



ADDENDUM TO THE PYRENEES SHIRE COUNCIL ANNUAL REPORT 2018/19

Correction:

Pages 67 and 68: Councillor expenses from the 2017/18 financial year were inadvertently reprinted in the 2018/19 Annual Report. The following tables reflect the total expenses incurred by our Councillors for the 2018/19 financial year.

Councillor	TR \$	CM \$	CC \$	IC \$	CT \$	Total \$
Cr Tanya Kehoe	0	5,649	2,163	1,051	1,242	10,105
Cr Ron Eason	0	4,809	0	232	350	5,391
Cr David Clark (Mayor)	3,133	0	1,350	1,377	1,828	7,688
Cr Damian Ferrari	0	0	0	77	1,640	1,717
Cr Robert Vance (Mayor)	6,267	7,526	0	951	7,000	21,744

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

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

Councillor	Allowances \$
Cr Tanya Kehoe	22,411
Cr Ron Eason	22,411
Cr David Clark (Mayor)	37,088
Cr Damian Ferrari	18,719
Cr Robert Vance (Mayor)	52,279

Jim Nolan
CEO
Pyrenees Shire Council

Pyrenees Shire Council



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PYRENEES
SHIRE



Annual Report

2018-2019



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

PYRENEES SHIRE



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Cover photo by Jayne Newgreen

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Section 1: Introduction

Welcome to the Report of Operations 2018/19

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2018/19 is the primary means of advising the Pyrenees Shire community about Council's operations and performance during the financial year July 1, 2018 to June 30, 2019.

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

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

- Roads and Townships
- Relationships and Advocacy
- Community Connection and Wellbeing
- Financially Sustainable, High-Performing Organisation
- Development and Environment



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

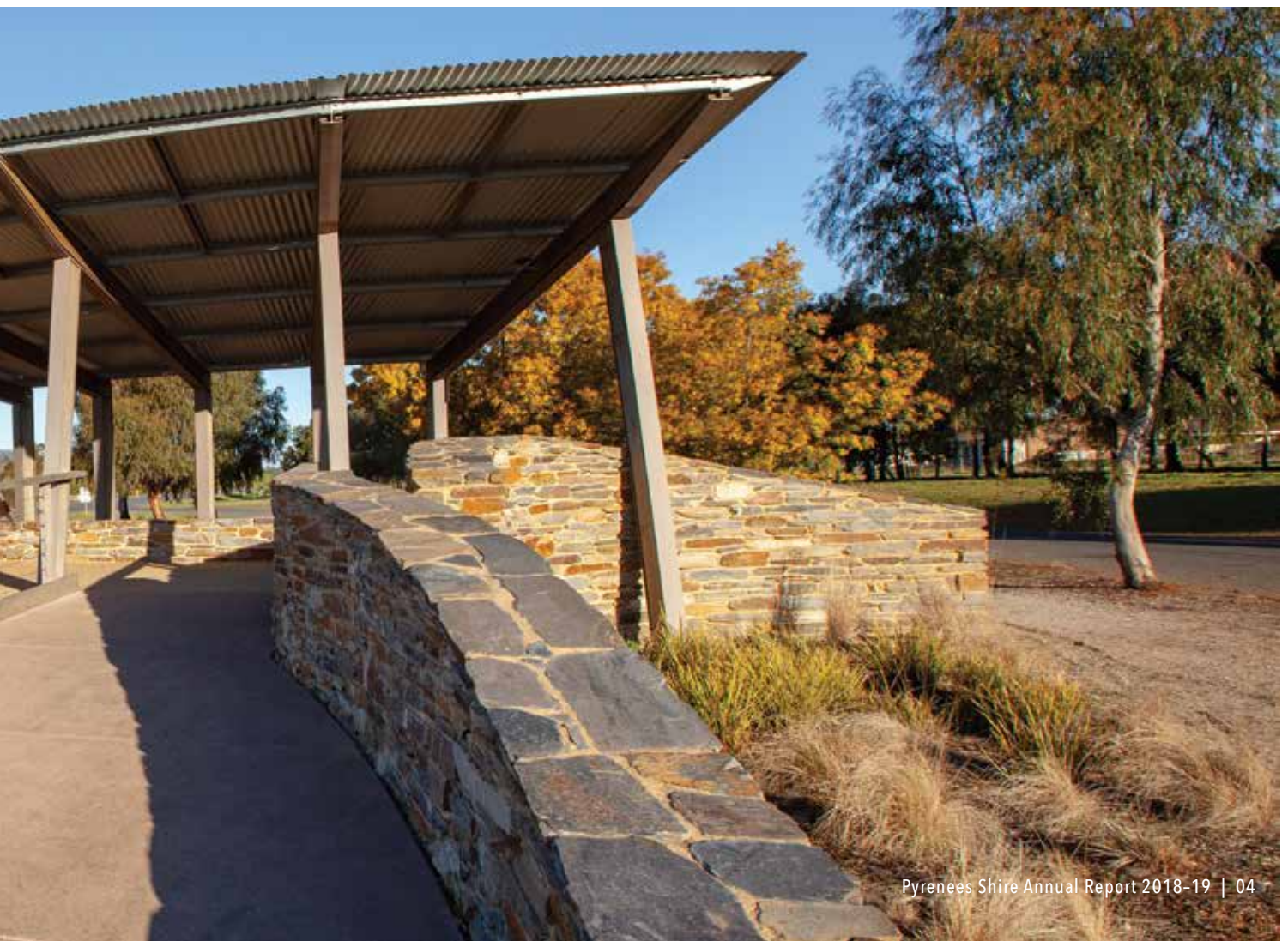
To reduce environmental impact, a limited number of printed copies of this Annual Report have been produced. Residents and interested parties are encouraged to access the report via Council's website, www.pyrenees.vic.gov.au

Electronic copies are also available on CD and can be obtained by contacting Customer Services on 1300 797 363.

Snapshot of Pyrenees Shire

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

Pyrenees Shire had a resident population of 7,238 people in 2016. (ABS 2016 Census)



Purpose



Our Vision

“healthy, vibrant, prosperous and connected communities”

Our Mission

- To provide quality roads and built infrastructure for the community;
- To work with others to provide services to maintain the wellbeing of the community; and
- To operate an efficient, forward-looking organisation.

Narrative for Action

The Pyrenees Shire Council has a limited range of income sources and a significant number of dispersed, small communities to service.

Council’s resources can be much more effective when matched with resources from other levels of government.

Our communities are vibrant with significant latent social infrastructure, but lack appropriate access to health and other services.

Infrastructure including water, power and telecommunications comparable to other regional centres is required to grow our economy, and build liveable communities.

Our History

Pyrenees Shire Council was established by an Order of the Governor in Council on September 23, 1994 and operates in accordance with the *Local Government Act 1989*, as amended by the *Local Government (Democratic Reform) Act 2003*.

The role of Council is to:

- Act as a representative government by taking into account the diverse needs of the local community in decision-making
- Provide leadership by establishing strategic objectives and monitoring their achievement
- Maintain the viability of the Council by ensuring that resources are managed in a responsible and accountable manner
- Advocate the interests of local communities to other communities and governments
- Act as a responsible partner in government by taking into account the needs of other communities
- Foster community cohesion and encourage active participation in civic life.

Fast Facts

52,563

Visits to Resource Centres

33,842 Library items loaned

Library collection items

11,957

Rateable properties **6,032**

738 Kilometres of sealed road network

Permanent food premises registered **110**

41 Registered temporary and mobile food premises
(33 temp / 8 mobile)

Animals registered **2,810**

63 Birth notifications

12,188

Hours of aged and disability support provided

Planning decisions made **117**

32 Groups assisted by Community Grants program

Groups assisted by Capital Grants program **12**

Visits to swimming pools in Landsborough, Avoca and Beaufort

10,875

Highlights of the Year

Strategic Objective: Roads and Townships

We will plan, manage, maintain and renew infrastructure in a sustainable way that responds to the needs of the community.

Achievements:

- Completion of a five-year Roads to Recovery Program involving more than \$9 million of road improvements.
- Completion of 6000 defects across flood affected roads and bridges damaged in the 2016/17 flood/storm events. The \$13.37 million works ranged from minor clean up works to culvert and pavement replacement.
- Hall upgrades for Redbank, Raglan and Barkly complete (sustainable hubs project).
- Federal (\$1 million) and State Government (\$800,000) funding commitments for the Lexton Community Hub.
- \$897,000 investment in Pyrenees Shire roads and bridges from the Victorian Government's second round of grants through the Local Roads to Market Program.
- \$650,000 secured for reconstruction of the Eurambeen-Streatham Road under Round One of the Fixing Country Roads Program.
- \$1.5 million secured under Round Two of the Fixing Country Roads Program for several local roads,
- \$500,000 secured for the Activate Avoca Project.

Strategic Objective: Relationships and Advocacy

We will build and maintain effective relationships with community, government and strategic partners, and advocate on key issues to advance our communities.

Achievements:

- Council hosted a visit and tour for 80 recent migrants who were looking to settle in rural and regional Victoria.
- Council hosted a NAIDOC Week Aboriginal Art Exhibition at the Beaufort Community Resource Centre in conjunction with Langi Kal Kal Prison and The Torch Project.

- Council sponsored eight young people from Pyrenees Shire who graduated from the Western Bulldogs Leadership Program (formerly known as the Whitten Project) in Ballarat.
- Advocacy for investment on a range of regional issues including road, rail, telecommunications, water, energy, community infrastructure and funding.

Strategic Objective: Community Connection and Wellbeing

We will engage with communities to provide responsive, efficient services that enhance the quality of life of residents and promote connected, active and resilient communities.

Achievements:

- Council approved \$63,834.48 of Community Grants and Community Capital Grants to 27 local groups and organisations.
- Implementation of a Snake Valley Resilience Project.
- Council released a draft framework and town centre streetscape plans for Avoca.
- Pyrenees Futures draft framework plans for Lexton, Snake Valley and Waubra were adopted.
- Mobile phone base stations for Mena Park included in successful round four projects under the Mobile Blackspot Program.

Strategic Objective: Financially Sustainable, High-performing Organisation

Our organisation will respond to community needs, attend to our core business, and strive for excellence in service delivery in an ethical and financially responsible manner.

Achievements:

- Undertook an internal audit for the provision of customer service.



- Pyrenees Shire Council has partnered with the councils of Ararat, Ballarat, Central Goldfields, Golden Plains and Hepburn to secure funding for a Rural Council Transformation Project. This project will implement shared IT platforms and investigate potential for shared services.
- Pyrenees Shire Council won the 2019 Consulting Surveyors Victoria Award for Municipality Excellence - Rural Category for excellence in dealing with subdivision applications.

Strategic Objective: Development and Environment

We will undertake forward planning and facilitate growth in our local economy while protecting key natural and built environmental values.

Achievements:

- Council secured Federal and State Government funding to undertake two detailed flood investigations in the Raglan and the Upper Avoca River catchments.
- Council won the Community Leadership Award at the inaugural Australian Bioenergy Innovation Awards for its Skipton Hospital Straw Heating Project.
- 2018/19 was significant for the construction of windfarms at Crowlands by Pacific Hydro, and Stockyard Hill by Goldwind. The construction has seen a significant generation of jobs, and a changed landscape.
- An RV dump point for Beaufort was commissioned in November 2018 and Beaufort has achieved RV Friendly status.
- \$32 million funding secured from the Australian Government to match Victorian Government funding for East Grampians Rural Water Pipeline Project.

Challenges and Future Outlook

Challenges

- Attracting businesses and people to live, work and invest in Pyrenees Shire
- Planning for Beaufort's economic future following completion of the Western Highway bypass
- Sustainable waste management
- Long term financial sustainability
- Securing funding for major initiatives
- Preparedness, response and recovery for natural disasters
- Recruitment of staff for certain departments
- Understanding and mitigating the impacts of climate change in our communities.

The Future

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



Section 2: The Year in Review

Mayor's and Chief Executive Officer's Message

On behalf of Pyrenees Shire Council it is a pleasure to present Council's Annual Report for the year 2018/19.

The Council Plan for 2017-2021 reflects Council's vision for the shire to comprise *"healthy vibrant, prosperous and connected communities"*. 2018/19 has been a year in which Council has taken a number of steps to realising that vision, many of which are reflected in this Annual Report.

The year was a significant election year. A by-election was held in the Beaufort Ward in August 2018 to elect a new Councillor following a vacancy left as a result of the tragic and sudden death of former Councillor Michael O'Connor. Councillors were pleased to welcome newly elected Councillor Damian Ferrari who took the Oath of Office and was elected Councillor for the Beaufort Ward.

The Victorian Government election in November 2018 saw the return of the Andrews Labor Government, and in the seat of Ripon Liberal MP Louise Staley was elected by a narrow margin of just 15 votes.

In May 2019, the Coalition Government was re-elected. With Pyrenees Shire being split between the seats of Wannan and Mallee, Liberal MP Dan Tehan and National candidate Anne Webster were comfortably elected.

Leading up to these elections, Council was actively engaged in advocating with all major state and federal parties for funding and commitments to advance the projects and priorities of Pyrenees Shire Council and the region.

Among the significant funding announcements was \$800,000



by the Victorian Government Treasurer Tim Pallas towards the development of a Community Hub at Lexton. This facility has been an objective of Council and the community for several years, having completed a feasibility study in 2015. With the commitment by the state secured, a successful funding application was made to the Australian Government for the project under the Building Better Regions Program to secure \$1 million, which was announced ahead of the federal election by Member for Wannon Dan Tehan.

A project that was strongly supported by Council in collaboration with GWM Water and our neighbouring councils of Ararat and Northern Grampians was the East Grampians Rural Pipeline project. A significant funding announcement of \$32 million towards the development of the water pipeline was made by the Australian Government under the National Water Infrastructure Development Fund in the lead up to the federal election. This regional and transformative project involves the construction of around 1600 kilometres of pipeline to bring water into the rural areas across three

shires, including the south western corner of Pyrenees. The matching contribution by the Victorian Government had previously been committed in 2017/18.

Victorian Government funding of \$500,000 was also secured during the year for the Activate Avoca Project. This project involves several elements which look to improve the public spaces and facilities in Avoca. Planning for the project is well advanced and includes visionary streetscape plans which will be the subject of community engagements prior to commencing the works later in 2019. Victorian Government funding of \$208,000 was also secured for an inclusive destination play space in Avoca with a further contribution of \$30,000 from the Avoca Community Bank, which celebrated its 20 year anniversary in Avoca.

In Snake Valley \$200,000 was announced by the Victorian Government for female friendly change facilities at the Carngham Recreation Reserve, and \$250,000 toward a Linear Park Skate Component.



While funding announcements for these new projects was a feature of the 2018/19 year, the completion of some major projects has also been significant.

The works to upgrade the community halls at three small communities of Barkly, Redbank and Raglan were completed. These were funded in part by the Victorian Government as well as Council and the communities themselves. It has been great to see the pride shown by the communities in showing off the transformation of the community assets.

June 2019 also saw the finalisation of the flood recovery program involving \$13.37 million worth of work to restore damaged roads and major culverts at over 6000 sites across the whole shire following the flood events of 2016 /17. Natural disasters remain an ongoing risk to council, and planning for such emergencies remains an ongoing focus of Council.

The management, maintenance and renewal of our roads and bridges network require nearly half of our annual budget. This is a deliberate focus of Council because of the importance of a safe and trafficable road system for our community. This work is dependent on funding through the Australian Government's Federal Assistance Grants and the Roads to Recovery Program, and in 2018/19 Victorian Government funding was provided for the first round of the Fixing Country Roads Program. June 2019 saw the end of a five year Roads to Recovery Program involving more than \$9 million of road improvements.

Other projects which remain fixed on our radar include the Moonambel Water Project. A Business Plan was completed in 2019 for a potable water supply for Moonambel which is critical for this wine tourism service town to grow and prosper. The loss of the Warrenmang restaurant and conference facility to fire was devastating for the proud new owners, and of course we are all hopeful to see this iconic facility rebuilt and thriving again.

The Pyrenees Futures project has continued to be rolled out with Township Framework Plans prepared and adopted for the communities of Snake Valley, Waubra and Lexton. The draft plan for Avoca has been the subject of community consultation during the middle part of 2019. These and the remaining framework plans to be developed will identify the

character and traits that make our towns distinctive, and use that as a basis to plan for a healthy, prosperous future. The plans specifically address land use, urban design and the function of town centres.

Planning for the Beaufort Bypass has involved the development of an Environmental Effects Statement (EES) undertaken by Regional Roads Victoria (RRV) and overseen by DELWP. While the EES is now expected to be released in 2019/20, Regional Roads Victoria was able to conduct information sessions in Beaufort during the year outlining options for the bypass route, and more recently RRV has announced a preferred route for the bypass.

2018/19 was significant for the construction of windfarms at Crowlands by Pacific Hydro, and Stockyard Hill by Goldwind. The construction has seen a significant generation of jobs, and a changed landscape.

Partnerships remain a critical part of council's activity and in 2019 Pyrenees Shire Council partnered with the councils of Ararat, Ballarat, Central Goldfields, Golden Plains and Hepburn to secure funding for a Rural Council Transformation Project. This project will see these councils collaborate around the preparation and delivery of shared services to improve the efficiency and effectiveness of a range of services common to all councils.

The OPAN project (Opportunities for Pyrenees, Ararat and Northern Grampians) involving collaboration between Pyrenees, Ararat and Northern Grampians seeks to develop opportunities to grow our population and the economy through migration, housing, transport and workforce development.

Looking to the future presents a range of challenges for us all, with net technology, digital communication, social media, impacts of climate change, and changing government and community expectations. There is no time to stand still, and the year ahead will be one to embrace the changes and opportunities to ensure our communities develop into thriving liveable places for all to enjoy and grow.

Robert Vance
Mayor

Jim Nolan
Chief Executive Officer

Highlights for the Year



July

- Council launches new website which meets modern accessibility standards and is adaptive to mobile devices.
- Council hosts a NAIDOC Week Aboriginal Art Exhibition at the Beaufort Community Resource Centre in conjunction with Langi Kal Kal Prison and The Torch Project.
- Improvement works at the Avoca Lions Park are complete, including kerb and channels and new toilet facilities.

August

- Victorian Government Treasurer, Tim Pallas, announces funding of \$800,000 (including \$300,000 from the Female Friendly Facilities Fund) towards the Lexton Community Sports Hub.
- A Beaufort Ward by-election takes place following the tragic loss of Cr Michael O'Connor. Damian Ferrari is elected and takes the Oath of Office as the new Beaufort Ward councillor.
- Council endorses a Pyrenees Shire Flood Planning Project for 2018/19, incorporating townships along the Avoca River, Fiery and Emu Creeks.

September

- Victorian Government funding of \$500,000 is secured for the Activate Avoca Project. This project involves several elements which look to improve the public spaces and facilities in Avoca.
- Victorian Government Member for Western Victoria, Jaala Pulford, announces \$208,000 towards an all abilities playground in High Street, Avoca, \$250,000 towards the stage one development of Linear Park in Snake Valley, and \$200,000 towards female friendly change facilities at the Carngham Recreation Reserve in Snake Valley.
- The Avoca Community Bank contributes cheque for \$30,000 towards the all abilities playground in High Street, Avoca.
- Eight young people from Pyrenees Shire graduate from the Western Bulldogs Leadership Program (formerly known as the Whitten Project) in Ballarat.

October

- Council hosts a welcome ceremony for new residents at the Avoca Recreation Reserve.
- Council wins the Community Leadership Award at the inaugural Australian Bioenergy Innovation Awards for its Skipton Hospital Straw Heating Project.
- Hard waste collections are held in Avoca and Beaufort.

Highlights for the Year



- Council offers free green waste collection over three weeks at the Avoca, Beaufort and Snake Valley Transfer Stations in preparation for the fire season.
- De Cameron Ward Councillor, Robert Vance, is installed as Mayor at the Statutory Council Meeting.
- Victorian Government Minister for Agriculture Jaala Pulford announces an \$897,000 investment in Pyrenees Shire roads and bridges from the Labor Government's second round of grants through the Local Roads to Market Program.
- Council secures \$650,000 for reconstruction of the Eurambeen-Streatham Road under Round One funding of the Fixing Country Roads Program.

November

- Council rolls out the Pyrenees Futures draft framework plans for Lexton, Snake Valley and Waubra, which are put on public exhibition until January.
- Moonambel Mechanics' Institute wins the Mechanics' Institute of Victoria award for best event or exhibition.
- Cave Hill Creek is inducted into the Victorian Tourism Hall of Fame.
- Lake Goldsmith Steam Rally stages its 112th event.

December

- CEO Jim Nolan and Mayor Robert Vance are in Canberra to meet with Federal MPs Andrew Broad and Bridget McKenzie to lobby for infrastructure and services for the Pyrenees Shire.
- Council holds morning teas in Avoca and Beaufort with guest speakers during the 16 Days of Activism to help prevent violence towards women.

January

- Following a re-count, the Liberal Party's Louise Staley retains seat of Ripon in the Victorian Government election with a tight margin of 15 votes.
- The Rainbow Serpent Festival attracts more than 17,000 people to the event, celebrating its 22nd year of operation.
- Pyrenees Australia Day event is held in Moonambel. Moonambel's Keith Hunter was announced as Pyrenees Shire Citizen of the Year. Beaufort's Rohan Gerrard was named the 2019 Young Citizen of the Year. The Avoca Uniting Church won the Community Event of the Year for its 150th anniversary celebrations. Cave Hill Creek was awarded the Pyrenees Shire Leadership Award for delivering inspiring camp programs for children for more than 30 years.
- Beaufort and surrounding districts are featured in an episode of the ABC's *Back Roads*.

February

- SKM Recycling facilities in Coolaroo and Laverton are closed by the EPA due to non-compliance and recycling is diverted to Geelong's SKM facility, temporarily closing the facility. The temporary closure impacts Pyrenees Shire and other local governments and recycling from residents in the Pyrenees is diverted to another processor until the issues are resolved.
- The first tower is erected at the Stockyard Hill Windfarm, marking a massive investment in Pyrenees Shire by Goldwind Australia.

March

- Council conducts citizenship ceremony for two Pyrenees residents originating from the Philippines and Russia.
- Mayor Robert Vance and CEO Jim Nolan travel to Warrnambool along with other councils in the Wannon electorate to meet with the Deputy Prime Minister and leader of the Nationals Michael McCormack and Member for Wannon Dan Tehan to advocate for funding for local roads, the Western Highway, the East Grampians rural pipeline and community infrastructure.
- Cave Hill Creek claims gold in the Australian Tourism Awards for standard accommodation.
- Successful projects announced under Round Four of the Commonwealth Mobile Blackspot Program including mobile phone base station for Mena Park.

April

- Mayor Robert Vance and CEO Jim Nolan travel to Melbourne to meet with a team member of the Victorian Government's Minister for Water, Lisa Neville, to advocate for potable water for Moonambel.
- Council hosts morning tea and tour for 80 recent migrants who are looking to settle in rural and regional Victoria.
- Council releases draft framework and town centre streetscape plans for Avoca.
- Member for Wannon, Dan Tehan, announces \$1 million of federal funding through the Building Better Regions Fund towards the Lexton Community Sports Hub.

May

- Warrenmang Resort fire causes significant damage to the restaurant and conference facilities.
- 2019/20 budget released.
- The Lake Goldsmith Steam Preservation Association holds another successful Steam Rally.
- The award-winning Skipton Hospital Straw Heating Project is launched.

