



pyrenees
SHIRE

Annual Report 2009



pyrenees
SHIRE

Annual Report 2009

contents

Council Vision and Guiding Principles	3
Performance Statement	4
About the Shire	6
Mayor's Report	8
Councillors	10
CEO's Report	14
Executive Management Team	15
Highlights of the Year	16
Capital Works, Roads, Parks and Buildings	21
Communications	29
Community Wellbeing	35
Growth and Development	41
Planning and Environment	47
Organisational Development	53
Governance	61
Financial Snapshot	68
Plain English Guide to the Report	70
Standard Statements	
Income Statement	74
Balance Sheet	76
Cash Flow	78
Capital Works	80
Financial Reports	
Income Statement	84
Balance Sheet	85
Changes In Equity	86
Cash Flow	87
Notes	88



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 2012.

performance STATEMENT

Key Strategic Activity	Performance Measure	How Data is Reported	Performance Target	Actual Performance	Target Achieved
Roads Parks & Buildings					
A strategic approach to the management of Council's Assets	Community satisfaction rating for local roads and footpaths	Local Government Victoria Annual Community Satisfaction Survey	≥ 51 %	53%	
Communication					
Strengthening Advocacy Processes	Community satisfaction rating for advocacy and representation on key local issues	Local Government Victoria Annual Community Satisfaction Survey	≥ 68	65%	
Improved Community Engagement	Community satisfaction rating for engagement on key local issues	Local Government Victoria Annual Community Satisfaction Survey	≥ 61	65%	
Community Wellbeing					
Enhance the Health and Wellbeing of our Community	Community satisfaction rating for health and human services	Local Government Victoria Annual Community Satisfaction Survey	≥ 75	77%	
Growth and Economic Development					
Business and Industry Development	Community satisfaction rating for economic development	Local Government Victoria Annual Community Satisfaction Survey	≥ 60	60%	
	Membership of the Grampians Regional Development Board	Membership Registration	Payment Membership Registration	Membership Paid	

performance STATEMENT

Key Strategic Activity	Performance Measure	How Data is Reported	Performance Target	Actual Performance	Target Achieved
Community Participation					
Improving community relationships	Community satisfaction rating for interaction and responsiveness in dealing with the public	Local Government Victoria Annual Community Satisfaction Survey	≥ 71	73%	
Quality Service					
Improving Community Perceptions	Community satisfaction rating for overall performance generally of the Council	Local Government Victoria Annual Community Satisfaction Survey	≥ 64	66%	
Resource Management					
Budget Timelines	Budget for 2008/09 adopted within statutory timelines	Council Minutes	31-Aug-08	24-Jun-08	
Management of Council assets	Capital Expenditure to at least equal depreciation charge for the year	Audited Financial Statements	≥ 100%	185%	
Urban Development and the Environment					
Effective Statutory Planning	Community satisfaction rating for town planning policy and approval	Local Government Victoria Annual Community Satisfaction Survey	≥ 61%	61%	
Environmental Steward Ship and Responsibility	Community satisfaction rating for waste management	Local Government Victoria Annual Community Satisfaction Survey	≥ 66%	69%	



pyrenees
SHIRE

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 \$550 million each year.

The climate varies across the region. North of the Pyrenees Ranges there is a warmer, drier climate, with rainfall of about 650 millimetres a year (historically). South of the Pyrenees Ranges is a cooler, wetter climate with rainfall in excess of 750mm per year (historically).

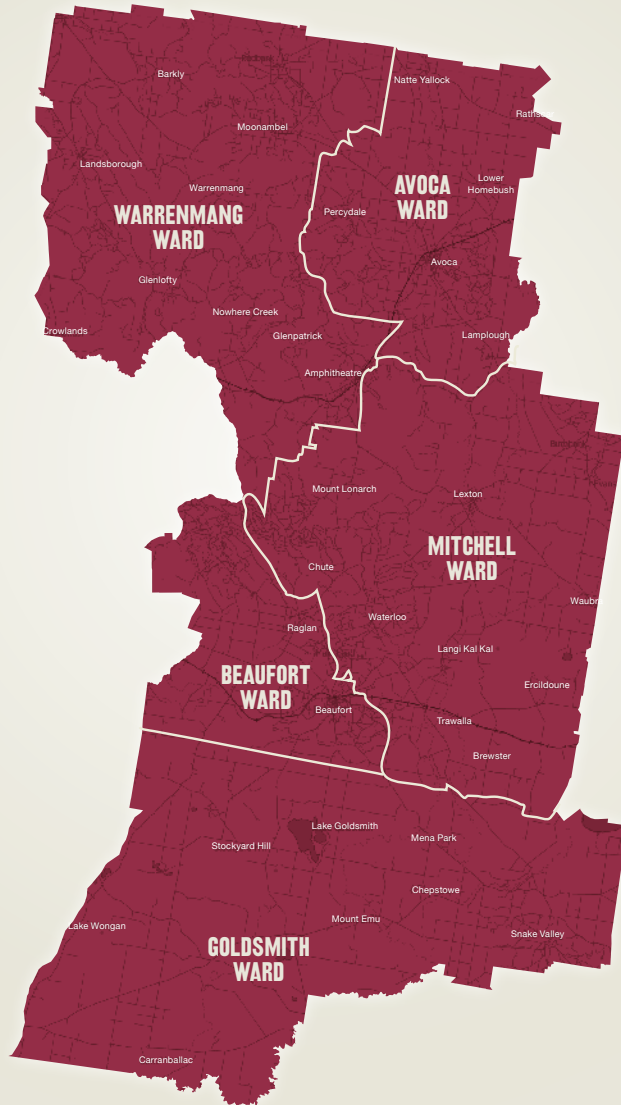
Four major highways run through the region. The Western Highway, through Beaufort, is the main road route from Melbourne to Adelaide and Perth. The Sunraysia Highway runs through the north of the Shire to Mildura, connecting with the Western Highway at Ballarat. The Pyrenees Highway runs from Maryborough 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. 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.

pyrenees
SHIRE



5km 10km



N



mayor's REPORT



ex
robert
VANCE

2009 has seen the introduction of three new Councillors to the Pyrenees Team. Cr Michael O'Connor, Beaufort Ward, Cr John Quinn, Avoca Ward and after a failure to attract a candidate for Goldsmith Ward we eventually got Cr Alec Carson on the back of a by-election. Cr David Clark was re-elected after a spell of four years and I must say his past experience has been a valuable asset to our new team. We all fit very comfortably and I know that Pyrenees Shire will go forward in the next four years with full confidence.

The first few months were spent on setting up our four year plan and budget process. With much guidance from our truly professional staff, we were able to formulate what I considered to be a stable and progressive set of documents to carry us forward. A balanced budget with rates being contained to a 6% rise without compromising expenditure on our assets (roads, halls, recreation and care facilities) has been achieved.

We have seen the construction of two new bridges in the Shire being McDonald's Road Amphitheatre and, Racecourse Road Beaufort. Seeing the completion of Waubra's wind farm and connection to the electricity grid is a

major plus for our region. Council has recently had further representation from Acciona with the possibility of a further development in Waubra north in the near future.

A highlight for myself and Shire was the two day visit to our Shire by the Governor of Victoria, Dr David deKretser and his wife Mrs Jan deKretser. One has to say they were just a pleasure to host and they showed sincere interest in our many assets that we were able to show them over the two days. I would also like to offer my personal thanks to our many hosts.

As a consequence of the visit to Canberra in November of last year to attend the Australian Local Councils of Australia Congress, by our former Mayor, Cr Lester Harris, we received a government grant of \$435,000 to be spent on community assets. This grant was issued to offset the impact of a global recession we were expected to experience.

Council was able to distribute the amount over 16 new projects across the Shire mainly as a consequence of our Community Action Plans prepared by you, our feet on the ground.

In this government climate that we now live in, it is so important to be able to recognize our community involvement in allocation of funds, and also priority to community on application of those funds. "Community" is now the buzz word for government and is seen as the only way forward.

Council remains very aware of the climate change issues that may lie ahead of us. Last February's devastating bushfires are still very much fresh on our minds and, preparations for the coming season must feature in plans right across our communities, not only Council, but individuals all need to be aware of what can or may happen.

I would like to recognise the local staff and our Chief Executive Officer for their dedication to the Shire and councillors. Their friendly dispositions and attention to performance are one of the main reasons the Pyrenees is such a great place to work and live.

Robert Vance
Mayor

Current Mayor

Robert Vance was first elected to the role of Councillor in 1987. Following a six year break from the role, Robert was re-elected in a bi-election in March 2008.

Robert has lived in Landsborough his entire life and his passion for his home town and surrounding region inspired him to become a member of Council.

Robert believes in a fair go for everyone and is a strong advocate for quality of life and living standards, as well as the equal distribution of funding across the Shire wards.

Over the next 12 months, Robert is keen to see the plans for sewerage in Snake Valley progress, which in turn will help to increase the population of the area.

With the Australia Day celebrations scheduled for Landsborough in 2010, Robert is thrilled at the prospect of showcasing the town and believes Pyrenees Shire is one of the best places in Victoria to live and visit.

Robert is an active member of the community, belonging to several committees and social clubs. Robert is married to Jan and together they have three children and four grandchildren.



warrenmang WARD



**Barkly
Crowlands
Redbank
Moonambel
Amphitheatre
Landsborough**

Population	1359
Housing	721
Local Road Length (km)	398

Mob: 0417 374 704
robert.vance@pyrenees.vic.gov.au

John Quinn is new to the role of Councillor, having been first elected to Council in November 2008. John was encouraged to stand for the role after several members of his community suggested he become a candidate.

John has lived in Avoca since 2002 and is an active member of the community. As a Councillor, John is keen to see increased support for the Avoca Ward from Council and was rapt when Council contributed \$5000 to Avoca's new CORES (Community Response to Eliminating Suicide) program – an initiative John has been highly involved in.

As the Avoca Ward Councillor, John advocates for increased development at the northern end of High Street, Avoca, as he believes this part of town is in need of attention.

John is a member of a number of groups in the community including the Avoca Business and Tourism Inc., the Avoca Festival and Events Committee, the RSL Club and the Pyrenees Petanque Club.

ex
john
QUINN



avoca **WARD**



Percydale
Lamplough
Homebush
Lower Homebush
Bung Bong
Natte Yallock
Avoca

Population	1269
Housing	293
Local Road Length (km)	346

Mob: 0417 508 471
john.quinn@pyrenees.vic.gov.au

Michael O'Connor was inspired to join Council to become an active part of the decision making process for the region, rather than simply stand back and observe. He was elected to the role in November 2008.

Michael is keen to see growth and development across the Shire and believes the region must continue to move forward in order to stay strong and sustainable. One of Michael's key interests as Councillor involves the Western Highway upgrades, and how the township of Beaufort will manage change if a by-pass were to be constructed.

Michael is particularly enthusiastic about the redevelopment of the education facilities in Beaufort and looks forward to the many benefits that will result from this project.

Having lived in the region for ten years, Michael is a member of the Beaufort Football/Netball Club, the Beaufort Development Group and the Raglan Hall Committee and CFA.

ex
michael
O'CONNOR



beaufort **WARD**



**Shirley
Middle Creek
Raglan
Beaufort**

Population	1238
Housing	264
Local Road Length (km)	208

Mobile: 0437 662 295
michael.oconnor@pyrenees.vic.gov.au

David Clark was elected to Council in November 2008, having previously been a Councillor for Pyrenees Shire between 1996 and 2004.

David was motivated to become a Councillor because he enjoys planning for the future of the Shire; trying to assess and manage risks; and leading a diverse team of people with varied interests and needs.

Part of the role that David is passionate about is choosing where and how much to invest in community infrastructure across the Shire. The quality of local roads, especially gravel roads, is also a particular concern for David.

In the coming year, David is determined to see that the people in the area of the Stockyard Hill wind farm get a planning process that is both fair and responsive to their needs and issues.

David is very involved in Landcare and natural resource management. He is involved closely with the Lexton Post Office Cooperative and, with a young family, is also involved with the Waubra Pre School.



ex
david
CLARK



mitchell

WARD



Evansford
Waubra
Lexton

Population	1334
Housing	698
Local Road Length (km)	486

Mob: 0447 384 500
david.clark@pyrenees.vic.gov.au

Alec Carson was elected to Council in a by-election in February 2009. It is his first time in the role.

Alec decided to become a Councillor because the Goldsmith Ward is experiencing a time of change, and Alec wanted to be part of the decision making process for the ward.

Alec wants to ensure that as the Goldsmith Ward grows, the area has suitable resources and infrastructure to accommodate the expansion.

Alec believes it is important that new residents to the area are comfortable and their needs are met. He also knows the significance of maintaining the area's image and identity for existing residents.

Community consultation is important to Alec. He believes everyone who wants to speak should have the chance to be heard. Community groups need continuous support in order to help them accomplish their plans and by working together, Council and the community will be able to achieve great outcomes.

Alec is a member of the CFA, the Snake Valley Hall Committee and currently manages the local webpage.

ex
alec
CARSON



goldsmith WARD



Carnham
Chepstowe
Stockyard Hill
Snake Valley

Population	1352
Housing	712
Local Road Length (km)	552

Mob: 0439 571 480
alec.carson@pyrenees.vic.gov.au

chief executive officer's REPORT

The 2008-2009 financial year brought a change of leadership for the Pyrenees Shire, with four new Councillors being elected in November to serve a four year term.

It has been a hectic time for the new Councillors with training, budgets and Council plans all requiring completion within the first five months. Also Councillors have had to deal with new legislation including Conflict of Interest rules.

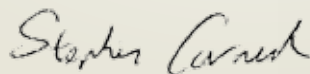
Financially, Council has enjoyed another strong year. At the 30th June 2009, Council's cash position was \$7.3 million. The higher than normal level of cash occurred as a result of Council holding government grant funds for various capital projects and the Federal Government paying part of the 2009/2010 grants commission funding in advance. These funds will be expended in the 2009/2010 year.

Operating revenues for the year was \$20 million. This is up \$5.3 million from the previous year as a result of the increased capital grant funding. Operating expenses increased by \$1.2 million to \$14.3 million with Council recording an operating surplus of \$5.7 million. This is an increase compared to \$1.9 million in 2007/2008 and \$4.1 million in 2006/2007. This is an encouraging trend and reflects that Council is meeting its challenge of maintaining its infrastructure. Council's working capital ratio at the end of the 2008/2009 year was a healthy 2.52 to 1 and it had \$226 million of assets on its balance sheet.

In May 2009 Council reviewed and adopted its 10 year financial strategy which included a strong focus on how Council will maintain its asset base in the future.

During the year Council continued to lobby strongly for improved services within the Shire. This included further investigation into provision of a sewerage scheme to Snake Valley and provision of water to the viticulture industry in the Landsborough area. The capacity for Council to work with Federal and State Governments was again reinforced during the year with the commencement of construction of the Moonambel Pavilion, at a cost of \$680,000. This multipurpose building was developed from the Moonambel Community Action Plan and reinforces the importance of these community plans. Currently 16 townships and communities across the Shire have developed their own action plans.

Finally I wish to thank the Mayor and Councillors for their leadership and commitment. Congratulations to all Council staff for their dedication and effort over the last twelve months. Council could not achieve its vision or objectives without their loyal support.



Stephen Cornish
CEO



Stephen Cornish

Chief Executive Officer

Dip CE, Grad Dip Municipal
Engineering

Rhonda Livingston

Director of Corporate & Community Services

B.Bus (Acc)

Andrew Leach

Director Assets & Development

Grad Cert Business
Technology, Dip Bus

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.

Rhonda joined Pyrenees Shire in July 2005. She has held senior positions in the accounting and management fields with councils for the past 19 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.

Andrew joined Pyrenees Shire in January 2007 and has over 25 years experience in local government. He has held management positions in infrastructure areas of Council's both at Pyrenees and Ballarat. He was appointed as Director in September 2008. Andrew manages the operations, assets and development sections of Council.

His responsibilities include the construction and maintenance of roads and bridges, waste management and recycling, parks and gardens, town planning and building services, local laws, fire prevention and emergency management.



2009 HIGHLIGHTS

FEDERAL FUNDING

In November 2008, Pyrenees Shire was awarded \$435,000 by the Federal Government under the Regional and Local Community Infrastructure Program. The funding was distributed across 16 projects in the Shire.

Council was able to allocate the funds quickly and easily as a result of the Community Action Plans, which had already identified various infrastructure projects required by the community.

Some of the outcomes from the funding included the construction of the new pavilion at the Moonambel Recreation Reserve; new facilities at the Lexton Recreation Reserve; upgrades to the Beaufort Recreation Reserve; and new playgrounds at Natte Yallock and Crowlands.

NEW PAVILION AT MOONAMBEL

The construction of a new pavilion at the Moonambel Recreation Reserve was completed this year, following years of work and community determination. The new facility will be able to house large social events, meetings, and operate as an important resource for local businesses needing internet access.

Funding for the project came from a number of sources including the Federal Government, which contributed \$88,000 under the Regional and Local Community Infrastructure Program.

The project was also made possible through the dedication of local residents, who did a significant amount of fund raising to see the new building come to fruition.

The new pavilion is an excellent example of what can be achieved through partnerships between the community and Government.

THE GREAT LAND GIVEAWAY A GREAT SUCCESS

More than 1300 people visited the Grampians Pyrenees region over a five month period to participate in the Great Avoca Land Giveaway Competition, which was launched at the Royal Melbourne Show in September 2008.

Entrants were required to lodge their ticket in one of six Visitor Information Centres in the region in order to be eligible to win a block of land provided by the Pyrenees Shire Council for the competition.

The promotion was incredibly successful in bringing new people to the area and showcasing the region as a great place to live and visit.

Grampians Pyrenees Development Board Chairman Ian Wilson thanked the Pyrenees Shire for providing the block of land, saying Avoca has so much to offer and moving to the town would be a fantastic new start for anyone.

federal
government
contributes
\$435,000
to local
infrastructure
projects





Moonambel Pavilion

SUSTAINABLE WATER USE PLAN 2009

Pyrenees Shire Council developed a new Sustainable Water Use Plan, designed to reduce the amount of potable water used throughout the region.

The plan enables Council to identify facilities and services that are high water users as well as identify areas of priority for water use. The plan also details Council's strategies in managing the risks of domestic wastewater to public health and the environment, and sets goals and future directions for the continual improvement of these strategies.

