



PYRENEES
— SHIRE —

Annual Report
2011

PYRENEES
— SHIRE —





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ABOUT *The Shire*

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

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The Pyrenees Shire is located in the western region of Victoria, and comprises an area of nearly 3,500 square kilometres. The Shire takes its name from the ranges in the north that hold similarity to the Pyrenees Ranges in Europe.

The 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.

Excellent educational facilities are available in Pyrenees Shire, including primary schools, a secondary college and Community Enterprise Facilities incorporating adult education services.

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

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

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



THE SHIRE
CONSISTS OF
FIVE WARDS

PYRENEES *Shire wards*

WARRENMANG

Councillor: Robert Vance
Population: 1359
Townships: Amphitheatre
Barkley
Crowlands
Landsborough
Moonambel
Redbank

BEAUFORT

Councillor: Michael O'Connor
Population: 1238
Townships: Beaufort
Middle Creek
Raglan
Shirley

AVOCA

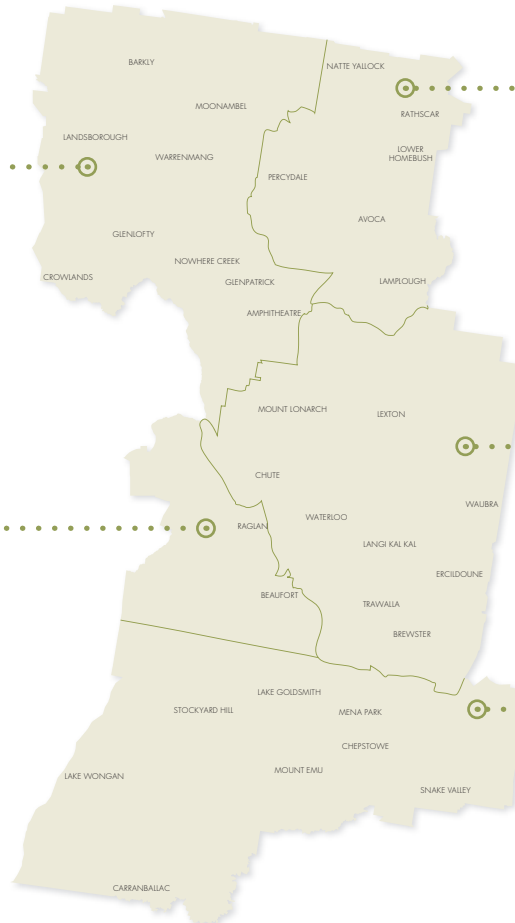
Councillor: John Quinn
Population: 1269
Townships: Avoca
Bung Bong
Homebush
Lamprough
Natte Yallock
Percydale

MITCHELL

Councillor: David Clark
Population: 1334
Townships: Evansford
Lexton
Waubra

GOLDSMITH

Councillor: Alec Carson
Population: 1352
Townships: Carngham
Chepstowe
Snake Valley
Stockyard Hill



VISION *Mission* PRINCIPLES

OUR VISION

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

OUR MISSION

The role the Pyrenees Shire will take to achieve this is to:

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

GUIDING PRINCIPLES

- Accessibility and responsiveness
We ensure that access to services is equitable. We respect our communities and respond in a timely manner.
- Integrity and accountability
We operate honestly and openly, serving the best interests of our greater community at all times. We are accountable for our actions and decisions. We actively seek ideas and responses from our community.
- Standards for Council activity
Our activities are guided by written policies, we maintain quality, safety and environmental certification, we work with our communities to manage and adapt to risk.

Councillors from left to right:
David Clark, Robert Vance,
Michael O'Connor (Mayor),
Alec Carson and John Quinn.





MAYOR'S *Report*



Michael O'Connor became a councillor so that he could be an active participant in the decision making process for the region. He was elected to the role in November 2008 and elected Mayor in November 2010.

It has been an extremely difficult year, with major flood events occurring from September 2010 through to February 2011. The floods inundated over 80 homes and properties throughout our Shire. It caused widespread damage, and severely tested the resilience of many of our residents. In some cases community members have not yet been able to move back to their properties.

In relation to Council's assets and infrastructure, \$19 million worth of damage to roads, bridges and culverts was sustained. Thankfully this damage will be covered by funding from both the State and Federal Governments. I would like to express thanks to the many Council officers that worked so diligently to identify the problems and plan appropriate courses of action.

Over the course of the year there have been many positive outcomes for our Shire:

- The opening of the new Waubra Community Hub, bringing together many varied activities from across the Waubra area under one roof (full details on page 18).
- The commissioning of the Avoca desalination plant to improve the quality of drinking water, and the Landsborough desalination plant is following close behind.
- The refurbishment of the Avoca Visitor Information Centre is now complete (full details on page 19), as is the refurbishment of the Beaufort Town Hall.
- The relocation of the Beaufort Kindergarten to the new Park Road Complex.
- The Snake Valley Sewerage Scheme has progressed rapidly (full details on page 19).

Strategic issues have remained a focus for Council, with work continuing on the rezoning of land at Moonambel to assist in tourism activities.

We have also seen the development of the third stage of industrial land in Avoca; and development of the first stage of Correa Park residential land in Beaufort. The Recreation Strategy is now complete and has already proved invaluable as a mechanism in supporting grant applications for sporting bodies across the shire.

One of Council's key activities is the continuous review of the Council Plan and the long term financial plan. The work that has gone into this area has ensured that as a Council, we are able to maintain and improve the services that we provide. More and more we are taking on greater levels of shared responsibilities with State and Federal Governments. In doing so we have been able to restrict our proposed rate increases in future years. The current rate increase is marked at 5.25%.

There are many projects planned for the next 12 months, such as the possibility of a new Community Hub at Avoca; and development of flood mitigation works within the Beaufort region. No project would be possible if not for the support and cooperation from the State and Federal Government.

I must acknowledge the full support exhibited to Councillors by our Chief Executive Officer and Council staff. Without this we would not have been able to achieve so many great outcomes. I also express thanks to my fellow Councillors.



MAYOR

Mobile 0437 662 295

Email michael.oconnor@pyrenees.vic.gov.au

THE *Councillors*



Councillor
JOHN QUINN
Avoca Ward

Mobile 0417 508 471 • Email john.quinn@pyrenees.vic.gov.au

John was elected to Council in November 2008. He is a very active member of the community and enjoys the interest and surprises that have come with being a Councillor.



Councillor
ALEC CARSON
Goldsmith Ward

Mobile 0439 571 480 • Email alec.carson@pyrenees.vic.gov.au

Alec was elected to Council in a by-election in February 2009. Alec decided to become a Councillor because the Goldsmith Ward is experiencing a time of change, and Alec wanted to be a part of the decision making process for the ward.

THE *Councillors*



Councillor
DAVID CLARK
Mitchell Ward

Mobile 0417 374 704 • Email david.clark@pyrenees.vic.gov.au

David Clark was elected to Council in November 2008. David's motivation to be a Councillor is his broad experience in strategic planning and leadership across a range of community and public roles.



Councillor
ROBERT VANCE
Warrenmang Ward

Mobile 0447 384 500 • Email robert.vance@pyrenees.vic.gov.au

Robert was first elected to the role of Councillor in 1987. Following a six year break from the role, he was re-elected in a by-election in March 2008. It was Robert's passion for his home town of Landsborough and surrounding region that inspired him to become a member of Council.

CEO'S Report



Stephen Cornish 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 to Chief Executive Officer in November 1999.

The 2010/2011 year has been challenging for Council with extensive flooding occurring across the Shire in September, December and again in January 2011. These events caused significant damage to roads, bridges and infrastructure throughout the shire.

Council is committed to completing the required repairs in a timely manner and has actively engaged with the State and Federal Governments to ensure adequate funding is available to cover the damage costs.

This year has again seen the issue of financial sustainability of the shire on Council's agenda. Through the preparation of the rate process it is evident that the capacity of Council to continue to raise rates in the long term is not sustainable.

Council has been working with similar councils to ensure a fairer share of funding is made available for rural councils.

Financially, Council is in a strong cash position with \$14 million at the end of the year. A large amount of this relates to flood restoration grants received this year and will be expended in the 2011/2012 financial year.

Despite the extensive pressure resulting from major weather events, Council has been able to achieve outcomes from its strong lobbying for improved services within the Shire. This includes the completion of the Waubra

Community Hub, which incorporates a new kindergarten; the Beaufort Children's Centre; Avoca Information and Community Centre; Beaufort Town Hall Upgrade; and Landsborough and Avoca water quality works.

Other projects that have now commenced include the Snake Valley and Waubra sewerage schemes.

These projects highlight the capacity of Council to work with Federal and State Governments to obtain the required funding. The majority of these projects were instigated from community action plans, which reinforces their importance to obtaining government funding. There are currently sixteen townships and communities within the Shire that have developed community action plans.

Pyrenees Shire has been actively involved in the development of regional strategic plans that will benefit Council in the future. These plans include the Central Highlands Regional Transport Plan; Timber Industry Road Evaluation Strategy; and the Central Highlands Small Town Enhancement Project.

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 12 months. Council could not achieve its vision without this support.

Stephen Cornish

CEO

EXECUTIVE *Staff*



RHONDA LIVINGSTON B.Bus (Acc) Director of Corporate and Community Services

Rhonda joined Pyrenees Shire in July 2005. She has held senior positions in the accounting and management fields with councils for the past 19 years including Northern Grampians, Central Goldfields and 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 LEACH Grad Cert Business Technology, Dip Bus Director Assets and Development

Andrew joined Pyrenees Shire in January 2007 and has over 25 years experience in local government. He has held major positions in infrastructure areas of Councils 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.





Avoca River Flat, January 2011



PYRENEES SHIRE *Floods*



The past 12 months has seen Pyrenees Shire battle through some of Victoria's worst floods in history.

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The first flood occurred in September 2010. In December, the region was hit again by severe storms.

In the second week of January, Pyrenees Shire received extensive rainfall for over a week, resulting in major flooding and damage to homes, businesses and town infrastructure.

As the flooding began to occur on Friday, 14 January, a Municipal Emergency Coordination Centre (MECC) was opened at the Beaufort Fire Station. Council operated a Relief Centre at the Goldfields Recreation Reserve, where over 120 people took refuge.

The following day, Council's Manager Community Well Being spoke to each person and family that had used the Relief Centre to check on their welfare and advise of the process for accessing hardship grants.

A Recovery Centre was opened by Council at the Beaufort Community Development Centre on Monday, 17 January. Council staff members managed the centre in conjunction with the Department of Human Services, Centrelink and The Salvation Army.

Flood affected residents were able to gain assistance with funding applications, and a registration point for volunteers was established.

Most areas of the Pyrenees Shire sustained damage. Some areas were without road access for a period of time.

- 64 homes were flooded in Beaufort and four homes in Avoca. Many of these people were forced to relocate for a time.
- Major damage was sustained to roads, bridges and buildings throughout the Shire. Council recorded 4154 road faults; and 1134 trees requiring removal from road reserves.
- Council's sealed road network sustained damage to a sum total of 110 kilometres of road.
- 48 major culverts were structurally affected and a significant number of culverts required cleaning and removal of debris to ensure safe flows.

Council has played an active role in assisting the community in commencing the recovery process. Council processed 72 Personal Hardship Grants for flood affected people who suffered damage to their property.

Since the event, Council has printed a column in the weekly newspaper, *The Pyrenees Advocate*. This column provides updates on all matters relating to the floods, such as available grants, road and infrastructure repairs and community events.

A Flood Recovery Coordinator was appointed in April, 2011. A Flood Recovery Committee (FRC) has also been established with representation from local government, local health services and community members.

The role of the FRC is to:

- Manage the recovery process in the Pyrenees Shire;
- Develop a Municipal Recovery Action Plan;
- Ensure that community needs are met, either through local resources or by the acquisition of appropriate resources from other levels; and
- Report on the progress and ongoing needs of the community to the Council.

A Public Meeting was organised in Beaufort, where a representative from the Financial Ombudsman Service addressed Shire residents to assist them with insurance claims. This meeting was also attended by representatives from the Department of Human Services and Regional Development Victoria.

To assist with the emotional recovery of the community, Council coordinated three free events for people to attend, allowing them the opportunity to take time off and unwind. As well using the opportunity to socialise, attendees were able to access valuable information about recovery through brochures that were on display.

INFRASTRUCTURE REPAIRS

The floods meant that much of Council's scheduled works had to be temporarily delayed, to allow repairs to commence immediately. Council successfully secured Government funding to cover repair costs and repairs to most of the Shire's infrastructure are complete or are well underway.

- Flood damage at the Landsborough Tennis Courts and Beaufort Netball Court has been repaired.
- New flag poles and sand scrapes have been reinstated at the Avoca Golf Club.
- The oval at the Avoca Recreation Reserve has been re-sown. A comprehensive clean up of all remaining debris at the Avoca Recreation Reserve has been completed and the netball court has been replaced. Both the netball court and oval were ready for the first home game on May 7.
- The playgroup room at the Avoca Recreation Reserve has new carpet and the kitchen has been cleaned by a commercial cleaner to ensure that hygiene standards are maintained.
- The Petanque Club is currently reviewing their physical location on the reserve. It has obtained Commonwealth Bank funding to replace the piste and it is now unlikely to require Council funding.

ROAD REPAIRS

GRAVEL ROAD NETWORK

To manage the works required, Council officers have divided the shire into 12 work precincts. Each precinct has been scheduled into operations. It is currently planned that repair works will continue into late 2012.

SEALED ROAD NETWORK

Due to the high demand on sealed roads, most have already been made safe and trafficable. Some require further stabilisation and final seal treatment. Effective spray sealing needs to be undertaken in the warmer months, so Council is scheduling these works to form part of the annual sealing program towards the end of 2011.

IMPLEMENTED IMPROVEMENTS IN EMERGENCY MANAGEMENT

Following the January event, Council realised that a large number of residents had been phoning Council's administration office and receiving the after hours message, which did not provide any assistance.

In February, Council updated its phone service for emergencies and after-hours calls.

Council is investigating the potential of permanent, drop-down signs for known flood areas, to forewarn motorists. Council is also looking into improved communications during an emergency, to assist with smoother operations in future events.



Waubra Community Hub

2010/2011
Highlights



WAUBRA COMMUNITY HUB COMPLETED

The \$1.46 million development of the Waubra Community Hub was completed this year, with the official opening of the new facility taking place on Sunday, 20 March 2011.

Parliamentary Secretary for Regional Development, Damian Drum, officially opened the complex, which was attended by several local residents.

The new facility includes: a modern pre-school and playground; a new commercial kitchen; new public amenities; and new netball and umpire rooms.

The local community contributed almost \$190,000 to the project. Financial contributions for the redevelopment also came from the Victorian Government (\$764,000); and the Australian Government (\$190,000).

EXTENSION TO COUNCIL'S BEAUFORT OFFICE

The renovation and extension of the Pyrenees Shire Council offices in Beaufort were officially opened by Mayor David Clark on Tuesday, 23 November, 2010.

The \$1.2 million extension has provided Council staff with more a suitable working environment and allows for all departments to be in the same building.

With the extra space, staff members have larger work areas and there are more private meeting rooms.

Community members were invited on a tour of the new facility at the official opening to see the improvements and meet Council staff.

In May, one of the new meeting rooms was formally named The Herbertson Room, in memory of Fran Herbertson. Fran was a devoted staff member who gave 30 years service to Council. Sadly, Fran passed away in November 2010.

COUNCIL LAUNCHES A NEW WEBSITE

In April, Council launched its new website. Visitors to the site can now find the information they need faster and more easily than ever before.

The new website is far more functional than the previous one. When the page opens, viewers will find Council's latest news item and next Shire event clearly displayed.

Day to day needs, such as payment of rates, applying for a building or planning permit, and current employment opportunities at Council, are also easy to find in a permanent menu on the left of the screen.

The new website enables Council to better meet the needs of ratepayers by providing a more efficient and contemporary channel for communication. The website will also meet the needs of visitors to the region, listing accommodation, local events and an interactive Google Maps service that provides directions to and from different Shire locations.

Council's IT Manager worked closely with website developer and manager Seamless CMS to build the new site and deliver a product that would suit Pyrenees' audiences.

The new website is the most up to date and comprehensive information source for residents seeking details about Council and its activities.

Residents are encouraged to visit the site and navigate their way around to find out the latest in what Council is doing across all departments.

The website address is www.pyrenees.vic.gov.au



RENOVATION OF THE AVOCA INFORMATION AND COMMUNITY CENTRE

The newly renovated library and Visitor Information Centre in Avoca opened for business on Saturday, 4 June, 2011.

The building now comprises a Community Resource Centre which incorporates a range of new facilities available to residents.

New furniture has been placed throughout the facility and there are larger meeting rooms and more reading areas. There is a community space at the back with a barbeque for people to use for functions or when using the meeting rooms.

Consultations highlighted that the Avoca community was seeking a suitable venue where it could conduct activities such as formal and informal adult education classes; self help groups; community meetings; and other community engagement activities.

The upgrades made to the building will help to meet these needs. This project was a priority in the Avoca Community Action Plan and was supported by the Recreation Strategy Community Consultation.

Funding for the Avoca Resource Centre upgrade was obtained by Council through the Department of Planning and Community Development.

COUNCIL ADOPTS AN ENVIRONMENTAL SUSTAINABILITY STRATEGY

A three year Environmental Sustainability Strategy was developed and adopted to guide Council decision making. This strategy differs from other documents as it can be applied across all of Council's departments.

Writing the strategy involved listening to the community on environmental and sustainability issues; attending events to gain a whole of Shire snapshot; and working with colleagues internally.

The strategy is available to view and download from Council's website.

SNAKE VALLEY SEWERAGE SCHEME

The Snake Valley Sewerage Scheme is progressing as planned despite some adverse weather over the last months.

JHL Civil has finished installing the reticulation system, rising main and pump station. Final reinstatement works will be carried out as soon as weather conditions allow this to occur.

Council is due to advertise the final tender at the start of August 2011 to allow the completion of the scheme. This tender will be for the construction of the sewerage ponds, to be located next to the Snake Valley golf course. It is expected that construction of the ponds will commence in October 2011, with a completion date in March 2012.

At this stage it is estimated that work on individual properties will need to commence in March / April 2012. Council will contribute \$2,500 to each of the 119 property owners for their onsite works.

NEW CHILDREN'S CENTRE FOR BEAUFORT

A partnership across three tiers of government, combined with the effort of Eureka Community Kindergarten Association and the local community, has seen the completion of the \$1.5 million Beaufort Children's Hub. This followed a number of years of lobbying by the community for improved early child facilities.

This new facility, constructed at the Beaufort Secondary School site, will provide a range of early childhood services including preschool, long day care, maternal and child health and meeting rooms for visiting health professionals.

GREEN WASTE KERB SIDE COLLECTION COMMENCES

Council introduced a kerbside green waste collection service early in the new financial year. The service is available to residents in the townships of Avoca and Beaufort.

The green waste collection service was implemented to achieve two key objectives. The first is to provide an efficient service to Shire residents, in particular those restricted by mobility and ability to use the transfer station. The second objective is to reduce the amount of green waste being wrongly placed in both kerb side recycling and garbage bins.

An average of 20 cubic meters of green waste was collected from Beaufort each month, and 15 cubic metres from Avoca. Feedback from ratepayers regarding the service has been very positive.

LOCAL YOUTH HOST A HIGHLY SUCCESSFUL EVENT

12 young people from Pyrenees Shire hosted a highly successful Day by the River Skate competition in March in Avoca.

The youths involved in organising the event had been training with the YMCA in event management, providing them with skills to take to other areas in life and also to help plan for future events.

Around 60 people attended to participate in the day. 28 competitors entered events, some choosing to participate in all three disciplines of Scooter, Skate Board and BMX.

It was a wonderful family day with people travelling from around the shire and neighbouring communities.

The event was supported by the Pyrenees Shire and funded through the Victorian Government's FReeZa program. Many local businesses sponsored the event and provided prizes.

2011 AUSTRALIA DAY CELEBRATIONS

The Shire's annual Australia Day celebration was held at the Beaufort Community Bank Complex this year with Australia Day Ambassador Father Bob MacGuire giving an address. Fr Bob delivered an important message to the community, saying it had been "flooded socially" and said the community would pull through by working together.

The Australia Day Awards were also presented. Judy Thomas of Avoca was awarded Pyrenees Shire Citizen of the Year for her volunteer work in the community. The Beaufort Agricultural Show was awarded Event of the Year; and for the first time the Young Citizen of the Year was awarded to joint winners - Martin Goode and Glenn Holtcamp.





The background of the page is a photograph of a yellow tractor with large black tires on a paved road. The tractor is positioned on the left side of the frame. The road extends into the distance, bordered by a dirt shoulder and some vegetation. Three semi-transparent circular callouts are overlaid on the road surface, showing different textures or materials. A white banner with a red dotted border is positioned at the top, containing the title text.

CAPITAL WORKS

Projects

CAPITAL WORKS *Projects*

Through its capital works program, Council aims to meet the infrastructure needs of the community; maintain Council assets; and raise income for new assets when required.

The September and December 2010 downpours and the January 2011 flood (full details on page 13) heavily impacted Council's ability to meet normal construction timeframes. While the impacts of the flood events are still emerging, several major road works projects scheduled for the year commenced and reasonable progress was made.

