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Pyrenees Shire

Victoria

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Australian Made

100% Recycled

ECF Compliant

ISO 14001 Compliant

ISO 9001 Compliant

Council vision

The Pyrenees Shire aims to be recognised as:

- Progressive
- Sustainable
- Safe and healthy
- Supportive

Mission

We will achieve our vision and meet our community's needs through leadership and partnership.

Guiding principles

- Integrity and accountability
- Community building
- Accessible and responsive
- Dynamic and progressive
- Sound risk-management

Council meetings

Ordinary meetings of the Pyrenees Shire Council are held on the 3rd Tuesday of each month at 6pm in the Council Chambers at 5 Lawrence Street, Beaufort.

Council elections

Under the Local Government Act 1989, council elections are held every four years. The next election will be in November 2008.

Performance Statement 2006-2007

Key Strategic Activities

For the year ending 30 June 2007

This section sets out the Key Strategic Activities performance targets and actual performance in relation to these.

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

Strategic Activity	Performance Measure	How Data is Reported	Performance Target	Actual Performance	Target Achieved
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Strategic Objective 1 : Roads Parks and Buildings

Strategic Management of Assets	Community satisfaction rating for Local Roads and Footpaths	Local Government Victoria Annual Community Satisfaction Survey	≥ 50%	51%	Yes
	The percentage of budgeted Capital Works monies expended at the conclusion of the financial year	Audited Financial Statements	100%	81.9%	No - drought impacted on capacity to achieve program

Strategic Objective 2 : Communication

Communicating Council's Operations	Enhanced understanding of council activities and functions by:				
	1. Council Services described in Council Services Directory	Published Directory	Published Services	Not Completed	No – aim to complete on 2007/2008.
	2. Enhanced Web based Council Information	Web Site	Web Site current	Web Site current	Yes
Effective Internal communications	1. Introduction of Intranet	Intranet web site	Intranet web site current	Intranet web site current	Yes
	2. 2. Internal Newsletter	Published newsletters	Published newsletters on file	Published newsletters on file	Yes
Strategies for improved community engagement	1. Implement all elements of the consultation strategy: • New Residents pack • Monthly Ward meetings • Pyrenees Profile quarterly	Increase Community Satisfaction for 'Advocacy', and 'Community Engagement' in the OLG Survey	69%	68%	No - marginally under target.
	2. Reporting of Council activities through Local media/newsletters		67%	61%	No

Strategic Objective 3 : Community Wellbeing

Develop and support independent and resourceful empowered communities.	1. Publish a Community Directory	Publish Community Directory	Review file copy/Web site	Published Community Directory	Yes
Enhance the health of our community.	1. Adopt the Grampians Pyrenees Healthy Communities Plan	Health Action Plan adopted by Council Increase community satisfaction for 'Health	Council Minutes	Not Adopted by Council	No – to be adopted by Council September 2007.
	2. Develop and Implement the Pyrenees Shire Health Action Plan	Community Services' in OLG Survey	≥ 75%	75%	Yes

Strategic Activity	Performance Measure	How Data is Reported	Performance Target	Actual Performance	Target Achieved
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Strategic Objective 4 : Growth and Economic Development

Pursue opportunity for local growth	1. Provide serviced industrial land in Beaufort and Avoca	Adopted by Council	Council minutes	Land provided	Yes
Develop and Sustain Community Resource Centres	1. Develop business plans to maximise the potential for operational sustainability	Adopted by Council	Council minutes	Adopted by Council	Yes
Promote Tourism Opportunities	1. Develop an accommodation growth strategy	Adopted by Council	Council minutes	Not completed	No - draft developed but not final due to staff changes.

Strategic Objective 5 : Organisational Development

Pursue Financial Viability	1. Develop and maintain the 10 year financial plan.	Adopted by Council	Council minutes	Not Completed	No – staff resignations delayed development.
Minimise Corporate and Community Risks	1. Fully implement Integrated Management System	Maintain certification to ISO and Australian Standards	Review certification documentation	Maintained certification to ISO and Australian Standards	Yes
Continuous Improvement of Organization's Effectiveness	Implement Management Systems including Quality and Safety processes	Maintain certification to ISO and Australian Standards	Review certification documentation	Maintained certification to ISO and Australian Standards	Yes

Strategic Objective 6 : Environment and Land Use Planning

Effective Statutory Planning	1. Process applications within statutory timelines.	Permits processed within timelines	No exceptions	> 71% of permits processed within timelines	No – target unrealistic due to lack of resources.
Improved Community Safety and Awareness	Existing Local Laws to be expanded to include:				
	1. Policy Development	Adopted by Council	Council minutes	Adopted by Council	Yes
	2. Formulation of Procedures	Adopted by Council	Council minutes	Adopted by Council	Yes

The Pyrenees Shire

The Pyrenees Shire is a very productive agricultural region covering 3,500 square kilometres. The shire takes its name from the ranges in the north, named by Major Mitchell in 1836, as they reminded him of the Pyrenees in Europe.

This area is renowned for its cereal and hay crops, wool, viticulture and forestry activity. Gold, along with sand, gravel and slate, all contribute to the region's economy. Thirty per cent of the workforce is involved in agriculture, which produces commodities with a gross value of about \$70 million each year.

The climate varies between the north and the south of the region. North of the Pyrenees Ranges there is a warmer, drier climate, with rainfall of about 650 millimetres a year. South of the Pyrenees Ranges is a cooler, wetter climate with rainfall in excess of 750mm per year.

Four major highways run through the region. The Western Highway, through Beaufort, is the main road route from Melbourne to Adelaide and Perth. The Sunraysia Highway runs through the north of the Shire to Mildura, connecting with the Western Highway at Ballarat. The Pyrenees Highway runs from Maryborough to Ararat through the north-central area of the shire. The southern section is serviced by the Glenelg Highway linking Melbourne with south-western Victoria. A passenger rail service operates twice a day between Ballarat and Ararat, stopping at Beaufort. Although there are no airstrips in the region, Ballarat airport in the south and Maryborough in the north are readily accessible.

The region is serviced by a major hospital at Beaufort and aged-care facilities in Avoca and Beaufort. The council delivers a range of aged-care and maternal and child health services. Other general health services are available on a visiting basis, so that most medical situations are covered.

Excellent educational facilities are available in the shire, including primary schools, a secondary college and Community Enterprise Facilities incorporating adult education organisations.

The recreational interests of the community and the visitor are well served across the region, with most towns having their own sporting facilities. Apart from all the traditional sporting activities, hang-gliding from Mt Cole and the French game of Petanque in Avoca attract considerable interest among visitors and the local community.



We have seen several challenges and triumphs in the Pyrenees Shire over the past 12 months. Although it will take a long time to recover from the effects of drought, it looks promising that 2007 will be a year that our farmers, and the rural community in general, can be positive about. It seems that some normality is returning, as the landscape is green, some dams are full (or filling) and council graders are able to work their way around our road network.

Every year the council is asked to tackle a wider range of issues that are important to the community's cohesion, wellbeing and long-term future, but do not fall within local government's scope of responsibilities. Health, education, telecommunications, natural gas, sewerage and water are some of the services and facilities that the Pyrenees Shire Council seeks to have improved in the district, without being directly responsible for these services. Advocacy is a crucial commitment we have towards our community, and the past year has been no exception. The Pyrenees Shire Council has lobbied – and will continue to lobby – for improvements in telecommunication, rail crossing safety, water supplies and general services (such as banking, health and education). Fortunately, the results of the hard work of various councillors and staff are always encouraging.

The Pyrenees Shire continues to receive a high level of state and federal government funding assistance for projects that are critical for the long-term future of our shire. But our council is still a long way from closing the funding gap that is plaguing local government when it comes to asset renewal and the delivery of services. Although the delivery of services can be increased or reduced, depending on the need, asset management is a far more complex task. We are in a period of assessing council facilities, taking into account the consolidation of rural populations and the viability of renewing certain buildings that may no longer serve a useful purpose.

The council has welcomed the state government's commitment to fund and promote projects that are developed in partnership with local government. This might involve, for example, combining a school and public library under one roof or not doubling up on sporting facilities. The recently opened Goldfields Community Complex in Beaufort was an exercise in the council bringing

together various sporting and social organisations, including the education department, to contribute to the development and funding of a building that will cater for many purposes, including commercial cookery for the local secondary students, sporting and fitness facilities for the Beaufort community, and child care.

The council has also made improvements to its rubbish collection system by increasing the number of households that receive kerbside rubbish collection. This ensures that most residents have access to a regular pick-up of household rubbish and recyclables at a reasonable cost to the ratepayer. Existing rubbish transfer stations will continue to operate for residents that do not receive a collection service and for the general public.

Taking into account that we have a low population base and our local economy relies heavily on primary production, I believe there are two major challenges that the Pyrenees Shire Council will need to carefully assess and act on in the immediate future.

The first is communication. Since 2004, the community's representation on council has been reduced to what can only be described as a bare minimum. Although the council has the ability to function as an organisation, it has become clear that the community's expectation of adequate and fair representation cannot be met. Ward meetings are an effective way that councillors can communicate with the various communities within their wards, but this relies on each individual councillor making a commitment to the process. Future strategies that are being considered include the continuation of the council's newsletter and the development of community reference groups to assist the council in communicating with specific parts of the community.

The second issue is climate change. The council fully supports the appropriate development of renewable energy projects if they receive overwhelming community support. But it is also equally important to examine our use of energy and resources. Over the next 12 months, the Pyrenees Shire Council will catalogue its energy use (including waste) and identify the ways we can curb use and reduce costs. I believe this is an ideal opportunity for all households and businesses to reflect on the energy and water that is consumed and the amount of waste produced in our day-to-day living. Changes in manufacturing and farm practices must be considered, and local trading (as opposed to global) may well be the way of the future.

Cr Gabriel Horvat

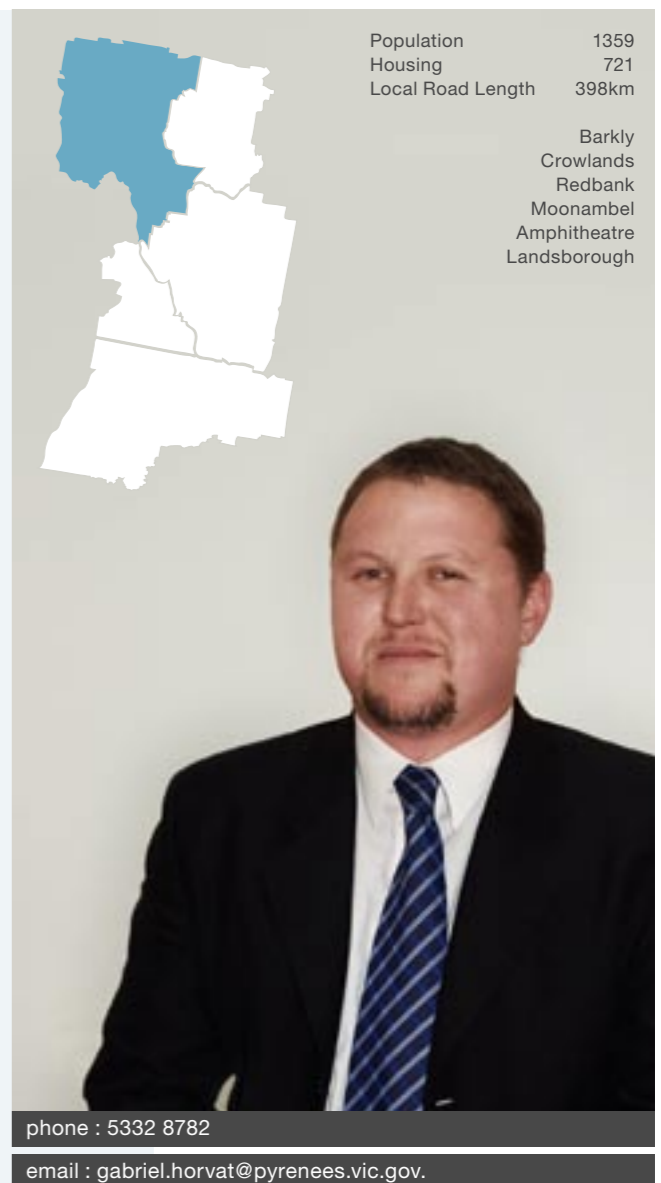
Warrenmang Ward

Current Mayor

Gabriel Horvat was elected to Council in 2002. He takes a serious interest in business and business development for regional areas. Gabriel is involved in viticulture and wine making in his family business. He is a past-president of the Pyrenees Grape Growers Group and is also a CFA volunteer firefighter. Gabriel is keen to improve the living standards of small regional areas through better town planning (including road maintenance). He is married to Janet and has three young children.

Committees

- Best Value
- Recreation /Community Grants
- E.C. Committee
- Municipal Fire Prevention
- Municipal Association
- Grampians Pyrenees Regional Development Board
- Avoca Exhibition Centre Committee
- Timber Towns
- Grampians Tourism Organisation
- CEO Review
- Central Highlands Mayors/CEOs
- Small Towns Victoria Committee
- Committee for Ballarat



Population 1359
 Housing 721
 Local Road Length 398km

Barkly
 Crowlands
 Redbank
 Moonambel
 Amphitheatre
 Landsborough

phone : 5332 8782
 email : gabriel.horvat@pyrenees.vic.gov.

Cr Raelene Neil

Mitchell Ward

Cr Neil was first elected to council in February 2003. Her interests include the development of agriculture, business, local communities, industry and tourism.

Committees

- Asset Management
- Recreation / Community Grants
- Planning (MSS Review)
- Central Highlands Regional Library (part-year)
- Central Victoria Green House Alliance



Population	1334
Housing	698
Local Road Length	486km

Evansford
Waubra
Lexton



phone : 5332 4002

email : raelene.neil@pyrenees.vic.gov.au

Cr Lysette Ashford

Goldsmith Ward

Lysette Ashford was elected to council in March 2002, then re-elected in November 2004. Lysette represents the Goldsmith Ward, which encompasses the sparsely populated but agriculturally productive communities around Carranballac, Lake Goldsmith, Stoneleigh and Mount Emu in the west, and the growing township of Snake Valley in the east.


Lysette is a passionate advocate of community capacity building, and has championed the development of Community Action Plans across the shire.

As farming practices and demographics change, Lysette believes that the shire's residents will face many challenges as they endeavour to strike a balance between competing interests. She is adamant that this should not happen at the cost of our heritage streetscapes and the natural environment.

Lysette's volunteer work includes co-ordinating a local community newsletter and being an active firefighter with the Snake Valley CFA.


Committees

- Pyrenees Shire Review Board
- Emergency Management
- Municipal Fire Prevention
- Recreation / Community Grants
- CEO Review
- VLGA
- Highlands Regional Waste Management
- Ballarat Growth Corridor Strategy/CH21
- South West Regional Transport Group
- Central Highlands Regional Library (part-year)
- Small Towns Victoria Steering Committee



Population	1352
Housing	712
Local Road Length	552km

Carngham
Chepstowe
Stockyard Hill
Snake Valley



phone : 5344 9295

email : lysette.ashford@pyrenees.vic.gov.au

Cr Lester Harris

Beaufort Ward

A former schoolteacher, Cr Harris was first elected to Pyrenees Shire Council in 1996, and has been Shire President on two occasions, 1996-97 and 2000-01. He was also a councillor and Shire President of the former Ripon Shire. He is married to Elizabeth and has three children.

Committees

- Best Value
- Internal Audit
- Beaufort CRC
- Goldfields Multipurpose Centre
- Recreation / Community Grants
- Safe and Healthy Living and Public Health Plan
- CEO Review
- Beaufort/Skipton Health Services
- Beaufort Secondary College Committee
- Central Highlands LLEN
- Beaufort Bus Assoc
- CHW Ref Committee Beaufort
- WHAC



phone : 5349 2566
 email : lester.harris@pyrenees.vic.gov.au

Cr Glenice Harrison

Avoca Ward

Cr Harrison and her husband Trevor have lived in Avoca for 47 years. They have three adult children. Glenice is involved in a number of community groups including CWA and Probus and serves on several committees. She is president of the Avoca Senior Citizens Club, serving previously as treasurer. She is a member of the Avoca Community Bus Project Management Group and the Avoca Health Services Pyrenees Group. Glenice is keen to listen to and represent the views of her community. She believes that there are many issues that need addressing, including jobs for all ages, especially the youth; rising rates; and young families, local businesses and other sectors of the community battling to stay afloat.

Committees

- Internal Audit
- Asset Management
- Recreation / Community Grants
- Beaufort/Skipton Health Services
- Avoca Exhibition Centre Committee
- Avoca Bus Assoc



phone : 5465 3041
 email : glenice.harrison@pyrenees.vic.gov.au



Stephen Cornish C.E.O.

The 2006-07 financial year brought several challenges for council, particularly with the lingering effect of the drought, but we still made progress on our commitments under the council plan and on providing improved services to the community.

Council's financial performance continues to be sound: at 30th June 2007, the cash position was \$4.8 million. This was mainly due to increased grant income from the federal government's Roads to Recovery program (\$1.28 million) and the state government's Impacted Roads Program (\$1 million). The balance sheet is strong, with assets 2.9 times current liabilities, and reduced debt is in line with council's strategy (the debt exposure ratio is 17.38%).

Council's financial viability was reinforced when the Municipal Association of Victoria released a report on council's viability index. This index is influenced by long-term debt, the cumulative capital underspend and rate revenue. Pyrenees Shire was ranked 37th out of 79 councils, which reinforced council's capacity to meet its financial commitments.

Council has actively worked towards the renewal and maintenance of its roads and buildings. Council's intensive work over the past two years led the federal government to announce \$4.5 million of strategic local road funding towards the Eurambeen-Streatham Road. This, together with a \$3.2 million commitment from the state government, will see \$10 million spent on an upgrading of the Eurambeen-Streatham Road, which services an important grain-storage facility. Council's ability to work with federal and state government was again reinforced with the completion of the Goldfields Community Complex in Beaufort, costing \$2.09 million.

