching Game - Agency Logo & Task	Red Cross - Emergency R2Diplan - Get Ready
	Sequence of Events in Responding to a Fire	Fire Safe Teachers Resource - Activity Sheets 1-6 www.vic.gov.au/fire-safe-activity-sheets-1-6 and www.vic.gov.au/fire-safe-activity-sheets-1-6
	How to call 000 for an Ambulance	www.vic.gov.au/000

6. Understanding Warnings Lesson Plan

When an emergency occurs, children and young people may become more vulnerable if the adults who support them have also been affected by the emergency. By building the capacity of children to know what to do if an emergency was to occur, will help both the child and in turn their household make better decisions and cope better in an emergency.

Emergencies Happen

Think ahead, know what to do

WHAT TO DO IN AN EMERGENCY

- REMAIN ALERT** monitor the environment and continue to seek relevant information about what is happening and current advice from emergency services.
- WHERE TO GET INFORMATION**
Turn your radio onto Emergency Broadcast:
ABC Local 107.9FM or 584AM & Commercial Stations (Emergency warnings will interrupt normal programming)
Log onto:
Vic Emergency www.emergency.vic.gov.au
In case of storm/flood: www.vic.gov.au/warnings
Victorian Bureau of Meteorology: www.bom.gov.au/vic
Check your Fire Ready App.
Call
Bushfire - Victorian Bushfire Information Line 1800 240 667
Storm/Flood - VIC SES Information Line on 1300 842 737
Community Warning System: A prolonged, 5-minute siren will indicate that a current emergency has been identified in the local area and people should seek further information about a potential threat.
Emergency Alert Messages: In some circumstances you may receive an SMS to your mobile phone or receive a voice message on your landline.
- STAY CALM** and follow the advice of the warnings.

Police, Fire, Ambulance 000

IMPORTANT INFORMATION

FIRE WARNINGS
Advice: General advice to keep you up to date with developments.
Watch and Act: An emergency broadcast you, conditions are changing and you need to start taking action (see your local council website and family).
Emergency Warning: You are in imminent danger and need to take action immediately. You will be required to evacuate.
All Clear: Emergency activity in the area has subsided and is no longer a danger to you.

SEVERE WEATHER WARNINGS (not related to fire/thunderstorms) issued for:
Sustained winds of gale force (63 km/h) or more
Wind gusts of 90 km/h or more
Very heavy rain that may lead to flash flooding.

THUNDERSTORM WEATHER WARNINGS issued for:
Where significant localized damage may be caused by the action of damaging wind gusts, large hail, tornadoes or flash flooding.

HEAT HEALTH ALERT issued for:
Forecast average temperatures predicted to reach or exceed the heat health temperature threshold for the district. Average of daily maximum temperature divided by overnight temperature. Risk related from the heat as a Designated Outer Place.

STAY CALM AND FOLLOW THE ADVICE OF THE WARNINGS.

EMERGENCY RELIEF CENTRE
Designated location used for the assembly of emergency-affected persons. Relief is provided by a number of agencies and will only be established depending on extent and location of the emergency event. The location will be well away from the threat and announced via radio and signage displayed at the site.

NEIGHBOURHOOD SAFE PLACE
This is a place of last resort during the passage of a bushfire. This is not a refuge or rest centre. Emergency Services may not be present.

Flood/Storm Emergency 132 500

7. Town Emergency Signage

By anticipating where people may naturally go in an emergency and placing information that reminds them to listen to the warning messages to find out where they need go, enables them to share the responsibility for their behaviour rather than expecting the emergency services to help them, which may not always be possible.

Special Interest Emergency Readiness Community Workshops

Providing the opportunity for people to learn about something that is more personal to them in preparing for an emergency rather than a general topic, can engage people who may not usually come to local awareness activities.

Whilst someone may not be worried about their own safety in an emergency, they may be more concerned about their animals, which in turn can also help in getting people to consider their own safety also.

Providing the opportunities for the building of connections of people within communities also plays an important factor in building their capacity to prepare for, withstand and recover from emergencies.

Why organise a workshop type presentation?
Conducting a workshop in comparison to a general presentation, provides a more personalised environment for those attending as the presenter is able to interact more with the participants and answer their specific questions.
The presenter is able to share information more tailored to the needs of those attending and in so doing, encourages more interaction between the presenter and participants, and also encourages more interaction between participants themselves with a greater chance to act on what they have learnt and to have their own personalised plan of action. They are also assisting their local connections in the process.

Benefits of a workshop type format:

- More tailored delivery of information with a smaller group.
- Knowledgeable presenter with a "hands on" experience.
- Greater interaction between presenter and the individual participants.
- More solution based/presentation oriented in comparison to just information sharing.
- The sharing of local and local knowledge between participants through discussion.
- Additional benefits of building connections with others through a more informal and relaxed environment.
- Specific topic that is of greater interest to participants than a general overview.
- Getting practical solutions in a short period of time, rather than having to attend a number of sessions.

8. Community Workshops Emergency Preparation Special Interest

Whilst someone may not be concerned about their own safety, they may be about protecting their animals or the environment in which they live if an emergency was to occur.

Combined with a workshop style session, providing special interest information may be a way to engage people who wouldn't normally attend a more general information session. The presenter is able to tailor the information to the needs of the participants as there is greater opportunity for asking questions.



Local Government Community Satisfaction Survey Results – Council’s Performance

Elderly Support Services

2013	71
2014	70
2015	70
Small Rural Shires 2015	72

Family Support Services

2013	66
2014	67
2015	68
Small Rural Shires 2015	67

Recreation Facilities

2013	67
2014	67
2015	69
Small Rural Shires 2014	70

Strategic Objective 3

Roads

To achieve our objective in our Roads area, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described opposite.

Services, projects and programs supporting this key result area

- Asset Management
- Engineering Design
- Avoca and Beaufort Works
- Contract Management
- Road Maintenance
- Bridge Maintenance

Strategic Indicator/Measure (Council Plan)

Indicator Measure	Result	Comments
20% increase in expenditure on 2013/14 levels.	Not achieved	Council increased expenditure by 19.27%
11 bridges restored as per capex bridge program.	Completed	11 bridges restored as per capex bridge program.

Major Initiative (Budget)

Major Initiative	Progress
Implement the asset management strategy and review the policy annually.	We continue to review the policy annually and implement the asset management strategy.

Services / Indicator / Measure	Result	Material Variations
Roads		
Satisfaction of use Sealed local road requests [Number of sealed local road requests / kilometres of sealed local roads] x100	17.71	
Condition Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by council / kilometres of sealed local roads] x100	99.61%	Of Council's 729 kilometres of sealed local roads only 2.81 kilometres were outside intervention level for reconstruction.
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / square metres of sealed local roads reconstructed]	\$25.78	
Cost of sealed local road resealing [Direct cost of sealed local road resealing / square metres of sealed local roads resealed]	\$5.33	
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	55	This result was three points above the Small Rural Council average and equal with the State average.

Local Government Community Satisfaction Survey Results – Council’s Performance

Sealed Local Roads

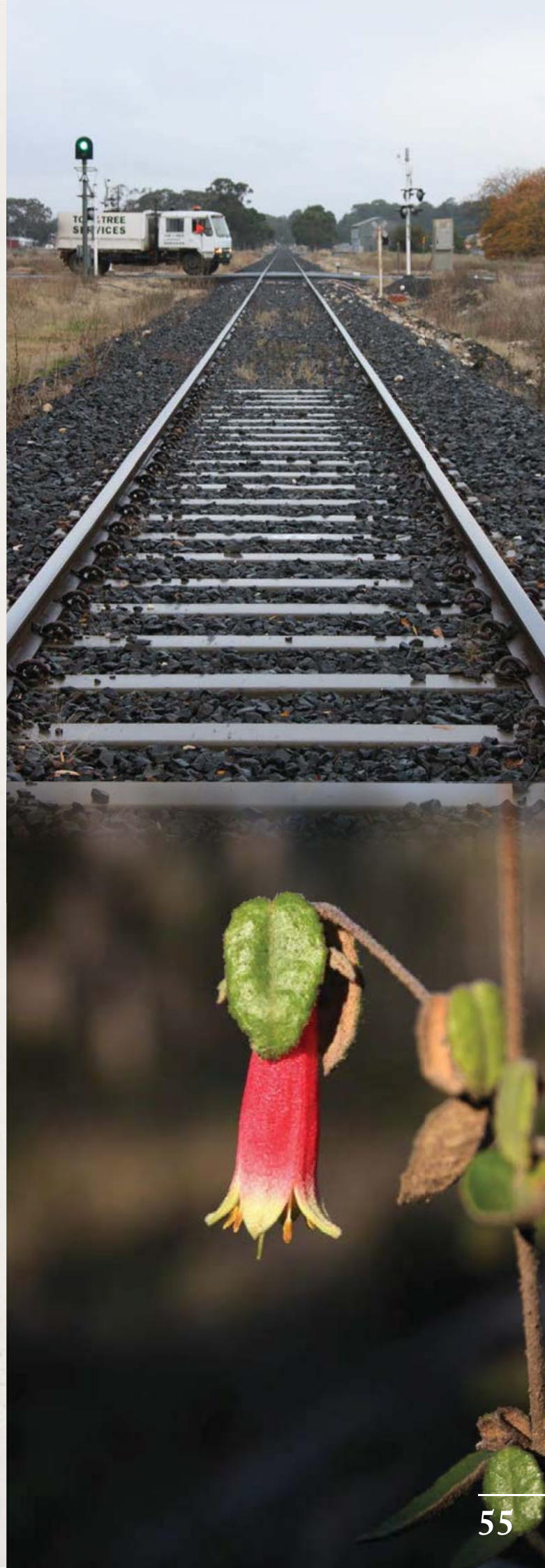
2013	N/A
2014	56
2015	55
Small Rural Shires 2015	52

Streets and Footpaths

2013	N/A
2014	58
2015	56
Small Rural Shires 2015	59

Unsealed Roads

2013	44
2014	46
2015	43
Small Rural Shires 2015	45



Strategic Objective 4

Commerce

To achieve our objective of Commerce, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described opposite.