The Sustainable Water Use Plan is the result of a number of influences at a local, state, national and global level. It builds on the Council Plan for a sustainable environment.

The implementation of the plan will ensure Council leads the community in water conservation.

GOVERNOR OF VICTORIA VISITS THE PYRENEES

The Governor of Victoria, Professor David de Kretser, and his wife Jan, spent three days visiting the Pyrenees Shire in late May.

From touring the local sights and scenes, sampling the fine products (cultural and viticultural) of the Pyrenees region, and meeting many local people along the way, the de Kretzers were kept busy and entertained.

Mayor Robert Vance and his wife Jan played hosts and tour guides, as the vice-regal couple were treated to civic receptions and tours of the highlights of Pyrenees tourism, industry, history and civic pride.

The tour was part of a state-wide outing for the Governor and Mrs de Kretser, who travel extensively within Victoria to visit as many places and organisations as they can.

SNAKE VALLEY SEWERAGE SCHEME

The Snake Valley Township is one step closer to a sewerage scheme now that Pyrenees Shire Council has secured \$1 million in funding from the Small Town Water Quality Fund.

Council has investigated a number of suitable sewerage schemes to service the town, with the most feasible option being a STEP scheme, which allows for a sealed low pressure system feeding off existing septic tank infrastructure.

Currently, development within the township is hindered by the ability to install suitable septic systems, due to block sizes and suitable soil types.

Council is in negotiations with Central Highlands Water to gain an agreement in principle so that the project can advance further.

TURBINES AT STOCKYARD HILL

Pyrenees Shire Council has continued to play a critical role in facilitating the ongoing communications surrounding the development of wind farms.

The Stockyard Hill Wind Farm met with some criticism from the Western Plains Landscape Guardians. The current size of the project is 242 turbines, to be located five kilometres south of Beaufort.

Pyrenees Shire Council has continued to work with the Landscape Guardians, the local community and wind farm owners, Origin, to ensure a positive outcome can be achieved for all.

PYRENEES SHIRE POSITIVE AGEING STRATEGY

The implications of an ageing population present challenges and opportunities for Pyrenees Shire Council that requires a strategic approach to the future.

Council recently released a Positive Ageing Strategy to ensure that the ongoing contribution of seniors is recognised; and that all avenues are explored to help meet the needs and aspirations of residents as they grow older.

Seniors are a significant and growing part of our local communities. This demographic trend will lead to new opportunities and new challenges for local government. By considering this issue now, Council is committed to maximising the opportunities of an ageing population; as well as minimising any negative impacts it presents.

Council's community focused roles build strong relationships with seniors in order to place Council in a unique position to recognise, understand and respond to the needs of the growing older population.

The Beaufort Shopping Bus is an example of a new initiative implemented as part of the Positive Ageing Strategy. The Health and Community Care (HACC) Bus is used to collect eligible clients from their homes, take them to the shops in Beaufort, then collect them from a designated point and deliver them home again.

Residents use the service to buy groceries, pay bills, go to the library and meet friends for coffee. Friendships have developed within the group to the extent that they now go out to lunch together each week, trying different venues within the township, prior to going home.

The bus service, and by extension the Positive Ageing Strategy, has helped seniors to build important social networks and enabled them to remain active and involved members of the community.



Governor of Victoria visits the Pyrenees



Carpenters Lane, Brewster



capital **WORKS**

AIMS & 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

- Completion of all construction works on the Eurambeen Streatham Road.
- Shared cost scheme construction of South & Gregory Streets Beaufort.
- Completion of the Moonambel Pavilion Community Centre.
- Upgrade of filtration system at Avoca Swimming Pool.

- Delays in the support and planning approval for Snake Valley Sewerage Scheme.
- The tender for the Waubra Sewerage Scheme not let.
- Failure to attract specific project grant funding for the Snake Valley Sewerage Scheme.
- No agreement reached on designated flood levels with Glenelg Hopkins Catchment Management Authority.

DISAPPOINTMENTS

THE FUTURE

- Ongoing bridge renewal works to major crossing structures.
- Continuing improvement of unsealed road treatments and maintenance.
- Through confirmed funding, the inclusion of a Children's Health Centre at the proposed P12 in Beaufort.
- Delivery of projects under the Federal Governments Stimulus Package.
- Completion of the Beaufort Flood Mitigation Study.

HIGHLIGHT

The community of Moonambel and surrounding districts now has a modern community facility at the local recreation reserve to support, facilitate and promote public and private functions. The community has worked long and hard over a period of years to see this building become a reality. Situated on the site of the charismatic old iron shed, which had served the community for over 70 years, the new facility boasts a modern kitchen; air conditioned meeting rooms, internet access, and large sliding doors to access a functional verandah area.



moonambel
PAVILION



ROAD REHABILITATION

projects

Council continued to improve the level of service of the sealed road network through rehabilitation projects throughout the Shire. The majority of these roads are high use roads, with considerable heavy vehicle use. The rehabilitation provides improved safety as well as ride quality and drivability. These projects were supported by funding from Roads to Recovery, Regional Infrastructure Victoria, Auslink and Council.

TOWN ENTRANCE

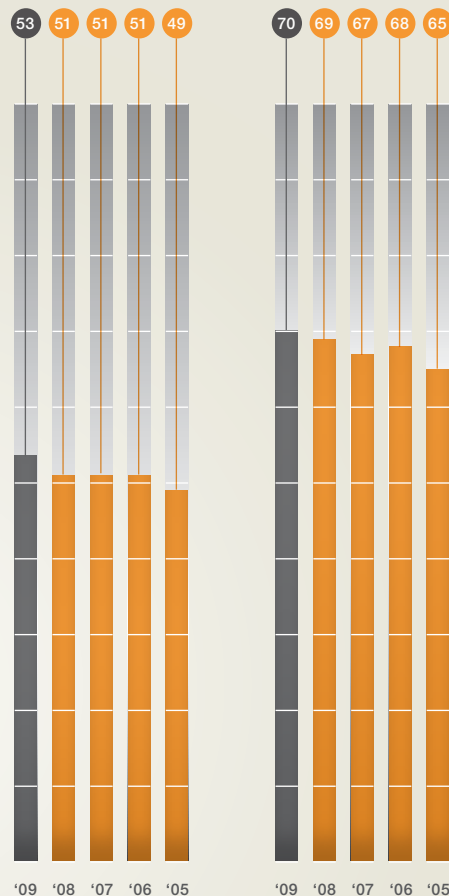
signage

The project to construct the distinctive stone entrance signage at townships throughout the municipality is now complete with signs being constructed at Landsborough, Redbank, Beaufort and Raglan. These signs provide a unique character to the streetscapes of the villages within the Shire, and ensure that the town approaches are defined with style.

EURAMBEEN STREATHAM

road

Following a process of over four years, the major works of rehabilitating Eurambeen Streatham Road, between the Western and Glenelg Highways, has been completed. All pavement and major culvert works were finished with a final seal to cover the length of road programmed for early 2010. This project was managed by Council and funding facilitated through Auslink, Roads to Recovery, Better Roads Program, Local Grain Industry, Ararat Rural City and Council. The stretch of road, measuring 38 km, is now appropriate for the number of heavy vehicles to travel safely from highway to highway, or to service the Grain Storage Facility on the Mt William Road. When the final sealing works have been undertaken next year it will see the completion of a \$10.5 million project.



**LOCAL
ROADS &
*footpaths***



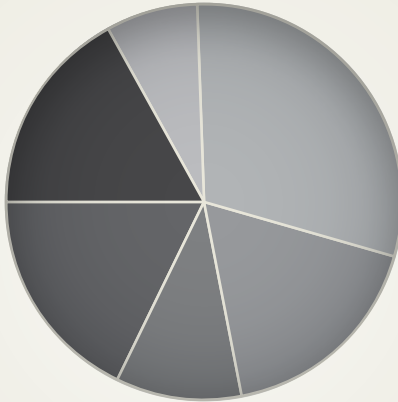
**TRAFFIC
MANAGEMENT &
*parking***



COMMUNITY SATISFACTION RATINGS



In 2008-09 Council undertook renewal projects on the following roads:



Beaufort Carngham Rd

\$368,000

Gregory South St

\$165,000

Beaufort Waubra Rd & intersection treatments

\$648,000

Moonambel Natte Yallock Rd

\$380,000

Vinoca Rd

\$221,000

Eurambeen Streatham Rd Final Section

\$384,000

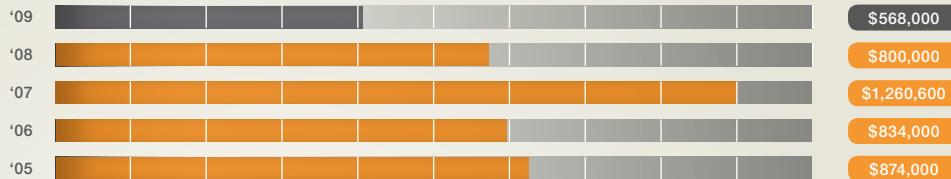


Carpenters Lane, Brewster

GRAVEL *re-sheeting*



BITUMEN *resealing*



GREGORY & SOUTH STREETS, BEAUFORT

a successful partnership.

Residents of the unsealed sections of South and Gregory Streets in Beaufort approached Council in an effort to get the road constructed and sealed to improve the safety of vehicle travel, and also alleviate dust from passing traffic. Investigations showed that as much as 65% of vehicle traffic was through traffic, and not generated by properties abutting the streets. While Council was finding difficulty in resourcing appropriate funds, the residents committed themselves to contribute to the cost of construction to ensure that the project became feasible. Because of this agreement and commitment by the 18 property owners involved, the project became a reality. The funding was then topped up by Roads to Recovery funding, and the works were undertaken by the Pyrenees Shire workgroup following their successful tender bid. This was a good example of what can be achieved when Council and the community work in partnership.

intersection treatments on

WAUBRA BEAUFORT ROAD

Council spent approximately \$300,000 on adjoining intersections and road treatments at the intersections of Flynn's Road and Langi Kal Kal where they meet the Waubra Beaufort Road. Increased traffic loads due to the Wind Farm industry, saw the need to upgrade the safety of these intersections through realignment and also the reduction of a crest. It is hoped that long after the construction traffic of the wind farm has reduced, these sections of road will be safer places to travel through. These projects were supported through Auslink Federal funding.

racecourse road

BRIDGE UPGRADE

The bridge is on a bend approximately nine kilometres from Beaufort and was a single lane structure that was in need of repair. Tenders were sought on the design and construction, and works began in April this year. The deck of the bridge was widened with appropriate guardrail structure attached. The roadway was widened and realigned on the western side to enable a safer approach and now the width matches a recently upgraded section on the east side. The project was supported through a combination of Council infrastructure funding and Roads to Recovery funding. Mid West Civil Construction, under the project management of Driscoll Engineering Services, was responsible for the construction.



Mural on the stage at the Raglan Hall



communication

AIMS & RESPONSIBILITIES

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

PRIORITIES

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

HIGHLIGHTS

- Establishment of the "Women's Networking Group".
- Completion of sixteen Community Action Plans.
- Students from the Beaufort Secondary College once again participated in the Mindscape Program.
- Improved Community Services Directory produced locally.
- A community survey conducted in November 2008 in preparation for the new Council Plan achieved a high response rate. These answers now form part of Council's decisions about its future directions and strategies.

- Budget meetings held at Beaufort and Avoca were poorly attended.
- Proposed Ward Meetings were not conducted.

DISAPPOINTMENTS

THE FUTURE

- Distribute the Council Services Directory to all residents of the Shire.
- Complete a "Communications Strategy".
- Update the design of Council's web page.

PYRENEES REVIEW *board*

The Pyrenees Review Board was originally set up to consider a wide range of community projects and make recommendations to Council. The Board has been in operation for three years now and is comprised of eleven members, eight community representatives and three independents.

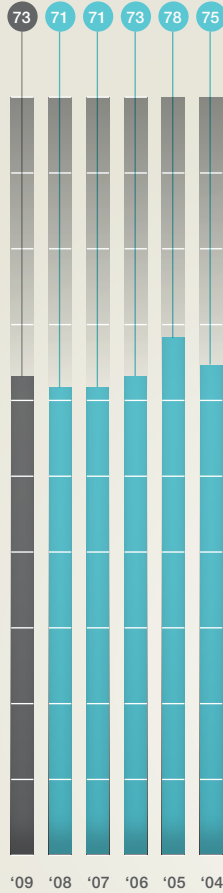
This year the Board conducted a community survey to determine how well community groups understood the role of the Board and if they had applied for funding. In excess of 65% of community groups were aware of the role of the Board with almost 100% indicating they would make future applications for funding. Unfortunately 50% were unaware of their area representative.

The Board also undertook a self analysis, with its main strength seen as the ability to establish strong links with community groups. In turn, this has achieved many positive outcomes in obtaining grants for a diverse range of projects that benefit the local communities.

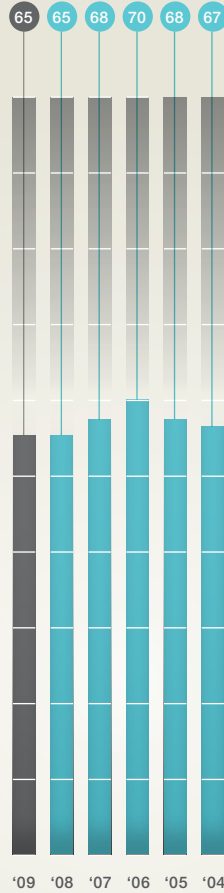
During the year the Board distributed \$29,000 of grant funds to fifteen community groups.



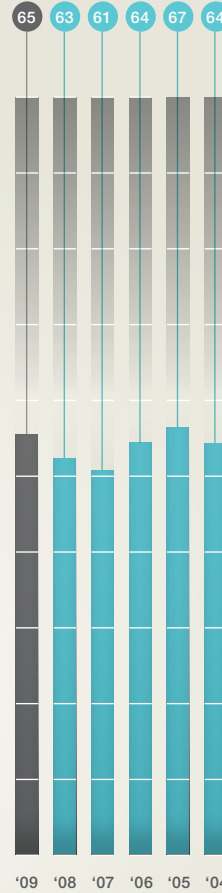
**COMMUNITY
SATISFACTION
RATINGS**



*council's
performance in*
**INTERACTION &
RESPONSIVENESS
IN DEALING WITH
THE PUBLIC**



*council's
performance in*
**ADVOCACY
& COMMUNITY
REPRESENTATION**



*council's
performance in*
**ENGAGEMENT IN
DECISION-MAKING
ON KEY LOCAL
ISSUES**

COMMUNITY *conversations*

This year, the Pyrenees Shire initiated a pilot program in Avoca titled “Community Conversations.” All residents of Avoca were invited to participate in a series of community conversations, aimed to assist them to identify the strengths and weaknesses of their community. This is a long term community engagement process to assist the residents of Avoca, to communicate their visions for the future.

Community members representing twenty eight groups and agencies attended “Community Conversations.”

Some of the topics that were examined during the monthly sessions were:

- What are the community strengths?
- How can these strengths be expanded?
- What are the weaknesses, as well as the issues and challenges facing the community?
- How can these weaknesses, issues and challenges be addressed?
- What do you enjoy about Avoca?
- What is the vision for the future? – Avoca in 10 years time.

One of the outcomes that the community have identified as important to the future of Avoca is improved communication within the township.

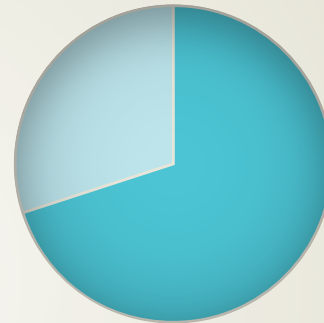
Suggestions put forward included:

- A notice board to announce celebrations and community events.
- Improvements to the community website.
- Increased readership and awareness of the local newspaper and newsletter.

The town is also looking to increase the number of community events, particularly those relating to youth. A committee will be formed under Avoca Business and Tourism to ensure broader community needs are included in planning.

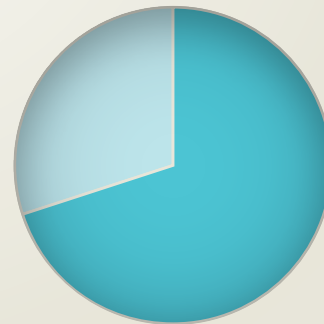
CUSTOMER ACTION *request system*

The Customer Action Request System (CARS) tracks and records 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.



Acknowledgement Letter

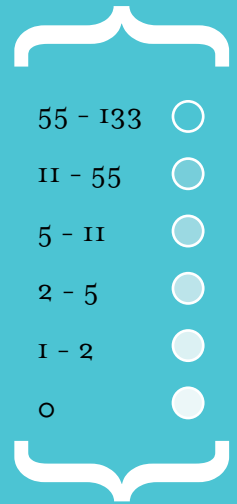
- ≤ 6 working days (418) 69.32%
- > 6 working days (185) 30.68%



Inspection

- ≤ 10 working days (414) 68.65%
- > 10 working days (189) 31.34%

LOCALITY	CARS
Nowhere Creek	1
Elmhurst	5
Linton	1
Mount Lonarch	6
Glenbrae	3
Amphitheatre	11
Avoca	67
Snake Valley	42
Lake Wongan	1
Stockyard Hill	3
Raglan	25
Redbank	8
Lake Goldsmith	5
Langi Kal Kal	1
Glenpatrick	5
Homebush	2
Burrumbeet	1
Stoneleigh	3
Warrenmang	7
Frenchmans	1
Carngham	15
Trawalla	6
Lexton	14
Laplough	4
Skipton	10
Glenlofty	2
Waterloo	8
Ercildoune	1
Evansford	6
Crowlands	5
Barkly	5
Chepstowe	6
Burnbank	6
Pittong	1
Chute	4
Nerring	1
Glenlogie	2
Landsborough	14
Moonambel	12
Mena Park	1
Main Lead	6
Percydale	2
Hillcrest	2
Streatham	1
Carranballac	2
Beaufort	133
Mount Emu	1
Brewster	2
Natte Yallock	2
Rathscar	1
Waubra	16





Playground equipment at Landsborough



community **WELLBEING**

AIMS & 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

HIGHLIGHTS

OUR REVISED COUNCIL PLAN FOR 2008 IDENTIFIED PRIORITIES FOR COMMUNITY WELLBEING AS:-

- Develop and support strong, resourceful, empowered communities
- Community Health and Wellbeing planning
- Support for cultural activities
- Diversity and inclusion
- **Commencement of the "Community Conversations Program" at Avoca**

This program consists of a series of six consultations to develop a resilient and robust community in challenging times caused by prolonged drought, climate change, and the pressure of the global financial crisis. One of the outcomes of the conversations program has been the development of a committee in the Avoca Community to address the difficult and sensitive issues of suicide. The Conversations Program is a good example of Council working with its communities to resolve issues.