- Council approves \$63,834.48 of Community Grants to 27 community groups under Round 3 of the 2018/19 year Community Grants, Round 3 of the 2018/19 Community Capital Grants and Round 1 of the 2019/20 Community Capital Grants.
- Member for Wannon, Dan Tehan, retains seat in the Australian Government election, while new Member for Mallee, Anne Webster, replaces outgoing Andrew Broad. Minister Tehan also retains the national portfolio of Minister for Education.
- Australian Government announces \$32 million in funding for East Grampians Rural Pipeline to match Victorian Government contribution.
- Pyrenees Shire Council secures \$1.5 million funding Round Two of the Fixing Country Roads Program.

June

- Council prepares for the state-wide e-waste ban preventing e-waste from being sent to landfill, which comes into effect on 1 July. New e-waste collection facilities are built and opened at Snake Valley, Avoca and Beaufort to responsibly recycle e-waste items.
- Council adopts 2019/20 budget without changes following no submissions from the public.
- Local Government Community Satisfaction Survey results are released. The overall Council performance score of 60 is above the small rural council average of 58 and on par with the state average of 60.
- Consulting Surveyors Victoria awards Pyrenees Shire Council with the 2019 Award for Municipality Excellence – Rural Category for excellence in dealing with subdivision applications.
- Council completes all but one of the 6000 defects across flood affected roads and bridges damaged in the 2016/17 flood / storm events. The \$13.37 million works ranged from minor clean up works to culvert and pavement replacement.
- A five-year Roads to Recovery Program involving more than \$9 million of road improvements is completed.

Financial Overview

Throughout 2018/19 Council continued to work on balancing the expectations of the community with the need to ensure that the financial foundations of Council remain strong and capable to meet the challenges of the future.

Council continually seeks to find the right balance between community expectations and financial responsibility. A commitment to cost restraint and the provision of value-for-money services for the community, combined with the continual refinement of the Long Term Financial Plan constitutes the financial framework that Council uses to address this balance. This financial framework remains imperative and continues to drive Council's financial decisions.

It is important to review these 2018/19 financial results in light of the long-term financial objectives developed by Council. These are to:

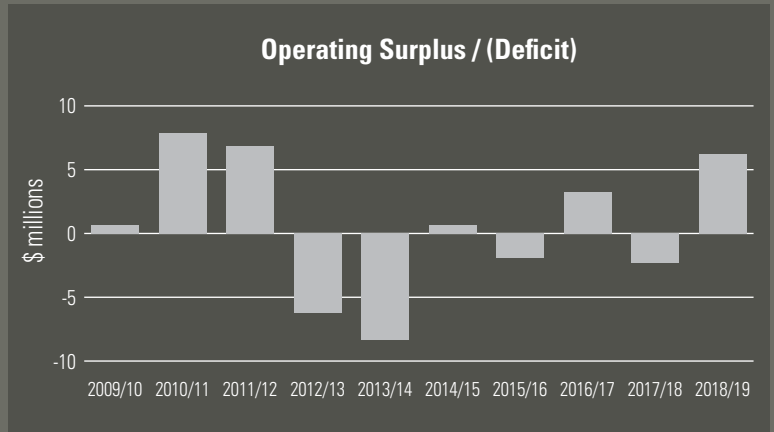
- Maintain a strong cash position.
- Ensure that Council remains financially sustainable in the long-term.
- Continue to be debt free after Council's final loan repayment was made in September 2016.
- Continue to pursue recurrent grant funding for strategic capital works from the state and federal governments.
- Maintain the existing range and level of services available to communities within the Shire.
- Ensure adequate revenue to maintain a sustainable level of services for the community.
- Ensure that the renewal of critical infrastructure is funded annually over the timeframe of the Long Term Financial Plan.

The following is a snapshot of our 2018/19 financial position:

- \$30.6 million revenue including \$7.1 million in flood recovery grants and \$5.5 million of grant income received in advance. During 2018/19, Council has been successful in attracting additional Roads & Bridges funding via the Fixing Country Roads Program and Local Roads to Market Program.
Council also received grants for community projects including Lexton Community Hub, Avoca Inclusive Playspace, Snake Valley Linear Park Skate Component and Carngham Recreation Reserve female friendly change rooms in 2018/19. Unspent grants are carried forward into 2019/20 as restricted funds to facilitate completion of these projects.
- \$7.69 million Capital Expenditure program delivered. Council claimed its full allocation under the 2014-2019 Roads to Recovery Program by completion of all works by 30 June 2019.
Additional grant funding received under the Fixing Country Roads and Local Roads to Market Programs has significantly improved the Asset Renewal ratio.
- Rates and waste charges comprised \$10 million (33 per cent) of total revenue.
- Operating surplus of \$6.08 million. Outstanding flood grants at 30 June 2018 (\$2.7 million) were received in 2018/19.
- Cash holdings of \$12 million at year end. Part of this relates to grants received in advance for works programmed in 2019/20.
- Council continues to be debt free.

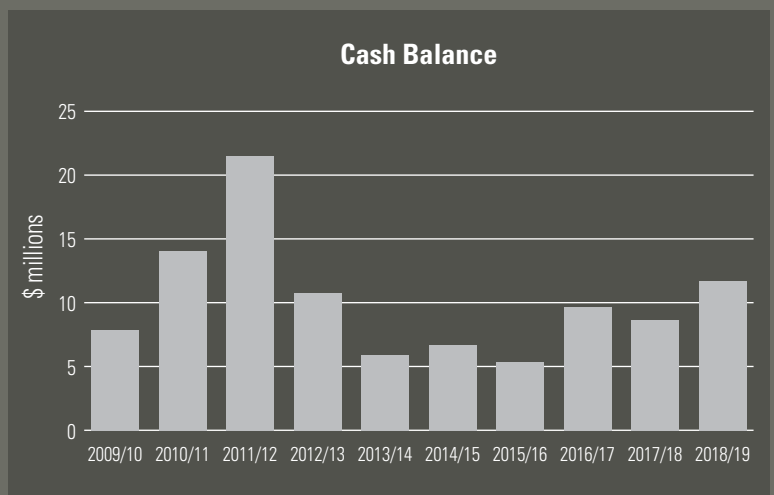
Operating Result

Council has an operating surplus of \$6.08 million in 2018/19 compared with a \$2.43 million deficit in 2017/18. This surplus can be attributed to - outstanding flood grants at 30 June 2018 (\$2.7 million) being received in 2018/19 and as mentioned earlier, Council being successful in attracting grant funding under the Fixing Country Roads Programs, Local Roads to Market Programs and a range of community projects including the Lexton Community Hub, Avoca Inclusive Playspace, Snake Valley Linear Park Skate Component and Carngham Recreation Reserve female friendly change rooms in 2018/19.



Cash holdings

Cash holdings at the end of the financial year are \$12 million. This figure includes \$6.06 million funds required for capital works carried forward from 2018/19 which will be undertaken in 2019/20 and \$3.23 million in unspent operating grants to be carried forwards. This cash also backs the \$2.2 million employee leave liability that sits on the balance sheet. At 30 June 2019, Council was awaiting reimbursement (\$787,000) for flood recovery works undertaken during 2018/19.



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

Sustainable Capital Expenditure

Council aims to ensure that its assets are maintained in a condition that allows them to continue to deliver the services needed by the community at a standard that is acceptable to users. During 2018/19, Council spent a total of \$7.7 million on capital expenditure across the Shire, including \$7 million on renewing existing assets.

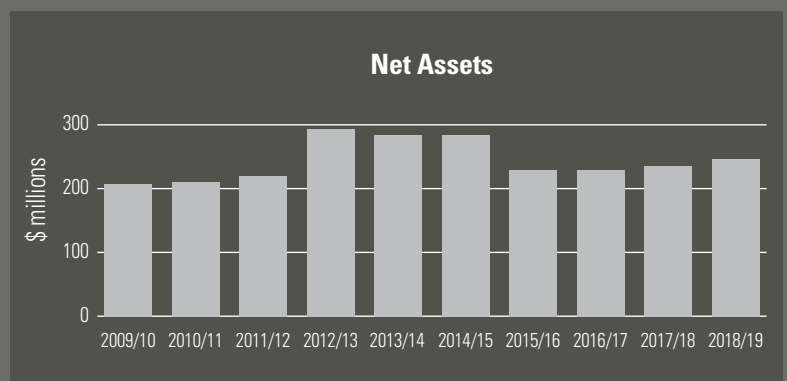
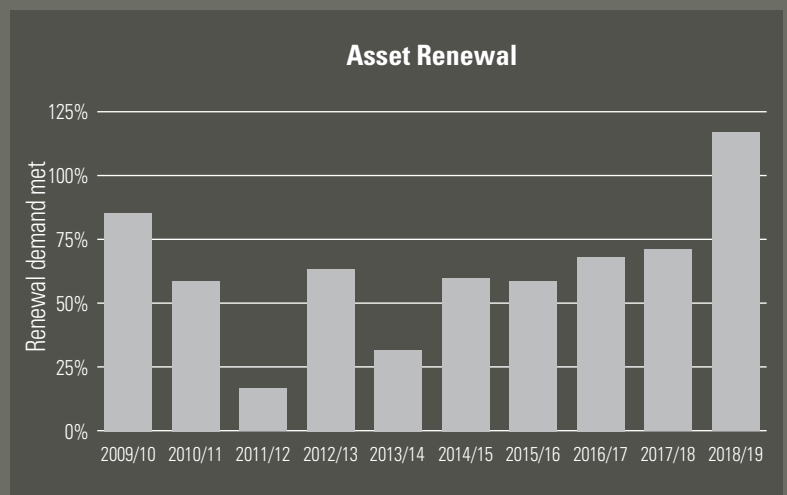
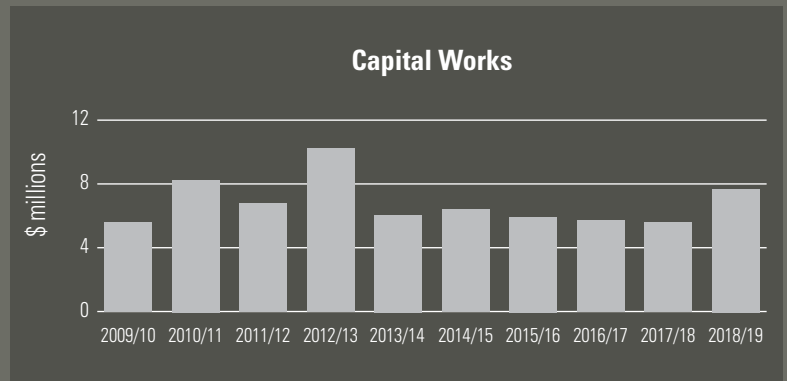
Council's 2018/19 capital expenditure continued to address the challenge of renewing community assets. It is anticipated that future capital expenditure will be maintained at a realistic level, with a high degree of dependence on funding from government grants.

Asset renewal is measured as capital expenditure relative to asset depreciation. Whilst Council continues to face a significant challenge to fund the renewal of critical long-lived community infrastructure in the longer term, 2018/19 funding received under the Fixing Country Roads and Local Roads to Market Programs has significantly improved the Asset Renewal ratio. Council continues to advocate for more grants that will help improve in the renewal of assets.

Meeting the continual renewal of Council's vast asset base remains an ongoing challenge for all Councils.

Financial Sustainability

Council is committed to operating without bank debt where possible, and made the final loan repayment in September 2016. In 2015/16 interest on borrowings and debt redemption consumed \$0.5 million. In future years the funds used to pay interest and redeem debt can be allocated to other Council priorities which strengthen Council's financial sustainability in the medium term. Council strives to operate in a financially responsible manner while responding to community needs and striving for excellence in service delivery.



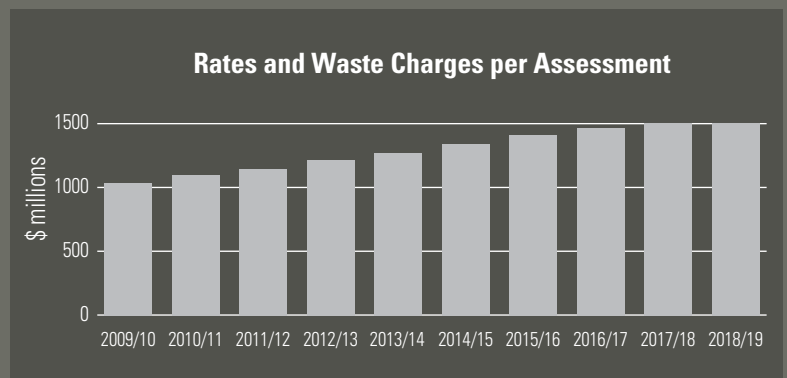
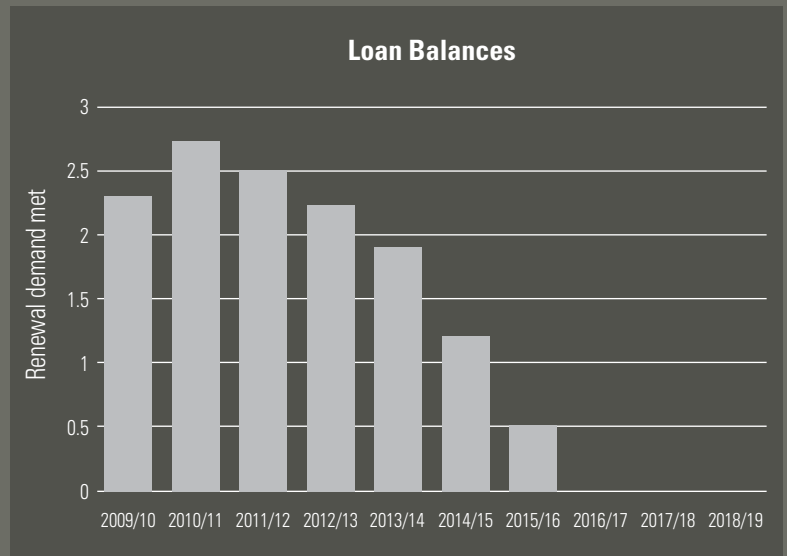
Council is mindful that the cost of rates is borne by ratepayers. Council is working towards lowering the level of annual rate increase in order to reduce the impact on ratepayers, and the Victorian Government's "Fair Go Rates" rate capping system has acted to reduce the annual rate rises from 2016/17 onwards.

Council has many current and future demands on funding, highlighting the need for strong, long-term planning and the targeted allocation of resources. This is achieved through the preparation and annual review process of the Council Plan which is supported by Council's Strategic Resource Plan. Ultimately, these documents are guided by longer-term visions and plans including the Long Term Financial Plan, which projects Council's financial direction for the next ten years. This enables Council to identify and analyse trends of significance and provide for sound financial planning and decision-making.

The continued revision and refinement of the Long Term Financial Plan enables longer-term conversations with the community and this makes possible long-term goals that assist in creating engaged and vibrant communities.

This financial snapshot for the 2018/19 financial year gives a brief overview of Council's financial performance and the significant factors that impacted on the financial resources used to support the achievement of long-term community service and asset management objectives. A more detailed analysis of the financial performance for 2018/19 can be found in the Annual Financial Report which is available on Council's website and is attached to Council's physical Annual Report.

Shana Johnny
Principal Accounting Officer



Section 3: Our Council



Council Profile

Location

Pyrenees Shire is located in the Central West of Victoria, about 130 kilometres North West of Melbourne. It is heavily dependent on the primary production industry and is renowned for its wool, viticulture and forestry activity. Thirty percent of the workforce is involved in agriculture. Key areas of production are wool, cereal, hay crops and meat. Grape and wine production has recently expanded significantly. Gold, along with sand, gravel and slate all contribute to the economy.

Characteristics

The Pyrenees Shire comprises an area of nearly 3,500 square kilometres and a population of 7,238 residents. The Shire takes its name from the ranges in the north that hold similarity to the Pyrenees Ranges in Europe.

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

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

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

Tourism is ever-growing throughout the region. Events such as the Pyrenees Unearthed Festival, Avoca Cup, Rainbow Serpent Festival, Moonambel Fireworks and Beaufort Art Show and other events continue to attract large numbers of visitors year round. The Pyrenees Region is home to award winning wineries with many receiving 5 red stars from the James Halliday Reviews. Our local restaurant menus are inspired by what is fresh and local and are also winning awards including The Avoca Hotel that has been awarded Trip Advisors Certificate of Excellence every year since 2013 and has been inducted into the Hall of Fame.

In addition to Food and Wine, the Pyrenees is a stunning part of the country with great places to bushwalk, picnic, mountain bike and 4wd in the Mount Cole and Pyrenees State Forests. The abundance of art in the region is a delight for visitors to explore including Restored Railway stations in Avoca and Beaufort that have been transformed into thriving boutique galleries showcasing the work from our talented local artists.

Council Offices

Pyrenees Shire Council

5 Lawrence Street
Beaufort, Victoria 3373

Telephone 1300 797 363

Facsimile (03) 5349 2068

Website www.pyrenees.vic.gov.au

Email pyrenees@pyrenees.vic.gov.au

Avoca Community Resource Centre

122 High Street
Avoca, Victoria 3467

Telephone (03) 5465 1000

Beaufort Community Resource Centre

72 Neill Street
Beaufort, Victoria 3373

Telephone (03) 5349 1182

Demographics

Fast Facts

\$876 Median weekly household income

All private dwellings **3,568**

Median monthly mortgage repayments **\$1,066**

2.3 Average people per household

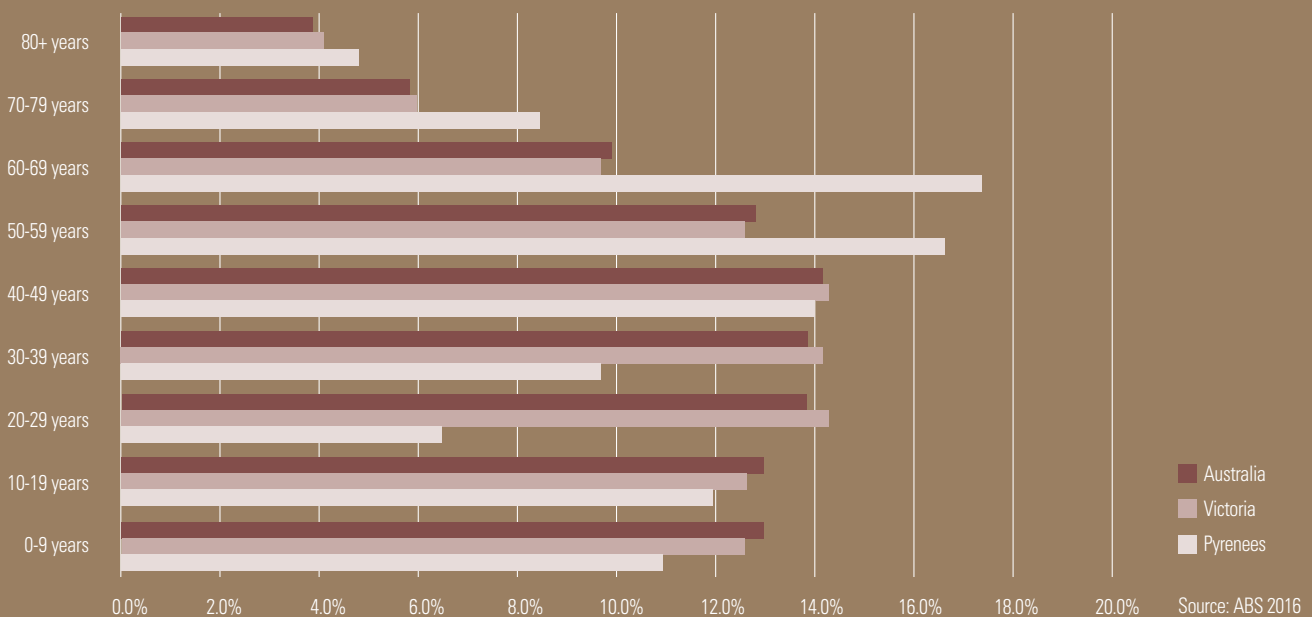
\$160
Median weekly rent

7,238 People
 Male **3,829**
 Female **3,409**
 Median age **50**

Average motor vehicles per dwelling **2.2**

1,785 Families

Average children per family **1.9**



Councillors

The Council was elected to provide leadership for the good governance of the municipal district and the local community. On 22 October 2016 the Pyrenees Shire community elected this Council for a four year term. Following the unexpected passing of Cr Michael O'Connor in May 2018, a by-election was held for the Beaufort Ward in August 2018 and the successful candidate was Cr Damian Ferrari. The municipality is divided into five wards, represented by one Councillor in each ward. The five Councillors are the elected representatives of all residents and ratepayers across the Shire. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation.

The Councillors are listed below.



Cr Damian Ferrari

Beaufort Ward – First Elected: 2018

Phone 0437 662 295 **Email** beaufort@pyrenees.vic.gov.au

Cr Damian Ferrari was elected to the Council on 18 August 2018 following a by-election of the Beaufort Ward. Cr Ferrari was born and raised in the Beaufort area and still resides in the area on a farm at Mt Cole. Cr Ferrari is community minded and a community advocate and genuinely cares about the people in our municipality. Cr Ferrari would like to see the Council be progressive, sustainable, accountable and accessible to the community.

Cr Ferrari is passionate about ensuring the long term sustainability and progress of Beaufort and in building a harmonious, resilient and connected community. Cr Ferrari is also passionate about protecting our environment. Cr Ferrari is keen to provide for our elderly and to nurture our youth which will assist in preserving our history and acquiring a promising future.

Cr Ferrari enjoys camping, fishing, gardening and listening to Radio 88 FM.



Cr Tanya Kehoe

Mount Emu Ward – First Elected: 2012, re-elected 2016

Phone 0439 571 480 **Email** mountemu@pyrenees.vic.gov.au

Cr Tanya Kehoe is an educator, a community advocate and the Mount Emu Ward Councillor. Cr Kehoe's professional experience spans teaching and pastoral care, as well as farming. Cr Kehoe loves the sense of community in the Mount Emu and Snake Valley area, a community that she's been a part of her whole life.

Cr Kehoe was first elected to the Pyrenees Shire Council in 2012 and re-elected in 2016. She wants to use her strengths to better her community in her role as Councillor. Cr Kehoe would like to see the development of the Snake Valley township, improve opportunities for young people within the shire and advocate for better roads in this term of Council. Cr Kehoe is also keen to continue to focus on how to best support farmers, services and businesses across the shire to continue to advance the local area for all residents.

Cr Kehoe and her husband run a sheep property at Mount Emu and have six young children.

Councillors



Cr Robert Vance – Mayor

De Cameron Ward – First Elected: 1987, re-elected 1996, 1999 re-elected 2008, 2012 and 2016

Phone 0447 384 500 **Email** decameron@pyrenees.vic.gov.au

Cr Robert Vance is a community lobbyist and long-serving Councillor for the De Cameron Ward. Cr Vance is a sheep farmer and has spent more than three decades in local government, including five years as an executive on the Rural Councils Victoria Board. He loves the natural beauty of the environment and appreciates the quality of the people that live in the Pyrenees. Cr Vance values the community's ability to close ranks in times of need, or grief and to provide support to one another independent of race, creed or colour.

Cr Vance was first elected to the then Avoca Shire Council in 1987. He joined the Pyrenees Shire Council post amalgamations in 1996 until 2002. He was re-elected in 2008, 2012 and 2016. Cr Vance nominates giving back to his community as his main reason for standing for Council.