Services, projects and programs supporting this key result area

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

Strategic Indicator/Measure (Council Plan)

Indicator Measure	Result	Comments
Construction of Stage Two B after Stage Two A was 80% sold – residential land development in Beaufort.	On-going	Seventy-five per cent of residential blocks developed at Correa Park sold. Development of Stages Three, Four and Five committed to by Council.
Economic development strategy reviewed and identifies value-add/high-intensive agriculture opportunities.	Completed	Economic Development (Growth Strategy) adopted by Council in June.

Major Initiative (Budget)

Major Initiative	Progress
Continue Council's involvement with Central Highlands Regional Planning, Grampians Tourism, the Regional Management Forum, and Regional Development Australia, to maintain and expand the regional development focus.	Council officers continue to provide representation at the Central Highlands Planning Committee, Regional Management Forum, Grampians Tourism and Regional Development Australia.
Implement the recommendations for the master plans for the Beaufort and Avoca Caravan Tourist Parks.	Beaufort Caravan Park has undergone \$300,000 in infrastructure improvements including – installation of three new cabins, refurbishment of the amenities block, electrical and plumbing upgrades.

Local Government Community Satisfaction Survey Results – Council's Performance

Business / Development / Tourism

2013	66
2014	N/A
2015	62
Small Rural Shires – 2015	63



Strategic Objective 5

Environment

To achieve this objective of Environment, we will show effective leadership in managing our own environmental impacts as well as the management of the local and built environment. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services, projects and programs supporting this key result area

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

Strategic Indicator/Measure (Council Plan)

Indicator Measure	Result	Comments
Weight of recyclables and green waste per collection household to be greater than 280 kilograms.	Achieved	Council achieved 311 kilograms per collection household.
Structure plans to manage potable water supply areas by June 2014.	Ongoing	Council adopted the Domestic Waste Water Management Plan 2015/18 in April.

Major Initiative (Budget)

Major Initiative	Progress
Review land use planning strategies	Council continues to review land use strategies to align with State planning requirements.
Implement the municipal waste management plan to reduce the amount of waste sent to landfill and to encourage recycling.	Council continues to implement the municipal waste management plan to reduce the amount of waste sent to landfill.

Services / Indicator / Measure	Result	Material Variations
Waste Collection		
Satisfaction Kerbside bin collection requests [number of kerbside garbage and recycling bin collection requests / number of kerbside bin collection households] x1,000	64.44	
Service standard Kerbside collection bins missed [number of kerbside garbage and recycling collection bins missed / number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	3.26	
Service cost Cost of kerbside garbage collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$86.36	
Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / number of kerbside recyclables collecting bins]	\$45.48	
Waste Diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / weight of garbage, recyclables and green organics collected from kerbside bins] x100	41.88%	The introduction of green waste collection has improved waste diversion performance.
Statutory Planning		
Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	67	67 processing days is the median time taken without adjusting for periods when the processing clock is legally paused.
Service standard Planning applications decided within 60 days [Number of planning application decisions made within 60 days / number of planning application decisions made] x100	99%	
Service cost Cost of statutory planning service [Direct cost of statutory planning service / number of planning applications received]	\$1,768	
Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100%	There was one planning application upheld by VCAT.

Local Government Community Satisfaction Survey Results – Council's Performance

Waste Management

2013	71
2014	73
2015	71
Small Rural Shires 2015	71

Planning and Building Permits

2013	58
2014	51
2015	54
Small Rural Shires 2015	53

Governance, management and other information

Governance

The Pyrenees Shire Council is constituted under the Local Government Act 1989 to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

- Taking into account the diverse needs of the local community in decision-making
- Providing leadership by establishing strategic objectives and monitoring achievements
- Ensuring that resources are managed in a responsible and accountable manner
- Advocating the interests of the local community to other communities and governments
- Fostering community cohesion and encouraging active participation in civic life.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community consultation and public forums such as ward meetings.

Council's formal decision-making processes are conducted through Council meetings and Special Committees of Council. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies.

Council Meetings

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

During the year an Ordinary Council Meeting was also held in Avoca in April 2015.

The Statutory Meeting, which included election of the Mayor, was held in Lexton in November 2014.

Councillors attendance at Council Meetings

Date	Cr Kehoe	Cr Clark	Cr O'Connor	Cr Eason	Cr Vance
15th July 2014	Y	Y	Y	Y	Y
19th August 2014	Y	Y	Y	Y	Y
16th September 2014	Y	Y	Y	Y	Y
21st October 2014	Y	Y	Y	Y	Y
11th November 2014 (Statutory)	Y	Y	Y	Y	Y
18th November 2014	Y	Y	Y	Y	Y
9th December 2014	Y	Y	Y	Y	Y
17th February 2015	Y	Y	Y	Y	Y
21st March 2015	Y	Y	Y	Y	Y
17th April 2015	Y	Y	Y	Y	Y
19th May 2015	Y	Y	Y	Y	Y
9th June 2015	Y	Y	Y	Y	Y



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.

Conflict of Interest

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires Councillors to act in the public interest. When a Council delegates its powers to a Council officer or a committee, the committee or officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests.

Councillor Allowances

In accordance with Section 74 of the Local Government Act 1989, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also entitled to receive a higher allowance.

The State Government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. In this instance Pyrenees Shire Council is recognised as a category one council.

The following table contains a summary of the allowances paid to each Councillor during the year.

Councillors	Allowance \$
Cr Tanya Kehoe (Mayor, part year)	46,420
Cr Ron Eason	20,461
Cr Cr David Clark	20,461
Cr Michael O'Connor	20,461
Cr Robert Vance (Mayor, part year)	35,048

Code of Conduct

In accordance with Section 75 of the *Local Government Act 1989*, Council is required to reimburse a Councillor for expenses incurred whilst performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the

provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council Committee paid by the council. The details of the expenses for the 2014/15 year are set out in the following table.

Allowances received by Councillors during 2014/15						
Councillors	TR \$	CM \$	CC \$	IC \$	CT \$	Total \$
Cr Tanya Kehoe (Mayor)	0	0	0	0	77	77
Cr Ron Eason	0	3,467	0	0	0	3,467
Cr David Clark	0	5,114	2,786	0	0	7,900
Cr Michael O'Connor	0	5,116	0	0	0	5,116
Cr Robert Vance	0	5,672	0	0	74	5,746

Legend: TR-Travel CM-Car Mileage CC-Child Care IC-Information and Communication expenses CT-Conferences and Training expenses.

Internal Audit

The Internal Audit Committee is an Advisory Committee of Council and monitors internal controls, financial management and risk management. Council's Internal Audit Committee is comprised of three independent external members – Mr Geoff Price, Mr Maurice Barwick and Ms Wendy Honeyman, and two Councillors – Cr Ron Eason and Cr David Clark.

Meetings were held on 26th August, 25th November 2014 and 26th May 2015.

The Committee considered reports from the internal auditor on Council's Capital Works – Planning Budgeting and Management, the Outstanding Issues Register, Review of Council's Home and Community Care Program and Services and Local Government Act Compliance Review.

Committees (Section 86)

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

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

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

Continuous Improvement

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

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



Communications

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

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

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

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

- Telecommunications in rural and regional areas
- Western Highway Bypass

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads to better decision making by Council. The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations. Council's

Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework.