• **Installation of playground equipment at Landsborough**

Fourteen communities benefited from projects undertaken as a result of \$435,000 in funding from the Federal Government's stimulus package.

• **The development of a Women's Networking Group**

The group provide an outlet for women across the Shire to socialise on a regular basis, thereby enhancing social connectivity.

• **Preparation of a Municipal Recreation Strategy**

Funding was successfully obtained by Council to engage an experienced consultant to prepare a Municipal Recreation Strategy which will identify priorities for the provision of recreation infrastructure.

• **Obtaining Active Places funding**

This will allow a project worker to be employed to increase the participation in physical activity by youth and seniors.

DISAPPOINTMENTS

- A continuing shortage of Family Day Carers and recruitment of new FDC staff remains one of our challenges and continues to be a priority.
- Community Action Plans have taken longer than expected to complete and the process is being refined for future plans. Council refers to these plans to gain an understanding of needs within our communities. This is important when preparing strategic and operational documents for State and Federal Government funding for beneficial projects within our community.

FUTURE

• **Better quality community engagement**

Council will involve a wide range of community interest groups, including those of youth and the aged.

• **Review of the Community Action Plan Process**

Consultation and training is being planned to enhance this process, thereby providing for consistent quality and focus to be maintained within each of the plans. The Pyrenees Review Board will continue to play an integral role in the Community Action Plan Process, and the role and activities of the board are to be reviewed to ensure that it continues to provide optimum benefit for communities across the Pyrenees.

• **Upgrade of facilities at Waubra Recreation Reserve**

Consultation has commenced to develop a community hub that will provide a facility that caters for the community at large for meetings, events, celebrations, pre school use, and sporting club purposes.

• **Increased staff at Family Day Care (FDC)**

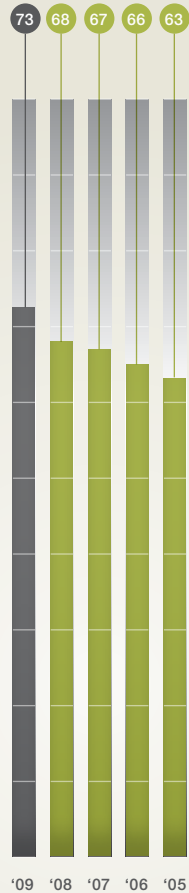
Pyrenees Shire's Family Day Care service now has four carers in the Avoca and Beaufort areas. The carers provided services for 29 families and 45 children. Currently, our waiting list is extensive, with more FDC needed in the Beaufort area, and therefore recruitment of more carers remains a priority.

Success indicators for community wellbeing

Results of the annual Local Government Community Satisfaction Survey are as follows:-



HEALTH & HUMAN
services



RECREATIONAL
facilities



APPEARANCE
of public areas

COMMUNITY SATISFACTION RATINGS

”

It was pleasing to receive such positive community feedback on each of the indicators for Community Wellbeing, which has surpassed the median results for Small Local Government Areas (LGA) across the state with the exception of one. Council is very proud to have achieved the highest result for small Victorian LGA's for recreational facilities.

HOME & COMMUNITY CARE (HACC)

Delivery of HACC services enables the aged, frail and disabled people in our community to live independently in their own homes as long as possible.

With 35% of the community in Pyrenees Shire aged over 55 years of age, demand for these services is expected to grow.

Council's HACC team presently delivers services to 259 clients across the shire and four new direct-care workers were recruited during the year to meet this growing need. The shire provided workforce experience to nine students studying the Certificate III in Aged Care Services through the University of Ballarat. Three of those students are now employees of the Pyrenees Shire, having completed their studies.

FAMILY DAY CARE

Pyrenees Shire Family Day Care service was successfully validated by the National Child Care Accreditation Council in December 2008 and has maintained an Accredited Quality Assurance status. This indicates the level of pride Council staff and carers have in providing a high quality of service.

MATERNAL & CHILD HEALTH

It's good to see our population growth has increased in the last twelve months. In the area of Maternal Child Health, Council have seen a total of 73 new Birth notifications in the shire compared with 65 in 2008. This is an increase in births of 12% over the previous year.

YOUTH

Support to youth in our community through Regional Development Victoria's Cadetship Grants enabled one of our youth to pursue their aspirations to study to become a school teacher and gain valuable experience at the local Secondary College.

Council continued to support the Mindshop Program and this year enlisted the assistance of six Year Ten students to find better ways of building capacity within our youth sector. Council also provided assistance, in conjunction with the local college, for "Youth Week" activities and worked with agencies like Child and Family Services to provide funding for disadvantaged youth to attend school camps.

COMMUNITY DEVELOPMENT

Council's Community Liaison Officer assisted sixteen communities to complete their Community Action Plans. Four of these communities were completing their plan for the first time, resulting in 33% increase in this activity.

An area which affects community groups across all sectors is the recruitment and retention of volunteers. In partnership with five other Local Government Areas, the Pyrenees Shire participated in a project focused on supporting volunteerism. In May 2009, in conjunction with the first Shire-wide event to congratulate and support volunteers, the Volunteer Connections Community Portal was launched, and this will assist the group in promotion, recruitment and accessing resources.

Continued support was provided the Pyrenees Review Board and in June 2009 the Board together with Council distributed \$29,000 to the benefit of local communities for projects identified through their Community Action Plans. To enhance governance skills and capabilities of representatives on Section 86 Committees, revised manuals and training was provided.

COMMUNITY BUS AND TRANSPORT CONNECTIONS

As well as providing transport for Health and Community Care clients, our Community Bus in Beaufort now conducts weekly shopping trips to provide important connections for the elderly and disabled.

Without these vehicles some of the services provided to the elderly and disabled would simply not be possible thereby denying them important social connectivity with their community.

The Pyrenees Shire is also a partner to the Grampians Pyrenees Transport Connections Project together with Ararat Rural City and Northern Grampians Shire.

The goals of the Transport Connections Project are to provide disadvantaged members of remote rural communities with vital transport linkages. Six trial bus runs have now been initiated across the Grampians Pyrenees Region as a result of consultation with key community groups. Within the Pyrenees Shire services to Redbank and Ampitheatre have been established and are being well patronised, and consultation is under way for a similar service to Snake Valley.



Amphitheatre Public Hall



Wind towers, Glen Brae Area



growth & **EMPLOYMENT**

AIMS & 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

HIGHLIGHTS

Attendance at the Royal Melbourne Show

Representatives from Northern Grampians Shire and Ararat Rural City promoted the Grampians Pyrenees Region as a desirable destination for potential new residents and tourists.

The Avoca Land Giveaway initiative

This resulted in 10,000 tickets being issued at the Royal Melbourne Show. Over 1300 entrants came to visit the Grampians Pyrenees Region and more than 800 of the entrants lodged entries in Avoca to view the location of the block of land.

Construction of the Moonambel Pavilion

The Great Victorian Bike Ride visit

This event made an overnight visit to Beaufort in December 2008, bringing approximately 4,500 people to the town and providing many benefits to local traders and community groups on the final night of the ride. To the credit of the local community the welcome given by Beaufort was voted by riders as the best they had received by any of the towns they visited during the week long event.

Funding obtained for the Beaufort Resource Centre

Funding from the State Government's Public Internet Access Program has enabled installation of new computers at the centre. The computers have a diverse range of uses including free internet and training by Beaufort Community House and Learning Centre.

DISAPPOINTMENTS

Snake Valley Sewerage remains an outstanding project which continues to be a priority for Pyrenees Shire.

Two of our tenants from the Resource Centre at Beaufort departed towards the end of the financial year. This included the local Glenelg Hopkins Catchment Management Authority and Direct Recruitment. Council continues its partnership with Beaufort Community House and Learning Centre and will explore ways in which it can continue to expand services to the community through this valuable resource.

THE FUTURE

Council will continue to collaborate with neighbouring shires for beneficial infrastructure projects, identified in strategic planning documents, through alliances such as the Grampians Pyrenees Regional Development Board, Central Highlands 21, Grampians Tourism, and Central Highlands Agribusiness Forum.

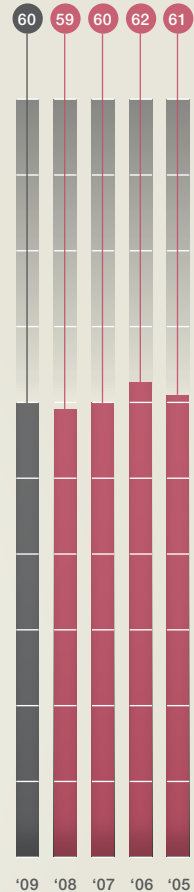
Council will engage with its business community to ensure its strategies for future growth remain relevant. Council will do so by continuing support of and consultation with groups such as Beaufort Development Group, Avoca Business and Tourism, Pyrenees Grape Growers and Wine Makers Group and major employers. A review of the economic development strategy is now due and will entail consultation with these key groups.

Council's focus on tourism through the new Grampians Tourism Partnership is expected to provide access to new promotional opportunities for both the Shire and its tourism operators, which otherwise would not be available. Council will continue to strive for improvement in services, which will be measured through Customer Satisfaction Surveys, mystery shopper programs, and tourism visitation to the area.

The Community Resource Centres will continue to review their practices for ongoing improvement and to retain Visitor Information Centre accreditation standards of excellence.

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The results in Economic Development are consistent with those across the state and show a slight improvement on the previous year - a trend which Council will continue to work towards improving. The best result for small Local Government Areas in the state was 65 while the lowest was 50.



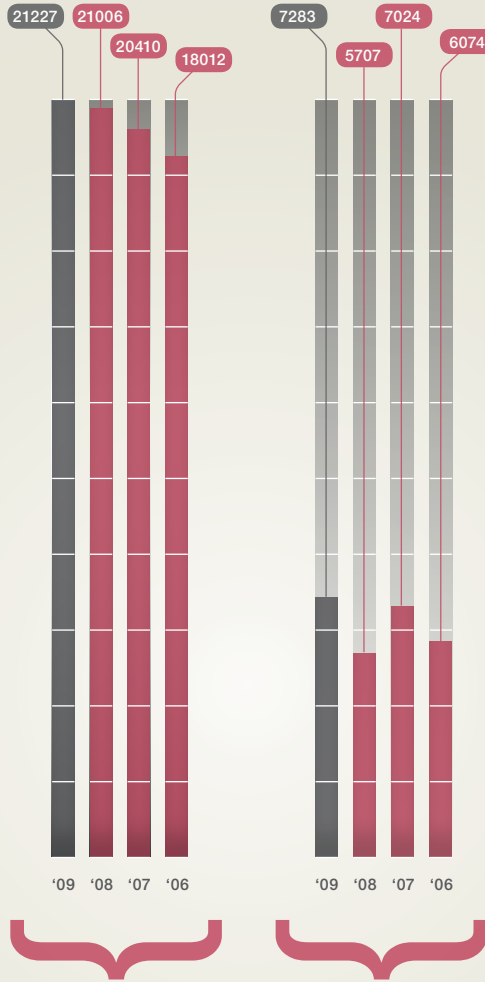
ECONOMIC development

COMMUNITY SATISFACTION RATINGS

Results of the annual Local Government Community Satisfaction Survey

TOURISM VISITATION

Despite challenges to the tourism industry from low cost overseas destinations and the trend to access information online, both visitor centres continued to perform solidly over the past twelve months. Their performance is illustrated through the statistics provided in the following table.



VISITOR INFORMATION CENTRE *tourism visits*

AVOCA

BEAUFORT

Iconic events in the Pyrenees continue to attract tourists to the region for the benefit of the small business community. Some of the major events include Avoca Races, the Rainbow Serpent Festival, Lake Goldsmith Steam Rally, Beaufort Art Show and Longest Lunch.

The recruitment of a Development and Sustainable Events Officer has been achieved through joint support from Regional Development Victoria and Council. The officer will work with community groups to develop sustainable event practices and assist in the development of two new major events to promote tourism visitation.

The Resource/Visitor Information Centres served a total of 66,460 clients during the year, compared with 69,573 during 2008. While this indicates a decline of 4.5%, Council does not see this as a cause for concern. With the development of a new Economic Development Strategy and Tourism Marketing Plan Council envisages growth over the next twelve months due to the development of new attractions.

INDUSTRIAL LAND

Sale of industrial land in Avoca and Beaufort has been successful enough to enable planning for additional industrial land development.

SUPPORT TO BUSINESS ASSOCIATIONS

Council continues to provide support to local business associations and examples of this are:-

- Assisting Avoca Business and Tourism to access Regional Development Victoria funding for development of marketing collateral aimed at attracting visitors to monthly markets.
- Launch of Marketing collateral for Pyrenees Grape Growers and Wine Makers has again been made available through joint funding by Regional Development Victoria and Pyrenees Shire.
- The development of a Buy Local Campaign in consultation with Avoca Business and Tourism and Beaufort Development Group which will be rolled out in the second half of 2009.

DROUGHT SUPPORT

Council's Drought Officer provided activities and support to the agriculture sector including:-

- An information session on Government drought initiatives was held for farmers at Lexton in November 2008. This was attended by over 60 people.
- Hosting two workshops as part of Farming in the 21st Century series of events across the Grampians Pyrenees region in which each event attracted approximately 45 participants. The series overall was attended by over 300 people and positive feedback was gained from participants who indicated they would like to see more of these in the future. An impressive 23% of farmer participants indicated they would change their farming practices as a result of what they had learned from these sessions.
- Successfully referring 59 farmers under pressure of drought to the Rural Skills Connect Program to enable them to access training services and qualifications to obtain off-farm income. This represented 39% of referrals to the program from the three municipalities in the Grampians Pyrenees Region.

WATER

Lack of water due to dry seasons continues to be challenging for primary producers and town supplies.

Following detailed consultation with wine industry leaders at Landsborough, a proposal is under consideration by GWM Water for a sustainable water solution. This is essential to assist with grape production in the absence of normal catchment water due to drought and climate change. The wine industry is a significant employer in the Pyrenees and neighbouring shires, and offers flow-on benefits to our economy via employment of staff, casual labour, various contractors and tourism trade.

A suitable water supply for the towns of Landsborough and Navarre (in Northern Grampians Shire) is nearing fruition with tenders having been issued by Central Highlands Water for the construction of a water desalination plant.

PYRENEES REVIEW BOARD GRANTS

2008-2009

Group	Project	Amount
Lexton Landcare Group Inc.	Contribution to the purchase of a native tree seeder	\$970
Beaufort Primary School	Safety padding for football goal posts	\$1,350
Associates Beaufort Golf Club	Conduct ladies golf clinics	\$300
Beaufort Golf Bowls Club	Conduct "Community Barefoot Bowls in the Shade"	\$2,000
Pyrenees Petanque Club	Purchase an equipment trailer	\$1,980
Beaufort and Skipton Health Services	Training for volunteer drivers	\$1,530
Waubra Bowling Club	To construct weather shelters and wheelchair access	\$3,600
Carngham Cricket Club Inc	Cricket skills and safety coaching program	\$3,080
Avoca Country Golf Bowling Club Inc.	Sport enhancement project to engage young children	\$5,240
Lexton Branch Country Womens Ass.	Food handling course	\$1,500
Pyrenees Women's Network	Sponsorship for young women to attend network events	\$1,800
Waubra Wind Farm Festival	Establish a running track for the Waubra Wind Farm Gift	\$2,050
Trawalla Progress Association	Purchase a water tank and stand	\$1,800
Lexton Progress Association	Support for the community event "Damn Drought Night"	\$1,000
Beaufort Agricultural Society	Promotion and advertising for the "Ute Show"	\$800
TOTAL		\$29,000



Anzac Park, Redbank



planning & **ENVIRONMENT**

AIMS & RESPONSIBILITIES

Strategic planning
Statutory planning
By-law enforcement
Environmental management

PRIORITIES

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

HIGHLIGHTS

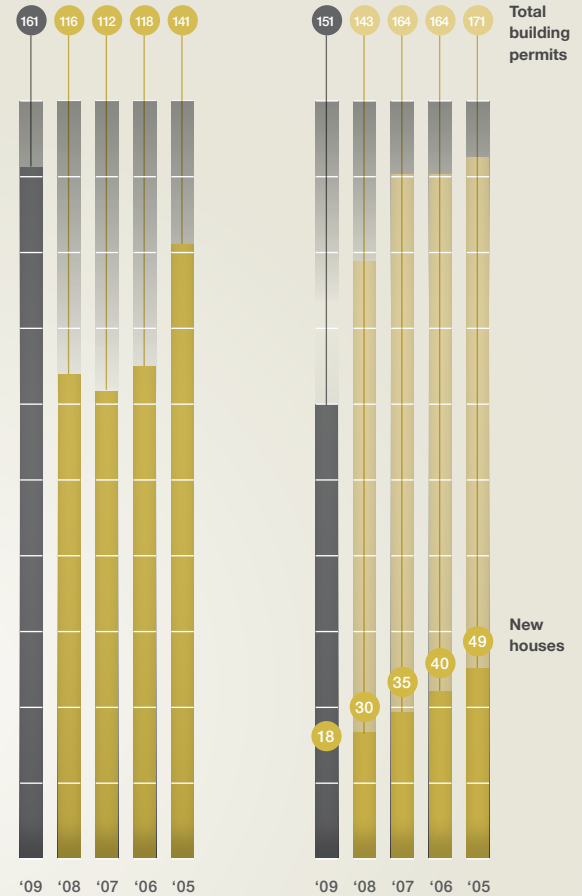
- The heritage restoration of the Beaufort Weighbridge House and relocation to the Mechanics Institute site.
- The adoption of a Sustainable Water Use Plan.
- Almost 10,000 people attended the Rainbow Serpent Festival in January.
- Turn around time for planning permits has improved.

FUTURE

- Tenders for a Flood Mitigation Study have been received and following analysis and negotiation, the planning process will begin.
- Council is investigating/trialing a green waste collection system for Beaufort and Avoca.
- Council will employ an Environment & Sustainability Officer.
- Investigation of Beaufort Lake deepening project in conjunction with grant application funding to undertake works within the Lake Precinct.