Council undertook major renewal works with the extension of the Shire Offices, Waubra Community Hub and the Avoca Information and Community Centre, (full details page 19). These projects represent the realisation of extensive grant sourcing and co-ordination of works. The value of these projects is in excess of \$2.6 million.



THE YEAR'S HIGHLIGHTS

- Gaining external funding for the Raglan Elmhurst Road Project, and the Main Lead Road Project.
- The reconstruction of 2.6 kilometres of the Moonambel Natte Yallock Road;
- The construction of 3.5 kilometres of the Raglan Elmhurst Road; and
- Road safety treatments along Main Lead Road.

Pleasingly, the major building projects scheduled for the year were completed:

- Construction of the Rowe Street Avoca Industrial Estate;
- Construction of the Waubra Community Hub (full details on page 18);
- Extension and renovation to Council's administration office in Beaufort (full details on page 18);
- Renovation of the Avoca Information and Community Centre (full details on page 19);
- Council successfully completed the re-seal program, though later than usual due to wet weather.

THE YEAR'S DISAPPOINTMENTS

While major progress was made on capital works jobs in late 2010, the flooding combined with a wet winter meant that some works had to be suspended until it was dry enough for completion.

THE YEAR AHEAD

- The construction of four bridges and 18 major culverts;
- The completion of the road projects previously mentioned, with the inclusion of Road Projects in Snake Valley; A section of the Hillcrest Burrumbeet Road; and Vinoca Road.

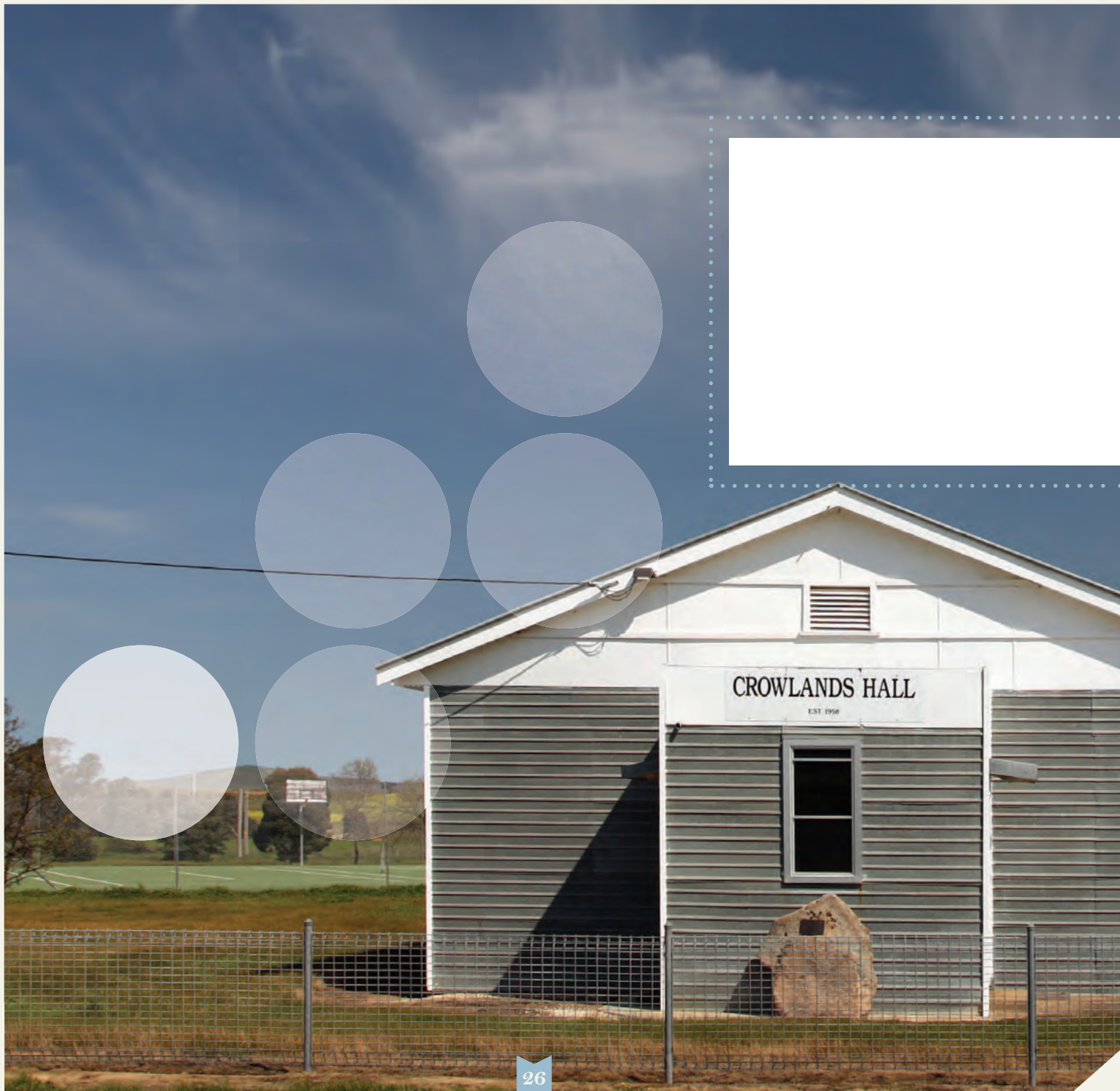
- Council has planned the installation of flood crossings in Pratt Street, Cummins Street, Racecourse Road, and Havelock Street, Beaufort.
- The gravel re-sheet program continues to be integrated into flood recovery works, which saw a rework of the program in response to the gravel road network damage.
- A State Government grant of \$1 million has been obtained to assist Council with its rural road, bridges, and infrastructure projects.

The challenge for Council will be ensuring that both flood works and capital works scheduled for the year are completed.

Part of the challenge with capital projects, for both flood response and normal programming, is the design, specification and tendering process. Council's project management group has been extremely busy preparing contracts to ensure that the works are undertaken to the appropriate design and environmental standards and the suitable timing of construction works. The saturation of pavements, as well as deep flowing waterways, also restricts the ability to undertake works until conditions improve.

Despite the obstacles, all Council staff have worked successfully together to complete emergency works and vital projects.





CROWLANDS HALL

EST 1958

ROAD AND COMMUNITY *Infrastructure*



ROAD AND COMMUNITY Infrastructure

Road and Community Infrastructure is one of Council's largest areas of responsibility and accounts for a significant portion of the annual budget.

Council aims to meet the infrastructure needs of the community; maintain Council assets; and raise income for new assets when required.

The priorities of the program are to manage Council assets in a strategic manner; provide a safer road network and maximise the funding obtained for roads.



ROAD INFRASTRUCTURE

The September and December 2010 storm events and the January 2011 flood (full details on page 13) heavily affected Council's normal operational maintenance timeframes. The usual routine of grading maintenance, roadside clearing and drainage maintenance was deferred, or integrated into flood recovery works. This saw delays in some areas, which under normal circumstances would have received earlier attention.

To assist in the appropriate programming of maintenance works, inspections of the road network must be undertaken. It is through these inspections that Council officers can better program resources and materials to carry out works. Due to the extensive flooding and the resources required to respond to the flood event, Council had to suspend its Road Management Plan, but is looking to reinstate it

as soon as there is confidence in meeting the prescribed levels of service.

While there has been a concentration on infrastructure maintenance and repair, other projects within the Assets & Development Area of Council are still required being undertaken.

THE YEAR'S HIGHLIGHTS

- The Asset Management Policy and Asset Management Strategy were adopted by Council
- The successful involvement in the National Asset Management Framework Program
- The ability of staff to undertake maintenance works as well as deal with the rigors of the three flood events which ravaged the Shire.

THE YEAR'S DISAPPOINTMENTS

- The decline in the ratings from the Community Satisfaction Survey with regard to works on roads and footpaths within the Shire.
- The suspension of the Road Management Plan following severe flood damage that prevented Council from undertaking routine maintenance on the road network.
- The Road Maintenance budget was not expended fully due to the works which were undertaken and funded by emergency funding.
- Following two storm events in late 2010, Council began work to repair the damage. Unfortunately, many of the completed repairs were then washed away again in January. Examples of this included: Gravel roads throughout the Waubra, Snake Valley and Raglan regions and; The Elmhurst Glenpatrick Road Bridge.

THE YEAR AHEAD

- Work through the back log of routine maintenance in conjunction with flood recovery works to allow Council to resume normal maintenance programming.
- Co-ordinate gravel re-sheet and sealed road maintenance programs to ensure that budget is spent in these areas.
- Improve the Customer Satisfaction Survey results in the roads and footpaths area of Council.

- Ongoing drainage maintenance and flood mitigation works
- The removal of nearly 1200 storm and flood affected trees from roadsides.
- Reinstate Council's Road Management Plan.

COMMUNITY INFRASTRUCTURE

Council is responsible for the management of a large number of buildings, facilities and reserves throughout the municipality. It is Council's role to maintain this infrastructure in a safe, functional and operational state, to maximise community benefit and use.

This year, many Council buildings and reserves were affected by the flooding, which has seen devastation and damage to these structures, rendering them unsafe for use by the public. With the assistance of both State and Federal Government funding, work has commenced and continues on these facilities to ensure they are returned to an operational state as quickly as possible and sporting activities can continue with minimum disruption. There has also been strong volunteer support throughout the communities in the clean up and restoration of community assets.

The challenge ahead for Council is the ongoing restoration of damaged reserves and facilities, and the sourcing of appropriate funding to assist the community with these works. Council will continue to inspect and monitor the facilities so that a strategic maintenance and renewal program can be established, ensuring prioritised funding for any works required. A survey of all Council owned buildings has recently been undertaken which will further assist Council in implementing its maintenance program by collecting data on the short and long term works required.

Council has also undertaken reviews of the Avoca and Beaufort streetscape plans following consultation with community members, with the view of developing updated documents for major works in future. These plans will enable Council to accurately estimate costs and assist with funding applications for proposed works.

THE YEAR'S HIGHLIGHTS

- The use of Community Action Plans to assist in funding applications.
- Refurbishment of Beaufort Shire Hall Kitchen, Hall and Stage area.
- Completion of Building and Facilities Survey.
- Shire Lakes, Rivers and Dams full again!

THE YEAR'S DISAPPOINTMENTS

- Damaged reserves and buildings across the Shire from the flood and storms.
- Lower ratings in the Community Satisfaction Survey for Community Infrastructure.
- Building Asset Management Plan in draft form, but not finalised.

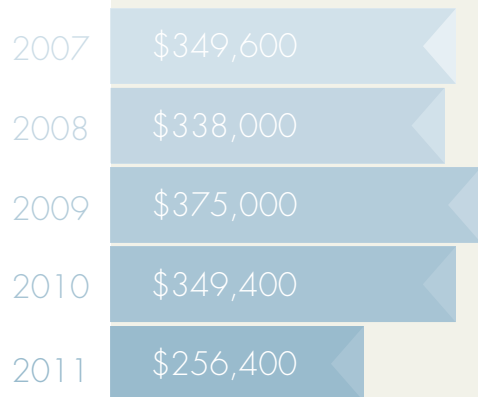
THE YEAR AHEAD

- Finalise streetscape plans to enable planning of works
- Initiate long term maintenance and renewal programs developed from Building and Facility Surveys.
- Facilitate funding from grants to repair flood damage to reserves and buildings.

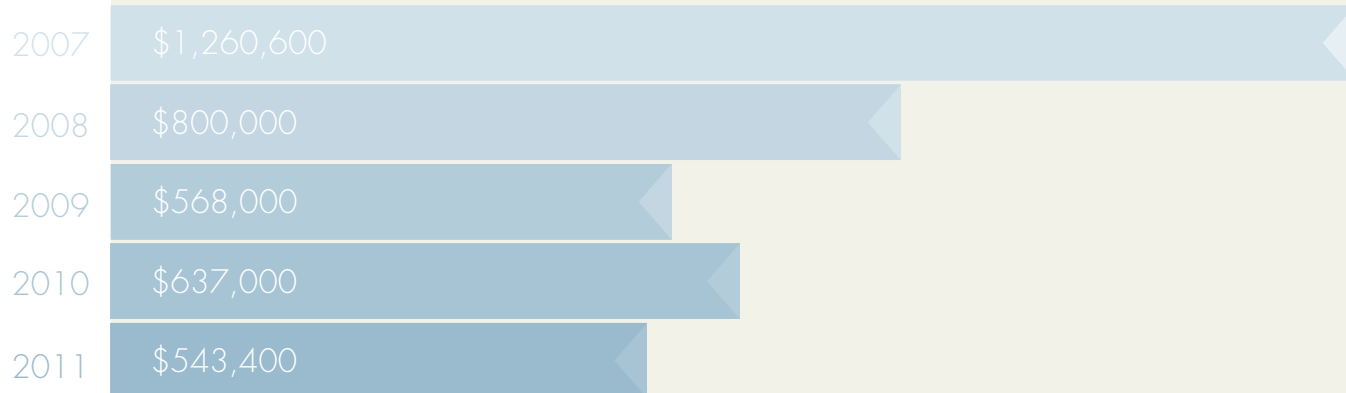
ROAD AND COMMUNITY *Infrastructure*

EXPENDITURE FIGURES

GRAVEL RE-SHEETING



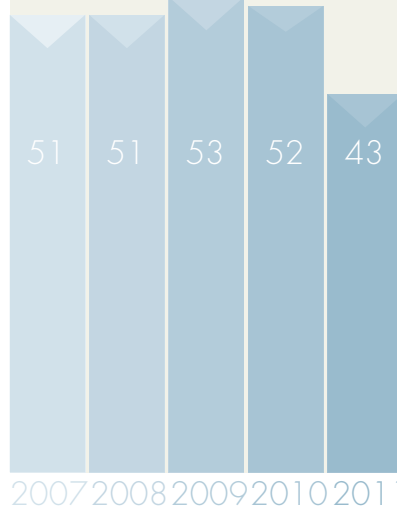
BITUMEN RESEALING



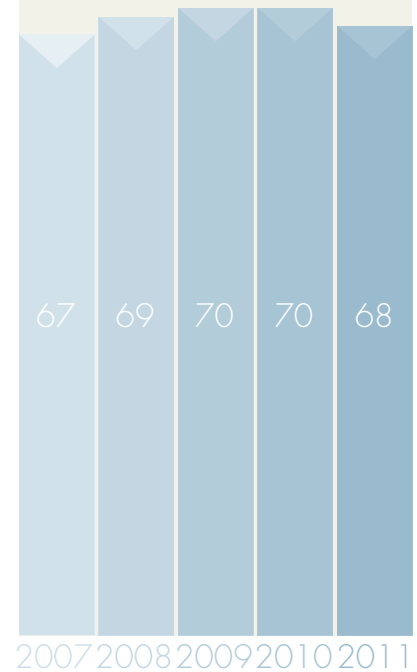
2011 LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY RESULTS

COUNCIL'S *Performance*

LOCAL ROADS AND FOOTPATHS



TRAFFIC MANAGEMENT AND PARKING FACILITIES



INTERNET ACCESS

Beaufort Community Resource Centre

**WIRELESS
HOTSPOT**



Communication



Improved communication between Council and the community continues to be a priority of Pyrenees Shire. It forms part of Council's goal to practice good governance, good business and good management.

Improving Council's communications involves the ongoing maintenance and upgrade of technology. Council's Information Technology (IT) department works to improve internal processes, by reviewing and improving technology and software, for a more efficient and effective work environment.

THE YEAR'S HIGHLIGHTS

Council aimed to enhance the quality and timeliness of information distributed to ratepayers by improving two of its existing communications channels: the website and the newsletter.

Council also sought to increase the amount of information that it communicated electronically, with a view of becoming more efficient and environmentally aligned.

COUNCIL MONTHLY NEWS

In August, 2010 Council launched its new monthly newsletter in the Pyrenees Advocate.

Printed on the first Friday of each month, the four page lift-out contains the latest details on Council's activities from all departments, as well as a list of events for the coming month, and ward reports from Shire councillors.

The newsletter replaced Council's quarterly publication, *Pyrenees Profile*, which was mailed to Shire ratepayers. The new process achieves a number of Council's goals:

- As a monthly publication, the information is current.
- Produced by a local printer in Beaufort, the process for publication is smoother and easier.
- As a newspaper insert, it is more cost effective to produce and distribute.

NEW WEBSITE

(FULL DETAILS ON PAGE 18)

In April, Council launched its new website, which is more functional and aims to better meet the needs of Shire residents and visitors.

The new website is the most up to date and comprehensive information source for residents seeking details about Council and its activities.

PUBLIC ACCESS

COMPUTER FACILITIES

Council continues to make a concerted effort to ensure that all Pyrenees Shire residents have access to the latest in communications technology. The computer facilities at the Avoca and Beaufort Information Centres are available for all to use.

Broadband for Seniors – a program that teaches the Shire's senior citizens the basics in internet use – is now active in four townships. The program has been well received, with many older citizens now confident in researching online and emailing.

2011 LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY RESULTS

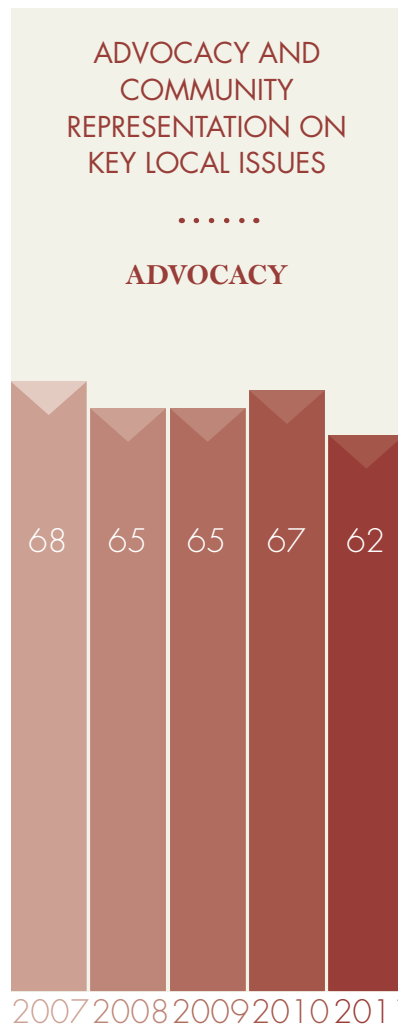
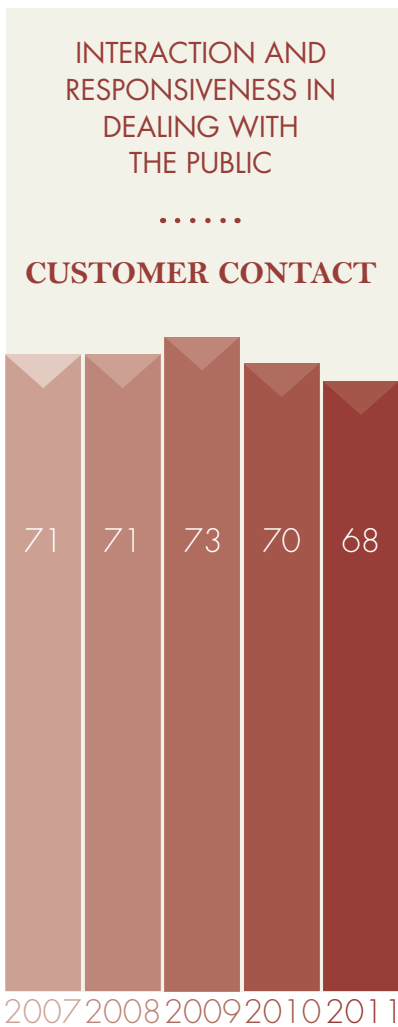
COUNCIL'S *Performance*

THE YEAR'S DISAPPOINTMENTS

Despite improved communications channels, and an increase in the distribution of up-to-date information, Council's rating did not improve in the 2011 Local Government Community Satisfaction Survey.

When compared with the 2010 results, lower scores were received in the areas of Advocacy; Community Engagement; and Customer Contact (interaction and responsiveness). (Full details in the accompanying table)

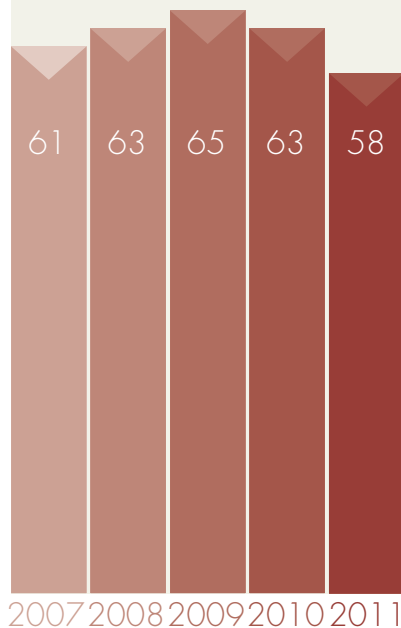
For the past year Council has been working on implementing an Electronic Records System, which would improve efficiency and provide additional security for the documents. Disappointingly this system is not yet live.



ENGAGEMENT IN DECISION-MAKING ON KEY LOCAL ISSUES

.....

COMMUNITY ENGAGEMENT



THE YEAR AHEAD

Council will continue its push for electronic communications by investigating how it can better use new technology and modern communications channels. As the most effective way to distribute timely information, Council would like more of its audience to seek information from the website.