Governance and Management Checklist

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

Governance and Management Items	Assessment
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 15th May 2001
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of current guidelines: 16th March 2010
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 19th May 2015
4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 19th May 2015
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans: Buildings 21st February 2012 Bridges and Major Culverts 15th May 2015 Roads Asset Management Plan 28th August 2007
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 21st May 2013
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 11th December 2011
8 Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 1st April 2015
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> 2nd December 2014
10 Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 1st March 2015
11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan: 27th January 2015
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 7th January 2015
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 3rd December 2014

Governance and Management Items	Assessment
<p>14 Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)</p>	<p>Established in accordance with section 139 of the Act Date of establishment: 18th June 1998</p>
<p>15 Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)</p>	<p>Engaged Date of engagement of current provider: 1st January 2012</p>
<p>16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)</p>	<p>Framework Date of operation of current framework: 9th June 2015</p>
<p>17 Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Council Plan reported to Council Progress Report Q1 - 30th September 2014 Progress Report Q2 – 31st December 2014 Progress Report Q3 – 31st March 2015</p>
<p>18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Statements presented to Council in accordance with section 138(1) of the Act Date statements presented: 30th September 2014, 31st December 2014, 31st March 2015</p>
<p>19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>No Quarterly Risk Reporting will commence in 2015/16</p>
<p>20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)</p>	<p>Report Local Government Performance Report – Q2 – 21st April 2015</p>
<p>21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)</p>	<p>Considered at a meeting of Council in accordance with section 134 of the Act Date statements presented: 21st October 2014</p>
<p>22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)</p>	<p>Reviewed in accordance with section 76C of the Act Date reviewed: 19th February 2013</p>
<p>23 Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)</p>	<p>Reviewed in accordance with section 98(6) of the Act Dates of reviews: S11 – 19th May 2015 S5 – 1st February 2015 S7 – 5th March 2013 S6 – 21st April 2015 S12 – 9th December 2014 S11A – 5th March 2013</p>
<p>24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)</p>	<p>Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 17th April 2012</p>

Statutory information

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

Documents Available for Public Inspection

In accordance with Part 5 of the Local Government (General) Regulations 2004 the following is a list of the prescribed documents that are available for inspection or copies of the documents can be obtained for the purposes of section 222 of the *Local Government Act 1989* at Pyrenees Shire Council's Beaufort Office at 5 Lawrence Street, Beaufort:

- details of current allowances fixed for the Mayor and Councillors.
- details of senior officers' total salary packages for the current financial year and the previous year.
- 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.
- 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
- agendas for and minutes of ordinary and special meetings held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public.
- a list of all special committees established by 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 held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public.
- a register of delegations.
- submissions received in accordance with Section 223 of the Act during the previous 12 months
- agreements to establish regional libraries.
- 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.

- a list of donations and grants made by the Council during the financial year.
- 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 \$150,000 or more which the Council entered into during the financial year without first engaging in a competitive process.

Best Value

In accordance with section 208B(f) of the *Local Government Act 1989*, at least once every year a Council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles. Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement and innovation. To further reflect Council's commitment to Best Value, Council has commenced the design and planning of a Business Unit Planning Program which is being rolled out to the whole organisation. This program provides additional review and improvement mechanisms to ensure that Council's services achieve best practice standards in regards to service performance.

Contracts

During the year council did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process.

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994*, Council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report.

Council adopted the Domestic Animal Management Plan 2012/16 in 2012. The plan was developed through consultation with Council's Animal Management Team and consideration of input from other Council departments. No actions were completed at the date of this report.

Food Act Ministerial Directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report.

No such Ministerial Directions were received by Council during the financial year.

Freedom of Information

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982*, Council is required to publish certain statements in their annual report or separately, such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately however provides the following summary of the application and operation of the *Freedom of Information Act 1982*.

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

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

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

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

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

Council received three Freedom of Information applications during 2014/15.

Protected Disclosure Procedures

In accordance with section 69 of the *Protected Disclosure Act 2012* a Council must include in their annual report information about how

to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available Council's website.

During the 2014/15 year no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

Emergency Management

The following outcomes were achieved during the 2014/15 year:

- Successfully navigated the July 2014 Municipal Emergency Management Plan (MEMP) tri-annual Audit achieving the 'Best Practice' rating on all 24 audit questions.
- Developed a 3-year MEMP Action Work Plan.
- Reviewed and re-wrote the Pyrenees Municipal Pandemic Influenza plan.
- In partnership with neighbouring Councils, developed and conducted Municipal Post Impact Assessment training for Council team members.
- Developed and conducted a series of emergency management training exercises which included:
 - Joint ICC/MECC operations
 - Emergency Relief Centre operations
 - Recovery Centre operations
 - Critical Incident Management
- Reviewed and re-wrote the Pyrenees Critical Incident Management Plan.
- Reviewed and re-wrote the Pyrenees Business Continuity Plan.
- Developed a Municipal Appeals and Donations Operations Plan.
- Reviewed the Pyrenees Shire Council Emergency Risk Register.
- Developed the Pyrenees Shire Council Emergency Risk Management Plan.
- Commenced a review and re-write of the Emergency Management section of the Pyrenees Shire Council Internet site.

Road Management Act Ministerial direction

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

Local Government Community Satisfaction Survey Results – Council's Performance

Emergency and Disaster Management

2013	73
2014	71
2015	69
Small Rural Shires 2015	70
State-wide 2015	70

Victorian Local Government Indicators

The Victorian Government requires all Victorian councils to measure and annually report against 11 Victorian Local Government Indicators (VLGIs). These indicators provide information regarding expenditure, cost of services and infrastructure provision, customer satisfaction and governance. The following table presents the results of the VLGIs for the 2014/15 year.

	2010/11	2011/12	2012/13	2013/14	2014/15
Affordability					
Average rates and charges per assessment	\$1,138	\$1,158	\$1,215	\$1,279	\$1,353
Average rates and charges per residential assessment	\$798	\$836	\$886	\$946	\$1,018
Sustainability					
Average liabilities per assessment	\$1,025	\$1,474	\$1,079	\$873	\$743
Operating result per assessment – surplus / (deficit)	\$1,391	\$1,188	(\$1,059)	(\$1,401)	\$87
Services					
Average operating expenditure per assessment	\$3,403	\$5,800	\$6,017	\$4,536	\$3,570
Community Satisfaction Survey rating for overall performance generally of Council	60	62	63	63	62
Infrastructure					
Average capital expenditure per assessment	\$1,457	\$1,163	\$1,755	\$1,050	\$1,086
<i>Renewal</i> Current spending on renewal to Asset base consumed during the year	66%	20%	75%	42%	69%
<i>Renewal and Maintenance</i> Current spending on renewal plus maintenance to Asset base consumed during the year	77%	140%	89%	67%	77%
Governance					
Community Satisfaction Survey rating for Council's advocacy and community representation on key local issues	62	58	58	56	57
Community Satisfaction Survey rating for Council's engagement in decision-making on key local issues	58	59	59	58	57

PYRENEANES SHIRE

Section 6

FINANCIALS





Planning and Accountability Framework

Council is required to prepare and include a Performance Statement within its Annual Report. The Performance Statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This Statement has been prepared to meet the requirements of the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014.

The Financial Report is a key report of the Pyrenees Shire Council. It shows how Council performed financially during the 2014/15 financial year and the overall position at the end (June 30 2015) 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.

The Performance Statement and Financial Report have been included on the disk in the inside rear cover of this Report.

Section 6

Financials

A Plain English Guide to the Financial Report

1. Introduction

The Financial Report is a key report of the Pyrenees Shire Council. It shows how Council performed financially during the 2014/2015 financial year and the overall position at the end (June 30, 2015) 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 are audited by the Victorian Auditor-General.

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

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

3. Income Statement

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

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

4. Balance Sheet

This 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 built up over many years.

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

4.1 Current and Non-Current Assets

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

Receivables are monies owed to Council by ratepayers and others.

Other is inventory and accounts which have been prepaid.

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

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

4.2 Current and Non-Current Liabilities

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

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

Trust Monies represents monies held in Trust by Council.

4.3 Net Assets

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

4.4 Total Equity

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

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

5. Statement of Changes in Equity

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

The main reasons for a change in equity stem from:

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

6. Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. This Statement is presented according to a very specific Accounting Standard and needs some care

in analysis. The values may differ from those shown in the Statement of Income because the Statement of Income is prepared on an accrual accounting basis.

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

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

Cash Flows from Operating Activities:

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

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

Cash Flows from Investing Activities

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

Cash Flows from Financing Activities

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

7. Notes to the Accounts

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

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

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

Other Notes include: the cost of the various functions of Council; the 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

Pyrenees Shire Council

ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2015

Pyrenees Shire Council
Financial Report
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	Note	2015 \$'000	2014 \$'000
Income			
Rates and service charges	3	8,165	7,702
Statutory fees and fines	4	102	114
User charges	5	667	705
Grants - operating	6	6,445	6,000
Grants - capital	6	5,402	2,948
Contributions - monetary	7	158	266
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	126	(61)
Fair value adjustment for non-current assets classified as held for sale	20	67	-
Other income	9	277	579
Total income		21,409	18,253
Expenses			
Employee costs	10	(6,458)	(6,053)
Materials and services	11	(6,122)	(12,216)
Bad and doubtful debts	12	(5)	(1)
Depreciation	13	(7,902)	(7,711)
Borrowing costs	14	(128)	(144)
Impairment adjustment for non-current assets classified as held for sale	20	-	(436)
Other expenses	15	(288)	(310)
Total expenses		(20,903)	(26,871)
Surplus/(deficit) for the year		506	(8,618)
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	27(a)	-	151
Total comprehensive result		506	(8,467)

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

	Note	2015 \$'000	2014 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	6,973	116
Trade and other receivables	17	832	832
Other financial assets	18	9	5,512
Inventories	19	7	5
Non-current assets classified as held for sale	20	965	820
Other assets	21	148	153
Total current assets		8,934	7,438
Non-current assets			
Trade and other receivables	17	104	53
Property, infrastructure, plant and equipment	22	283,177	284,965
Total non-current assets		283,281	285,018
Total assets		292,215	292,456
Liabilities			
Current liabilities			
Trade and other payables	23	877	972
Trust funds and deposits	24	176	173
Provisions	25	1,921	1,862
Interest-bearing loans and borrowings	26	864	298
Total current liabilities		3,838	3,305
Non-current liabilities			
Provisions	25	140	161
Interest-bearing loans and borrowings	26	373	1,632
Total non-current liabilities		513	1,793
Total liabilities		4,351	5,098
Net assets		287,864	287,358
Equity			
Accumulated surplus		85,173	84,667
Reserves	27	202,691	202,691
Total Equity		287,864	287,358