- Delays in the support and planning approval for Snake Valley sewerage scheme
- Slow lead up to Waubra Sewerage and Avoca Water treatment
- Snake Valley Structure Plan delay through lack of external referral approval.

DISAPPOINTMENTS



PLANNING PERMITS
issued

BUILDING PERMITS
issued

BEAUFORT WEIGHBRIDGE HOUSE PROJECT

The Pyrenees Historical Society rescued the former Weighbridge building from complete dereliction a number of years ago, and advocated to have it restored with the assistance of inmates from Langi Kal Kal Prison. The work undertaken has been fantastic, which included the reproduction of lamps which are mounted on either end of the building. Council has facilitated site preparation, as well as the transport to relocate the building adjacent to the Mechanics Institute, where the building finally rests. The Historical Society has every reason to be proud of what it has been able to achieve with the assistance of Council.

SUSTAINABLE WATER USE PLAN

Council has produced the Sustainable Water Use Plan to identify key areas of use within Council business and operations. With this knowledge, a strategic direction can be taken to reduce the use of potable water within the Shire, and to allow for smarter, more effective use of waste and storm water. The plan was adopted in June and will form a useful reference for planning into the future. Some recommendations, such as reuse of swimming pool back wash, are already in place and are making a difference in times of sustained natural dryness and water restrictions.

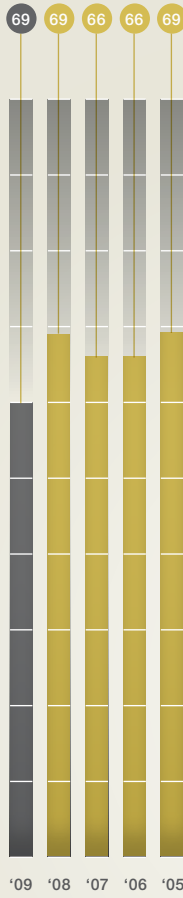
PROPOSED SNAKE VALLEY SEWERAGE

Council is currently compiling detailed information from the township of Snake Valley to contribute to the accurate scoping of a proposed sewer scheme. Initial scoping studies undertaken two years ago provided Council with enough detail to apply for and be successful in acquiring \$1 million in funding through the State Government. While application for a further \$2 million from the Federal Government would have ensured the project, Council was not successful in that bid. More information is now required to refine the costing so that an appropriate workable sewerage scheme may possibly be undertaken within the budget figure. Council is advocating for a STEP scheme – a scheme that utilises existing septic tanks, and through a pressurised sealed system, takes all liquid waste and pumps it to a treatment plane. The output could then be utilised for irrigation at a venue such as the Snake Valley Golf Club. Such a scheme needs to be approved by Central Highlands Water as viable and effective, and therefore Council is currently working to provide as much information as possible to support implementation.

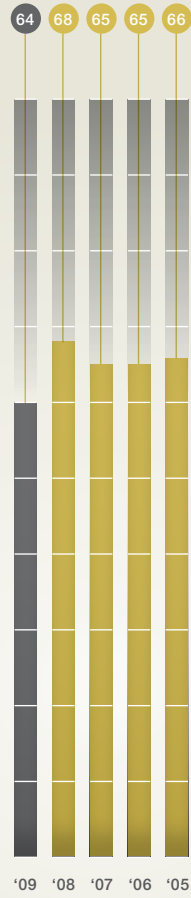
CAT & DOG MICROCHIPPING

As part of the promotion of responsible pet ownership, Council undertook two micro chipping seminars this year in Beaufort and Avoca. The days were very successful with the micro chip technology ensuring pet ownership is recorded and that both Council and the RSPCA can quickly and easily identify the animal and contact owners if necessary. This identification is also important to Council to assist in the monitoring of registrations of the animals, or to prove ownership in the case of wandering pets or mistaken identity.

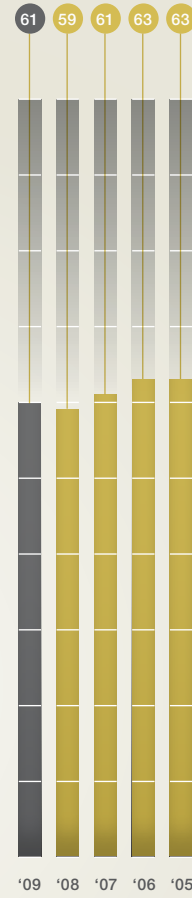




council's performance in
WASTE MANAGEMENT



council's performance in
ENFORCING BY-LAWS



council's performance in
TOWN PLANNING POLICY & APPROVAL

COMMUNITY SATISFACTION RATINGS



WASTE MANAGEMENT

Council continues to strive for effective waste management through the promotion of a regular collection service combined with efficient use of transfer stations.

This year there has been a push to make the community more aware of the benefits of appropriate recycling, both at a property level and at drop off points such as the transfer stations. All residents within the Shire are being encouraged to recycle as much as possible as this reduces costs and the demands on land fill.

Council is in the final stages of rehabilitation of its former landfill sites, and detailed studies are currently being undertaken by the University of Melbourne regarding the ongoing effect on the environment of such sites. This will enable Council to monitor and better understand how to manage the sites, and utilise appropriate environmental treatments to cap the sites.

Council is also piloting a green waste collection service for Avoca and Beaufort, which will allow for composted material to be treated locally and assist in the repatriation of the tip sites.

FIRE PREVENTION

Over the year, Council convened and participated in many forums regarding fire prevention within the region and the municipality.

Council's Emergency Management Team and Fire Prevention Officer were involved with regional brigades to co-ordinate strategic planning for the reduction of fire hazards throughout the Shire. Council was also involved with the State Emergency Services (SES), Department of Human Services (DHS) and the Department of Sustainability and Environment (DSE), as well as the Country Fire Authority (CFA) to ensure that emergency management plans and communication channels were tested and ready in an emergency.

The future challenge for Council, and the community, will be dealing with the changing environmental conditions and the impact that will have on preparation and planning.



DOMESTIC ANIMAL MANAGEMENT PLAN

Pyrenees Shire Council has developed a Domestic Animal Management Plan to provide a strategic framework for animal management over the next three years.

The plan is a result of an amendment to the Domestic (Feral and Nuisance) Animals Act 1994. The aim of the Act is to promote animal welfare, the responsible ownership of dogs and cats and the protection of the environment.

Council's Domestic Animal Management Plan meets the requirements of the new Act and aims to:

- Create an environment where people and pets can peacefully co-exist within the community;
- Inform and educate the community about the needs of companion animals and promote responsible pet ownership;
- Promote the welfare of companion animals; and
- Protect people and animals (pets, livestock wildlife) from attack by dogs and cats.

pyrenees shire offices
BEAUFORT





organisational **DEVELOPMENT**

AIMS & 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

HIGHLIGHTS

- Staff inductions are now completed online with follow up testing taking place after the first day, the first week and the first quarter.
- A manual was distributed to all of Council's Section 86 Committees of Management with the aim of assisting these committees to carry out their roles and responsibilities. Training was provided and the response was overwhelmingly positive.
- Introduction of an electronic performance review system allowing employees and supervisors access at all times.

- Delay in the implementation of the Shared Services
- Program for electronic records.

DISAPPOINTMENTS

FUTURE

- Staff survey to be carried out and follow up action taken on findings.
- Implementation of an electronic Records Management system.
- Connection of the Avoca depot into Council's main local area network.

information TECHNOLOGY

Pyrenees Shire Council has been able to implement a number of initiatives in the last financial year that have had benefits to both the community and Council officers.

After obtaining funding from the State Government's Public Internet Access Program, Council was able to replace the public use computers at the Beaufort Community Resource Centre and Avoca Information Centre. This was a total of nine new computers for the community.

A number of new software programs were implemented internally to automate manual staff processes – this greatly assists Council in servicing its customers' needs more effectively and in a timelier manner.

Council also implemented a number of policies and practices internally to make the Shire offices more environmentally friendly, reduce operating costs, and obtain better value for money. These practices included mandatory double-sided printing, scan to email, and consolidation of printer hardware.

OCCUPATIONAL HEALTH & SAFETY (OHS)

OHS systems, training and auditing continues to be reviewed and updated. An electronic Hazard, Injury, and Property Incident form has been implemented and this will allow greater management of the prevention of injury, illness and disease in the workplace.

Contractor management has and will be a major focus for OHS activities. If works are carried out on behalf of Council, OHS responsibilities cannot be simply passed to the contractor. Work is being done in approving, prequalifying and auditing contractors before they undertake contracts or jobs on behalf of Council.

The OHS committee has been very active throughout 2008/2009. They have assisted with changes to the uniform policy and Council's skin cancer prevention programme. All elected OHS representatives have done an excellent job in providing valuable input into Council's safety systems.

training & DEVELOPMENT

The Pyrenees Shire Council continues to provide ongoing training and development to all staff through internal and external training sessions. A number of specific staff development training programs were conducted during the year including:

- Review of the Human Rights Charter (Charter of Human Rights and Responsibilities Act, 2006 – undertaken by all new staff and existing staff)
- Respectful Workplace Behaviour
- First Aid – Level 2
- OH & S Representative 5 Day Course
- Records Management Concepts
- Course in Traffic Control
- Chainsaw Operators Certificate Level 2
- Farm Chemicals Users course
- Workplace Spotting for Service Assets
- Confidentiality Workshop
- Falls Prevention – Role of the Occupational Therapist
- Palliative Care – Role of the Direct Care Worker
- Skin Integrity & Care
- Dealing with Dementia
- Dealing with Diabetes
- Professional Boundaries
- Animal Handling – Dog Awareness

In addition to the specific staff development program, the Pyrenees Shire Council also provides and encourages professional development through education programs with a number of staff completing and/or undertaking the following courses:

- Bachelor of Commerce – Accounting
- Bachelor of Civil Engineering
- Certificate IV in Animal Control
- Certificate IV in Statutory Control
- Graduate Diploma in Occupational Hazard Management
- Graduate Diploma of Management
- Certificate IV in Business (Frontline Management)
- Graduate Diploma in Rural & Regional Planning
- Graduate Diploma in Business Technology
- Advanced Diploma of Management (Human Resources)
- Advanced Diploma in Information Technology
- Graduate Diploma in Sustainability

NATIONAL COMPETITION POLICY COMPLIANCE: 2008-09

Certification by Chief Executive Officer

Council has complied with the requirements of the National Competition Policy (NCP) for the period 1 July 2008 to 30 June 2009, in accordance with the requirements outlined in National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy, December 2008 (2008 Statement) 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. List all local laws made or remade during 2008-09 which impose a restriction on competition: **COMPLIANT**

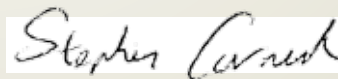
C. Competitive Neutrality Compliance

State whether the Council is compliant or non-compliant for all significant businesses. List any significant businesses that are non-compliant: **COMPLIANT**

I certify that:

- a) this statement has been prepared in accordance with the 2008-2009 National Competition Policy reporting guidelines, which is pursuant to the 2008 Statement; and
- b) this statement presents fairly the Council's implementation of the National Competition Policy.

Signed:

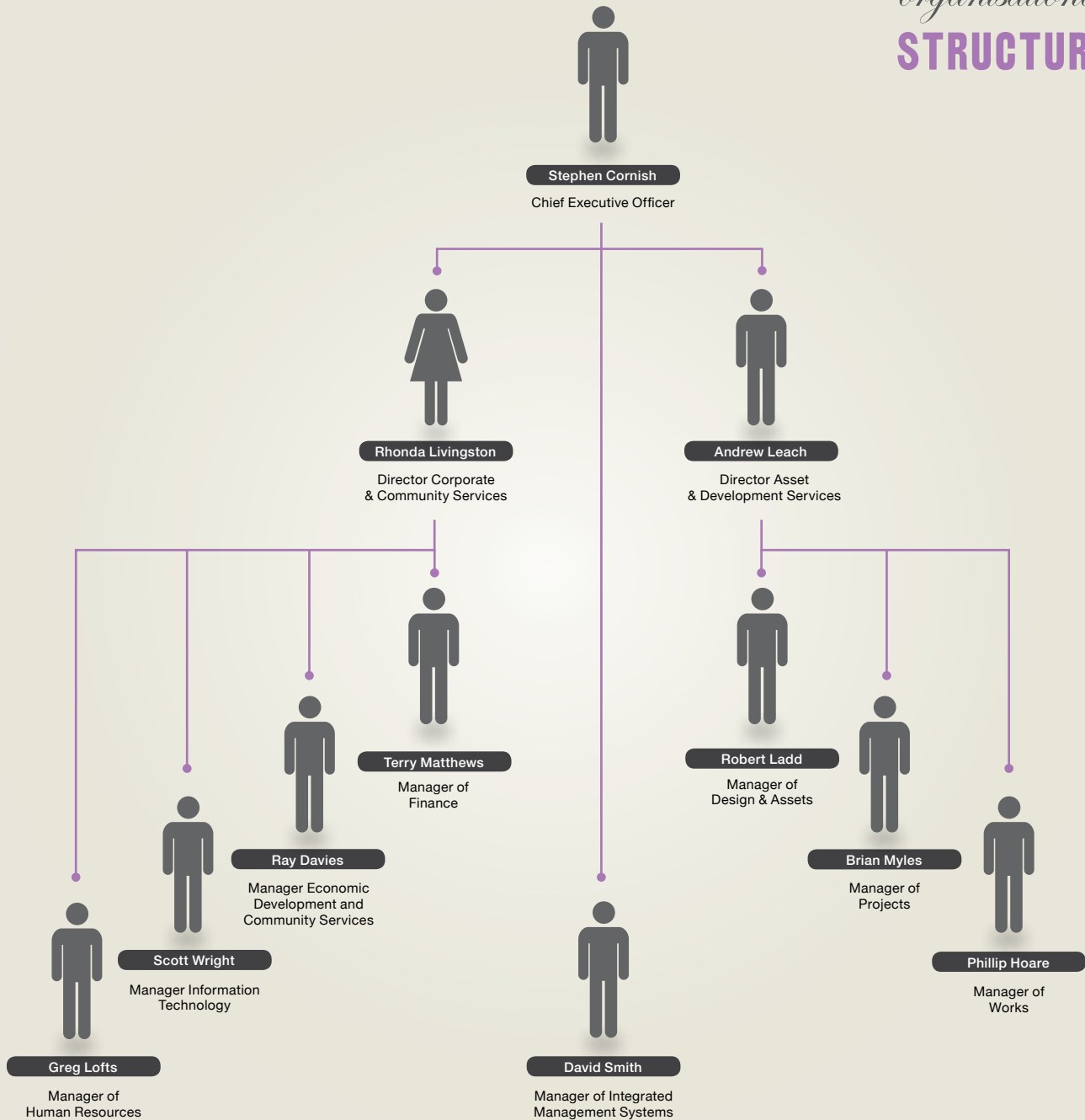


Stephen Cornish
(Chief Executive Officer)

Date: 16th September 2009



organisational
STRUCTURE



cambron
**HUMAN
 RESOURCE
 MANAGER**

Prior to December, 2008 Council undertook annual employee performance appraisals and reviews through a manual system (paper based), making the tracking of staff performance and the implementation of staff training extremely difficult to monitor and control.

In January, 2009 Council purchased an electronic database system to manage its ongoing employee performance review process.

The system assists with performance in three major areas:

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

The system will streamline the
 annual review process and
 greatly assist in the planning
 of training and development
 of Council staff.

All staff has received training
 in the use of the system to
 enable them to complete the
 2009 reviews electronically

work
COVER

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

industrial
RELATIONS

During the year, Council's Consultative Committee (made up of management and employee representatives) along with representatives from the Australian Services Union, the Australian Nurses Federation and the Association of Professional Engineers, Scientists and Managers negotiated a new Enterprise Bargaining Agreement.

The negotiations between all parties through the process of establishing the new agreement was very amicable, resulting in a document that benefited all parties.

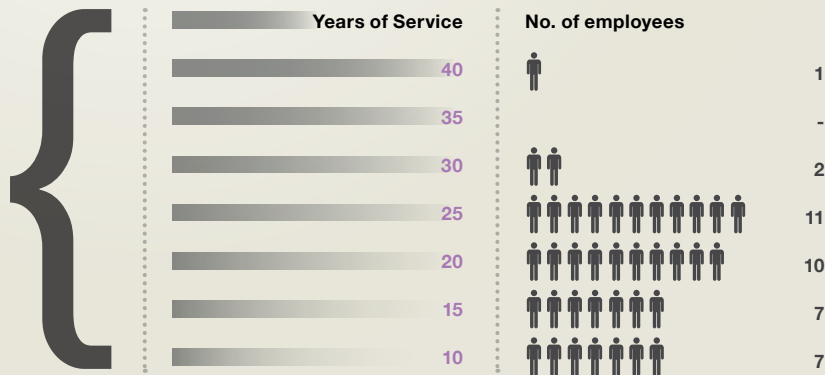
The 2008 Enterprise Bargaining Agreement took effect from the 15th October, 2008 and is a two year agreement.

CLAIMS PROFILE

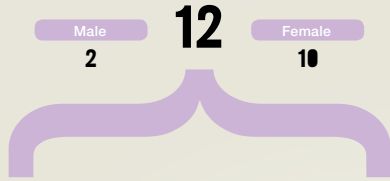


**STAFF
 MILESTONES**

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



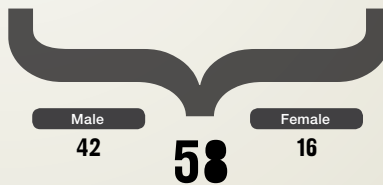
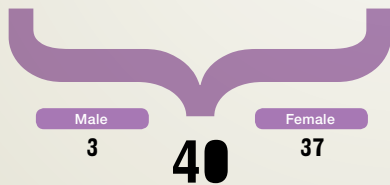
casual



During the year, Council advertised 18 positions with 136 applications being considered.

As at the 30th June, 2009 the Pyrenees Shire Council had a total workforce of

76.86 EFT positions.



permanent part time

full time

total no. 110 employees





governance

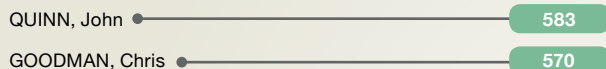
THE COUNCIL

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.

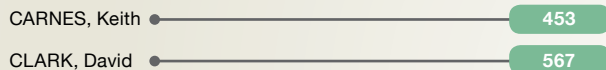
Pyrenees Shire Council is represented by five ward councillors. In November 2008, a general election was held and eight members of the community stood for Council. Michael O'Connor was elected uncontested in the Beaufort Ward. No nominations were received for the Goldsmith Ward.