Council also has plans for developing an email database, allowing ratepayers the option of receiving information from Council via email.

As part of its commitment to improve its processes, Council plans to implement new Asset Management software, and Customer Action Request management software.

Work on the Electronic Records System will continue, and internal staff can look forward to working with Microsoft Office 2010 within the next year.

Council is keen to see its public access computer facilities used to the fullest potential. Shire residents are encouraged to visit the centres in Avoca and Beaufort and speak with the staff, who are more than happy to assist.



Landsborough Playground



COMMUNITY *Wellbeing*

Community Wellbeing incorporates the elements that contribute to the lifestyle of Shire residents. Its objective is to enhance the quality of life of residents by building connected, active and resilient communities.

The strategies to achieve this objective include:

- Ensuring the Community Action Plans (CAPs) are relevant, current and representative of the views of each community.
- Providing responsive and sustainable community services in aged care, family day care and maternal and child health.
- Promoting arts and culture within the shire to enhance community participation and develop sustainable cultural events.
- Encouraging participation in sport and recreation in the Pyrenees Shire.
- Promoting the use of libraries and community resource centres to enhance the community's educational, training and social networking opportunities.

THE YEAR'S HIGHLIGHTS

One of the most significant improvements for Community Wellbeing has been to internal operations, with the department moving into the newly renovated Council office building (full details on page 18).

Now under the same roof as Council's other departments, the morale of the Community Wellbeing staff has lifted, and daily operations are smoother and more efficient.

Further to this, the Community Wellbeing department had a very successful year, achieving a number of positive outcomes. These achievements are especially commendable, as the majority of Community Wellbeing staff members were heavily involved in flood recovery work (full details on page 14).

YOUTH PROGRAM

Council currently receives funding for the delivery of two youth programs across the Shire: the Youth Participation Project and the FReeZa programs. The current funding round ends in December 2011 and Council aims to successfully negotiate a new funding agreement for the next period.

25 young people from Pyrenees Shire took part in the January Youth Forum, held at the Avoca Pool. The aim of the forum was for young people to have the opportunity to meet others from around the Shire and have input into local youth matters.

Pyrenees Shire Community Liaison Officer organised the forum to find out about events that young people in the shire were interested in attending and participating in.

GOOD FOOD PROGRAM

Operating in Avoca and Landsborough, the Good Food Program (GFP) continues to be successful in engaging children through after-school cooking classes. Although only initially funded for 12 months, Council was recently notified that funding has been approved for a further three years. This will provide the opportunity to develop long term initiatives that have a real impact on the community.

HEALTHY COMMUNITIES INITIATIVE

The Healthy Communities Initiative (HCI) is an Australian Government pilot program that aims to help reduce the prevalence of obesity within communities.

HCI commenced in March 2010, and Pyrenees Shire, in partnership with Central Goldfields Shire, has launched several very successful projects in the past year as a result of the Australian Government's funding.

- Mobile Tool Library
- Lifestyle Challenge
- Heart Foundation Walking program
- Beaufort Community Garden
- Zumba classes
- Community lunches
- Cooking classes
- Langi Kal Kal cooking and information sessions
- Healthy Community Champions

Council will continue to implement the HCI program, with plans for expanding a number of projects across more townships, commencing new projects, and increasing participation in the initiative overall.

COMMUNITY FOOD PANTRY IN AVOCA

Council provided advice and support to the Volunteer Community Committee to establish the first Community Food Pantry in the Shire.

TWO NEW KINDERGARTENS

Two new state-of-the-art kindergarten facilities, one in Beaufort and one in Waubra, were completed, which is a major achievement for a small municipality.

LEAP

The LEAP (Localities Enhancing Art Participation) initiative places three Victorian communities at the forefront of a complex arts and health promotion intervention, which aims to increase participation in arts related programs and, ultimately, bring individuals together as a community.

Over the past 12 months a framework for delivering LEAP has been established by six local government partners through a Steering Committee. The framework includes identification of a number of "sites for creative integration", plus the establishment of a Central Highlands Art Network, and the development of a web based Central Highlands Art Atlas.

THE YEAR'S DISAPPOINTMENTS

The loss of Family Day Carers and difficulty in recruiting new carers continues to be a disappointment for Council, as the existing needs of the shire are not currently being met.

THE YEAR AHEAD

In the year ahead, Council will be actively supporting a number of new projects in the community, such as a community food pantry for Beaufort; and a Men's Shed in Avoca.

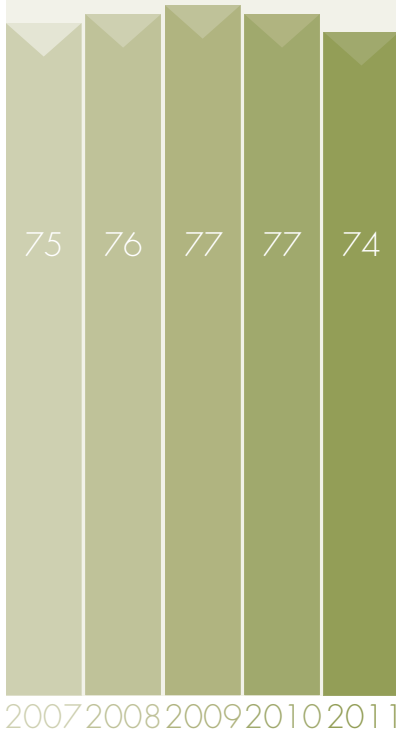
Council will be applying for funding to construct a Community Hub in Avoca. An upgrade to the surface of the Natte Yallock Netball and Tennis courts is also scheduled.

In particular, Council is seeking an increase in community participation and feedback, on the Good Food, HCI and LEAP projects.

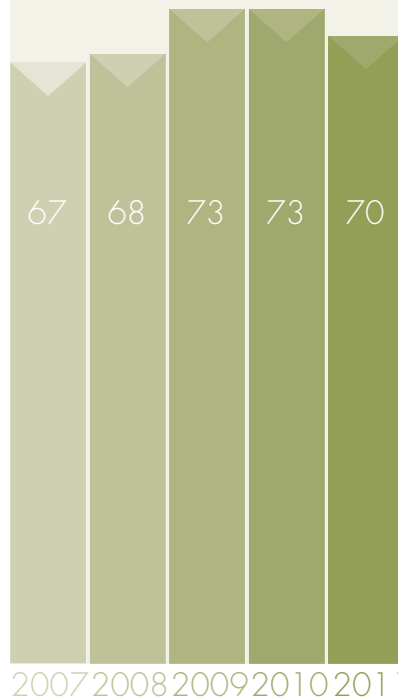
2011 LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY RESULTS

COUNCIL'S *Performance*

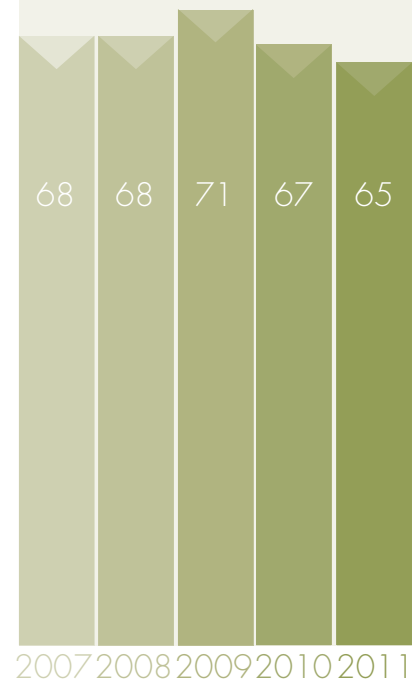
HEALTH AND HUMAN SERVICES



RECREATIONAL FACILITIES

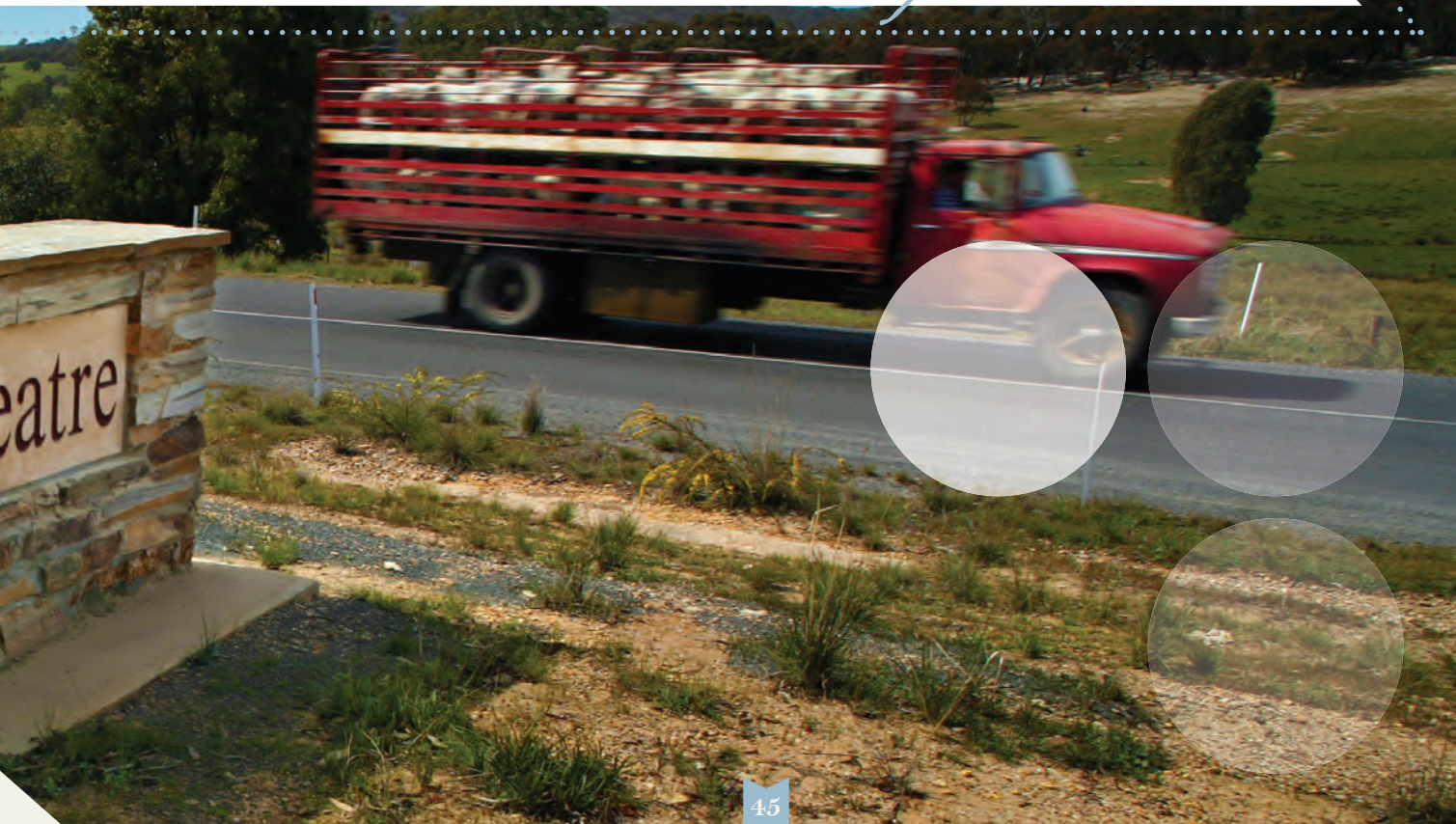


APPEARANCE OF PUBLIC AREAS





GROWTH AND
*Employment
Development*



Council continues to strive for a stronger population through new employment opportunities, attraction and retention of industry and tourism development.

Council maintains a focus on regular development, and is committed to:

- Enhancing existing business and industry;
- Pursuing opportunities for local industry growth;
- Promoting tourism opportunities; and
- Sustaining the Community Resource Centres.

THE YEAR'S HIGHLIGHTS

Council has had many positive developments and achievements in the 2010/11 year, which will provide long term benefit to Shire residents and the region.

NEW ECONOMIC DEVELOPMENT STRATEGY

Council adopted a new Economic Development Strategy towards the end of 2010. It identifies priority actions to be undertaken over the next four years that will support local business, youth employment, and development of infrastructure, transport, telecommunications and renewable energy.

NEW AVOCA INFORMATION AND COMMUNITY CENTRE

A major achievement for the year was the completion of renovations to the new Avoca Information and Community Centre (full details on page 19). The building now comprises a Community Resource Centre, which incorporates a range of new facilities available to residents. Since reopening, residents and visitors now enjoy extended library operating hours. Previously the library was open three half-days a week. Now that all staff members are trained in library services, the service is available seven days a week.

RAINFALL AND FLOODS

A much better rainfall season improved the longer term outlook for primary production, despite the challenges of flooding early in 2011 (full details on page 14).

A series of four flood recovery forums for rural communities were held during February 2011, which enabled Council to deliver information on support measures and initiatives of the State and Federal Governments. The feedback from community members and businesses at these forums is important data, and will be passed on to the State Government during the recovery process.

FARMING IN THE 21ST CENTURY

The Farming in the 21st Century collaboration was successful in gaining a \$100,000 grant from the William Buckland Foundation to develop a major new event.

The William Buckland grant has enabled the group to develop a major annual event known as Agrifest. The inaugural event received very favourable feedback from the region's farming community, drawing a crowd of over 100 farmers, with some participants coming from other parts of the state.

Farming in the 21st Century is a partnership Pyrenees Shire has with four other regional organisations. Each year the group hosts a series of free events to promote new ideas, best practice management, and the latest technology to benefit farmers and small rural communities. The goal of the group is a more resilient and sustainable farming community.

This is the fourth year the partnership has delivered free information to local rural communities to adapt to changes and challenges of agriculture in the 21st Century.

Details of these events including Agrifest can be found at www.farming21c.com.au

AVOCA INDUSTRIAL ESTATE

The development of another stage of the Avoca Industrial Estate is under way. Solid demand is evident through the sale of six blocks in the estate with strong interest in other blocks being reported by agents. Development of the estate will lead to new investment and employment outcomes.

SMALL BUSINESS SUPPORT

Council hosted a number of activities to assist small business owners. These included: three Small Business Victoria workshops; the Mobile Business Van, which offered free appointments to small business owners; and the broad promotion of the Small Business Mentoring Service.

EVENT ORGANISERS' HANDBOOK

Council completed a revision of the Event Organisers' Handbook, which provides useful advice on event promotion and management, and assists groups to meet regulatory and compliance requirements. The handbook contains information on all elements of event management and is designed as a tool for new event organisers and as a guide for experienced organisers on Council's requirements.

THE YEAR'S DISAPPOINTMENTS

While there have been several successes in the past 12 months, some disappointments have been experienced.

Progress with the Landsborough Pipeline Proposal remained slower than anticipated, however the project has now advanced to a stage where funding is being sought.

There has been some criticism of Pyrenees' relationship with Grampians Tourism. Council continues to develop and improve the relationship, appreciating that those in the industry can benefit from the connection.

GROWTH AND *Employment Development*

THE YEAR AHEAD

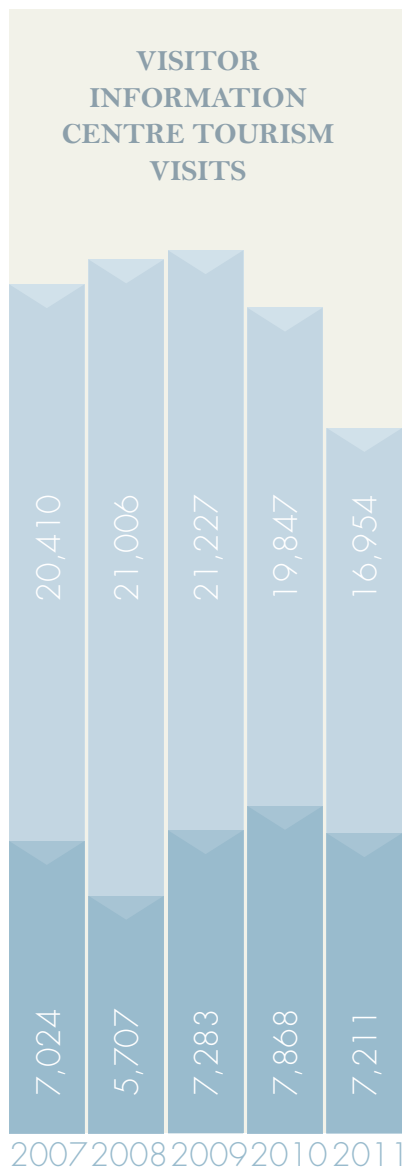
Council will use its new Economic Development Strategy to guide a number of key actions and new initiatives in the coming year. Some of these include:

- The implementation of “Buy Local” initiatives;
- Provide employment and career options for youth;
- Capitalise on nature based tourism opportunities; and
- Develop a marketing program for Pyrenees Shire.

Council plans to acquire future library services from the City of Ballarat under new Service Level Agreements. The new structure will give Council stronger ownership of library services and therefore specific requests from the public, such as library events and activities, can be individually met.

Consultation with community members regarding the streetscapes of Avoca and Beaufort took place in early 2011. In the coming year, plans for improved streetscapes will be progressed.

VISITOR INFORMATION CENTRE TOURISM VISITS



- Avoca
- Beaufort

The drop in visitors to the Avoca Information Centre could be attributed to:

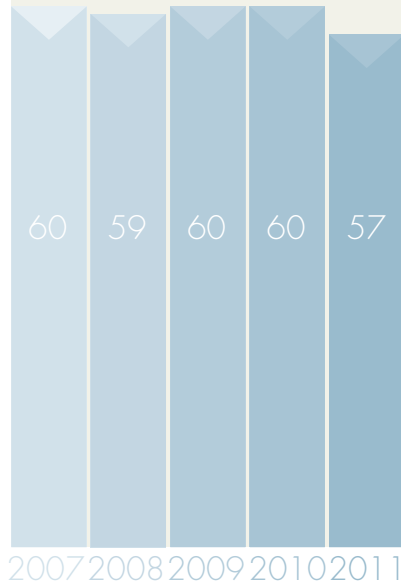
- The temporary closure and limited services available during the building renovations (full details on page 19); and
- The floods in and around the region from September 2010 to January 2011 (full details on page 14).



2011 LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY RESULTS

COUNCIL'S *Performance*

ECONOMIC DEVELOPMENT





The background image shows a rural landscape. In the foreground, there is a wooden fence and a water tower with a corrugated metal tank. To the left, a windmill stands on a tall metal structure. In the middle ground, several wind turbines are visible against a clear blue sky. A sign on the windmill reads "BITTAN COL.MC".

PLANNING AND *Environment*

Town planning is a process of ensuring orderly development, be it residential, commercial, industrial or rural development.

Council's Environment and Sustainability Officer's role is to provide technical information within Council and to the community that aligns to environmental legislation.

Council's planning permit process aims to protect and grow elements of the Shire's physical environment, such as productive agricultural land; amenity values; and heritage qualities and public infrastructure.

As stated in the Council Plan 2009 - 2013, Council aims to show leadership in the management of the natural and built environments.

THE YEAR'S HIGHLIGHTS

WIND FARMS

A significant portion of the year was dedicated to assessing wind farm projects, such as the Chepstowe Wind Farm; and preparing and co-ordinating the presentation of Pyrenees Shire's submission to the Community Affairs References Committee on the Social and Economic Impact of Rural Wind Farms.

A new wind farm at Stockyard Hill has been approved, which will comprise 157 turbines. The farm will generate 471 megawatts of renewable energy annually, which is enough for 250,000 homes.

STRATEGIC PLANNING

Council exhibited and adopted an amendment to rezone land within the wine producing district around Moonambel to Rural Activity Zone. Rezoning will allow for planning approvals to be granted for a larger range of tourist related land uses, such as group accommodation, restaurants and tourism related events. The documentation for this amendment is currently with the Department of Planning and Community Development awaiting formal approval.

NEW STAFF

A Town Planning Assistant and Building Services Administrator have been welcome additions to the planning and building teams this year. Both staff members commenced work with Council in late 2010, and brought a broad range of skills and experience to their roles, which has assisted the department to operate more efficiently.

ENVIRONMENTAL PLANNING

A three year Environmental Sustainability Strategy was developed this year to guide Council decision making (full details on page 19), and a review was undertaken of the Roadside Management Strategy. Both strategies are available on Council's website at www.pyrenees.vic.gov.au.

WASTE MANAGEMENT

Council's green waste collection service was introduced this year. An average of 20 cubic meters of green waste was collected from Beaufort each month, and 15 cubic metres from Avoca. Feedback from ratepayers regarding the service has been very positive.

The townships of Avoca and Beaufort were offered a hard waste kerb side collection service this year for the first time and this was very well received.

The Beaufort collection totalled 8.6 tonnes of hard waste and 8 cubic meters of steel from approximately 190 sites.

The Avoca collection totalled 11.52 tonnes hard waste and 16 cubic meters of steel from approximately 300 sites.

THE YEAR'S DISAPPOINTMENTS

ROADSIDE FIREWOOD COLLECTION

The Victorian Government has determined that local government and VicRoads will now be the responsible authorities for managing the collection of firewood from roadsides.