During the year, council again lobbied strongly for improved services for the shire. This included work towards sewerage for Waubra and investigations into improved water quality at Landsborough and Avoca. Also, mobile-phone services were improved by the installation of a mobile-phone tower at Avoca and investigations of service levels in other parts of the shire.

With limited resources, Pyrenees Shire has again shown leadership in economic development and tourism. It has continued with strong membership of the Grampians Pyrenees Regional Development Board, which has worked towards the development of a regional tourism organisation. Also, council has been proactive in working with the Central Highlands Mayors and CEOs group to develop a Central Highlands Strategic Plan. The results of this work will be of great benefit to the Pyrenees Shire.

Finally I wish to thank the mayor and councillors for their leadership and commitment. Also, congratulations to all staff for their efforts over the past 12 months. Council cannot achieve its vision without such strong support.

Rhonda Livingston

B.Bus(Acc)

Director of Corporate and Community Services

Rhonda joined Pyrenees Shire in July 2005. She has held senior positions in the accounting and management fields with councils for the past 17 years, including Northern Grampians, Central Goldfields and the Hepburn Shire Council. Rhonda is responsible for the overall management of the Corporate and Community Services Department, which includes finance and administration, information technology, customer service, human resources and community services.

Stephen Cornish

Dip CE, Grad Dip Municipal Engineering

Chief Executive Officer

Stephen has been involved in local government in the Ballarat area for more than 30 years. He joined Pyrenees Shire in May 1995 as the Director of Assets and Infrastructure, and was appointed Chief Executive Officer in November 1999. As CEO, Stephen is responsible for the day-to-day operations of council in accordance with the council plan, and the implementation of council decisions. The department also incorporates quality assurance, tourism and economic development.

Bruce Andrews

Dip CE, Grad Dip Rural and Regional Planning

Director of Assets and Development

Bruce joined Pyrenees Shire in August 2005 and has more than 30 years of engineering experience in municipalities in Western Victoria. He has held positions of Shire Engineer, Works Manager and Services Director. Bruce manages the operations and asset areas of council. His responsibilities include the construction and maintenance of roads and bridges, waste management and recycling, park and gardens, town planning and building services, local laws, fire prevention and emergency management.



Highlights

of the year

Goldfields Reserve community centre

The multi-use complex in Beaufort provides new and expanded facilities for the sporting, community and educational needs of the town. It features a function centre, gymnasium, child-care facilities, meeting rooms and a commercial kitchen. The centre was built with grants from the Federal and State Governments — \$1.16 million from the state government and \$400,000 from the federal government — and from the Pyrenees Shire (\$416,320), and with generous support from local community organisations. The Bendigo Bank is a major sponsor of the facility, and is paying for the ongoing operating costs of the building.

\$4.5 million for the Eurambeen-Streatham Road

In December 2006, the Pyrenees Shire Council was successful in its application for \$4.5 million funding for the Eurambeen-Streatham Road. The funding, from the federal government's Auslink Strategic Regional Program, is added to contributions from the state government, the Pyrenees Shire, the Rural City of Ararat, and the grains industry and transport users. The first section of the of the road — a 3.5 kilometre section near the Lakaput grain silos — is now complete. The project will cost \$10.5 million, and most of the work is expected to be completed in the 2007-08 year.

Extra roads funding

The Pyrenees Shire received an extra allocation of \$917,775 under the federal government's Roads to Recovery program. The program was established to help councils upgrade their local road infrastructure, which is often beyond the financial capacity of local government. The extra allocations are intended to give councils the chance to accelerate their road upgrading programs. The money must be spent by June 30, 2009, and the Roads to Recovery program itself will run until 2014.

Drought assistance

Two public meetings were held in Beaufort and Avoca and an information pack was produced for farmers in the district to help ensure that the Pyrenees Shire was included in the federal government's declaration of Exceptional Circumstances for drought relief. A group of industry representatives, working closely with the Department of Primary Industry and the Pyrenees Shire Council, ensured that the Pyrenees was included in the Exceptional Circumstances declaration, so that local farmers who are suffering in the drought could receive drought relief payments.

Wind farms Waubra

The Waubra Wind Farm, which straddles the boundary between the Pyrenees Shire and the City of Ballarat, will comprise 128 wind turbines, with associated access tracks, substations and an operations centre. Each turbine will generate 1.5 megawatts (MW), providing a total installed capacity of 192MW. The energy generated each year will provide for 143,000 households.

Construction began on November 16, 2006, with the civil works, including construction of access tracks and turbine foundations.

The turbines will start to go up in late 2007 and continue through to mid-2008. The wind farm is expected to be operational by mid-2008.

Acciona Energy is using local construction and manufacturing skills, and local equipment and materials wherever possible. The construction of the wind farm will, at its peak, create about 200 jobs. There will be about 30 permanent jobs in operating the wind farm. More than 20 regional businesses are involved as subcontractors, and 15 regional people are working directly for Leighton Contractors, who were selected to undertake the civil works.

A tower foundation at the Waubra wind farm



Highlights

of the year

Drought assistance

Two public meetings were held in Beaufort and Avoca and an information pack was produced for farmers in the district to help ensure that the Pyrenees Shire was included in the federal government's declaration of Exceptional Circumstances for drought relief. A group of industry representatives, working closely with the Department of Primary Industry and the Pyrenees Shire Council, ensured that the Pyrenees was included in the Exceptional Circumstances declaration, so that local farmers who are suffering in the drought could receive drought relief payments.

Lexton

A permit for 19 turbines at Lexton was granted in January 2007. The site consists of two distinct areas, between two and eight kilometres south-west of Lexton. The site is cleared agricultural land used for sheep grazing.

The project, with a capital investment of about \$48.5 million, is expected to generate up to 28.5 megawatts of power – enough to power more than 16,000 homes.

Rubbish and recycling

After a survey of residents in the Pyrenees Shire, an extra 421 properties were included in council's new rubbish collection service, which began in May. New and extended collection routes were established where the majority of people surveyed requested a service. A new co-mingled recycling service was also introduced to properties that have rubbish collection.

Population growth

Data from the 2006 census reveal that the population of the Pyrenees Shire has increased by 200 in the past five years. Beaufort is the largest town in the shire (1,458 residents), followed by Avoca (1,225) and Snake Valley (937). The biggest age group in the shire are those between 25 and 54 years (37.2% of the population), followed by people under 24 (27.6%). Those over 65 make up 18.4% of the Pyrenees Shire population.

Traffic lights in Beaufort

The first traffic lights in the Pyrenees Shire were installed in Beaufort, at the intersection of Lawrence and Neill Sts.

Rural Woman of the Year

Pyrenees Shire resident Debbie Bain was announced as the national 2007 Rural Woman of the Year. Debbie, who works with her husband David on their sheep property at Stockyard Hill, was also the Victorian Rural Woman of the Year. The awards were given in recognition of Debbie's work in promoting the importance of agriculture to the broader community through the successful series of Farm Days, in which city families are hosted for a day by a farming family.



David Hawker, the Federal Member for Wannon, presents Debbie Bain with her award

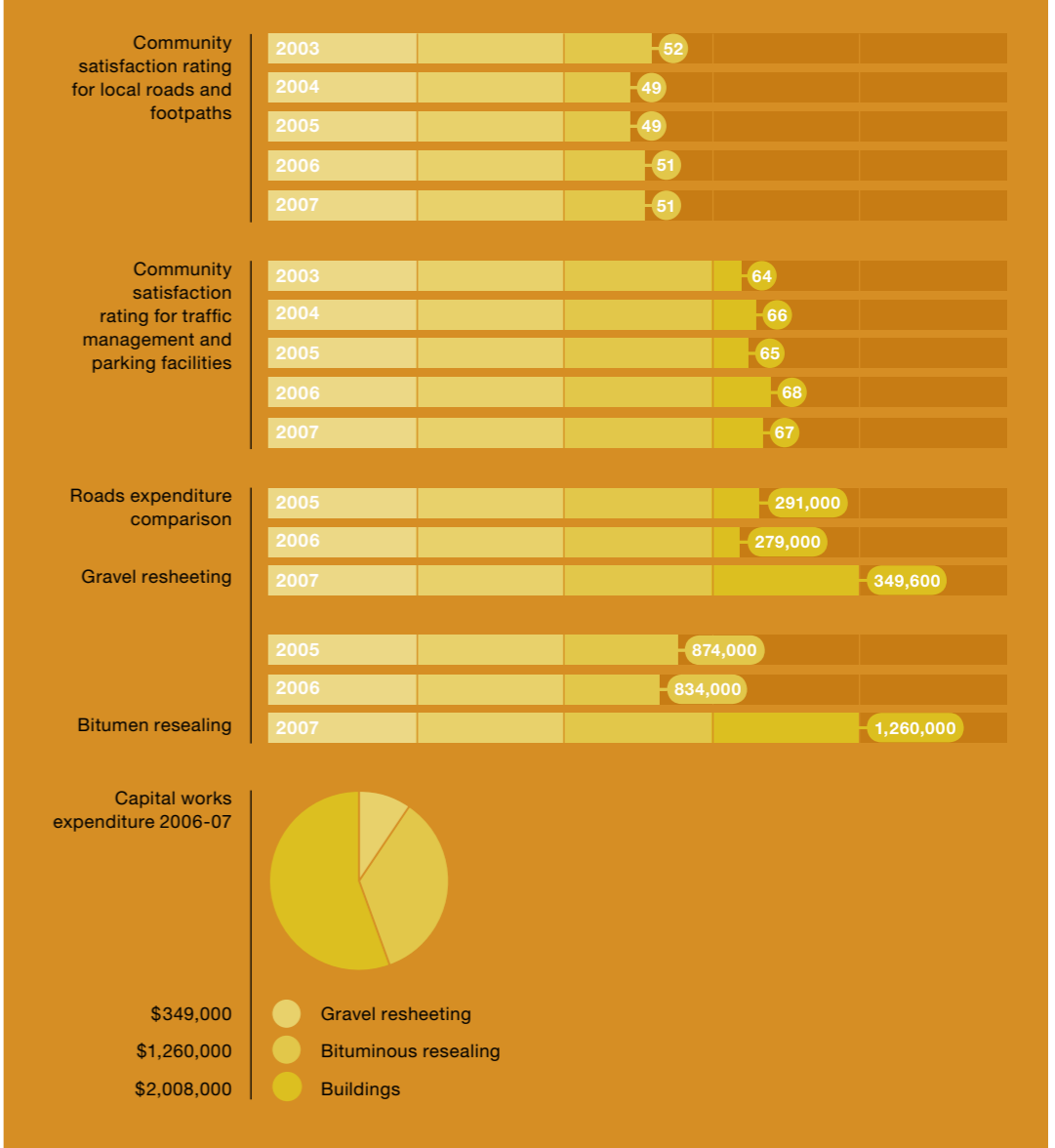
Capital works, roads, parks and buildings

Aims and responsibilities

- Meet the community's needs for road infrastructure
- Maintain the life of all council assets and fund their replacement
- Have the capacity to raise income for new assets

Priorities

- Take a strategic approach to managing council assets
- Provide a safer road network
- Maximise funding for roads



Highlights

- The opening in May 2007 of the \$2 million Community Complex at the Goldfields Recreation Reserve in Beaufort.
- The announcement of \$4.5 million in funding from the Federal Government for the Eurambeen-Streatham Road
- Another 5.3 kilometres constructed on the Eurambeen-Streatham Road
- Funding for Snake Valley streetscape work and Mag Dam landscape work
- The further expansion of industrial developments in Avoca and Beaufort, and the appointment of a real estate agent to market them.
- Avoca skate park opened
- \$120,000 funding for emergency water bores and access points at strategic sites throughout the shire
- Construction of the Moonambel walking track, at a cost of \$24,000

Disappointments

- Slow progress on the Waubra sewerage project and in planning for sewerage in Snake Valley
- The asset management plan for trees, bridges and drains is still not complete

Future

- Planning work continues on a water desalination plant for Landsborough and on improving the water quality in Avoca.
- Funding applications have been submitted for the proposed Beaufort Children's Centre, to consolidate a number of maternal and child health services and programs.
- Planning has started for similar centre in Avoca.
- Funding is being sought for a feasibility study into a multi-purpose community building in Moonambel.
- The Pyrenees Review Board will work closer with the shire community to inform citizens about the management of assets.
- Council will work to document and improve footpath maintenance.
- There has been a budget commitment to maintain and improve the shire's bridges.



Eurambeen-Streatham Road

In December 2006, the Pyrenees Shire Council was successful in its application for \$4.5 million funding for the Eurambeen-Streatham Road. The funding, from the federal government's Auslink Strategic Regional Program, is added to contributions from the state government, the Pyrenees Shire, the Rural city of Ararat, and the grains industry and transport users. The first section of the of the road — a 5.3 kilometre section near the Lakaput grain silos — is now complete. The project will cost \$10.5 million, and most of the work is expected to be completed in the 2007-08 year.

Extra roads funding

The Pyrenees Shire received an extra allocation of \$917,775 under the federal government's Roads to Recovery program. This funding will be spent on council roads projects over the next three years. The program was established to help councils upgrade their local road infrastructure, which is often beyond the financial capacity of local government. The extra allocations are intended to give councils the chance to accelerate their road upgrading programs.

The walking track at Moonambel

Capital works, roads, parks and buildings

Roads, bridges, footpaths and drains

Council has extensive infrastructure assets that require continual maintenance and management to keep them in a satisfactory condition. Throughout the shire there are 709 kilometres of sealed road, 746 kilometres of gravel road, 555 kilometres of other roads and 166 bridges. The state government maintains 152 kilometres of arterial roads in the Pyrenees Shire.

Infrastructure asset management plan

Council is conducting an inventory and review of the condition of roads, footpaths and bridges throughout the shire, to assess how they are managed and set the priorities for the future. The inventory work has been carried out, and the strategy-setting is yet to be done.

Landsborough and Avoca water quality

Council received confirmation from Central Highlands Water that the Landsborough/Navarre water supply will be improved by the installation of a centralised desalination treatment plant. Construction of this plant will begin in April 2008.

Central Highlands Water is developing an options paper to improve water quality in Avoca. A possible upgrade to the Avoca water supply has been incorporated into Central Highlands Water's five-year water plan.

Goldfields Community Complex

On May 4, Beaufort's new \$2 million community complex was opened by the Victorian Minister for Agriculture and Member for Ripon, Mr Joe Helper, and the Speaker of the House of Representatives and Federal Member for Wannon, Mr David Hawker. The multi-use complex provides new and expanded facilities for the many sporting, community and educational needs of Beaufort. It features a function centre, gymnasium, child-care facilities, meeting rooms and a commercial kitchen. The centre was built with grants from the Federal and State Governments — \$1.16 million from the State Government and \$400,000 from the Federal Government — and from the Pyrenees Shire (\$416,320), and with generous support from local community organisations. The Bendigo Bank is a major sponsor of the facility, and is paying for the ongoing operating costs of the building.



The Goldfields Community
Complex at Beaufort

Communication



Aims and responsibilities :

- External communication
- Internal communication
- Community engagement
- Customer service
- Strategies for better communication

Priorities :

- Communicating council's operations
- Effective internal communications
- Better community engagement

Community satisfaction rating for council's interaction and responsiveness in dealing with the public	2003				77
	2004				75
	2005				78
	2006				73
	2007				71
Community satisfaction rating for council's advocacy and community representation	2003				66
	2004				67
	2005				68
	2006				70
	2007				68
Community satisfaction rating for council's engagement in decision-making on key local issues	2003				64
	2004				64
	2005				67
	2006				64
	2007				61

Communication

Highlights

- New residents' kit completed and ready to be distributed in 2007-08
- Drought assistance: Two public meetings held in Avoca and Beaufort and an information pack distributed to farmers affected by the continuing drought. A group of industry representatives, working closely with the Department of Primary Industry and the Pyrenees Shire Council, ensured that the Pyrenees was included in the federal government declaration of Exceptional Circumstances.
- Council's website continues to be expanded and enhanced
- Following the funding for emergency water supply bores at strategic points around the shire, the council website now features map of the bores and the access requirements.
- A survey in November 2006 of all households in the shire, in preparation for a review of the Council Plan, achieved a high response rate. These answers will now form part of council's decisions about its directions and strategies.

Disappointments

- The council failed to publish all the planned issues of the council newsletter, 'Pyrenees Profile'.
- Councillors held fewer ward meetings with their constituents than was planned.
- In this year's community satisfaction survey, public satisfaction rating for the council's communication and representation was down a few points.

Future

- Further develop and expand the website
- 'Pyrenees Profile' will be published regularly every quarter.
- Distribute services directory to all new residents of the shire



Drought assistance

Two public meetings were held in Beaufort and Avoca and an information pack was produced for farmers in the district to help ensure that the Pyrenees Shire was included in the Federal Government's declaration of Exceptional Circumstances for drought relief. A group of industry representatives, working closely with the Department of Primary Industry and the Pyrenees Shire Council, ensured that the Pyrenees was included in the Exceptional Circumstances declaration, so that local farmers who are suffering in the drought could receive drought relief payments.

Pyrenees Review Board

Inspired by the state government's community building demonstration project, the Pyrenees Review Board was set up to consider a wide range of community projects and make recommendations to council.

The board has 12 members from across the shire, with a diverse range of experiences and interests. It has shown excellent communication skills and sound thinking about the issues that are raised, producing valuable results for the communities of the Pyrenees Shire.

The Pyrenees Review Board has a strong link to council and ongoing administrative and directional support from the Economic Development and Tourism unit.

Community forums across the shire are regularly contacted and encouraged to communicate with their broader communities on issues that affect their districts.

Communication

Community consultation

Council tries to improve community engagement by informing members of the public about its activities, involving them in its decisions and inviting comments on strategies and plans. Community members are invited each year to participate in the development of the annual budget. This year, three budget meetings were held with councillors, staff and four community members.