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

Statement of Changes in Equity
For the Year Ended 30 June 2015

	Total	Accumulated surplus	Asset revaluation reserve	Recreational land reserve
	\$'000	\$'000	\$'000	\$'000
2015				
Balance at beginning of the financial year	287,358	84,667	202,682	9
Surplus for the year	506	506	-	-
Balance at end of the financial year	287,864	85,173	202,682	9
2014				
Balance at beginning of the financial year	295,825	93,285	202,531	9
(Deficit) for the year	(8,618)	(8,618)	-	-
Net asset revaluation increment	27(a) 151	-	151	-
Balance at end of the financial year	287,358	84,667	202,682	9

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

Statement of Cash Flows
For the Year Ended 30 June 2015

	Note	2015 Inflows/ (Outflows) \$'000	2014 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and service charges		8,196	7,625
Statutory fees and fines		102	114
User charges		737	841
Grants - operating		6,451	5,993
Grants - capital		5,367	4,781
Contributions - monetary		174	266
Interest received		206	374
Trust funds and deposits taken		1,341	1,491
Other receipts		122	228
Net GST received		910	1,132
Employee costs		(6,420)	(5,966)
Materials and services		(6,786)	(14,654)
Trust funds and deposits repaid		(1,338)	(1,489)
Other payments		(322)	(151)
Net cash provided by operating activities	28	8,740	585
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(6,888)	(5,500)
Proceeds from sale of property, infrastructure, plant and equipment		408	134
Payments for land held for resale		(364)	(579)
Proceeds from sale of land held for resale		279	528
Proceeds from sale of other financial assets		5,503	488
Net cash (used in) investing activities		(1,062)	(4,929)
Cash flows from financing activities			
Finance costs		(128)	(144)
Repayment of borrowings		(693)	(271)
Net cash (used in) financing activities		(821)	(415)
Net increase (decrease) in cash and cash equivalents		6,857	(4,759)
Cash and cash equivalents at the beginning of the financial year		116	4,875
Cash and cash equivalents at the end of the financial year	29	6,973	116
Financing arrangements	30		
Restrictions on cash assets	16		

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

	2015 \$'000	2014 \$'000
Property		
Land - specialised	-	366
Land improvements	-	583
Total land	<u>-</u>	<u>949</u>
Buildings - specialised	792	1,193
Total buildings	<u>792</u>	<u>1,193</u>
Total property	<u>792</u>	<u>2,142</u>
Plant and equipment		
Plant, machinery and equipment	881	422
Fixtures, fittings and furniture	10	1
Computers and telecommunications	138	90
Library collection	48	-
Total plant and equipment	<u>1,077</u>	<u>513</u>
Infrastructure		
Roads	2,419	2,629
Footpaths and cycleways	7	-
Drainage	122	130
Bridges	1,941	422
Other structures	2	297
Total infrastructure	<u>4,491</u>	<u>3,478</u>
Total capital works expenditure	<u>6,360</u>	<u>6,133</u>
Represented by:		
New asset expenditure	418	1,680
Asset renewal expenditure	4,875	2,060
Asset upgrade expenditure	1,067	2,393
Total capital works expenditure	<u>6,360</u>	<u>6,133</u>

The above statement of capital works should be read with the accompanying notes.

Introduction

The Pyrenees Shire Council was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate. The Council's main office is located at 5 Lawrence Street Beaufort.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS's), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1 (m))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (n))
- the determination of employee provisions (refer to note 1 (t))

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.

(b) Changes in accounting policies

There have been no significant changes in accounting policies from the previous period.

(c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2015, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated. Council does not currently control any entities that require consolidation into these financial statements.

(d) Committees of management

All entities controlled by Council that have material revenues, expenses, assets and liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

The following Local Government Act 1989 Section 86 Committee of Council has been consolidated into this financial report: Beaufort Community Bank Complex.

Note 1 Significant accounting policies (continued)

(e) Accounting for investments in associates and joint arrangements

Associates

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

At balance date Council does not have any investments in associates or joint arrangements.

(f) Revenue recognition

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.

Rates and service charges

Annual rates and service charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

Statutory fees and fines

Statutory 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.

User charges

User charges are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon the 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.

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 6. 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.

Contributions

Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

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

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

Interest on investments

Interest is recognised as it is earned.

Other income

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

Note 1 Significant accounting policies (continued)

(g) Fair value measurement

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

(i) 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 has occurred.

(j) Other financial assets

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

(k) Inventories

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

(l) Non-current assets classified as held for sale

A non-current asset classified as held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Note 1 Significant accounting policies (continued)

(m) Recognition and measurement of property, infrastructure, plant and equipment

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 and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits detailed in Note 1 (n) have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 22, Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from two to five 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

Council recognises land under roads that it owns at fair value.

(n) Depreciation of property, infrastructure, plant and equipment

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

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

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

Note 1 Significant accounting policies (continued)

(n) Depreciation of property, infrastructure, plant and equipment (continued)

Asset recognition thresholds and depreciation periods

Asset category	Depreciation Period	Threshold Limit \$'000
Property		
land	-	-
land improvements	25 years	10
Buildings		
buildings	50 years	10
Plant and Equipment		
plant, machinery and equipment	5-10 years	1
fixtures, fittings and furniture	3-10 years	1
computers and telecommunications	3-10 years	1
library collection	3-10 years	1
Infrastructure		
road substructure	50 years	10
road seal	13 years	10
footpaths	50 years	10
kerb and channel	50 years	10
culverts	50 years	10
bridges	50-75 years	10
other structures	10-25 years	1

(o) 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.

(p) Investment property

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise. Rental income from the leasing of investment properties is recognised in the comprehensive income statement on a straight line basis over the lease term. Council does not currently have any investment property.

(q) Impairment of assets

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

Note 1 Significant accounting policies (continued)

(r) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 24).

(s) Borrowings

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

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts and interest on borrowings.

(t) Employee costs and benefits

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Wages and salaries and annual leave

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

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Superannuation

The amount charged to the Comprehensive Income Statement in respect of superannuation represents contributions made or due by Pyrenees Shire Council to the relevant superannuation plans in respect to the services of Pyrenees Shire Council'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.

Note 1 Significant accounting policies (continued)

(u) Leases

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Council does not presently have any leased assets subject to finance leases.

Operating leases

Lease payments for operating leases are required by the accounting standards to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

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, Council does not have any leasehold improvements.

(v) 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 Statement of Cash flows on a gross basis.

(w) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. At balance date, Council does not have any financial guarantees.

(x) 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 by way of note and presented inclusive of the GST payable.

(y) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(z) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

(aa) Restatement of comparative information

In the 2014 financial report an impairment of \$436,000 was raised against the value of non-current assets classified as held for sale, and was recognised in the asset revaluation reserve through other comprehensive income rather than being disclosed as an impairment expense. The 2013-14 comparatives in the Comprehensive Income Statement have been restated to show this impairment as an expense whilst the effect of this restatement in the Balance Sheet was to increase the asset revaluation reserve at 30 June 2014 by \$436,000 with a corresponding decrease to the accumulated surplus.

Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 20 May 2014. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

a) Income and Expenditure	Budget	Actual	Variance		Ref
	2015	2015	2015		
	\$'000	\$'000	\$'000	%	
Income					
Rates and service charges	8,089	8,165	76	1%	
Statutory fees and fines	102	102	-	0%	
User charges	735	667	(68)	-9%	
Grants - operating	4,667	6,445	1,778	38%	1
Grants - capital	4,685	5,402	717	15%	2
Contributions - monetary	72	158	86	119%	3
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	126	126		4
Fair value adjustment for non-current assets classified as held for sale	-	67	67		5
Other income	259	277	18	7%	
Total income	18,609	21,409	2,800		
Expenses					
Employee costs	6,508	6,458	50	1%	
Materials and services	6,295	6,122	173	3%	6
Bad and doubtful debts	-	5	(5)		7
Depreciation	7,600	7,902	(302)	-4%	8
Borrowing costs	125	128	(3)	-2%	
Other expenses	377	288	89	24%	9
Total expenses	20,905	20,903	2		
Surplus/(deficit) for the year	(2,296)	506	2,802		

Explanation of material variations

Ref	Item	Explanation	
1	Grants - operating	In June 2015 Council received the following unbudgeted income:	
		Victoria Grants Commission general allocation - 2015-2016	
		funding received in advance	1,484
		Library 2015-2016 funding received in advance	105
		Home & Community Care 2014-2015 growth funding	77
			1,666

Note 2 Budget comparison (continued)

Explanation of material variations (continued)