Council investigated the development of a Roadside Firewood Collection Policy that would allow the practice whilst ensuring the safety of the community.

The investigation quickly highlighted that due to the extremely high number of environmental, health and safety risk factors for community members and Council, a policy could not be formalised.

The investigation and subsequent discussion resolved that Council is currently unable to provide an effective, economically viable and safe process for allowing community members to collect firewood from roadsides.

THE YEAR AHEAD

A number of major strategic planning projects are scheduled to be completed over the coming 12 months. These include:

- Amendment C27 – this amendment proposes a number of changes to the current restructure Overlay provisions, along with the re-zoning of a number of rural areas;
- Rewrite of the current Municipal Strategic Statement (MSS) and Local Planning Policy Framework;
- Implementation of revised flood controls for Beaufort; and
- Review of Avoca structure plan.

Extensive community consultation will be undertaken in relation to all these major projects. Feedback in relation to the rewrite of the MSS and Local Planning Policy Framework, along with the Avoca structure plan will be particularly welcome.

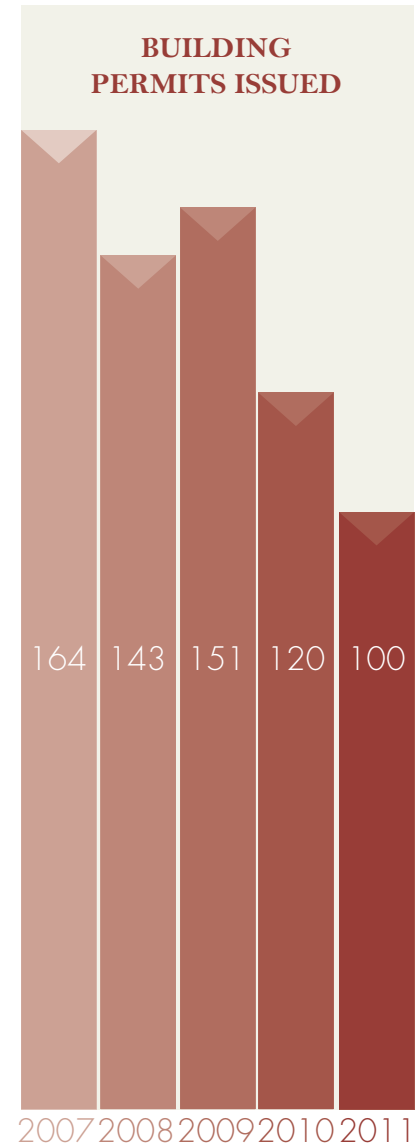
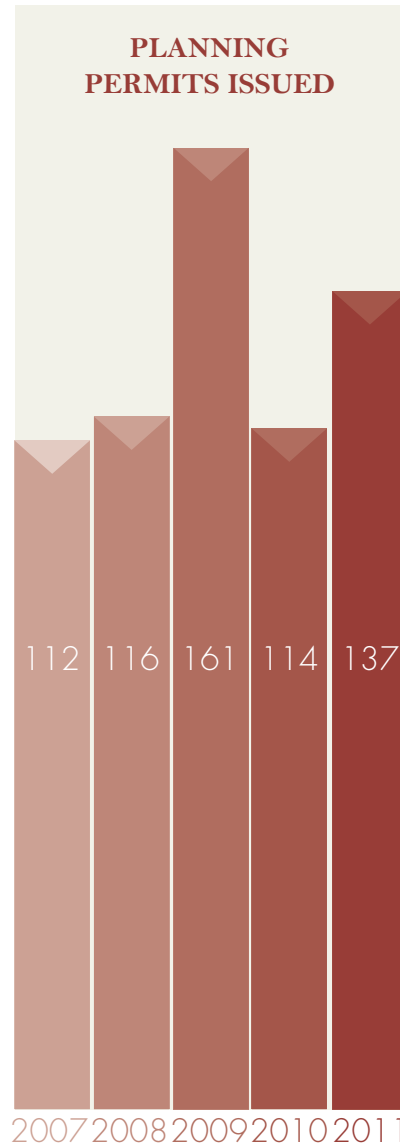
Council recently received funding from the Department of Primary Industries for weed control in the Trawalla target area. In the coming 12 months Council anticipates outcomes from further funding applications, with a focus on reducing energy consumption and innovative use of natural resources.

A waste water dump point is planned for Avoca. The unit will encourage the disposal of waste water in a responsible manner by tourists in recreational vehicles such as motor homes and campervans.

PLANNING AND *Environment*

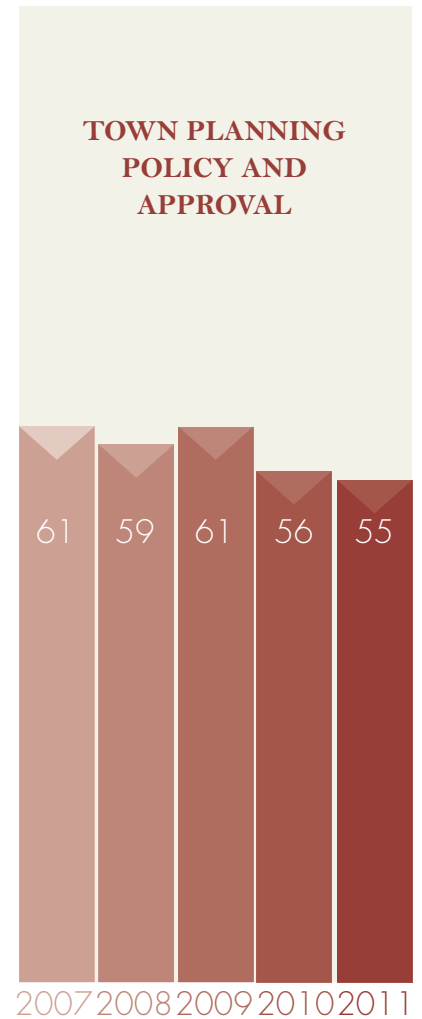
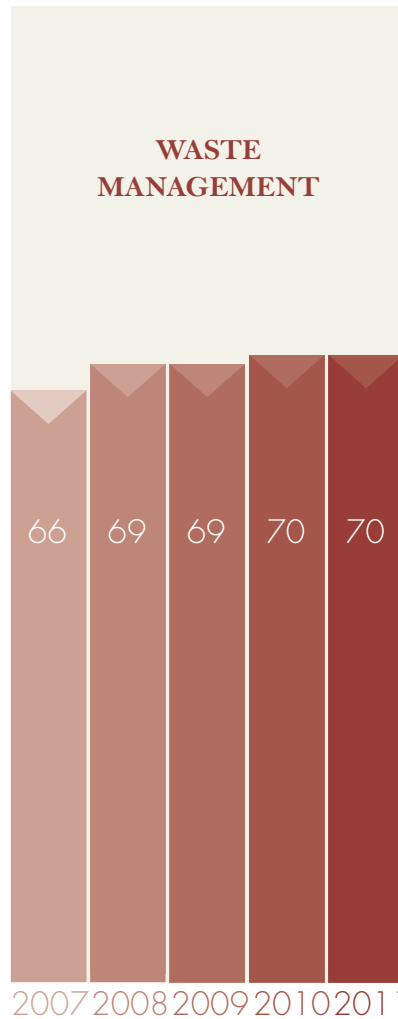
STATISTICS

There was a slight overall increase in the number of planning permits issued, up around 5% from the 129 issued for the 2009/10 financial year. 85% of planning applications were determined within statutory times.



2011 LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY RESULTS

COUNCIL'S *Performance*



ENVIRONMENTAL HEALTH AND LOCAL LAWS

Council's Local Laws aims to provide a safe and healthy environment so that the community can enjoy a quality of life that meets expectations. This involves ensuring the safe and fair use of public places; fair and responsible use of private land; and peace, order and good government of the municipality.

The Environmental Health department is responsible for monitoring the public matters of:

- Child immunisation;
- Food Surveillance and regulation of food offered for sale;
- Regulation of Shire businesses such as hairdressers, tattooists and accommodation;
- Regulation of the installation and maintenance of septic tank systems in un-sewered areas; and
- Investigation and resolution of Public Health nuisances.

ENVIRONMENTAL HEALTH THE YEAR'S HIGHLIGHTS

CHILD IMMUNISATION

The task of vaccinating infants and school children is carried out by a part time nurse vaccinator and Council's Maternal and Child Health Nurse. Their skill, enthusiasm and ability to put people at ease is beyond question.

Pleasingly, the immunisation rate for the Shire was in the 95-100% range for each quarter.

FOOD SAFETY

Council's Environmental Health Officer attended most large public gatherings and a representative number of markets and food stalls to advise on and monitor food safety. There were no illness or disease associated with unsafe food for the year.

EDUCATION

Education in Environmental Health has also been a priority for Council, with informative articles published in each edition of Council's monthly newsletter (full details on page 30).

SALE OF TOBACCO

The Environmental Health Officer was successful in ensuring that Council's obligations under the Tobacco Act were satisfied for the year.

Council continues to monitor the sale of tobacco products to minors through a test purchasing program. Only two sales to minors were detected for the year.

2011 LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY RESULTS

COUNCIL'S *Performance*

LOCAL LAWS THE YEAR'S HIGHLIGHTS

ANIMAL REGISTRATION

Each year Council aims for 100% animal registration over the Shire. Council is also dedicated to reducing the number of animal related complaints received each year.

This year, Council engaged an external agency to follow up people with unregistered animals. This proved to be very successful in increasing timely registrations.

To assist Shire animal owners with their compliance, Council Rangers intend to obtain animal micro-chipping licences in the coming year, so that the service can be provided by Council. Currently, Council arranges for a veterinarian or neighbouring shire ranger to provide the service.

IMPROVEMENTS TO OPERATIONS

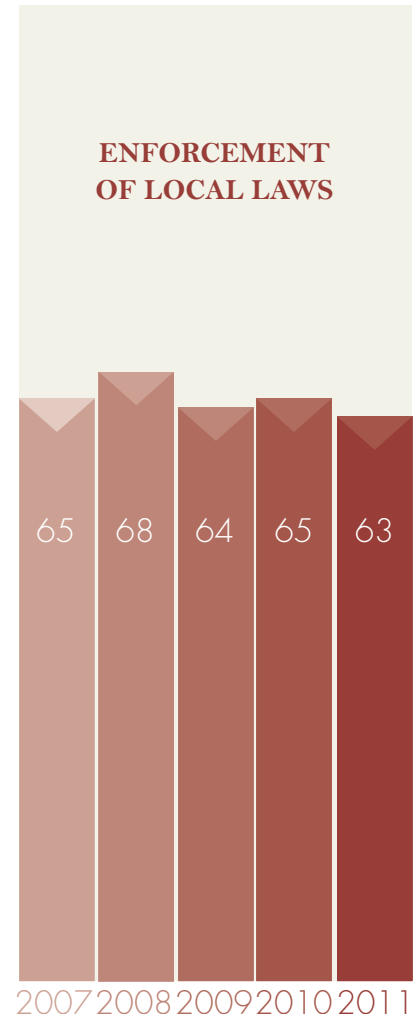
This year, rangers worked hard to design an operational compliant vehicle, which has several new functions to enable safer and more efficient operations. The Multi-Functional Animal Transport (MFAT) was built locally and delivered in November 2010.

The implementation of a Code of Practice for the use of agricultural scare guns has proved successful. The number of complaints regarding the use of scare guns has reduced dramatically over the past 12 months.

EDUCATION

Council is committed to the ongoing education of Shire residents regarding responsible pet ownership. In partnership with the community, Council is confident it can significantly reduce the number of animal complaints each year.

ENFORCEMENT OF LOCAL LAWS





Council Administration Office, Beaufort



ORGANISATIONAL
Development

The continuous improvement and development of staff and Councillors is a priority. Council aims to provide training and education opportunities for improved performance and efficiency.

Council also has the responsibility of maintaining financial viability and ensuring the long term sustainability of the organisation through the effective management of staff, and risks to staff.

TRAINING AND DEVELOPMENT

Council provides ongoing training and development opportunities for staff through internal and external training sessions. Nearly 30 development programs were offered to staff in the 2010/11 financial year.

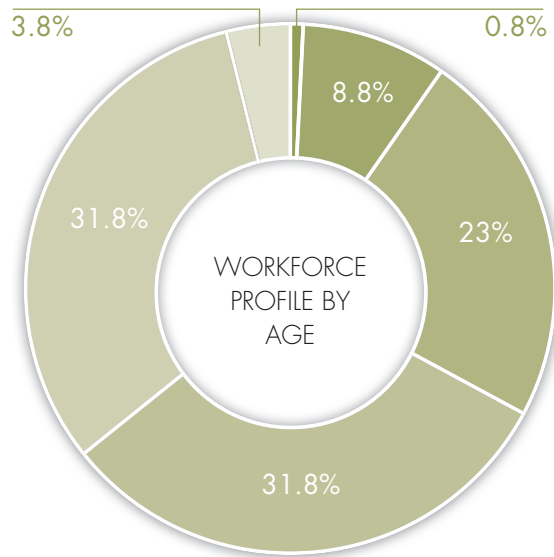
This included:

- HACC programs;
- MS Word and Excel skills; and
- First Aid and CPR courses.

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

- Certificate III in Home and Community Care
- Diploma of Sustainability
- Diploma of Project Management
- Diploma of Engineering – Technical (Civil)

WORKFORCE PROFILE 30TH JUNE 2011



Age Bracket

20 - 24 Years

25 - 34 Years

35 - 44 Years

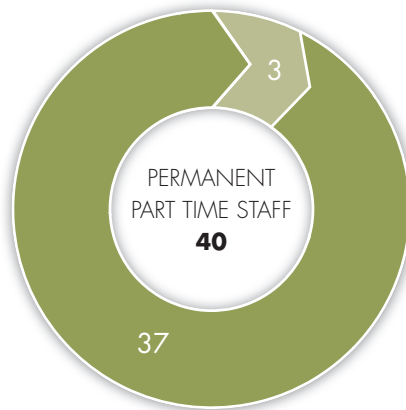
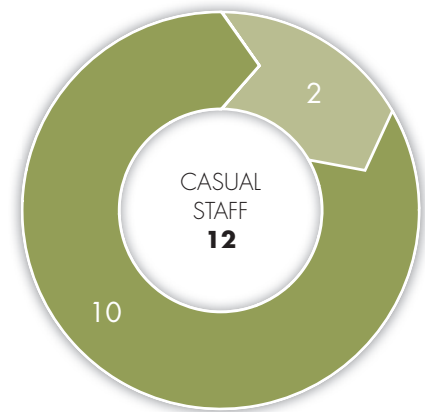
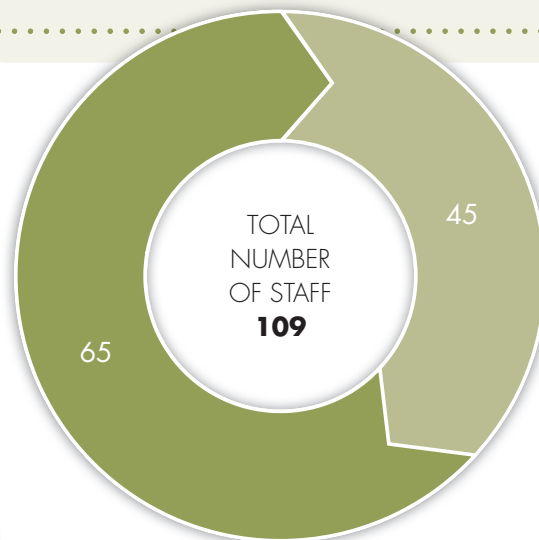
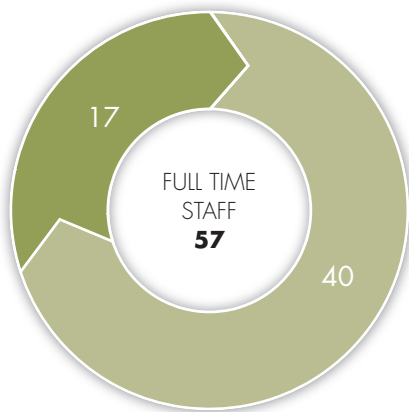
45 - 64 Years

55 - 64 Years

Over 65 Years

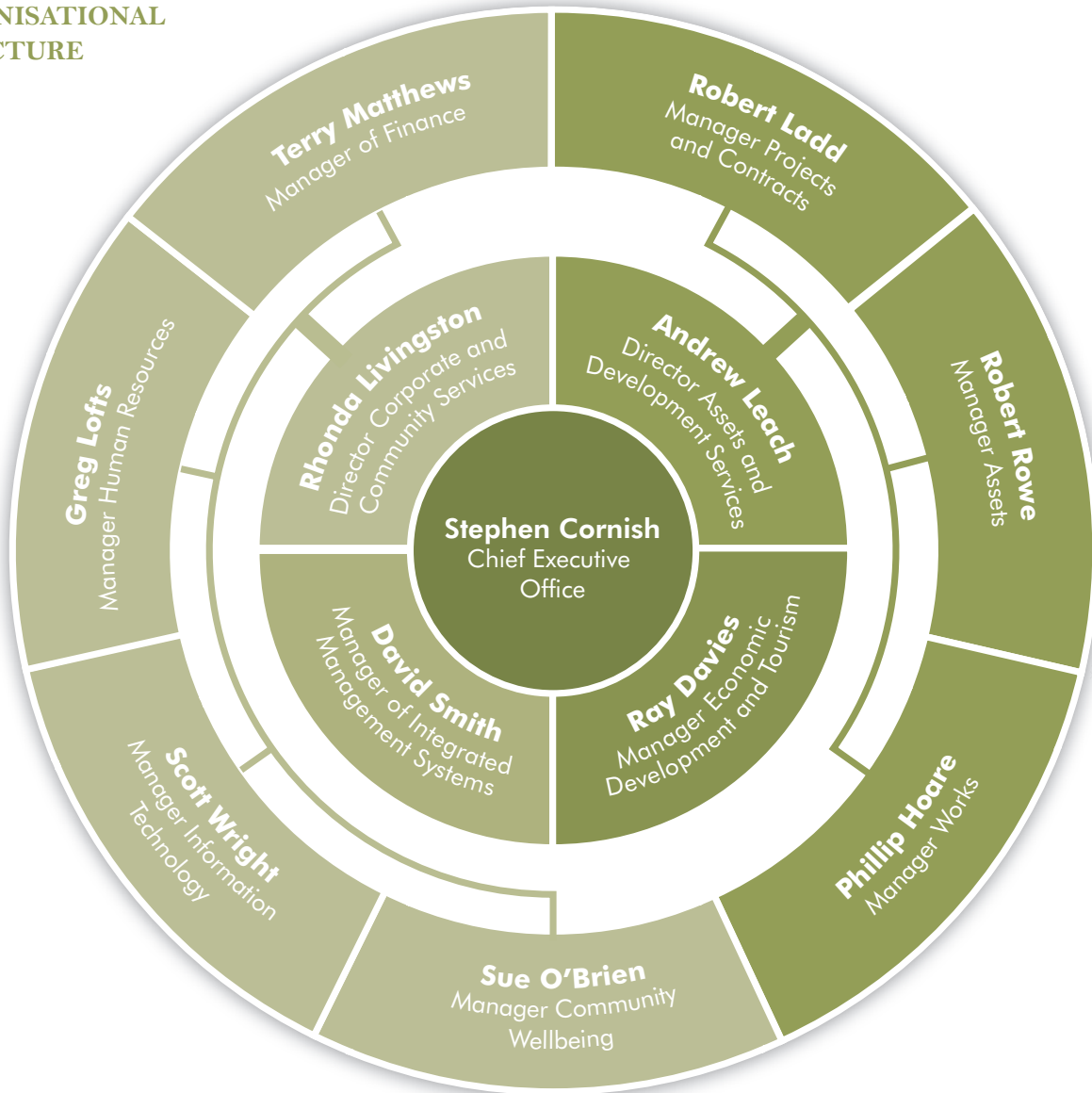
EMPLOYEES

During the year, Council advertised 17 positions with 120 applications considered. As at 30 June 2011 Pyrenees Shire Council had a total workforce of 74.67 EFT positions.



ORGANISATIONAL *Development*

ORGANISATIONAL STRUCTURE



STAFF MILESTONES

Many staff members have provided several years service to Pyrenees Shire and its predecessor organisations.

Years of Service	Number of Staff Members
30	4
25	9
20	8
15	8
10	6

WORKCOVER

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

CLAIMS PROFILE 2010/2011

Claims

Minor, under council's liability	2
Major, exceeds council's liability	0

OCCUPATIONAL HEALTH AND SAFETY (OH&S)

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

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

INDUSTRIAL RELATIONS

Council negotiated a new Enterprise Bargaining Agreement in 2010. The new agreement is for a three year term and is due to expire on 15 October, 2013.

NATIONAL COMPETITION POLICY COMPLIANCE: 2010/2011

CERTIFICATION BY CHIEF EXECUTIVE OFFICER

Council has complied with the requirements of the National Competition Policy for the period 1 July 2010 to 30 June 2011, in accordance with the requirements outlined in National Competition Policy – A revised Statement of Victorian Government Policy, December 2008 (2008 Statement) as set out below:

A. Trade Practice 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 re-made during 2010/11 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 2010/11 National Competition Policy recording 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

Stephen Cornish
Chief Executive Officer

Date: 16/08/2011







Council Administration Office, Beaufort

GOVERNANCE AND COMMUNITY

Leadership



GOVERNANCE AND COMMUNITY *Leadership*

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. Michael O'Connor became Mayor of Pyrenees Shire in November 2010.