Community directory

The community directory, now in its fifth year, is a valuable resource for the residents and businesses of the Pyrenees Shire. It provides information on community groups, local government and state government departments and services, as well as a telephone directory for the Pyrenees region.



Customer Action Request System (CARS)

CARS is council's system for recording and tracking all requests and complaints from the public. All requests and complaints are investigated and council aims to advise of the outcome within 10 working days.

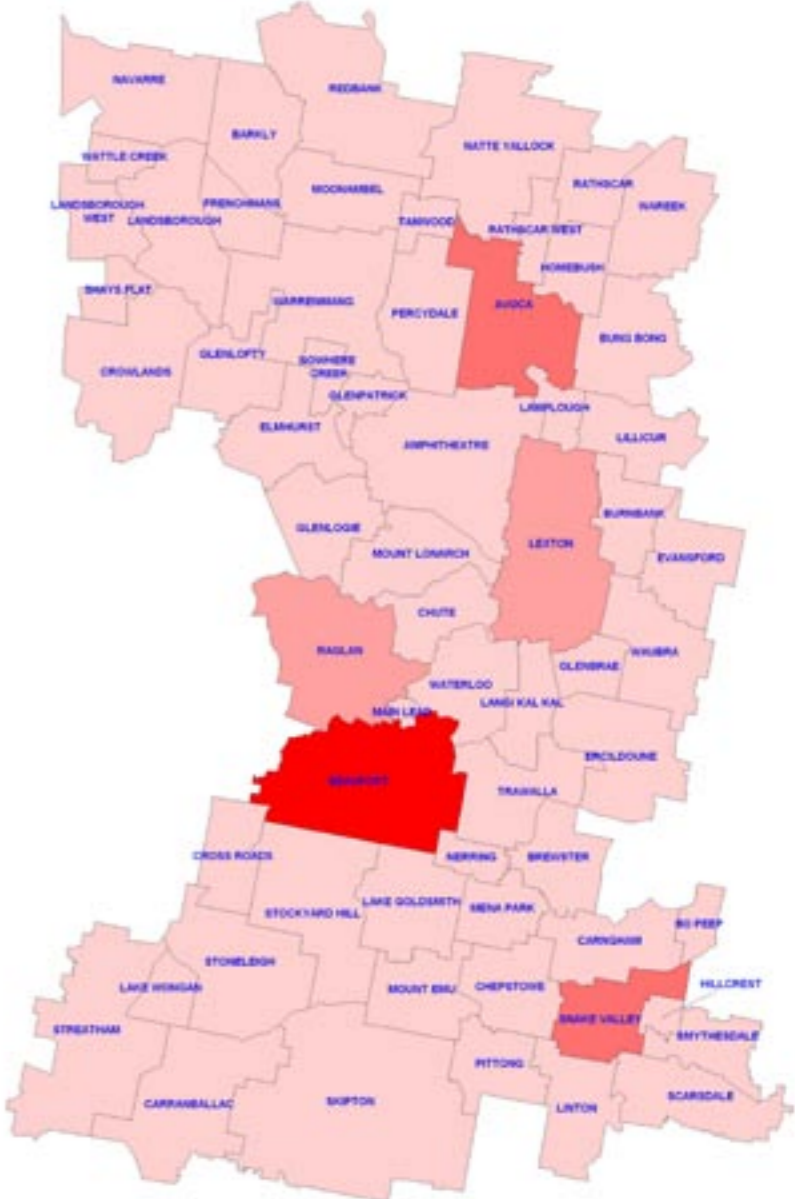
Total requests 2006-07: 484

Requests inspected within 6 working days: 455 (94.00%)

Requests responded to within 10 working days: 428 (88.43%)

Number of complaints

- 101-124 (1)
- 51-76 (1)
- 26-51 (2)
- 1-26 (58)



Community Wellbeing

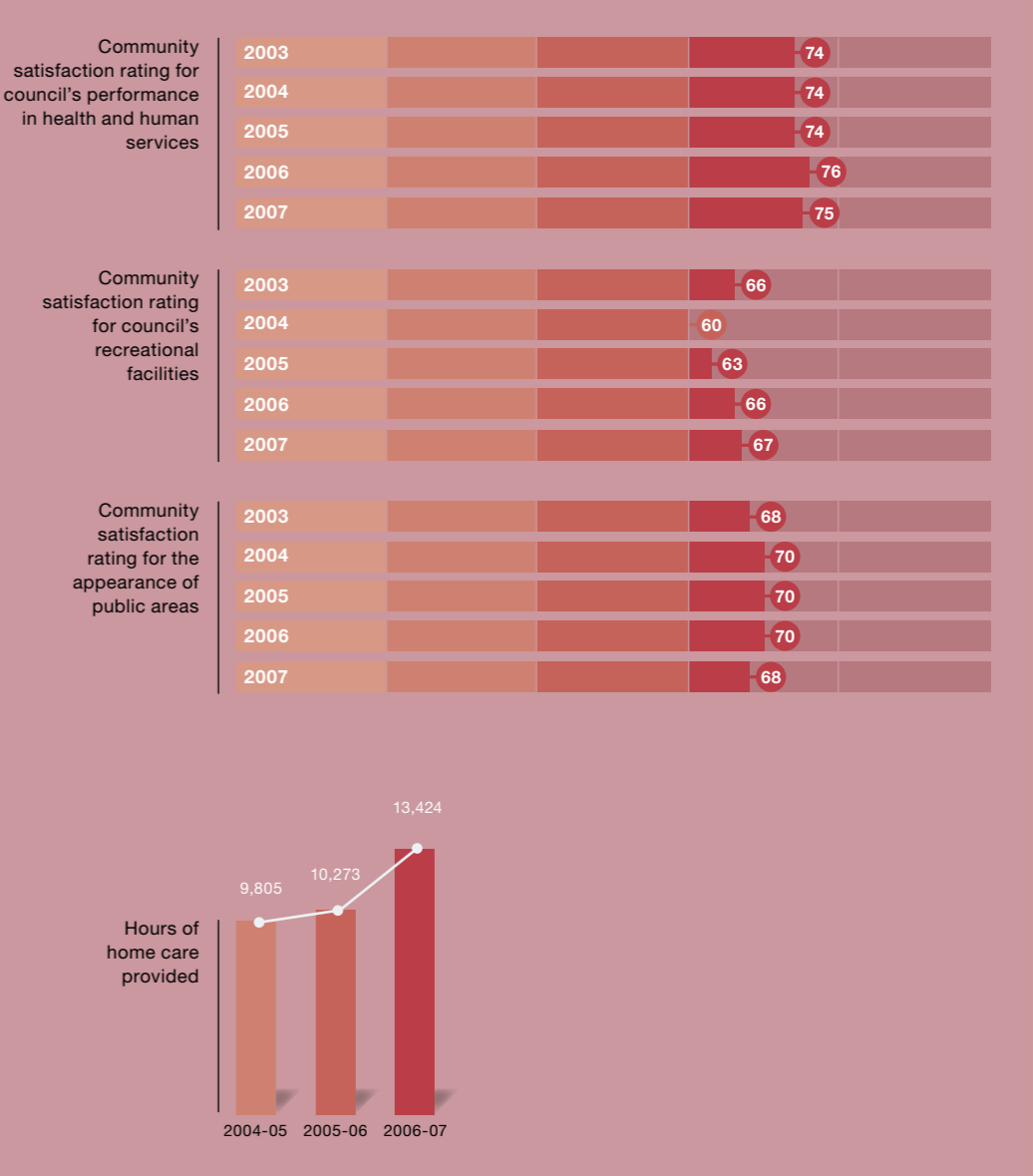


Aims and responsibilities :

- Community building
- Health planning
- Aged care services
- Jobs for youth
- Partnerships with other agencies
- Art and recreational programs

Priorities

- Develop and support strong, resourceful and empowered communities
- Integrate community-building principles into council's operations
- Enhance the health of the community
- Develop a vision for the youth of the shire
- Increase awareness of, and participation in, indigenous reconciliation issues



Community Wellbeing

Highlights

- Federal Community Services Minister Mal Brough lifted the moratorium on in-venue child care, enabling the council to extend child care and open new venues within the shire. Also, funding for family care was extended for another year.
- Avoca skate park opened and is well used
- The Transport Connection Project has been funded by the state government to look at how to improve community transport options by using the existing infrastructure.
- Funding has been approved for water bores at the Natte Yaloak, Lexton and Snake Valley recreation reserves
- Section 86 manual revised and will be implemented in 2007-08
- The Walking School Bus program in the Grampians/Pyrenees is now under the auspices of council
- Funding from Sport and Recreation Victoria, under the Country Football and Netball Program, for resurfacing the netball court and upgrading the lights at the Avoca football oval.
- Implemented the recovery plan after the Snake Valley fires: car parking opposite the hotel, a car park at the Mag Dam wetlands reserve, a facilities upgrade at the recreation reserve, and the design of new stone entrance signs to the township.

Disappointments

- The continuing struggle to recruit carers for the family day care service.
- The Community Services unit was disappointed to lose its Aged Care Services manager, Katherine Gillespie, who resigned after 10 years service. However, a new manager has been recruited, and started work in July 2007.

Future

- Redevelopment of Amphitheatre tennis courts has been funded – \$47,000 under the State Government's Community Facility Funding Program – but work has not yet started.
- The health action plan, which sets the health priorities for the shire for coming years and aims to strengthen the health and wellbeing of Pyrenees communities, will be presented to council in the first quarter of 2007-08.
- Funding has been obtained for the development of a grounds management strategy for recreation reserves in the shire.
- A new volunteer support project, called 'The Missing Link', has been funded by the state government.
- A funding submission is being developed for a proposed Beaufort Children's Centre. The project envisages developing the Beaufort kindergarten to locate a range of children's services, including in-venue child care and kindergarten, maternal and child health services, immunisation and other visiting child-oriented services. Funding will be sought from the state and federal governments.



Home and Community Care

The Home and Community Care (HACC) unit provides basic support services for frail aged people, people with a disability, and their carers. HACC staff help people to maintain their independence and to live in their own homes for as long as possible. Services include Home Care (household tasks), In-Home Respite Care (so carers can have some time away), Personal Care (assistance with showering, dressing and grooming), Planned Activity Groups (social activities) and Meals on Wheels.

Demand for all the HACC services is increasing, and some households require multiple services seven days a week. Council provides HACC services to more than 250 clients living within the shire.

Council employs 25 direct-care workers, one more than last year. These workers live in the Pyrenees Shire and provide services to clients within their local area.

Professional development and training is provided for all direct-care workers. At present, one direct care worker is completing Certificate IV in Aged Care Services.

The Planned Activity Group has been selected for an accreditation audit. The audit, conducted under national HACC guidelines, will assess the quality of the service.

\$10,000 funding has been obtained from the Municipal Association of Victoria to develop Positive Ageing strategies in the shire. The Positive Ageing Project is a four-year initiative funded by the Office of Senior Victorians, running from 2005 to 2008. Total funding is \$1.4 million to allow Victorian councils to undertake Positive Ageing projects and to have a facilitator support the program. The Pyrenees Shire's project will be implemented in 2007-08.

The Carelink client management system has been developed to co-ordinate with the council's payroll data.

Community Wellbeing

Family Support

The Pyrenees Shire's Family Support program has been running for more than two years, working with the district's most vulnerable families. Issues that the Family Support team deals with on a daily basis include domestic violence, poverty, disability (for the parents and/or their children), family dysfunction and even simple parenting issues and support. The aim of this program is to, wherever possible, keep children in their own homes rather than entering the child protection system, and to provide help and advice for all families.

The program is available to any residents within the shire. It helps with support and advice as well as assistance with access to other services families may need. A central referral point is now operating, with 'Child First' being the first point of call. Child First will assess the family's needs in a sensitive and non-judgemental way and then hand families on to the Family Support program at the Pyrenees Shire for ongoing help. Family Support is then able to assist either for a short period (if that's all that is needed) or in an ongoing way.

Families do not pay anything for this service, which is fully funded by the state government. Qualified and experienced welfare staff, trained in family support, visit families mainly in their own homes, at a time that suits them. Continual staff training means families are given the best possible service in this difficult and sensitive area.

Family Support has become a desirable service in the region and, at the moment has a small waiting list. The Pyrenees Shire Family Support program is working with seven families with varying degrees of needs. Families on the waiting list are 'held' by Child First until a vacancy becomes available in the council's Family Support program. They are given ongoing advice and support from Child First for the shortest possible time before the family accesses the council's service.

Child First is available for advice (particularly if you are not sure who to call) or referrals and is available during business hours on 1300 78 33 41 for the cost of a local call.



Maternal and Child Health

As usual, Maternal and Child Health has been working to capacity, seeing all the new and existing babies within the shire. The year's figures include the following:

- 906 "key ages and stages" visits to children aged 0 to 6 years
- 395 hours of flexible service, which includes additional visits to further assist parents with their children, and group activities as well as community development
- 12 mothers' groups in Beaufort
- 287 additional home visits for extra support

Highlights of the program include the mothers' group, which is being run in Beaufort. This group has had an excellent turnout of mums, ranging in number from 8 to 12 at any one time. Visiting speakers have included nutritionists, child behaviour experts and a representative of the Central Highlands Library who spoke about early literacy skills. All the mothers have found the group to be a fantastic support as well as a great source of information. Maternal and Child Health staff experienced the usual disappointments in the lack of time available for their clients. Although all babies are seen, it is often hard to give large amounts of time to many of them due to the time constraints and travel times between visits.

Youth Services

Youth councils have been successfully established in Snake Valley and Landsborough, and plans are under way to start a similar project in Beaufort. The aim is to develop an overarching forum for youth councils in the Pyrenees, which would meet at least annually.

Family Day Care

The Goldfields Recreation Reserve in Beaufort was approved for in-venue child care. The Federal Community Services Minister Mal Brough lifted the moratorium on in-venue child care, enabling the council to extend child care and open new venues within the shire. Also, Rural Sustainability Funding for family day care was extended for another year. Now, 76 children use the council's Family Day Care services, however council is still concerned about the very low growth in the numbers of home-based family day care providers.

Recreation and leisure

Redevelopment of Amphitheatre tennis courts has been funded under the state government's Community Facility Funding Program. And funding has been obtained from the Country Football and Netball Program to resurface the netball court and upgrade the lights at the Avoca football oval. The audit of playgrounds is continuing, and council is progressively removing non-standard play equipment. Funding has been approved for irrigation water bores at the Natte Yaloak, Lexton and Snake Valley recreation reserves

Community bus

Guidelines for the community bus program were reviewed and a new policy was adopted by council in June. The policy refines the management of the council-owned buses (funded by state and federal government grants) and aims to improve community access to transport, particularly for the elderly, frail and isolated within the shire.

Avoca skate park

The new skate park in Avoca has opened, and the feedback from users has been positive.

Pouring concrete for the tower foundations at the Waubra wind farm

Aims and responsibilities

- Population growth
- New employment opportunities
- Attract and retain industry
- Attract investment
- Tourism development

Priorities

- Maintain a focus on regular development
- Enhance existing business and industry
- Pursue opportunities for local industry growth
- Promote tourism opportunities
- Sustain the Community Resource Centres



Community satisfaction rating for council's performance in economic development	2003			62
	2004			62
	2005			61
	2006			62
	2007			60

Visitor numbers to Beaufort Community Resource Centre	2005	4,599		
	2006	6,074		
	2007	7,024		

Visitor numbers to Avoca Information Centre	2005			17,859
	2006			18,012
	2007			20,410

Highlights

- Planning approval granted for a wind farm in Lexton, and turbine construction is under way at the Waubra wind-farm site. A third wind farm at Crowlands is in the planning stage.
- 10 years of the Rainbow Serpent Festival being held in the shire. Council continues to support and facilitate this important cultural event, which attracts thousands of visitors to the shire each year.
- Data from the 2006 census reveal that the population of the Pyrenees Shire has increased by more than 200 in the past five years.
- The Pyrenees Shire is working towards becoming part of Grampians tourism brand
- The economic development strategy has been completed and partially implemented
- Pyrenees Review Board officially established

Disappointments

- Lack of marketing for Avoca industrial land
- Insufficient encouragement for business in Avoca
- Lack of available land for affordable housing

Future

- Continue implementing the Economic Development Strategy
- The Pyrenees Review Board will continue its work to strengthen the links between council and the community
- Possible development of affordable housing

Photo taken at Dalwhinnie Vineyard, Moonambel.
©



Tourism and branding

Council is continuing its work to develop and strengthen the “Pyrenees” brand in promoting the places, products and events of the shire. This is an important part of the council’s economic development strategy, and it applies to residential and economic development as well as tourism.

The economic development strategy was ratified by council in 2006 and is being progressively implemented. It emphasises the importance of partnerships in successfully developing the Pyrenees region. For instance, council is supporting the Pyrenees Vignerons’ Association in its plan to promote the Pyrenees as one of the leading wine-producing areas of Victoria, and it is working to establish a regional tourism organisation with neighbouring municipalities to link the Pyrenees with the broader Grampians tourist region.

Allied with this is the need to encourage economic development in the towns of the shire, so that suitable accommodation, restaurants and cultural and artistic attractions also develop to meet the needs of a growing tourism sector.

Council is also promoting the shire as a “clean and green” rural municipality that can satisfy the growing number of “tree changers” who are looking for a clean, safe and progressive place to live. Many of the people moving to the Pyrenees Shire from the cities and from other regions bring new skills and ideas — and new businesses and industry — that will enhance the long-term prosperity of the region.

These varied elements are being brought together to promote the Pyrenees Shire as a desirable destination for all — residents, visitors, industry and commerce.

Population growth

Data from the 2006 census reveal that the population of the Pyrenees Shire has increased by 200 in the past five years. Beaufort is the largest town in the shire (1,458 residents), followed by Avoca (1,225) and Snake Valley (937). The biggest age group in the shire are those between 25 and 54 years (37.2% of the population), followed by people under 24 (27.6%). Those over 65 make up 18.4% of the Pyrenees Shire population.