Cr David Clark

Ercildoune Ward – First Elected: 1992, 1996, 1999 re-elected 2008, 2012 and 2016

Phone 0417 374 704 **Email** ercildoune@pyrenees.vic.gov.au

Cr David Clark is big picture thinker, a local champion and the Ercildoune Ward Councillor. Cr Clark's breadth of experience crosses accounting, community development, public sector governance and natural resource management. He appreciates the character of the Pyrenees landscape including the rolling hills, rich soils, forests of many eucalypts and other species. Cr Clark was first elected to Council in 1992 and re-elected in 2008, 2012 and 2016. His inspiration to join Council was the chance to make a difference and to use his skills, which are much more strategic than practical, to best effect.

He highlights better gravel roads, a more digitally astute Council and communities who (in general) are all after the same things for their future, as his aspirations for this Council term. Cr Clark operates a mixed farming property at Glenbrae, works in Landcare and shares his life with his wife Peta and their three children.



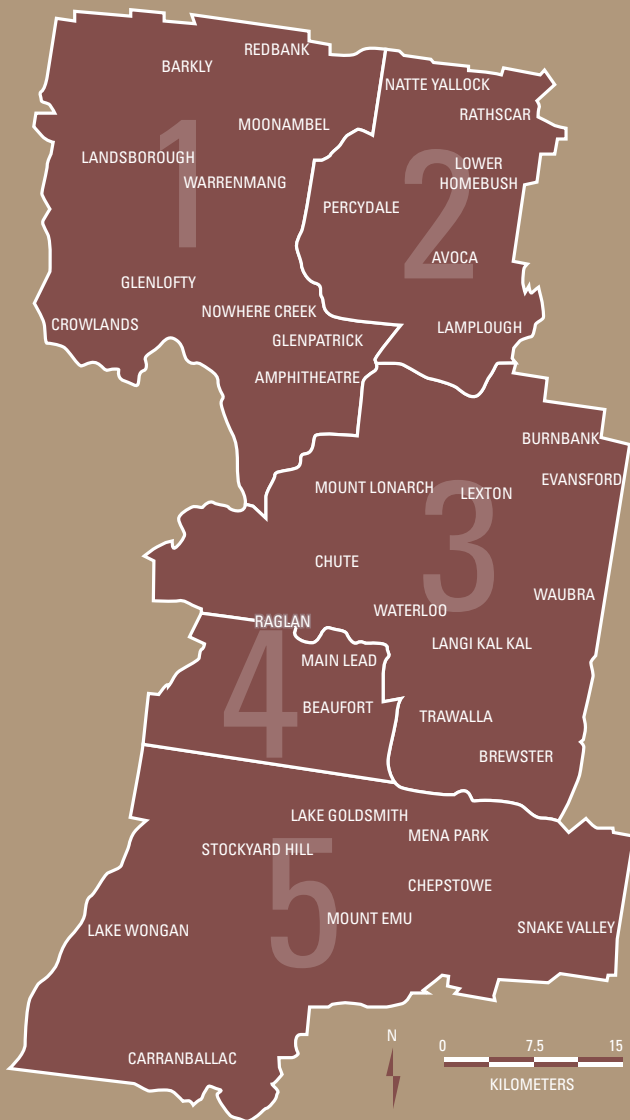
Cr Ron Eason

Avoca Ward – First Elected: 2012, 2016

Phone 0417 508 471 **Email** avoca@pyrenees.vic.gov.au

Cr Ron Eason is a businessman, helpful character and the Avoca Ward Councillor. Cr Eason's experience in his working life includes manufacturing and small business. Cr Eason has found the community of Avoca very friendly and picturesque, a big difference to his life in Melbourne and the Goulburn Valley. Cr Eason was first elected to Pyrenees Shire Council in 2012 and re-elected in 2016. He nominates a desire to help people in the Pyrenees Shire as his inspiration to join Council. Cr Eason would like to see a more sustainable Council that serves the Shire in his Council term.

Cr Eason and wife Jenny run the Avoca Newsagency.



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



Section 4: Our People

Executive Management Team

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



Jim Nolan – *B. Eng (Civil)*
Chief Executive Officer

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

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





Kathy Bramwell – *DipHE (Business);
Grad. Cert. Risk Management*
Director Corporate and
Community Services

Kathy joined Pyrenees Shire Council in January 2017, originally working in the Governance and Risk area and moving into the Director role in mid-2018. She has almost 20 years' experience in governance, risk management and compliance in the Victorian Public Sector – in local government at Brimbank City Council and more recently at RMIT University.

Kathy is responsible for the strategic management of the Corporate and Community Services Department, which includes finance and administration, information technology, governance, corporate compliance, risk management/OHS, emergency management, customer services and community wellbeing.



Douglas Gowans – *B.Eng*
Director Assets and Development

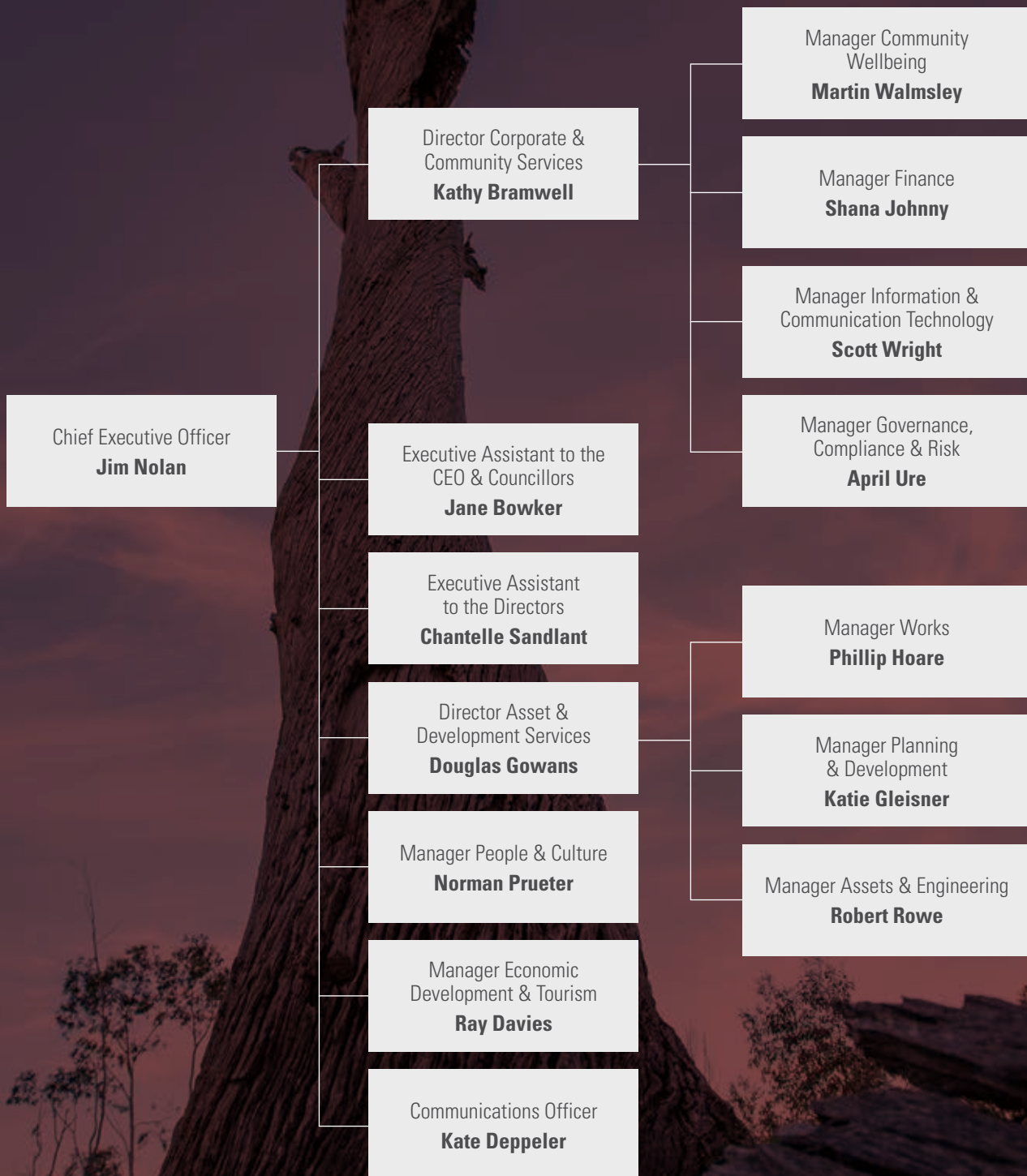
Douglas joined Pyrenees Shire Council in August 2015. He has more than 17 years' experience in local government, including Golden Plains and Hindmarsh Shire Councils.

Douglas manages the operations and asset areas of Council. His responsibilities include the construction and maintenance of roads and bridges, waste management and recycling, public asset maintenance, environment, town planning and building services and community safety and amenity.



Management Structure

A chart setting out the management organisational structure of Council is shown here.



Council Staff



As of 30 June 2019, a summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.

Structure Classification	Band 1 FTE	Band 2 FTE	Band 3 FTE	Band 4 FTE	Band 5 FTE	Band 6 FTE	Band 7 FTE	Band 8 FTE	All other FTE	Total FTE
Permanent Full Time - Female	0	0	1	2	3	4	0	3	1	14
Permanent Full Time - Male	0	0	16	6	3	7	1	1	7	41
Permanent Part Time - Female	1	3.5	3.8	3	3.3	2.8	0	0	0	17.4
Permanent Part Time - Male	0	0.5	0	0	0	1.2	0	0	0	1.7
Casual - Female	0.8	0	2	0	0	0	0	0	0	2.8
Casual - Male	0	0	0	0	0	0	0	0	0	0
Total	1.8	4	22.8	11	9.3	15	1	4	8	76.9

Employees

As at 30 June 2019, the Pyrenees Shire Council had a total workforce of 76.9 equivalent full time positions. Total staff – 106 employees.

Workforce Profile

	Full Time	Part Time	Casual	Total
Male	34	4	0	38
Female	13	46	9	68

Workforce Age

Age Group	Number of Staff
15 – 19	0
20 – 24	2
25 – 34	10
35 – 44	19
45 – 54	25
55 – 64	42
65 and over	8

Council Staff

Recruitment

During the year, Council advertised 27 positions.

Council continues to receive multiple applications for most positions advertised.

Workcover

Pyrenees Shire Council experienced six claims during the 2018/19 insurance period.

Learning & Development

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

A sample of the training undertaken in 2018/19 includes:

- First Aid/CPR Course
- Participation in Leadership Ballarat & Western Region Program
- Traffic Management
- Operate and maintain chainsaws
- Certificate III in Civil Constructions
- Recruitment Training
- Career Development Training for female staff
- Stress Management and Work Life Balance
- Management Workshop (Dr. Tom Verghese)

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

Our Educational Support Policy provides financial assistance for tertiary study in courses that are beneficial to our staff and organisation.

Work Experience

Council continues to provide students from a Secondary College with the opportunity to participate in work experience programs. Such programs allow students the opportunity to work in a local government environment. In addition, in the last financial year Council provided a six month placement for a tertiary student from Federation University in Ballarat.

Equal Employment Opportunity Program

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

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

Diversity & Inclusion Statement

To formalise Council's commitment to diversity and inclusion in the workplace the Staff Consultative Committee developed and adopted a Diversity Statement in February 2019.



CHEPSTOWE RD

FOOTBALL GROUND
TENNIS COURTS

SMYTHESDALE 10

3 S.V. GOLF COURSE

HARDWASTE AND
TRANSFER STATION

LINTON 8

CARNGHAM
RECREATION RESERVE

Section 5: Our Performance

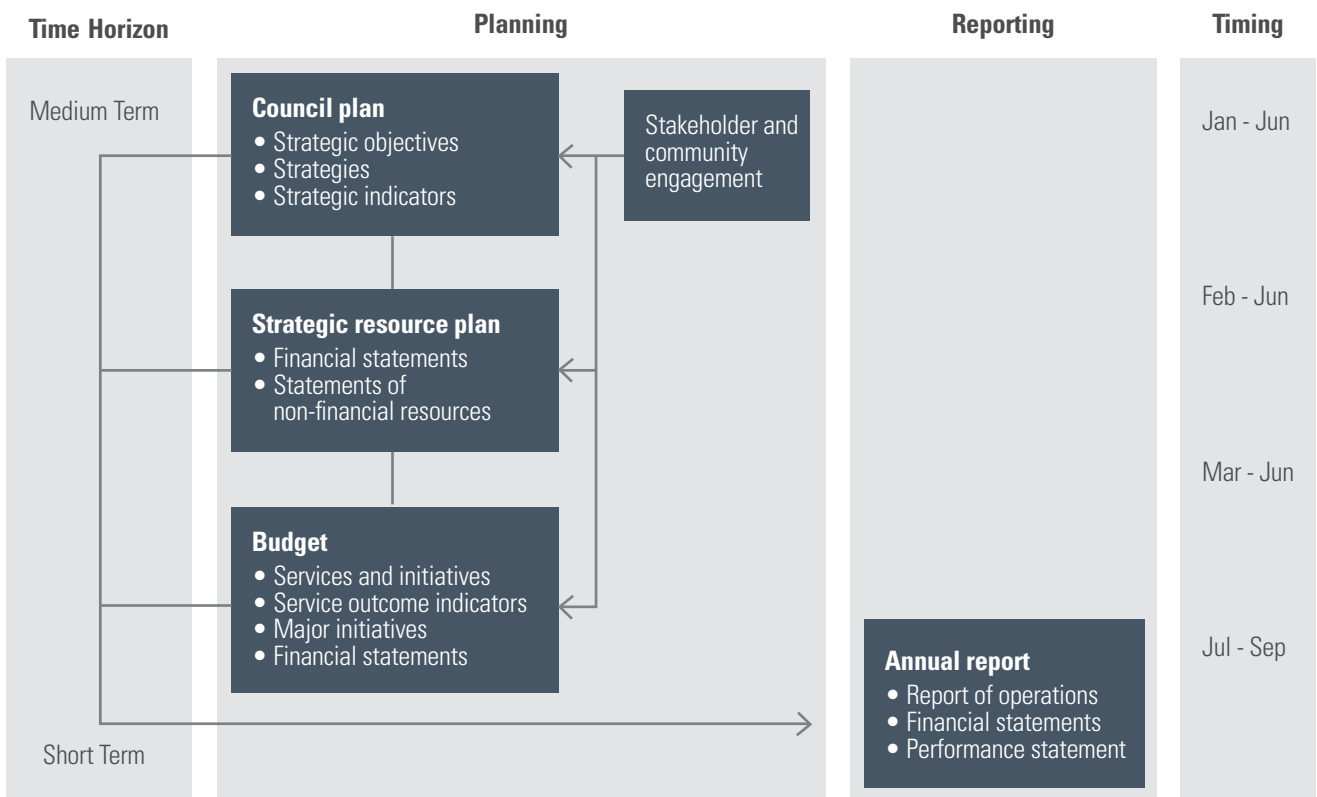
Planning and Accountability Framework

The Planning and Accountability Framework is found in Part 6 of the *Local Government Act (1989)*. The Act requires councils to prepare the following planning and reporting documents:

- A council plan within the six months after each general election or by 30 June, whichever is later;
- A strategic resource plan for a period of at least four years and include this in the council plan;
- A budget for each financial year;
- An annual report in respect of each financial year.

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





Our Performance

Council Plan

The Council Plan 2017-21 includes strategic objectives, strategies for achieving these for the four year period, strategic indicators for monitoring achievement of the strategic objectives and a strategic resource plan. The following are the five strategic objectives as detailed in the Council Plan.

Roads & Townships

We will plan, manage, maintain and renew infrastructure in a sustainable way that responds to the needs of the community.

Relationships & Advocacy

We will build and maintain effective relationships with community, government and strategic partners, and advocate on key issues to advance our communities.

Community Connection & Wellbeing

We will engage with communities to provide responsive, efficient services that enhance the quality of life of residents and promote connected, active and resilient communities.

Financially Sustainable, High-performing Organisation

Our organisation will respond to community needs, attend to our core business, and strive for excellence in service delivery in an ethical and financially responsible manner.

Development & Environment

We will undertake forward planning, and facilitate growth in our local economy while protecting key natural and built environmental values.

Performance

Council's performance for the 2018/19 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2017-21 Council Plan. Performance has been measured as follows:

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

Strategic Objective 1

Roads and Townships

To achieve our objective for roads and townships we will continue to ensure that:

- Our sealed road network is well maintained while key strategic link roads are upgraded;
- The quality and function of the Shire's gravel road network is improved by increasing spending in real terms; and
- The amenity of our townships is improved, and key infrastructure projects are delivered with other levels of government.



Progress against Strategic Initiatives to implement Strategic Objective 1 – as at 30 June 2019

Initiatives	Status	
Implement the use of higher quality material for re-sheeting as detailed in the Gravel Road Strategy.	Materials utilised in gravel road re-sheeting have been specified to meeting quality criteria for the majority of applications.	➔
Renew and upgrade key strategic roads: <ul style="list-style-type: none"> • Raglan-Elmhurst Road. • Moonambel-Natte Yallock Road. • Landsborough-Elmhurst Road (Wimmera River) bridge. 	<ul style="list-style-type: none"> • Construction works completed. • Construction works completed. • Project is being co-ordinated by Ararat Rural City Council. Tender awarded to CASA Construction. Works to commence Oct 2019. 	✓ ✓ 🕒
Service and asset management plans.	The review of the Roadside Management Plan is almost complete.	🕒
Undertake condition assessments of Roads, Bridges and Major Culverts.	Moloney Road and bridge condition assessments completed. Loss prevention inspections of key buildings have commenced.	✓ 🕒
Deliver road and asset renewal programs including: <ul style="list-style-type: none"> • Re-sheeting of gravel roads. • Resealing of sealed surfaces. • Drainage program. • Bridge and major culvert program. • Water bores. • Pavement reconstruction. 	<ul style="list-style-type: none"> • Works completed. • Works completed. • Works completed. • Works completed where scheduled. Some programs are multi-year, ongoing projects. • Review of water bores underway. Replacement bore near Lake Goldsmith completed and operational. • Works completed. 	✓ ✓ ✓ ➔ ✓ ✓
Maintain safe roads by controlling encroachment of roadside vegetation.	Ongoing works program.	➔
Implement initiatives contained in township framework plans.	Township framework plans have been completed for three towns. A further three plans are in the development phase. Avoca works have been funded and planned.	🕒

Our Performance



Progress against Strategic Initiatives to implement Strategic Objective 1 – as at 30 June 2019

Initiatives	Status	
Improve township amenity by increased level of maintenance at town entrances by street tree replacement planting, better signage and use of GATT seals.	Ongoing works program.	→
Seek funding to implement actions to ensure Beaufort is bypass-ready.	Beaufort Framework Plan is nearing completion as part of the Pyrenees Futures Project. Framework plan to form the basis for future government investment applications.	🕒
Implement streetscape and hall improvements for Redbank, Raglan and Barkly.	Three Halls project completed.	✓
Work with appropriate authorities to prepare flood plans and/or drainage plans for Lexton, Waubra, Avoca and Natte Yallock.	Preliminary flood investigation plans have been developed for Lexton, Waubra and Raglan. Funding has been received for full flood investigations for Avoca, Amphitheatre, Natte Yallock and Raglan.	🕒
Continue to advocate for the reclassification of the Eurambeen – Streatham Road.	This issue is raised at every opportunity when meeting with VicRoads / Regional Roads Victoria.	→
Undertake two internal audits per annum on compliance with the Road Management Plan.	Compliance audits completed.	✓

Report of Operations

	Service Performance Indicators <i>Service/indicator/measure</i>	Results 2018	Results 2019	Material Variations and Comments
	Roads			
	<i>Satisfaction of use</i>			
R1	Sealed local road requests per 100km of sealed local roads.	17.20%	13.29%	Council continues its high focus on maintenance and improvement of its local road network.
	<i>Condition</i>			
R2	Sealed local roads maintained to condition standards.	99.74%	99.79%	Roads above intervention levels have remained consistent with prior years and reflect ongoing works to maintain the local road network within agreed standards.
	<i>Service cost</i>			
R3	Cost of sealed local road reconstruction per square metre.	40.71%	42.88%	The cost of road construction varies from year to year due to changes in complexity of works and price of raw materials.
	<i>Service cost</i>			
R4	Cost of sealed local road resealing per square metre.	\$4.61	\$5.80	This service is undertaken by a shared services contract with several other LGAs and is subject to market testing. Cost of road sealing is influenced by complexity of specific jobs and price of bitumen and other raw materials.
	<i>Satisfaction</i>			
R5	Satisfaction with sealed local roads.	54.00	54.00	Community satisfaction with sealed roads remains constant and above results for small rural councils.

Our Performance



Local Government Community Satisfaction Survey Results – Council’s Performance

Sealed Local Roads

2016	54
2017	55
2018	54
2019	54
Small Rural Shires 2019	53
State-wide 2019	56

Streets and Footpaths

2016	58
2017	57
2018	56
2019	53
Small Rural Shires 2019	57
State-wide 2019	59

Unsealed Roads



2016	45
2017	44
2018	44
2019	43
Small Rural Shires 2019	43
State-wide 2019	44

Strategic Objective 2

Relationships and Advocacy

We will build and maintain effective relationships with community, government and strategy partners, and advocate on key issues.