COUNCIL 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 at www.pyrenees.vic.gov.au.

MAYORAL AND COUNCILLOR ALLOWANCES

The Mayoral allowance is currently \$55,697.15. The Councillor allowance is \$18,642.27. Allowances are reviewed annually by the Department of Planning and Community Development.

COUNCIL MEETINGS

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

COUNCIL ELECTIONS

Under the Local Government Act of 1989, Council elections are held every four years. The next election will be in November 2012.

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.

In conjunction with Emergency Service Agencies, Council has developed a fire risk register for the Pyrenees Shire. For the first time, a detailed analysis of all of the Shire's assets has been completed and mitigation strategies for their protection are currently being put in place.

Council has improved its capacity in the area of Emergency Management with all relevant staff being trained and a number of exercises completed. This will be a continued focus for the next twelve months as Council moves towards an "all hazards approach".

Council's Fire Management Plan now has an emphasis on roads that have the potential to act as a strategic fire break.

External audits continue to show Council's improvement in the areas of public liability, professional indemnity and asset protection.



PRIVACY

Council complies with the Victorian Information Privacy Act 2000. Council staff 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. This general right of access is only limited by exceptions and exemptions, which have been prescribed to protect essential public interests and the private and business affairs of people about whom Council holds information.

During the year two requests were received.

Requests for access to information should be made in writing to the Freedom of Information Officer, 5 Lawrence Street, Beaufort VIC 3373. The request must specify the document required or if unable to do so, give sufficient detail to enable the relevant document to be located, the form of access required, and include the applicant's contact details.

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 2011. 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 30 August 2010, 14 December 2010 and 30 May 2011.

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

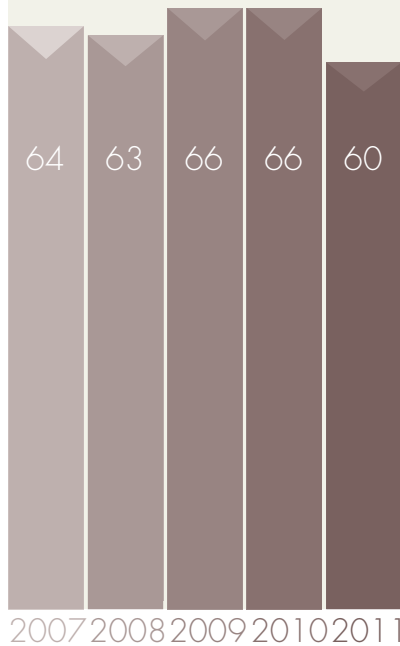
DOCUMENTS AVAILABLE FOR INSPECTION:

- 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 established under Section 86 of the Act held in the past 12 months.
- A register of delegations under the Local Government Act.
- Submissions received under Sections 87, 88 and 98 of the Act over the past 12 months.
- Agreements to establish regional libraries under Section 196 of the Act.
- 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 \$150,000 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.

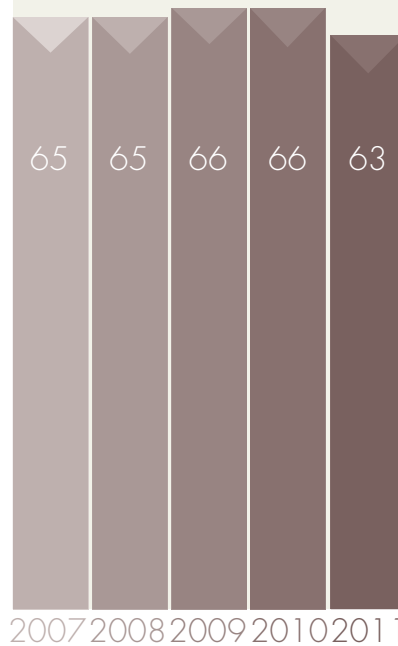
2011 LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY RESULTS

COUNCIL'S *Performance*

COUNCIL'S GENERAL PERFORMANCE



COUNCIL'S OVERALL PERFORMANCE IN KEY SERVICE AREAS AND RESPONSIBILITIES



GOVERNANCE AND COMMUNITY *Leadership*

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 2010/11 financial year Council entered into 19 new contracts with a total value of \$6.6 million. Many of these were flood repair contracts

CONTRACT	VALUE	NO OF TENDERERS
Raglan Elmhurst Road - Rehabilitation of existing pavement	\$1,487,000	3
Kerbside Collection of green waste materials, Avoca and Beaufort	\$37,000	3
Waubra Community Hub additions and renovations	\$1,249,000	8
Rowe Street Industrial Subdivision Stage 2 (Avoca)	\$610,000	3
Mainlead Road Safety Treatment	\$376,000	4
Rehabilitation of Moonambel - Natte Yallock Road	\$655,000	5
Landsborough Pipeline Cultural and Environmental Assessment	\$64,000	4
Management and Operation of Beaufort and Avoca Swimming Pools	\$398,000	1
Roadside Slashing	\$178,000	2
Design of Flood Mitigation Culverts under the Melbourne - Ararat railway line in Beaufort	\$74,000	7
Avoca Information and Community Centre Development	\$356,000	1
Elmhurst Glenpatrick Road Bridge Abutment Repairs	\$27,000	5
Beaufort Town Hall Refurbishment	\$150,000	2
Snake Valley Sewerage Scheme	\$757,000	4
Joseph Lane Culverts	\$71,000	2
Stewarts Road Barkly	\$45,000	3
Keiths Road	\$56,000	1
Glenlofty Warrenmang Road Culvert Restoration	\$4,000	3
Gravel resheet, drainage and associated works Precinct 12	\$86,000	1
TOTAL	\$6,680,000	62

COUNCILLOR ATTENDANCE AT MEETINGS

DATE	CR CARSON	CR CLARK	CR O'CONNOR	CR QUINN	CR VANCE
20/07/10	Present	Present	Present	Present	Present
17/08/10	Present	Present	Present	Present	Present
21/09/10	Present	Present	Present	Present	Present
19/10/10	Present	Present	Present	Present	Present
16/11/10	Present	Present	Present	Present	Present
30/11/10 (Statutory)	Present	Present	Present	Present	Present
14/12/10	Present	Present	Present	Present	Present
18/01/11	Present	Present	Present	Present	Present
15/02/11	Present	Present	Present	Present	Present
15/03/11	Present	Present	Present	Present	Present
19/04/11	Present	Present	Present	Present	Present
17/05/11	Present	Present	Present	Present	Present
14/06/11	Present	Present	Present	Present	Present

GOVERNANCE AND COMMUNITY *Leadership*

COMMUNITY GRANTS 2010/2011

The following community groups were awarded funds under Council's Community Grants Scheme:

ROUND 01

ORGANISATION	AMOUNT
Raglan Trail Riders Inc	\$ 500
Avoca Festivals and Events Committee inc	\$ 500
Landsborough and District Historical Society	\$ 915
Carngham Recreation Reserve	\$ 1,000
150th Anniversary Sub Committee of Moonambel Events Inc	\$ 1,500
Avoca Breast Cancer Support Group	\$ 575
Pyrenees Petanque Club	\$ 750
Avoca Shire Turf Club	\$ 1,000
Waubra Recreation Reserve Committee of Management	\$ 1,500
Lexton Landcare Group Inc	\$ 1,000
Snake Valley Festival	\$ 750
Beaufort Garden Club	\$ 1,500
Amphitheatre Mechanics institute	\$ 629
Amphitheatre Recreation Reserve	\$ 1,000
Avoca and District Historical Society	\$ 1,000
Avoca Public Cemetery Trust	\$ 1,000
Snake Valley Play Group	\$ 700
Lexton Playgroup	\$ 550
TOTAL	\$16,369

ROUND 02

ORGANISATION	AMOUNT
Lexton Progress Association	\$ 500
Waubra Wind Farm Festival	\$ 500
Landsborough Tennis Club	\$ 700
Landsborough Festivals Inc.	\$ 500
Beaufort and District Adult Riding Club	\$ 1,130
University of the Third Age (U3A) Avoca	\$ 500
Waubra Bowling Club	\$ 1,200
Moonambel Arts and History Group MAHG	\$ 750
Lake Goldsmith Public Hall Committee	\$ 1,500
Waubra Cricket Club	\$ 1,000
Lexton Public Hall Inc	\$ 1,500
Waterloo Community Group Inc.	\$ 1,000
Avoca Playgroup	\$ 1,000
Amphitheatre Progress Association	\$ 965
TOTAL	\$12,745





FINANCIAL
Reports

A PLAIN ENGLISH GUIDE TO THE 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 2010/2011 financial year and the overall position at the end (30 June 2011) 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 and 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.

A PLAIN ENGLISH GUIDE TO THE FINANCIAL REPORT CONTINUED

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 and 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 and 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

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 \$8 million, which included a charge for depreciation of assets of \$5.3 million. This result is considerably higher than budget. It occurred as a result of the receipt of \$8.8 million in grant funding for the September 2010 and January 2011 floods.

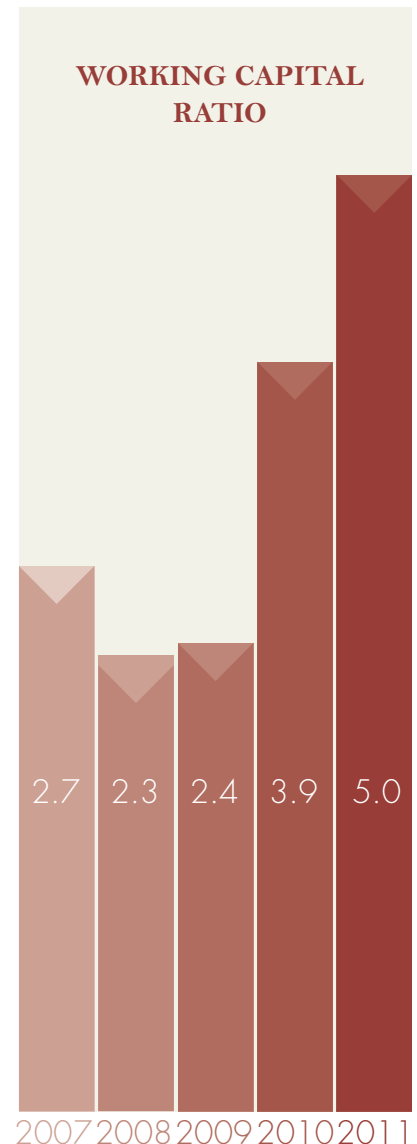
At balance date, Council had expended \$2.4 million of these funds on flood restoration works. The remainder of these funds will be expended in the current year.

Council's overall grant income for the year was \$19 million. While the flood grant funds contribute significantly to this amount, the remaining balance of \$10.2 million reflects Council's continuing success in attracting external funding for operations and capital works.

In particular, Council received \$5 million in non-recurrent grants for projects other than flood restoration, notably Federal Government funds for major road projects such as the Avoca Visitor Information Centre and Library; Snake Valley Sewerage Scheme; and the Waubra Community Hub.

BALANCE SHEET

Council is in a sound financial position at 30 June 2011 with \$14.1 million in cash and investments on hand and a capital ratio (current assets to current liabilities) of 5.0 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 \$13.9 million in 2010/2011. This cash surplus is the cash balance available to Council after normal operating expenses have been paid. (This balance this year is higher than normal as a result of the flood grants received.) 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's overall cash position has increased by \$6.4 million in 2010/2011. This significant increase in cash levels has occurred largely as a result of the following four factors.

1. Council received \$1.1 million of its 2011/2012 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 has received \$8.1 million of grants funds for projects in advance. The majority of the funds relate to flood restoration works. These funds will be expended in 2011/2012
3. Council had a number of projects that were unfinished at 30 June 2011. These projects, including the Beaufort Correa Park Residential Development, will now be completed in 2011/2012.

CAPITAL WORKS

Council undertook \$8.3 million of capital works in 2010/2011. Works included \$2.3 million on roads; \$3.1 million on buildings; \$2.1 million on land improvements; \$0.2 million on land; and \$0.7 million on Plant and Equipment.

DEBT MANAGEMENT

Total Council debt at 30 June is \$2,721,000 of which \$73,000 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 low compared to the industry average.

PERFORMANCE *Statement*

FOR THE YEAR ENDING 30 JUNE 2011

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

KEY STRATEGIC ACTIVITIES FOR THE YEAR ENDING 30 JUNE 2011

FOUR YEAR PLAN

ANNUAL PLAN

OBJECTIVES	STRATEGIES	KEY STRATEGIC ACTIVITIES	TARGETS	ACHIEVEMENT	EXPLANATION	
1 - To maintain a safe and effective road system that caters for all road users within the shire.	1.1 - Develop strategies to increase the funds available to maintain and improve Council's road network.	1.1.1 - Seek external funding to support road renewal programs within the shire. Pursue funding commitments from State and Federal Governments bodies.	Quantity - Council to obtain grant income of \$2.0 million in the year (including Roads to Recovery funding) in capital grant funding to fund specific road infrastructure projects.	Yes	Actual income was \$10.3M. Higher as a result of successful application for funds for flood restoration road and bridge works	
			Quality - Maintaining a community satisfaction rating for Customer Contact above 72.	No	Actual result was 68%. Satisfaction rating was considered to be impact by the flood events of Sept 2010 and Jan 2011	
			1.2.1 - Ensure that yearly capital works program identified from the 10 year financial plan is completed.	Quantity - 90% of the budgeted roads capital works is completed (excluding carry forwards) in the 2010/2011 year.	No	Actual result was 59.5%. Level of capital road works were impacted by the flood events of Sept 2010 and Jan 2011
			Quality - An improvement in the community satisfaction rating for Local Roads and Footpaths from 53 to 55.	No	Actual result was 43%. Satisfaction rating was considered to be impact by the flood events of Sept 2010 and Jan 2011	
2 - To provide safe, well maintained and functional assets to support communities.	2.1 - Support and promote the development of community hubs throughout the shire.	2.1.1 - Completion of the construction of the Waubra Community Hub.	Time - Construction to be completed prior to 30.6.2011.	Yes	Building opened March 2011	
			Quality - Maintaining a community satisfaction rating for recreational facilities above 70.	No	Actual result was 70%.	
			Quality - Maintaining a community satisfaction rating for appearance of public areas above 70.	No	Actual result was 65%.	

FOUR YEAR PLAN

ANNUAL PLAN

OBJECTIVES	STRATEGIES	KEY STRATEGIC ACTIVITIES	TARGETS	ACHIEVEMENT	EXPLANATION
3 – To enhance the quality of life of residents by building strong, active and resilient communities.	3.1 – Ensure the Community Action Plans are relevant, current and representative of the view of each community. Encourage participation in the review of the plans. Support communities to implement their plans and access grant funding.	3.1.1 – Ensure that all CAPs are current and are up to date.	Time - All community Action Plans to be available on Council's website prior to 30.6.2011.	Yes	CAP are listed on Council's website
			Quality - A CAP training session for interested residents to be conducted annually.	Yes	Sessions were conducted in October 2010.
			Quantity - Zero waiting list for the provision of home help services for aged clients.	Yes	Council does not have a waiting list for the provision of home help services for aged clients.
	3.2 – Provide responsive and sustainable community services in aged care, family day care and maternal and child health.	3.2.1 – Maintain the levels of high quantity aged care service delivery.	Quality - Maintain a community satisfaction rating for Health and Human Services above 70.	Yes	Actual result was 74%.

PERFORMANCE *Statement*

FOR THE YEAR ENDING 30 JUNE 2011

FOUR YEAR PLAN

ANNUAL PLAN

OBJECTIVES	STRATEGIES	KEY STRATEGIC ACTIVITIES	TARGETS	ACHIEVEMENT	EXPLANATION		
4 - To develop the local economy and increase the population of the Pyrenees Shire.	4.1 - Review the Economic Development Strategy for attracting, retaining and developing business and industry	4.1.1 - Revised Economic Development Strategy adopted by Council	Time - To be adopted by November 2011.	Yes	Strategy was adopted by Council in December 2010		
			Quality - Increase the Community Satisfaction Survey rating for Economic Development from 60% to 61%	Yes	Actual result was 57%.		
	4.2 - Industrial land in Avoca.	4.2.1 - The continued development of land for industrial blocks in Avoca.	Time - Industrial blocks advertised for sale in Stage 2 of the Avoca Industrial Estate prior to 30.6.2011.	Yes	Blocks advertised for sale March 2011		
			Quality - All grant funds received for Avoca Industrial land development stage 2 prior to 30.6.2011.	Yes	All grant funds received in the 2010/2011 year.		
5 - To provide leadership for the community and advocate on its behalf to improve the economic, social and environmental wellbeing of the Pyrenees Shire.	5.1 - Mitigate public risk and improve employee safety through pro-active risk management	5.1.1 - Improved performance in Council's risk management areas.	4.3 - Industrial land in Beaufort.	4.3.1 - The continued development of land for industrial blocks in Beaufort.	Time - Land identified for future industrial land development.	No	Land was identified, however development costs of the land meant that the project was not feasible.
					Time - Land identified for future industrial land development.	No	Property audit improved from 73% to 79.3%.
					Quality - ISO certification in Quality, Environment and Safety maintained	Yes	ISO certifications maintained.
			Quality - JMAPP and CMP audit scores increased to > 80%	No	JMAPP score increased to 79.3%. ISO certifications maintained.		

FOUR YEAR PLAN

ANNUAL PLAN

OBJECTIVES	STRATEGIES	KEY STRATEGIC ACTIVITIES	TARGETS	ACHIEVEMENT	EXPLANATION
6 - To ensure the organisation is financially sustainable and has the capacity and capability to meet future and current needs.	6.1 - Continue to review Council's long term financial strategy annually.	6.1.1 - Continue to review and update Council's long term financial strategy each year.	Time - Council to consider a report on its long term financial strategy in the 2010/2011 financial year.	Yes	Report considered in Dec 2010 and March 2011.
			Quality - Maintain a ration of current assets to current liabilities at a level in excess of 100% at 30.6.2011.	Yes	Actual is 509% at 30.6.2011.
			Quality - Maintain indebtens to rate revenue at less than 60% at 30.6.2011.	Yes	Actual is 41.4% at 30.6.2011.
			Quality - Two waste reduction educational documents to be circulated in the Pyrenees Advocate in the 2010/2011 year.	Yes	Two waste reduction educational documents circulated in the Pyrenees Advocate in the 2010/2011 year.
7 - The manage the natural and built environment	7.1 - Implement community education campaigns to reduce the amount of waste sent to landfill and to encourage recycling	7.1.1 - A reduction in the amount of waste sent to council landfills.	Quantity - Introduce a green waste collection service to the townships of Avoca and Beaufort prior to 1.9.2010.	No	Commenced September 2010.
			Quality - Maintain waste per assessment (excluding green waste) below the target of 380kg in 2010/2011.	Yes	Actual average waste per assessment was 377.3kg
			Quality - Improve the customer satisfaction rating for Waste Management from 69 to 70.	Yes	Actual result was 70%.



NOTES TO THE STANDARD STATEMENTS

1. BASIS OF PREPARATION OF STANDARD STATEMENTS

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

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

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

The Standard Statements are not a substitute for the General Purpose Financial Report, which is included on pages 101 to 103 of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

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

The budget figures included in the Standard Statements are those adopted by Council on 29 June 2010. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from assets revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results is contained in the General Purpose Financial Statements Report on pages 101 to 103. The detailed budget can be obtained by contacting council or through the council's website. The Standard Statements must be read with reference to these documents.

STANDARD INCOME *Statement*

FOR THE YEAR ENDING 30 JUNE 2011

	BUDGET 2010/2011 \$'000	VARIANCES \$'000	VARIANCES %	ACTUALS 2010/2011 \$'000	
REVENUE					
Rates and charges	6,488	84	1.3	6,572	
Recurrent grants	5,351	234	4.4	5,585	
Non-recurrent grants	4,480	8,917	199.0	13,397	1
User fees	895	167	(18.7)	1,062	2
Contributions	323	(214)	66.3	109	3
Other revenue	214	494	230.8	708	4
Share of net profits of associates and joint ventures accounted for by the equity method	-	4	-	4	
TOTAL REVENUE	17,751	9,686		27,437	
EXPENSES					
Employee benefits	5,320	479	(9.0)	5,799	
Materials and services	4,860	3,028	(62.3)	7,888	5
Depreciation	5,000	305	(6.1)	5,305	
Finance costs	198	(44)	22.2	154	6
Other expenses	216	(32)	(14.8)	184	7
Net gain (loss) on disposal of assets	-	147	-	147	
TOTAL EXPENSES	15,594	3,883		19,477	
SURPLUS (DEFICIT) FOR THE PERIOD	2,157	5,803		7,960	

VARIANCE *Explanation Report*

REF	ITEM	EXPLANATION
1	Non-recurrent grants	Higher than budget as a result of the flood events experienced in September 2010 and January 2011. Council has received \$8.78M for restoration works associated with these floods.
2	User fees	Higher than budget as a result of Council carrying out a higher level of private works than usual. Council carried out a road construction project in Rifle Butts Road for Vic Track. This was a one off project that Council won the tender for.
3	Contributions	Lower than budget for two reasons. Firstly, contributions to the Waubra Hub Project were lower than budget as a result of a change to the timing of the contributions of the community groups to this project. These will now be received over a two year period rather than the previously budgeted twelve months period.
4	Other revenue	Higher than budget as a result of interest on investments being higher than budget. The higher than anticipated level of non-recurrent grants has resulted in Council maintaining higher levels of investments than normal. This has increased interest on investment in the current year.
5	Materials and services	Higher than budget as a result of the flood events experienced in September 2010 and January 2011. Council has received \$8.78M for restoration works associated with these floods. At the end of the year Council had expended \$2.3M on works on various flood projects. Council also made a payment of \$600,000 in this area on the Beaufort Community Hub. This expenditure while budgeted for was budgeted as a capital item. It has now been reclassified as an operation item as Council does not own or control this building.
6	Finance costs	Lower than budget as a result of take up of Councils new loan funds being later than budgeted for. This has occurred as a result of delays in Council's capital works program.
7	Other expenses	Other expenses are \$32,000 less than budget as a result of training expenses and leases costs being slightly less than anticipated.