Waubra wind farm

The Waubra Wind Farm, which straddles the boundary between Pyrenees Shire and the City of Ballarat, will comprise 128 wind turbines, with associated access tracks, substations and an operations centre. Each turbine will generate 1.5 megawatts (MW), providing a total installed capacity of 192MW. The energy generated each year will provide for 143,000 households.

Construction began on November 16, 2006, with the civil works, including construction of access tracks and turbine foundations.

The turbines will start to go up in late 2007 and continue through to mid-2008. The wind farm is expected to be operational by mid-2008.

Acciona Energy is using local construction and manufacturing skills, and is using local equipment and materials wherever possible. The construction of the wind farm will, at its peak, create about 200 jobs. There will be about 30 permanent jobs in operating the wind farm. Currently more than 20 regional businesses are involved as subcontractors, and 15 regional people are working directly for Leighton Contractors, who were selected to undertake the civil works.

Regional development

The Pyrenees Shire Council is heavily involved in many regional groups and issues, and champions the broader development of western Victoria. The council is represented on the Grampians Pyrenees Regional Development Board, the Central Highlands Regional Waste Management Group, and the Central Highlands Regional Library Board, among others. Councillors and staff have been involved in a wide range of regional issues, including transport development, tourism and the location of the new regional saleyards.



Rainbow Serpent Festival

After 10 years, the annual Rainbow Serpent Festival has become a highlight of the Australia Day long weekend in the Pyrenees Shire. This year, more than 7000 people gathered near Beaufort for four days of music and art.

Lexton wind farm

A permit for 19 turbines at Lexton was granted in January 2007. The site consists of two distinct areas, between two and eight kilometres south-west of Lexton. The site is cleared agricultural land used for sheep grazing.

The project, with a capital investment of about \$48.5 million, is expected to generate up to 28.5 megawatts of power – enough to power more than 16,000 homes.

Community Building

There was a transition in the area of Community Building in 2006-07. The Community Liaison position was reduced from full-time to three days a week after the end of the Community Building project extension.

The principals and philosophy of community building have been adopted by council and have been integrated into the council plan. They now form a part of the ongoing work of the Pyrenees Shire Council.

Community Action Plans have been in place for many communities in the shire since June 2005. In the past 12 months, many of these communities have celebrated some great results from their plans, which have helped them to become more empowered and responsive to their own needs. Avoca, Moonambel, Landsborough, Lexton and Snake Valley have all celebrated their achievements and had the opportunity to revise their plans and resubmit them to council and the community.

Some community members had the opportunity to participate in some training programs during the year. These included Effective Media Release Writing, and Board of Management and Governance Training.

In August 2006 the Pyrenees Review Board was officially formed, a direct outcome of the Community Building Project. The board has 12 members: nine representatives of various towns and districts in the shire and three independent members. The board acts as a conduit between council and the community and works very closely with the Community Liaison Officer.

During the year, the board, while still establishing its role, assisted five community groups in the shire with seed funding, for a total of \$13,220.

In the next 12 months the Pyrenees Review Board will continue to build stronger links with the community and council. Communities that have not updated their Community Action Plans can use the services of the Community Liaison Officer so that we all continue to work together, learn from each other and share our resources to improve the Pyrenees Shire.

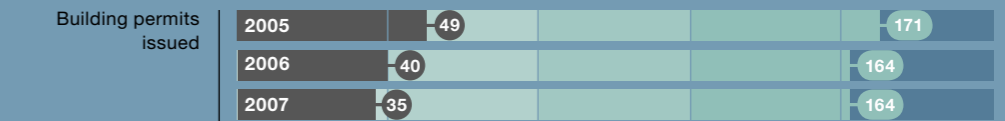
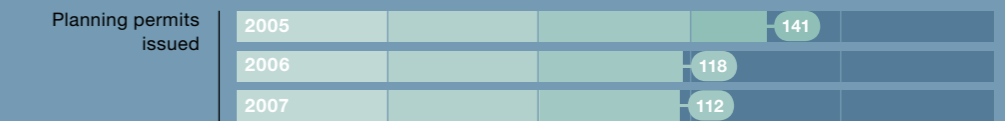
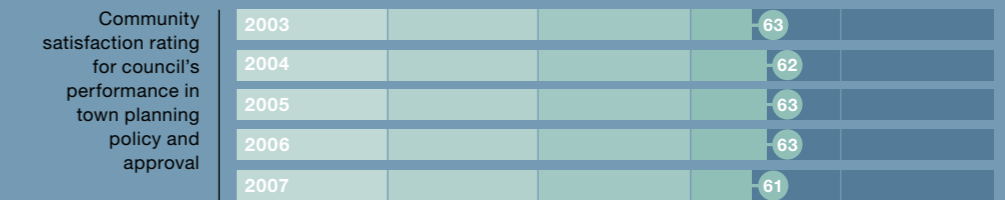
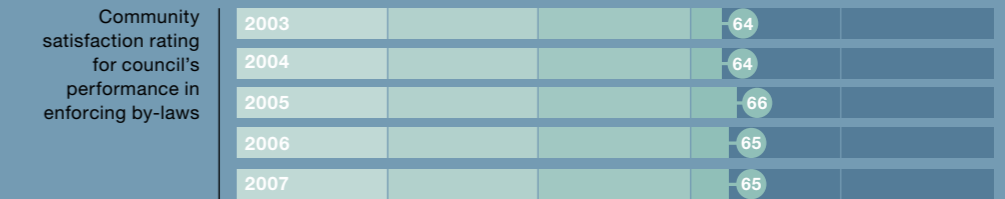
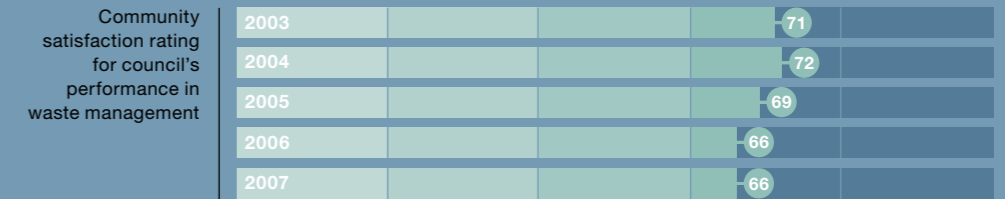
The past few months of the financial year were focused on event facilitation and the prospect of a “Pyrenees Month” — running several shire-wide events over the course of one month. Events are a common theme in the Community Action Plans. With the assistance of the Pyrenees Review Board and the communities in the Pyrenees, this will come to fruition in May and June 2008. Many communities have expressed interest in being a part of “Pyrenees Month”.

Aims and responsibilities

- Strategic planning
- Statutory planning
- By-law enforcement
- Environmental management

Priorities

- Sustainable and effective planning
- Improved community safety and amenity
- Environmental stewardship and responsibility



New Houses **Total Building Permits**

Highlights

- New household garbage and recycling collection system implemented
- Weed action plan funded by Department of Sustainability and Environment nearly complete, and a weed-identification booklet is in production
- The Beaufort flood study nearly complete
- The emergency management plan has been updated
- Wildfire management overlay has been introduced

Disappointments

- Slow progress on sewerage planning for Waubra and Snake Valley

Future

- Review the disaster recovery plan
- Produce the weeds identification booklet
- Develop a flood study for Landsborough
- Continue with the Cities for Climate Protection to further reduce greenhouse-gas emissions within the shire.



Rubbish and recycling collection

After a survey of residents in the Pyrenees Shire, an extra 421 properties were included in council's new rubbish collection service, which began in May. New and extended collection routes were established where the majority of people surveyed requested a service. A new co-mingled recycling service was also introduced to properties that have rubbish collection.

Wildfire management overlay

The wildfire management overlay is an amendment to the council's planning scheme that takes fire risk and fire-prevention measures into account when planning for various land uses within the shire. This helps to ensure that any development does not increase the threat to life and property from wildfire, or interfere with fire-protection measures. The overlay identifies areas where fire is likely to be most intense and where life and property are at risk. The overlay introduces criteria for water availability, access for fire vehicles, vegetation management and building design.

Weed action plan

In August 2006, Pyrenees Shire appointed Andrew Steed as weed management officer to take part in a local government initiative, Tackling Weeds on Private Land. Funded by the Department of Primary Industries and local government, this project aims to co-ordinate better weed management on private and public land throughout the shire. Andrew mapped roadsides for weeds, recorded the weed types, density and distribution, and recorded the overall significance and extent of the shire's weed problem. The next step is the production of data sheets on the most common weeds in the shire, and also a small weed-identification booklet that includes pictures, general facts, and weed-control techniques.

Flood study in Beaufort

The Beaufort flood study, carried out by the Glenelg-Hopkins Catchment Management Authority, is nearly complete. The study reviews the current maps of flood-prone areas around Beaufort, to better understand the threat of flooding within the township. This work was prompted by the pressure for further residential and industrial development within the floodplains of Beaufort's creek system.

Emergency management

The council's emergency management plan has been updated, particularly to identify which buildings in the shire have the facilities to operate as emergency relief centres. The Avoca Information Centre and the Beaufort Community Development Centre have been selected as alternative venues for the Municipal Emergency Management Operations Centre.

Environmental initiatives

Council continues to participate in the Cities for Climate Protection Program, which aims to reduce greenhouse-gas emissions throughout the shire. The council has already achieved Milestone Four (in a Five-Milestone program) by implementing its Greenhouse Action Plan.

This includes using smaller vehicles, and LPG-fuelled vehicles, to reduce emissions; introducing kerbside and green-waste recycling; replacing cathode-ray-tube computer monitors with liquid-crystal displays; and recycling paper in all offices.

The Pyrenees Shire Council participated in the Farm Emission and Efficiency Project with Ararat Rural City Council, Northern Grampians Shire Council and the Australian Greenhouse Office. The project involved a survey of primary producers across the district to estimate their greenhouse-gas emissions and devise ways to reduce emissions in the future.

Environmental and heritage planning

The Pyrenees Shire Council takes pride in its cultural and environmental heritage, and recognises that protecting and retaining sites of natural and historical significance enhances the amenity of the district and the well-being of its residents.

It is important to protect and preserve historically important buildings —public and private — and gold mining sites, as well as monuments, archaeological sites, landscapes and endangered flora and fauna.

Unfortunately, inappropriate development has sometimes harmed the historical, architectural and environmental amenity in the shire, so the Pyrenees Shire Council is producing a guide to help potential applicants understand the heritage and environment restrictions on development. The guide will outline the planning principles, the areas of heritage and environmental significance within the shire, and where potential applicants can seek advice.



Aims and responsibilities

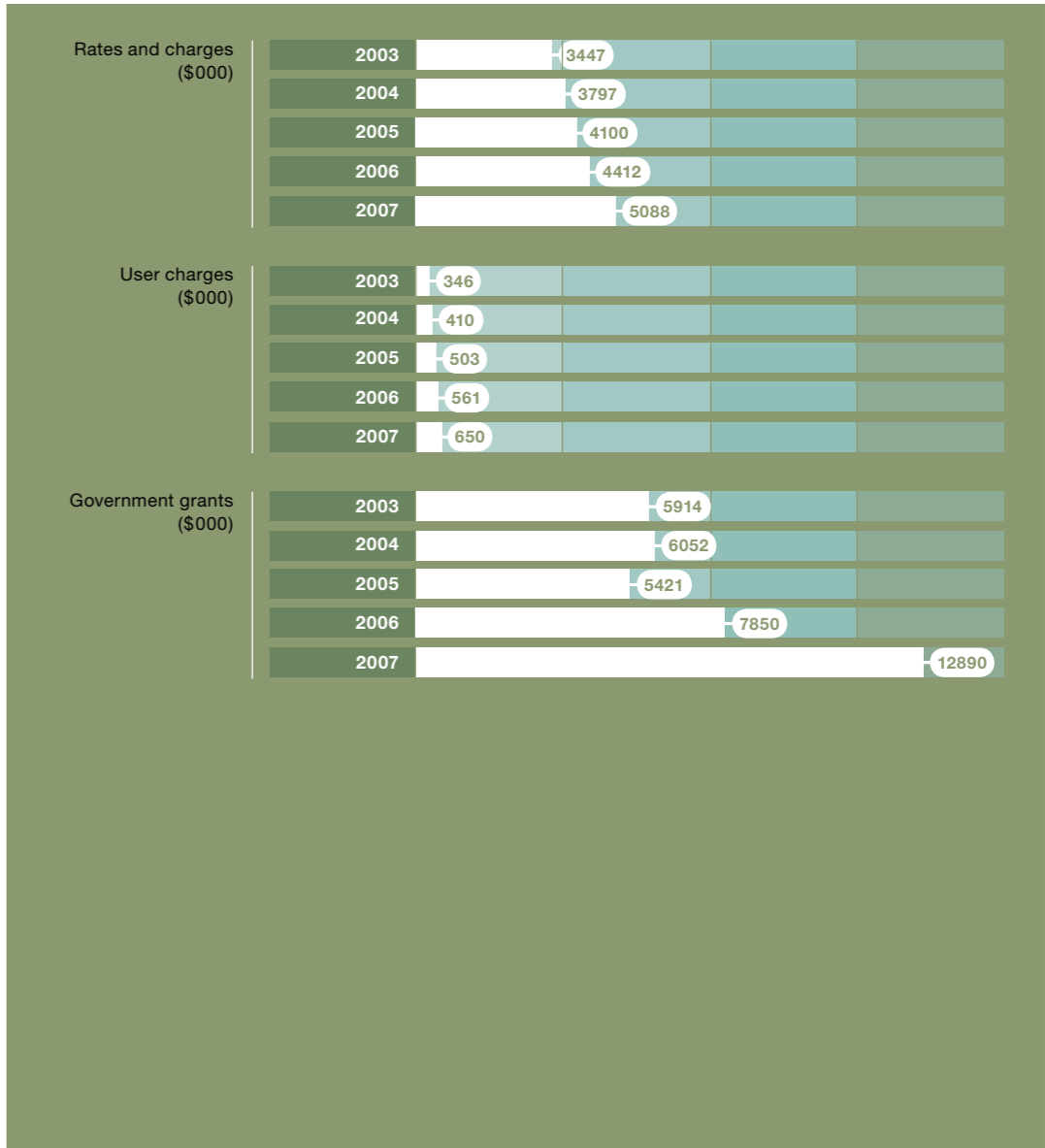
- Long-term financial sustainability
- Education and training for councillors and staff
- Risk management
- Continuous improvement
- Staff management and performance

Priorities

- Maintain financial viability
- Reduce corporate and community risks
- Support development of councillors and staff
- Continuously improve organisational effectiveness



Sources of revenue



Highlights

- Council is in a strong cash position
- Staff induction review completed and ready to be put on the intranet
- Section 86 committee manual completed
- Risk-management practices improved so that asset inspections are proactive, rather than reactive.

Disappointments

- Low marks on the liability assessment audit due to poor footpaths, even though council scores well in all other areas
- The continuing difficulty in recruiting qualified and experienced staff

Future

- Installation of an electronic records management system
- Finance procedures to be reviewed and updated
- Continual training will enable council staff to work across varied areas of expertise

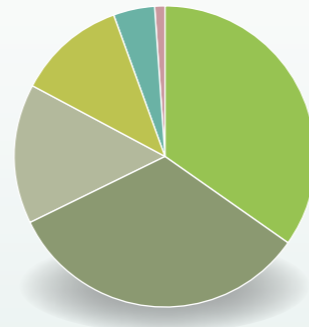
Human resources

Employees

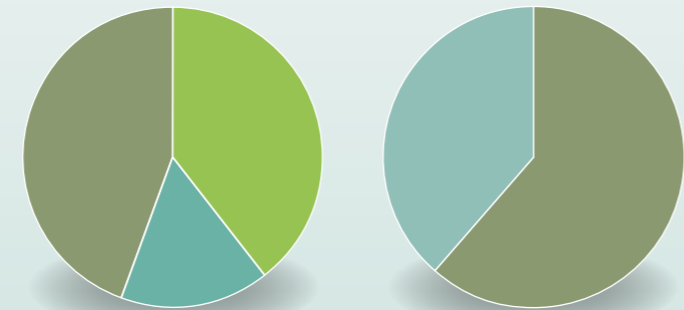
Council employs 112 people
 Full-time 50
 (37 males and 13 females)
 Part-time 44
 (5 males and 39 females)
 Casuals 18
 (one male and 17 females)

25 positions were advertised during the year, and 227 applications were considered