The official results in the contested wards, according to the Victorian Electoral Commission, were:

AVOCA

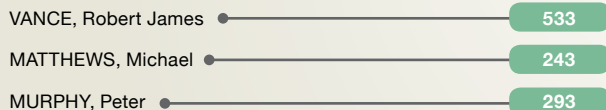


MITCHELL

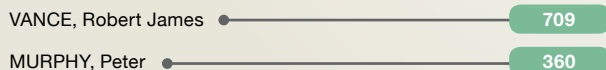


WARRENMANG

First preference votes



VOTES AFTER DISTRIBUTION OF PREFERENCES



The new council was sworn in at a statutory meeting in Lexton on 4 December, 2008. At this meeting, Robert Vance was elected as the new Mayor of the Pyrenees Shire.

GOLDSMITH BY-ELECTION

No nominations were received for the Goldsmith Ward in the November 2008 election, so a by-election was held in February 2009. Alec Carson was the only nominee and was duly elected when nominations closed on 3 February 2009.

This is Alec's first time in the role of Councillor.

COUNCIL PLAN

This year Council developed and adopted its new plan. The 2009-2013 Council Plan describes, in broad terms, the goals and aspirations of the Pyrenees Shire Council for the next four years. It describes what Council believes is important to the residents of the Pyrenees Shire, and what it hopes to achieve in the near future.

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

The plan is reviewed annually by Councillors and senior management. A copy is available on Council's website.

MAYORAL & COUNCILLOR ALLOWANCES

In February 2009, Council agreed to increase allowances for the next four years. The Mayoral allowance is now \$52,756. The Councillor allowance is \$17,658. Allowances are reviewed annually.

COUNCIL MEETINGS

Council meetings are held on the third Tuesday of each month at the Council Chambers in Beaufort, commencing at 6 o'clock.

RISK MANAGEMENT

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

External audits have shown Council's improvement in the areas of public liability, professional indemnity and asset protection. In the area of Industrial Special Risk a score of 87% was achieved, showing an improvement over the past twelve months of over 30%.

Whilst this is an excellent result there is still a lot to be done particularly in the area of public liability and professional indemnity insurance.

Risk management training has been provided to all managers and Councillors within Council.

PRIVACY

Council complies with The Victorian Information Privacy Act 2000. Council staff has 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.

STANDARDS ASSURANCE

The Pyrenees Shire Council is an accredited Quality, Safety and Environmentally 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.

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.

OCCUPATIONAL HEALTH & SAFETY (OH&S)

The Pyrenees Shire Council recognises and is committed to preventing injury and illness by providing as far as practicable, a safe and healthy environment for its employees, contractors and the public. Council is not only committed to ensuring that

all legislative requirements are met, but to maintaining a position of excellence in its handling of the occupational health, safety and welfare issues affecting its workforce. The Occupational Health and Safety committee is responsible for maintaining an active oversight of health and safety issues in the workplace and monitoring the organisation's performance against established indicators. These include a number of incidents, both reportable and non-reportable to Worksafe, and time lost due to injury. The Occupational Health and Safety Committee has ensured that all Council's OH&S policies and procedures reflect the requirements of the new Occupational Health and Safety Act, 2004.

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.

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 2009. 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.

INTERNAL AUDIT

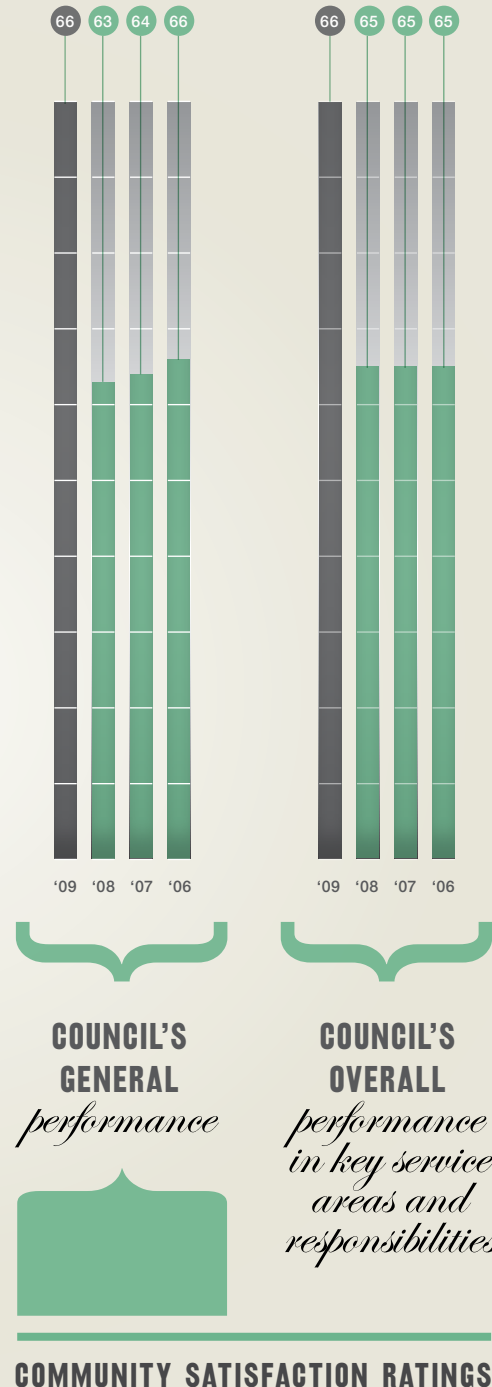
The internal audit committee is an advisory committee of Council and monitors internal controls, financial management and risk management. Council's internal audit committee is comprised of two independent external members and two councillors.

Meetings were held on 25 August 2008, 17 November 2008 and 23 March 2009. At the meeting held on the 23 March 2009, the charter was reviewed and the number of committee meetings to be held annually was amended from four to three.

The committee considered reports during the year from the internal auditor on Immunisation and Procedures, Performance Indicators, Environment Health Services, Cash Handling Procedures, of Waste Management & Occupational Health & Safety Practices.

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 submitted 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 of which each committee was established.
- A list of all special committees established by Council that were abolished or ceased to function during the financial year
- 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 of 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.



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, in keeping with Best Practice principles. During the 2008-09 financial year Council entered into 11 new contracts with a total value of \$4,020,000.

Contract	Value	Number of Tenders
Reseals	\$568,000.00	4
Beaufort Carngham	\$416,000.00	4
South Street	\$165,000.00	1
Moonambel Natte Yallock	\$357,000.00	5
Vinoca Road	\$221,000.00	4
Waubra Beaufort	\$640,000.00	1
Racecourse Road	\$460,000.00	4
Moonambel Recreation Reserve	\$652,000.00	3
Eurambien Streatham	\$400,000.00	2
Slashing	\$94,000.00	4
Avoca Cleaning	\$47,000.00	9
	\$4,020,000.00	

COMMUNITY GRANTS

Organisation	Amount
Beaufort Services Group	1,364
Beaufort Mechanics Craft Group	300
Beaufort and District Adults Riders Club	1,500
Crowlands Tennis Club	1,500
Landsborough and District Historical Group	800
Pyrenees Petanque Club	1,200
Avoca and District Historical Society	1,364
Beaufort Agricultural Society	1,500
Beaufort Netball - Football Club	1,364
Avoca Public Cemetery Trust	1,364
Waubra Preschool	1,364
Avoca Scout Group	1,364
Crowlands Hall and Recreation Reserves Committee	1,364
Landsborough Public Hall Committee	1,364
Snake Valley & District Historical Society	1,000
Beaufort Municipal Band	1,364
Snake Valley Bouncercise Group	1,500
Carngham Recreation Reserve	1,500
Evansford Community Centre	1,500
Beaufort Development Board	1,182
Waubra Horticultural Society	800
Lake Goldsmith Steam Preservation Association	1,364
Beaufort & Skipton Health Service	727
Landsborough Festivals	591
Landsborough Primary School	1,500
Avoca Country Golf and Bowls Club	1,364
Beaufort Croquet Club	1,500
Friends of the Beaufort Pool	1,500
Amphitheatre Mechanics Institute	1,364
Victorian Bushfire Recovery Fund	6,800
TOTAL	43,264

COUNCILLOR

attendance



Attendance of councillors
at meetings including
special and statutory

	Cr Harris	Cr Ashford	Cr Horvat	Cr Harrison	Cr Neil
15.07.08	Attended	Attended	Attended	Attended	Absent
19.08.08	Attended	Attended	Attended	Attended	Attended
16.09.08	Attended	Attended	Attended	Attended	Attended
21.10.08	Attended	Attended	Attended	Attended	Absent
11.11.0	Attended	Attended	Attended	Attended	Attended

Absent
 Attended

	Cr Vance	Cr O'Connor	Cr Clark	Cr Quinn	Cr Carson
Statutory 04/12/08	Attended	Attended	Attended	Attended	Absent
11.12.08	Attended	Attended	Attended	Attended	Absent
17/02/09	Attended	Attended	Attended	Attended	Attended
17/03/09	Attended	Attended	Attended	Attended	Attended
21/04/09	Attended	Attended	Attended	Attended	Attended
19/05/09	Attended	Attended	Attended	Attended	Attended
16/06/09	Attended	Attended	Attended	Attended	Attended

Absent
 Attended



Bakery Park, Amphitheatre

financial SNAPSHOT

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

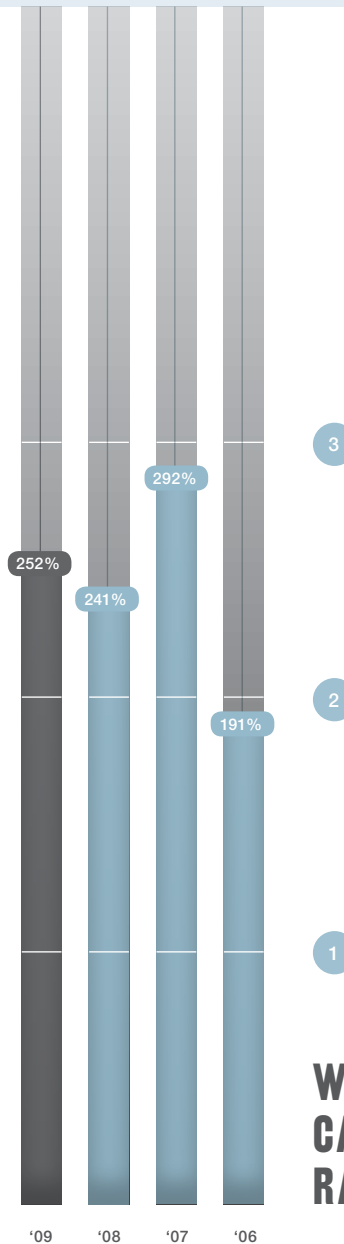
Council reported an operating surplus of \$5.7 million which included a charge for depreciation of assets of \$4.8 million. This result compared favourably to budget and reflects council's continuing success in attracting external funding for operations and capital works. In particular Council received \$7.3 million in non-recurrent grants, notably Federal Government funds for major road projects and the Snake Valley Sewerage Scheme.

BALANCE SHEET

Council is in a sound financial position at 30 June 2009 with \$7.3 million in cash and investments on hand and a capital ratio (current assets to current liabilities) of 2.5 to 1. That ratio compared with previous years is shown in the following graph.

CASH FLOW

Council has achieved a cash surplus from operations of \$11.1 million in 2008-09. This cash surplus is the cash balance available to Council after normal operating expenses have been paid. These funds are then available to fund Council's capital works program and to meet Council's annual debt redemption obligations. After capital expenditure (cash flows from investing activities) and Council's cash flow requirements relating to its financing activities Council overall cash position has increase by \$2.7 million in 2008-2009.



**WORKING
CAPITAL
RATIO**

This significant increase has occurred largely as a result of the following four factors.

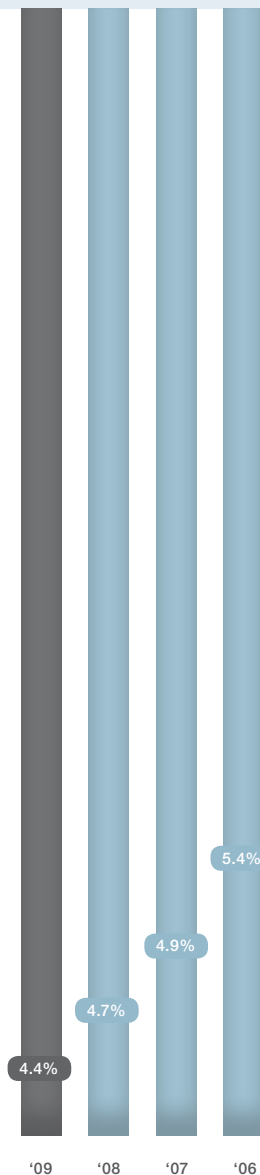
1. Council received \$1.0 million of its 2009-2010 Grants Commission allocation in advance. The earlier than normal payment of these funds was a Federal Government initiative to assist Councils with improving their cash flow positions.
2. Council received \$1.0 million of grant funds for the Snake Valley Sewerage Scheme in advance. These funds will be expended in 2009-2010.
3. Council received \$250,000 of grant funds for the Landsborough Desalination Plant in advance. These funds will be expended in 2009-2010.
4. Council had a number of projects that were unfinished at 30th June 2009. These projects will now be completed in 2009-2010.

CAPITAL WORKS

Council undertook \$8.9 million of capital works in 2008-09. Works included \$7.1 million on roads and \$1.1 million on Building and Land improvements.

DEBT MANAGEMENT

Total Council debt at 30 June is \$1,144,000 of which \$74,000 is repayable by a local community group. Council has a strategy of minimising 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:



DEBT COMMITMENT RATIO

FINANCIAL REPORT

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 2008/2009 financial year and the overall position at the end (30 June 2009) 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 Statement is sometimes referred to as a '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

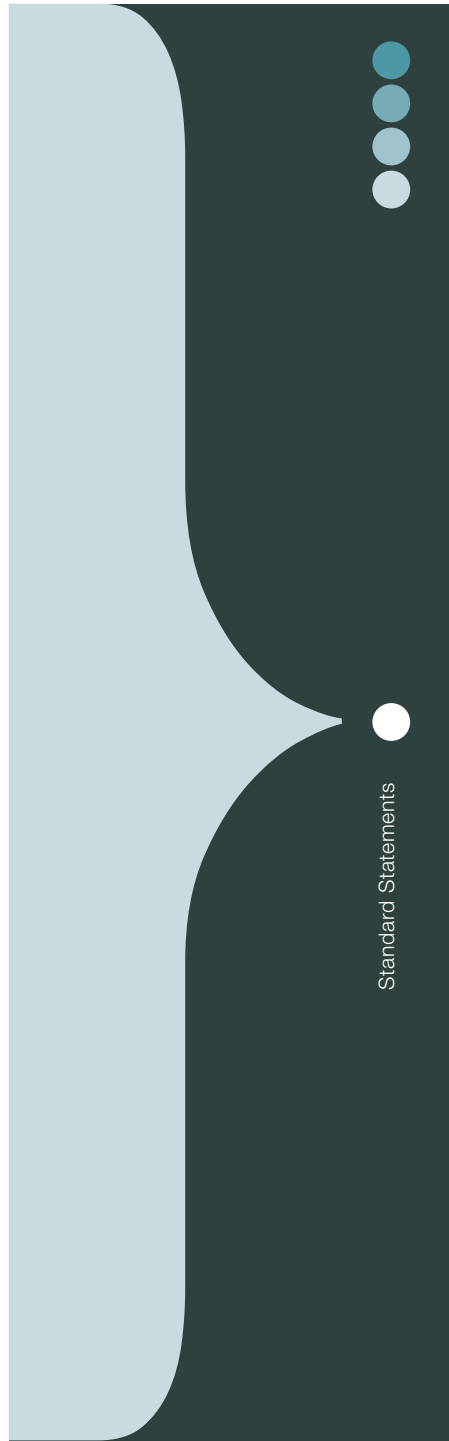
Bankers - Bendigo Community Bank

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





tandard Statements



Standard Statements

Standard Income Statement

	Budget 2008/2009 \$'000	Variations \$'000	Variance %	Actuals 2008/2009 \$'000	REF	
Revenue	Rates and charges	5,528	67	1.2	5,595	1
	Recurrent grants	4,629	1,219	26.3	5,848	2
	Non-recurrent grants	6,379	977	15.3	7,356	3
	User fees	740	(92)	(12.4)	648	3
	Contributions	94	6	6.4	100	4
	Other revenue	316	132	41.8	448	4
	Total revenue	17,686	2,309		19,995	
Expenses	Employee benefits	4,766	(102)	(2.1)	4,868	5
	Materials and services	4,269	(34)	(0.8)	4,303	6
	Finance costs	80	18	22.5	62	5
	Depreciation and amortisation	4,050	(795)	(19.6)	4,845	6
	Other expenses	207	(21)	(10.1)	228	
	Total expenses	13,372	(934)		14,306	
Net gain (loss) on disposal of assets	-	(38)	-	(38)		
Share of net profits of associates and joint ventures accounted for by the equity method	-	33	-	33		
Surplus (deficit) for the period	4,314	1,370		5,684		

Variances

Explanation

1

Recurrent grants

Higher than budget as a result of the Federal Government making an earlier than normal payment in relation to its 2009/2010 Grants Commission Allocation. Council in June 2009 received \$1,023,737 of its 2009/2010 grant allocation which would normally have been paid in the 2009/2010 financial year.

2

Non-recurrent grants

Higher than budget as a result of Council receiving grant funding for the Snake Valley Sewerage Scheme of \$1,000,000. At budget time Council was planning this project but the cost and funding of the project was unknown.

3

User Fees

Lower than budget as a result of a reduction in the amount of rechargeable works carried out by Council in the road construction and home care areas.

4

Other Revenue

Higher than budget as a result of income from contract supervision being \$78,000 higher than budget.

5

Finance cost

Lower than budget as a result of take up of Councils new loan funds being later than budgeted for.