Progress against Strategic Initiatives to implement Strategic Objective 2 – as at 30 June 2019

Initiatives	Status	
Implement the Community Engagement Strategy.	Implementation of the Strategy is ongoing.	
Work with others to develop strategy and deliver shared services.	Pyrenees is one of several councils successful in gaining \$4.5 million funding to undertake a Transformation Program, led by City of Ballarat. This project will implement shared IT platforms and investigate potential for shared services.	
Provide strong leadership through timely and effective communication with members of Parliament and with relevant government agencies.	<p>Over the year, CEO and Mayor engagement included:</p> <ul style="list-style-type: none"> • Pre state election appointments with ministers and candidates Sept-Nov 2018. • Delegation to Canberra for ministerial and shadow ministerial appointments on regional projects and the National Congress. • Pre federal election appointments with candidates Mar-May 2019. • Appointments with ministerial and department / agency officers on issue specific matters throughout the year. 	
<p>Advocate to government (in partnership with peak bodies and relevant community and industry groups) on key projects and issues important to our community including:</p> <ul style="list-style-type: none"> • Beaufort bypass. • Ararat – Maryborough rail line. • Improved telecommunications across the Shire and in particular Landsborough, Moonambel and Lexton. • Improved access to data communication and successful NBN rollout. • Roads to Recovery funding. • State and Federal funding for local infrastructure. • Improved water security and access. • Equitable cost sharing. 	<p>In partnership with councils comprising the Central Highlands Councils Victoria, Mayor and CEO participate in collaboration and advocacy on regional matters including roads, rail, telecommunications, infrastructure, water, waste and economic growth.</p> <p>In partnership with councils comprising Rural Councils Victoria participate in advocacy on economic growth and equitable funding for rural councils.</p> <p>In partnership with the Municipal Association Victoria (MAV) develop strategy and implement advocacy on emergency management, legislation, cost shifting, equitable funding, service provision changes, waste, water and roads.</p> <p>Central Highlands Councils Victoria sub delegation to Canberra Dec 2018 on sub regional projects.</p>	

Our Performance

Progress against Strategic Initiatives to implement Strategic Objective 2 – as at 30 June 2019

Initiatives	Status	
<p>Develop and foster strategic partnerships by actively engaging with:</p> <ul style="list-style-type: none"> • Sector Peak bodies such as Municipal Association of Victoria, Rural Councils Victoria and Victorian Local Government Association. • Business Associations including Business for Beaufort and Advance Avoca. • Industry sector bodies including Pyrenees Grape growers and Wine makers, Visit Ballarat, Victorian Farmers Federation and Cultivate Agriculture. • Regional bodies including Central Highlands Councils Victoria (CHCV), Central Victorian Greenhouse Alliance (CVGA) and Committee for Ballarat (CfB). • Local groups and clubs including Community Action Planning (CAP) Committees, clubs and associations. • Issue specific lobby groups including Western Highway Action Committee (WHAC) and Ballarat Rail Action Committee (BRAC). • Traditional owner groups to increase awareness of cultural heritage matters. 	<ul style="list-style-type: none"> • MAV events attended by CEO and/or Councillors. Rural Councils Victoria (RCV) events / forums attended by CEO and/or Councillors. RCV executive committee participation by Cr Vance. • Maintained regular contact to support initiatives of each group. • Maintained regular contact to support initiatives of each organisation. • CHCV – CEO and Mayor bimonthly meetings attended. CEO monthly meeting participation. CVGA – Councillor and officer participation in activities and meetings. CfB – CEO and Councillor participation in meetings and events. • Review of community grants processes and CAP templates underway in preparation for 2019/20 grants rounds. Community grants process complete for 2018/19 financial year. Relationship building underway with S.86 Committees to improve governance performance. • Councillor and officer participation in activities and meetings. • Reconciliation Action Plan developed and endorsed by Reconciliation Australia. Dja Dja Wurrung Forum attendance by Mayor and CEO in Mar 2019. Dja Dja Wurrung treaty workshop attended by CEO. LUAA training and education on consultation for proposed works undertaken by officers. Eastern Maar working group meetings – CEO participation. 	<ul style="list-style-type: none"> → → → → → → →



Report of Operations

Service Performance Indicators <i>Service/indicator/measure</i>	Results 2018	Results 2019	Material Variations and Comments
Governance			
Council's overall performance index score.	62/100	60/100	Pyrenees Shire Council's score of 60 remains above the small rural council average of 58 and equal to the state-wide average of 60.
Council decisions made at meetings closed to the public.	12.65%	9.66%	Council continues to maximise transparency of decision making within public meetings.
Community satisfaction with community consultation and engagement.	55/100	57/100	Community satisfaction with Council's consultation and engagement increased from the previous year and remains above both the state-wide and small rural council averages.
Councillor attendance at Council meetings.	94.67%	96.00%	Councillor attendance at meetings remains at a high level.
Cost of governance per councillor.	\$42,481.68	\$44,562.23	The increased cost of governance has been necessary in response to increasing expectations arising from legislative changes and oversight agencies.
Community satisfaction with Council decisions.	57/100	56/100	Community satisfaction with Council's decision making remains above the state-wide and small rural council averages.



Our Performance

Community Grants 2018/19

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

Organisation	Funded
Round 1	
Avoca Chinese Garden Association Inc.	\$1,500.00
Avoca Country Golf Bowling Club	\$1,250.00
Avoca Friends of the Pool	\$556.00
Beaufort Agricultural Society	\$1,500.00
Beaufort Municipal Band	\$1,500.00
Carngham Recreation Reserve COM	\$1,500.00
Casablanca Movie Club	\$750.00
Evansford Community Centre	\$535.00
Moonambel Events Inc.	\$750.00
Snake Valley Fire Brigade	\$1,000.00
Waubra Primary School	\$1,500.00
Round 2	
Raglan Hall and Recreation Reserve Committee	\$1,500.00
1st Beaufort Scout Group	\$917.00
Trawalla Hall & Recreation Reserve	\$1,500.00
Advance Avoca Inc.	\$300.00
Avoca Children's Centre	\$1,500.00
Beaufort and District Little Athletics	\$459.00
Landsborough and District Historical Group	\$1,500.00
Beaufort Golf Club	\$1,500.00
Round 3	
Glenpatrick Recreation Reserve Committee Inc.	\$1,500.00
Beaufort Golf Club	\$750.00
Casablanca Movie Club Inc.	\$750.00
Business 4 Beaufort	\$1,500.00
Beaufort Senior Citizens	\$1,500.00
Avoca Scout and Guide Group	\$1,500.00
Carranballac Progress Association Inc.	\$1,500.00
Snake Valley and District Land Protection Group	\$1,000.00

Beaufort Agricultural Show Society	\$458.00
Lake Goldsmith Public Hall	\$588.00
CWA Landsborough Branch	\$750.00
Beaufort Community Playgroup	\$1,000.00
Beaufort Progress Association	\$1,000.00

Capital Grants 2018/19

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

Organisation	Funded
Round 1	
Landsborough Public Hall Reserve Committee of Management	\$4,311.00
Lexton Racecourse and Recreation Reserve	\$3,000.00
Avoca Friends of the Pool	\$5,000.00
Raglan Hall and Recreation Reserve Committee Inc.	\$5,000.00
Round 2	
Advance Avoca Inc.	\$5,000.00
Avoca Sporting and Recreation Committee of Management	\$5,000.00
Round 3	
Redbank Reserves Committee	\$2,805.00
Snake Valley & District Historical Society	\$5,000.00
Beaufort and District Adult Riding Club	\$1,500.00
Casablanca Movie Club Inc.	\$2,000.00
Beaufort Bowls Club	\$4,100.00
Avoca and District Historical Society Inc.	\$5,000.00

Local Government Community Satisfaction Survey Results – Council’s Performance

Overall Performance

2016	61
2017	64
2018	62
2019	60
Small Rural Shires 2019	58
State-wide 2019	60

Community Consultation

2016	56
2017	60
2018	55
2019	57
Small Rural Shires 2019	56
State-wide 2019	56

Advocacy

2016	55
2017	59
2018	56
2019	54
Small Rural Shires 2019	55
State-wide 2019	54

Making Community Decisions

2016	56
2017	62
2018	57
2019	56
Small Rural Shires 2019	55
State-wide 2019	55

Customer Service

2016	72
2017	74
2018	73
2019	68
Small Rural Shires 2019	70
State-wide 2019	71

Overall Council Direction

2016	54
2017	55
2018	51
2019	48
Small Rural Shires 2019	53
State-wide 2019	53

Our Performance




Strategic Objective 3

Community Connection and Wellbeing

We will engage with communities to provide responsive, efficient services that enhance the quality of residents and promote connected, active and resilient communities.

Progress against Strategic Initiatives to implement Strategic Objective 3 – as at 30 June 2019

Initiatives	Status	
Implementation of the key priorities from the Recreation Strategy.	Successful funding applications for Avoca Recreation Reserve Oval, Snake Valley Skate Park, Avoca Inclusive Playspace and Carngham Recreation Reserve female friendly change rooms. Project implementation underway.	
Implementation of the key priorities from the Municipal Public Health and Wellbeing Plan.	Municipal Public Health and Wellbeing Plan being implemented with partner agencies including the "walk to school" initiative.	
Plan for, respond to and assist the community to build resilience and recover from natural disasters including: <ul style="list-style-type: none"> • Monitor and review the Municipal Emergency Management Plan. • Restore Council's roads and bridges damaged in the 2016/17 flood / storm events, rebuilding resilient infrastructure where possible. 	<ul style="list-style-type: none"> • Three-year plan in place to progressively review the Municipal Emergency Management Plan, sub-plans and Standard Operating Procedures. Now an ongoing activity. • 100% of 6002 defects now completed. 	 
Participate in the Children & Youth Area Partnership.	Officers continue to participate in the Partnership.	
Participate in the Grampians Pyrenees Primary Care Partnership.	Officers continue to participate in the partnership with Manager Community Wellbeing attending executive meetings.	
Investigate potential options for improved service delivery in the areas of: <ul style="list-style-type: none"> • Youth. • Allied health services. • Other opportunities as they arise. 	<ul style="list-style-type: none"> • New Beaufort youth-focused group convened to utilise funding available from the Community Bank for youth-focused programs. Will be progressed further in 2019/20. • Submission for funding submitted to provide hydrotherapy to aged clients. Application unsuccessful. • Council now partners with Pyrenees Community Safety Advisory Group, convened in 2019 and led by Victoria Police. 	  
Support the participation for youth in the Western Bulldogs Foundation Leadership Program.	Council has agreed to participate in the Western Bulldogs Youth Leadership Program in 2019. Six young people are participating.	

Our Performance



Progress against Strategic Initiatives to implement Strategic Objective 3 – as at 30 June 2019

Initiatives	Status	
Review Community Action Plans (CAPs) to inform decision making and Council priorities.	Community Action Planning and community grants program frameworks under review. Draft documents for community grants complete, ready for consultation and approval. Community grants program framework redevelopment will be complete in time for September 2019 community grants round.	🕒
Provide support to CAP Co-ordinators to maintain plans that are inclusive and reflective of the whole community.	Support continues to be provided through CAP Liaison Officers. Process around CAP Liaison officers under review to build capability of liaison officers in support provision.	➡
Maintain a list of “pipeline projects” and meet regularly with funding partners to proactively seek grants for projects that are well planned and have wide community support.	List of pipeline projects maintained and regularly reviewed in collaboration with Regional Development Victoria officers.	➡
Implement the Act@Work Action Plan.	Act@Work progress is now managed internally. Regular meetings are held to monitor progress of the three year action plan. Integration with general anti-violence and child safety group to take place in 2019/20. Actions for 2018/19 completed.	✅
Continue to promote and participate in the Communities of Respect and Equality (CoRE).	Director Corporate & Community Services continues to participate in the CoRE Alliance Governance Group.	➡
Examine Council’s ongoing role in the maintenance of ovals and hardcourts.	Upgrade works completed in Waubra, Crowlands, Landsborough and Avoca.	✅

Report of Operations

Service Performance Indicators <i>Service/indicator/measure</i>		Results 2018	Results 2019	Material Variations and Comments
Aquatic Facilities				
<i>Service standard</i>				
AF2	Health inspections of aquatic facilities.	4.00	3.00	Formal inspections were maintained within the expected range.
<i>Health and Safety</i>				
AF3	Reportable safety incidents at aquatic facilities.	0.00	0.00	Safety performance at the aquatic facilities remains high with no reportable incidents recorded.
<i>Service cost</i>				
AF5	Cost of outdoor aquatic facilities per visit.	\$22.74	\$28.31	Lower attendances during the 18/19 year when compared to previous years, as well as the requirement for additional lifesavers to meet current standards, have resulted in increased cost per visit.
<i>Utilisation</i>				
AF6	Number of visits to aquatic facilities per head of municipal population.	1.66	1.48	Cooler weather conditions contribute to fluctuating attendances, although attendances remain above target levels.
Animal Management				
<i>Timeliness</i>				
AM1	Time taken to action animal management requests.	1.00	1.00	Animal requests are diarised and initiated on the day of receipt.
<i>Service standard</i>				
AM2	Animals reclaimed from council.	26.67%	30.34%	The animal reclamation rate has increased on last year, although high costs associated with reclaiming pets continues to act as a deterrent.
<i>Service cost</i>				
AM3	Cost of animal management service.	\$71.01	\$59.02	With permanent staff members undertaking the work, which was previously carried out in part by contractors, the cost of the service has been reduced.
<i>Health and safety</i>				
AM4	Animal management prosecutions.	0.00	3.00	Increased enforcement activity was undertaken in 2018/19 to maximise public safety.

Our Performance

Report of Operations

	Service Performance Indicators <i>Service/indicator/measure</i>	Results 2018	Results 2019	Material Variations and Comments
Food Safety				
<i>Timeliness</i>				
FS1	Time taken to action food complaints.	1.00	1.00	Food complaint response remains a priority for the department.
<i>Service standard</i>				
FS2	Percentage of required food safety assessments undertaken.	91.78%	98.68%	The number of food safety assessments increased by 7.52% in 2018/19 as part of a program, started in 2017/18, to increase public safety and compliance monitoring within the Shire.
<i>Service cost</i>				
FS3	Cost of food safety service per premises.	\$402.42	\$391.43	The cost of the food safety service remained similar to last year, reflecting the cost of an effective, contracted out service.
<i>Health and safety</i>				
FS4	Percentage of critical and major non-compliance outcome notifications followed up by Council.	75.00%	100.00%	Notifications increased in 2018/19 to 100% as a result of a program, started last year, to increase public safety and compliance monitoring within the Shire.
Home and Community Care (HACC)				
Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth's NDIS and CHSP programs.				
Libraries				
<i>Utilisation</i>				
LB1	Library collection usage – number of times a library resource is borrowed.	2.71	2.83	Strong Library collection usage demonstrates the importance of the Shire's libraries to residents. This includes 3021 eBook loans through the 2018/19 year.
<i>Resource standard</i>				
LB2	Standard of library collection – Proportion of library resources less than five years old.	79.90%	68.24%	This represents an increase in the number of items exceeding five years of age. This increase is mirrored across other library systems in the Central Highlands group.

Service Performance Indicators <i>Service/indicator/measure</i>		Results 2018	Results 2019	Material Variations and Comments
Libraries				
<i>Service cost</i>				
LB3	Cost of library service per visit.	\$6.49	\$6.46	The cost of providing the Pyrenees library service remains consistent with the previous year.
<i>Participation</i>				
LB4	Active library members in municipality.	11.00%	11.02%	The number of active members in the Pyrenees remains steady.
Maternal and Child Health (MCH)				
<i>Satisfaction</i>				
MC1	Participation in first MCH home visit.	105.77%	109.84%	Additional resources have enabled participation rates to increase. Greater than 100% participation is due to families moving into the Shire.
<i>Service standard</i>				
MC2	Infant enrolments in the MCH service.	94.23%	100.00%	Increased number of maternal and child health nurses has enabled infant enrolments to be maximised.
<i>Service cost</i>				
MC3	Cost of the MCH service.	\$80.98	\$79.04	The cost of providing a maternal and child health service has remained consistent over the past few years, with increased resources being offset by higher participation rates.
<i>Participation</i>				
MC4	Participation in the MCH service.	83.77%	88.62%	Increased maternal and child health nurses has enabled the participation rate to increase.
<i>Participation</i>				
MC5	Participation in the MCH service by Aboriginal children.	100.00%	100.00%	Low numbers of participants in this service can create high variations year on year, however the 100% participation rate has remained consistent over the last few years.

Our Performance

Maternal & Child Health Service Provision

	2015/16	2016/17	2017/18	2018/19
Number of infants enrolled from birth notifications	43	57	52	63
Number of new enrolments	63	67	57	63
Number of active infant records	269	251	233	235
Additional consultations	327	94	130	142
Telephone consultations	123	210	6	19
Community Strengthening Activities	19	25	11	6

Pyrenees Community Care Service Provision

	2015/16	2016/17	2017/18	2018/19
Domestic Assistance	4,357 hours	7,665 hours	5,857 hours	5,245 hours
Personal Care	3,713 hours	2,494 hours	2,151 hours	1,021 hours
Respite Care	306 hours	168 hours	533 hours	828 hours
Delivered Meals	4,033 meals	3,178 meals	5,670 hours	4,421 meals
Home Modifications	149 hours	144 hours	106 hours	126 hours
Assessment	961 hours	2,089 hours	520 hours	867 hours
Planned Activity Groups	4,798 hours	3,486 hours	5,011 hours	4,101 hours
Community Meals	703 meals	944 meals	645 meals	417 meals
Allied Health & Podiatry	88 hours	94 hours	46 hours	N/A

Local Government Community Satisfaction Survey Results – Council’s Performance

Elderly Support Services

2016	69
2017	74
2018	70
2019	69
Small Rural Shires 2019	71
State-wide 2019	68

Family Support Services

2016	68
2017	70
2018	68
2019	68
Small Rural Shires 2019	68
State-wide 2019	67

Recreation Facilities

2016	65
2017	72
2018	68
2019	69
Small Rural Shires 2019	68
State-wide 2019	70



Our Performance



Strategic Objective 4

Financially Sustainable, High-performing Organisation

Our organisation will respond to community needs, attend to our core business, and strive for excellence in service delivery in an ethical and financially responsible manner.

Progress against Strategic Initiatives to implement Strategic Objective 4 – as at 30 June 2019

Initiatives	Status	
Prepare and submit the annual budget to the Minister by the 30 June each year.	Council budget adopted and submitted.	✓
Implement the three-year internal audit plan integrated with the risk register. Undertake two internal audits per year.	Audits programmed for the 2018/19 finance year are complete. Audits undertaken: <ul style="list-style-type: none"> • Environmental Health operations. • Risk Management Framework. • Human Resource Management. • Outstanding Issues Review. 	✓
Continuously improve organisational processes by reviewing and mapping two processes per year to eliminate waste and inefficiency.	Two reviews were completed in 2018/19 financial year: <ul style="list-style-type: none"> • A governance review of the procurement framework is complete with recommendations made to the Executive Management Team. • A review of activities associated with facilities management was undertaken by the Senior Leadership Team with improvements now being implemented. 	✓
Develop an annual corporate training program.	Training needs analysis completed and comprehensive training register compiled. Improvements achieved in the delivery of regular training to staff.	✓
Monitor and report on our performance in responding to Customer Action Requests (CARs) against agreed standards.	Monthly reports are distributed to Council. Actions to improve completion rates continue which have had a positive effect. The CAR system is now used to monitor telephone message responses.	➔
Develop an improved employee performance review process that incorporates self-assessment and peer review.	Amended employee performance review process was incorporated in 2019 annual reviews. Pulse software package is being investigated to support administration around the annual performance review process.	◐
Lever the benefits from the implementation of Council's new website.	This is an ongoing activity. An improved ability to interact with the community utilising OurSay linkages with the website has been implemented. An electronic newsletter is under development.	➔

Our Performance

Progress against Strategic Initiatives to implement Strategic Objective 4 – as at 30 June 2019

Initiatives	Status	
Conduct an annual Staff Satisfaction Survey and action plan.	Staff survey completed in mid-2019.	✓
Participate in the State Government annual Community Satisfaction Survey and utilise the results to inform the annual review of the Council Plan.	The 2019 Community Satisfaction Survey was completed in February / March 2019. The results have been analysed and an action plan is being developed.	✓
Review the Rating Strategy.	The strategy review, consultation and Council adoption is complete.	✓
Implement the key recommendations of the Information and Communication Technology Strategy encompassing the digital first methodology.	Progress has been made. A key highlight is the implementation of 38 Surface Pros in the organisation which represents half of the indoor fleet of computers and gives staff the tools to work digitally from any location. As the ICT Strategy is now three years into its life, and with the future implementation of the shared transformation project, a review of the strategy will be undertaken in 2019/20.	➔
Initiate a program to build a strong organisational culture.	The Senior Leadership Team continues to meet regularly to develop and deliver identified projects to foster organisational culture and business improvements. 10 key strategic goals were identified to deliver in 2019/20 financial year.	➔
Monitor and report on the development of Council's risk registers.	Risk reports are provided to Council approximately every six months. A review of the Strategic Risk Register was conducted in 2019 and adopted by Council in May.	✓
Rollout and compliance with the OH&S National Assessment compliance tool (MAV WorkCare).	The MAV WorkCare OHS Three-year improvement program continues to be implemented. The focus of 2018/19 was the development of a robust OHS Management System comprised of a wide range of guidance procedures to support the maintenance of a safe and healthy workplace. The focus for 2019/20 will be on implementation of the management system and compliance monitoring / measuring. An internal compliance audit program is under development and monthly audits by MAV's agent (JLT) have commenced in 2019. The target (set by WorkSafe) of 75% compliance by December 2019 has already been exceeded with Council's current compliance rate over 80%.	✓

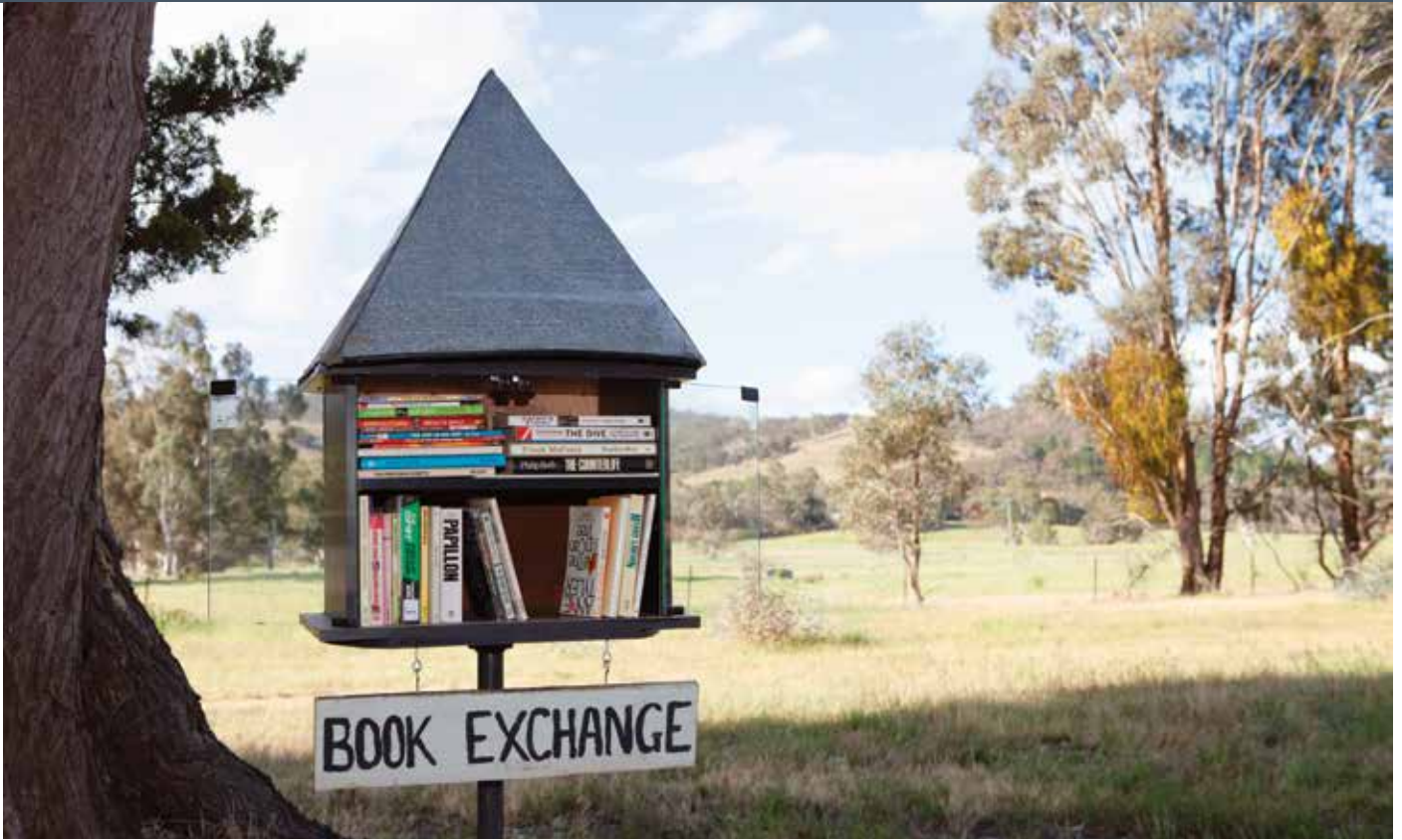
Report of Operations

Service Performance Indicators <i>Service/indicator/measure</i>	Results 2018	Results 2019	Material Variations and Comments
Financial Performance			
Service standard			
Average residential rate per residential property assessment.	\$987.67	\$941.00	Increase in own source revenue is in line with the rate cap.
Expenses per property assessment.	\$4,287.67	\$4,089.83	Expenses for 2016/17, 2017/18 and 2018/19 are higher than normal due to flood recovery works associated with three flood events in 2016/17. These works are now complete.
Percentage of staff turnover.	22.51%	16.29%	Council has undertaken a number of initiatives seeking to recognise and encourage flexibility in the workplace, diversity and inclusion which has had a positive impact on staff satisfaction and retention levels.
Current assets as a percentage of current liabilities.	276.85%	402.70%	2018/19 ratio is much higher than prior years because of grant milestone payments received for projects that will be undertaken in 2019/20. At 30 June 2019, Council held \$6.07 million to fund carried forward capital works.
Unrestricted cash as a percentage of current liabilities.	23.85%	69.07%	Unrestricted cash at 30 June 2019 is required to cover current employee provisions. The primary reason for the increase in unrestricted cash between 2017/18 and 2018/19 is because Council was awaiting \$2.7 million in flood reimbursements.
Asset renewal as a percentage of depreciation.	72.33%	115.73%	<p>Asset renewal in 2018/19 is better than previous years because of two reasons:</p> <ul style="list-style-type: none"> • Council received additional funding for Roads & Bridges via the Fixing Country Roads Program and Local Roads to Market Program. Council also spent Roads to Recovery grant funds carried forward from 2017/18. • Annual depreciation on infrastructure has reduced following an infrastructure revaluation that indicated the condition of assets had improved having a positive impact on the life of the assets.
Loans and borrowings as a percentage of rates.	0.00%	0.00%	Council has no loans or borrowings and is currently debt free.
Loans and borrowings repayments as a percentage of rates.	0.00%	0.00%	Council has no loans or borrowings and is currently debt free.
Non-current liabilities as a percentage of own source revenue.	0.71%	1.13%	Council is debt free and non-current liabilities held reflect employee provisions.