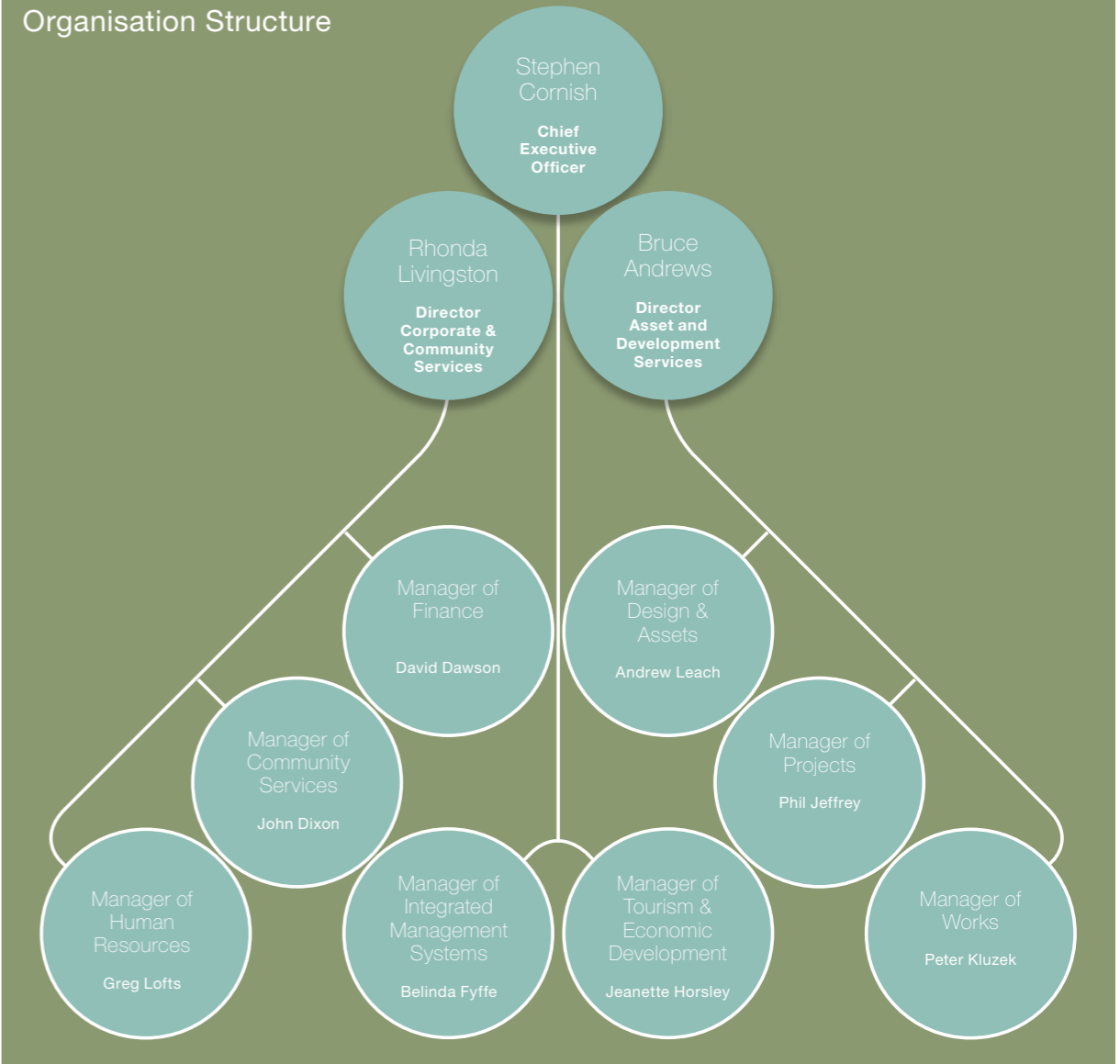
- Male Full-time
- Female Full-time
- Male Part-time
- Female Part-time
- Male Casual
- Female Casual



- Full-time
- Part-time
- Casual
- Male
- Female



Organisation Structure



Training and development

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

Several specific staff-development training programs were conducted during the year, including:

- Challenging Difficult Behaviour
- First Aid Level 1 – Emergency Life Support
- First Aid Level 2 – Senior First Aid
- Microsoft Word and Excel
- Traffic Control (construction)
- Chemcert Accreditation
- Protection Roadside Vegetation (Maintenance & Construction)

In addition to the specific staff-development program, the Pyrenees Shire Council also provides and encourages professional development education programs. Several staff members took the following professional courses:

- Diploma in Information Technology – 1 staff member
- Certificate III in Rural Operations – 4 staff members
- Certificate IV in Local Government Administration – 1 staff member
- Certificate IV in Government (Statutory Compliance) – 1 staff member
- Certificate IV in Animal Control & Regulation – 1 staff member

Staff milestones

Many staff members have provided long service to the Pyrenees Shire and its predecessor organisations.

35 years +
2 staff members

25 years +
8 staff members

20 years +
14 staff members

15 years +
7 staff members

10 years +
10 staff members

Workcover claims 2006-07

minor (under council's liability) 5
major (exceeds council's liability) 3



National Competition Policy Compliance : 2006/07

CERTIFICATION by CHIEF EXECUTIVE OFFICER

Pyrenees Shire Council has complied with the requirements of the Local Government Improvement Incentive Program in respect of:-

- National Competition Policy (in accordance with National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002));

for the financial year 2006/07 as set out below:

A. Trade Practices Compliance

State whether the Council is compliant or non-compliant.
If non-compliant, justify or cite actions to redress. Compliant

B. Local Laws Compliance

State whether the Council is compliant or non-compliant.
If non-compliant, justify or cite actions to redress. Compliant

C. Competitive Neutrality Compliance

State whether the Council is compliant or non-compliant for all significant businesses. If non-compliant, justify or cite actions to redress. Compliant

I certify that:

- this statement has been prepared in accordance with the 2006/07 Local Government Improvement Incentive guidelines issued in June 2007 for reporting on the following criterion :- National Competition Policy in accordance with National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002); and
- this statement presents fairly the Council's implementation of the National Competition Policy.

(Chief Executive Officer)

Date: 5th September, 2007



	2003	2004	2005	2006	2007
Community satisfaction rating for council's general performance	66				
	65				
	66				
	66				
	64				
Community satisfaction rating for council's overall performance in key service areas and responsibilities	65				
	64				
	64				
	65				
	65				

Governance

The council

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

Pyrenees Shire Council is represented by five ward councillors, who were elected for a four-year term in November 2004.

During 2006-07, two councillors served as mayor: Cr Lysette Ashford and Cr Gabriel Horvat, who was elected mayor at the statutory meeting in December 2006.

Council plan

The council plan defines the strategic direction of council for the next four years in relation to its assets, the community, growth, employment and planning. It establishes priorities, taking into consideration financial, social and environmental implications. The annual report details the successes, failures and future directions of these commitments. The plan is reviewed annually by councillors and senior management and was last revised on 4 December 2006. A copy is available on council's website.

Mayoral and councillor allowances

Allowances are reviewed each year, and for 2006-07 there was no change to the annual mayoral allowance of \$36,000 and the annual councillor allowance of \$12,000.

Council meetings

Council meetings are held on the 3rd Tuesday of each month at the Council Chambers in Beaufort, commencing at 6 o'clock. There were five apologies from councillors during 2006-07.

Councillor attendance

Attendance record of councillors at council meetings in 2006-07 (including statutory and special meetings)

	Ordinary council												Special council		Statutory		
Cr Ashford	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Cr Harris	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Cr Harrison	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Cr Horvat	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Cr Neil	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■

Code of conduct

Council has adopted a code of conduct to provide guidance to councillors on ethical conduct and the standard of behaviour expected in relation to other councillors, council staff and the community. The code of conduct is to be reviewed annually and is available upon request from the shire office.

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 two independent external members — Mr Bernie Frewin as chairman and Mr Maurice Barwick — and Councillors Lester Harris and Glenice Harrison.

Meetings: 11 September 2006, 14 November 2006, 6 March 2007

Reported: The following reviews were carried out by council's internal auditor Danny Keating:

- Community Services funding grants and expenditure
- Contract management
- Council's compliance with the Road Management Act
- Legislative compliance

Reports discussed by the committee and the suggested recommendations were adopted.

Quality and safety assurance

The Pyrenees Shire Council is an accredited Quality and Safety endorsed company, complying with International Standards and Australian Standards, one of only a small number of municipalities to achieve this endorsement. In accordance with the aims of the council plan, the shire is committed to ensuring that best business practice and values are applied to the services we provide to our community. To ensure compliance, council is constantly subject to external third-party audit of our systems and procedures and has on all occasions retained certification. Certification to the International Environmental Standards for works and services was obtained on 17 August 2006.

Occupational Health and Safety (OH&S)

The Pyrenees Shire Council recognises and is committed to preventing injury and illness by providing as far as practicable, a safe and healthy environment for its employees, contractors and the public. Council is not only committed to ensuring that all legislative requirements are met, but to maintaining a position of excellence in its handling of the occupational health, safety and welfare issues affecting its workforce. The Occupational Health and Safety committee is responsible for maintaining an active oversight of health and safety issues in the workplace and monitoring the organisation's performance against established indicators. These include the number of incidents, both reportable and non-reportable to Worksafe, and time lost due to injury. The Occupational Health and Safety Committee has ensured that all council's OH&S policies and procedures reflect the requirements of the new Occupational Health and Safety Act, 2004.

Governance

Equal Employment Opportunity

The Pyrenees Shire Council is committed to the principles of Equal Employment Opportunity and has adopted the following policy: Employees and applicants for employment should not be discriminated against on the grounds of sex, marital status, race, physical or mental impairment, pregnancy, colour, religious or political belief, or because they are a parent, childless or a defacto spouse. All individuals employed or considered for employment will be treated on merit, according to their skill, aptitude, qualifications and experience relevant to the work to be performed.

Privacy

Council complies with The Victorian Information Privacy Act 2000. Council staff have attended privacy training to ensure understanding and compliance with the legislation. A copy of council's policy is available for viewing at the shire office. Questions, complaints or further information can be obtained by calling Council's Privacy Officer, the Human Resources Manager or the Records Officer on 5349 1100.

Freedom of Information

The Freedom of Information Act allows the community to access documents held by Council. During the year three requests were received. Requests for access to information should be made in writing to the Freedom of Information Officer, 5 Lawrence Street, Beaufort 3373.

Whistleblower Protection

The Whistleblowers Protection Act 2001 protects people who disclose information about serious wrongdoing by councillors and council officers. There have not been any disclosures, as at 30 June 2007. Pyrenees Shire Council has procedures in place to provide protection from reprisals for persons making disclosures and provide a framework for investigation. Council's policy is available for viewing at the shire offices, 5 Lawrence Street, Beaufort.



Contract Management

Council's Asset and Infrastructure Department tenders and manages contracts within the municipality. All works that are tendered are done so in accordance with council policies and procedures to maintain fair, open and effective competition. During the 2006-07 financial year council entered into 17 new contracts with a total value of \$7,055,932.

Contract name	No. of Tenders	Contract Value
Natte Yallock toilets	●	\$74,939
Avoca skate park	●	\$96,800
Goldfields Centre	●●●	\$1,986,600
Transfer stations	●●●	\$701,095
Carngham-Streatham Rd	●●	\$196,505
Garbage collection services	●●●	\$725,301
Beaufort-Carranballac Rd	●●●	\$368,333
Recycling collection	●●●	\$806,428
Servicing of street litter bins	●●	\$85,971
Demolition of football rooms	●	\$19,272
Eurambeen-Streatham Rd	●●●	\$927,587
Eurambeen-Streatham Rd	●●●	\$577,823
S&D 10m3 tip truck	●●●●●	\$107,300
S&D HDU Road Maintenance Unit	●●●	\$119,734
Drawn Steel Combination Roller	●	\$54,495
Collection and sorting recycling	●●	\$76,560
Goldfields boatshed	●●●	\$131,189
		\$7,055,932

Documents available for inspection

- Details of current mayoral and councillor allowances.
- Details of senior officers' total salary packages.
- Details of overseas or interstate travel by councillors or council staff in an official capacity during the financial year.
- Names of council officers who are required to submit a return of interest during the financial year.
- Names of councillors who are required to submit a return of interest during the financial year.
- Agendas and minutes of ordinary or special meetings held in the previous 12 months.
- A list of all special committees established by council and the purpose for which each committee was established.
- Minutes of meetings of special committees held in the past 12 months
- A register of delegations under the Local Government Act
- Submissions received under section 223 of the Act over the past 12 months.
- Agreements to establish regional libraries
- Details of property, finance and operating leases entered into by council.
- A register of authorised officers appointed under section 224 of the Act.
- A list of donations and grants made by council during the financial year.
- A list of the names of organisations of which council was a member during the financial year and details of all membership fees and other amounts and services provided to each organisation by council during that year.
- A list of contracts valued at \$100,000 or more which council entered into during the financial year without first engaging in a competitive process and which are not contracts referred to in section 186(5) of the Act.



Lic No.
2006-696



Lic No.
2007-697



Lic No.
2006-695

Organisation	Amount
Amphitheatre Public Hall	1,200
Amphitheatre Tennis Club	500
Anglican Church Ladies Guild	1,500
Avoca & District Historical Society	1,500
Avoca Breast Cancer Support Group	500
Avoca Business and Tourism	400
Avoca Golf and Bowls Club	1,500
Avoca Public Cemetery Trust	1,000
Avoca Urban Fire Brigade	1,000
Ballarat Basketball Association	1,500
Beaufort Community Centre	1,500
Beaufort Croquet Club	800
Beaufort Fire Brigade	1,500
Beaufort Golf Club	400
Beaufort Municipal Band	1,500
Crowlands Film Society	1,500
Lake Goldsmith Steam Preservation Association	1,500
Landsborough & District Golf Club	1,500
Landsborough Ladies Night Out	500
Landsborough Memorial Park	1,500
Lexton Community Centre and Rural Transaction Centre	500
Moonambel Art/History Group	1,500
Moonambel Events	750
Pyrenees Arts Council	1,500
Raglan CFA & Raglan Rec. Reserve & Hall Joint Working Committee	1,470
Raglan Hall & Recreation Reserve Committee	2,750
Rotary Club of Beaufort	1,500
Snake Valley & Dist Historical Society	575
Snake Valley Hall Committee of Management	750
Snake Valley Youth Group	1,500
St John Anglican Ladies Guild	400
Stoneleigh Fire Brigade	1,500
Waubra Bowling Club	500
Waubra Pre-School	1,500
TOTAL	\$39,495

Council's financial statements have been prepared in accordance with Australian Accounting Standards and local government financial reporting requirements. They include an Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and accompanying notes.

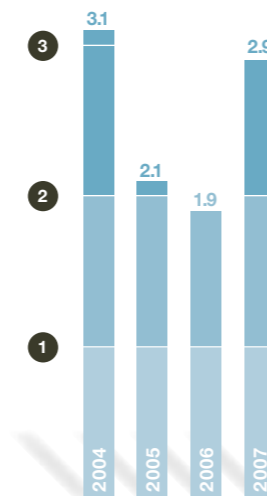
The accounts are audited by the Victorian Auditor-General.

Operating Summary

Council reported an operating surplus of \$4.1 million which included a charge for depreciation of assets of \$4.0 million. This result compared favorably to budget and reflects council's continuing success in attracting external funding for operations and capital works. In particular council received \$5.6 million in non-recurrent grants, notably federal government funds for major road projects.

Balance Sheet

Council is in a sound financial position at 30 June 2007 with \$4.8 million in cash and investments on hand and a working capital ratio (current assets to current liabilities) of 2.9 to 1. That ratio compared with previous years is shown in the following graph:



Cash Flows

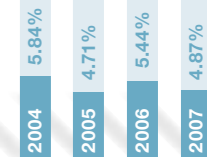
Net cash on hand increased by \$538,000 during the year. Operating activities including grants generated \$6.8 million in 2006-07 which was applied to capital projects. Some federal grants received were not expended by balance date and these monies will be expended in 2007-08 as major road projects are completed. Council borrowed \$87,000 on behalf of a community group but repaid \$151,000 of existing loans.

Capital Works

Council undertook \$6.8 million of capital works in 2006-07. Works included \$3.7 million on roads and \$2.0 million on buildings.

Debt Management

Total council debt at 30 June is \$1.2 million of which \$87,000 is repayable by a local community group. Council has a strategy of minimizing its debt which is reflected in all of the debt management ratios reported in the financial statements. It has minimal exposure to debt and its capacity to service its loans and commitment ratios are very low, as reflected in the following graph:



1. Introduction

The Financial Report is a key report by the local government of the Pyrenees Shire Council. It shows how Council performed financially during the 2006/2007 financial year and the overall position at the end (30 June 2007) 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 37 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 the equivalent to the profit or (loss) of Council for the year. A surplus means that the revenue was greater than the expenses.

4. Balance Sheet

This one page summary is a snap shot of the financial situation as at 30 June. 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, ie 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 Investments represent the value of shares held by Council.

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 30 June.

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 30 June.

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 owed money to Council. Receipts also include the interest earnings from Council's cash investments. It does not include the costs associated with the sale of assets.

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

Cash Flows from Investing Activities

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

Cash Flows from Financing Activities

This is where the receipt and repayment of borrowed funds are recorded.

The bottom line of the Statement of Cash Flows is the Cash at End of Financial Year. This shows the capacity of Council to meet its cash debts and other liabilities.

7. Notes to the Accounts

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

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

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

Other Notes include:

- the cost of the various functions of Council;
- the break down of expenses, revenues, reserves and other assets;
- contingent liabilities;
- transactions with persons related to Council; and
- financial performance indicators.

The Notes should be read at the same time as, and together with, the other parts of the Financial Statements to get a clear picture of the accounts.

8. Standard Statements

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

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

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

9. Statements by Principal Accounting Officer and Councillors

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

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

10. Auditor General's Report

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

11. General

The Pyrenees Shire Council was established by an Order of the Governor in Council on the 23rd of September 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

Standard Statements



1. Basis of preparation of Standard Statements

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

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

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

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

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

The budget figures included in the Standard Statements are those adopted by Council on 20 June 2006. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from assets revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements Report on pages 80 to 83. The detailed budget can be obtained by contacting council or through the council's website. The Standard Statements must be read with reference to these documents.

Standard Income Statement

for the year ended 30 June 2007

	Budget 2006/2007 \$'000	Variances \$'000	Variances %	Actuals 2006/2007 \$'000	Note
Revenue					
Rates and charges	4,710	51	1.1	4,761	
Recurrent grants	4,201	360	8.6	4,561	
Non-recurrent grants	5,116	485	9.5	5,601	
User fees	605	(104)	(17.2)	709	1
Contributions	15	(461)	(3,073.3)	476	2
Other revenue	475	(241)	(50.7)	234	3
Total revenue	15,122	1,220	8.1	16,342	
Expenses					
Employee benefits	3,939	(323)	(8.2)	4,262	
Materials and services	2,812	340	12.1	3,152	4
Finance costs	82	1	1.2	81	
Depreciation and amortisation	4,184	(135)	(3.2)	4,049	
Other expenses	1,125	(412)	(36.6)	713	5
Total expenses	12,142	(115)	(0.9)	12,257	
Net gain (loss) on disposal of assets	(65)	(102)	(156.9)	37	6
Share of net profits of associates and joint ventures accounted for by the equity method	-	(18)	0.0	(18)	
Surplus (deficit) for the period	2,915	1,189	40.8	4,104	

Variance Explanation Report

Ref	Item	Explanation
1	User fees and fines	An increase in home help fees above budget and the receipt of the valuation fee that was not budgeted for has resulted in income from this area being above budget.
2	Contributions	Higher than budget as a result of the delay in the receipt of the contribution in relation to the Goldfields Community Building.
3	Other Revenue	Lower than budget as a result of delay in various maintenance works and amended treatment of the Grampians Pyrenees Regional Development Board.
4	Material & Services	Higher than budget as a result of price increases and a higher than budget increase in Council contributions to community groups.
5	Other expenses	Less than budget as a result of a number of projects that were budgeted for not being finished before year end and these project now carrying over into the next financial year.
6	Net gain (loss) on disposal of assets	The profit on number of plant items actually traded during the year was higher than budgeted for.