6

Depreciation and amortisation

Council revalued its building assets at the 30.6.2008. This revaluation was the first time that Council recorded these assets at replacement value less accumulated depreciation. Previously these assets had been recorded at market value. The change to replacement cost has increased the depreciation expense on buildings by \$425,000 per annum. This increase was not known at budget time as the new valuations had not been provided to Council.



for the year ended June 30 2009



Standard Income Statement

Standard Balance Sheet

Assets

Liabilities

Budget 2008/2009 \$'000	Variations \$'000	Variance %	Actuals 2008/2009 \$'000
-------------------------------	----------------------	---------------	--------------------------------

REF

	Budget 2008/2009 \$'000	Variations \$'000	Variance %	Actuals 2008/2009 \$'000
Current assets				
Cash and cash equivalents	1,284	6,002	467.4	7,286
Trade and other receivables	854	165	19.3	1,019
Other	54	128	237.0	182
Total current assets	2,192	6,295		8,487
Non-current assets				
Trade and other receivables	81	(14)	(17.3)	67
Property, plant & equipment, infrastructure	211,040	5,895	2.8	216,935
Investments in associates	205	22	10.7	227
Total non-current assets	211,326	5,903		217,229
Total assets	213,518	12,198		225,716
Current liabilities				
Trade and other payables	618	(1,107)	(179.1)	1,725
Interest bearing loans and borrowings	169	14	8.3	155
Provisions	950	(179)	(18.8)	1,129
Trust funds and deposits	348	-	-	348
Total current liabilities	2,085	(1,272)		3,357
Non-current liabilities				
Interest bearing loans and borrowings	973	(16)	(1.6)	989
Provisions	133	(13)	(9.8)	146
Total non-current liabilities	1,106	(29)		1,135
Total liabilities	3,191	1,301		4,492
Net assets	210,327	10,897		221,224
Equity				
Accumulated surplus	82,052	1,978	2.4	84,030
Asset revaluation reserve	128,196	8,919	7.0	137,115
Other reserves	79	-	-	79
Total equity	210,327	10,897		221,224

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Variations

Explanation

7

Cash assets and cash equivalents

Higher as a result of grant funding being received earlier than anticipated and also the delay in completion of various operational and capital projects. Council also had a higher level of creditors at year end than in previous periods. This has resulted in Council holding higher levels of cash than anticipated.

8

Trade and other receivables - current

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 being paid in the 2008/2009 year than anticipated at budget time.

10

Trade and other receivables - non current

Lower as a result of a the amount of community loans outstanding being slightly lower than anticipated at budget time.

11

Investments in associates

Council's share of its equity in the Central Highlands Regional Library Group has increase by \$22,000 during the year.

12

Trade and other payables

Higher as a result of Council's final creditors run for 2008/2009 occurring in the first week of July rather than the previous year when this occurred in the last week of June. This larger amount of creditors being unpaid before year end was not anticipated at budget time.

13

Provisions - current

Lower levels of leave taken during the year than anticipated. This has caused a small variation from the original budget amount as the effect of this was not allowed in the budget.



for the year ended June 30 2009

Standard Balance Sheet

Standard Cash Flow Statement

	Budget 2008/2009 \$'000	Variations \$'000	Variance %	Actuals 2008/2009 \$'000	
Cash flows from operating activities	Receipts from customers	6,993	313	4.5	7,306
	Payments to suppliers and employees	(9,691)	(204)	(2.1)	(9,895)
	Net cash inflow (outflow) from customers/suppliers	(2,698)	109		(2,589)
	Interest received	279	(39)	(14.0)	240
	Government receipts	4,729	1,119	23.7	5,848
	Other	41	183	446.3	224
	Capital grants and contributions	7,120	267	3.8	7,387
Net cash inflow from operating activities	9,471	1,639		11,110	
Cash flows from investing activities	Proceeds from sale of property, plant & equipment, infrastructure	521	(240)	(46.1)	281
	Payments for property, plant & equipment, infrastructure	(11,826)	3,244	27.4	(8,582)
	Net cash (outflow) from investing activities	(11,305)	(3,004)		(8,301)
Cash flows from financing activities	Finance costs	(80)	16	20.0	(64)
	Trust funds and deposits	-	(118)	-	(118)
	Proceeds from borrowings	290	-	-	290
	Repayment of interest bearing loans and borrowings	(190)	7	3.7	(183)
	Net cash inflow (outflow) from financing activities	20	(95)		(75)
	Net increase (decrease) in cash and cash equivalents	(1,814)	4,548	250.7	2,734
	Cash and cash equivalents at the beginning of the year	3,098	1,454	46.9	4,552
Cash and cash equivalents at the end of the year	1,284	6,002		7,286	
Reconciliation of Surplus (Deficit) and Net Cash Flows from Operating Activities For the year ending 30 June 2009	Surplus (deficit)	4,314	1,370	31.8	5,684
	Depreciation and amortisation	4,050	795	19.6	4,845
	(Profit) loss on sale of property, plant & equipment, infrastructure	-	38	-	38
	Finance costs	80	(16)	(20.0)	64
	Net movement in current assets and liabilities	1,027	(548)	(53.4)	479
Net cash inflow (outflow) from operating activities	9,471	1,639		11,110	

REF

14

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16

17

18

19

20

Variances

Explanation

- 14 **Interest received (inflow)**
Lower as a result of reduction in interest rates during the year.
- 15 **Capital grants income received (inflow)**
Higher than budget as a result of the Federal Government making an earlier than normal payment in relation to its 2009/2010 Grants Commission Allocation. Council in June 2009 received \$1,023,737 of its 2009/2010 grant allocation which would normally have been paid in the 2009/2010 financial year.
- 16 **Other income received (inflow)**
Higher than budget as a result of income from contract supervision being \$78,000 higher than budget.
- 17 **Proceeds from sale of property, plant and equipment, infrastructure (inflow)**
The number of plant items traded during the year was less than budgeted for.
- 18 **Payments for property, plant and equipment, infrastructure (outflow)**
Lower as a result of a number of capital works projects being delayed.
- 19 **Finance costs**
Lower as result of a lower level of receipts being received associated with Grampians Pyrenees Regional Development Board than in prior periods.
- 20 **Trust funds**
Lower than budget as a result of take up of Council's new loan funds being later than budgeted for.



for the year ended June 30 2009

Standard Cash Flow Statement

Standard Cash Flow Statement

Capital Works Areas

Represented by:

Property, plant and equipment, infrastructure movement reconciliation worksheet

	Budget 2008/2009 \$'000	Variances \$'000	Variance %	Actuals 2008/2009 \$'000	REF
Roads	7,728	(576)	(7.5)	7,152	
Land improvements	601	(185)	(30.8)	416	21
Buildings	1,592	(876)	(55.0)	716	22
Plant and equipment and other	830	(144)	(17.3)	686	23
Total capital works	10,751	(1,781)		8,970	

Renewal of infrastructure	2,929	(81)	(2.8)	2,848	
Upgrade of infrastructure	5,068	(499)	(9.8)	4,569	
New infrastructure	2,754	(1,201)	(43.6)	1,553	24
Total capital works	10,751	(1,781)		8,970	

	Budget 2008/2009 \$'000	Variances \$'000	Variance %	Actuals 2008/2009 \$'000	REF
Total capital works	10,751	(1,781)	(16.6)	8,970	
Depreciation and amortisation	(4,050)	(795)	(19.6)	(4,845)	
Written down value of assets sold	(521)	189	36.3	(332)	
Net movement in property, plant & equipment, infrastructure	6,180	(2,387)		3,793	

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:

Variations

Explanation

21

Land Improvements

Lower as a result of a delay in the Beaufort Industrial Land Development project. This project will now occur in 2009-2010.

22

Buildings

Lower as a result of the Beaufort Community Hub (\$816,000). This project was reliant on government grant funding. Application for grant funds for this project was not successful in 2009-2010 and as a consequence this project has now been delayed until 2009/2010.

23

Asset revaluation movement

It was not possible to predict the level of asset revaluation at budget time.

24

Plant and equipment and other

The number of plant items traded during the year was lower than the amount that was budgeted for.



for the year ended June 30 2009



Standard Cash Flow Statement

Income Statement	84
Balance Sheet	85
Statement of Changes in Equity	86
Statement of Cash Flows	87
Notes to Financial Statements	
Introduction	88
Note 1	Significant accounting policies 88-94
Note 2	Rates 95
Note 3	User charges and other fines 95
Note 4	Grants 96-97
Note 5	Contributions 98
Note 6	Other revenue 98
Note 7	Proceeds from disposal of property, infrastructure, plant and equipment 98
Note 8	Employee benefits 99
Note 9	Contract payments, materials and services 99
Note 10	Depreciation and amortisation 100
Note 11	Finance costs 100
Note 12	Other expenses 100
Note 13	Investments in associates 100
Note 14	Cash assets 101
Note 15	Receivables 101
Note 16	Other current assets 101
Note 17	Property, infrastructure, plant and equipment 102-107
Note 18	Payables 108
Note 19	Trust funds 108
Note 20	Provisions 108-109
Note 21	Interest bearing liabilities 110
Note 22	Reserves 111-112
Note 23	Reconciliation of operating result with net cash from operations 113
Note 24	Reconciliation of cash at year-end to cash assets 113
Note 25	Financing arrangements 113
Note 26	Restricted assets 113
Note 27	Superannuation 114-115
Note 28	Commitments 116
Note 29	Operating lease commitments 117
Note 30	Contingent liabilities and contingent assets 117
Note 31	Financial instruments 118-121
Note 32	Auditors' remuneration 121
Note 33	Events occurring after balance date 122
Note 34	Related party transactions 122-123
Note 35	Revenue, expenses and assets by function/activities 124
Note 36	Capital Expenditure 125
Note 37	Financial ratios (Performance indicators) 126
Certification of the Financial Report	127



Financial Reports

Standard Cash Flow Statement

Income Statement

for the year ended 30 June 2009

	NOTE	2009 \$'000	2008 \$'000	
Revenue	Rates and garbage charge	2	5,595	5,192
	User charges and other fines	3	648	775
	Grants - Recurrent	4	5,848	4,742
	Grants - Non Recurrent	4	7,356	3,126
	Contributions	5	100	385
	Other revenue	6	204	142
	Interest		244	312
	Total Revenue		19,995	14,674
Expenses	Employee benefits	8	(4,868)	(4,379)
	Contract payments, materials and services	9	(4,303)	(4,036)
	Depreciation	10	(4,845)	(4,204)
	Finance costs	11	(62)	(76)
	Other expenses	12	(228)	(433)
	Total Expenses		(14,306)	(13,128)
	Surplus prior to :		5,689	1,546
Net gain on disposal of property, plant and equipment, infrastructure	7	(38)	332	
Share of net profits (losses) of associates and joint ventures accounted for by the equity method	13	33	(11)	
Surplus(deficit) for the year		5,684	1,867	

The above statement should be read with the accompanying notes



Balance Sheet

for the year ended 30 June 2009

	NOTE	2009 \$'000	2008 \$'000		
Assets	Current Assets	Cash assets	14	7,286	4,552
		Receivables	15	1,019	676
		Other assets	16	182	132
		Total current assets		8,487	5,360
	Non-Current Assets	Receivables	15	67	74
		Investments in associates	13	227	194
		Property, infrastructure, plant & equipment	17	216,935	213,129
		Total non-current assets		217,229	213,397
		Total Assets		225,716	218,757
	Liabilities	Current Liabilities	Payables	18	1,725
Trust funds			19	348	466
Provisions			20	1,129	1,134
Interest-bearing liabilities			21	155	180
Total current liabilities				3,357	2,223
Non-Current Liabilities		Provisions	20	146	137
		Interest-bearing liabilities	21	989	857
		Total non-current liabilities		1,135	994
		Total Liabilities		4,492	3,217
		Net Assets		221,224	215,540
Represented by	Accumulated surplus		84,030	78,346	
	Reserves	22	137,194	137,194	
	Equity		221,224	215,540	

The above statement should be read with the accompanying notes



Statement of Changes in Equity

for the year ended 30 June 2009

	NOTE	Total 2009 \$'000	Total 2008 \$'000	Accumulated Surplus 2009 \$'000	Accumulated Surplus 2008 \$'000	Asset Revaluation Reserve 2009 \$'000	Asset Revaluation Reserve 2008 \$'000	Other Reserves 2009 \$'000	Other Reserves 2008 \$'000
Balance at beginning of the financial year		215,540	204,754	78,346	76,479	137,115	128,196	79	79
Result for the year		5,684	1,867	5,684	1,867	-	-	-	-
Net asset revaluation increment(decrement)	22(a)	-	8,919	-	-	-	8,919	-	-
Balance at end of the financial year		221,224	215,540	84,030	78,346	137,115	137,115	79	79

The above statement should be read with the accompanying notes



Statement of Cash Flows

for the year ended 30 June 2009

	2009 Inflows/ (Outflows) \$'000	2008 Inflows/ (Outflows) \$'000
--	--	--



	NOTE	2009 Inflows/ (Outflows) \$'000	2008 Inflows/ (Outflows) \$'000
Rates		5,532	5,152
User charges and other fines (inclusive of GST)		713	851
Grants (inclusive of GST)		13,235	8,792
Contributions (inclusive of GST)		107	437
Interest		240	312
Other receipts (inclusive of GST)		224	156
Net GST refund/payment		954	625
Payments to suppliers (inclusive of GST)		(4,802)	(4,256)
Payments to employees (including redundancies)		(4,865)	(5,283)
Other payments		(228)	(433)
Net cash provided by (used in) operating activities	23	11,110	6,353
Payments for property, infrastructure, plant & equipment		(8,582)	(7,292)
Proceeds from sale of property, infrastructure, plant & equipment		281	670
Net cash provided by (used in) investing activities		(8,301)	(6,622)
Trust funds and deposits		(118)	253
Proceeds from interest bearing liabilities		290	-
Repayment of interest bearing liabilities		(183)	(167)
Finance costs		(64)	(78)
Net cash provided by (used in) financing activities		(75)	8
Net increase (decrease) in cash held		2,734	(261)
Cash at the beginning of the financial year		4,552	4,813
Cash at the end of the financial year	24	7,286	4,552
Financing arrangements	25	400	400
Restrictions on cash assets	26	791	834

The above statement should be read with the accompanying notes



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 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.

1 Significant accounting policies

(a) 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).

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

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

1 Significant accounting policies

(b) Change 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	App. date of Std	App. date for Council
AASB 2008 - 11	AASB 3 Business Combinations	Amends an earlier version of AASB 3 issued in July 2004. However, before the mandatory application of this Standard the Australian Accounting Standards Board will consider the suitability of this Standard for combinations in the not for profit sector. This may result in further amendments to this Standard or an additional scope exclusion. Consequently, it is not possible to assess the likely impact of this Standard on Council.	1-Jul-09	1-Jul-09
AASB 2007 - 06	AASB 101 Presentation of Financial Statements	Amends an earlier version of AASB 101 issued in July 2006. This Standard introduces the concept of a "complete set of financial statements" and amends the title of some statements in the accounts. The other change of some relevance to Council relates to reporting owner changes in equity and comprehensive income. No significant impacts are expected to arise from this Standard.	1-Jan-09	1-Jan-09
AASB 2007 - 08	AASB 123 Borrowing Costs	Amends an earlier version of AASB 123 issued in July 2004. This Standard requires borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset to be capitalised. Previously, entities had the option of expensing such costs. Subject to the existence of borrowings for the purpose of funding capital expenditure, this standard will require related borrowing costs to be capitalised rather than expensed. It is not expected that this will have a material impact on the reported financial performance or position of Council.	1-Jan-09	1-Jan-09
AASB 2008 - 5	AASB 127 Consolidated and Separate Financial Statements	Amends an earlier version of AASB 127 issued in July 2004. This standard makes various relatively minor changes. This Standard is not expected to have any impact on Council.	1-Jul-09	1-Jul-09
AASB 2008-1, AASB 2008-2, AASB 2008-3, AASB 2008-5, AASB 2008-6AASB 2008-7,	Various	These standards make revisions, which are generally minor, to a range of other accounting standards. It is not expected that these Standards will have any significant impact on Council.	1-Jan-09	1-Jan-09

Council has adopted a new policy in regards to the recognition of land under roads. Land under roads acquired after 30 June 2008 is brought to account using the fair value basis. Council does not recognise land under roads that is controlled prior to that period in its financial report. There has been no financial effect to Council as a result of this policy change in 2008/2009.

1 Significant accounting policies

(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.

(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

Buildings	50 years
Land improvements	25 years

Heritage assets

Heritage assets	50 years
-----------------	----------

Plant and equipment

Plant and machinery	5-10 years
Furniture, equipment, & computers	5-10 years

Infrastructure

Roads	
- Substructure	50 years
- Seal	13 years
Footpaths	50 years
Kerb and channel	50 years
Culverts	50 years
Bridges	
- Substructure	50-75 years
- Deck	50-75 years

Other

Other structures	25 years
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1 Significant accounting policies

(e) Repairs and Maintenance

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

(f) Borrowing costs

Borrowing costs 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.

(g) Acquisition

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

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

The following classes of assets have been recognised in note 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

Land	nil
Land under roads	nil
Buildings	10
Land improvements	10

Plant and equipment

Plant and machinery	1
Furniture, equipment, and computers	1

Infrastructure

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

Other

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

1 Significant accounting policies

(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. Fair value is the written down current replacement cost. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

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

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

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using the fair value basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

(h) Cash and cash equivalents

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

(i) 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.

(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

(m) Employee benefits

Wages and salaries

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

Annual leave

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

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

Long service leave

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

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

Superannuation

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

Operating leases

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

Leasehold improvements

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

(o) Allocation between current and non-current

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

(p) Agreements equally proportionately unperformed

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

(q) Web site costs

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

1 Significant accounting policies

(r) Goods and Services Tax (GST)

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

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

(s) Impairment of assets

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

(t) Rounding

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

(u) 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.

(v) Inventories

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

2 Rates and garbage charge

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

The valuation base used to calculate general rates for 2008/2009 was \$1,411 million (2007/2008 \$1,202 million). The 2008/2009 rate in the CIV dollar was 0.3531 (2007/2008, was 0.3848).

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2008, and the valuation was first applied to the rating period commencing 1 July 2008.

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2010, and the valuation will be first applied in the rating year commencing 1 July 2010.