Our Performance

Report of Operations

Service Performance Indicators <i>Service/indicator/measure</i>	Results 2018	Results 2019	Material Variations and Comments
Financial Performance			
<i>Service standard</i>			
Adjusted underlying surplus (or deficit) as a percentage of underlying revenue.	-13.12%	10.54%	The increased amount of adjusted underlying surplus is primarily due to receipt of outstanding flood reimbursements at 30 June 2018 (\$2.7 million) and the accrual of the flood reimbursements for works undertaken during the last quarter of 2018/19 (\$787,000). Council also received grants for community projects including Avoca Inclusive Playspace, Snake Valley Linear Park Skate Component and Carngham Recreation Reserve female friendly change rooms in 2018/19. Unspent grants are carried forward into 2019/20 as restricted funds to facilitate completion of these projects.
Rates as a percentage of adjusted underlying revenue.	42.39%	36.47%	The ratio is lower than prior year because of receipt of additional grant funding received during 2018/19 to fund a range of community projects.
Rates as a percentage of property values in municipality.	0.57%	0.47%	The ratio is lower because rates revenue is capped and does not increase in line with property valuation increases.
Sustainable Capacity			
<i>Service standard</i>			
Expenses per head of municipal population.	\$3,501.57	\$3,337.28	Expenses for 2017, 2018 and 2019 are higher than normal due to flood restoration works. All flood restoration works are now complete.
Infrastructure per head of municipal population.	\$30,115.97	\$31,000.82	The increase in infrastructure is as a result of the impact of infrastructure revaluations in 2018/19.
Population density per length of road.	3.73	3.59	Population density per length of road has remained consistent with prior years.
Own-source revenue per head of municipal population.	\$1,536.68	\$1,551.75	Increase in own-source revenue is in line with the rate cap.
Recurrent grants per head of municipal population.	\$1,116.24	\$1,040.12	The ratio is lower in 2017/18 and 2018/19 because of Roads to Recovery quarterly advance payments from 2017/18.
Relative socio-economic disadvantage of the municipality.	1.00	3.00	Improvements in the economic and social conditions of households within the Pyrenees Shire have resulted in a SEIFA Index move in 2018/19 up two levels from the most disadvantaged of areas reported by the Australian Bureau of Statistics.





Strategic Objective 5

Development and Environment










We will undertake forward planning, and facilitate growth in our local economy while protecting key natural and built environmental values.

Our Performance

Progress against Strategic Initiatives to implement Strategic Objective 5 – as at 30 June 2019

Initiatives	Status	
Pyrenees Futures – Work with communities to prepare township framework plans to guide future development in Beaufort, Avoca, Snake Valley, Lexton, Waubra / Evansford, Landsborough, Moonambel, Amphitheatre, Raglan.	<p>Township Framework Plans (TFPs) for Lexton, Snake Valley and Waubra were adopted by Council in early 2019.</p> <p>Draft TFP for Avoca is currently under consultation.</p> <p>A draft Avoca Streetscape Plan was developed for town centre improvements based on earlier Pyrenees Futures community engagement outcomes. Community consultation has been undertaken and the Plan is currently under revision.</p> <p>TFPs for Beaufort, Raglan, Amphitheatre, Moonambel and Landsborough will be prepared in Stage 2 during 2019/20.</p>	
Undertake planning scheme amendments to incorporate updated township plans.	This project is dependent upon outcomes of the Pyrenees Futures projects.	
Undertake further Planning Scheme amendments to improve its effectiveness.	<p>No Council-led planning scheme amendments have been undertaken this financial year.</p> <p>Preparatory work has been undertaken regarding many amendments through the work of Pyrenees Futures and the flood study works.</p>	
<p>Implement actions contained in Council's Growth Strategy including:</p> <ul style="list-style-type: none"> Encourage residential growth by developing Correa Park Estate in Beaufort. Partner with others to complete the business case for the Moonambel Water Project. Plan for the development of the Avoca Industrial Estate. Deliver targeted initiatives to make Beaufort bypass-ready and develop it as a destination town. 	<ul style="list-style-type: none"> Stage 3 of Correa Park sold out. Development of Stages four and five are included within the 2019/20 budget and are underway. Business case completed. Advocacy continues by Council for project funding. Draft concept plans in place. RV dump point works completed to progress Beaufort as an RV Friendly Town. 	   
Work with Grampians Wimmera Mallee (GWM) Water and other partners to plan for and develop the East Grampians water project and agricultural precinct.	Funding of \$64 million has now been obtained from State and Commonwealth governments. GWM Water has commenced the project.	
Identify and facilitate economic opportunities flowing from renewable energy developments such as Crowlands and Stockyard Hill windfarms.	Preliminary discussions with Goldwind have taken place regarding potential for co-location of a bioenergy facility.	

Progress against Strategic Initiatives to implement Strategic Objective 5 – as at 30 June 2019

Initiatives	Status	
Build on opportunities for growth in the agriculture sector identified in the Ballarat Region Line of Sight Project.	As of March 2019 Cultivate is winding up as an organisation, Regional Development Victoria / regional partnerships convened with a meeting to commence the Agri Atlas Project.	
Implement actions contained in Council's Tourism Strategy including: <ul style="list-style-type: none"> • Facilitate Beaufort to become an RV-friendly town. • Work with tourism partners to develop and implement the Grampians Pyrenees Wine Tourism marketing plan. 	<ul style="list-style-type: none"> • Dump point commissioned Nov 2018 and RV Friendly status achieved. • Council is actively engaged with recently appointed Project Manager for this project. Wine Growth Fund Round Three submission input to expand the scope of project deliverables by developing the regional brand and increasing the profile of the region's wine industry as outlined in masterplan priorities. Taste Trail was developed and completed Mar/Apr 2019.	 
Support investigation and delivery of effective sustainability projects including: <ul style="list-style-type: none"> • Central Victoria Greenhouse Alliance – Low income household solar project. • Beaufort recycled water project. • Avoca pool solar project. • Straw Pellet feasibility project. 	<ul style="list-style-type: none"> • Project completed. • Detailed design and investigation project completed. Funding applications to State and Commonwealth governments unsuccessful. Funding of \$100,000 each from Integrated Water Management Committee and Central Highlands Water successful and project to undertake detailed study will commence in early 2019/20 financial year. Funding will still be needed for implementation following the detailed study. • Works completed and project signed off. • Government support and funding to implement the project and demonstrate the viability of straw to energy concept successfully completed. This is considered to be a win for the environment, economy and local communities. 	   
Prepare and adopt new Local Laws which protect amenity and environmental values.	The new General Local Law was adopted by Council and an implementation plan is currently under development.	
Review and implement the Pyrenees Domestic Wastewater Management Plan (DWMP).	Review completed and sent to Central Highlands Water. Implementation well on track according to schedule.	

Our Performance



Report of Operations

Service Performance Indicators <i>Service/indicator/measure</i>		Results 2018	Results 2019	Material Variations and Comments
Statutory Planning				
<i>Timeliness</i>				
SP1	Time taken to decide planning applications (median number of days between receipt and decision).	49.00	50.00	Planning decision timelines have remained consistent over the past few years.
<i>Service standard</i>				
SP2	Planning applications decided within 60 days.	97.27%	97.44%	Planning decision timelines are dependent upon complexity of the matters and timeframes have remained at a consistently high level over recent years.
<i>Service cost</i>				
SP3	Cost of statutory planning service per planning application.	\$2,819.06	\$3,143.50	Increased costs have resulted from additional resources being employed in the area to provide an improved service.
<i>Decision making</i>				
SP4	Council planning decisions upheld at VCAT.	0.00%	0.00%	There were no planning applications decided by VCAT.

Service Performance Indicators <i>Service/indicator/measure</i>		Results 2018	Results 2019	Material Variations and Comments
Waste Collection				
Satisfaction				
WC1	Kerbside bin collection requests per 1000 households.	54.64	24.85	The number of requests remains variable subject to changes in growth rates and condition of existing bins.
Service standard				
WC2	Kerbside collection bins missed per 10,000 households.	3.98	7.28	An audit was undertaken which identified unauthorised bins placed out for collection which resulted in increased numbers of residents contacting Council when the bin has not been cleared.
Service cost				
WC3	Cost of kerbside garbage bin collection service per bin.	\$98.58	\$87.45	The cost of the kerbside garbage bin service reduced in 2018/19 to normal contract levels; following a review undertaken of the contract service standards and payments and a correction of anomalies in the previous year.
Service cost				
WC4	Cost of kerbside recyclables collection service per bin.	\$48.43	\$49.58	The cost of the kerbside recycling service remains consistent.
Waste diversion				
WC5	Percentage of kerbside collection waste diverted from landfill.	42.02%	31.22%	A change in methodology from estimated weights to accurate measurements for comingled recycling has resulted in a change in diversion rate calculations; however Council continues to focus on initiatives that reduce the amount of waste going to landfill, particularly in the current recycling environment. Community perceptions regarding the recycling sector may also have contributed negatively to the rate of participation in recycling.

Our Performance

Local Government Community Satisfaction Survey Results – Council’s Performance

Waste Management

2016	70
2017	75
2018	69
2019	65
Small Rural Shires 2019	66
State-wide 2019	68

Planning and Building Permits

2016	54
2017	54
2018	55
2019	47
Small Rural Shires 2019	48
State-wide 2019	52

Business / Development / Tourism

2016	60
2017	67
2018	62
2019	61
Small Rural Shires 2019	59
State-wide 2019	61

Ex-straw-dinary Energy Solution wins Bioenergy Award

Pyrenees Shire Council was awarded top honours at the inaugural Bioenergy Innovation Awards dinner in Brisbane in October 2018 for its large-scale collaborative project which focussed on converting straw and straw pellets to energy.

Pyrenees Shire Council won the Community Leadership Award for a project to convert farm stubble into straw pellets, which then could be used to generate energy for small rural manufacturers and health services.

Pyrenees Shire Mayor David Clark said the project began two years ago when nine local grain farmers identified straw pellets manufactured from residual crop straw as a potential energy source.

“We’re delighted that a small local project involving local partnerships has been recognised by Bioenergy Australia and top researchers across the bioenergy field,” Cr Clark said.

The straw pellet project partnership included nine farmers, Regional Development Victoria, City of Ballarat, Cultivate Agribusiness Central Highlands and Pyrenees Shire Council.

Cr Clark said the group was currently investigating new technology for a mobile straw pellet machine, which has the ability to decrease production costs to convert straw into pellets and make straw pellets competitive as an energy supply.

“We believe this model, once up and running, could be replicated in other small rural wheat-belt towns and help boost rural and regional economies through an alternative energy source. The project is a win for the environment and for the agricultural community,” he said.

Bioenergy Australia CEO Shahana McKenzie said: “The power of collaborative enthusiasm and effort to get a community of stakeholders to not only plan together but to get a project up and running was impressive.”



“Bioenergy is the subject of considerable interest and investment worldwide, due to its enormous potential to reduce carbon emissions and drive a more sustainable energy future. The five awarded projects challenge the status quo of the energy sector, build on the early pioneering work and showcase the potential for Australia to be a world-class bioenergy player.”

The straw pellet project follows on from the successful local installation of a wood chip heating system at the Beaufort hospital in 2014, replacing liquefied petroleum gas (LPG) as a source of the hospital’s hydronic heating. The group is now looking at opportunities to develop a straw-based bioenergy plant to power Skipton hospital.

Focus on floods

Pyrenees Shire Council is preparing for a flood.

In August 2018 Councillors endorsed a Pyrenees Shire Flood Planning Project for 2018/19, incorporating townships along the Avoca River, Fiery and Emu Creeks.

The project involved producing flood mapping to assist with the development of planning overlays, broadening the Municipal Flood Emergency Plan, and conducting a review of the shire’s flood warning system.

Pyrenees Shire Council worked with Glenelg Hopkins Catchment Management Authority (GHCMA), North Central Catchment Management Authority (NCCMA), VicRoads and

the SES to investigate flood plans and/or drainage plans for Lexton, Waubra, Avoca, Natte Yallock and Raglan. GHCMA was simultaneously conducting Mt Emu flood mapping in the upper tributaries from Trawalla to Skipton, with some focus on the channel between Mt Emu and Lake Goldsmith which was historically dug to keep water in Lake Goldsmith for drovers.

Pyrenees Shire Council commissioned preliminary flood studies for the towns of Lexton, Raglan and Waubra to determine if a detailed flood study would be required in each of these towns. The studies determined that Raglan on the Fiery Creek would need a more detailed flood study. Council successfully applied for funding under the Natural Disaster Resilience Grants Scheme (NDRGS) in October 2018 for full flood studies for both Raglan and the Upper Avoca River (incorporating townships of Natte Yallock, Avoca and Amphitheatre).

Council recognised this important work four years ago following the 2010 and 2011 flood events and put aside \$130,000 to undertake the flood studies. Information and photos from residents during the more recent 2016 flood event confirmed and improved the accuracy of these studies.

The Raglan Flood Investigation and the Upper Avoca River Flood Investigation both commenced in April 2019.

Our Performance

Governance, Management and other Information

Governance

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

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

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

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

Council Meetings

Council meets at 6:00 pm on the third Tuesday of each month (with the exception of December, which may be on the second Tuesday and January, where a meeting may not be held). Details of Council meeting dates and times are published in the *Pyrenees Advocate* one week prior to the meeting. Minutes of Council meetings are available for inspection at the Beaufort Shire Office or may be downloaded from our website at www.pyrenees.vic.gov.au. Members of the public are invited to attend all open meetings of Council.

During the year, Ordinary Council Meetings were also held in Avoca in November 2018 and April 2019. The Statutory Meeting, which included election of the Mayor, was held in Lexton on the 30th October 2018.



Councillor Attendance at Council Meetings

Date	Cr Kehoe	Cr Clark	Cr Ferrari	Cr Eason	Cr Vance
17 July 2018	Y	Y	N/A	Y	Y
21 August 2018	Y	Y	N/A	Y	Y
28 August 2018 (Special)	Y	Y	in elect	Y	Y
18 September 2018	Y	Y	Y	Y	Y
16 October 2018	Y	Y	Y	Y	Y
30 October 2018 (Statutory)	Y	Y	Y	Y	Y
13 November 2018	Y	Y	Y	Y	Y
11 December 2018	Y	Y	Y	Y	Y
15 January 2019	Y	Y	Y	Y	Y
19 February 2019	Y	Y	Y	Y	Y
19 March 2019	Y	Y	Y	Y	Y
16 April 2019	Y	Y	Y	Y	Y
14 May 2019 (Special)	Y	Y	Y	Y	Y
21 May 2019	Y	Y	Y	Y	Y
11 June 2019	Y	Y	Y	Y	Y
25 June 2019	Y	Y	Y	Y	Y



Our Performance

Code of Conduct

Council has adopted a Code of Conduct to provide guidance to Councillors on ethical conduct and the standard of behaviours expected in relation to other Councillors, Council staff and the community.

The Code of Conduct is reviewed annually and is available upon request from Council or via our website. The Code was re-signed by all Councillors in September 2018 following the election of Cr Damian Ferrari in August.

Conflicts of Interest

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

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

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

Refresher training was provided during the year to Councillors on declaring and managing conflicts of interest.

Councillor Allowances

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

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

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

Councillors	Allowance \$
Cr Tanya Kehoe	21,971
Cr Ron Eason	36,361
Cr David Clark – Mayor/Councillor	51,253
Cr Damian Ferrari	20,125
Cr Robert Vance – Mayor/Councillor	21,971



Councillor Expenses

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

facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council Committee paid by the Council. The details of the expenses for the 2018/19 year are set out in the following table.

Councillor	TR \$	CM \$	CC \$	IC \$	CT \$	Total \$
Cr Tanya Kehoe	0	3,632	0	0	0	3,632
Cr Ron Eason	0	3,108	0	0	0	3,108
Cr David Clark (Mayor)	0	1,825	3,026	0	0	4,851
Cr Damian Ferrari	0	0	0	0	0	0
Cr Robert Vance (Mayor)	0	10,150	0	0	424	10,574

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

Our Performance



Internal Audit

The Audit and Risk Committee is an Advisory Committee of Council and monitors internal controls, financial management and risk management. Council's Audit and Risk Committee is comprised of three independent external members – Mr Geoff Price (Chairperson), Mr Rod Poxon and Ms Wendy Honeyman and two Councillors – Cr Ron Eason and Cr Damian Ferrari. Council's Internal Auditor is AFS Chartered Accountants, Bendigo.

Meetings were held on 28 August 2018, 27 November 2018 and 30 April 2019.

The Internal Auditor worked from a risk-based three-year internal audit plan, endorsed by the Audit & Risk Committee in 2017. During the year, the Committee considered reports from the Internal Auditor on Human Resources Management; Environmental Health; Legislative Compliance; Waste Charges; and the Outstanding Issues Register.

The Waste Charges review was commissioned by Council, as an additional audit following adverse audit results in another council, to provide confirmation and assurance that the Pyrenees Shire Council was maintaining a high level of integrity and compliance with its charges.

Committees (Section 86)

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

The following Committees have been established under the *Local Government Act 1989*. Meetings of these Committees are open to the public and minutes of the meetings are available for public inspection.

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

Continuous Improvement

As outlined in the *Local Government Act 1989*, the Best Value provisions require Council to review its services against the following principles;

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

Communications

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

- Public notices appear in the weekly newspapers and have proved to be an efficient way to communicate with residents on all matters including (but not limited to) public meetings, grants, capital works and upcoming events.
- The website is a central hub for residents to go to for information and details on Council matters. It has evolved to provide two-way communication between Council and residents.
- Media releases are distributed regularly providing a proactive way to highlight Council activity.
- Use of the 'OurSay' engagement program to facilitate topical community engagement and consultation on specific projects.
- Face to face sessions with our communities include project consultation and the 'coffee and chat' sessions in townships around the Shire to enable community members to meet informally with Councillors and executive staff.
- Advertisements are often used to publicly advertise Council events.
- Quarterly Community Newsletter.

In addition, members of the community are welcome to attend and ask questions at monthly Council meetings.

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

Identifying and highlighting Council's key projects and priorities has been beneficial in effectively engaging with stakeholders and government on a local, state and federal level. It has allowed materials to be clear and concise so

that government and stakeholders are clear on objectives and Council's requests. A number of priority projects were identified during the year and include:

- Activate Avoca and Avoca Streetscape projects
- Council's review of its rating strategy
- Pyrenees Futures Project progressing through the development of various Township Framework Plans
- Hall improvements for Redbank, Raglan and Barkly
- Preliminary flood investigation plans for Lexton, Waubra and Raglan
- Recreation Strategy projects including: Snake Valley Skate Park; Avoca Inclusive Playspace and the Carngham Recreation Reserve female friendly change rooms
- Upgrade works to hard courts in Waubra, Crowlands, Landsborough and Avoca

Child Safe Organisation

In 2018/19 Council continued work started last year to ensure the organisation became a child safe organisation, providing training and guidance to staff on implementation of the Victorian Child Safety Standards and maintaining a high focus on changing legal requirements in this area.

Management









Council maintains strong frameworks to provide guidance in good governance and management practice. Strong frameworks, many based on statutory and good practice, lead to the better provision of advice to Council and ultimately to better decision-making by Council.

The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations. Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of Council's management framework.

Our Performance

Governance and Management Checklist

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

Governance and Management Items	Assessment	
1 Community Engagement Plan (document outlining Council's commitment to engaging with the community on matters of public interest)	Engagement Strategy 2017-2021 Date of operation of current strategy: 18 April 2017	
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of current guidelines: 18 April 2017	
3 Strategic Resource Plan (plan under Section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 25 June 2019	
4 Annual Budget (plan under Section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 25 June 2019	
5 Asset Management Plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans: Buildings 21 February 2012, Bridges and Major Culverts 15 May 2012 Road Asset Management Plan 21 August 2007 Road Management Plan April 2017	
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 15 January 2019	
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 19 April 2016	
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud and corruption)	Policy (Fraud & Corruption Control) Date of operation of current policy: 24 November 2017	

Governance and Management Items	Assessment	
9 Municipal Emergency Management Plan (plan under Section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with Section 20 of the <i>Emergency Management Act 1986</i> 3 November 2016	✓
10 Procurement policy (policy under Section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with Section 186A of the <i>Local Government Act 1989</i> Date of approval: 31 March 2018	✓
11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Business Continuity Plan 12 January 2016 Business Continuity Management Policy 18 April 2016	✓
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 12 January 2016	✓
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 19 April 2016	✓
14 Audit Committee (Advisory Committee of Council under Section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with Section 139 of the Act Date of establishment: 18 June 1998	✓
15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider: 13 June 2017	✓
16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework Date of operation of current framework: 9 June 2015	✓
17 Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Council Plan reported to Council Progress Report Q1 – 13 November 2018 Progress Report Q2 – 19 February 2019 Progress Report Q3 – 16 May 2019	✓

Our Performance

Governance and Management Items	Assessment	
<p>18 Financial reporting (quarterly statements to Council under Section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Statements presented to Council in accordance with Section 138(1) of the Act</p> <p>Financial reports provided to Council:</p> <p>18 September 2018</p> <p>13 November 2018</p> <p>19 February 2019</p> <p>16 May 2019</p>	<p>✓</p>
<p>19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Report</p> <p>Risk Reporting: 11 December 2018, 16 May 2019</p>	<p>✓</p>
<p>20 Performance reporting (reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in Section 131 of the Act)</p>	<p>Report</p> <p>Local Government Performance Report – Q1 – 18 September 2018</p>	<p>✓</p>
<p>21 Annual report (annual report under Sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)</p>	<p>Considered at a meeting of Council in accordance with section 134 of the Act</p> <p>Date statements presented: 16 October 2018</p>	<p>✓</p>
<p>22 Councillor Code of Conduct (Code under Section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)</p>	<p>Reviewed in accordance with section 76C of the Act</p> <p>Date reviewed: 21 February 2017</p>	<p>✓</p>
<p>23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)</p>	<p>Reviewed in accordance with section 98(6) of the Act</p> <p>Dates of reviews:</p> <p>All Delegations reviewed on 16 May 2019</p>	<p>✓</p>
<p>24 Meeting procedures (a local law governing the conduct of meetings of Council and Special Committees)</p>	<p>Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 17 April 2012</p>	<p>✓</p>

Statutory information

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

Documents Available for Public Inspection

In accordance with Part 5 of the *Local Government (General) Regulations 2015* the following is a list of the prescribed documents that are available for inspection or copies of the documents can be obtained for the purposes of Section 222 of the *Local Government Act 1989* at Pyrenees Shire Council's Beaufort Office at 5 Lawrence Street, Beaufort:

- Details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months.
- Agendas for, and minutes of, ordinary and special meetings held in the previous 12 months which are kept under section 98 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act.
- Minutes of meetings of special committees established under section 89 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act.
- A register of delegations kept under sections 87(1) and 98(4) of the Act.
- Details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease.
- A register of authorised officers appointed under section 224(1A) of the Act.
- A list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.
- Council's current Procurement Policy, in accordance with section 186A(8) of the Act.