2	Grants - capital	<p>The level of capital grants received by Council had a number of significant variations to budget including:</p> <p>Victoria Grants Commission Local Roads - 2015-2016 funding in advance</p> <p style="text-align: right;">1,006</p> <p>Streetscape funding less than budget</p> <p style="text-align: right;">(168)</p> <p>Industrial Estate grant budgeted for but not received</p> <p style="text-align: right;">(66)</p> <p>Victoria Grants Commission Local Roads funding less than budget</p> <p style="text-align: right;">(28)</p> <p>Roads to recovery funding less than budget</p> <p style="text-align: right;"><u>(27)</u></p> <p style="text-align: right;">717</p>
3	Contributions - monetary	<p>During the year Council received two unbudgeted contributions and one budgeted contribution was greater than the amount budgeted. Further, a large budgeted contribution was not received because it was a matching contribution for a grant application that was not successful.</p> <p>Roadworks contribution received but not budgeted</p> <p style="text-align: right;">125</p> <p>Caravan park contributions budgeted but not received</p> <p style="text-align: right;">(66)</p> <p>Promotional contributions received but not budgeted</p> <p style="text-align: right;">14</p> <p>Recreation reserve contribution above budget</p> <p style="text-align: right;"><u>10</u></p> <p style="text-align: right;">83</p>
4	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	<p>Council did not budget for a gain or loss on the disposal of property, infrastructure, plant and equipment.</p>
5	Fair value adjustment for non-current assets classified as held for sale	<p>Council did not budget for any income from fair value adjustments for non-current assets classified as held for sale.</p>
6	Materials and services	<p>There was an overall saving of \$176k on materials and services expenditure which was made up of a vast number of variations. Overall the variation to budget was 3% favourable.</p>
7	Bad and doubtful debts	<p>Council did not budget for any bad and/or doubtful debts.</p>
8	Depreciation	<p>The 2014-2015 budget for depreciation was \$111 k less than the actual depreciation for 2013-2014. This variance has arisen due to the revaluation of assets and the associated increase in depreciation post the setting of the budget.</p>
9	Other expenses	<p>Council made the following operational savings against budget during the year:</p> <p>Lease of plant</p> <p style="text-align: right;">64</p> <p>Audit of quality system</p> <p style="text-align: right;">18</p> <p>Lease of office equipment</p> <p style="text-align: right;"><u>8</u></p> <p style="text-align: right;">90</p>

Note 2 Budget comparison (continued)

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000		Ref
b) Capital Works					
Property					
Buildings - specialised	412	792	380	92%	10
Total Buildings	412	792	380		
Total Property	412	792	380		
Plant and Equipment					
Plant, machinery and equipment	903	881	(22)	-2%	
Fixtures, fittings and furniture	10	10	-	0%	
Computers and telecommunications	183	138	(45)	-25%	11
Library collection	-	48	48		12
Total Plant and Equipment	1,096	1,077	(19)		
Infrastructure					
Roads	2,674	2,419	(255)	-10%	13
Footpaths and cycleways	10	7	(3)	-30%	14
Drainage	150	122	(28)	-19%	15
Bridges	711	1,941	1,230	173%	16
Other structures	310	2	(308)	-99%	17
Total Infrastructure	3,855	4,491	636		
Total Capital Works Expenditure	5,363	6,360	997		
Represented by:					
New asset expenditure	1,200	418	(782)		
Asset renewal expenditure	3,828	4,875	1,047		
Asset upgrade expenditure	335	1,067	732		
Total Capital Works Expenditure	5,363	6,360	997		

Explanation of material variations

Ref	Item	Explanation
10	Buildings - specialised	During the year Council completed two building projects that were unbudgeted but carried forward from previous years, and one budgeted project did not proceed because it was contingent on a grant application that was not successful. Avoca Hall - unbudgeted but carried forwards from prior year 264 Beaufort depot - unbudgeted but carried forwards from prior year 142 Landsborough caravan park - budgeted but not undertaken (36) <u>370</u>
11	Computers and telecommunications	Council budgeted to make a \$50k contribution towards mobile telephone coverage improvements, but this money has been carried forward to 2015-2016, as these works are yet to be completed by the telecommunications contractor.
12	Library collection	The 2014-15 budget for library expenditure was all shown as operating expenditure when in fact a portion of the expenditure is on the library collection which is a capital item, so this variance has arisen because of the accounting treatment of this expenditure rather than through additional expenditure.

Note 2 Budget comparison (continued)

Explanation of material variations (continued)

13	Roads	Council budgeted to spend all of the Roads to Recovery income on roads, but a change to priorities saw some of this money spent on bridges. The actual funding was also less than budgeted. In addition, Council significantly underspent on one of its roads program areas.	
		Road budget spent on bridges	(202)
		Road shoulder program budget unspent	(50)
		Roads to Recovery funding under budget so expenditure reduced to match grant funding	(27)
			<u>(279)</u>
14	Footpaths and cycleways	Council underspent on works on footpaths and cycleways by \$3k or 30%.	
15	Drainage	Council had a significant underspend of \$28k on its major culverts program.	
16	Bridges	Council had significant carried forward funding under the Country Roads and Bridges program that was not budgeted for. In addition, Council spent some of the Roads to Recovery funding budgeted for road works on bridge works (as per note 13 above).	
		Country Roads and Bridges funded works greater than budget	1,028
		Road budget spent on bridges	202
			<u>1,230</u>
17	Other structures	Council budgeted for \$310k of streetscape works that were dependant on obtaining State government funding that did not eventuate.	

	2015 \$'000	2014 \$'000
Note 3 Rates and service charges		
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 2014-2015 was \$1,586 million (2013-2014 was \$1,539 million). The 2014-2015 general rate in the CIV dollar was 0.4664 (2013-2014, was 0.4479).		
Farm and Rural	3,573	3,363
Residential	2,449	2,286
Waste service charges	955	892
Vacant land	760	748
Wind Farm	206	203
Commercial and Industrial	168	168
Interest on rates	38	26
Recreation and Cultural	16	16
Total rates and service charges	8,165	7,702
The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation was first applied to the rating period commencing 1 July 2014.		
The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2016, and the valuation will be first applied in the rating year commencing 1 July 2016.		
Note 4 Statutory fees and fines		
Town planning fees	40	49
Environmental health fees	32	41
Land information and building certificate fees	17	15
Fines	13	9
Total statutory fees and fines	102	114
Note 5 User charges		
Caravan park charges	141	165
Home care charges	115	126
Animal registration charges	77	84
Rental and function charges	68	57
Building charges	52	53
Meals on wheels charges	48	49
Goldfields Recreation Reserve venue hire charges	26	30
Swimming pool charges	26	-
Resource and information centre charges	19	27
Waste disposal charges	17	12
Economic development charges	13	57
Community transport charges	9	8
Planned activity group charges	8	7
Other charges	48	30
Total user charges	667	705

	2015 \$'000	2014 \$'000
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
State funded grants	3,247	7,634
Commonwealth funded grants *	8,600	3,666
Total grants	11,847	11,300
Grants - operating - recurrent		
Victoria Grants Commission - general purpose *	4,461	1,378
Aged care and senior citizens	534	477
Library	211	93
Adult day care	165	136
Maternal & child health	102	95
Family day care *	86	92
Roadside weeds and pests management	43	43
Delivered meals	33	32
Youth outreach	32	30
Podiatry	29	29
Emergency relief	21	40
Freeza	12	12
Heritage	-	12
Other	45	33
Total grants - operating - recurrent	5,774	2,502
Grants - operating - non-recurrent		
Amphitheatre recreation reserve	383	-
Shade structures	80	-
Emergency planning	60	60
Storm damage natural disaster	49	-
Natte Yallock community hub	32	292
Snake Valley Avenue of Honour	20	-
Flood restoration natural disaster	-	2,855
Emergency communications	-	90
Fire restoration works natural disaster	-	40
Tourism project officer	-	38
Transport connections	-	37
Other	47	86
Total grants - operating - non-recurrent	671	3,498
Total grants - operating	6,445	6,000
Grants - capital - recurrent		
Victoria Grants Commission - local roads *	3,030	974
Total grants - capital - recurrent	3,030	974

	2015 \$'000	2014 \$'000
Note 6 Grants (continued)		
Grants - capital - non-recurrent		
Roads to recovery *	1,023	1,222
Rural roads and bridges	1,000	-
Avoca hall	189	-
Beaufort caravan park	90	-
Small rural township streetscape upgrade	65	235
Amphitheatre tennis courts	5	48
Bio energy	-	144
Local government infrastructure	-	100
Beaufort playground	-	74
Flood restoration	-	48
Avoca streetscape	-	30
Swimming pools	-	20
Avoca families and children centre	-	15
Garibaldi Creek flood mitigation	-	15
Other	-	23
Total grants - capital - non-recurrent	2,372	1,974
Total grants - capital	5,402	2,948
Total grants	11,847	8,948

* indicates Commonwealth Grants

Conditions on grants

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

Rural roads and bridges	-	868
Public Libraries	105	-
HACC Service system resourcing	41	-
HACC Minor capital	21	-
HACC Respite care	8	-
HACC Domestic assistance	7	-
	182	868

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

Rural roads and bridges	868	492
Flood restoration	-	2,310
Bio energy	-	376
Beaufort Pool upgrade	-	66
Garibaldi Creek flood mitigation	-	44
	868	3,288