	2009 \$'000	2008 \$'000
	↓	↓
Residential	1,512	1,446
Commercial / Industrial	120	116
Recreation & Cultural	10	10
Farm/Rural	2,656	2,468
Vacant land	581	519
Wind Farm	33	-
Interest on rates	58	52
Garbage charge	625	581
	5,595	5,192

3 User charges and other fines

	2009 \$'000	2008 \$'000
	↓	↓
Animal registration fees	59	54
Town planning fees	58	36
Building fees	83	87
Meals on wheels	54	67
General home help	108	147
Private works	24	70
Garbage disposal fees	9	16
Valuation fees/supplementary charges	-	47
Environmental health	22	20
Resource & information centre fees & charges	82	75
Land information certificates	7	8
Economic development	28	63
Hall hire	7	6
Rental and room hire charges	59	67
ADASS	9	9
Other	39	3
	648	775

4 Grants

2009 \$'000

2008 \$'000

Grants were received in respect of the following :

Commonwealth Government

State Government ; General Purpose

	2009 \$'000	2008 \$'000
Roads to Recovery	998	465
Auslink	3,600	400
Regional and Community Support program	315	-
Family and children	114	158
	5,027	1,023
Grants Commission	2,870	2,046
Local roads grant	2,186	1,635
Snake Valley sewerage scheme	1,000	-
Aged care & senior citizens	355	318
Landsborough - Navarre desalination plant	250	-
Moonambel multipurpose facility -Community Support Fund	176	-
Moonambel multipurpose facility -RDV	125	-
Adult day care	120	116
Avoca streetscape	100	100
Vinoca Road	100	-
Maternal & child health	95	73
Moonambel multipurpose facility -Local and Community Fund	80	-
Drought Support Officer	75	38
Avoca Recreation Reserve enhancement project	72	-
Council dams & bores	50	-
Go For Your Life' active program	50	-
Avoca Bowling Green replacement	47	-
Kindergarten participation	36	-
Youth Outreach program	35	32
Strategic planning	35	10
Goldfields Recreation Reserve - water harvesting project	33	33
Podiatry	25	24
Heatwave plan	25	-
Wine industry marketing	25	-
Fire access tracks	20	8
Regional Development Victoria	20	-
Community Support Fund	18	16
Small towns development fund - Raglan Hall	15	15
Event sponsorship	15	15
Avoca community conversations	15	-
Meals on wheels	13	10
Other	84	71
Drought - relief funding	9	44
Drought - building drought resilient communities	3	50
Better Roads program	-	2,018
Snake Valley fire	-	51
Local area planning project	-	40
Arts Victoria - flame project	-	35
Natte Yallock toilet block	-	27
Moonambel multipurpose facility	-	20
	8,177	6,845

CONT.

4 Grants		2009 \$'000	2008 \$'000	
		↓	↓	
	Total Grants	13,204	7,868	
	Victorian Grants Commission	5,056	3,681	
	Other Government Grants	8,148	4,187	
	Total	13,204	7,868	
	Recurrent	5,848	4,742	
	Non-Recurrent	7,356	3,126	
	Total	13,204	7,868	
<p>Conditions on Grants</p> <p>Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:</p>	Roads to Recovery	126	465	
	Auslink (Eurambeen - Streatham)	577	400	
	Drought - Relief Funding	-	50	
	Regional and Community Support program	182	-	
	Snake Valley sewerage scheme	1,000	-	
	Landsborough - Navarre desalination plant	250	-	
	Avoca Recreation Reserve enhancement project	72	-	
	Go For Your Life' active program	50	-	
	Heatwave plan	25	-	
	Avoca community conversations	15	-	
		2,297	915	
	<p>Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:</p>	Roads to Recovery	465	-
		Auslink (Waubra - Beaufort Road & Eurambeen - Streatham)	400	-
Drought - building drought resilient communities		50	50	
Exceptional circumstances drought program		-	284	
Better roads program		-	120	
Council dams & bores		-	87	
Goldfields Boatshed upgrade		-	75	
Beaufort Industrial Estate		-	47	
Recreation and sporting facilities planning grant		-	22	
	915	685		
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	1,382	230		

		2009 \$'000	2008 \$'000	
5	Contributions			
		↓	↓	
	Capital Works	71	219	
	General	29	166	
		100	385	
6	Other revenue			
		↓	↓	
	Engineering administration	78	62	
	Private works - reimbursements	50	39	
	Administration exceptional circumstances claims	6	7	
	GIS Mapping Income	48	-	
	Other	22	34	
		204	142	
7	Proceeds from disposal of property, infrastructure, plant and equipment			
		↓	↓	
Plant and equipment	{	Proceeds from sale of assets	58	502
		Written down value of assets sold	(105)	(274)
		Profit(loss) on sale of land, plant and equipment	(47)	228
Land and buildings	{	Proceeds from sale of land & buildings	223	162
		Written down value of land & buildings sold	(214)	(58)
		Profit(loss) on sale of land and buildings	9	104
Summary	{	Proceeds from sale of assets	281	664
		Written down value of assets sold	(319)	(332)
		Profit(loss) on sale of assets	(38)	332

8 Employee benefits		2009 \$'000	2008 \$'000
		↓	↓
	Wages and salaries	3,802	3,392
	Annual leave and long service leave	445	450
	Superannuation	495	396
	Fringe benefits tax and work cover	126	141
		4,868	4,379

9 Contract payments, materials and services		2009 \$'000	2008 \$'000
		↓	↓
	Conferences	32	39
	Valuations	40	61
	Contractors	1,734	1,664
	Subscriptions	64	53
	Councillor allowances	114	84
	Stationery and printing	44	38
	Advertising	74	57
	Postage	30	27
	Light, power and water	131	105
	Cleaning	70	79
	Audit - internal and external	36	23
	Legal fees	38	63
	Contributions and donations	260	233
	Insurance	166	147
	Plant expenses	357	267
	Telephone	136	140
	Information technology	54	205
	Materials and services	923	751
	Total Contract, Materials and Services Payments	4,303	4,036

10 Depreciation		2009 \$'000	2008 \$'000
		↓	↓
	Buildings	590	165
	Land improvements	103	99
	Plant and machinery	410	387
	Furniture, equipment, and computers	42	39
	Roads	2,469	2,349
	Road seals	846	790
	Footpaths	13	11
	Kerb and channel	30	30
	Drains	116	115
	Bridges	211	204
	Other Structures	15	15
		4,845	4,204
11 Finance costs		2009 \$'000	2008 \$'000
		↓	↓
	Interest - borrowings	62	76
	Finance costs	62	76
12 Other expenses		2009 \$'000	2008 \$'000
		↓	↓
	Other	228	433
		228	433
13 Investment in associates		2009 \$'000	2008 \$'000
		↓	↓
Investments in associates accounted for by the equity method are:	- Equity in Central Highlands Regional Library Corporation (Refer Note 1)	227	194
		227	194

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 2009. That interest is calculated on the same ratio as its contribution to the operating costs of the service.

The Corporation reported a profit of \$682,000 for the year (2007/2008 a loss of \$407,000) of which Council's share was \$33,000 (2007/2008 share of loss of \$11,000), increasing its share of retained earnings to \$142,000. 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.

14 Cash assets		2009 \$'000	2008 \$'000
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	↓		↓
Cash on hand	2	2	
Cash at bank	2,284	523	
Bank term deposits	5,000	4,027	
	7,286	4,552	

15 Receivables		2009 \$'000	2008 \$'000
----------------	--	-------------	-------------

Current {

Non-current {

	↓		↓
Rates debtors	348	285	
Loans and advances to community organisations	7	7	
Sundry debtors	590	331	
Net ATO receivable	74	53	
	1,019	676	
Community loans	67	74	
	67	74	
Total	1,086	750	

16 Other assets		2009 \$'000	2008 \$'000
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	↓		↓
Accrued income	17	21	
Prepayments	162	107	
Inventories	3	4	
Total	182	132	

CONT.

		2009	\$'000	2008	\$'000
17 Property, plant & equipment, infrastructure					
			↓		↓
Summary		at cost	24,612	16,093	
		Less accumulated depreciation	(3,670)	(2,969)	
			20,942	13,124	
		at fair value as at 30 June 2008	33,329	33,434	
		Less accumulated depreciation	(14,131)	(13,541)	
			19,198	19,893	
		at fair value as at 1 July 2006	240,782	240,783	
		Less accumulated depreciation	(63,987)	(60,671)	
		176,795	180,112		
	Total	216,935	213,129		
Land & Buildings	Land - Freehold	at fair value as at 30 June 2008	3,804	3,909	
			3,804	3,909	
	Land Improvements	at cost	2,776	2,360	
		Less accumulated depreciation	(414)	(311)	
			2,362	2,049	
		Total Land	6,166	5,958	
	Buildings	at cost	809	94	
		Less accumulated depreciation	-	-	
			809	94	
		at fair value as at 30 June 2008	29,525	29,525	
		Less accumulated depreciation	(14,131)	(13,541)	
			15,394	15,984	
	Total Buildings	16,203	16,078		
	Total Land and Buildings	22,369	22,036		



Valuation of land and building assets has been determined in accordance with a valuation carried out by , Mr Peter Hann, FAPI, Certified Practising Valuer of LG Valuation Services.

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

CONT.

17 Property, plant & equipment, infrastructure		2009 \$'000	2008 \$'000	
		↓	↓	
Plant and Machinery	at cost	4,462	4,266	
	Less accumulated depreciation	(2,072)	(1,902)	
	Total Plant and Machinery	2,390	2,364	
Furniture, Equipment, & Computers	at cost	659	621	
	Less accumulated depreciation	(540)	(499)	
	Total Furniture, Equipment, and Computers	119	122	
	Total Plant and Equipment	2,509	2,486	
Infrastructure	Road Substructure	at cost	12,501	6,159
		Less accumulated depreciation	(263)	(77)
			12,238	6,082
	at fair value as at 1 July 2006		196,031	196,032
		Less accumulated depreciation	(43,825)	(41,540)
		Total Road Substructure	152,206	154,492
	Total Road Substructure	164,444	160,574	
Road Seal	at cost	2,861	2,195	
	Less accumulated depreciation	(371)	(179)	
		2,490	2,016	
	at fair value as at 1 July 2006	10,062	10,062	
	Less accumulated depreciation	(4,770)	(4,114)	
		5,292	5,948	
	Total Road Seal	7,782	7,964	
Footpaths	at cost	93	82	
	Less accumulated depreciation	(2)	(1)	
		91	81	
	at fair value as at 1 July 2006	586	586	
	Less accumulated depreciation	(197)	(186)	
		389	400	
	Total Footpaths	480	481	



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

CONT.

17 Property, plant & equipment, infrastructure		2009 \$'000	2008 \$'000	
Infrastructure	Kerb and Channel	at cost	4	4
		Less accumulated depreciation	-	-
			4	4
		at fair value as at 1 July 2006	2,271	2,271
		Less accumulated depreciation	(886)	(855)
		Total Kerb and Channel	1,385	1,416
	Culverts	at cost	30	20
		Less accumulated depreciation	(1)	-
			29	20
		at fair value as at 1 July 2006	11,078	11,078
		Less accumulated depreciation	(5,190)	(5,075)
		Total Culverts	5,888	6,003
	Bridges	at cost	417	292
		Less accumulated depreciation	(7)	-
			410	292
		at fair value as at 1 July 2006	20,383	20,383
		Less accumulated depreciation	(8,988)	(8,784)
		Total Bridges	11,395	11,599
	Other Structures	at fair value as at 1 July 2006	371	371
		Less accumulated depreciation	(131)	(117)
Total		240	254	
Total Other Structures		240	254	
	Total Infrastructure	192,057	188,607	
	Total property, infrastructure, plant and equipment	216,935	213,129	





17 Property, plant & equipment, infrastructure



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.

17 Property, plant & equipment, infrastructure

2009

	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 22)	Depreciation and amortisation (note 11)	Written down value of disposals	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	land	3,909	-	-	-	105	3,804
	land improvements	2,049	416	-	103	-	2,362
	Total land	5,958	416	-	103	105	6,166
	buildings	16,078	715	-	590	-	16,203
	Total buildings	16,078	715	-	590	-	16,203
	Total property	22,036	1,131	-	693	105	22,369
Plant & Equipment	plant, machinery & equipment	2,364	650	-	410	214	2,390
	fixtures, fittings and furniture	122	39	-	42	-	119
	Total plant and equipment	2,486	689	-	452	214	2,509
Infrastructure	road substructure	160,574	6,339	-	2,469	-	164,444
	road seals	7,964	664	-	846	-	7,782
	footpaths	481	11	-	13	-	479
	kerb & channel	1,420	-	-	30	-	1,390
	culverts	6,023	10	-	116	-	5,917
	bridges	11,891	125	-	211	-	11,805
	other structures	254	1	-	15	-	240
	Total infrastructure	188,607	7,150	-	3,700	-	192,057
Total property, plant & equipment, infrastructure	213,129	8,970	-	4,845	319	216,935	

17 Property, plant & equipment, infrastructure

2008

	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 22)	Depreciation and amortisation (note 11)	Written down value of disposals	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	land	2,793	-	1,116	-	-	3,909
	land improvements	1,990	579	(363)	99	58	2,049
	Total land	4,783	579	753	99	58	5,958
	buildings	7,948	129	8,166	165	-	16,078
	Total buildings	7,948	129	8,166	165	-	16,078
	Total property	12,731	708	8,919	264	58	22,036
Plant & Equipment	plant, machinery & equipment	1,652	1,373	-	387	274	2,364
	fixtures, fittings and furniture	118	43	-	39	-	122
	Total plant and equipment	1,770	1,416	-	426	274	2,486
Infrastructure	road substructure	159,170	3,753	-	2,349	-	160,574
	road seals	7,865	889	-	790	-	7,964
	footpaths	411	81	-	11	-	481
	kerb & channel	1,446	4	-	30	-	1,420
	culverts	6,118	20	-	115	-	6,023
	bridges	11,820	275	-	204	-	11,891
	other structures	269	-	-	15	-	254
	Total infrastructure	187,099	5,022	-	3,514	-	188,607
Total property, plant & equipment, infrastructure	201,600	7,146	8,919	4,204	332	-	213,129

(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.

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

18 Payables

Trade creditors	1,379	272
Accrued expenses	346	171
	1,725	443

19 Trust funds

2009 \$'000

2008 \$'000

Refundable building deposits	45	38
Refundable contract deposits	15	10
Refundable Camp Hill trust funds	21	21
Refundable Grampians Pyrenees Regional Development Board	253	339
Refundable contract retention deposits trust funds	-	44
Other refundable deposits	14	14
	348	466

20 Provisions

	Annual leave \$ '000	Long service leave \$ '000	Landfill restoration \$ '000	Total \$ '000
Balance at beginning of the financial year	387	834	50	1,271
Additional provisions	376	73	-	449
Amounts used	(339)	(106)	-	(445)
Balance at the end of the financial year	424	801	50	1,275
Balance at beginning of the financial year	327	706	50	1,083
Additional provisions	310	202	-	512
Amounts used	(250)	(74)	-	(324)
Balance at the end of the financial year	387	834	50	1,271

20 Provisions

(a) Employee benefits	2009 \$'000	2008 \$'000
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	445	324
Other long term employee benefits that do fall due within 12 months after the end of the period measured at nominal value	684	810
	1,129	1,134
LSL representing less than 10 years of continuous service measured at present value	96	87
Landfill Restoration	50	50
Total	146	137

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.

Non-Current

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	4.45%	4.75%
Weighted average discount rates	5.48%	6.55%
Weighted average settlement period	11	11

21 Interest-bearing liabilities

<p>Current</p> <p>Non-current</p>	}	<p>Borrowings - secured</p> <p>Borrowings - secured</p> <p>Total</p>	<table border="1"> <tr> <td style="background-color: #4682b4; color: white;">155</td> <td style="background-color: #808080; color: white;">180</td> </tr> <tr> <td style="background-color: #4682b4; color: white;">989</td> <td style="background-color: #808080; color: white;">857</td> </tr> <tr> <td style="background-color: #333333; color: white;">1,144</td> <td style="background-color: #808080; color: white;">1,037</td> </tr> </table>	155	180	989	857	1,144	1,037		
155	180										
989	857										
1,144	1,037										
<p>The maturity profile for Council's borrowings is:</p>	}	<p>Not later than one year</p> <p>Later than one year and not later than five years</p> <p>Later than five years</p> <p>Total</p>	<table border="1"> <tr> <td style="background-color: #4682b4; color: white;">155</td> <td style="background-color: #808080; color: white;">180</td> </tr> <tr> <td style="background-color: #4682b4; color: white;">461</td> <td style="background-color: #808080; color: white;">641</td> </tr> <tr> <td style="background-color: #4682b4; color: white;">528</td> <td style="background-color: #808080; color: white;">216</td> </tr> <tr> <td style="background-color: #333333; color: white;">1,144</td> <td style="background-color: #808080; color: white;">1,037</td> </tr> </table>	155	180	461	641	528	216	1,144	1,037
155	180										
461	641										
528	216										
1,144	1,037										

22 Reserves

(a) Asset revaluation reserves		Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
2009				
Property	land	2,315	-	2,315
	buildings	9,691	-	9,691
		12,006	-	12,006
Infrastructure	road substructure	109,717	-	109,717
	road seals	2,090	-	2,090
	footpaths	137	-	137
	kerb & channel	364	-	364
	culverts	4,845	-	4,845
	bridges	7,615	-	7,615
	plant & equipment	301	-	301
	furniture & fittings	40	-	40
		125,109	-	125,109
		Total Asset revaluation reserves	137,115	-
2008				
Property	land	1,562	753	2,315
	buildings	1,525	8,166	9,691
		3,087	8,919	12,006
Infrastructure	road substructure	109,717	-	109,717
	road seals	2,090	-	2,090
	footpaths	137	-	137
	kerb & channel	364	-	364
	culverts	4,845	-	4,845
	bridges	7,615	-	7,615
	plant & equipment	301	-	301
	furniture & fittings	40	-	40
		125,109	-	125,109
		Total Asset revaluation reserves	128,196	8,919

22 Reserves

(b) Other reserves

		Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2009	Other reserves {	recreation land	9	-	9
		gravel pits	70	-	70
		Total Other reserves	79	-	-
2008	Other reserves {	recreation land	9	-	9
		gravel pits	70	-	70
		Total Other reserves	79	-	-

(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

		2009 \$'000	2008 \$'000
23	Reconciliation of result from ordinary activities with net cash from operations		
	Surplus(deficit) for the year	5,684	1,867
	Finance costs	64	76
	Depreciation/amortisation	4,845	4,204
	(Profit)/loss on disposal of property, infrastructure, plant and equipment (see note 7)	38	(332)
	Change in assets and liabilities:	2009 \$'000	2008 \$'000
	(Increase) in receivables	(336)	585
	(Increase)/decrease in prepayments	(55)	(77)
	(Increase)/decrease in accrued income	4	(3)
	Increase/(decrease) in payables	895	(168)
	Decrease in inventories	1	2
	Increase in employee benefits	3	188
	(Increase)/decrease in investment in library	(33)	11
	Net cash provided by/(used in) operating activities	11,110	6,353
24	Reconciliation of cash at year-end to cash assets	2009 \$'000	2008 \$'000
	Cash assets (see note 14)	7,286	4,552
		7,286	4,552
25	Financing arrangements	2009 \$'000	2008 \$'000
	Bank overdraft	400	400
	Unused facilities	400	400
26	Restricted assets	2009 \$'000	2008 \$'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).		
	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.		
	Long service leave (note 20)	791	830
	Reserves (note 22b)	79	79
	Trust funds (note 19)	348	466
		1,218	1,375

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). Obligations for contributions are recognised as an expense in profit or loss when they are due. 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);

Fund surplus or deficit (ie the difference between fund assets and liabilities) are calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in a council's financial statements. AAS 25 requires that the present value of the benefit liability which is calculated in respect of membership completed at the calculation date makes no allowance for future benefits that may accrue. The actuarial investigation concluded that although the Net Market Value of Assets was in excess of Accrued Benefits at 31 December 2008, based on the assumptions adopted, there was a shortfall of \$71 million when the funding of future benefits was also considered. However, the council has been advised that no additional contributions will be required as at 30 June 2009. The Actuary will undertake the next actuarial investigation as at 30 June 2010 to ascertain if additional contributions are required.