Best Value

In accordance with Section 208B(f) of the *Local Government Act 1989*, at least once every year a Council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles. Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement and innovation which is supported by our Sustainable Excellence Program.

To further reflect Council's commitment to Best Value, Council has commenced a project to build capability in service planning and review which will be rolled out to the whole organisation. This program will provide review and improvement mechanisms to ensure that Council's services achieve best practice standards in regard to its service delivery to the community.

Contracts

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

Domestic Animal Management Plan

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

Council adopted the Domestic Animal Management Plan 2017-2021 in 2017. The plan was developed through consultation with Council's Animal Management Team and consideration of input from other Council departments.

Our Performance

Food Act Ministerial Directions

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

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

Freedom of Information

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

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

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

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged by email, however a request does not become a valid request until payment of the application fee is made. Freedom of Information Officer: Manager Governance, Risk & Compliance, 5 Lawrence Street, Beaufort VIC 3373.

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

Further information regarding Freedom of Information can be found at www.foi.vic.gov.au and on the Council's website.

Council received three Freedom of Information applications during 2018/19. Two requests were granted access in full, and one granted access in part.

Protected Disclosure Procedures

In accordance with Section 69 of the *Protected Disclosure Act 2012* a Council must include in their Annual Report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

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

During the 2018/19 year no disclosures were notified to Council officers appointed to receive disclosures, or to the Independent Broad-based Anti-Corruption Commission (IBAC).

Road Management Act Ministerial direction

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

Emergency Management

As documented in the *Local Government Act 1989* and the *Emergency Management Act 2013*, councils play a critical role in Victoria's emergency management.

Councils have emergency management responsibilities because they are the closest level of government to their communities and have access to specialised local knowledge about the environmental and demographic features of their districts. People also naturally seek help from their local council and emergency management agencies during emergencies and following the recovery process.

There are five primary responsibilities for Council:

- Emergency Risk Management and mitigation – A process which aims to reduce risks and/or their impacts within a community.
- Planning and Preparation – Maintaining a state of readiness through training, development of operational plans and building strong relationships with relevant agencies.
- Response – Supporting the emergency services that respond to the emergency event. Council itself is not a response agency.
- Relief – Coordinating immediate relief efforts for the community during an emergency event.
- Recovery – Coordinating the community's recovery from emergencies and assisting individuals to access services and support.



Our Performance

Municipal Emergency Management Plan

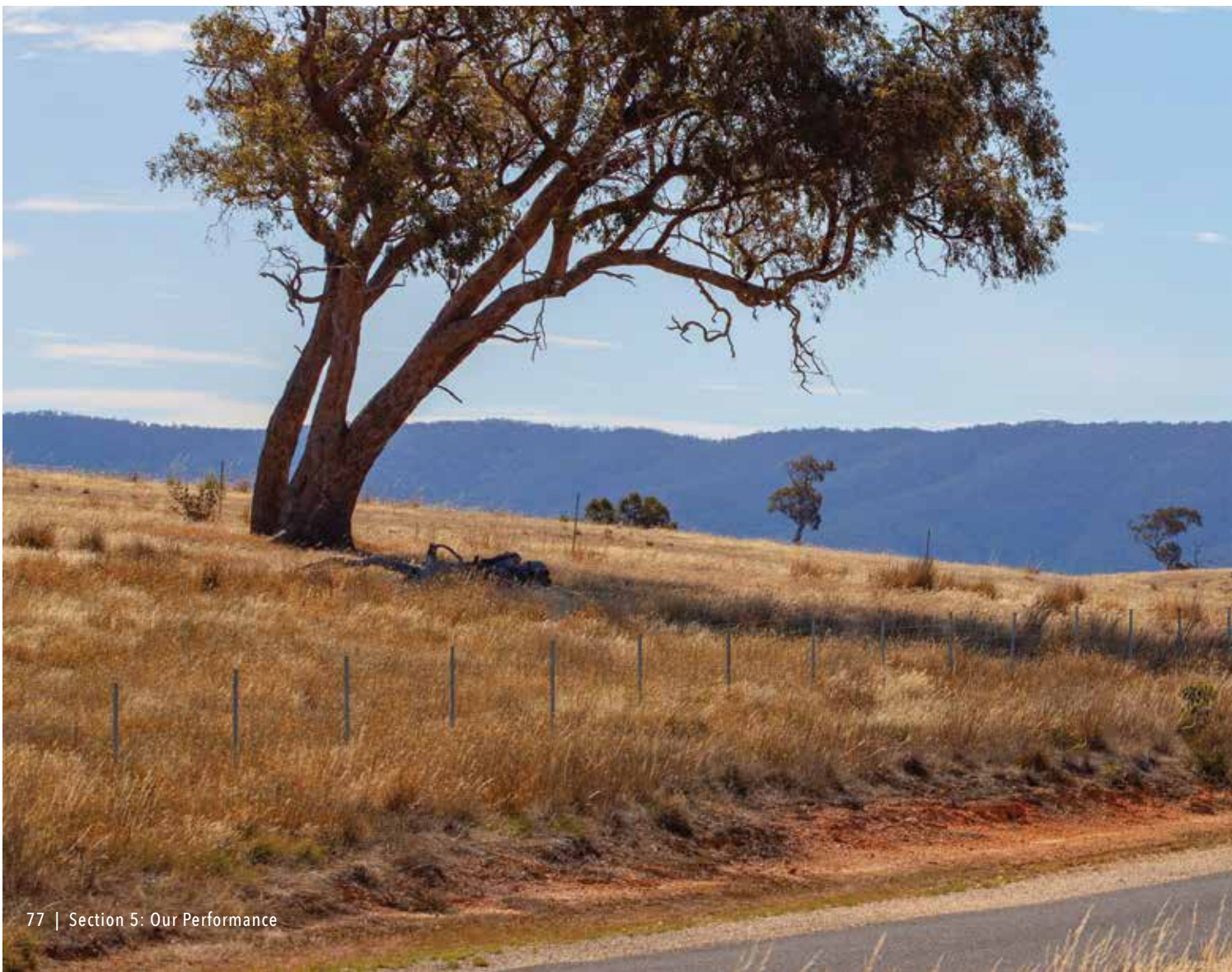
Pyrenees Shire Council, in partnership with other agencies, is required to develop and maintain a Municipal Emergency Management Plan (MEMP) which outlines how all agencies will meet the requirements of the five responsibilities listed above.

Emergency Management legislative changes occurred in 2018 which will be enacted on or before December 2020. These changes increase the role and responsibilities of regional emergency management teams to lead emergency management planning and response activities, and require councils and local response agencies to work more closely together, becoming jointly responsible for the maintenance and implementation of the MEMP.

The Municipal Emergency Management Plan (MEMP) also has a number of sub-plans which outline additional detail and operating procedures for the more complex and high risk emergencies. A copy of the MEMP and its sub-plans can be viewed on our website.

The following outcomes were achieved during the 2018/19 year:

1. Completed coordination of the recovery of municipal and infrastructure assets impacted by flood and storm events in 2016 and 2017. These storm events resulted in 6002 defects, which were remediated in accordance with legislated timelines by 30 June 2019.
2. Reviewed and updated the Municipal Fire Management Plan.

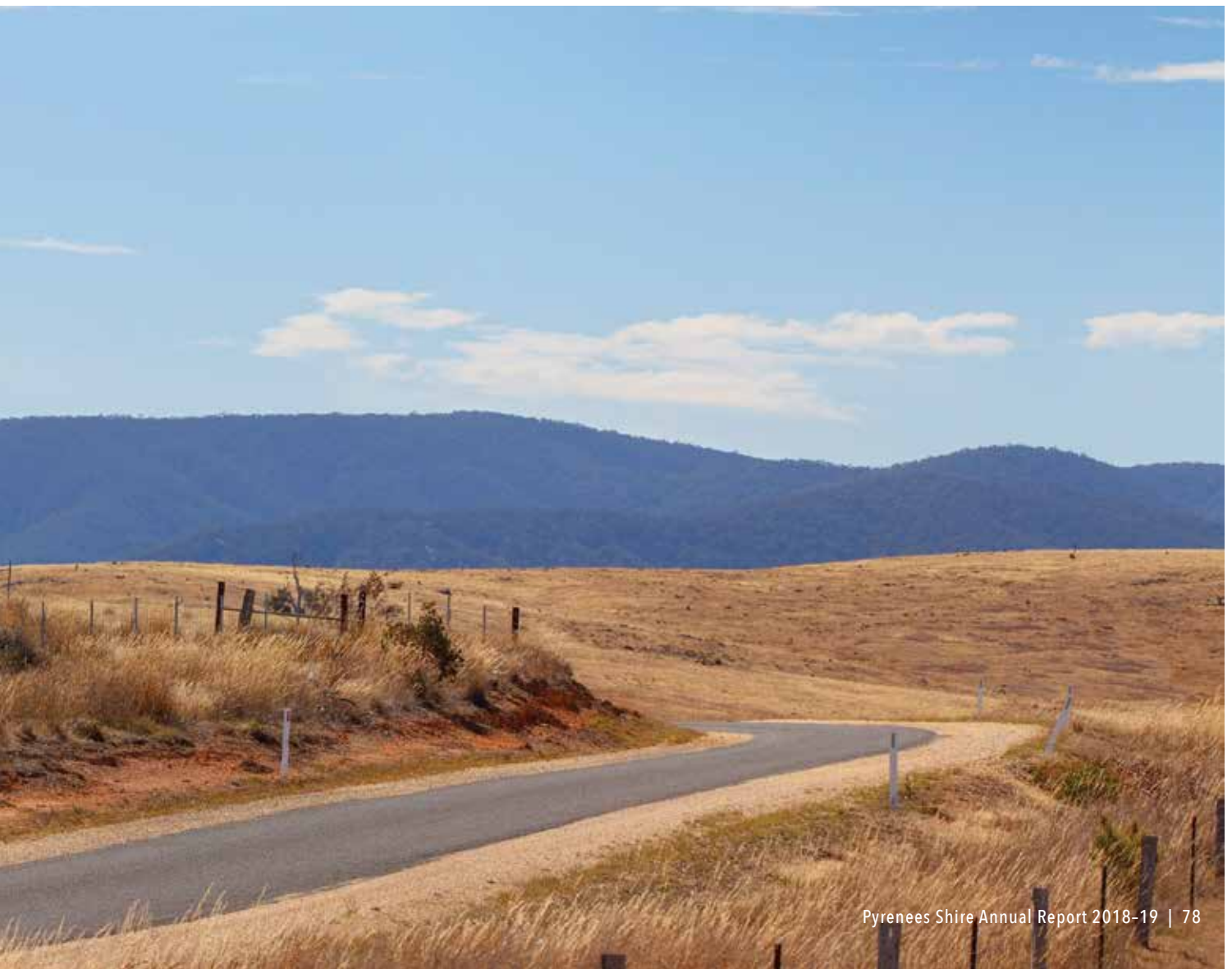


3. Commenced a three-year rolling review of the Municipal Emergency Management Plan.
4. Commenced a review of the Emergency Risk Assessment.
5. Participated in a range of joint exercises with other councils in our region.
6. The Flood Planning Work Group:
 - Completed preliminary flood studies to inform future flood planning and overlay works
 - Engaged all four Catchment Management Authorities (CMAs) in flood planning activities
 - Commenced detailed flood studies in identified townships

Local Government Community Satisfaction Survey Results – Council’s Performance

Emergency and Disaster Management

2015	69
2016	73
2017	74
2018	73
2019	72
Small Rural Shires 2019	72
State-wide 2019	72



Section 6: Financials

Performance Statement and Financial Report

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

The Financial Report is a key report of the Pyrenees Shire Council. It shows how Council performed financially during the 2018/19 financial year and the overall position at the end (June 30, 2019) of the financial year.

Council presents its Financial Report in accordance with the Australian Accounting Standards. Particular terms required by the Standards may not be familiar to some readers. Further, Council is a 'not-for-profit' organisation and some of the generally recognised terms used in private sector company reports are not appropriate to Council's Reports.

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



WELCOME

PYRENEES
— SHIRE —





PYRENEES
SHIRE



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Pyrenees Shire Council

ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2019


Pyrenees Shire Council

Financial Report

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



Shana Johnny CPA

Principal Accounting Officer

Date : 17th September 2019

Beaufort

In our opinion the accompanying financial statements present fairly the financial transactions of Pyrenees Shire Council for the year ended 30 June 2019 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.

Robert Vance

Mayor

Date : 17th September 2019

Beaufort



Ron Eason

Councillor

Date : 17th September 2019

Beaufort



Jim Nolan

Chief Executive Officer

Date : 17th September 2019

Beaufort



Independent Auditor's Report

To the Councillors of Pyrenees Shire Council

Opinion I have audited the financial report of Pyrenees Shire Council (the council) which comprises the:

- balance sheet as at 30 June 2019
- comprehensive income statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- statement of capital works for the year then ended
- notes to the financial statements, including significant accounting policies
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Councillors' responsibilities for the financial report The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1989*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report


As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
20 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement
For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income			
Rates and service charges	3.1	10,004	9,640
Statutory fees and fines	3.2	229	201
User charges	3.3	796	762
Grants - operating	3.4	15,024	9,476
Grants - capital	3.4	4,101	2,515
Contributions - monetary	3.5	79	18
Net gain on disposal of property, infrastructure, plant and equipment	3.6	46	52
Other income	3.7	335	635
Total income		30,614	23,299
Expenses			
Employee costs	4.1	(7,002)	(6,394)
Materials and services	4.2	(11,172)	(12,336)
Bad and doubtful debts	4.3	(30)	(1)
Depreciation	4.4	(6,031)	(6,704)
Borrowing costs	4.5	(2)	-
Other expenses	4.6	(302)	(291)
Total expenses		(24,539)	(25,726)
Surplus/(deficit) for the year		6,075	(2,427)
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	9.1	5,200	5,068
Total comprehensive result		11,275	2,641

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

	Note	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	12,029	8,680
Other financial assets	5.1	20	5
Trade and other receivables	5.1	1,843	781
Non-current assets classified as held for sale	6.1	-	155
Other assets	5.2	1,040	685
Total current assets		14,932	10,306
Non-current assets			
Trade and other receivables	5.1	57	65
Property, infrastructure, plant and equipment	6.2	234,762	228,070
Total non-current assets		234,819	228,135
Total assets		249,751	238,442
Liabilities			
Current liabilities			
Trade and other payables	5.3	1,484	1,679
Trust funds and deposits	5.3	156	120
Employee provisions	5.4	2,068	1,924
Total current liabilities		3,708	3,723
Non-current liabilities			
Employee provisions	5.4	129	80
Total non-current liabilities		129	80
Total liabilities		3,837	3,803
Net assets		245,914	234,639
Equity			
Accumulated surplus		90,275	84,200
Reserves	9	155,639	150,439
Total equity		245,914	234,639

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

Statement of Changes in Equity
For the Year Ended 30 June 2019

	Note	Total \$'000	Accumulated surplus \$'000	Asset revaluation reserve \$'000	Recreational land reserve \$'000
2019					
Balance at beginning of the financial year		234,639	84,200	150,430	9
Surplus for the year		6,075	6,075	-	-
Net asset revaluation (increment)	9.1	5,200	-	5,200	-
Balance at end of the financial year		245,914	90,275	155,630	9
2018					
Balance at beginning of the financial year		231,998	86,627	145,362	9
(Deficit) for the year		(2,427)	(2,427)	-	-
Net asset revaluation (decrement)	9.1	5,068	-	5,068	-
Balance at end of the financial year		234,639	84,200	150,430	9

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

Statement of Cash Flows
For the Year Ended 30 June 2019

		2019	2018
	Note	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and service charges		10,107	9,601
Statutory fees and fines		229	201
User charges		87	630
Grants - operating		14,195	9,476
Grants - capital		4,101	2,515
Contributions - monetary		87	20
Interest received		102	175
Trust funds and deposits taken		37	19
Other receipts		224	471
Net GST refund		1,601	1,557
Employee costs		(6,809)	(6,572)
Materials and services		(12,277)	(13,677)
Trust funds and deposits repaid		(1)	(3)
Other payments		(365)	(321)
Net cash provided by operating activities	9.2	11,318	4,092
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(8,306)	(5,861)
Proceeds from sale of property, infrastructure, plant and equipment		190	360
Payments for land held for resale		-	(55)
Proceeds from sale of land held for resale		164	594
Proceeds from sale of other financial assets		(15)	3,750
Net cash (used in) investing activities		(7,967)	(1,212)
Cash flows from financing activities			
Finance costs		(2)	-
Repayment of borrowings		-	-
Net cash (used in) financing activities		(2)	-
Net increase (decrease) in cash and cash equivalents		3,349	2,880
Cash and cash equivalents at the beginning of the financial year		8,680	5,800
Cash and cash equivalents at the end of the financial year	5.1(a)	12,029	8,680
Financing arrangements	5.5		
Restrictions on cash assets	5.1		

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

Statement of Capital Works
For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
Property		
Land - specialised	146	50
Land improvements	-	75
Total land	146	125
Buildings - specialised	469	91
Building improvements	37	128
Total buildings	506	219
Total property	652	344
Plant and equipment		
Plant, machinery and equipment	759	754
Fixtures, fittings and furniture	14	20
Computers and telecommunications	92	93
Library collection	36	31
Total plant and equipment	901	898
Infrastructure		
Roads	3,972	3,835
Footpaths and cycleways	316	43
Drainage	417	168
Bridges	847	67
Recreational, leisure and community facilities	289	188
Other Structures	291	9
Total infrastructure	6,132	4,310
Total capital works expenditure	7,685	5,552
Represented by:		
New asset expenditure	172	50
Asset renewal expenditure	6,981	4,849
Asset expansion expenditure	308	38
Asset upgrade expenditure	225	615
Total capital works expenditure	7,686	5,552

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

Overview

Introduction

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

Statement of compliance

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

Significant accounting policies

Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.4)
- specific areas requiring judgments including Non current assets classified as held for sale (refer Note 6.1)

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.

Rounding

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

Note 1 Performance against budget

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

The budget figures detailed below are those adopted by Council on 12 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

	Budget	Actual	Variance	Variance	
1.1 Income and expenditure	2019	2019	2019	%	Ref
	\$'000	\$'000	\$'000		
Income					
Rates and service charges	10,013	10,004	(9)	0%	
Statutory fees and fines	213	229	16	8%	
User charges	858	796	(62)	-7%	1
Grants - operating	6,475	15,024	8,549	132%	2
Grants - capital	1,103	4,101	2,998	272%	3
Contributions - monetary	1	79	78	7800%	4
Net gain on disposal of property, infrastructure, plant and equipment	71	46	(25)	-35%	5
Other income	272	335	63	23%	6
Total income	19,006	30,614	11,608		
Expenses					
Employee costs	7,163	7,002	161	2%	7
Materials and services	6,537	11,172	(4,635)	-71%	8
Bad and doubtful debts	2	30	(28)	-1400%	9
Depreciation	6,835	6,031	804	12%	10
Other expenses	311	302	9	3%	
Total expenses	20,848	24,539	- 3,691		
Surplus/(deficit) for the year	(1,842)	6,075	7,917		

Note 1 Performance against budget (continued)

1.1 Income and expenditure(continued)

Explanation of material variations

Ref	Item	Explanation	
1	User charges	User charges are lower than budgeted primarily due to fewer building applications than budgeted.	
2	Grants - operating	The level of operating grants received by Council had the following variations to budget. Most of these grants were approved post adoption of the Budget 2018/19. Any unspent grant funding will be carried forward into 2019/20 to facilitate completion of these projects.	
		Federal Assistance Grants - early receipt of grants	207
		Natural disaster recovery grants - not budgeted	7,110
		Avoca War Memorial	30
		Avoca Inclusive Playspace	187
		Snake Valley Linear Park	225
		Carngham Recreation Reserve	180
		Upper Avoca Flood Study Grant	80
		Raglan Flood Study	52
		Skipton Hospital Straw Heating Project	70
		Integrated Water Management	80
		Evaluating Transport Connections project	15
		Safer Together Project - Snake Valley	80
		Avoca Oval - Playing Surface	41
		Snake Valley Golf Club Sustainable Green Project	38
			8,395
3	Grants - capital	The level of capital grants received by Council had a number of significant variations to budget. Whilst the grants for the Roads projects were received post adoption of the Budget 2018/19, grants for buildings & other works though anticipated in the 2017/18 budget were confirmed in 2018/19. Any unspent grant funding will be carried forward into 2019/20 to facilitate completion of these projects.	
		Fixing Country Roads Grant - 2018/19	600
		Early payment of Fixing Country Roads Grant - 2019/20	600
		E-waste Projects Grant	225
		Local Roads to Market - 2018/19	827
		Lexton Community Hub grant	520
		Beaufort Walkability Project	150
		Raglan, Redbank & Barkly Halls Project	138
			3,060
4	Contributions - monetary	During the year Council received the contributions towards the following projects	
		Avoca Inclusive Playspace	30
		Raglan, Redbank & Barkly Halls Project	18
		Waubra Tennis Court Refurbishment	15
			63
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Council budgeted for a gain on the disposal of property, infrastructure, plant and equipment of \$71,000 and the actual result was a gain of \$46,000.	

Note 1 Performance against budget (continued)

1.1 Income and expenditure(continued)

Explanation of material variations

Ref	Item	Explanation	
6	Other income	The level of other income received by Council had the following significant variations to budget	
		Workcover wage reimbursements greater than budget	122
		Interest on investments less than budget	(29)
		Debt collection legal cost reimbursements less than budget	(29)
			<u>64</u>
7	Employee costs	Employee costs were predominantly under budget due temporary staff vacancies during the year. Some of these vacancies are offset by contractors. Fringe Benefits Tax has been lower than budgeted by \$25k due to fewer private use cars.	
8	Materials and services	Council incurred significant expenditure on flood recovery activities and this was the prime driver in materials and services expenses being significantly over budget. Flood related expenditure is reimbursed by the Commonwealth Government post analysis of claims. Council was awaiting reimbursement for part of this expenditure at year end.	
		Flood recovery contractors	4,509
			<u>4,509</u>
9	Bad and doubtful debts	During the year, a review of debtors had indicated that some outstanding amounts were not recoverable e.g. they have reached their 12 month statute of limitation. The provision for bad and doubtful debts has also been increased to allow for outstanding debts to be recognised in line with the expected credit loss model.	
10	Depreciation	Depreciation is a non cash item. The Infrastructure Revaluation in 2018/19 found that there has been a strong improvement in the overall condition of roads and bridges. The life of sub assets have increased thereby reducing annual depreciation.	