STANDARD BALANCE *Sheet*

FOR THE YEAR ENDING 30 JUNE 2011

	BUDGET 2010/2011 \$'000	VARIANCES \$'000	VARIANCES %	ACTUALS 2010/2011 \$'000	REF
CURRENT ASSETS					
Cash and cash equivalents	1,002	13,099	1,307.3	14,101	8
Trade and other receivables	1,019	502	49.3	1,521	9
Other	182	84	46.2	266	10
TOTAL CURRENT ASSETS	2,203	13,685		15,888	
NON-CURRENT ASSETS					
Trade and other receivables	67	(6)	(9.0)	61	
Property, plant and equipment, infrastructure	225,073	(24,349)	10.8	200,724	
Investments in associates	227	2	0.9	229	
TOTAL NON-CURRENT ASSETS	225,367	24,353		201,014	
TOTAL ASSETS	227,570	10,668		216,902	
CURRENT LIABILITIES					
Trade and other payables	575	637	(110.8)	1,212	12
Interest bearing loans and borrowings	275	(12)	4.4	263	
Provisions	929	490	(52.7)	1,419	13
Trust funds and deposits	348	(121)	(34.8)	227	14
TOTAL CURRENT LIABILITIES	2,127	994		3,121	
NON-CURRENT LIABILITIES					
Trade and other payables	-	87	-	87	15
Interest bearing loans and borrowings	2,377	81	(3.4)	2,458	
Provisions	346	(146)	(42.2)	200	16
TOTAL NON-CURRENT LIABILITIES	2,723	22		2,745	
TOTAL LIABILITIES	4,850	1,016		5,866	
NET ASSETS	222,720	(11,684)		211,036	
EQUITY					
Accumulated surplus	85,526	6,998	8.2	92,524	
Asset revaluation reserve	137,115	(18,682)	13.6	118,433	17
Other reserves	79	-	-	79	
TOTAL EQUITY	222,720	11,684		211,036	

VARIANCE *Explanation Report*

REF	ITEM	EXPLANATION
8	Cash assets and cash equivalents	Higher as a result of grant funding being received for the flood events experienced in September 2010 and January 2011. There has also been delays in completion of various operational and capital projects. This has resulted in Council holding higher levels of cash than anticipated.
9	Trade and other receivables - current	Higher as a result of a larger amount of government grant funds being outstanding at the end of the financial year than anticipated at budget time.
10	Other - current assets	Lower as a result of the level of insurance expense prepayments in the 2010/2011 year being less than that anticipated at budget time.
11	Property, plant and equipment, infrastructure	Lower than budget as a result of Council recording impairment write downs on infrastructure assets as a result of the September 2010 and January 2011 floods.
12	Trade and other payables -current	Higher than budget as a result of the flood events experienced in September 2010 and January 2011. Council has received \$8.78M for restoration works associated with these floods. At the end of the year Council had expended \$2.3M on works on various flood projects. With the higher than anticipated level of expenditure there has been a corresponding increase in Council level of creditors at year end.
13	Provisions - current	Lower levels of leave taken during the year than anticipated. This has caused a variation from the original budget amount as the effect of this was not allowed in the budget. The lower level of leave taken can be attributed to the flood events experienced in September 2010 and January 2011. The emergency works associated with meant that it was not possible for staff to take their normal leave entitlements.
14	Trust funds and deposits	These vary from year to year and they are difficult to predict at budget time each year.
15	Trade and other payables -non current	Council negotiated a terms contract for the purchase of a parcel of land. As it was financial advantageous for Council to pay for the land this way, it did so. This information was not available at budget time.
16	Provisions - non current	Lower levels of leave taken during the year than anticipated. This has caused a variation from the original budget amount as the effect of this was not allowed in the budget. The lower level of leave taken can be attributed to the flood events experienced in September 2010 and January 2011. The emergency works associated with meant that it was not possible for staff to take their normal leave entitlements.
17	Asset revaluation reserve	The level of Council's asset revaluation reserves have been impacted by the flood events experienced in September 2010 and January 2011. These events has resulted in a large amount of Council's road assets being damaged. As a consequence of this, Council had recognised the impairment that has occurred to these assets. Council has reduced the carrying value of these assets by \$11.9M to reflect this impairment. This impairment charge is then offset again any available asset revaluation balances held by Council.

STANDARD CASH FLOW *Statement*

FOR THE YEAR ENDING 30 JUNE 2011

	BUDGET 2010/2011 \$'000	VARIANCES \$'000	VARIANCES %	ACTUALS 2010/2011 \$'000	REF
CASH FLOWS FROM OPERATING ACTIVITIES					
RECEIPTS					
General rates	6,488	164	(2.5)	6,652	
Operating grants and contributions	5,886	258	(4.4)	6,144	
Capital grants and contributions	4,480	9,143	(204.1)	13,623	18
Interest	196	217	(110.7)	413	19
User charges	803	202	(25.2)	1,005	20
Statutory fees	165	(2)	(1.3)	163	
Other revenue	375	(111)	(29.5)	264	21
Net GST Refund	912	(611)	(67.0)	301	22
	19,305			28,565	
PAYMENTS					
Employee costs	(5,320)	(210)	(3.9)	(5,530)	
Materials and contractors	(5,346)	(3,546)	(66.3)	(8,892)	23
Other expenses	(237)	35	(14.6)	(202)	25
	(10,903)			(14,624)	
NET CASH INFLOW FROM OPERATING ACTIVITIES	8,402			13,941	
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment, infrastructure	525	(298)	(56.8)	227	26
Payments for property, plant and equipment, infrastructure	(12,057)	3,919	32.5	(8,138)	27
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES	(11,532)	(3,621)		(7,911)	
CASH FLOWS FROM FINANCING ACTIVITIES					
Trust funds and deposits	-	86	-	86	28
Finance costs	(198)	44	(22.2)	(154)	24
Proceeds from borrowings	650	-	-	650	
Repayment of interest bearing loans and borrowings	(221)	12	5.4	(209)	
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	231	142		373	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,899)	9,302	320.9	6,403	
Cash and cash equivalents at the beginning of the year	3,901	3,797	97.3	7,698	
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,002	13,099		14,101	
RECONCILIATION OF SURPLUS (DEFICIT) AND NET CASH FLOWS FROM OPERATING ACTIVITIES FOR THE YEAR ENDING 30 JUNE 2011					
SURPLUS (DEFICIT)	2,157	5,803	269.0	7,960	
Depreciation and amortisation	5,000	305	6.1	5,305	
(Profit) loss on sale of property, plant and equipment, infrastructure	-	147	-	147	
Finance costs	-	154	-	154	
Net movement in current assets and liabilities	-	375	-	375	
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	7,157	6,784		13,941	

VARIANCE *Explanation Report*

REF	ITEM	EXPLANATION
18	Capital grants and contributions	Higher than budget as a result of the flood events experienced in September 2010 and January 2011. Council has received \$8.78M for restoration works associated with these floods.
19	Interest received (inflow)	Higher than budget as a result of interest on investments being higher than budget. The higher than anticipated level of non-recurrent grants has resulted in Council maintaining higher levels of investments than normal. This has increased interest on investment in the current year.
20	User charges	Higher than budget as a result of Council carrying out a higher level of private works than usual. Council carried out a road construction project in Rifle Butts Road for Vic Track. This was a one off project that Council won the tender for.
21	Other income received (inflow)	Higher than budget as a result of interest on investments being higher than budget. The higher than anticipated level of non-recurrent grants has resulted in Council maintaining higher levels of investments than normal. This has increased interest on investment in the current year.
22	Net GST Refund	Higher than budget as a result of the flood events experienced in September 2010 and January 2011. Council has received \$8.78M for restoration works associated with these floods. The works associated with these grant funds has improved Council's net GST refund position.
23	Materials and contractors	Higher than budget as a result of the flood events experienced in September 2010 and January 2011. Council has received \$8.78M for restoration works associated with these floods. At the end of the year Council had expended \$2.3M on works on various flood projects. Council also made a payment of \$600,000 in this area on the Beaufort Community Hub. This expenditure while budgeted for was budgeted as a capital item. It has now been reclassified as an operation item as Council does not own or control this building.
24	Finance costs	Lower than budget as a result of take up of Council's new loan funds being later than budgeted for. This has occurred as a result of delays in Council's capital works program.
25	Other expenses	Other expenses are less than budget as a result of training expenses and leases costs being slightly less than anticipated.
26	Proceeds from sale of property, plant and equipment, infrastructure	Less than budget as a result of delays in the changeover of Council's plant items. These plant changeovers are now scheduled to occur in 2011/2012.
27	Payments for property, plant and equipment, infrastructure	Less than budget as a result of delays in Council's capital works program. One of the major project that has experienced delay is the Snake Valley Sewerage Scheme project. Construction of this scheme was delayed as a result of ongoing negotiation with Central Highlands Water. Another project that has been delayed is the Raglan-Elmhurst Road project. This project has been delayed by wet weather and is now scheduled for completion in the 2011/2012 year.

STANDARD STATEMENT OF *Capital Works*

FOR THE YEAR ENDING 30 JUNE 2011

CAPITAL WORKS AREAS	BUDGET 2010/2011 \$'000	VARIANCES \$'000	VARIANCES %	ACTUALS 2010/2011 \$'000	REF
Land	100	115	(115.0)	215	29
Roads	3,821	(1,549)	(40.5)	2,272	30
Land improvements	3,750	(1,656)	(44.2)	2,094	31
Buildings	2,260	810	(35.8)	3,070	32
Plant and equipment and other	1,031	(340)	(33.0)	691	33
TOTAL CAPITAL WORKS	10,962	(2,620)		8,342	

REPRESENTED BY:

Renewal of infrastructure	3,874	(818)	(21.1)	3,056
Upgrade of infrastructure	1,579	713	(45.2)	2,292
New infrastructure	5,509	(2,515)	(45.7)	2,994
TOTAL CAPITAL WORKS	10,962	(2,620)		8,342

PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE MOVEMENT RECONCILIATION WORKSHEET

	BUDGET 2010/2011 \$'000	VARIANCES \$'000	VARIANCES %	ACTUALS 2010/2011 \$'000
Total capital works	10,962	(2,620)	(23.9)	8,342
Asset revaluation movement	-	(3,098)	-	(3,098)
Depreciation and amortisation	(5,000)	(305)	(6.1)	(5,305)
Written down value of assets sold	(477)	103	21.6	(374)
NET MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE	5,485	(5,920)		(435)

VARIANCE *Explanation Report*

REF	ITEM	EXPLANATION
29	Land	Council purchased an additional piece of land as part of the Correa park residential development. This land purchase was not budgeted for in the original budget.
30	Roads	Less than budget as a result of delays in Council's capital works program. The project that has been delayed is the Raglan-Elmhurst Road project. This project has been delayed by wet weather and is now scheduled for completion in the 2011/2012 year.
31	Land improvements	Less than budget as a result of delays in Council's capital works program. One of the major project that has experienced delay is the Snake Valley Sewerage Scheme project. Construction of this scheme was delayed as a result of ongoing negotiation with Central Highlands Water. This project is now scheduled for completion in the 2011/2012 year.
32	Buildings	Council made a number of successful grant applications to improve and upgrade buildings during the year. These include the Avoca Library and Visitor Information Centre Upgrade and the Beaufort Hall Upgrade. This expenditure was not budgeted for as the grant funding programs occurred after the budget had been adopted.
33	Plant and equipment and other	The number of plant items traded during the year was lower than the amount that was budgeted for. These items will now be purchased in 2011/2012.

AVOCA HOTEL

STARS

EXPLORE

YOUTH

LITERACY

RESEARCH

FM

BOOKS

YTIUMMO

YIMAF

VE

REST

EVBCHE

EVITGAS

LIBRARY

YTIUMMO

FM

IDEAS

DVD

URITE

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COMPREHENSIVE INCOME *Statement*

FOR THE YEAR ENDING 30 JUNE 2011

	2011 \$'000	2010 \$'000	NOTE
REVENUE			
Rates and garbage charge	6,572	6,135	2
User charges and other fines	1,062	817	3
Grants - Recurrent	5,585	5,203	4
Grants - Non Recurrent	13,397	3,149	4
Contributions - cash	109	136	5
Other income	708	524	6
Share of net profits (losses) of associates and joint ventures accounted for by the equity method	4	-	13
TOTAL REVENUE	27,437	15,964	
EXPENSES			
Employee benefits	(5,799)	(4,787)	8
Contract payments, materials and services	(7,888)	(5,071)	9
Depreciation	(5,305)	(5,024)	10
Finance costs	(154)	(77)	11
Other expenses	(184)	(204)	12
Net loss on disposal of property, plant and equipment, infrastructure	(147)	(265)	7
Share of net profits (losses) of associates and joint ventures accounted for by the equity method	-	(2)	13
TOTAL EXPENSES	(19,477)	(15,430)	
SURPLUS FOR THE YEAR:	7,960	534	
OTHER COMPREHENSIVE EXPENSES			
Net asset revaluation increment(decrement) reversals	(3,098)	(15,584)	
COMPREHENSIVE RESULT	4,862	(15,050)	

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

BALANCE Sheet

FOR THE YEAR ENDING 30 JUNE 2011

	2011 \$'000	2010 \$'000	NOTE
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	14,101	7,698	14
Trade and other receivables	1,521	1,339	15
Other assets	266	215	16
TOTAL CURRENT ASSETS	15,888	9,252	
NON-CURRENT ASSETS			
Trade and other receivables	61	70	15
Investments in associates accounted for using the equity method	229	225	13
Property, infrastructure, plant and equipment	200,724	201,159	17
TOTAL NON-CURRENT ASSETS	201,014	201,454	
TOTAL ASSETS	216,902	210,706	
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	1,212	753	18
Trust funds and deposits	227	141	19
Provisions	1,419	1,201	20(a)(i)
Interest-bearing loans and borrowings	263	211	21
TOTAL CURRENT LIABILITIES	3,121	2,306	
NON-CURRENT LIABILITIES			
Trade and other payables	87	-	18
Provisions	200	157	20(a)(ii)
Interest-bearing loans and borrowings	2,458	2,069	21
TOTAL NON-CURRENT LIABILITIES	2,745	2,226	
TOTAL LIABILITIES	5,866	4,532	
NET ASSETS	211,036	206,174	
EQUITY			
Accumulated surplus	92,524	84,564	
Reserves	118,512	121,610	22
TOTAL EQUITY	211,036	206,174	

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

STATEMENT OF CHANGES IN *Equity*

FOR THE YEAR ENDING 30 JUNE 2011

	TOTAL 2011 \$'000	TOTAL 2010 \$'000	ACCUMU- LATED SURPLUS 2011 \$'000	ACCUMU- LATED SURPLUS 2010 \$'000	ASSET REVALU- ATION RESERVE 2011 \$'000	ASSET REVALU- ATION RESERVE 2010 \$'000	OTHER RESERVE 2011 \$'000	OTHER RESERVE 2010 \$'000	NOTE
Balance at beginning of the financial year	206,174	221,224	84,564	84,030	121,531	137,115	79	79	
Surplus(deficit) for the year	7,960	534	7,960	534					
Net asset revaluation increment(decrement)	(3,098)	(15,584)	-	-	(3,098)	(15,584)	-	-	22(a)
Balance at end of the financial year	211,036	206,174	92,524	84,564	118,433	121,531	79	79	

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

CASH FLOW *Statement*

FOR THE YEAR ENDING 30 JUNE 2011

	2011 INFLOWS/ (OUTFLOWS) \$'000	2010 INFLOWS/ (OUTFLOWS) \$'000		GST ADJ	NOTE
CASH FLOWS FROM OPERATING ACTIVITIES					
Rates	6,652	6,020	6,652.00	6,652.000	
User charges and other fines (inclusive of GST)	1,168	898	1,062.00	1,168.200	
Grants (inclusive of GST)	19,766	8,436	18,825.00	19,766.250	
Contributions (inclusive of GST)	118	128	118.00	118.000	
Interest	413	264	413.00	413.000	
Other receipts (inclusive of GST)	146	281	133.00	146.300	
Net GST refund/payment	301	814			
Payments to suppliers (inclusive of GST)	(8,892)	(6,969)	-7,548.00	-8,302.800	
Payments to employees (including redundancies)	(5,530)	(4,705)	-5,530.00	-5,530.000	
Other payments	(202)	(224)	-184.00	-202.400	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	13,941	4,943	13941	14,228.550	23
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, infrastructure, plant and equipment	(8,138)	(5,892)	-8138	-8,138.000	
Proceeds from sale of property, infrastructure, plant and equipment	227	512	227	227.000	
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(7,911)	(5,380)	-7911	-7,911.000	
			6030	6,317.550	
CASH FLOWS FROM FINANCING ACTIVITIES					
Trust funds and deposits	86	(207)	86		
Proceeds from interest bearing liabilities	650	1,290	650		
Repayment of interest bearing liabilities	(209)	(154)	-209		
Finance costs	(154)	(80)	-154.00		
Net cash provided by (used in) financing activities	373	849	373		
Net increase (decrease) in cash and cash equivalents held	6,403	412	6403		
Cash and cash equivalents at the beginning of the financial year	7,698	7,286			
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	14,101	7,698			24
Financing arrangements					25
Restrictions on cash assets					26
CASH AS PER NOTE 16	14,101	7,698			

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

NOTES TO FINANCIAL *Statements*

INTRODUCTION

(A) THE PYRENEES SHIRE

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

(B) THE PURPOSE OF THE COUNCIL IS TO ...

- provide for the peace, order and good government of its municipal district;
- to promote the social, economic and environmental viability and sustainability of the municipal district;
- to ensure that resources are used efficiently and effectively and services are provided in accordance with the
- Best Value Principles to best meet the needs of the local community;
- to improve the overall quality of life of people in the local community;
- to promote appropriate business and employment opportunities;
- to ensure that services and facilities provided by the Council are accessible and equitable;
- to ensure the equitable imposition of rates and charges; and
- to ensure transparency and accountability in Council decision making.

External Auditor - Auditor General of Victoria

Internal Auditor - DJK Consulting

Solicitors - Peter S Glare and Associates

Bankers - Bendigo West Community Bank

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

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

NOTE 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.

(B) CHANGE IN ACCOUNTING POLICIES

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

(C) REVENUE RECOGNITION

RATES, GRANTS AND CONTRIBUTIONS

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

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

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

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

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

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

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

USER FEES AND FINES

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

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

SALE OF PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE

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

TRADE AND OTHER RECEIVABLES

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

INTEREST AND RENTS

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

NOTES TO FINANCIAL *Statements*

(D) DEPRECIATION AND AMORTISATION OF PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE, INTANGIBLES

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

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

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

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

PROPERTY	PERIOD 2011
Land and buildings	
Buildings	50 years
Land improvements	25 years
Heritage assets	
Heritage assets	50 years
Plant and equipment	
Plant and machinery	5-10 years
Furniture, equipment, and computers	3-10 years
Infrastructure	
Roads	
- Substructure	50 years
- Seal	13 years
Footpaths	50 years
Kerb and channel	50 years
Culverts	50 years
Bridges	
- Substructure	50-75 years
- Deck	50-75 years
Other	
Other structures	25 years

(E) REPAIRS AND MAINTENANCE

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

(F) BORROWING COSTS

Borrowing costs 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) RECOGNITION AND MEASUREMENT OF ASSETS

ACQUISITION

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

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

The following classes of assets have been recognised in note 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:

CLASS OF ASSET	THRESHOLD LIMIT \$'000
Land and buildings	
Land	nil
Land under roads	nil
Buildings	10
Land improvements	10
Plant and equipment	
Plant and machinery	1
Furniture, equipment, and computers	1
Infrastructure	
Roads	
- Earthworks	10
- Substructure	10
- Seal	10
Footpaths	10
Kerb and channel	10
Culverts	10
Bridges	
- Substructure	10
- Deck	10
Other	
Mobile garbage bins/recycling crates	1
Irrigation and sprinkler systems	1
Street furniture	1
Parks and gardens furniture and equipment	1
Playground equipment	1
Fencing	1
Library books	1
Artworks	1

REVALUATION

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

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

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

LAND UNDER ROADS

Land under roads acquired after 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.

NOTES TO FINANCIAL *Statements*

(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).

(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.

(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.

NOTES TO FINANCIAL *Statements*

(X) PENDING ACCOUNTING STANDARDS

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

STANDARD / INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING OR ENDING ON	IMPACT ON LOCAL GOVERNMENT FINANCIAL STATEMENTS
AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> • simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; • removing the tainting rules associated with held-to-maturity assets; • simplifying the requirements for embedded derivatives; • removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; • allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and • reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ol style="list-style-type: none"> a. the objective of the entity's business model for managing the financial assets; and b. the characteristics of the contractual cash flows. 	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments

STANDARD / INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING OR ENDING ON	IMPACT ON LOCAL GOVERNMENT FINANCIAL STATEMENTS
AASB 124: Related Party Disclosures	This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard.	Applicable for annual reporting periods commencing on or after 1 January 2011.	Although this standard does not strictly apply to Local Government it is often used as guidance, as such there will be greater clarity on the disclosure of inter government transactions.
AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]	This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB 2009-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council

(Y) CONTINGENT ASSETS AND CONTINGENT LIABILITIES AND COMMITMENTS

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

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

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.

NOTES TO FINANCIAL Statements

NOTE 2

RATES AND GARBAGE CHARGE

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

The valuation base used to calculate general rates for 2010/2011 was \$1,524 million (2009/2010 \$1,411 million).

The 2010/2011 rate in the CIV dollar was 0.3801 (2009/2010, was 0.3743).

	2011 \$'000	2010 \$'000
Residential	1,718	1,650
Commercial/Industrial	127	124
Recreation and Cultural	11	11
Farm/Rural	3,057	2,809
Vacant land	661	598
Wind Farm	191	185
Interest on rates	59	65
Garbage charge	748	693
	6,572	6,135

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation was first applied to the rating period commencing 1 July 2010.

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2012, and the valuation will be first applied in the rating year commencing 1 July 2012.

NOTE 3

USER CHARGES AND OTHER FINES

	2011 \$'000	2010 \$'000
Animal registration fees and fines	63	62
Town planning fees	50	59
Building fees	85	86
Meals on wheels	69	55
General home help	103	118
Private works	331	56
Legal fees - rates	45	-
Community transports fees	12	-
Garbage disposal fees	12	10
Caravan park fees	119	126
Environmental health	24	23
Resource and information centre fees and charges	59	64
Land information certificates	9	7
Economic development	3	8
Hall hire	7	7
Rental and function fees	17	44
Goldfields Recreation Reserve venue hire	32	50
ADASS	7	8
Other	15	34
	1,062	817

NOTE 4 GRANTS

Grants were received in respect of the following:

COMMONWEALTH GOVERNMENT	2011 \$'000	2010 \$'000
Commonwealth Government - roads to recovery	915	1,039
Auslink	-	465
Regional and Local Community Infrastructure Program	1,169	209
Family and children	92	117
Beaufort Community Hub	-	500
	2,176	2,330

STATE GOVERNMENT - GENERAL PURPOSE	2011 \$'000	2010 \$'000
Flood restoration	8,784	-
Victoria Grants Commission - unallocated	2,713	2,444
Victoria Grants Commission - local roads	1,953	1,824
Avoca Library and Visitor Information Centre	416	18
Raglan - Elmhurst Road - Vic Roads	385	-
Aged care and senior citizens	368	324
Waubra community hub	359	400
landsborough - Navarre desalination plant	250	-
Avoca industrial estate	250	-
Garibaldi Creek flood mitigation project	205	-
Raglan - Elmhurst Road - Timber Towns	154	-
Adult day care	127	123
Beaufort Hall - RDV	120	-
Flood - emergency cleanup project	100	-
Central Highlands Regional Strategic plan	92	200
Maternal and child health	82	78
Flood mitigation planning	70	-
Other	42	163

	2011 \$'000	2010 \$'000	
Flood - community recovery program	45	-	
Main Lead Road black spot program	38	-	
Youth Outreach program	30	28	
Emergency relief program	30	23	
Podiatry	27	26	
Bushfire preparation	25	-	
Environmental support	25	-	
Healthy eating project	19	19	
Meals on wheels	16	15	
Strategic planning	15	24	
Events Officer	13	31	
Emergency generator project	12	-	
FreeZa program	12	-	
Kindergarten participation	10	21	
Fire access tracks	10	7	
Tobacco	9	-	
Moonambel multipurpose facility - RDV	-	125	
Avoca Recreation Reserve enhancement project	-	72	
Community Support Fund	-	32	
Go For Your Life active program	-	25	
	16,806	6,022	
Total Grants	18,982	8,352	
Victorian Grants Commission	4,666	5	4,268
Other Government Grants	14,316	14	4,084
Total	18,982	19	8,352
Recurrent	5,585	6	5,203
Non-Recurrent	13,397	13	3,149
Total	18,982	19	8,352

NOTES TO FINANCIAL Statements

CONDITIONS ON GRANTS

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

	2011 \$'000	2010 \$'000
Snake Valley sewerage scheme	1,000	1,000
Beaufort Community Hub	-	500
Waubra Community Hub	-	400
Raglan Elmhurst Rd roads to recovery	244	-
Raglan Elmhurst timber towns	154	-
Garibaldi Creek clean up	97	-
Flood restoration	6,449	-
Garibaldi Creek flood mitigation	75	-
Main Lead Road (Blackspot) State Govt	38	-
Generator for Beaufort MECC	12	-
	8,069	1,900

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

	2011 \$'000	2010 \$'000
Roads to Recovery	-	126
Beaufort Community Hub	500	-
Waubra community hub	400	-
Auslink (Waubra - Beaufort Road and Eurambeen - Streatham)	-	577
Regional and Community Support program	-	182
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
Drought - building drought resilient communities	-	-
	900	1,297
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	7,169	603

NOTE 5

CONTRIBUTIONS - CASH

	2011 \$'000	2010 \$'000
Capital Works	104	46
General	5	90
	109	136

NOTE 6

OTHER REVENUE

	2011 \$'000	2010 \$'000
Interest on investments	575	268
Private works - reimbursements	118	53
Administration exceptional circumstances claims	-	4
Engineering administration	-	71
Other	15	128
	708	524

NOTE 7

NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

	2011 \$'000	2010 \$'000
BRIDGES		
Written down value of bridge assets destroyed in Jan 2011 floods	(201)	-
Loss on bridge assets written off	(201)	-

PLANT AND EQUIPMENT

Proceeds from sale of assets	112	184
Written down value of assets sold	(76)	(245)
Profit(loss) on sale of land, plant and equipment	36	(61)

LAND AND BUILDINGS

Proceeds from sale of land and buildings	115	318
Written down value of land and buildings sold	(97)	(522)
Profit(loss) on sale of land and buildings	18	(204)

SUMMARY

Proceeds from sale of assets	227	502
Written down value of assets sold	(374)	(767)
Profit(loss) on sale of assets	(147)	(265)

NOTE 8

EMPLOYEE BENEFITS	2011 \$'000	2010 \$'000
Wages and salaries	4,276	3,834
Annual leave and long service leave	641	411
Superannuation	736	415
Fringe benefits tax and work cover	146	127
	5,799	4,787

NOTE 9

CONTRACT PAYMENTS, MATERIALS AND SERVICES	2011 \$'000	2010 \$'000
Advertising	54	79
Audit - internal and external	53	49
Cleaning	61	61
Conferences	36	28
Contractors	3,639	2,042
Contractors - Beaufort Community Hub	600	-
Contributions and donations	227	451
Councillor allowances	124	124
Information technology	86	66
Insurance	207	189
Legal fees	53	50
Light, power and water	148	126
Materials and services	1,875	1,124
Photocopying	36	30
Plant expenses	374	293
Postage	27	38
Stationery and printing	41	39
Subscriptions and memberships	68	56
Telephone	150	136
Valuations	29	90
Total Contract, Materials and Services Payments	7,888	5,071

NOTE 10

DEPRECIATION	2011 \$'000	2010 \$'000
Buildings	618	595
Land improvements	121	116
Plant and machinery	427	404
Furniture, equipment, and computers	91	56
Roads	2,660	2,568
Road seals	946	898
Footpaths	37	13
Kerb and channel	63	30
Culverts	124	115
Bridges	204	214
Other Structures	14	15
	5,305	5,024

NOTE 11

FINANCE COSTS	2011 \$'000	2010 \$'000
Interest - borrowings	154	77
Finance costs	154	77

NOTE 12

OTHER EXPENSES	2011 \$'000	2010 \$'000
Other	184	204
	184	204

NOTES TO FINANCIAL Statements

NOTE 13

INVESTMENT IN ASSOCIATES

Investments in associates accounted for by the equity method are:

	2011 \$'000	2010 \$'000
Equity in Central Highlands Regional Library Corporation (Refer Note 1)	229	225
	229	225

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 2011. That interest is calculated on the same ratio as its contribution to the operating costs of the service.

The Corporation reported a profit of \$88,000 for the year (2009/2010 a profit of \$9,000) of which Council's share was \$4,230 (2009/2010 share of profit of \$437). Council's share of retained earnings is \$146,000 (\$142,000 in 2009/2010). 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.

The seven Councils that make up the Central Highlands Regional Library Corporation resolved at a meeting held on the 22 August 2011 to wind up the Corporation. It is anticipated that the formal winding up of the Corporation will be complete by the end of the 2011/2012 financial year. Council is currently negotiating a memorandum of understanding with the City of Ballarat for a range of library services that were previously provided by the Corporation. (Refer Note 39 Events Occurring After Balance Date)

NOTE 14

CASH AND CASH EQUIVALENTS

	2011 \$'000	2010 \$'000
Cash on hand	2	2
Cash at bank	330	986
Bank term deposits	13,769	6,710
	14,101	7,698

NOTE 15

RECEIVABLES

	2011 \$'000	2010 \$'000
CURRENT		
Rates debtors	383	463
Loans and advances to community organisations	12	12
Sundry debtors	934	776
Net ATO receivable	192	88
Total	1,521	1,339
NON-CURRENT		
Community loans	61	70
Total	61	70
Total trade and other receivables	1,582	1,409

NOTE 16**OTHER ASSETS**

	2011 \$'000	2010 \$'000
Accrued income	183	21
Prepayments	79	190
Inventories	4	4
Total	266	215

NOTE 17**PROPERTY, INFRASTRUCTURE,
PLANT AND EQUIPMENT**

	2011 \$'000	2010 \$'000
SUMMARY		
at cost	9,866	9,352
Less accumulated depreciation	(3,932)	(3,495)
	5,934	5,857
at fair value as at 30 June 2008	-	32,454
Less accumulated depreciation	-	(14,361)
	-	18,093
at fair value as at 30 June 2010	255,194	253,001
Less impairment	(11,926)	-
Less accumulated depreciation	(79,311)	(75,792)
	163,957	177,209
at fair value as at 30 June 2011	47,103	-
Less accumulated depreciation	(16,270)	-
	30,833	-
Total	200,724	201,159

LAND AND BUILDINGS

Land - Freehold		
at fair value as at 30 June 2008	-	3,588
at fair value as at 30 June 2011	3,466	-
	3,466	3,588
Land Improvements		
at cost	3,041	3,041
Less accumulated depreciation	(651)	(530)
	2,390	2,511
Total Land	5,856	6,099

NOTES TO FINANCIAL Statements

NOTE 17 CONTINUED . . .

PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

	2011 \$'000	2010 \$'000
BUILDINGS		
at cost	-	1,118
Less accumulated depreciation	-	(11)
	-	1,107
at fair value as at 30 June 2008	-	28,866
at fair value as at 30 June 2011	43,637	-
Less accumulated depreciation	(16,270)	(14,361)
	27,367	14,505
Total Buildings	27,367	15,612
Total Land and Buildings	33,223	21,711

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

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

	2011 \$'000	2010 \$'000
PLANT AND MACHINERY		
at cost	4,652	4,440
Less accumulated depreciation	(2,585)	(2,358)
Total Plant and Machinery	2,067	2,082

FURNITURE, EQUIPMENT, AND COMPUTERS

at cost	957	753
Less accumulated depreciation	(688)	(596)
Total Furniture, Equipment, and Computers	269	157
Total Plant and Equipment	2,336	2,239

	2011 \$'000	2010 \$'000
ROAD SUBSTRUCTURE		
at cost	387	-
Less accumulated depreciation	(3)	-
	384	-
at fair value as at 30 June 2010	196,294	196,294
Less impairment	(7,499)	-
Less accumulated depreciation	(51,458)	(48,801)
	137,337	147,493

ROAD SEAL

at cost	619	-
Less accumulated depreciation	(2)	-
	617	-
at fair value as at 30 June 2010	15,805	15,805
Less impairment	(517)	-
Less accumulated depreciation	(8,021)	(7,077)
	7,267	8,728

FOOTPATHS

at fair value as at 30 June 2010	1,709	1,709
Less accumulated depreciation	(780)	(743)
	929	966

KERB AND CHANNEL

at fair value as at 30 June 2010	3,153	3,153
Less accumulated depreciation	(1,418)	(1,355)
	1,735	1,798

	2011 \$'000	2010 \$'000
CULVERTS		
at fair value as at 30 June 2010	9,726	9,726
Less impairment	(1,961)	-
Less accumulated depreciation	(4,315)	(4,191)
	3,450	5,535

BRIDGES

at cost	210	-
Less accumulated depreciation	(3)	-
	207	-

at fair value as at 30 June 2010	24,797	25,519
Less impairment	(1,949)	-
Less accumulated depreciation	(13,159)	(13,479)
	9,689	12,040

OTHER STRUCTURES

at fair value as at 30 June 2010	371	371
Less accumulated depreciation	(160)	(146)
Total	211	225

Total Infrastructure	161,826	176,785
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WORK IN PROGRESS

at cost	3,339	424
Total	3,339	424

Total property, infrastructure, plant and equipment	200,724	201,159
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Valuation of infrastructure assets has been determined by the following independent valuations.

Sealed pavements, unsealed pavements, sealed surfaces, sealed road formation, kerb and channel and footpaths assets were valued by Mr Peter Moloney, Dip.C.E.C.E, MIE Aust as at 30 June 2010.

Unsealed pavements, unsealed surfaces, culverts and other structures assets were valued by Mr Stephen Cornish, Dip.C.E., Grad Dip Municipal Engineering as at 30 June 2010.

The valuation of all infrastructure assets are at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

NOTES TO FINANCIAL Statements

NOTE 17 CONTINUED . . .

PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

2011	BALANCE AT BEGINNING OF FINANCIAL YEAR \$'000	ACQUISITION OF ASSETS \$'000	REVALUATION INCREMENTS (DECRE- MENTS) \$'000	DEPRE- CIATION AND AMORTI- SATION \$'000	WRITTEN DOWN VALUE OF DISPOSALS \$'000	IMPAIRMENT (DECRE- MENTS) \$'000	TRANSFERS \$'000	BALANCE AT END OF FINANCIAL YEAR \$'000
PROPERTY								
			NOTE 2	NOTE 10				
land	3,588	215	(240)	-	97	-	-	3,466
land improvements	2,511	-	-	121	-	-	-	2,390
TOTAL LAND	6,099	215	(240)	121	97	-	-	5,856
buildings	15,612	3,061	9,068	618	-	-	244	27,367
Total buildings	15,612	3,061	9,068	618	-	-	244	27,367
TOTAL PROPERTY	21,711	3,276	8,828	739	97	-	244	33,223
PLANT AND EQUIPMENT								
plant, machinery and equipment	2,082	488	-	427	76	-	-	2,067
fixtures, fittings and furniture	157	203	-	91	-	-	-	269
TOTAL PLANT AND EQUIPMENT	2,239	691	-	518	76	-	-	2,336
INFRASTRUCTURE								
road substructure	147,493	387	-	2,660	-	(7,499)	-	137,721
road seals	8,728	619	-	946	-	(517)	-	7,884
footpaths	966	-	-	37	-	-	-	929
kerb and channel	1,798	-	-	63	-	-	-	1,735
culverts	5,535	-	-	124	-	(1,961)	-	3,450
bridges	12,040	210	-	204	201	(1,949)	-	9,896
other structures	225	-	-	14	-	-	-	211
TOTAL INFRASTRUCTURE	176,785	1,216	-	4,048	201	(11,926)	-	161,826
WORK IN PROGRESS								
Work in Progress	424	3,159	-	-	-	-	(244)	3,339
TOTAL PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE	201,159	8,342	8,828	5,305	374	(11,926)	-	200,724

PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

2010	BALANCE AT BEGINNING OF FINANCIAL YEAR \$'000	ACQUISITION OF ASSETS \$'000	REVALUATION INCREMENTS (DECRE- MENTS) \$'000	DEPRE- CIATION AND AMORTI- SATION \$'000	WRITTEN DOWN VALUE OF DISPOSALS \$'000	IMPAIRMENT (DECRE- MENTS) \$'000	TRANSFERS \$'000	BALANCE AT END OF FINANCIAL YEAR \$'000
			NOTE 2	NOTE 10				
PROPERTY								
land	3,804	-	-	-	216	-	-	3,588
land improvements	2,362	265	-	116	-	-	-	2,511
TOTAL LAND	6,166	265	-	116	216	-	-	6,099
buildings	16,203	309	-	595	305	-	-	15,612
Total buildings	16,203	309	-	595	305	-	-	15,612
TOTAL PROPERTY	22,369	574	-	711	521	-	-	21,711
PLANT AND EQUIPMENT								
plant, machinery and equipment	2,390	341	-	404	245	-	-	2,082
fixtures, fittings and furniture	119	94	-	56	-	-	-	157
TOTAL PLANT AND EQUIPMENT	2,509	435	-	460	245	-	-	2,239
INFRASTRUCTURE								
road substructure	164,444	3,295	(17,678)	2,568	-	-	-	147,493
road seals	7,782	687	1,157	898	-	-	-	8,728
footpaths	479	40	460	13	-	-	-	966
kerb and channel	1,390	-	438	30	-	-	-	1,798
culverts	5,917	-	(267)	115	-	-	-	5,535
bridges	11,805	143	306	214	-	-	-	12,040
other structures	240	-	-	15	-	-	-	225
TOTAL INFRASTRUCTURE	192,057	4,165	(15,584)	3,853	-	-	-	176,785
WORK IN PROGRESS								
Work in Progress	-	424	-	-	-	-	-	424
TOTAL PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE	216,935	5,598	(15,584)	5,024	766	-	-	201,159

(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.

NOTES TO FINANCIAL Statements

NOTE 18

PAYABLES	2011 \$'000	2010 \$'000
CURRENT		
Trade creditors	742	401
Land purchase creditor	29	-
Accrued expenses	441	352
	1,212	753
NON-CURRENT		
Land purchase creditor	87	-
	87	-
Total	1,299	753

NOTE 19

TRUST FUNDS AND DEPOSITS	2011 \$'000	2010 \$'000
Refundable building deposits	31	28
Refundable contract deposits	9	21
Refundable Camp Hill trust funds	21	21
Refundable Grampians Pyrenees Regional Development Board	151	59
Other refundable deposits	15	12
Total trust funds and deposits	227	141

NOTE 20 PROVISIONS

	ANNUAL LEAVE \$'000	LONG SERVICE LEAVE \$'000	LANDFILL RESTOR- ATION \$'000	TOTAL \$'000
2011				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	441	867	50	1,358
Additional provisions	399	282	-	681
Amounts used	(354)	(66)	-	(420)
BALANCE AT THE END OF THE FINANCIAL YEAR	486	1,083	50	1,619
2010				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	424	801	50	1,275
Additional provisions	335	159	-	494
Amounts used	(318)	(93)	-	(411)
BALANCE AT THE END OF THE FINANCIAL YEAR	441	867	50	1,358

(A) EMPLOYEE BENEFITS

All annual leave and LSL entitlements representing more than 10 years of continuous service

(i) CURRENT

Short term benefits, that fall due within 12 months after the end of the period measured at nominal value	420	411
Other long term employee benefits that do fall due within 12 months after the end of the period measured at nominal value	999	790
	1,419	1,201

(ii) NON-CURRENT

LSL representing less than 10 years of continuous service measured at present value	150	107
Total	150	107

COMMENTARY - EMPLOYEE ENTITLEMENTS

All annual leave and unconditional vested LSL representing more than 10 years of continuous service is:

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

LSL representing less than 10 years of continuous service is:

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

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

Weighted average increase in employee costs	4.60%	4.45%
Weighted average discount rates	5.28%	5.48%
Weighted average settlement period	15	11

(B) LANDFILL RESTORATION

(ii) NON-CURRENT

Landfill Restoration	50	50
Total	50	50

NOTES TO FINANCIAL *Statements*

NOTE 21

INTEREST-BEARING LIABILITIES	2011 \$'000	2010 \$'000
CURRENT		
Borrowings - secured	263	211
NON-CURRENT		
Borrowings - secured	2,458	2,069
Total	2,721	2,280

The maturity profile for Council's borrowings is:

Not later than one year	263	211
Later than one year and not later than five years	1,446	1,169
Later than five years	1,012	900
	2,721	2,280

Aggregate carrying amount of interest bearing liabilities:

Current	263	211
Non-current	2,458	2,069
	2,721	2,280

NOTE 22

RESERVES

(A) ASSET REVALUATION RESERVES

	BALANCE AT BEGINNING OF REPORTING PERIOD \$'000	INCREMENT (DECREMENT) \$'000	BALANCE AT END OF REPORTING PERIOD \$'000
2011 PROPERTY			
land	2,315	(240)	2,075
buildings	9,691	9,068	18,759
	12,006	8,828	20,834
2011 INFRASTRUCTURE			
road substructure	92,039	(7,499)	84,540
road seals	3,247	(517)	2,730
footpaths	597	-	597
kerb and channel	802	-	802
culverts	4,578	(1,961)	2,617
bridges	7,921	(1,949)	5,972
plant and equipment	301	-	301
furniture and fittings	40	-	40
	109,525	(11,926)	97,599
TOTAL ASSET REVALUATION RESERVES	121,531	(3,098)	118,433
2010 PROPERTY			
land	2,315	-	2,315
buildings	9,691	-	9,691
	12,006	-	12,006
2010 INFRASTRUCTURE			
road substructure	109,717	(17,678)	92,039
road seals	2,090	1,157	3,247
footpaths	137	460	597
kerb and channel	364	438	802
culverts	4,845	(267)	4,578
bridges	7,615	306	7,921
plant and equipment	301	-	301
furniture and fittings	40	-	40
	125,109	(15,584)	109,525
TOTAL ASSET REVALUATION RESERVES	137,115	(15,584)	121,531

NOTES TO FINANCIAL *Statements*

NOTE 22 CONTINUED . . .