Accounting Standard Disclosure

The Fund's liability for accrued benefits was determined by the Actuary at 31 December 2008 pursuant to the requirements of Australian Accounting Standard AAS25 follows:

	31 Dec '08
	\$'000
Net Market Value of Assets	3,630,432
Accrued Benefits (per accounting standards)	3,616,422
Difference between Assets and Accrued Benefits	14,010
Vested Benefits	3,561,588
Net Investment Return	8.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

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

Fund	2009 \$'000	2008 \$'000
Defined benefit plans		
Employer contributions to Vision Super Fund	200	150
	200	150
Accumulation funds		
Employer contributions payable to Vision Super Fund	-	-
	-	-
Employer contributions to -		
Employer contributions to Vision Super	206	257
Pimp-ATF Select Super	-	3
Mercer Super trust	-	1
Health Super	5	4
MIML Macquarie Super	7	6
Macquarie Investments Super	6	5
Adelaide Managed Fund	5	
Sun Superannuation	4	
	233	276

28 Commitments

The Council has entered into the following commitments:

					2009			
			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	136	-	-	136		
		Swimming pool management	82	-	-	82		
Operating	{	Transfer station management	269	-	-	269		
		Garbage	132	-	-	132		
		Recycling	141	-	-	141		
		Totals	760	-	-	760		

					2008			
Capital	{	Construction works	3,055	-	-	3,055		
		Transfer station management	82	82	-	164		
Operating	{	Garbage	212	212	-	424		
		Recycling	189	189	-	378		
		Plant and equipment	141	141	-	282		
		Totals	3,679	624	-	4,303		

29 Operating Lease Commitments

2009 \$'000

2008 \$'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):

Not later than one year	112	133
Later than one year and not later than five years	229	50
Later than five years	-	-
	341	183

30 Contingent Liabilities

Council formerly operated landfill sites at Lexton, Ampitheatre and Beaufort under S194(2A) and 2I 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)

(a) Accounting Policy, Terms and Conditions

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 4.0% (7.87% in 2007/2008). Funds returned fixed interest rate of between 2.5% (7.1% in 2007/2008), and 8.22% (7.87% in 2007/2008) 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 2007/2008%). 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 6.93% during 2008/2009 (6.95% in 2007/2008).
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.

31 Financial Instruments

(b) Interest Rate Risk

2009

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:

	Floating Interest rate \$'000	Fixed interest maturing in: 1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000	
Financial assets	Cash assets	2,284	5,000	-	-	2	7,286
	Other financial assets	-	-	-	-	-	-
	Receivables	-	7	32	42	1,012	1,093
	Accrued income	-	-	-	-	17	17
	Total financial assets	2,284	5,007	32	42	1,031	8,396
	Weighted average interest rate	7.50%	7.72%				
Financial liabilities	Payables	-	-	-	-	1,725	1,725
	Trust funds	-	-	-	-	348	348
	Interest-bearing liabilities	-	155	461	528	-	1,144
	Total financial liabilities	-	155	461	528	2,073	3,217
	Weighted average interest rate		6.93%	6.83%	6.66%		
Net financial assets (liabilities)	2,284	4,852	(429)	(486)	(1,042)	5,179	

2008

Financial assets	Cash assets	523	4,027	-	-	2	4,552
	Other financial assets	-	-	-	-	-	-
	Receivables	-	7	32	42	669	750
	Accrued income	-	-	-	-	21	21
	Total financial assets	523	4,034	32	42	692	5,323
	Weighted average interest rate	7.50%	7.72%				
Financial liabilities	Payables	-	-	-	-	443	443
	Trust funds	-	-	-	-	466	466
	Interest-bearing liabilities	-	180	641	216	-	1,037
	Total financial liabilities	-	180	641	216	909	1,946
	Weighted average interest rate		6.95%	6.95%	6.66%		
Net financial assets (liabilities)	523	3,854	(609)	(174)	(217)	3,377	

(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.

(e) Risks and mitigation

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

Market risk

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

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

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

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

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

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

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

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

Credit risk

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

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

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

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

31 Financial Instruments

Liquidity risk

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

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

To help reduce these risks we:

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

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

(f) Sensitivity disclosure analysis

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

- A parallel shift of +2% and -1% in market interest rates (AUD) from year-end rates of 4%(7% 2007/08).

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

Market risk exposure**Interest rate risk**

	2009 Financial assets:	Carrying amount subject to interest \$'000	-1% 100 basis points		2% 200 basis points	
			Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Cash and cash equivalents		7,286	(73)	(73)	146	146
Trade and other receivables		1,019	(10)	(10)	20	20
Financial liabilities:						
Interest-bearing loans and borrowings		1,144	(11)	(11)	23	23

Market risk exposure**Interest rate risk**

	2008 Councillor 4 Name Financial assets:	Carrying amount subject to interest \$'000	-1% 100 basis points		2% 200 basis points	
			Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Cash and cash equivalents		4,552	(46)	(46)	91	91
Trade and other receivables		676	(7)	(7)	14	14
Financial liabilities:						
Interest-bearing loans and borrowings		1,037	(10)	(10)	21	21

32 Auditors' remuneration

	2009 \$'000	2008 \$'000
Audit fee to conduct external audit - Victorian Auditor-General	24	13
Internal audit fees	12	18
	36	31

33 Events occurring after balance date

Nil

34 Related Party Transactions

(v) Responsible Persons

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

Councillors	}	Councillor R Vance (Councillor 1.7.08 to current Mayor 4.12.08 to Current)
		Councillor L Harris (Mayor 1.7.08 to 28.11.08)
		Councillor D Clark (Councillor Elected 29.11.08 to Current)
		Councillor A Carson (Councillor Elected 3.2.09 to Current)
		Councillor M O'Connor (Councillor Elected 29.11.08 to Current)
		Councillor J Quinn (Councillor Elected 29.11.08 to Current)
		Councillor L Ashford (Councillor 1.7.08 to 28.11.08)
		Councillor R Neil (Councillor 1.7.08 to 28.11.08)
Chief Executive Officer	}	Councillor G Harrison (Councillor 1.7.08 to 28.11.08)
		Stephen Cornish

(ii) Remuneration of Responsible Persons			2009 No.	2008 No.
The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:	}	\$0 - \$9,999	4	1
		\$10,000 - \$19,999	4	3
		\$20,000 - \$29,999	-	2
		\$30,000 - \$39,999	1	-
		\$140,000 - \$149,999	-	1
		\$160,000 - \$169,999	1	-
			10	7
			2009 \$'000	2008 \$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:			273	238

(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 (2007/2008 - Nil).

CONT.

34 Related party transactions

(v) Other Transactions

There were no other transactions other than remuneration payments or the reimbursement of approved expenses entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2007/2008 - Nil).

(vi) Senior Officers Remuneration

2009 No.

2008 No.

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

\$110,000 - \$119,999

1

2

\$120,000 - \$129,999

1

-

2

2

2009 \$'000

2008 \$'000

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

273

234

35 Revenues, expenses and assets by function/activity.

	Roads Parks & Buildings		Communication		Community Wellbeing		Growth & Employment		Organisational Development		Planning & Environment		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
REVENUE														
Grants	8,362	4,520	-	-	1,866	1,241	29	17	2,872	2,053	75	37	13,204	7,868
Other	227	935	-	-	220	317	139	134	5,380	5,003	825	749	6,791	7,138
TOTAL	8,589	5,455	-	-	2,086	1,558	168	151	8,252	7,056	900	786	19,995	15,006
EXPENSES	1,898	1,934	900	752	2,568	2,190	804	739	6,794	6,352	1,347	1,172	14,311	13,139
SURPLUS / (DEFICIT) FOR THE YEAR	6,691	3,521	(900)	(752)	(482)	(632)	(636)	(588)	1,458	704	(447)	(386)	5,684	1,867
ASSETS ATTRIBUTED TO FUNCTIONS / ACTIVITIES*	210,357	207,620	-	-	4,495	5,962	1,581	1,588	8,762	3,054	521	533	225,716	218,757

*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 development 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.

36 Capital Expenditure

Capital Expenditure Areas		2009 \$'000	2008 \$'000
	Land improvements	416	577
	Roads	7,152	5,024
	Open space	-	-
	Buildings	716	131
	Plant, equipment and other	686	1,414
	Other	-	-
	Total capital works	8,970	7,146
Represented by:	Renewal	2,848	5,570
	Upgrade	4,569	2
	New assets	1,553	1,574
	Total capital works	8,970	7,146

Property, Infrastructure, Plant and Equipment movement	Note	2009 \$'000	2008 \$'000
		8,970	7,146
	24(a)	-	8,919
	11	(4,845)	(4,204)
	8	(319)	(332)
Net movement in property, plant & equipment	19	3,806	11,529

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:

37 Financial Ratios 2009

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

Debt servicing costs	-62	-0.31%
Total revenue	19,995	

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)

Debt servicing & redemption costs	121	2.16%
Rate revenue	5,595	

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)

Rate revenue	5,595	27.98%
Total revenue	19,995	

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

(d) Debt Exposure Ratio (to identify Council's exposure to debt)

Total indebtedness	4,492	14.46%
Total realisable assets	31,070	

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)

Current assets	8,487	252.82%
Current liabilities	3,357	

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

2008

76	0.52%
14,674	

243	4.68%
5,192	

5,192	35.38%
14,674	

3,217	11.53%
27,907	

5,360	241.12%
2,223	

2007

81	0.50%
16,342	

232	4.87%
4,761	

4,761	29.13%
16,342	

3,253	17.38%
18,713	

6,121	292.73%
2,091	

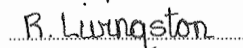
Certification of the Financial Report

PYRENEES SHIRE COUNCIL
2008/2009 Financial Report

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 Pyrenee Shire Council for the year ended 30 June 2009, 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.



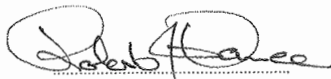
Rhonda Livingston
Principal Accounting Officer

Dated at Beaufort this 8th day of September 2009

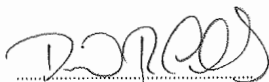
STATEMENT BY COUNCILLORS and CHIEF EXECUTIVE OFFICER

In our opinion the accompanying financial statements present fairly the financial transactions of Pyrenee Shire Council for the year ended 30 June 2009 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate. We have been authorised by the Council on 19th August 2008 to certify the financial statements in their final form.



Robert Vance
Mayor



David Clark
Councillor



Stephen Cornish
Chief Executive Officer

Dated at Beaufort this 8th day of September 2009

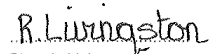
Certification of the Standard Statements

PYRENEES SHIRE COUNCIL 2008/2009 Financial Report

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 2009 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.

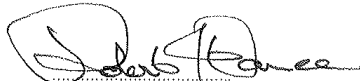

Rhonda Livingston
Principal Accounting Officer

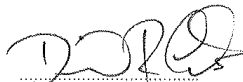
Dated at Beaufort this 8th day of September 2009

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 2009 and the financial position of the Council as at that date.

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


Robert Vance
Mayor


David Clark
Councillor


Stephen Cornish
Chief Executive Officer

Dated at Beaufort this 8th day of September 2009

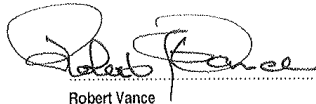
Certification Approval of the Performance Statement

PYRENEES SHIRE COUNCIL
Performance Statement
for the year ended 30th June 2009

Council Approval of the Performance Statement

In our opinion, the accompanying performance statement of the Pyrenees Shire Council in respect of the 2008/2009 financial year is presented fairly in accordance with the Local Government Act 1989. The statement outlines the Key Strategic Activities set out in Council's Budget and describes the extent to which these activities were achieved in the year.

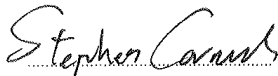
At the date of signing, we are not aware of any circumstances, which would render any particulars in the statement to be misleading or inaccurate.



Robert Vance
Mayor



David Clark
Councillor



Stephen Cornish
Chief Executive Officer

Dated at Beaufort this 8th day of September 2009

Victorian Auditor-General's Office
INDEPENDENT AUDITOR'S REPORT

To the Councillors, Pyrenees Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2009 of Pyrenees Shire Council which comprises of 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 2009 of the Council which comprises of standard income statement, standard balance sheet, standard cash flow statement, standard statements of capital works, the related notes and the certification of the standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

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

- the financial report in accordance with Australian Accounting Standards (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.

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 the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

1

Independent Auditor's Report (continued)

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

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

This auditor's report relates to the financial report and standard statements published in both the annual report and on the website of the Pyrenees Shire Council for the year ended 30 June 2009. The Councillors of the Pyrenees Shire Council are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. 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 the Council's website.

Independence


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

Auditor's Opinion

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of Pyrenees Shire Council as at 30 June 2009 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
11 September 2009


D D R Pearson
Auditor-General

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Pyrenees Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2009 of the Pyrenees Shire Council which comprises the statement, the related notes and the council approval of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Pyrenees Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989*. 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 the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Matters Relating to the Electronic Presentation of the Audited Performance Statement

This auditor's report relates to the performance statement published in both the annual report and on the website of the Pyrenees Shire Council for the year ended 30 June 2009. The Councillors are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. 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 the Council's website.

Independent Auditor's Report (continued)

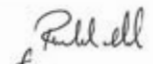
Independence

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

Auditor's Opinion

In my opinion, the performance statement of the Pyrenees Shire Council in respect of the 30 June 2009 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
11 September 2009


D D R Pearson
Auditor-General

index

Allowances	62, 64, 99	58	Industrial Relations
Attendance	66	54	Information Technology
Avoca Information Centre	54	63	Internal Audit
Beaufort Community Resource Centre	54	38, 96	Maternal & Child Health Services
Cash Flows	70, 78-81	8	Mayor's Report
Capital Works	69	3	Mission Statement
CEO's Report	14	14, 16, 22, 42	Moonambel Pavilion
Communication	4, 29	55	National Competition Policy Compliance
Community Building	3, 35	54, 63	Occupational Health & Safety
Community Bus	38	53, 124	Organisational Development
Community Conversations	32	57	Organisational Structure
Community Development	38	4, 5	Performance Statement
Community Grants	65	70	Plain English Guide to the Financial Report
Community Wellbeing	4, 36-37, 124	47	Planning & Environment
Contract Management	65	18	Positive Ageing Strategy
Councillors	10	63	Privacy
Council Elections	3, 62	30	Pyrenees Review Board
Council Meetings	3, 62	6	Pyrenees Shire (about)
Council Plan	36, 62	63	Quality, Safety & Environmental Assurance
Council Vision	3	43, 48	Rainbow Serpent Festival
Customer Action Request System	32	37	Recreational Facilities
Documents Available for Inspection	64	63	Risk Management
Domestic Animal Management Plan	51	24, 27, 96, 97	Roads to Recovery Funding
Drought Support	44	18, 22, 42, 49, 68	Snake Valley Sewerage Scheme
Emergency Management	51	74	Standard Statements
Environmental Initiatives	47	18, 48, 49	Sustainable Water Use Plan
Equal Employment Opportunity	63	41, 43	Tourism
Eurambeen Streatham Road	24	24	Town Entrance Signage
Executive Management Team	15	55, 58	Training & Development
Family Day Care	36, 38	38	Transport Connections
Financial Snapshot	68	7	Wards
Financial Reports	84	50, 51	Waste management
Fire Prevention	51	44	Water
Freedom of Information	63	63	Whistleblower Protection
Goldsmith By-Election	62	18	Wind farms
Governance	61	58	Workcover
Great Land Giveaway	16	38	Youth Services
Growth & Development	41		
Guiding Principles	3		
Highlights of the Year	16		
Home & Community Care	38		
Human Resources	58		

glossary

AUDITOR GENERAL

An independent officer of the Parliament, appointed under legislation to examine and report to Parliament and the community on efficient and effective management of public-sector resources, and provide assurance on the financial integrity of Victoria's system of government.

CAPITAL WORKS

Work undertaken on Council-owned assets.

CODE OF CONDUCT

A statement of how the councillors will interact and work with colleagues and the community.

COMMUNITY SATISFACTION SURVEY

An independent, annual survey of community satisfaction, jointly sponsored by the Department of Planning and Community Development and local governments.

COUNCIL PLAN

A document that guides the organisation's strategic direction for a four-year period.

FINANCIAL YEAR

This report is for the period 1 July 2008 to 30 June 2009.

GOVERNANCE

Taking responsibility for the economic and ethical performance of the municipality, the underlying principles of which are openness, inclusion, integrity and accountability.

HACC

Home and Community Care services.

INFRASTRUCTURE

The basic facilities required for the functioning of the community. This includes roads, bridges, footpaths, public facilities and buildings.

INTERNAL AUDIT

An independent appraisal function that examines and evaluates Council's financial, management and internal control systems.

WORKCOVER

The Victorian Workcover Authority is the regulator of Victoria's workplace health and safety system.

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