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

(686) **(2,420)**

	2015 \$'000	2014 \$'000
Note 7 Contributions		
Monetary - Capital	129	224
Monetary - Operating	29	42
Total contributions	<u>158</u>	<u>266</u>
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Plant and equipment		
Proceeds of sale	371	107
Written down value of assets disposed	(246)	(107)
Net gain(loss) on disposal of plant and equipment	<u>125</u>	<u>-</u>
Land classified as held for resale		
Proceeds of sale	254	662
Carrying value of assets disposed	(253)	(723)
Net gain(loss) on disposal of land classified as held for resale	<u>1</u>	<u>(61)</u>
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>126</u>	<u>(61)</u>
Note 9 Other income		
Interest on investments	155	322
Legal fees - rates	43	49
Reimbursement - State Revenue Office	37	57
Private works	33	70
Other	9	81
Total other income	<u>277</u>	<u>579</u>
Note 10(a) Employee costs		
Wages and salaries	5,722	5,385
Superannuation	547	513
Fringe benefits tax	99	94
WorkCover insurance premium	90	61
Total employee costs	<u>6,458</u>	<u>6,053</u>
Note 10(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund 9.5%		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	203	212
	<u>203</u>	<u>212</u>
Defined benefits employer contributions payable at reporting date.	-	-

	2015 \$'000	2014 \$'000
Note 10(b) Superannuation (continued)		
Accumulation funds 9.5%		
Local Authorities Superannuation Fund (Vision Super)	533	484
Australian Super	23	10
Rowe Family Superannuation Fund	21	29
Adelaide Managed Fund	10	23
First State Super	8	-
Elliott & Strietman Superannuation Fund	1	4
Vic Super	1	-
Mathews Superannuation Fund	-	25
Health Super	-	8
	597	583

There were \$0 (\$16,000 in 2013-14) contributions outstanding and no loans issued from or to the above schemes as at 30 June 2015.

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

Accumulation

The Fund's accumulation categories (Vision MySuper and Vision Super Saver) receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2015, this was 9.5% required under Superannuation Guarantee legislation (for 2013-14, this was 9.25%)).

Defined Benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a funding call is made. As a result, the level of participation of Pyrenees Shire Council in the Fund cannot be readily measured as a percentage compared with other participating employers. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$165,000.

	2015 \$'000	2014 \$'000
Note 11 Materials and services		
Contractors	3,141	8,663
Materials and services	1,286	1,727
Insurance	308	300
Plant expenses	282	300
Electricity and water	201	226
Telecommunications	180	156
Information technology	140	130
Advertising	114	113
Cleaning	97	101
Subscriptions and memberships	90	86
Conferences and training	81	85
Stationery, postage, photocopying and printing	81	96
Legal fees	49	50
Valuations	34	51
Contributions and donations	24	118
Fire services levy	14	14
Total materials and services	6,122	12,216
Note 12 Bad and doubtful debts		
Planning debtors	4	-
Fire hazard infringement debtors	1	-
Rates debtors	-	1
Total bad and doubtful debts	5	1
Note 13 Depreciation		
Infrastructure	5,980	5,862
Property	1,276	1,211
Plant and equipment	646	638
Total depreciation	7,902	7,711
<i>Refer to note 22 for a more detailed breakdown of depreciation charges.</i>		
Note 14 Borrowing costs		
Interest on borrowings	128	144
Total borrowing costs	128	144
Note 15 Other expenses		
Councillors' allowances	146	143
Operating lease rentals	73	93
Auditors' remuneration - internal auditor	35	40
Auditors' remuneration - Victorian Auditor General's Office (VAGO) - audit of the financial statements, performance statement and grant acquittals	26	25
Internal audit committee	8	9
Total other expenses	288	310

	2015 \$'000	2014 \$'000
Note 16 Cash and cash equivalents		
Cash on hand	2	2
Cash at bank	4,171	114
Term deposits	2,800	-
Total cash and cash equivalents	6,973	116
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 24)	176	173
- Recreational land reserve (Note 27)	9	9
Total restricted funds	185	182
Total unrestricted cash and cash equivalents	6,788	(66)
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	1,212	2,025
- Home & Community Care 2014-2015 growth funding	77	-
- Victoria Grants Commission 2015-2016 funding received in advance	2,490	-
- Library 2015-2016 funding received in advance	105	-
Total funds subject to intended allocations	3,884	2,025
Note 17 Trade and other receivables		
Current		
Rates debtors	349	380
Private scheme debtors	10	6
Sundry debtors	278	363
Grants debtors	-	55
Net Australian Taxation Office receivable	195	28
Total current trade and other receivables	832	832
Non-current		
Private scheme debtors	104	53
Total non-current trade and other receivables	104	53
Total trade and other receivables	936	885
a) Ageing of receivables		
At balance date current 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 and other receivables (excluding rates debtors) was:		
Current (not yet due)	229	361
Past due by up to 30 days	16	14
Past due between 31 and 180 days	92	41
Past due between 181 and 365 days	142	32
Past due by more than 1 year	4	4
Total trade and other receivables	483	452

	2015 \$'000	2014 \$'000
Note 18 Other financial assets		
Term deposits	9	5,512
Total other financial assets	9	5,512
Note 19 Inventories		
Inventories held for sale	7	5
Total inventories	7	5
Note 20 Non-current assets classified as held for sale		
Residential land held for sale	660	550
Industrial land held for sale	305	270
Total non-current assets classified as held for sale	965	820
<i>Movement in non-current assets classified as held for sale</i>		
Balance at beginning of financial year	820	1,119
Additions	331	665
Disposals	(253)	(528)
Revaluation decrement	67	(436)
Balance at end of financial year	965	820
<i>Valuation of residential and industrial land held for sale</i>		
<p>Valuation of residential and industrial land held for sale has been determined in accordance with an independent valuation by VRC Property who have recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property. The residential and industrial land is held at the lower of carrying value or fair value.</p>		
Note 21 Other assets		
Prepayments	49	99
Accrued Income	99	54
Total other assets	148	153

Note 22 Property, infrastructure, plant and equipment

Land and Buildings	Land - specialised	Land improvements	Total Land	Buildings - specialised	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2014	2,983	5,550	8,533	47,347	47,347	672	56,552
Accumulated depreciation at 1 July 2014	-	(1,114)	(1,114)	(19,824)	(19,824)	-	(20,938)
Written down value at 1 July 2014	2,983	4,436	7,419	27,523	27,523	672	35,614

Movements in fair value

Acquisition of assets at fair value	-	-	-	792	792	-	792
Transfers	-	(1)	(1)	673	673	(672)	-
Movements in value for year	-	(1)	(1)	1,465	1,465	(672)	792

Movements in accumulated depreciation

Depreciation and amortisation	-	(212)	(212)	(1,064)	(1,064)	-	(1,276)
Movements in accumulated depreciation for year	-	(212)	(212)	(1,064)	(1,064)	-	(1,276)

At fair value 30 June 2015	2,983	5,549	8,532	48,812	48,812	-	57,344
Accumulated depreciation at 30 June 2015	-	(1,326)	(1,326)	(20,888)	(20,888)	-	(22,214)
Written down value at 30 June 2015	2,983	4,223	7,206	27,924	27,924	-	35,130

Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Other structures	Work In Progress	Total Infrastructure
At fair value 1 July 2014	283,811	32,801	1,796	16,411	371	615	335,805
Accumulated depreciation at 1 July 2014	(69,725)	(14,025)	(819)	(4,594)	(237)	-	(89,400)
Written down value at 1 July 2014	214,086	18,776	977	11,817	134	615	246,405

Movements in fair value

Acquisition of assets at fair value	2,372	1,941	7	122	2	47	4,491
Transfers	13	305	-	-	297	(615)	-
Movements in value for year	2,385	2,246	7	122	299	(568)	4,491

Movements in accumulated depreciation

Depreciation and amortisation	(5,408)	(287)	(38)	(204)	(43)	-	(5,980)
Movements in accumulated depreciation for year	(5,408)	(287)	(38)	(204)	(43)	-	(5,980)

At fair value 30 June 2015	286,196	35,047	1,803	16,533	670	47	340,296
Accumulated depreciation at 30 June 2015	(75,133)	(14,312)	(857)	(4,798)	(280)	-	(95,380)
Written down value at 30 June 2015	211,063	20,735	946	11,735	390	47	244,916

Note 22 Property, infrastructure, plant and equipment (continued)

Plant and Equipment	Plant, machinery and equipment	Fixtures, fittings and furniture	Computers and telecommunications	Library collection	Total plant and equipment	Total Property, Infrastructure, Plant & Equipment
At fair value 1 July 2014	5,567	262	1,034	235	7,098	399,455
Accumulated depreciation at 1 July 2014	(2,896)	(218)	(887)	(151)	(4,152)	(114,490)
Written down value at 1 July 2014	2,671	44	147	84	2,946	284,965
Movements in fair value						
Acquisition of assets at fair value	881	10	138	48	1,077	6,360
Fair value of assets disposed	(722)	-	-	-	(722)	(722)
Movements in value for year	159	10	138	48	355	5,638
Movements in accumulated depreciation						
Depreciation and amortisation	(499)	(9)	(110)	(28)	(646)	(7,902)
Accumulated depreciation of disposals	476	-	-	-	476	476
Movements in accumulated depreciation for year	(23)	(9)	(110)	(28)	(170)	(7,426)
At fair value 30 June 2015	5,726	272	1,172	283	7,453	405,093
Accumulated depreciation at 30 June 2015	(2,919)	(227)	(997)	(179)	(4,322)	(121,916)
Written down value at 30 June 2015	2,807	45	175	104	3,131	283,177