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
2011				
recreation land	9	-	-	9
gravel pits	70	-	-	70
TOTAL OTHER RESERVES	79	-	-	79
2010				
recreation land	9	-	-	9
gravel pits	70	-	-	70
TOTAL OTHER RESERVES	79	-	-	79

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

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

NOTE 23

RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS (DEFICIT)

	2011 \$'000	2010 \$'000
Surplus for Year	7,960	534
Finance costs	154	77
Depreciation/amortisation	5,305	5,024
Net gain/loss on disposal of property, infrastructure, plant and equipment (see note 7)	147	265
Change in assets and liabilities:		
(Increase) in receivables	(172)	(319)
(Increase)/decrease in prepayments	111	(28)
(Increase)/decrease in accrued income	(162)	(4)
Increase/(decrease) in payables	333	(689)
(Decrease) in inventories	-	(1)
Increase in provisions	269	82
(Increase)/decrease in investment in library	(4)	2
Net cash provided by/(used in) operating activities	13,941	4,943

NOTE 24

RECONCILIATION OF CASH AND CASH EQUIVALENTS

	2011 \$'000	2010 \$'000
Cash and cash equivalents (see note 14)	14,101	7,698
Less bank overdraft	-	-
Total reconciliation of cash and cash equivalents	14,101	7,698

NOTE 25

FINANCING ARRANGEMENT

	2011 \$'000	2010 \$'000
Bank overdraft	400	400
Unused facilities	400	400

NOTE 26

RESTRICTED ASSETS

Council has cash assets (note 14) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave).

	2011 \$'000	2010 \$'000
Long service leave (note 20)	970	760
Reserves (note 22b)	79	79
Trust funds (note 19)	227	141
	1,276	980

* 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.

NOTE 27

SUPERANNUATION

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.

DEFINED BENEFIT PLAN

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

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

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

The Fund surplus or deficit (ie the difference between fund assets and liabilities) is 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 the council's financial statements. AAS 25 requires that the present value of the defined benefit liability to be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with 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, Council was advised that no additional contributions are required for 30 June 2010. The Actuary has commenced undertaking the next actuarial investigation to ascertain if additional contributions would be required. The Actuarial review will be as at 30 June 2010.

Following an actuarial review finalised in late 2010, the amount of the 31 December 2008 funding shortfall of \$71 million was requested as additional contributions. (Pyrenees Shire Council paid its share of the shortfall of \$337,000 in the 2010/2011 financial year). A further actuarial review will be undertaken as at 31 December 2011. Based on the result of this review, a detailed funding plan will be developed and implemented to achieve the target of fully funding the Fund by 31 December 2013. Any additional contributions required from the [Employer] will be notified in late 2012 with payment no earlier than 1 July 2013.

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

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

Net Investment Return	8.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

FUND	2011 \$'000	2010 \$'000
DEFINED BENEFIT PLANS		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	474	200
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	-
	474	200

ACCUMULATION FUNDS

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	248	233
Employer contributions to -		
Health Super	6	6
MIML Macquarie Super	-	7
Macquarie Investments Super	-	5
Adelaide Managed Fund	8	8
Sun Superannuation	2	7
Australian Super	5	
Australian Ethical Investments	6	
Commsec	6	
	281	266

NOTES TO FINANCIAL *Statements*

NOTE 28 COMMITMENTS

The Council has entered into the following commitments:

2011	NO 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	847	-	-	847
OPERATING				
Delivered meals	129	129	129	387
Swimming pool management	146	146	-	292
Waste services	641	322	268	1,231
TOTALS	1,763	597	397	2,757

2010	NO LATER THAN 1 YEAR	LATER THAN 1 YEAR AND NOT LATER THAN 2 YEARS	LATER THAN 2 YEARS AND NOT LATER THAN 5 YEARS	TOTAL \$'000
CAPITAL				
Construction works	1,450	-	-	1,450
OPERATING				
Transfer station management	265	222	-	487
Garbage	133	133	243	509
Recycling	147	147	271	565
Plant and equipment	42	42	77	161
TOTALS	2,037	544	591	3,172

NOTE 29

OPERATING LEASE COMMITMENTS

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

	2011 \$'000	2010 \$'000
Not later than one year	112	103
Later than one year and not later than five years	182	126
	294	229

NOTE 30

CONTINGENT LIABILITIES

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

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

NOTES TO FINANCIAL *Statements*

NOTE 31

FINANCIAL INSTRUMENTS

(A) ACCOUNTING POLICY, TERMS AND CONDITIONS

RECOGNISED FINANCIAL INSTRUMENTS	ACCOUNTING POLICY	TERMS AND CONDITIONS	NOTE
FINANCIAL ASSETS			
Cash and cash equivalents	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues. Investments and Bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue. Managed funds are measured at market value.	On call deposits return a floating interest rate. The interest rate at balance date was 6.2% (5.9% in 2009/2010). Funds returned fixed interest rate of between 5.5% (2.5% in 2009/2010), and 6.4% (6.4% in 2009/2010) net of fees.	14
Receivables - other debtors	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 10.5% (10.5% in 2009/2010%). Credit terms are based on 30 days.	15

RECOGNISED FINANCIAL INSTRUMENTS	ACCOUNTING POLICY	TERMS AND CONDITIONS	NOTE
FINANCIAL LIABILITIES			
Payables	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.	18
Interest bearing liabilities	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.96% during 2010/2011 (6.91% in 2009/2010).	21
Bank overdraft	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.	25

NOTES TO FINANCIAL *Statements*

NOTE 31 CONTINUED . . . FINANCIAL INSTRUMENTS

(B) INTEREST RATE RISK

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

FIXED INTEREST MATURING IN:

2010/2011	FLOATING INTEREST RATE \$'000	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	330	13,769	-	-	2	14,101
Other financial assets	-	-	-	-	-	-
Receivables	-	12	47	23	1,439	1,521
Accrued income	-	-	-	-	183	183
TOTAL FINANCIAL ASSETS	330	13,781	47	23	1,624	15,805
Weighted average interest rate	5.00%	6.00%				
FINANCIAL LIABILITIES						
Payables	-	-	-	-	1,212	1,212
Trust funds and deposits	-	-	-	-	227	227
Interest-bearing liabilities	-	263	1,446	1,012	-	2,721
TOTAL FINANCIAL LIABILITIES	-	263	1,446	1,012	1,439	4,160
Weighted average interest rate		6.96%	6.96%	6.96%		
NET FINANCIAL ASSETS (LIABILITIES)	330	13,518	(1,399)	(989)	185	11,645

2009/2010	FIXED INTEREST MATURING IN:					TOTAL \$'000
	FLOATING INTEREST RATE \$'000	1 YEAR OR LESS \$'000	OVER 1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	NON-INTEREST BEARING \$'000	
FINANCIAL ASSETS						
Cash assets	986	6,710	-	-	2	7,698
Other financial assets	-	-	-	-	-	-
Receivables	-	12	47	23	1,257	1,339
Accrued income	-	-	-	-	21	21
TOTAL FINANCIAL ASSETS	986	6,722	47	23	1,280	9,058
Weighted average interest rate	5.00%	6.00%				
FINANCIAL LIABILITIES						
Payables	-	-	-	-	753	753
Trust funds and deposits	-	-	-	-	141	141
Interest-bearing liabilities	-	211	1,169	900	-	2,280
TOTAL FINANCIAL LIABILITIES	-	211	1,169	900	894	3,174
Weighted average interest rate		6.91%	6.91%	6.91%		
NET FINANCIAL ASSETS (LIABILITIES)	986	6,511	(1,122)	(877)	386	5,884

(C) NET FAIR VALUES

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

(D) CREDIT RISK

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

NOTE 31 CONTINUED . . . FINANCIAL INSTRUMENTS

(E) RISKS AND MITIGATION

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

MARKET RISK

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

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

INTEREST RATE RISK

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

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

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

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

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

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

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

CREDIT RISK

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

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

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

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

AGEING OF TRADE AND OTHER RECEIVABLES

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

	2011 \$'000	2010 \$'000
Current (not yet due)	1,006	281
Past due by up to 30 days	163	305
Past due between 31 and 180 days	255	360
Past due between 181 and 365 days	36	260
Past due by more than 1 year	122	200
Total Trade and Other Receivables	1,582	1,406

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.

NOTES TO FINANCIAL Statements

NOTE 31 CONTINUED ... FINANCIAL INSTRUMENTS

(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 6.2%(6% 2009/10).

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	CARRYING AMOUNT SUBJECT TO INTEREST \$'000	INTEREST RATE RISK			
		-1%		2%	
		100 BASIS POINTS		200 BASIS POINTS	
2011		PROFIT \$'000	EQUITY \$'000	PROFIT \$'000	EQUITY \$'000
FINANCIAL ASSETS					
Cash and cash equivalents	14,101	(141)	(141)	282	282
Trade and other receivables	1,521	(15)	(15)	30	30
FINANCIAL LIABILITIES					
Interest-bearing loans and borrowings	2,721	(27)	(27)	54	54
MARKET RISK EXPOSURE 2010					
FINANCIAL ASSETS					
Cash and cash equivalents	7,698	(77)	(77)	154	154
Trade and other receivables	1,339	(13)	(13)	27	27
FINANCIAL LIABILITIES					
Interest-bearing loans and borrowings	2,280	(23)	(23)	46	46

NOTE 32 AUDITORS' REMUNERATION

Audit fee to conduct external audit - Victorian Auditor-General	25	25
Internal audit fees	28	27
	53	52

NOTE 33 EVENTS OCCURRING AFTER BALANCE DATE

There have not been any material events that have occurred after balance day.

NOTE 34

RELATED PARTY TRANSACTIONS

(i) RESPONSIBLE PERSONS

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

Councillors	Councillor M O'Connor Mayor Councillor R Vance Councillor A Carson Councillor D Clark Councillor J Quinn
-------------	--

Chief Executive Officer Stephen Cornish

(ii) REMUNERATION OF RESPONSIBLE PERSONS

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

	2011 No.	2010 No.
\$0 - \$9,999	-	-
\$10,000 - \$19,999	3	3
\$30,000 - \$39,999	1	2
\$40,000 - \$49,999	1	-
\$170,000 - \$179,999	1	1
	6	6

Total Remuneration for the reporting year for Responsible Persons included above amounted to: \$308,000 \$299,000

(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 (2009/2010 - Nil).

(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 (2009/2010 - Nil).

(vi) SENIOR OFFICERS REMUNERATION

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$124,000 (2009/2010 - \$120,000).

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

INCOME RANGE	No.	No.
>\$124,000	1	-
\$124,000 - \$133,999	-	1
\$134,000 - \$143,999	1	-
	2	1

Total Remuneration for the reporting year for Senior Officers included above, amounted to: \$247,000 \$122,000

NOTES TO FINANCIAL Statements

NOTE 35

REVENUE, EXPENSES AND ASSETS BY FUNCTION/ACTIVITY

(B) INTEREST RATE RISK

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

	ROAD INFRASTRUCTURE		COMMUNITY INFRASTRUCTURE		COMMUNITY WELLBEING	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
REVENUE						
Grants	12,536	3,456	421	1,262	892	905
Other	385	102	125	103	346	289
TOTAL	12,921	3,558	546	1,365	1,238	1,194
EXPENSES						
	7,298	17,471	644	800	2,040	1,985
COMPREHENSIVE RESULT						
SURPLUS / (DEFICIT)	5,623	(13,913)	(98)	565	(802)	(791)
ASSETS ATTRIBUTED TO FUNCTIONS / ACTIVITIES*						
	191,384	194,154	-	1,468	3,662	3,471

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

ROAD INFRASTRUCTURE

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

COMMUNITY INFRASTRUCTURE

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

COMMUNITY WELLBEING

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

GROWTH AND EMPLOYMENT DEVELOPMENT

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

GROWTH AND EMPLOYMENT DEVELOPMENT		GOVERNANCE AND COMMUNITY LEADERSHIP		ORGANISATIONAL DEVELOPMENT		ENVIRONMENT		TOTAL	
2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
2,162	54	12	-	2,713	2,444	246	231	18,982	8,352
266	282	-	-	6,434	5,960	899	876	8,455	7,612
2,428	336	12	-	9,147	8,404	1,145	1,107	27,437	15,964
798	947	995	946	8,381	7,347	2,419	1,518	22,575	31,014
1,630	(611)	(983)	(946)	766	1,057	(1,274)	(411)	4,862	(15,050)
1,542	1,532	19,519	9,323	343	249	452	509	216,902	210,706

GOVERNANCE AND COMMUNITY LEADERSHIP

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

ORGANISATIONAL DEVELOPMENT

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

ENVIRONMENT

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

NOTES TO FINANCIAL Statements

NOTE 36

CAPITAL EXPENDITURE

	2011 \$'000	2010 \$'000	NOTE
CAPITAL EXPENDITURE AREAS			
Land	215	-	
Land improvements	2,094	380	
Roads	2,272	4,230	
Buildings	3,070	553	
Plant, equipment and other	691	436	
TOTAL CAPITAL WORKS	8,342	5,599	

REPRESENTED BY:

Renewal	3,056	4,246	
Upgrade	2,292	478	
New assets	2,994	874	
TOTAL CAPITAL WORKS	8,342	5,598	

PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT MOVEMENT

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

Total capital works	8,342	5,598	
Asset revaluation movement	(3,098)	(15,584)	22(a)
Depreciation and amortisation	(5,305)	(5,024)	10
Written down value of assets sold	(374)	(767)	7
NET MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT	(435)	(15,777)	17

(A) RENEWAL

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

(B) UPGRADE

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

(C) EXPANSION

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

NOTES TO FINANCIAL *Statements*

NOTE 37

FINANCIAL RATIOS

	2011 \$'000	2011 (%)	2010 \$'000	2010 (%)	2009 \$'000	2009 (%)
(A) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)						
<u>Debt servicing costs</u>	154	= 0.56%	77	= 0.48%	62	= 0.31%
<u>Total revenue</u>	27,437		15,964		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)

<u>Debt servicing and redemption costs</u>	363	= 5.52%	231	= 3.77%	121	= 2.16%
<u>Rate revenue</u>	6,572		6,135		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)

<u>Rate revenue</u>	6,572	= 23.95%	6,135	= 38.43%	5,595	= 27.98%
<u>Total revenue</u>	27,437		15,964		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)

	2011 \$'000	2011 (%)	2011 \$'000	2011 (%)	2011 \$'000	2011 (%)
<u>Total indebtedness</u>	5,866		4,532		4,492	
<u>Total realisable assets</u>	49,118	= 11.94%	30,761	= 14.73%	31,070	= 14.46%

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 26) 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)

<u>Current assets</u>	15,888		9,252		8,487	
<u>Current liabilities</u>	3,121	= 509.07%	2,306	= 401.21%	3,357	= 252.82%

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

NOTE 38

SPECIAL COMMITTEES AND OTHER ACTIVITIES

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

Goldfields Recreation Reserve Committee of Management
Beaufort Community Bank Complex

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

- Brewster Hall Committee
- Snake Valley Hall Committee
- Lexton Community Centre
- Landsborough Swimming Pool/Caravan Park
- Waubra Sporting Complex
- Beaufort Mechanics Institute
- Pyrenees Review Board
- Landsborough Community Resource Centre
- Beaufort Community Resource Centre

NOTE 39

EVENTS OCCURRING AFTER BALANCE DATE

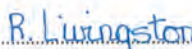
CENTRAL HIGHLANDS REGIONAL LIBRARY CORPORATION

The seven Councils that make up the Central Highlands Regional Library Corporation resolved at a meeting held on the 22 August 2011 to wind up the Corporation. It is anticipated that the formal winding up of the Corporation will be complete by the end of the 2011/2012 financial year. Council is currently negotiating a memorandum of understanding with the City of Ballarat for a range of library services that were previous provided by the Corporation.

Certification of the Financial Report

STATEMENT BY PRINCIPAL ACCOUNTING OFFICER

I certify that in my opinion the accompanying financial statements present fairly the results of Pyrenees Shire Council for the year ended 30 June 2011, 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

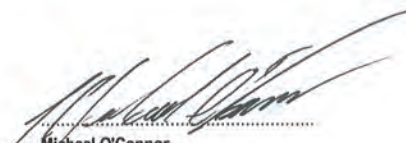
Dated at Beaufort this 9th day of September 2011

STATEMENT BY COUNCILLORS and CHIEF EXECUTIVE OFFICER

In our opinion the accompanying financial statements present fairly the financial transactions of Pyrenees Shire Council for the year ended 30 June 2011 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 16th August 2011 to certify the financial statements in their final form.


Michael O'Connor
Mayor


David Clark
Councillor


Stephen Cornish
Chief Executive Officer

Dated at Beaufort this 9th day of September 2011

COUNCIL APPROVAL

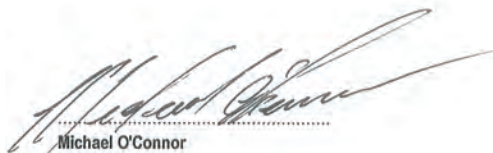
OF THE PERFORMANCE STATEMENT

PYRENEES SHIRE COUNCIL
Performance Statement
for the year ended 30th June 2011

Council Approval of the Performance Statement

In our opinion, the accompanying performance statement of the Pyrenees Shire Council in respect of the 2010/2011 financial year is presented fairly in accordance with the Local Government Act 1989. The statement outlines the Key Strategic Activities set out in Council's Budget and describes the extent to which these activities were achieved in the year.

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



Michael O'Connor
Mayor



David Clark
Councillor



Stephen Cornish
Chief Executive Officer

Dated at Beaufort this 9th day of September 2011

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 2011 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 9th day of September 2011

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 2011 and the financial position of the Council as at that date.

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



Michael O'Connor
Mayor



David Clark
Councillor



Stephen Cornish
Chief Executive Officer

Dated at Beaufort this 9th day of September 2011

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2011 of Pyrenees Shire Council which comprises of comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, 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 2011 of the Council which comprises of standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

The Councillor's 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.

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

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

Independence

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

Auditor's Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of Pyrenees Shire Council as at 30 June 2011 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*.
- (b) The standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

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

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

This auditor's report relates to the financial report and standard statements of the Pyrenees Shire Council for the year ended 30 June 2011 included both in the Pyrenees Shire Council's annual report and on the website. The Councillors of the Pyrenees Shire Council are responsible for the integrity of the Pyrenees Shire Council's website. I have not been engaged to report on the integrity of the Pyrenees Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
14 September 2011


J D R Pearson
Auditor-General

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Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Pyrenees Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2011 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.

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.

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)


Auditor's Opinion

In my opinion, the performance statement of the Pyrenees Shire Council in respect of the 30 June 2011 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Pyrenees Shire Council for the year ended 30 June 2011 included both in the Pyrenees Shire Council's annual report and on the website. The Councillors of the Pyrenees Shire Council are responsible for the integrity of the Pyrenees Shire Council's website. I have not been engaged to report on the integrity of the Pyrenees Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
14 September 2011


J D R Pearson
Auditor-General

ANNUAL REPORT 2011 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 2010 to 30 June 2011.

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.

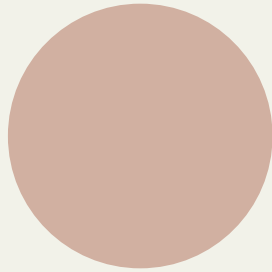
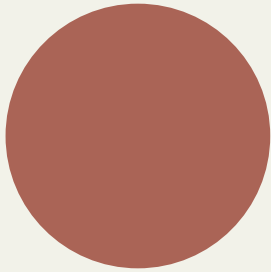
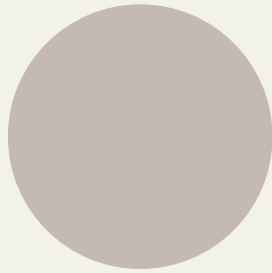
Internal Audit

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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