Note 1 Performance against budget (continued)

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance %	Ref
1.2 Capital works					
Property					
Land - specialised	334	146	(188)	-56%	11
Total Land	334	146	(188)		
Buildings - specialised	110	469	359	326%	12
Building improvements	-	37	37	100%	13
Total Buildings	110	506	396		
Total Property	444	652	208		
Plant and Equipment					
Plant, machinery and equipment	982	759	(223)	-23%	14
Fixtures, fittings and furniture	21	14	(7)	-33%	
Computers and telecommunications	116	92	(24)	-21%	15
Library collection	52	36	(16)	-31%	16
Total Plant and Equipment	1,171	901	(270)		
Infrastructure					
Roads	3,033	3,972	939	31%	17
Footpaths and cycleways	25	316	291	1164%	18
Drainage	50	417	367	734%	19
Bridges	523	847	324	62%	20
Recreational, leisure and community facilities	283	289	6	2%	
Waste Management	56	291	235	420%	21
Total Infrastructure	3,970	6,132	2,162		
Total Capital Works Expenditure	5,585	7,685	2,100		
Represented by:					
New asset expenditure	339	172	(167)		
Asset renewal expenditure	4,973	6,981	2,008		
Asset expansion expenditure	10	308	298		
Asset upgrade expenditure	263	225	(38)		
Total Capital Works Expenditure	5,585	7,686	2,101		

Explanation of material variations

Ref	Item	Explanation
11	Land - specialised	Council budgeted to purchase some vacant land to undertake a residential subdivision. The contract for purchase has been signed and deposit paid. The transaction will be completed in 2019/20.
12	Building Specialised	The variance relates to the 2017/18 carried forward works on the Raglan, Redbank and Barkly halls projects.
13	Building Improvements	The variance relates to the 2017/18 carried forward works on the Waubra Recreation Reserve toilet block refurbishment.
14	Plant, machinery and equipment	One item of plant that Council currently leases is on order. Unspent budgets are carried forward into 2019/20 to facilitate renewal of the fleet and plant on a rolling basis.
15	Computers and telecommunications	The variance primarily relates to the transition in the Wide Area Network (WAN) provider being deferred to 2019/20.
16	Library collection	Expenditure on library collection renewal was significantly less than budget and this created a budget saving of \$16,000.
17	Roads	The variance primarily relates to projects funded by the Fixing Country Roads Program (\$600k) and Local Roads to Market Program(\$423k) which were not part of the 2018/19 Budget.
18	Footpaths and cycleways	The variance relates to the 2017/18 carried forward works on the Beaufort Walkability project.
19	Drainage	The variance relates to the 2017/18 carried forward works on the Roads to Recovery funded works.
20	Bridges	The variance primarily relates to 2 bridge projects funded by the Local Roads to Market Program (\$472k) which were not part of the 2018/19 Budget and one 2017/18 carried forward Roads to Recovery funded project (\$285k). This overspend is offset by a bridge project that is on the Shire's boundary and is project managed by the neighbouring Shire. The budget is carried forward into 2019/20 to facilitate completion of the project.
21	Waste Management	The variance relates to the e-waste shed projects at Beaufort (\$110k), Avoca (\$116k) and Snake Valley (\$28k) which are funded by Sustainability Victoria in preparation of e-waste collection from 1st July 2019.

Note 2.1

Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a)

Roads and Townships

We will plan, manage, maintain and renew infrastructure in a sustainable way that responds to the needs of the community.

Relationships and Advocacy

We will build and maintain effective relationships with community, government and strategic partners, and advocate on key issues.

Community Connection and Wellbeing

We will engage with communities to provide responsive, efficient services that enhance the quality of life of residents and promote connected, active and resilient communities.

Financially Sustainable, High Performing Organisation

Our organisation will respond to community needs, attend to our core business, and strive for excellence in service delivery in an ethical and financially responsible manner.

Development and Environment

We will undertake forward planning, and facilitate growth in our local economy while protecting key natural and built environmental values.

Note 2.1 Analysis of Council results by program

2.1 (b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/(D eficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Roads and Townships	3,186	4,241	(1,055)	3,034	224,234
Relationships and Advocacy	318	3,519	(3,203)	-	3,410
Community Connection and Wellbeing	1,574	2,631	(1,056)	1,190	3,852
Financially Sustainable, High Performing Organisation	-	172	(172)	-	272
Development and Environment	2,134	3,436	(1,301)	241	3,660
Capital grants	4,101	-	4,101	4,101	1,084
Net asset sales	56	-	56	-	-
Rates Revenue	8,686	-	8,686	-	402
Federal Assistance Grants - general purpose	3,448	-	3,448	3,448	-
Flood Restoration works	7,111	4,509	2,602	7,111	787
Depreciation	-	6,031	(6,031)	-	-
Cash and cash equivalent and other financial assets					12,050
	30,614	24,539	6,075	19,125	249,751

	Income	Expenses	Surplus/(D eficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2018					
Roads and Townships	2,266	4,292	(2,026)	2,127	217,717
Relationships and Advocacy	554	3,374	(2,820)	35	3,685
Community Connection and Wellbeing	1,455	2,731	(1,276)	1,045	4,010
Financially Sustainable, High Performing Organisation	-	192	(192)	-	167
Development and Environment	2,066	3,277	(1,211)	356	3,735
Capital grants	2,515	-	2,515	2,515	-
Net asset sales	83	-	83	-	-
Rates Revenue	8,446	-	8,446	-	443
Federal Assistance Grants - general purpose	3,251	-	3,251	3,251	-
Flood Restoration works	2,663	5,156	(2,493)	2,662	-
Depreciation	-	6,704	(6,704)	-	-
Cash and cash equivalent and other financial assets					8,685
	23,299	25,726	-	2,427	11,991
					238,442

Note: - This disclosure is in line with the Council Plan and Annual Budget.

	2019	2018
	\$'000	\$'000

Note 3 Funding for the delivery of our services

3.1 Rates and service charges

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

The valuation base used to calculate general rates for 2018-2019 was \$2,119 million (2017-2018 was \$1,695 million). The 2018-2019 general rate - cents in the CIV dollar was 0.4228 (2016-2017, was 0.4980).

Farm and Rural	4,374	3,926
Residential	2,823	2,963
Waste service charges	1,319	1,194
Vacant land	865	861
Wind Farm	304	267
Commercial and Industrial	256	359
Interest on rates and charges	48	51
Recreation and Cultural	15	18
Total rates and service charges	10,004	9,640

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation was first applied to the rating period commencing 1 July 2019.

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

3.2 Statutory fees and fines

Town planning fees	148	113
Environmental health fees	40	41
Land information and building certificate fees	21	22
Fines	20	25
Total statutory fees and fines	229	201

Statutory 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.

3.3 User charges

Caravan park charges	252	214
Home care charges	154	122
Building charges	30	73
Animal registration charges	109	95
Rental and function charges	70	67
Delivered meals charges	35	44
Swimming pool charges	-	-
Goldfields Recreation Reserve venue hire charges	45	35
Waste disposal charges	22	20
Resource and information centre charges	27	16
Community transport charges	10	8
Other charges	42	68
Total user charges	796	762

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

	2019 \$'000	2018 \$'000
Note 3 Funding for the delivery of our services (continued)		
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	7,119	7,975
State funded grants	12,006	4,016
Total grants received	19,125	11,991
Operating Grants		
Recurrent - Commonwealth Government		
Federal Assistance Grants - general purpose	3,448	3,251
Federal Assistance Grants - local roads	2,174	2,094
Commonwealth Home Support Program	508	372
Department of Veterans' Affairs Care	10	27
Recurrent - State Government		
Aged care and senior citizens	135	143
Library	117	114
Maternal & child health	226	155
Youth outreach	-	17
Adult day care	2	2
Freeza	6	12
Other	43	38
Total recurrent operating grants	6,669	6,225
Non-recurrent - Commonwealth Government		
Natural disaster	-	35
Roadside weeds & pests	-	40
Moonabel Water Supply Planning	-	180
Non-recurrent - State Government		
Flood damage natural disaster	7,110	2,663
Recreation strategy	3	-
L2P learner driver mentor program	19	19
Evaluating Transport Connections	15	-
Snake Valley Safer Together Project	80	-
Emergency planning	30	90
Roadside weeds and pests management	48	48
Waubra oval water	-	20
Avoca Oval - Playing surface	41	-
Snake Valley Golf Club Sustainable Green	38	-
Community Resilience Grant	13	52
Straw Pallet Study	20	6
Walk to School	15	10
Avoca War Memorial	-	6
Beaufort War Memorial	-	11
Avoca War Memorial	30	-
Recycling Services Temporary relief	6	6
Avoca Inclusive Playspace	187	-
Snake Valley Skate park	225	-
Carngham Recreation Reserve - Female Friendly Toilets	180	-
Upper Avoca River Flood Study	80	-
Raglan Flood Study	52	-

	2019 \$'000	2018 \$'000
Note 3 Funding for the delivery of our services (continued)		
3.4 Funding from other levels of government (continued)		
Skipton Hospital Straw Heating Project State Grant	70	-
Intergrated Water Management - Beaufort Closed Loop State Grant	80	-
Beaufort golf/bowls club water	-	14
Beaufort Framework Plan	-	30
Other	13	21
Total non-recurrent operating grants	8,355	3,251
Total operating grants	15,024	9,476
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	979	1,976
Recurrent - State Government		
Nil	-	-
Total recurrent capital grants	979	1,976
Non-recurrent - Commonwealth Government		
Road Black Spot	-	-
Non-recurrent - State Government		
Trawalla Road	58	232
Beaufort Walkability Project	150	-
E-waste project - Beaufort Transfer Station	100	-
E-waste project - Avoca Transfer Station	100	-
E-waste project - Snake Valley Transfer Station	25	-
Bridge 91 Landsborough Elmhurst Road	167	-
Bridge 13 - Beaufort Carngham Road	279	-
Raglan Elmhurst Road	381	-
Lexton Community Facility	520	-
Raglan, Redbank & Barkly Hall	138	92
Avoca Pool	-	112
Moonambel Water Supply Planning	4	41
Eurambeen Streatham Road - Stage 1 (FCR)	600	-
Bridge 59 - Eurambeen Streatham Road (FCR)	173	-
Eurambeen Streatham Road - Stage 2 (FCR)	86	-
Raglan Elmhurst Road 1.68km Reconstruction (FCR)	158	-
Langi Kal Kal Road 1.75km Reconstruction (FCR)	183	-
Landsborough Streetscape	-	50
Beaufort - Carngham Road Bridge	-	2
Other	-	10
Total non-recurrent capital grants	3,122	539
Total capital grants	4,101	2,515
Total grants	19,125	11,991
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	3,778	3,444
Received during the financial year and remained unspent at balance date	5,447	3,769
Received in prior years and spent during the financial year	(3,716)	(3,435)
Balance at year end	5,509	3,778

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal).

	2019 \$'000	2018 \$'000
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Note 3 Funding for the delivery of our services (continued)

3.5 Contributions

Monetary - Operating	16	-
Monetary - Capital	63	18
Total contributions	79	18

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

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

Plant and equipment

Proceeds of sale	173	327
Written down value of assets disposed	(121)	(250)
Net gain on disposal of plant and equipment	52	77

Land classified as held for resale

Proceeds of sale	160	570
Selling costs	(11)	(30)
Carrying value of assets disposed	(155)	(565)
Net gain(loss) on disposal of land classified as held for resale	(6)	(25)

Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	46	52
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The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

3.7 Other income

Interest on investments	111	164
Reimbursement - Workcover wages	132	88
Reimbursement - State Revenue Office	71	45
Legal fees - rates	1	-
Private works	19	99
Other	1	239
Total other income	335	635

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services

4.1 Employee costs

Wages and salaries	6,251	5,664
Superannuation	611	573
Fringe benefits tax	65	76
WorkCover insurance premium	75	81
Total employee costs	7,002	6,394

Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	113	113
	113	113

Defined benefits employer contributions payable at reporting date.	-	-
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	2019 \$'000	2018 \$'000
Note 4 The cost of delivering services (continued)		
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	498	460
Employer contributions - other funds	-	-
	498	460
Employer contributions payable at reporting date.	-	-
Refer to note 9.3 for further information relating to Council's superannuation obligations.		
4.2 Materials and services		
Contractors	6,834	8,329
Consumables	1,176	1,179
Contracted Service Delivery	1,502	1,308
Cleaning Contract	144	151
Library Service	48	43
Meals on Wheels	38	55
Swimming Pool	242	236
Waste Collection	1,031	824
Insurance	348	324
Electricity and water	233	220
Plant expenses	234	117
Information technology	170	169
Telecommunications	159	150
Subscriptions and memberships	83	115
Advertising	117	97
Legal fees	59	81
Stationery, postage, photocopying and printing	64	74
Conferences and training	86	65
Contributions and donations	88	56
Valuations	3	34
Fire services levy	14	17
Cleaning	2	1
Total materials and services	11,172	12,336
4.3 Bad and doubtful debts		
Community Care	2	-
Fire hazard infringement debtors	8	1
Local laws	3	-
Other debtors	18	-
Total bad and doubtful debts	30	1
Movement in provision for doubtful debts		
Balance at the beginning of the year	-	-
New provisions recognised during the year	(7)	-
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	(7)	-

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

	2019 \$'000	2018 \$'000
4.4 Depreciation		
Infrastructure	4,260	4,846
Property	1,216	1,300
Plant and equipment	555	558
Total depreciation	6,031	6,704

Refer to note 6.2 for a more detailed breakdown of depreciation charges and accounting policy.

4.5 Borrowing costs

Interest on borrowings	2	-
Total borrowing costs	2	-

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.

4.6 Other expenses

Councillors' allowances	156	153
Operating lease rentals	69	74
Auditors' remuneration - internal auditor	29	14
Auditors' remuneration - audit of the financial statements, performance statements and grant acquittals by the Victorian Auditor General's Office (VAGO)	37	36
Internal audit committee	11	14
Total other expenses	302	291

	2019 \$'000	2018 \$'000
Note 5 Our financial position		
5.1 Financial assets		
(a) Cash and cash equivalents		
Term deposits	6,000	-
Cash at bank	6,028	8,678
Cash on hand	2	2
Total cash and cash equivalents	12,030	8,680
(b) Other financial assets		
Term deposits - current	20	5
Total other financial assets	20	5

Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 5.3(b))	156	120
- Recreational land reserve (Note 9.1(b))	9	9
Total restricted funds	165	129
Total unrestricted cash and cash equivalents	11,865	8,551

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Net cash held to fund carried forward capital works	6,065	3,889
- Victoria Grants Commission funding received in advance	2,874	2,703
- Other grant funding received in advance	364	1,080
Total funds subject to intended allocations	9,303	7,672

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

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

(c) Trade and other receivables

Current

Statutory receivables

Rates debtors	280	383
Net Australian Taxation Office receivable	263	161
Private scheme debtors	10	11
Provision for Doubtful Debts	(7)	-

Non statutory receivables

Sundry debtors	1,297	226
Total current trade and other receivables	1,843	781

Non-current

Statutory receivables

Private scheme debtors	57	65
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Total non-current trade and other receivables	57	65
Total trade and other receivables	1,900	846

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

	2019	2018
	\$'000	\$'000
Note 5 Our financial position (continued)		
5.1 Financial assets (continued)		
(c) Trade and other receivables (continued)		
Ageing of receivables		
The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	1,226	111
Past due by up to 30 days	39	37
Past due between 31 and 180 days	9	51
Past due between 181 and 365 days	4	6
Past due by more than 1 year	19	21
Total trade and other receivables	1,297	226
5.2 Non-financial assets		
(a) Inventories		
Inventories held for sale	2	4
Total inventories	2	4
Inventories held for sale are measured at the lower of cost and net realisable value.		
(b) Other assets		
Prepayments	200	404
Accrued Income	838	277
Total other assets	1,038	681

	2019 \$'000	2018 \$'000
Note 5 Our financial position (continued)		
5.3 Payables		
(a) Trade and other payables		
Trade payables	1,144	1,448
Accrued payables	340	231
Total trade and other payables	1,484	1,679
(b) Trust funds and deposits		
Refundable deposits	65	62
Landsborough Community trust funds	66	34
Camp Hill trust funds	17	17
Other refundable deposits	8	7
Total trust funds and deposits	156	120
<p>Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.</p> <p><i>Purpose and nature of items</i></p> <p>Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.</p> <p>Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the lapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.</p>		
5.4 Employee provisions		
Balance at beginning of the financial year	2,004	2,182
Additional provisions	604	556
Amounts used	(422)	(709)
Increase/decrease in the discounted amount arising because of time and the effect of any change in the discount rate	11	(25)
Balance at the end of the financial year	2,197	2,004
Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	380	396
Long service leave	570	477
Total current provisions expected to be wholly settled within 12 months	950	873
Current provisions expected to be wholly settled after 12 months		
Annual leave	168	172
Long service leave	950	879
Total current provisions expected to be wholly settled after 12 months	1,118	1,051
Total current employee provisions	2,068	1,924
Non-current provisions		
Long service leave	129	80
Total non-current provisions	129	80

	2019 \$'000	2018 \$'000
Note 5 Our financial position (continued)		
5.4 Employee provisions (continued)		
Aggregate carrying amount of employee provisions:		
Current	2,068	1,924
Non-current	129	80
Total aggregate carrying amount of employee provisions	2,197	2,004

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

Wages and salaries and annual leave

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

The following assumptions were adopted in measuring the present value of employee benefits:

Weighted average increase in employee costs	4.313%	3.875%
Weighted average discount rates	1.324%	2.647%
Weighted average long service leave settlement period	15 years	15 years

5.5 Financing arrangements

Credit card facilities	16	38
Total facilities	16	38
Unused credit card facilities	34	12
Unused facilities	34	12

Council does not have a bank overdraft facility.

Note 5 Our financial position (continued)

5.6 Commitments

(a) Contractual Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

2019	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Delivered meals	49	50	-	-	99
Waste services	864	-	-	-	864
Swimming pool	270	46	-	-	316
Cleaning services	139	142	295	-	576
Internal audit	17	-	-	-	17
Telecommunications	138	145	182	-	465
Environmental Health	164	28	-	-	192
Total operating commitments	1,641	411	477	-	2,529
Capital					
Motor Grader	378	-	-	-	378
Amphitheatre Toilet Block	76	-	-	-	76
Land Purchase - Correa Park	675	-	-	-	675
Bridge 91	330	-	-	-	330
Bridge 13	263	-	-	-	263
Total capital commitments	1,722	-	-	-	1,722
2018					
Operating					
Delivered meals	81	-	-	-	81
Waste services	839	-	-	-	839
Swimming pool	264	270	46	-	580
Cleaning services	83	-	-	-	83
Internal audit	16	17	-	-	33
Total operating commitments	1,283	287	46	-	1,616
Capital					
Signage project	18	-	-	-	18
Total capital commitments	18	-	-	-	18

(b) Operating lease commitments

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

	2019 \$'000	2018 \$'000
Not later than one year	22	75
Later than one year and not later than five years	55	8
Later than five years	-	-
Total operating lease commitments	77	83

	2019 \$'000	2018 \$'000
Note 6 Assets we manage		
6.1 Non-current assets classified as held for sale		
Residential land held for sale	-	155
Industrial land held for sale	-	-
Total non-current assets classified as held for sale	-	155
Movement in non-current assets classified as held for sale		
Balance at beginning of financial year	155	870
Additions	-	50
Disposals	(155)	(565)
Transfers	-	(200)
Revaluation increment/(decrement)	-	-
Balance at end of financial year	-	155

Valuation of residential and industrial land held

Valuation of residential and industrial land held for sale has been determined in accordance with a valuation by qualified independent valuer Mr Chris Barrett, BSc., MBA, AAPI, Certified Practising Valuer, who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property. The residential and industrial land is held at the lower of carrying value or fair value.

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

Note 6 Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2018	Additions	Revaluation	Depreciation	Disposal	Transfers	At Fair Value 30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	6,808	130	-	(172)	-	47	6,813
Buildings	28,069	861	-	(1,044)	-	81	27,967
Plant and Equipment	3,457	901	-	(555)	(121)	-	3,683
Infrastructure	189,452	5,032	5,200	(4,260)	-	60	195,487
Work in progress	284	760	-	-	-	(232)	812
TOTAL	228,070	7,684	5,200	(6,031)	(121)	(43)	234,762

Summary of Work in Progress (WIP)

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Infrastructure	159	566	(107)	-	618
Property	125	194	(125)	-	194
TOTAL	284	760	(232)	-	812

Note 6 Assets we manage (continued)
6.2 Property, infrastructure, plant and equipment (continued)

(a) Property

	Land - specialised \$'000	Land improvements \$'000	Land and Land Improvements \$'000	Buildings - specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2018	4,178	4,597	8,775	52,191	52,191	125	61,091
Accumulated depreciation at 1 July 2018	-	(1,967)	(1,967)	(24,122)	(24,122)	-	(26,089)
Written down value at 1 July 2018	4,178	2,630	6,808	28,069	28,069	125	35,002
Movements in fair value							
Additions	-	130	130	861	861	194	1,185
Revaluation	-	-	-	-	-	-	-
Transfers	-	47	47	81	81	(125)	3
Movements in value for year	-	177	177	942	942	69	1,188
Movements in accumulated depreciation							
Depreciation	-	(172)	(172)	(1,044)	(1,044)	-	(1,216)
Transfers	-	-	-	-	-	-	-
Movements in accumulated depreciation for year	-	(172)	(172)	(1,044)	(1,044)	-	(1,216)
At fair value 30 June 2019	4,178	4,774	8,952	53,133	53,133	194	62,279
Accumulated depreciation at 30 June 2019	-	(2,139)	(2,139)	(25,166)	(25,166)	-	(27,305)
Written down value at 30 June 2019	4,178	2,635	6,813	27,967	27,967	194	34,974

(b) Plant and Equipment

	Plant, machinery and equipment \$'000	Fixtures, fittings and furniture \$'000	Computers and telecommuni- cations \$'000	Library collection \$'000	Total plant and equipment \$'000
At fair value 1 July 2018	5,954	307	1,362	362	7,985
Accumulated depreciation at 1 July 2018	(2,768)	(258)	(1,238)	(264)	(4,528)
Written down value at 1 July 2018	3,186	49	124	98	3,457
Movements in fair value					
Additions	758	14	93	36	901
Disposals	(512)	-	-	-	(512)
Movements in value for year	246	14	93	36	389
Movements in accumulated depreciation					
Depreciation	(477)	(12)	(52)	(14)	(555)
Accumulated depreciation of disposals	391	-	-	-	391
Movements in accumulated depreciation for year	-	86	(12)	(14)	(164)
At fair value 30 June 2019	6,201	321	1,455	398	8,375
Accumulated depreciation at 30 June 2019	(2,854)	(270)	(1,290)	(278)	(4,692)
Written down value at 30 June 2019	3,347	51	165	120	3,683

Note 6 Assets we manage (continued)
6.2 Property, infrastructure, plant and equipment

(c) Infrastructure

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Other structures \$'000	Work In Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2018	237,886	51,047	1,984	19,253	813	159	311,142
Accumulated depreciation at 1 July 2018	(90,399)	(22,997)	(1,059)	(6,665)	(411)	-	(121,531)
Written down value at 1 July 2018	147,487	28,050	925	12,588	402	159	189,611
Movements in fair value							
Additions	3,981	285	315	432	19	566	5,599
Revaluation	(6,060)	(6,126)	196	1,215	-	-	(10,775)
Disposals							-
Impairment losses recognised in operating result							-
Transfers		18	35	1	5	(107)	47
Movements in value for year	(2,079)	(5,822)	546	1,649	24	459	(5,223)
Movements in accumulated depreciation							
Depreciation	(3,621)	(349)	(43)	(215)	(32)	-	(4,260)
Revaluation	12,089	4,192	88	(394)	-	-	15,976
Impairment losses recognised in operating result	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Movements in accumulated depreciation for year	8,468	3,843	45	(609)	(32)	-	11,716
At fair value 30 June 2019	235,808	45,225	2,531	20,902	837	618	305,921
Accumulated depreciation at 30 June 2019	(81,931)	(19,154)	(1,014)	(7,274)	(443)	-	(109,815)
Written down value at 30 June 2019	153,877	26,071	1,517	13,628	394	618	196,105

Note 6 Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

Recognition and measurement of property, infrastructure, plant and equipment

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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.