Note 22 Property, infrastructure, plant and equipment (continued)

Valuation of land and buildings

Valuation of land and buildings was undertaken by a qualified independent valuer Mr Chris Barrett, BSc., MBA, AAPI, Certified Practising Valuer. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1	Level 2	Level 3
Specialised land	-	-	2,983
Land improvements	-	4,223	-
Specialised buildings	-	-	27,924
Total property	-	4,223	30,907

	2015 \$'000	2014 \$'000
Reconciliation of specialised land		
Recreation	1,672	1,672
Tourism	391	391
Works	348	348
Waste management	281	281
Children's services	107	107
Roads	98	98
Administration	86	86
Total specialised land	2,983	2,983

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Mr Peter Moloney, Dip. C.E., MIE Australia.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	211,063
Footpaths and cycleways	-	-	946
Drainage	-	-	11,735
Bridges	-	-	20,735
Other structures	-	-	390
Total infrastructure	-	-	244,869

Description of significant unobservable inputs into level 3 valuations

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 year to 75 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2015 \$'000	2014 \$'000
Note 23 Trade and other payables		
Trade payables	730	840
Accrued payables	147	132
Total trade and other payables	<u>877</u>	<u>972</u>

Note 24 Trust funds and deposits		
Refundable deposits	74	84
Landsborough Community trust funds	77	64
Camp Hill trust funds	20	20
Fire services property levy collected	2	-
Other refundable deposits	3	5
Total trust funds and deposits	<u>176</u>	<u>173</u>

Purpose and nature of items

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

Trust funds - Council has received money from two community groups which it is holding in trust until such time the funds are required to contribute to a project in that community. Council has also received money for the Fire Services Property Levy which at balance date had not been remitted to the State Revenue Office.

Note 25 Provisions		
Balance at beginning of the financial year	2,023	1,936
Additional provisions	544	692
Amounts used	(511)	(605)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	5	-
Balance at the end of the financial year	<u>2,061</u>	<u>2,023</u>

Employee provisions

Current provisions expected to be wholly settled within 12 months

Annual leave	474	434
Long service leave	440	508
Total current provisions expected to be wholly settled within 12 months	<u>914</u>	<u>942</u>

Current provisions expected to be wholly settled after 12 months

Annual leave	206	160
Long service leave	801	760
Total current provisions expected to be wholly settled after 12 months	<u>1,007</u>	<u>920</u>
Total current provisions	<u>1,921</u>	<u>1,862</u>

Non-current provisions

Long service leave	140	161
Total non-current provisions	<u>140</u>	<u>161</u>

	2015	2014
	\$'000	\$'000
Note 25 Provisions (continued)		
Aggregate carrying amount of employee provisions:		
Current	1,921	1,862
Non-current	140	161
Total aggregate carrying amount of employee	<u>2,061</u>	<u>2,023</u>
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.438%	4.44%
Weighted average discount rates	3.028%	3.57%
Weighted average long service leave settlement period	15 years	15 years
Note 26 Interest-bearing loans and borrowings		
Current		
Borrowings - secured	864	298
Non-current		
Borrowings - secured	373	1,632
Total interest-bearing loans and borrowings	<u>1,237</u>	<u>1,930</u>
a) The maturity profile for Council's borrowings is:		
Not later than one year	864	298
Later than one year and not later than five years	292	1,222
Later than five years	81	410
	<u>1,237</u>	<u>1,930</u>
b) Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	864	298
Non-current	373	1,632
	<u>1,237</u>	<u>1,930</u>

Note 27 Reserves	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserve			
2015			
Property			
Land	1,845	-	1,845
Buildings	19,140	-	19,140
Total property revaluation reserve	20,985	-	20,985
Infrastructure			
Roads	157,746	-	157,746
Footpaths and cycleways	759	-	759
Drainage	10,257	-	10,257
Bridges	12,594	-	12,594
Plant and equipment	301	-	301
Furniture and fittings	40	-	40
Total infrastructure revaluation reserve	181,697	-	181,697
Total asset revaluation reserves	202,682	-	202,682
2014			
Property			
Land	2,075	(230)	1,845
Buildings	18,759	381	19,140
Total property revaluation reserve	20,834	151	20,985
Infrastructure			
Roads	157,746	-	157,746
Footpaths and cycleways	759	-	759
Drainage	10,257	-	10,257
Bridges	12,594	-	12,594
Plant and equipment	301	-	301
Furniture and fittings	40	-	40
Total infrastructure revaluation reserve	181,697	-	181,697
Total asset revaluation reserves	202,531	151	202,682

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

(b) Recreational land reserve	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Balance at end of reporting period \$'000
2015			
Recreational land	9	-	9
Total recreational land reserves	9	-	9
2014			
Recreational land	9	-	9
Total recreational land reserves	9	-	9

The recreational land reserve contains contributions paid by developers undertaking the subdivision of residential land. These funds are required to be expended on the creation or expansion of recreational opportunities for the community, and are held until such time the relevant expenditure is incurred.

	2015	2014
	\$'000	\$'000
Note 28 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	506	(8,618)
Depreciation	7,902	7,711
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(126)	61
Fair value adjustment for non-current assets classified as held for sale	(67)	-
Impairment adjustment for non-current assets classified as held for sale	-	436
Borrowing costs	128	144
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(51)	1,734
(Increase) in inventories	(2)	(2)
Decrease in prepayments	50	37
(Increase)/Decrease in accrued income	(45)	7
(Decrease) in trade and other payables	(95)	(1,013)
Increase in provisions	38	86
Increase in trust funds and deposits	3	2
Net GST on operating activities	499	-
Net cash provided by operating activities	8,740	585
Note 29 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 16)	6,973	116
Less bank overdraft (see note 30)	-	-
Total cash and cash equivalents	6,973	116
Note 30 Financing arrangements		
Bank overdraft	400	400
Used facilities	-	-
Total unused facilities	400	400

Note 31 Commitments

The Council has entered into the following commitments

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2015					
Operating					
Swimming pool management	164	-	-	-	164
Waste services	750	761	840	-	2,351
Cleaning services	73	-	-	-	73
Total operating commitments	987	761	840	-	2,588
Capital					
Total capital commitments	-	-	-	-	-
2014					
Operating					
Delivered meals	54	-	-	-	54
Swimming pool management	161	161	-	-	322
Waste services	741	764	2,497	-	4,002
Total operating commitments	956	925	2,497	-	4,378
Capital					
Roads	402	-	-	-	402
Total capital commitments	402	-	-	-	402

Note 32 Operating leases

2015 **2014**
\$'000 **\$'000**

(a) Operating lease commitments

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

Not later than one year	75	33
Later than one year and not later than five years	233	31
Total operating lease commitments	308	64

Note 33 Contingent liabilities

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 volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Funding arrangements

Pyrenees Shire Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Pyrenees Shire Council is a contributing employer was 103.4%. To determine the VBI, the fund Actuary used the following long-term assumptions: net investment returns 7.5% per annum, salary inflation 4.25% per annum and price inflation (CPI) 2.75% per annum.

Vision Super has advised that the VBI at 30 June 2015 was 105.8%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100% as at 30 June 2014, the actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Pyrenees Shire Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

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

Funding calls

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

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

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

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Pyrenees Shire Council is a contributing employer: a VBI surplus of \$77.1 million; and a total service liability surplus of \$236 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2014.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Pyrenees Shire Council was notified of the results of the actuarial investigation during January 2015.

Note 34 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council's financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

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

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

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

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) 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. Council has exposure to credit risk on some financial assets included in its balance sheet. To help manage this risk:

- Council has a policy for establishing credit limits for the entities it deals with;
- Council may require collateral where appropriate; and
- Council only invest surplus funds with financial institutions which have the recognised credit rating specified in its investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such if and as when it provides a guarantee for another party. Details of Council's contingent liabilities are disclosed in note 33.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

Note 34 Financial Instruments (continued)

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 26.

(e) Fair value

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

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, rather, Council's financial assets and liabilities are measured at amortised cost.

(f) Sensitivity disclosure analysis

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

- A parallel shift of +2.0% and -1.0% in market interest rates (AUD) from year-end cash rates of 2.00% (3.50% at 30 June 2014).

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Note 35 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 Robert Vance (Mayor 01.07.2014 to 11.11.2014)
	Councillor Tanya Kehoe (Mayor 11.11.2014 to 30.06.2015)
	Councillor David Clark
	Councillor Ron Eason
	Councillor Michael O'Connor
Chief Executive Officer	Stephen Cornish (to 21.11.2014)
	Jim Nolan (from 08.12.2014)

(ii) Remuneration of Responsible Persons

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

	2015	2014
	No.	No.
Income Range:		
\$10,000 - \$19,999	-	3
\$20,000 - \$29,999	3	-
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999	1	1
\$80,000 - \$89,999	1	-
\$110,000 - \$119,999	1	-
\$210,000 - \$219,999	-	1
	7	6

Total Remuneration for the reporting year for Responsible Persons included above amounted to: **341,000** **354,000**

(iii) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$136,000

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

	2015	2014
	No.	No.
Income Range:		
\$100,000 - \$109,999	-	1
\$110,000 - \$119,999	1	-
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	-	2
\$170,000 - \$179,999	1	-
	3	3

Total Remuneration for the reporting year for Senior Officers included above, amounted to: **443,000** **439,000**

(iv) Responsible persons retirement benefits

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was \$117,000 (2013-2014 - \$0)

Note 35 Related party transactions (continued)

(v) **Loans to responsible persons**

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2013-2014 - Nil).

(vi) **Transactions with responsible persons**

During the period Council entered into the following transactions with responsible persons or related parties of responsible persons:

		2015	2014
CEO - Stephen Cornish	Stephen Cornish Drafting and Design	\$0	\$860
	Provision of drafting services, by a business managed and operated by wife of Stephen Cornish.		
Cr R Eason	Avoca Newsagency	\$1,675	\$1,753
	Provision of printing and stationery goods, by a business in which Cr Eason is a partner.		
Cr M O'Connor	Waterloo Treats	\$4,756	\$1,740
	Provision of catering, by a business managed and operated by wife of Cr O'Connor.		
Total transactions with responsible persons		\$6,431	\$4,353

Note 36 Events occurring after balance date

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

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.



Paul Brumby B. Bus
Principal Accounting Officer
Date : 21 September 2015
Beaufort

In our opinion the accompanying financial statements present fairly the financial transactions of Pyrenees Shire Council for the year ended 30 June 2015 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 and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



Tanya Kehoe
Mayor
Date : 21 September 2015
Beaufort



Michael O'Connor
Councillor
Date : 21 September 2015
Beaufort



Jim Nolan
Chief Executive Officer
Date : 21 September 2015
Beaufort

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Pyrenees Shire Council

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Pyrenees Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

The Councillors' Responsibility for the Financial Report

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 Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is 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 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 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, 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 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.

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.

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Pyrenees Shire Council as at 30 June 2015 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*.

MELBOURNE
23 September 2015



Dr Peter Frost
Acting Auditor-General

Pyrenees Shire Council
Performance Statement
For the year ended 30 June 2015

Performance Statement

For the year ended 30 June 2015

Ref Reg	
17(1)	<p>Description of municipality</p> <p>Pyrenees Shire is located in the Central West of Victoria, about 130 kilometers North West of Melbourne. It is heavily dependent on primary industry and is renowned for its, wool, viticulture and forestry activity. Thirty 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.</p> <p>The Pyrenees Shire comprises an area of nearly 3,500 square kilometres and a population of 6,979 residents. The Shire takes its name from the ranges in the north that hold similarity to the Pyrenees Ranges in Europe.</p> <p>Council administration is based in the township of Beaufort, and a number of Council services also operate from the township of Avoca. These services include health and aged care, library and information centres.</p> <p>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.</p> <p>Recreational activities are available in abundance in the region, giving community members and visitors wonderful opportunities to experience new pastimes. Most townships in the Shire have their own sporting facilities, such as football fields and netball courts. Avoca and Beaufort also have skate parks.</p> <p>Tourism is ever growing throughout the region. Hang-gliding from Mount Cole and the French game of Petanque in Avoca, attract large numbers of visitors year round. In recent years, the action sport of mountain bike riding has risen in popularity.</p> <p>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.</p>

Sustainable Capacity Indicators

For the year ended 30 June 2015

Ref Reg	Indicator/measure	Results 2015	Material Variations
15(3) Sch3	Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,347.47	
16(1) 17(2)	Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,261.50	The prepayment of 50% of the 2015-16 Financial Assistance Grant has increased the recurrent grants per head of municipal population
	Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,995.13	
	<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$40,148.16	Significant road network and low population impact this indicator
	<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	3.41	With an area of 3,500 square kilometres and a population of 6,979 the population density of the Shire is low
	Disadvantage <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	1	Pyrenees Shire Council SEIFA score of 1 demonstrates the level of socio economic disadvantage experienced by the residents of the Shire.

Note: The material variations comment has been left blank in some circumstances as this is the first year of Local Government Performance Reporting and there is no base year to make comparisons

Definitions

"adjusted underlying revenue" means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"infrastructure" means non-current property, plant and equipment excluding land

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"population" means the resident population estimated by council

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

For the year ended 30 June 2015

Ref Reg	Service/indicator/measure	Results 2015	Material Variations
15(1) Sch3 16(1) 17(2)	Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	57	This result was one point higher than the Small Rural Council average and two points higher than the State average
	Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100%	There was 1 planning application upheld by VCAT
	Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	55	This result was three points above the Small Rural Council average and equal with the State average
	Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	12.55%	
	Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	41.88%	The introduction of green waste collection has improved waste diversion performance
	Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.69	
	Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	There were no animal prosecutions in 2014-15
	Food safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications]	100%	All critical and major non-compliance outcomes were followed up

Ref Reg	Service/ indicator/ measure	Results 2015	Material Variations
	and major non-compliance notifications about food premises] x100		
	Home and community care		
	Participation		
	<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	30.12%	
	Participation		
	<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	31.88%	
	Maternal and child health		
	Participation		
	<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	86.79%	
	Participation		
	<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	100%	

Note: Note: The material variations comment has been left blank in some circumstances as this is the first year of Local Government Performance Reporting and there is no base year to make comparisons

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the *Food Act 1984*

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

Financial Performance Indicators

For the year ended 30 June 2015

Ref Reg	Dimension/ <i>indicator</i> /measure	Results	Forecasts				Material Variations
		2015	2016	2017	2018	2019	
15(2) Sch3 16(1)	Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i>	-10.53%	-16.82%	-23.87%	-22.14%	-21.15%	Council's reliance on capital grants to fund infrastructure renewal drives a negative outcome for this indicator
16(2) 17(2) 17(3)	[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100						
	Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	232.86%	122.01%	126.99%	142.59%	184.93%	Pre-payment of Financial Assistance Grants has resulted in an improved result in 2015. Prudent financial management over the coming years will ensure adequate cash is held to meet current obligations
	Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	140.54%	43.68%	49.89%	54.50%	54.06%	2015 unrestricted cash is inflated due to the prepayment of Financial Assistance Grants
	Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	15.15%	9.37%	3.36%	0.00%	0.00%	Council will be debt free by the end of the 2018 financial year
	<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	10.06%	5.99%	5.66%	3.23%	0.00%	Council will be debt free by the end of the 2018 financial year

Ref Reg	Dimension/ <i>indicator</i> / <i>measure</i>	Results	Forecasts			Material Variations	
		2015	2016	2017	2018		2019
	Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	5.46%	1.71%	1.67%	1.63%	1.57%	
	Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	61.69%	67.89%	62.94%	65.27%	66.02%	Funds saved from debt repayment and interest to be reinvested into asset renewal
	Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	43.18%	48.24%	52.54%	53.38%	53.68%	
	Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.52%	0.51%	0.54%	0.53%	0.55%	
	Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,578.67	\$3,543.63	\$3,647.46	\$3,737.79	\$3,883.94	
	Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$842.76	\$880.58	\$929.07	\$980.23	\$1,034.04	
	Workforce turnover <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff]	12.24%	8.20%	8.20%	8.20%	8.20%	

Ref Reg	Dimension/ <i>indicator</i> / <i>measure</i> for the financial year] x100	Results		Forecasts			Material Variations
		2015	2016	2017	2018	2019	

Note: Note: The material variations comment has been left blank in some circumstances as this is the first year of Local Government Performance Reporting and there is no base year to make comparisons

Definitions

"adjusted underlying revenue" means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants

"population "means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant "means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Other Information

For the year ended 30 June 2015

Ref
Reg

1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and Local Government (Planning and Reporting) Regulations 2014.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 19 May 2015 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the performance statement

Ref Reg	
18(1) 18(2)	<p>In my opinion, the accompanying performance statement has been prepared in accordance with the <i>Local Government Act 1989</i> and the Local Government (Planning and Reporting) Regulations 2014.</p>
	 <hr/> <p>Paul Brumby B.Bus Principal Accounting Officer Dated: 21 September 2015</p>
18(2)	<p>In our opinion, the accompanying performance statement of the Pyrenees Shire Council for the year ended 30 June 2015 presents fairly the results of council's performance in accordance with the <i>Local Government Act 1989</i> and the Local Government (Planning and Reporting) Regulations 2014.</p> <p>The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.</p> <p>At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.</p> <p>We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.</p>
0	 <hr/> <p>Tanya Kehoe Mayor Dated: 21 September 2015</p>
	 <hr/>
	<p>Michael O'Connor Councillor Dated: 21 September 2015</p>
	 <hr/> <p>Jim Nolan Chief Executive Officer Dated: 21 September 2015</p>

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Pyrenees Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2015 of the Pyrenees Shire Council which comprises the statement, the related notes and the certification of 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 2015 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
23 September 2015



Dr Peter Frost
Acting Auditor-General





Amphitheatre
Community
Facility

PYRENEES
SHIRE



PYRENEES
SHIRE



PYRENEES SHIRE

PYRENEES
SHIRE



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