Standard Balance Sheet

for the year ended 30 June 2007

	Budget 2006/2007 \$'000	Variances \$'000	Variances %	Actuals 2006/2007 \$'000	Note
Current assets					
Cash and cash equivalents	2,658	2,155	81.1	4,813	7
Trade and other receivables	450	804	178.7	1,254	8
Other	15	39	260.0	54	9
Total current assets	3,123	2,998	96.0	6,121	
Non-current assets					
Trade and other receivables	18	63	350.0	81	8
Property, plant and equipment, infrastructure	229,511	27,911	12.2	201,600	10
Investments in associates	223	(18)	(8.1)	205	
Total non-current assets	229,752	27,866	12.1	201,886	
Total assets	232,875	24,868	10.7	208,007	
Current liabilities					
Trade and other payables	317	(521)	(164.4)	838	11
Interest bearing loans and borrowings	152	(23)	15.1	175	
Provisions	500	(450)	(90.0)	950	12
Trust funds and deposits	-	(128)	0.0	128	13
Total current liabilities	969	(1,122)	(115.8)	2,091	
Non-current liabilities					
Interest bearing loans and borrowings	1,092	63	5.8	1,029	
Provisions	570	437	76.7	133	12
Total non-current liabilities	1,662	500	30.1	1,162	
Total liabilities	2,631	622	23.6	3,253	
Net assets	230,244	25,490	11.1	204,754	
Equity					
Accumulated surplus	73,842	2,637	3.6	76,479	
Asset revaluation reserve	156,322	28,126	18.0	128,196	14
Other reserves	80	1	1.3	79	
Total equity	230,244	25,490	11.1	204,754	

Variance Explanation Report

Ref	Item	Explanation
7	Cash assets and cash equivalents	Higher as a result of an additional Roads to Recovery grant allocation of \$0.9m received in 2005/2006. This was a federal government initiative announced in the 2006 federal budget and not allowed for in the budget. Also higher as a result of Auslink funding being received that was not budgeted for and remained unexpended at year end.
8	Trade and other receivables	Higher as a result of a larger amount of government grant funds being outstanding than anticipated at budget time.
9	Other current assets	Higher as a result of a larger amount of prepayments than anticipated at budget time.
10	Property, plant and equipment, infrastructure	Lower than budget as a result of the write down in road infrastructure assets being higher than anticipated at budget time.
11	Trade and other payables	Higher as a result of a larger amount of creditors not being paid before year end than anticipated at budget time.
12	Provisions	Higher than budget as a result of the implementation of the new IFRS reporting requirements. The IFRS methodology of apportioning employee provisions between current and non current was not clear at the time the budget was formulated. The IFRS reporting requirements require a larger proportion of employee benefits to be classified as current than was the case previously. This has caused a significant variation from the original budget amount as the effect of this was not allowed in the budget.
13	Trust funds and deposits	Higher as a result of a larger amount of trust funds and deposits being received than anticipated at budget time.
14	Asset revaluation reserve	Lower than budget as a result of the write down in road infrastructure assets being higher than anticipated at budget time. This has caused a significant variation from the original budget amount.

Standard Cash Flow Statement

for the year ended 30 June 2007

	Budget 2006/2007 \$ '000	Variances \$ '000	Variances %	Actuals 2006/2007 \$ '000	Note
Cash flows from operating activities					
Receipts from customers	5,332	(118)	(2.2)	5,450	
Payments to suppliers and employees	(8,079)	1,945	24.1	(10,024)	15
Net cash inflow (outflow) from customers/suppliers	(2,747)	1,827	66.5	(4,574)	
Cash flows from investing activities					
Interest received	104	62	59.6	166	16
Government receipts	4,554	(75)	(1.6)	4,479	
Other	368	644	175.0	1,012	17
Capital grants and contributions	4,763	961	20.2	5,724	18
Net cash inflow (outflow) from operating activities	7,042	235	3.3	6,807	
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment, infrastructure	257	(118)	(45.9)	375	19
Payments for property, plant and equipment, infrastructure	(7,216)	(575)	(8.0)	(6,641)	20
Net cash inflow (outflow) from investing activities	(6,959)	(693)	(10.0)	(6,266)	
Cash flows from financing activities					
Trust funds and deposits				61	
Proceeds from interest bearing liabilities				87	
Repayment of interest bearing loans and borrowings	(152)	1	0.7	(151)	
Net cash inflow (outflow) from financing activities	(152)	149	98.0	(3)	
Net increase (decrease) in cash and cash equivalents	(69)	607	879.7	538	
Cash and cash equivalents at the beginning of the year	2,727	1,548	56.8	4,275	21
Cash and cash equivalents at the end of the year	2,658	2,155	81.1	4,813	
Reconciliation of Surplus (Deficit) and Net Cash Flows from Operating Activities For the year ending 30 June 2007					
Surplus (deficit)	(526)	4,611	876.6	4,085	
Depreciation and amortisation	4,027	22	0.5	4,049	
(Profit) loss on sale of property, plant and equipment, infrastructure	(40)	(77)	(192.5)	37	22
Net movement in current assets and liabilities	177	1,501	848.0	(1,324)	
Net cash inflow (outflow) from operating activities	3,638	3,209	88.2	6,847	

Variance Explanation Report

Ref	Item	Explanation
15	Payments to suppliers and employees	Higher than budget as a result of the GST impact on expenditures not being included in the budget.
16	Interest received (inflow)	Higher than budget as a result of the delays in the capital works program.
17	Other income received (inflow)	Higher as a result of contributions being received being greater than anticipated at budget time.
18	Capital grants income received (inflow)	Higher as a result of an additional Auslink and Roads to Recovery grant allocations. These are federal government initiative announced in the 2006-2007 financial year after Council's budget had been finalised.
19	Proceeds from sale of property, plant and equipment, infrastructure	The number of plant items actually traded during the year was more than budgeted for.
20	Payments for property, plant and equipment, infrastructure	Lower as a result of certain capital works projects being delayed.
21	Cash and cash equivalents at the beginning of the year	Higher largely due to unexpended grant funds not anticipated when budget was developed.
22	(Profit) loss on sale of property, plant and equipment, infrastructure	Trade-ins greater than budget and sale of plant not planned.

Standard Statement of Capital Works

for the year ended 30 June 2007

Capital Works Areas

	Budget 2006/2007 \$'000	Variances \$'000	Variances %	Actuals 2006/2007 \$'000	Note
Roads	5,262	(1,532)	(29.1)	3,730	23
Parks, open space and streetscapes	110	(76)	(69.1)	186	24
Buildings	1,953	72	3.7	2,025	
Plant and equipment	647	22	3.4	625	
Other	249	(2)	(0.8)	247	
Total capital works	8,221	(1,408)	(17.1)	6,813	

Represented by:	Budget 2006/2007 \$'000	Variances \$'000	Variances %	Actuals 2006/2007 \$'000	Note
Renewal of infrastructure	5,200	(1,420)	(27.3)	3,780	25
New infrastructure	3,021	(12)	(0.4)	3,033	
Total capital works	8,221	(1,408)	(17.1)	6,813	

Property, plant and equipment, infrastructure movement reconciliation worksheet

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

Total capital works	8,221	1,408	17.1	6,813
Asset revaluation movement	16,649	25,938	155.8	(9,289)
Depreciation and amortisation	(4,184)	135	3.2	(4,049)
Written down value of assets sold	(322)	18	5.6	(340)
Net movement in property, plant and equipment, infrastructure	20,364	27,229	133.7	(6,865)

Variance Explanation Report

Ref	Item	Explanation
23	Roads	Lower as a result of certain capital works projects being delayed.
24	Parks, open space and streetscapes	Council has undertaken additional capital works during the year that were funded by government grants that were not anticipated at budget time.
25	Renewal of Infrastructure	Lower as a result of certain capital works projects being delayed.

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Income Statement

for the Year ended 30 June 2007

	Note	2007 \$,000 ▼	2006 \$,000 ▼
Revenue			
Rates and garbage charge	2	4,761	4,412
User charges and other fines	3	709	634
Grants - Recurrent	4	4,561	4,979
Grants - Non Recurrent	4	5,601	2,871
Contributions	5	476	183
Other revenue	6	68	257
Interest		166	127
Total Revenue		16,342	13,463
Expenses			
Employee benefits	8	4,262	4,012
Contract payments, materials and services	9	3,152	3,095
Depreciation	10	4,049	4,073
Other expenses	11	713	760
Borrowing costs	12	81	91
Total Expenses		12,257	12,031
Net gain on disposal of property, plant and equipment, infrastructure	7	37	32
Share of net profits (losses) of associates and joint ventures accounted for by the equity method	13	(18)	-
Surplus(deficit) for the period		4,104	1,464

Balance Sheet

for the Year ended 30 June 2007

	Note	2007 \$,000 ▼	2006 \$,000 ▼
Assets			
Current assets			
Cash assets	14	4,813	4,275
Receivables	15	1,254	731
Accrued income	16	18	69
Prepayments	16	30	130
Inventories - consumables	16	6	11
Total current assets		6,121	5,216
Non-current assets			
Receivables	15	81	10
Investments in associates	13	205	223
Property, infrastructure, plant and equipment	17	201,600	208,465
Total non-current assets		201,886	208,698
Total Assets		208,007	213,914
Liabilities			
Current liabilities			
Payables	18	838	1,516
Trust funds	19	128	67
Provisions	20	950	1,002
Interest-bearing liabilities	21	175	151
Total current liabilities		2,091	2,736
Non-current liabilities			
Provisions	20	133	122
Interest-bearing liabilities	21	1,029	1,117
Total non-current liabilities		1,162	1,239
Total Liabilities		3,253	3,975
Net Assets		204,754	209,939
Represented by:			
Accumulated surplus		76,479	71,695
Reserves	22	128,275	138,244
Equity		204,754	209,939

Statement of Changes in Equity

for the Year ended 30 June 2007

Note	Total 2007 \$'000	Total 2006 \$'000	Accumulated Surplus 2007 \$'000	Accumulated Surplus 2006 \$'000	Asset Revaluation Reserve 2007 \$'000	Asset Revaluation Reserve 2006 \$'000	Other Reserves 2007 \$'000	Other Reserves 2006 \$'000
Balance at beginning of the financial year	209,278	207,814	71,695	70,416	137,485	136,824	759	574
Result for the year	4,104	1,464	4,104	1,464	-	-	-	-
Net asset revaluation increment(decrement)	22 a (9,289)	-	-	-	(9,289)	661	-	-
Transfers to Other reserves	22 b 0	-	0	(185)	-	-	0	185
Transfers from Other reserves	22 b 0	0	680	-	-	-	(680)	-
Balance at end of the financial year	204,093	209,278	76,479	71,695	128,196	137,485	79	759

Statement of Cash Flows

for the Year ended 30 June 2007

Note	2007 Inflows/ (Outflows) \$,000	2006 Inflows/ (Outflows) \$,000
Cash flows from operating activities		
Rates	4,670	4,375
User charges and other fines (inclusive of GST)	780	392
Grants (inclusive of GST)	10,203	7,850
Contributions (inclusive of GST)	394	293
Interest	166	127
Other receipts (inclusive of GST)	75	149
Net GST refund/payment	543	(17)
Payments to suppliers (inclusive of GST)	(4,517)	(2,823)
Payments to employees (including redundancies)	(4,711)	(3,017)
Borrowing costs	(83)	(91)
Other payments	(713)	(1,314)
Net cash provided by (used in) operating activities	6,807	5,925
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(6,641)	(4,261)
Proceeds from sale of property, infrastructure, plant and equipment	375	251
Net cash provided by (used in) investing activities	(6,266)	(4,010)
Cash flows from financing activities		
Trust funds and deposits	61	-
Proceeds from interest bearing liabilities	87	-
Repayment of interest bearing liabilities	(151)	(149)
Net cash provided by (used in) financing activities	(3)	(149)
Net increase (decrease) in cash held	538	1,765
Cash at the beginning of the financial year	4,275	2,510
Cash at the end of the financial year	4,813	4,275
Financing arrangements	25 400	400
Restrictions on cash assets	26 706	688

Introduction

- (a) The Pyrenees Shire Council was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate. The Council's main office is located at 5 Lawrence Street Beaufort.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government of its municipal district;
 - to promote the social, economic and environmental viability and sustainability of the municipal district;
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - to improve the overall quality of life of people in the local community;
 - to promote appropriate business and employment opportunities;
 - to ensure that services and facilities provided by the Council are accessible and equitable;
 - to ensure the equitable imposition of rates and charges; and
 - to ensure transparency and accountability in Council decision making.

External Auditor - Auditor-General of Victoria

Internal Auditor - DJK Consulting

Solicitors - Peter S Glare and Associates

Bankers - Bendigo West Community Bank

Website address - www.pyrenees.vic.gov.au

This financial report is a general purpose financial report that consists of an Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Finance and Reporting) Regulations 2004.

Financial report complies with AIFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Some Australian equivalents to IFRSs contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

The Council is an entity to which AAS 27 "Financial Reporting by Local Governments" applies and the entity has applied a requirement in that Standard that overrides the requirements in an Australian equivalent to IFRS.

Except to the extent that these special provisions require, this financial report complies with the Australian equivalents to IFRS (AIFRS).

The Council has elected not to restate comparative information of financial instruments within the scope of AASB132 "Financial Instruments Disclosure and Presentation" and AASB139 "Financial Instruments Recognition and Measurement", as permitted on the first time adoption of AIFRS.

Significant accounting policies

Basis of accounting

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

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

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

1 Significant accounting policies (cont.)

d Changes in accounting policy

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB amendment	Standards affected	Outline of amendment	Application date of Standard	Application date for Council
AASB 2005-10 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	1/1/07	7/1/07
	AASB 101	Presentation of Financial Statements		
	AASB 117	Leases		
	AASB 139	Financial Instruments: Recognition and Measurement		
AASB 7 Financial Instruments: Disclosures	AASB 132	Financial Instruments: Disclosure and Presentation	1/1/07	7/1/07
AASB 2006-3 Amendments to Australian Accounting Standards	AAS 27	Financial Reporting by Local Governments	Oct. 2006	7/1/08
	AASB 1045	Land Under Roads: Amendments to AAS 27A, AAS 29A and AAS 31A		

1 Significant accounting policies (cont.)

c Revenue recognition

Rates, grants and contributions

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

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

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

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

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

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

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

User fees and fines

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

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

Sale of property, plant and equipment, infrastructure

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

Interest and rents

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

Significant accounting policies (cont.)**d Depreciation and amortisation of non-current assets**

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

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

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

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

Property	Period 2007
Land and buildings	
Buildings	50
Land improvements	25
Heritage assets	
Heritage assets	50
Plant and equipment	
Plant and machinery	5-10
Furniture, equipment, and computers	3-10
Infrastructure	
Roads	
- Substructure	50
- Seal	13
Footpaths	50
Kerb and channel	50
Culverts	50
Bridges	
- Substructure	50-75
- Deck	50-75
Other	
Other structures	25

Significant accounting policies (cont.)**Repairs and maintenance**

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

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, interest on borrowings, and finance lease charges.

1 Significant accounting policies (cont.)

g Recognition and measurement of assets

Aquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

The following classes of assets have been recognised in note 17. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

Land and Buildings

Buildings	10
Land Improvements	10

Plant and equipment

Plant and machinery	1
---------------------	---

Infrastructure

Roads

- Earthworks	10
- Substructure	10
- Seal	10
Footpaths	10

Culverts	10
----------	----

Bridges

- Deck	10
--------	----

Other

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

1 Significant accounting policies (cont.)

g Recognition and measurement of assets (cont.)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

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

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

Land under roads

The Council has elected not to recognise land under roads as an asset in accordance with AASB 1045 Land under Roads, which extends the requirement to recognise and measure land under roads as an asset of Council until 30 June 2009.

h Cash and cash equivalents

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

i Other financial assets

Managed funds are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

1 Significant accounting policies (cont.)**j Investments**

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

k Accounting for investments in associates

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

l Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 19).

1 Significant accounting policies (cont.)**m Employee benefits****Wages and salaries**

Liabilities for wages and salaries and rostered days off are recognised and are measured as the amount unpaid at balance date and include appropriate oncosts such as work cover charges.

Annual leave

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

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

Long service leave

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

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

Superannuation

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of 17.25 %.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in note 27.

(n) Leases

Significant accounting policies (cont.)**Leases****Operating leases**

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

Leasehold improvements

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

Allocation between current and non-current

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

Agreements equally proportionately unperformed

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

Web site costs

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

Goods and Services Tax (GST)

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

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

Significant accounting policies**Impairment of assets**

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Rounding

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

Non-current assets held for sale

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

2

Rates and garbage charge

2007 \$,000 ▼ 2006 \$,000 ▼

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 2006/2007 was \$1,190 million (2005/2006 \$799.06 million). The 2006/2007 rate in the CIV dollar was 0.3596 (2005/2006, was 0.4151).

Residential	1,303	1,310
Commercial / Industrial	104	118
Recreation & Cultural	4	4
Farm/Rural	2,296	2,068
Vacant Land	504	389
Interest on rates	39	33
Garbage charge	511	490
	4,761	4,412

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2006, and the valuation first applied to the rating period commencing 1 July 2006.

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2008, and the valuation will be first applied in the rating year commencing 1 July 2008.

3

User charges and other fines

2007 \$,000 ▼ 2006 \$,000 ▼

Animal Registration Fees	56	63
Town planning fees	56	60
Building fees	84	94
Meals on Wheels	74	79
Rental & room hire charges	47	21
General Home Help	149	136
Private Works	64	66
Garbage Disposal fees	9	3
Valuation fees/supplementary charges	50	3
Environmental health	22	21
Resource & information centre fees & charges	65	52
Land information certificates	7	8
Avoca Racecourse Business Centre	-	7
Hall hire	4	-
ADASS	9	9
Other	13	12
	709	634

4

Grants

2007 \$,000 ▼ 2006 \$,000 ▼

Commonwealth Government

Roads to Recovery	1,280	1,846
Auslink	884	-
National Competition Policy	-	150
Goldfields Community Building	368	-
Family and children	174	245
	2,704	2,241

State Government - General Purpose

Grants Commission	1,931	1,818
Local Roads Grants	1,565	1,511
Goldfields Community Building	1,152	158
Better Roads Program	1,026	983
Exceptional Circumstances Drought Program	300	-
Council Dams & Bores	222	-
Aged care & senior citizens	311	297
Beaufort Industrial Estate	125	69
Adult day care	114	109
Maternity & Child Health	77	56
Avoca Industrial Estate	75	39
Goldfields Boatshed Upgrade	75	-
Drought - Relief Funding	50	-
Drought - Building Drought Resilient Communities	50	-
Avoca Sporting & Recreation Reserve	40	-
Environment - Weed Management Program	38	-
Amphitheatre Tennis Courts	38	-
Community Building	28	-
Moonambel Walking Path	24	-
Rural Communities Support Program - Beaufort Pool	22	-
Snake Valley Fire	20	25
Rural Communities Support Program - Snake Valley Rec. Reserve	17	-
Kerbside Waste Disposal Program	17	-
Youth Outreach Program	17	-
Environmental Health	15	13
Snake Valley Improvements	13	-
Rural Health Week	13	-
Meals on Wheels	12	10
Recreation and Sporting Facilities Planning Grant	11	-
Avoca State Park	10	-
Walking School Bus Program	9	-
Heritage Advice	6	-
School Crossing Supervision	3	7
Family & Children	-	36
Community Amenities	-	111
Community Transport	-	94
Recreation	-	156
Other	30	117
	7,456	5,609

Total Grants 10,162 7,850

Victorian Grants Commission 3,496 3,329

Other Government Grants 6,666 4,521

Total 10,162 7,850

Recurrent 4,561 4,979

Non-Recurrent 5,601 2,871

Total 10,162 7,850

4

Grants (cont.)

2007 \$,000 ▼ 2006 \$,000 ▼

Condition of Grants

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

Roads to Recovery	1,681	968
Community Building	-	32
Domestic Waste Water Improvement	-	8
Goldfields Community Building	-	50
Natte Yallock Toilet Block	-	27
Snake Valley Improvements	-	49
SWMP Avoca	-	40
Toll Bar Park	-	6
Beaufort Industrial Estate	47	-
Exceptional Circumstances Drought Program	284	-
Drought - Relief Funding	50	-
Drought - Building Drought Resilient Communities	50	-
Better Roads Program	120	-
Recreation and Sporting Facilities Planning Grant	11	-
Council Dams & Bores	87	-
Recreation and Sporting Facilities Planning Grant	11	-
Amphitheatre Tennis Courts	38	-
Goldfields Boatshed Upgrade	75	-
Auslink (Waubra - Beaufort Road)	884	-

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

3,338 1,180

Avoca Community Bus	-	34
Community Building	-	78
Community Building - Customer Service Training	-	15
Landsborough Bowling Club	-	38
Waste Management	-	5
Roads to Recovery	567	-
Community Building	32	-
Domestic Waste Water Improvement	8	-
Goldfields Community Building	50	-
Natte Yallock Toilet Block	27	-
Snake Valley Improvements	49	-
SWMP Avoca	40	-
Toll Bar Park	6	-
	779	170

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

2,559 1,010

5

Contributors

2007 \$,000 ▼ 2006 \$,000 ▼

Eurambeen- Streatham Road	212	-
Natte Yallock Toilet Block	12	-
Goldfields Community Building - Caretaker's Residence	87	-
Wine Industry Marketing	11	-
Roadside Management - GHCA	11	-
Goldfields Community Building	133	-
Vic Roads	-	105
Other contributions	10	78
	476	183

Other revenue

2007 \$,000 ▼ 2006 \$,000 ▼

Agricultural Services	5	-
Administration Exceptional Circumstances Claims	7	-
Grampians Pyrenees Regional Development Board	-	110
Profit rates recovery	-	25
Other	56	122
	68	257

Proceeds from disposal of property, infrastructure, plant and equipment

2007 \$,000 ▼ 2006 \$,000 ▼

Plant and equipment

Proceeds from sale of assets	300	189
Written down value of assets sold	(263)	(215)
Profit(loss) on sale of plant and equipment	37	(26)

Land and buildings

Proceeds from sale of land & buildings	75	61
Written down value of land & buildings sold	(75)	(4)
Profit(loss) on sale of land and buildings	0	57

Furniture & Fittings

Proceeds from sale of furniture & fittings	-	1
Written down value of furniture & fittings sold	-	-
Profit(loss) on sale of furniture & fittings	0	1

Summary

Proceeds from sale of assets	375	251
Written down value of assets sold	(338)	(219)
Profit(loss) on sale of assets	37	32

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Employee benefits

	2007 \$,000	2006 \$,000
Wages and salaries	3,313	3,171
Annual leave and long service leave	436	352
Superannuation	391	378
Fringe benefits tax and work cover	122	111
	4,262	4,012

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Contract payments, materials and services

	2007 \$,000	2006 \$,000
Conferences	25	23
Valuations	29	59
Contractors	1,056	1,079
Subscriptions	31	43
Councillor allowances	84	84
Stationery and printing	56	57
Advertising	47	34
Postage	24	16
Light, power and water	119	115
Cleaning	80	75
Audit - internal and external	31	26
Legal fees	11	10
Contributions and donations	203	162
Insurance	131	124
Plant expenses	425	417
Telephone	88	91
Information technology	117	121
Materials	437	511
Other materials, services and contractor payments	158	48
Total Contract, Materials and Services Payments	3,152	3,095

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Depreciation and amortisation**Depreciation**

	2007 \$,000	2006 \$,000
Buildings	131	122
Land improvements	99	65
Plant and machinery	404	376
Furniture, equipment, and computers	41	42
Roads	2,344	2,349
Road Seals	655	585
Footpaths	11	11
Kerb and channel	30	41
Drains	115	146
Bridges	204	321
Other Structures	15	15
	4,049	4,073

Other expenses

	2007 \$,000	2006 \$,000
Grampians Pyrenees Regional Development Board	-	211
Other	713	549
	713	760

Borrowing costs

	2007 \$,000	2006 \$,000
Interest - Borrowings	81	91
Borrowing costs	81	91

Investment in associates

	2007 \$,000	2006 \$,000
Investments in associates accounted for by the equity method are:		
- Equity in Central Highlands Regional Library Corporation (Refer Note 1)	205	223
	205	223

Council recognises its interest in the Central Highlands Regional Library Corporation by recording an investment in its financial statements based on Council's interest in the net assets of the Library as disclosed in its unaudited financial statements for the year ended 30 June 2007. That interest is calculated on the same ratio as its contribution to the operating costs of the service.

The Corporation reported a loss of \$309,000 for the year of which Council's share was \$18,000, reducing its share of retained earnings to \$120,000. Council's share of the Asset Revaluation Reserve remained unchanged at \$85,000.

At balance date the Central Highlands Regional Library Corporation is unaware of any contingent liabilities.

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Cash assets

	2007 \$,000 ▼	2006 \$,000 ▼
Cash on hand	1	1
Cash at bank	731	1,594
Money market call account	4,081	2,680
	4,813	4,275

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Receivables

	2007 \$,000 ▼	2006 \$,000 ▼
Current		
Rates debtors	245	154
Loans and advances to community organisations	12	1
Other debtors	921	468
Net GST receivable	76	108
	1,254	731
Non-current		
Community Loans	81	10
	81	10
Total	1,335	741

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Other current assets

	2007 \$,000 ▼	2006 \$,000 ▼
Accrued Income	18	69
Prepayments	30	130
Inventories	6	11
Total	54	210

Property, infrastructure, plant and equipment

2007 \$,000 ▼ 2006 \$,000 ▼

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Summary

at cost	12,544	13,947
Less accumulated depreciation	(2,850)	(2,762)
	9,694	11,185
at independent valuation at 1 July 2003	0	31,570
Less accumulated depreciation	-	(15,257)
	0	16,313
at Council valuation as at 30 June 2004	0	213,319
Less accumulated depreciation	-	(40,950)
	0	172,369
at fair value as at 1 January 2006	12,428	12,428
Less accumulated depreciation	(3,950)	(3,830)
	8,478	8,598
at fair value as at 1 July 2006	240,783	-
Less accumulated depreciation	(57,355)	0
	183,428	0
Total	201,600	208,465

Property, infrastructure, plant and equipment (cont.)

2007 \$,000 ▼ 2006 \$,000 ▼

Land and Buildings

Land - Freehold		
at cost	85	85
at fair value as at 1st Jan 2006	2,708	2,708
	2,793	2,793

Land Improvements		
at cost	2,256	1,882
Less accumulated depreciation	(266)	(167)
	1,990	1,715

Total Land 4,783 4,508

Buildings		
at cost	2,191	182
Less accumulated depreciation	(13)	(2)
	2,178	180

at fair value as at 1st Jan 2006	9,720	9,720
Less accumulated depreciation	(3,950)	(3,830)
	5,770	5,890

Total Buildings 7,948 6,070**Total Land and Buildings** 12,731 10,578**Plant and Machinery**

Plant and machinery		
at cost	3,704	3,572
Less accumulated depreciation	(2,052)	(1,861)

Total Plant and Machinery 1,652 1,711**Furniture, Equipment, and Computers**

at cost	578	563
Less accumulated depreciation	(460)	(419)

Total Furniture, Equipment, and Computers 118 144**Total Plant and Equipment** 1,770 1,855

* Valuation of land and buildings were undertaken by a qualified independent valuer [Hann McKenzie Reg. QEC 10503] at 1 January 2006. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.

Property, infrastructure, plant and equipment

2007 \$,000 ▼ 2006 \$,000 ▼

Infrastructure

Road Substructure		
at cost	2,402	5,297
Less accumulated depreciation	(9)	(122)
	2,393	5,175

at fair value as at 30 June 2004	-	212,781
at fair value as at 1 July 2006	196,032	-
Less accumulated depreciation	(39,255)	(40,756)
	156,777	172,025

Total Road Substructure 159,170 177,200

Road Seal		
at cost	1,311	2,196
Less accumulated depreciation	(50)	(184)
	1,261	2,012

at fair value as at 30 June 2003	-	5,981
at fair value as at 1 July 2006	10,062	-
Less accumulated depreciation	(3,458)	(2,934)
	6,604	3,047

Total Road Seal 7,865 5,059

Footpaths		
at fair value as at 30 June 2004	-	538
at fair value as at 1 July 2006	586	-
Less accumulated depreciation	(175)	(194)
	411	344

Total Footpaths 411 344

Kerb and Channel		
at fair value as at 30 June 2003	-	2,069
at fair value as at 1 July 2006	2,271	-
Less accumulated depreciation	(825)	(814)
	1,446	1,255

Total Kerb and Channel 1,446 1,255

Property, infrastructure, plant and equipment (cont.)

2007 \$,000 ▼ 2006 \$,000 ▼

Property, infrastructure, plant and equipment (cont.)			2007 \$,000 ▼	2006 \$,000 ▼
Culverts				
at fair value as at 30 June 2003	-	7,289		
at fair value as at 1 July 2006	11,078			
Less accumulated depreciation	(4,960)	(3,731)		
	6,118	3,558		
Total Culverts	6,118	3,558		
Bridges				
at cost	17	38		
Less accumulated depreciation	-	(2)		
	17	36		
at fair value as at 30 June 2003	-	15,992		
at fair value as at 1 July 2006	20,383	-		
Less accumulated depreciation	(8,580)	(7,696)		
	11,803	8,296		
Total Bridges - Substructure	11,820	8,332		
Other Structures				
at cost	-	132		
Less accumulated depreciation	-	(5)		
	0	127		
at fair value as at 30 June 2003	-	239		
at fair value as at 1 July 2006	371	-		
Less accumulated depreciation	(102)	(82)		
Total	269	157		
Total Other Structures	269	284		
Total Infrastructure	187,099	196,032		
Total property, infrastructure, plant and equipment	201,600	208,465		



Valuation of infrastructure assets has been determined in accordance with a valuation carried out by Council's Director Assets and Development Services, Mr Bruce Andrews Dip. CE, Grad Dip Planning. An independent review of the valuation methodology and unit rates applied was undertaken by Mr Bruce Mitchell Qualified Municipal and Civil Engineer of Land Management Surveys Melbourne.

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

Property, infrastructure, plant and equipment (cont.)

2007

	Balance at beginning of financial year \$,000	Acquisition of assets \$,000	Revaluation increments (decrements) \$,000	Depreciation and amortisation \$,000	Written down value of disposals \$,000	Transfers \$,000	Balance at end of financial year \$,000
			(note 23)	(note 11)			
Property							
land	2,793	-	-	-	-	-	2,793
land improvements	1,715	449	-	99	75	-	1,990
Total land	4,508	449	0	99	75	0	4,783
buildings	6,070	2,009	-	131	-	-	7,948
Total buildings	6,070	2,009	0	131	0	0	7,948
Total property	10,578	2,458	0	230	75	0	12,731
Plant and Equipment							
plant, machinery and equipment	1,711	610	-	404	265	-	1,652
fixtures, fittings and furniture	144	15	-	41	-	-	118
Total plant and equipment	1,855	625	0	445	265	0	1,770
Infrastructure							
road substructure	176,226	2,362	(17,125)	2,293	-	-	159,170
road seals	5,964	1,311	1,296	706	-	-	7,865
footpaths	354	40	28	11	-	-	411
kerb & channel	1,253	-	223	30	-	-	1,446
culverts	3,559	-	2,674	115	-	-	6,118
bridges	8,392	17	3,615	204	-	-	11,820
other structures	284	-	-	15	-	-	269
Total infrastructure	196,032	3,730	(9,289)	3,374	0	0	187,099
Total property, plant and equipment, infrastructure	208,465	6,813	(9,289)	4,049	340	0	201,600

Property, infrastructure, plant and equipment (cont.)

2006	Balance at beginning of financial year	Acquisition of assets \$,000	Revaluation increments (decrements) \$,000	Depreciation and amortisation \$,000	Written down value of disposals \$,000	Transfers \$,000	Balance at end of financial year \$,000
			(note 23)	(note 11)			
Property							
land	1,949	86	762	-	4	-	2,793
land improvements	1,256	524	-	65	-	-	1,715
Total land	3,205	610	762	65	4	0	4,508
buildings	6,121	182	(101)	122	10	-	6,070
Total buildings	6,121	182	(101)	122	10	0	6,070
Total property	9,326	792	661	187	14	0	10,578
Plant and Equipment							
plant, machinery and equipment	1,740	561	-	376	214	-	1,711
fixtures, fittings and furniture	154	32	-	42	-	-	144
Total plant and equipment	1,894	593	0	418	214	0	1,855
Infrastructure							
road substructure	176,741	1,834	-	2,349	-	-	176,226
road seals	5,497	1,052	-	585	-	-	5,964
footpaths	365	-	-	11	-	-	354
kerb & channel	1,294	-	-	41	-	-	1,253
culverts	3,705	-	-	146	-	-	3,559
bridges	8,713	-	-	321	-	-	8,392
other structures	299	-	-	15	-	-	284
Total infrastructure	196,614	2,886	0	3,468	0	0	196,032
Total property, plant and equipment, infrastructure	207,834	4,271	661	4,073	228	0	208,465

(a) Impairment losses

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

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

Payables

	2007 \$,000	2006 \$,000
Trade creditors	687	1,216
Accrued expenses	151	300
	838	1,516

Trust funds

	2007 \$,000	2006 \$,000
Refundable building deposits	42	31
Refundable contract deposits	1	1
Refundable Camp Hill trust funds	22	22
Refundable CH21 Strategy Trust funds	50	
Other refundable deposits	13	13
	128	67

Provisions

	Annual leave \$ '000	Long service leave \$ '000	Landfill restoration \$ '000	Total \$ '000
2007 :				
Balance at beginning of the financial year	386	688	50	1,124
Additional provisions	328	108	-	436
Amounts used	(387)	(90)	-	(477)
Balance at the end of the financial year	327	706	50	1,083
2006 :				
Balance at beginning of the financial year	409	691	50	1,150
Additional provisions	265	76	-	341
Amounts used	(288)	(79)	-	(367)
Balance at the end of the financial year	386	688	50	1,124

Provisions		2007 \$,000	2006 \$,000
(a) Employee benefits			
All annual leave and LSL entitlements representing more than 10 years of continuous service			
Current	Short term benefits, that fall due within 12 months after the end of the period measured at nominal value	761	635
	Other long term employee benefits that do not fall due within 12 months after the end of the period measured at nominal value	189	367
		950	1,002
Non-Current	LSL representing less than 10 years of continuous service measured at present value	83	72
	Landfill Restoration	50	50
		133	122
Commentary - Employee Entitlements			
All annual leave and unconditional vested LSL representing more than 10 years of continuous service is:			
(a) disclosed in accordance with AASB 101, as a current liability even where the agency does not expect to settle the liability within 12 months as it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months;			
(b) measured at:			
- nominal value under AASB 119 where a component of this current liability is expected to fall due within 12 months after the end of the period; and			
- present value under AASB 119 where the entity does not expect to settle a component of this current liability within 12 months.			
LSL representing less than 10 years of continuous service is:			
(a) disclosed in accordance with AASB 101 as a non-current liability; and			
(b) measured at present value under AASB 119 as the entity does not expect to settle this non-current liability within 12 months.			
The following assumptions were adopted in measuring the present value of long service leave and retirement gratuity:			
	Weighted average increase in employee costs	4.50%	4.75%
	Weighted average discount rates	6.34%	5.83%
	Weighted average settlement period	11	15
Interest-bearing liabilities		2007 \$,000	2006 \$,000
Current	Borrowings - Secured	175	151
Non-current	Borrowings - Secured	1,029	1,117
	Total	1,204	1,268
The maturity profile for Council's borrowings is:			
	Not later than one year	175	151
	Later than one year and not later than five years	556	544
	Later than five years	473	573
		1,204	1,268
Aggregate carrying amount of interest bearing liabilities:			
	Current	175	151
	Non-current	1,029	1,117
		1,204	1,268

Reserves		Balance at beginning of reporting period \$,000	Increment (decrement) \$,000	Balance at end of reporting period \$,000	
(a) Asset revaluation reserves					
2007	Property	land	1,562	-	1,562
		buildings	1,525	-	1,525
			3,087	0	3,087
	Infrastructure	road substructure	126,842	(17,125)	109,717
		road seals	794	1,296	2,090
		footpaths	109	28	137
		kerb & channel	141	223	364
		culverts	2,171	2,674	4,845
		bridges	4,000	3,615	7,615
		plant & equipment	301	-	301
		furniture & fittings	40	-	40
			134,398	(9,289)	125,109
			Total Asset revaluation reserves	137,485	(9,289)
2006	Property	land	800	762	1,562
		buildings	1,626	(101)	1,525
			2,426	661	3,087
	Infrastructure	road substructure	126,842	-	126,842
		road seals	794	-	794
		footpaths	109	-	109
		kerb & channel	141	-	141
		culverts	2,171	-	2,171
		bridges	4,000	-	4,000
		plant & equipment	301	-	301
		furniture & fittings	40	-	40
			134,398	0	134,398
			Total Asset revaluation reserves	136,824	661

Reserves (cont.)

	Balance at beginning of reporting period \$,000	Transfer from accumulated surplus \$,000	Transfer to accumulated surplus \$,000	Balance at end of reporting period \$,000
(b) Other reserves				
2007				
recreation land	9	-	-	9
gravel pits	70	-	-	70
road reconstruction	680	-	(680)	0
Total Other reserves	759	0	(680)	79
2006				
recreation land	9	-	-	9
gravel pits	50	20	-	70
road reconstruction	515	165	-	680
Total Other reserves	574	185	0	759

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

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

(iii) road reconstruction - funds for road improvements when required

Reconciliation of result from ordinary activities with net cash from operations

	2007 \$,000	2006 \$,000
Surplus(deficit) for the period	4,104	1,464
Depreciation/amortisation	4,049	4,073
(Profit)/loss on disposal of property, infrastructure, plant and equipment (see note 7)	(37)	(32)
Change in assets and liabilities:		
(Increase) in receivables	(594)	(279)
(Increase)/decrease in prepayments	100	(2)
(Increase)/decrease in accrued income	51	(15)
Increase/(decrease) in payables	(848)	743
(Increase)/decrease in inventories	5	5
(Decrease) in employee benefits	(41)	(26)
Recognition of non Current Assets	-	-
Investment in Library	-	(6)
Net cash provided by/(used in) operating activities	6,789	5,925

Reconciliation of cash at year-end to cash assets

	2007 \$,000	2006 \$,000
Cash assets (see note 14)	4,813	4,275
	4,813	4,275

Financing arrangements

	2007 \$,000	2006 \$,000
Bank overdraft	400	400
Unused facilities	400	400

Restricted assets

	2007 \$,000	2006 \$,000
Council has cash assets (note 14) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave).		
Long service leave (note 20)	706	688
	706	688

Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 20 due to a different basis of calculation prescribed by the regulation.

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Superannuation

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). The Fund has two categories of membership, each of which is funded differently.

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

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

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 30 June 2006, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. Council makes the following contributions:-

- 9.25% of members' salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to any retrenched employees (same as previous year);

The Fund's liability for accrued benefits was determined in the 30 June actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	30 June 2006 \$,000
Net Market Value of Assets	3,443,686
Accrued Benefits (per accounting standards)	3,319,598
Difference between Assets and Accrued Benefits	124,088
Vested Benefits	3,040,443

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	8.0% p.a.
Salary Inflation	5.5% p.a.
Price Inflation	3.0% p.a.

Details of contributions to superannuation funds during the year and contributions payable at 30 June are as follows:

	2007 \$,000	2006 \$,000
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	391	374
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	-

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Commitments

The Council has entered into the following commitments

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Total \$,000
Capital - Construction works	42	-	-	42
Operating				
Transfer station management	212	212	212	636
Garbage	87	87	87	261
Recycling	130	130	130	390
Plant and equipment	115			
Totals	586	429	429	1,329
Capital - Construction works	167	-	-	167
Cleaning contracts for council buildings	58	-	-	58
Totals	58	0	0	58

Operating lease commitments

2007 \$,000 2006 \$,000

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

	2007 \$,000	2006 \$,000
Not later than one year	122	71
Later than one year and not later than five years	159	123
Later than five years	-	-
	281	194

Contingent liabilities

Council formerly operated landfill sites at Lexton, Ampitheatre and Beaufort under S194(2A) and 21 of the Environment Protection Act 2002. Council has rehabilitated these sites in recent years. Council monitors the ground water at these sites on an ongoing basis. At balance date Council believes that the costs of any additional rehabilitation works associated with these sites shall not exceed the \$50,000 allowed as a provision. (See note 20)

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Financial Instruments

(a)

Financial Assets

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
Cash assets	14	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues. Investments and Bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue. Managed funds are measured at market value.	On call deposits return a floating interest rate. The interest rate at balance date was 6.31% (4.75% in 2005/2006). Funds returned fixed interest rate of between 5.0% (5.5% in 2005/2006), and 6.31% (5.7% in 2005/2006) net of fees.
Receivables - other debtors	15	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectibility of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears attract an interest rate of 12% (12% in 2005/2006). Credit terms are based on 30 days.
Payables	18	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest bearing liabilities	21	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.95% during 2006/2007 (6.92% in 2005/2006).
Bank overdraft	25	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand.

(b)

(b)

Interest Rate Risk

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

2006/2007	Fixed interest maturing in:					Total \$'000
	Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
Financial assets						
Cash assets	731	4,081	-	-	1	4,813
Other financial assets	-	-	-	-	-	0
Receivables	-	12	30	51	1,242	1,335
Accrued income	-	-	-	-	18	18
Total financial assets	731	4,093	30	51	1,261	6,166
Weighted average interest rate	5.00%	6.31%				
Financial liabilities						
Payables	-	-	-	-	838	838
Trust funds	-	-	-	-	128	128
Interest-bearing liabilities	-	175	556	473	-	1,204
Total financial liabilities	0	175	556	473	966	2,170
Weighted average interest rate		6.95%	6.95%	6.66%		
Net financial assets (liabilities)	731	3,918	(526)	(422)	295	3,996

31 Financial Instruments (cont.)**(a) Interest Rate Risk (cont.)**

2005/2006	Fixed interest maturing in:					Total \$'000
	Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
Financial assets						
Cash assets	1,594	2,680	-	-	1	4,275
Other financial assets	-	-	-	-	-	0
Receivables	-	-	10	-	731	741
Accrued income	-	-	-	-	69	69
Total financial assets	1,594	2,680	10	0	801	5,085
Weighted average interest rate	4.50%	5.79%	6.84%			
Financial liabilities						
Payables	-	-	-	-	1,516	1,516
Trust funds	-	-	-	-	67	67
Interest-bearing liabilities	-	151	544	573	-	1,268
Total financial liabilities	0	151	544	573	1,583	2,851
Weighted average interest rate		6.92%	6.92%	6.66%		
Net financial assets (liabilities)	1,594	2,529	(534)	(573)	(782)	2,234

(c) Net Fair Values

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

(d) Credit Risk

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

Auditors' remuneration

	2007 \$,000	2006 \$,000
Audit fee to conduct external audit - Victorian Auditor-General	13	14
Internal audit fees	18	12
	31	26

Events occurring after balance date

Nil

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	Chief Executive Officer
Councillor G Horvat (Mayor)	Stephen Cornish
Councillor L Harris	
Councillor L Ashford	
Councillor R Neil	
Councillor G Harrison	

(ii) Remuneration of Responsible Persons

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

	2007 No.	2006 No.
\$10,000 - \$19,999	3	3
\$20,000 - \$29,999	2	2
\$130,000 - \$139,999	-	1
\$140,000 - \$149,999	1	-
	6	6
	\$,000	\$,000

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

231	224
-----	-----

Related party transactions (cont.)

- (iii) No retirement benefits have been made by the Council to a Responsible Person
- (iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2005/2006 - Nil).
- (v) **Other Transactions**
- No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2005/2006 - Nil).
- (vi) **Senior Officers Remuneration**

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$100,000.

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

Income Range:	No. ▼	No. ▼
\$100,000 - \$109,999	-	2
\$110,000 - \$119,999	2	-
	2	2
\$,000 ▼	\$,000 ▼	
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	220	200

Revenues, expenses and assets by function/activity.

	Roads Parks & Buildings		Communi-cation		Community Wellbeing		Growth & Employment		Organisational Development		Planning & Environment		Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
REVENUE														
Grants	5,666	4,609			2,210	1,035	300	138	1,936	1,988	50	80	10,162	7,850
Other	334	1,461	10	9	345	674	237	408	4,622	2,793	669	300	6,217	5,645
TOTAL	6,000	6,070	10	9	2,555	1,709	537	546	6,558	6,880	719	380	16,379	13,495
EXPENSES	1,762	1,805	613	602	2,408	2,286	842	842	5,947	5,413	703	1,083	12,275	12,031
SURPLUS / (DEFICIT) FOR THE YEAR	4,238	1,134	(603)	(593)	147	(577)	(305)	(297)	611	1,467	16	(703)	4,104	1,464
ASSETS ATTRIBUTED TO FUNCTIONS / ACTIVITIES*	201,112	209,144	-	-	4,358	2,277	1,399	1,351	809	882	247	260	207,925	213,914

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

Roads Parks & Buildings

To maximise the quality of the Shire's roads, parks and buildings within given financial constraints.

Communication

To provide strong leadership for the support and welfare of all sections of the community.

Community Wellbeing

To provide relevant quality services to Council's customers in line with the Best Value Policy.

Growth & Employment

To promote the level of economic activity and employment opportunities within the Shire through facilitating business development and tourism.

Organisational Development

To develop an organisational culture of continuous improvement based on quality, trust and accountability.

Planning & Environment

To provide sustainable development with regard for community safety and environmental wellbeing

Capital Expenditure	Note ▼	2007 \$,000 ▼	2006 \$,000 ▼
Capital Expenditure Areas			
Land		-	85
Roads		3,730	2,861
Open space		186	65
Buildings		2,025	185
Plant, equipment and other		625	602
Other		247	473
Total capital works		6,813	4,271
Represented by:			
Renewal		2,174	2,855
Upgrade		1,606	94
Expansion		-	-
New assets		3,033	1,322
Total capital works		6,813	4,271

Property, Infrastructure, Plant and Equipment movement

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

Total capital works		6,813	4,271
Asset revaluation movement	24(a)	(9,289)	661
Depreciation and amortisation	11	(4,049)	(4,073)
Written down value of assets sold	8	(340)	(229)
Net movement in property, plant & equipment	19	(6,865)	630

Financial ratios

(a) **Debt servicing ratio**
(to identify the capacity of Council to service its outstanding debt)

	2007 \$'000	2007 (%)	2006 \$'000	2006 (%)	2005 \$'000	2005 (%)
Debt servicing costs	81	0.50%	91	0.68%	90	0.74%
Total revenue	16,342		13,463		12,205	

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.

The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

(b) **Debt commitment ratio**
(to identify Council's debt redemption strategy)

	2007 \$'000	2007 (%)	2006 \$'000	2006 (%)	2005 \$'000	2005 (%)
Debt servicing & redemption costs	232	4.87%	240	5.44%	196	5.84%
Rate revenue	4,761		4,412		3,358	

The strategy involves the payment of loan principal and interest, finance lease principal and interest.

The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

(c) **Revenue ratio**
(to identify Council's dependence on non-rate income)

	2007 \$'000	2007 (%)	2006 \$'000	2006 (%)	2005 \$'000	2005 (%)
Rate revenue	4,761	29.13%	4,412	32.77%	3,358	27.51%
Total revenue	16,342		13,463		12,205	

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

Financial ratios (cont.)**(d) Debt Exposure Ratio**
(to identify Council's exposure to debt)

	2007 \$'000	2007 (%)	2006 \$'000	2006 (%)	2005 \$'000	2005 (%)
Total indebtedness	3,253		3,975		3,158	
Total realisable assets	18,713	17.38%	15,944	24.93%	13,923	22.68%

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (note 29) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:

land - other controlled; buildings on other controlled land; restricted assets; heritage assets; roads and lanes; footpaths; kerb and channel; drains; bridges; and Council's investment in associate.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the multiple of total liabilities for each dollar of realisable assets.

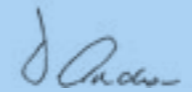
(e) Working Capital Ratio
(to assess Council's ability to meet current commitments)

	2007 \$'000	2007 (%)	2006 \$'000	2006 (%)	2005 \$'000	2005 (%)
Current assets	6,121		5,216		3,506	
Current liabilities	2,091	292.73%	2,736	190.64%	1,128	310.82%

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

Certification of the Standard Statements**STATEMENT by
PRINCIPAL ACCOUNTING OFFICER**

In my opinion, the accompanying Standard Statements of Pyrenees Shire Council for the year ended 30 June 2007 have been prepared on accounting bases consistent with the annual financial report and in accordance with the Local Government Act 1989, the Local Government (Finance and Reporting) Regulations 2004, and other mandatory professional reporting requirements.


David Anderson B Bus; Dip LG

Principal Accounting Officer

Dated at Beaufort this 11th day of September 2007

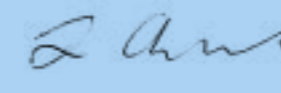
**STATEMENT BY COUNCILLORS and
CHIEF EXECUTIVE OFFICER**

In our opinion, the accompanying Standard Statements have been prepared on accounting bases consistent with the annual financial report and presents fairly the financial transactions of Pyrenees Shire Council for the financial year ended 30 June 2007 and the financial position of the Council as at that date.

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


Gabriel Horvat

Mayor


Lysette Ashford

Councillor


Stephen Cornish

Chief Executive Officer

Dated at Beaufort this 11th day of September 2007

Certification of the Financial Report

STATEMENT by
PRINCIPAL ACCOUNTING OFFICER

I certify that in my opinion the accompanying financial statements present fairly the results of Pyrenees Shire Council for the year ended 30 June 2007, and have been prepared in accordance with the Local Government Act 1989, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.



David Anderson B Bus; Dip LG

Principal Accounting Officer

Dated at Beaufort this 11th day of September 2007

STATEMENT BY COUNCILLORS and
CHIEF EXECUTIVE OFFICER

In our opinion the accompanying financial statements present fairly the financial transactions of Pyrnees Shire Council for the year ended 30 June 2007 and the financial position of the Council as at that date.

98145.451

We have been authorised by the Council on 21st August 2007 to certify the financial statements in their final form.



Gabriel Horvat

Mayor



Lysette Ashford

Councillor



Stephen Cornish

Chief Executive Officer

Dated at Beaufort this 11th day of September 2007

Certification Approval of the Performance Statement

In our opinion, the accompanying performance statement of the Pyrenees Shire Council in respect of the 2006/2007 financial year is presented fairly in accordance with the Local Government Act 1989. The statement outlines the Key Strategic Activities set out in Council's Budget and describes the extent to which these activities were achieved in the year.

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

On 21st August 2007 we were authorised by the Council to certify this performance statement in its final form on behalf of Council.



Gabriel Horvat

Mayor



Lysette Ashford

Councillor



Stephen Cornish

Chief Executive Officer

Dated at Beaufort this 11th day of September 2007

INDEPENDENT AUDIT REPORT Pyrenees Shire Council

To the Councillors

Matters Relating to the Electronic Presentation of the Audited Financial Report and Standard Statements

This auditor's report for the financial year ended 30 June 2007 relates to the financial report of Pyrenees Shire Council included on its web site. The Councillors of Pyrenees Shire Council are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2007 of Pyrenees Shire Council which comprises of the income statement, balance sheet, statement of changes in equity, statement of cash flows, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2007 of the Council which comprises of the standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

The Responsibility of the Councillors for the Financial Report and Standard Statements

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

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

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Independent Audit Report (continued)

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the Councillors' preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

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

Independence


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

Auditor's Opinion

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of Pyrenees Shire Council as at 30 June 2007 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act* 1989.
- The standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act* 1989.

MELBOURNE
20 September 2007


Dr D.D.R. Pearson
Auditor-General

INDEPENDENT AUDIT REPORT Pyrenees Shire Council

To the Councillors

Matters Relating to the Electronic Presentation of the Audited Performance Statement

This auditor's report for the financial year ended 30 June 2007 relates to the performance statement of Pyrenees Shire Council included on its web site. The Councillors of Pyrenees Shire Council are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on this web site.

The Performance Statement

The accompanying performance statement for the year ended 30 June 2007 of Pyrenees Shire Council which comprises the statement, the related notes and the council approval of the performance statement has been audited.

The Responsibility of the Councillors for the Performance Statement

The Councillors of Pyrenees Shire Council are responsible for the preparation and the fair presentation of the performance statement in accordance with the *Local Government Act 1989*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the performance statement that is free of 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. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance 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 internal control relevant to the Councillors' 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 Council's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Independent Audit 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. The Auditor-General, his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of Pyrenees Shire Council in respect of the 30 June 2007 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
20 September 2007


D.D.R. Pearson
Auditor-General