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

Asset recognition thresholds and depreciation periods

Asset category	Depreciation Period (years) For the year ended 30 June:		Threshold Limit
	2019	2018	\$'000
Property			
land	-	-	-
land improvements	25	25	10
Buildings			
heritage buildings			10
buildings	120	120	10
building improvements			10
leasehold improvements			10
Plant and Equipment			
plant, machinery and equipment	5-10	5-10	1
fixtures, fittings and furniture	3-10	3-10	1
computers and telecommunications	3-10	3-10	1
library collection	3-10	3-10	1
Infrastructure			
sealed roads formation	100.0	100.0	10
unsealed roads formation	100.0	100.0	10
sealed roads pavement	88.7	80.4	10
unsealed roads pavement	34.4	25.0	10
sealed surfaces	20.4	18.5	10
footpaths	52.6	52.1	10
kerb and channel	78.1	78.1	10
major culverts, pipes and pits	80-100	80-100	10
bridges	128.0	108.0	10
other structures	10-25	10-25	1

Note 6 Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

Depreciation

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

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

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

Repairs and maintenance

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.

Valuation of land and buildings

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

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

Any significant movements in the unobservable inputs for land will have a significant impact on the fair value of these assets.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Date of Valuation	Level 1	Level 2	Level 3
Specialised land	30.06.2018	-	-	4,178
Land improvements	30.06.2018	-	-	2,635
Specialised buildings	30.06.2018	-	-	27,967
Total property		-	-	34,780

Valuation of infrastructure

Valuation of bridge, footpath and cycleway, kerb and channel, road pavement, road formation and sealed surface assets has been determined in accordance with an independent valuation undertaken by Mr Peter Moloney, Dip. C.E., MIE Australia.

Note 6 Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

Valuation of major culvert, pit and pipe assets has been determined in accordance with a valuation undertaken by Council's Manager of Assets, Mr Robert Rowe.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Date of Valuation	Level 1	Level 2	Level 3
Roads	31.12.2018	-	-	153,877
Footpaths and cycleways	31.12.2018	-	-	1,517
Drainage	31.12.2018	-	-	13,628
Bridges	31.12.2018	-	-	26,071
Other structures	30.06.2016	-	-	394
Total infrastructure		-	-	195,487

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 0% and 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$266 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$141 to \$4,575 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 28 years to 50 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from one year to 128 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2019	2018
	\$'000	\$'000
Reconciliation of specialised land		
Recreation	2,054	2,054
Industry	439	439
Tourism	638	638
Works	390	390
Waste management	340	340
Children's services	68	68
Roads	181	181
Administration	67	67
Total specialised land	4,177	4,177

6.3 Investments in associates, joint arrangements and subsidiaries

Council does not have any investments in associates, joint arrangements or subsidiaries.

Committees of management

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

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

	2019	2018
Note 7 People and relationships	No.	No.

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Pyrenees Shire Council is the parent entity.

Subsidiaries and Associates

As at 30 June 2019 Council does not have any interests in any subsidiaries and/or associates.

(b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors	Councillor David Clark (Mayor 01.07.2018 - 30.10.2018)
	Councillor Robert Vance (Mayor 30.10.2018 - current)
	Councillor Ronald Eason
	Councillor Tanya Kehoe
	Councillor Damien Ferrari (28.08.2018 - current)
	Jim Nolan - Chief Executive Officer
	Kathy Bramwell - Director Corporate and Community Services
	Douglas Gowans - Director Assets and Development

Total Number of Councillors	5	5
Total of Chief Executive Officer and other Key Management Personnel	3	4
Total of Key Management Personnel	8	9

(c) Remuneration of Key Management Personnel

	2019	2018
Total remuneration of key management personnel was as follows:	\$'000	\$'000
Short-term benefits	677	782
Long-term benefits	20	11
Post-employment benefits	60	83
Total Remuneration of Key Management Personnel	757	876

Short term benefits include wages, salaries, councillor allowances, accrued annual leave and non-monetary car benefits.

Long term benefits include long service accrued during the year.

Post employment benefits refers to superannuation benefits earned during the year.

All of these are included within the bandings below.

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2019	2018
Income Range:	No.	No.
\$10,000 - \$19,999	1	
\$20,000 - \$29,999	2	3
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999		
\$50,000 - \$59,999	1	1
\$100,000 - \$109,999		
\$110,000 - \$119,999		
\$120,000 - \$129,999		1
\$160,000 - \$169,999		
\$170,000 - \$179,999	1	1
\$180,000 - \$189,999	1	
\$190,000 - \$199,999		1
\$200,000 - \$215,999		
\$230,000 - \$239,999	1	1
Total Key Management Personnel	8	9

Note 7 People and relationships (continued)

7.1 Council and key management remuneration (continued)

(d) Senior Officers Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$148,000

During the year Council did not have any staff that were deemed to be Senior Officers under the above definition (nil in 2017/2018).

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties.

	2019	2018
	\$'000	\$'000
Purchase of goods and services under normal trading terms	2	5
Payment of community grants under normal funding terms	-	-
Leasing out council building facility		1
Employee remuneration under normal employment terms	71	70
Total transactions with related parties	<u>73</u>	<u>76</u>

All of the above transactions were at arms length and in the normal course of Council's business.

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties

	2019	2018
	\$'000	\$'000
Purchase of goods and services under normal trading terms	-	-
Payment of community grants under normal funding terms	-	-
Employee remuneration under normal employment terms	-	-
Total outstanding balances with related parties as at 30 June	<u>-</u>	<u>-</u>

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the Council to a related party as follows:

-	-
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(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:

-	-
---	---

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets

During the year, Council completed flood recovery works of 4.5m. Council expects to be reimbursed outstanding claims of \$787,000 upon review of claims in 2019/20.

Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

In addition to the disclosed contributions, Pyrenees Shire Council has paid unfunded liability payments to Vision Super totalling \$0 paid during the 2017/18 year (\$0 paid during the 2016/17 year). There were no contributions outstanding and no loans issued from or to the above scheme as at 30 June 2018. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 are \$74,000

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

8.2 Change in accounting standards

The following new Australian Accounting Standards (AAS's) have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for Local Government sector)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$56,282 in lease related assets and an equivalent liability

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.

Note 8 Managing uncertainties (continued)

8.3 Financial Instruments

(a) Objectives and policies

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

(b) Market risk

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

(c) Interest rate risk

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

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

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

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

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

(d) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. At balance date Council has not provided any guarantees to any third parties.

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

Note 8 Managing uncertainties (continued)

8.3 Financial Instruments (continued)

(e) Liquidity risk

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

To help reduce these risks Council:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis.

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

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

All financial liabilities are expected to be settled within normal terms of trade.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of +2.0% and -1.0% in market interest rates (AUD) from year-end cash rates of 1.25% (1.25% at 30 June 2019).

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

Note 8 Managing uncertainties

8.4 Fair value measurement

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

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

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

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from three to five years. The valuation is performed either by experienced council officers or independent experts.

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

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 of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

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

Note 9 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
9.1 Reserves			
(a) Asset revaluation reserve			
2019			
Property			
Land	2,455	-	2,455
Buildings	20,700	-	20,700
Total property revaluation reserve	23,155	-	23,155
Infrastructure			
Roads	95,299	6,029	101,328
Footpaths and cycleways	827	284	1,111
Drainage	10,636	822	11,458
Bridges	20,172	(1,934)	18,238
Plant and equipment	301	-	301
Furniture and fittings	40	-	40
Total infrastructure revaluation reserve	127,275	5,200	132,475
Total asset revaluation reserves	150,430	5,200	155,630
2018			
Property			
Land	1,845	610	2,455
Buildings	19,140	1,560	20,700
Total property revaluation reserve	20,985	2,170	23,155
Infrastructure			
Roads	92,401	2,898	95,299
Footpaths and cycleways	827	-	827
Drainage	10,636	-	10,636
Bridges	20,172	-	20,172
Plant and equipment	301	-	301
Furniture and fittings	40	-	40
Total infrastructure revaluation reserve	124,377	2,898	127,275
Total asset revaluation reserves	145,362	5,068	150,430

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

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Recreational land reserve			
2019			
Recreational land	9	-	9
Total recreational land reserves	9	-	9
2018			
Recreational land	9	-	9
Total recreational land reserves	9	-	9

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

Note 9 Other matters (continued)	2019 \$'000	2018 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	6,075	(2,427)
Depreciation	6,031	6,704
Net gain on disposal of property, infrastructure, plant and equipment	(46)	(52)
Fair value adjustment for non-current assets classified as held for sale	-	-
Borrowing costs	2	-
Change in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(1,054)	101
Decrease in inventories	2	2
(Increase) in prepayments	204	(181)
(Increase)/Decrease in accrued income	(561)	(266)
Increase in trade and other payables	(195)	81
Increase/(Decrease) in provisions	193	(178)
Increase/(Decrease) in trust funds and deposits	36	17
Net GST on operating activities	631	292
Net cash provided by operating activities	11,318	4,092

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018).

As at 30 June 2018, an interim actuarial investigation was conducted. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns 6.5% pa

Salary information 3.5% pa

Price inflation (CPI) 2.0% pa.

Vision Super has advised that the VBI at 30 June 2019 was 107.1%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Note 9 Other matters (continued)

9.3 Superannuation (continued)

The 2018 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit Category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and full actuarial investigation was conducted as at 30 June 2017.

	2018	2017
	\$	\$
A VBI surplus	\$131.90	\$69.80
A total service liability surplus	\$218.30	\$193.50
A discounted accrued benefits surplus	\$249.10	\$228.80

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018. Council was notified of the 30 June 2018 VBI during August 2018.

The 2019 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2019. It is anticipated that this actuarial investigation will be completed in October 2019.

Pyrenees Shire Council

Performance Statement

For the year ended 30 June 2019

Performance Statement

For the year ended 30 June 2019

<p>R17(1)</p> <p>BP</p>	<p>Description of municipality</p> <p>Pyrenees Shire is located in the Central West of Victoria, about 130 kilometers North West of Melbourne. It is heavily dependent on primary industry and is renowned for its wool, viticulture and forestry activity. Thirty percent of the workforce is involved in agriculture. Key areas of production are wool, cereal, hay crops and meat. Grape and wine production has expanded significantly in recent times. Gold, along with sand, gravel and slate all contribute to the economy.</p> <p>The Pyrenees Shire comprises an area of nearly 3,500 square kilometres and a population of 7,353 residents. The Shire takes its name from the ranges in the north that hold similarity to the Pyrenees Ranges in Europe.</p> <p>Council administration is based in the township of Beaufort, and a number of Council services also operate from the township of Avoca. These services include health and aged care, roads and infrastructure maintenance, library and information centres.</p> <p>Excellent educational facilities are available in the Pyrenees Shire, including integrated children's centres, primary schools, a secondary college and Community Resource and Information Centres incorporating adult education and library services.</p> <p>Recreational activities are available in abundance in the region, giving community members and visitors wonderful opportunities to experience new pastimes. Most townships in the Shire have their own sporting facilities, such as sports ovals and netball courts. Avoca and Beaufort also have skate parks.</p> <p>Tourism is ever growing throughout the region. Hang-gliding from Mount Cole, croquet in Beaufort, the French game of Petanque in Avoca and the long-running Lake Goldsmith Steam Rally, attract large numbers of visitors year round. In recent years, the action sport of mountain bike riding has risen in popularity.</p> <p>In addition to the sporting opportunities, the Pyrenees is known for its wineries and culinary delights. Community markets are a popular attraction, as are the region's antique fairs, picnic horse races and music festivals.</p>
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Sustainable Capacity Indicators

For the year ended 30 June 2019

	<i>Indicator/measure</i>	Results				Material variations
		2016	2017	2018	2019	
R15(3) Sch3 R16(1) R17(2)	Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,779.24	\$3,156.69	\$3,501.57	\$3,337.28	Expenses for 2016/17, 2017/18 and 2018/19 have been higher than normal due to flood recovery works associated with 3 flood events in 2016.17. These works are now complete.
	<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$32,563.03	\$30,256.40	\$30,115.97	\$31,000.82	The increase in infrastructure is as a result of the impact of infrastructure revaluations in 2018/19.
	<i>Population density per length of road</i> [Municipal population / kilometres of local roads]	3.47	3.71	3.73	3.59	Population density per length of road has remained consistent with prior years.
	Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,436.68	\$1,494.45	\$1,536.68	\$1,551.75	Increase in own source revenue is in line with the rate cap.
	Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$492.67	\$1,458.98	\$1,116.24	\$1,040.12	The early payment of the Federal Assistance Grants inflated the ratio in 2016/17 (which received full allocation for 2016/17 and ½ allocation for 2017/18). The ratio has gone down between 2017/18 and 2018/19 because of Roads to Recovery quarterly advance payments from 2017/18.
	Disadvantage <i>Relative socio-economic disadvantage of the municipality</i> [Index of Relative Socio-economic Disadvantage by decile]	1.00	1.00	1.00	3.00	Improvements in the economic and social conditions of households within the Pyrenees Shire has resulted in a SEIFA Index move in 2018/19 up two levels from the most disadvantages of areas reported by the Australian Bureau of Statistics (ABS).

Definitions

"adjusted underlying revenue" means total income other than:

- a) Non-recurrent grants used to fund capital expenditure; and
- b) Non-monetary asset contributions; and
- c) Contributions to fund capital expenditure from sources other than those referred to above.

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2019

	<i>Service/Indicator/measure</i>	Results				Material variations
		2016	2017	2018	2019	
R15(1) Sch3 R16(1) R17(2)	<p>Aquatic facilities utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]</p>	2.81	1.66	1.66	1.48	Cooler weather conditions contributed to fluctuating attendance, although attendances remain above target levels.
	<p>Animal management <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]</p>	0.00	0.00	0.00	3.00	Increased enforcement activity was undertaken in 2018/19 to maximize public safety.
	<p>Food safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical and major non-compliance outcome notifications about a food premises followed up / Number of critical and major non-compliance outcome notifications about a food premises] x 100</p>	50.00%	42.86%	75.00%	100.00%	Notifications increased in 2018/19 to 100% as a result of a program, started in 2017/18, to increase public safety and compliance monitoring within the Shire.
	<p>Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community)</p>	56.00	62.00	57.00	56.00	Community satisfaction with Council's decision making remains above the State-wide and small rural council averages.

<i>Service/Indicator/measure</i>	Results				Material variations
	2016	2017	2018	2019	
Home and Community Care (HACC) Participation <i>Participation in the Home and Community Care service</i> [Number of people that received a community care service / Municipal target population for services] x 100	n/a	n/a	n/a	n/a	Reporting on Home and Community Care ceased on 1 July 2016 due to the introduction of Commonwealth Government's NDIS and CHSP programs.
HACC Participation by CALD people <i>Participation in the Home and Community Care service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x 1000	n/a	n/a	n/a	n/a	Reporting on Home and Community Care ceased on 1 July 2016 due to the introduction of Commonwealth Government's NDIS and CHSP programs.
Libraries participation <i>Active library members</i> [Number of active library members / Municipal population] x 100	10.80%	9.78%	11.00%	11.02%	The number of active members in the Pyrenees remains steady.
Maternal and child health Participation <i>Participation in the MCH Service</i> [Number of children who attend MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	86.63%	88.56%	83.77%	88.62%	Increased maternal and child health nurses has enabled the participation rate to increase.

<i>Service/Indicator/measure</i>	Results				Material variations
	2016	2017	2018	2019	
<p>MCH Participation <i>Participation in the MCH Service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100</p>	66.67%	100.00%	100.00%	100.00%	Low numbers of participants can result in high variations year on year, however the 100% participation rate has remains consistent over the last few years.
<p>Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	54.00	55.00	54.00	54.00	Community satisfaction with sealed roads remains constant and above the average result for small rural councils.
<p>Statutory Planning – decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council’s decision in relation to a planning application /Number of VCAT decisions in relation to planning applications] x 100</p>	0.00%	0.00%	0.00%	0.00%	There were no VCAT Council decisions in relation to planning applications in 2018/2019.
<p>Waste Collection – waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100</p>	38.61%	39.36%	42.02%	31.22%	A change in methodology from estimated weights to accurate measurements for comingled recycling has resulted in a change in diversion rate calculations, however Council continues to focus on initiatives that reduce the amount of waste going to landfill, particularly in the current recycling environment. Community perceptions regarding the recycling sector may also have contributed negatively to the rate of participation in recycling.

Definitions

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

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

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

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

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

Financial Performance Indicators

For the year ended 30 June 2019

	<i>Dimension/indicator/measure</i>	Results				Forecasts				Material variations
		2016	2017	2018	2019	2020	2021	2022	2023	
R15(2) Sch3 R16(1) R16(2) R17(2) R17(3)	Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$877.80	\$956.16	\$987.67	\$941.00	\$1,026.73	\$1,052.40	\$1,078.71	\$1,105.68	Increase in own source revenue is in line with the rate cap.
	Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,216.40	\$3,920.89	\$4,287.67	\$4,089.83	\$3,653.17	\$3,735.33	\$3,812.67	\$3,945.67	Expenses for 2016/17, 2017/18 and 2018/19 are higher than normal due to flood recovery works associated with three flood events in 2016/17. These works are now complete.
	Workforce turnover <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	8.20%	14.81%	23.38%	16.29%	8.93%	8.93%	8.93%	8.93%	Council has undertaken a number of initiatives seeking to recognize and encourage flexibility in the workplace, diversity and inclusion which has had a positive impact on staff satisfaction and retention levels.

	Dimension/indicator/measure	Results				Forecasts				Material variations
		2016	2017	2018	2019	2020	2021	2022	2023	
R15(2) Sch3 R16(1) R16(2) R17(2) R17(3)	Liquidity Working Capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x 100	197.02%	309.32%	276.85%	402.70%	185.33%	162.07%	162.70%	158.85%	2018/19 ratio is much higher than prior years because of grant milestone payments received for projects that will be undertaken in 2019.20. At 30 June 2019, Council held \$6.07 million to fund carried forward capital works.
	Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x 100	-6.50%	5.48%	23.85%	69.07%	107.44%	104.14%	102.27%	100.47%	Unrestricted cash at 30 June 2019 is required to cover current employee provisions. The primary reason for the increase in unrestricted cash between 2017/18 and 2018/19 is because Council was awaiting \$2.7 million in flood reimbursements at 30 June 2018 compared to \$787,000 outstanding at 30 June 2019.
	Obligations Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expenses / asset depreciation] x 100	60.25%	70.64%	72.33%	115.75%	101.41%	97.13%	88.70%	87.43%	Asset renewal in 2018/19 is better than prior years because of two reasons: *Council received additional funding for Roads & Bridges via the Fixing Country Roads Program and Local Roads to Market Program. Council also spent Roads to Recovery grant funds carried forward from 2017/18. *Annual Depreciation on infrastructure has reduced significantly as the Infrastructure Revaluation undertaken in 2018/10 revealed that the condition of assets has improved which can have a

<i>Dimension/indicator/measure</i>	Results				Forecasts				Material variations
	2016	2017	2018	2019	2020	2021	2022	2023	
									positive impact on the life of the assets.
Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x 100	5.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Council has no loans or borrowings and is currently debt free.
Loans and borrowings <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rates revenue] x 100	8.81%	5.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Council has no loans or borrowings and is currently debt free.
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x 100	1.59%	1.47%	0.71%	1.13%	0.73%	0.69%	0.72%	0.73%	Council is debt free and non-current liabilities held reflect employee provisions.
Obligations Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100	-39.98%	10.47%	-13.12%	10.54%	-9.52%	-3.17%	-2.80%	-3.63%	The increased amount of adjusted underlying surplus for 2018.19 is primarily due to receipt of outstanding flood reimbursements at 30 June 2018 during 2018/19 (\$2.7 million) and the accrual of the flood reimbursements for works undertaken during the last quarter of 2018/19 (\$787,000). Council also

<i>Dimension/indicator/measure</i>	Results				Forecasts				Material variations
	2016	2017	2018	2019	2020	2021	2022	2023	
									received grants for community projects including Avoca Inclusive Playspace, Snake Valley Skatepark and Carngham Recreation Reserve female friendly changerooms in 2018/19. Unspent grants are carried forward into 2019/20 as restricted funds to facilitate completion of these projects.
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x 100	64.29%	35.48%	42.39%	36.47%	52.04%	52.73%	53.01%	53.17%	The ratio is lower than the prior year because of additional grant funding received during 2018/19 to fund a range of community projects.
Rates effort <i>Rates compared to Property values</i> [Rate revenue / Capital Improved Value of rateable properties in the municipality] x 100	0.54%	0.54%	0.57%	0.47%	0.46%	0.50%	0.52%	0.53%	The ratio is lower because rates revenue is capped and does not increase in line with property valuation increases.

BP

Definitions

"adjusted underlying revenue" means total income other than:

- a) Non-recurrent grants used to fund capital expenditure; and
- b) Non-monetary asset contributions; and
- c) Contributions to fund capital expenditure from sources other than those referred to above.

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

Other Information

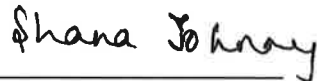
For the year ended 30 June 2019

BP	<p>1. Basis of preparation</p> <p>Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the <i>Local Government Act 1989</i> and Local Government (Planning and Reporting) Regulations 2014.</p> <p>Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).</p> <p>The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council’s strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement.</p> <p>Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.</p> <p>The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 25 June 2019 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.</p>
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Certification of the Performance Statement

R18(1)
R18(2)

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.



Shana Johnny
Principal Accounting Officer

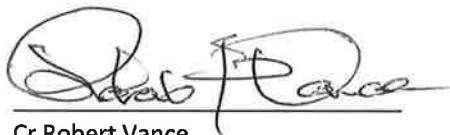
Dated: 17/9/2019

In our opinion, the accompanying performance statement of the (*council name*) for the year ended 30 June 2019 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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

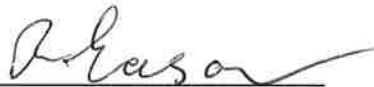
We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.



Cr Robert Vance

Mayor

Dated: 17/9/2019



Cr Ron Eason

Councillor

Dated: 17/9/2019



Jim Nolan
Chief Executive Officer

Dated: 17/9/2019

Independent Auditor's Report

To the Councillors of Pyrenees Shire Council

<p>Opinion</p>	<p>I have audited the accompanying performance statement of Pyrenees Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> description of municipality for the year ended 30 June 2019 sustainable capacity indicators for the year ended 30 June 2019 service performance indicators for the year ended 30 June 2019 financial performance indicators for the year ended 30 June 2019 other information for the year ended 30 June 2019 (basis of preparation) certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Councillors' responsibilities for the performance statement</p>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<p>Auditor's responsibilities for the audit of the performance statement</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</p>

Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether the performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
20 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria