



Pyrenees
Shire Council

Annual Report

2019/20



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



Pyrenees Shire Council

This year Council updated the logo by changing the font. This gives the logo a more contemporary look, while still maintaining our heritage and tradition through the graphic elements.

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.



*COVER: Blaze Aid volunteers rebuilding fences
Left to right: Kim Westrope, Neil Howell, Ian Keith,
Chris Davey and Rod Grant. Back: Dean Kennedy.*



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Section 1: Introduction



Welcome to the Report of Operations 2019/20

Council is committed to transparent reporting and accountability to the community. The Report of Operations 2019/20 is the primary means of advising the Pyrenees Shire community about Council's operations and performance during the financial year July 1, 2019 to June 30, 2020.

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

Snapshot of Pyrenees Shire

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

Pyrenees Shire had a resident population of 7,301 people in 2016. (ABS 2016 Census)



Purpose

Our Vision

"healthy, vibrant, prosperous and connected communities"

Our Mission

- To provide quality road 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 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 considering 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 considering the needs of other communities
- Foster community cohesion and encourage active participation in civic life.

Fast Facts

737.89 km
of sealed local road network

143 food premises registered
(total – permanent or temporary)

110 statutory planning
application decisions made

58 birth notifications

11,178
library collection items

12,004
visits to swimming pools

19,838
library items loaned

16 groups assisted by
Community Grants program

6,033
rateable properties

12 groups assisted by
Capital Grants program



A Year of Change

The year of 2019/20 will go down in memory as a year of extreme change.

The Local Government Act 2020 was enacted, bringing increased focus on principles-based governance, collaborative engagement, and strategic planning participation from the community.

Implementation of the Act is staged over 18 months and will change the focus of community engagement. There will now be stronger focus on deliberative engagement and community involvement, starting with the development of a new Community Vision. The vision will guide Council's strategic planning and new Community Engagement Plan.

The Local Government Election is scheduled for October 2020 and much of the preparation took place during 2019/20. Council officers worked with the Victorian Electoral Commission to plan for the event and prepare for the induction of the newly elected Councillors; revisions of important governance and operational aspects for those re-elected; and full training for Councillors newly elected to the role.

The Lexton-Ben Major Bushfire in late 2019 had significant impact on our community, particularly its farming community, with animal and property losses. Recovery support and activity are still ongoing at the end of the financial year.

The COVID-19 Pandemic, which began in March 2020, continues to impact all of us at the end of the financial year. The initial response took many Council staff away from normal duties to focus on keeping the business running and maintaining the same level of service delivery to our community.

Council was also focussed on monitoring and maintaining the wellbeing of staff, who were suddenly working in their home environment and mastering the complexities of new technologies. In a stressful, changeable environment, our team worked to determine the best ways to support our community, in particular our business community who faced significant financial impacts.

The pandemic brought a new element of fear as we managed unknowns such as: How many in our community would catch it? How can we stop it spreading? How would we deal with it?

Technology created challenges for many, as most workplace practices moved online using Zoom and Teams applications. The inability to communicate effortlessly with colleagues in the usual office situation placed additional stress on Council and its staff. We had to find new ways of managing community consultation, communication and holding Council meetings. Six months prior to COVID-19 we would never have dreamed that 90% of our internal office workforce could work easily from home 100% of the time.

At the end of 2019/20, the pandemic is still with us and Council is now planning ways to support its community in recovery as we head to a new 'COVID-normal' living and working environment. We are concentrating on how to ultimately structure the organisation and its workforce to maximise a COVID-Safe workplace but regain as much normality as possible.



Challenges and Future Outlook

Challenges

- Supporting our community in a sustainable future post-COVID
- 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 – operating in a post-COVID recession
- Securing funding for major initiatives – particularly post-COVID as available funding may reduce
- Prepare, response and recovery for natural disasters
- Recruitment of staff and planning for our future workforce

The Future

- Continued advocacy for improved telecommunications
- Construction of the Beaufort bypass
- Sustainable growth and infrastructure development across the Shire
- Reticulated water for Moonambel
- Operating in a COVID-normal environment

Section 2:

The Year
in Review



Mayor 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 2019/20.

To describe the latter half of this financial year as extraordinary and unusual are probably understatements. We have had significant challenges thrown our way in response to the **COVID-19** pandemic, but we believe we have risen to the occasion. We stand ready to help our community to bounce back.

The first half of the financial year was somewhat business as usual for Council, although we found ourselves with a large project undertaking to get started on.

Flood studies for the Upper Avoca River, Raglan area and Mount Emu Creek were funded from the Australian Government's Natural Disaster Resilience Grants program. Council worked with the Ararat Rural City Council to replace the Twin Bridges over the Wimmera River, which was a \$1.5 million project. Much of the year was also focussed on projects under the \$2 million Drought Communities Program to stimulate local employment and the economy in the **drought** impacted areas of Pyrenees Shire.

A major **fire at Lexton** in December 2019 further highlighted the vulnerability of our communities to natural disasters and the important role that Council plays in planning, responding and community recovery from emergency events.

Councillor Robert Vance visited China as part of a delegation to promote the area in late 2019. The Australian International Trade Association and Associates asked Cr Vance to join the mission in recognition as his role as a leader in local government.

Upheaval in the **recycling** industry required changes to the way Pyrenees collects recyclables, and we moved forward with a new recycler and without glass in the bins. Residents

had to put their glass in local collection points or take them to transfer stations for the items to be recycled. The State Government announced a Circular Economy and a standard four bin model, which we will roll out in the year ahead.

Council took a significant step towards increasing our cultural awareness, seeking to build our relationships with Traditional Owners by launching the first **Reconciliation** Action Plan. Dja Dja Wurrung Chief Executive Office Rodney Carter joined Pyrenees Shire Council Mayor Robert Vance and Wadawurrung Traditional Owner Tammy Gilson for a smoking ceremony on the shores of Beaufort Lake.

The launch included the unveiling of *My Totem Brewarrina* by Ralph Rogers (Bushka), which hangs proudly in the foyer of the Council office in Beaufort.

The development and adoption of the Towards 10,000 Strategy was part of Council's commitment to support and grow our local **economy**. Initiatives linked to the key propulsive sectors of agriculture, construction, and tourism are a focus of the strategy. While the pandemic has caused some reprioritisation by Council to ensure businesses impacted are best supported, the actions in the economic strategy will remain a focus for the next four years.

Taking steps towards **climate change** adaptation this year has included several sustainability initiatives. In addition to the efforts in emergency management and flood planning, Council continued its investment in tree planting in our towns to provide cooler greener spaces. Energy efficiency installations including solar panels and double-glazed windows were installed on eight public buildings. We continue to participate with Central Victorian Greenhouse Alliance, and in June 2020, Pyrenees was one of 41 councils to formalise participation in a Power Purchase Agreement to purchase energy from renewable sources, thereby playing our part in reducing our carbon footprint.



Investment in our **road network** is one of Council's highest priorities. The 2000 kilometres of local roads provide vital access for residents and links for freight and producers. Delivering road and bridge upgrades on our more important link roads remains a focus in order to improve freight efficiency and to increase the length of road suitable for B Doubles and Higher Mass Vehicles. With more than 40% of our total budget spent on road related expenditure, major capital renewal works were completed on Langi Kal Kal Road, Raglan-Elmhurst Road and Eurambeen-Streatham Road.

Planning for future development in our communities is important to ensure they remain healthy vibrant and connected. The Pyrenees Futures project has seen the adoption of plans for Snake Valley, Waubra and Lexton, and implementation of some actions from the plans have been funded for delivery in the coming year.

Community input into the shape of the plans for their towns is vital, and during 2019/20 the Avoca community came out in numbers to express their views about the Avoca streetscape. The retention of dual traffic lanes in both directions was a key message from the community and has been taken on board by Council in the revised streetscape plans, which focus on improving pedestrian and vehicle safety, and the amenity of the beautiful main street.

In Beaufort, the community was updated on the progress of the technical studies being undertaken as part of the Environmental Effect Statement for the future Beaufort bypass. The Lake Foreshore project saw a lot of community interest in planning for the beautification and access improvements at the lake precinct.

Council committed to take steps to secure the open space land adjoining the former Beaufort Primary School site and to continue to support the Old Beaufort Primary School 60 Committee and Neighbourhood Houses Victoria to develop a sustainable model for the historic former school site.

A business case was finalised to assist in securing funding for a sustainable potable water supply for Moonambel. Advocacy to both State and Federal Governments for this project is ongoing.

Partnerships remain a critical part of Council's activity, and collaboration with the Central Victorian Councils group remains a focus. While the Rural Council Transformation Project progress has been stifled, the group is committed to progress a range of shared services opportunities.

The signing of a Memorandum of Understanding with the City of Ballarat for tourism marketing demonstrated Council's commitment to the tourism sector following the collapse of the Ballarat Regional Tourism Board. Given the impact of the COVID-19 pandemic on the retail accommodation and tourism sector, the recovery of these businesses from the impacts of the pandemic will be a focus of Council in 2020/21.

Looking to the future presents a range of challenges for us all as we recover from the pandemic and learn new ways to work and go about our daily lives. 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.

Cr Tanya Kehoe
Mayor

Jim Nolan
Chief Executive Officer

Highlights for the Year

July 2019

Council received funding from the Australian Government's Natural Disaster Resilience Grants Scheme to commence flood studies in the Upper Avoca River, Raglan and Mount Emu Creek.

August

Council moved to remove glass from the recycling chain in response to widescale changes in the industry. We implemented community collection points and started an education campaign with the community.

September

Council launched its first Reconciliation Action Plan. Dja Dja Wurrung Chief Executive Office Rodney Carter joined Pyrenees Shire Council Mayor Robert Vance and Wadawurrung Traditional Owner Tammy Gilson for a smoking ceremony on the shores of Beaufort Lake.



Council staff and Councillors gathered by the shores of Beaufort Lake to launch the Reconciliation Action Plan.

Pyrenees Tourism spring campaign launched on social media with tourism businesses joining with Council to produce a series of videos for Facebook.



October

Pyrenees Shire Council Mayor Robert Vance headed to China in a joint Australia-New Zealand Trade Mission. The Australian International Trade Association and Associates asked Cr Vance to join the mission in recognition of his role as a leader in local government.

Walk to School was a fantastic initiative which saw great participation from schools across the Pyrenees. Council appointed a Walk to School Co-ordinator which supported students to get active.

Council bought a third CAT Grader, replacing a previously leased unit in the organisation's road maintenance fleet. Two Hino trucks were purchased to assist Parks and Gardens Maintenance Operators to move about the shire with their equipment. The Flo-con unit based at the Beaufort Depot was also replaced.

Pyrenees Shire Council elected Cr Tanya Kehoe as the Mayor for the 2019-20 year.



Participation from Pyrenees schools in the Walk to School program in October was fantastic, with all nine primary schools in the Shire participating. More than 440 students and 70 staff were involved in walking, riding or scooting to school during the month of October.

November

Council started the \$1.5 million replacement of the Twin Bridges over the Wimmera River with Ararat Rural City Council.

Council awarded close to \$30,000 in community and capital grants to eleven groups.



Bridge 59 on the Eurambeen-Streatham Road was replaced with an InQuik Bridge, which was the first bridge installation of its kind in Victoria. Pre-fabricated components of the bridge are delivered to the site and then they are concreted in place. This type of construction has been used in Queensland and New South Wales, where significant savings in construction time and costs have been realised.

December

Council hosted a World Migrant Day as part of the Opportunities Pyrenees Ararat and Northern Grampians program and Mayor Tanya Kehoe officially signed the Refugee Welcome Zone declaration.

The Lexton-Ben Major Fire burned approximately 3,000 hectares of farmland and bush on December 20 and 21 2019. In excess of 1000 sheep were lost, a primary residence, four sheds, pasture, fences and many trees were destroyed in the fire. Thankfully no human lives were lost.



Federal Member for Wannon Dan Tehan visited the site of the Lexton-Ben Major Fire in early 2020. Mayor Tanya Kehoe was interviewed by the media at a community meeting the day after the fire. Council also live streamed the community meeting to its Facebook page for the first time.

January 2020

Australia Day awards were presented at Avoca, where Simon Grant was named Citizen of the Year and James Higgins was named Young Citizen of the Year. The Avoca Golf Club's 2019 Trimax Victorian Sand Green Championships won Event of the Year.



Australia Day Ambassador Stefan Romaniw OAM gave an address and assisted Mayor Tanya Kehoe with presenting the Community Service and Recognition awards for 2020.

A citizenship ceremony was also held on Australia Day, with three new citizens making the Australian Citizenship Pledge at Avoca. New citizens included Jennifer Gankse from Canada, Noa Garoffolo from Israel and Catalina Reichman from the Philippines.

February

Council hosted a drop-in session to hear ideas about improving the Beaufort Lake Foreshore. More than 50 people attended.

Council adopted the Avoca Streetscape Plan and moved to implement identified projects with \$250,000 funding from the State Government.

March

Coronavirus or COVID-19 started to impact the Australian community in a big way and Council closed facilities to the public. Office-based staff were asked to work from home.

April

The contract to carry out the civil works in stages 4 and 5 of Correa Park was awarded to Pipecon.

Council's Economic Development and Tourism Unit launched a shop local campaign on Facebook to encourage online engagement with Pyrenees businesses.

Council opened the second round of Community and Capital Grants for the 2019-20 financial year.

May

COVID-19 restrictions ease and the doors of the Resource Centres and Lawrence Street office reopened to the public.

Many of the projects funded under the Federal Government's Drought Communities program commenced. Bore and water infrastructure upgrades, sporting facility upgrades, and minor hall renovation works were among them.



Council is provided with \$2million in funding from the Commonwealth under the Drought Communities Program. Bore and water infrastructure upgrades, sporting facility upgrades and minor hall renovation works are among them. Pictured are Dennis Severino, Leon Severino and Peter Nash.

June

Community Grants were awarded to 17 groups to the tune of \$37,459.



Financial Overview

Throughout 2019/20 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 2019/20 financial results considering 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 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 2019/20 financial position:

- \$25.3 million revenue including \$10.5 million in rates and service charges, \$7.9 million in operating grants and \$4.8 million in Capital Grants.
- Capital Grants recognised in 2019/20 include:
 - \$2.1 million in Roads to Recovery Funding
 - \$1.5 million for projects completed with the aid of Fixing Country Roads Funding
 - \$0.4 million from the Local Roads to Market Program.

Council also recognised \$341,000 in grants for projects delivered with Drought Impacted Community Funding. Council has received notification that it will receive \$2 million under this program and it is anticipated that remaining projects will be completed in 2020/21.

In 2019/20 Council also recognised grants for community projects including Lexton Community Hub, Avoca Inclusive Playspace, Snake Valley Skate Park and Carngham Recreation Reserve Female Friendly Change Rooms in 2019/20.

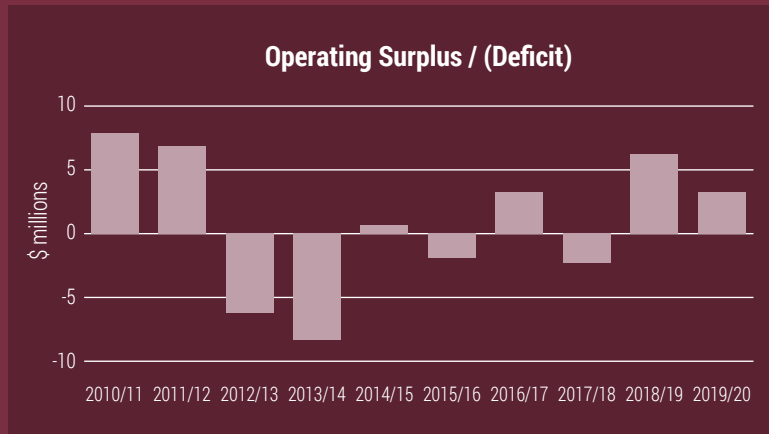
- \$9.45 million Capital Expenditure program delivered. Council claimed its full allocation under the 2019/20 Roads to Recovery Program by completion of all works by 30 June 2020.

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 \$10.5 million (42%) of total revenue.
- Operating surplus of \$3.12 million.
- Cash holdings of \$14.4 million at year end. Part of this relates to grants received in advance for works programmed in 2020/21.
- Council continues to be debt free.

Operating Result

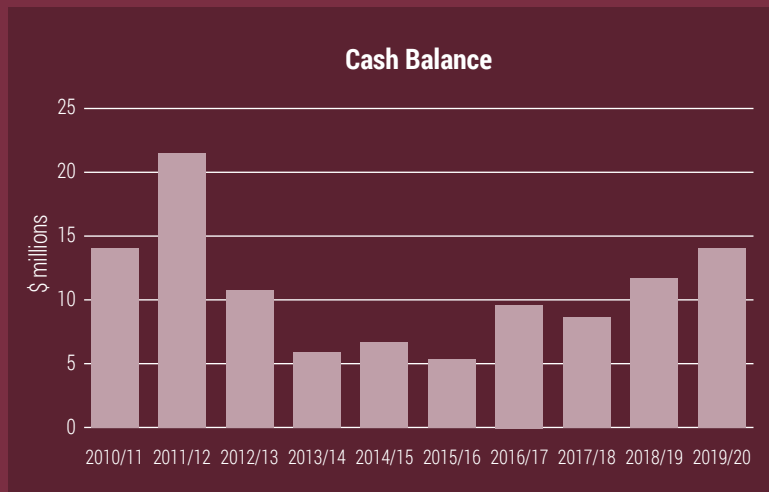
Council has an operating surplus of \$3.1 million in 2019/20 compared with a \$6.1 million surplus in 2018/19. This surplus can be attributed to Council being successful in attracting grant funding under the Roads to Recovery Program, Fixing Country Roads Programs, Local Roads to Market Programs and a range of community projects including the Lexton Community Hub, Avoca Inclusive Playspace, Snake Valley Skate Park and Carngham Recreation Reserve female friendly change rooms in 2019/20.



Cash Holdings

Cash holdings at the end of the financial year are \$14.4 million. This figure includes \$4.9 million required for capital works carried forward from 2019/20 which will be undertaken in 2020/21 and \$4.4 million in unspent operating grants to be carried forwards. This cash also backs the \$2.4 million employee leave liability that sits on the balance sheet. On 30 June 2020, Council was awaiting reimbursement (\$507k) for fire recovery works undertaken during 2019/20.

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 2019/20, Council spent a total of \$9.5 million on capital expenditure across the Shire, including \$7.5 million on renewing existing assets.

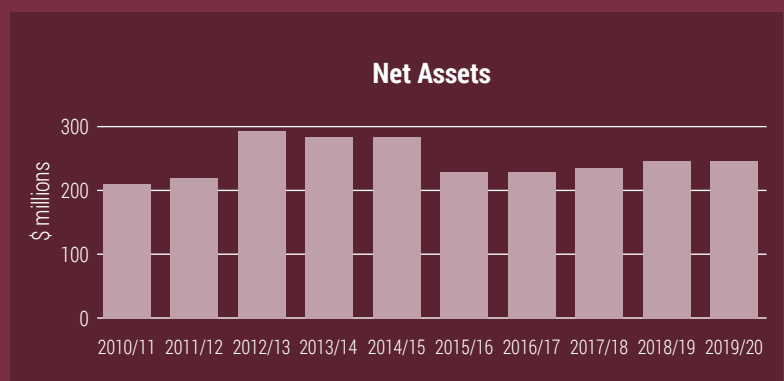
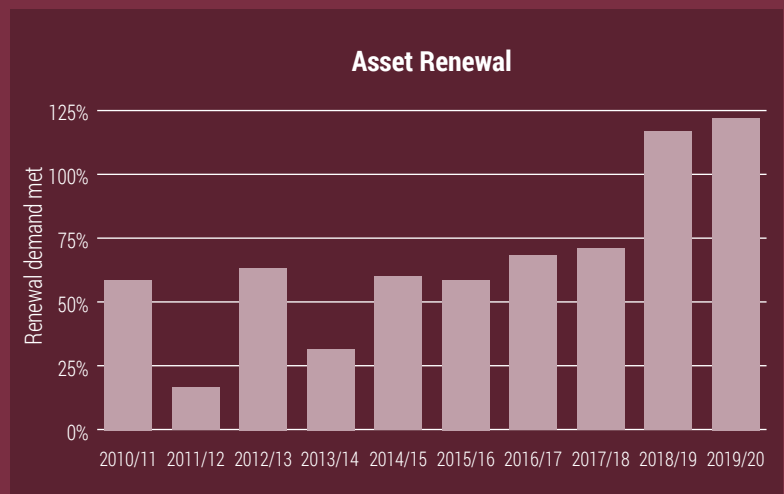
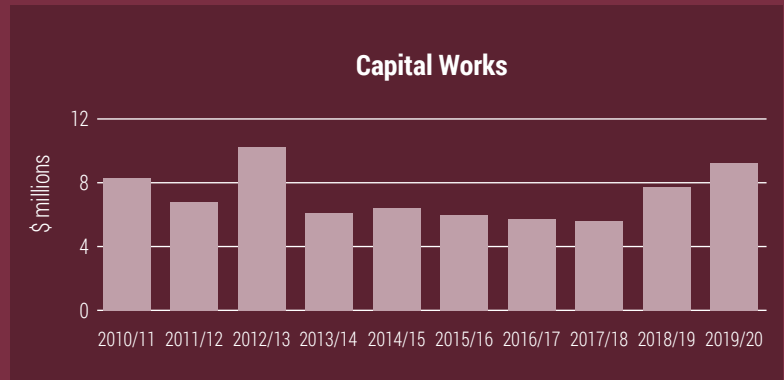
Council's 2019/20 capital expenditure continued to address the challenge of renewing community assets. It is anticipated that in future, capital expenditure will be maintained at a realistic level with a high degree of dependence on funding from government grants.

Asset renewal is measured as capital expenditure relative to asset depreciation. Whilst Council continues to face a significant challenge to fund the renewal of critical long-lived community infrastructure in the longer term, 2019/20 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.



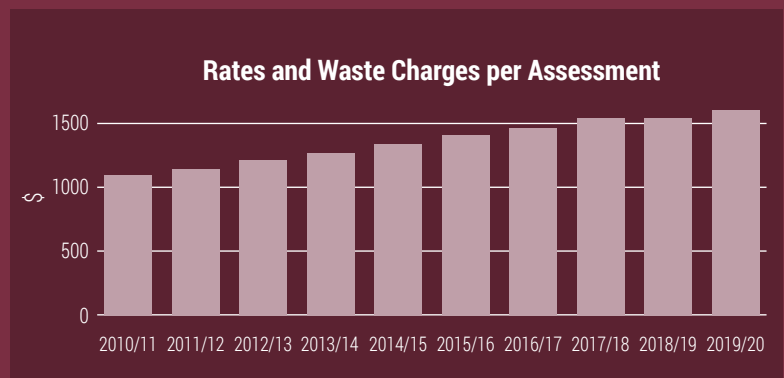
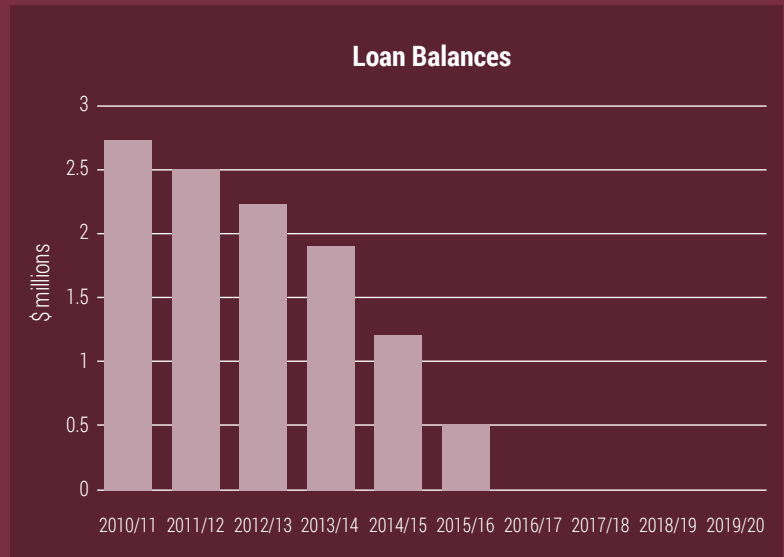
Council is mindful that the cost of rates is borne by ratepayers. Council is working towards lowering this level of annual rate increase in order to reduce the impact on ratepayers, and the State Government's "Fair Go Rates" rate capping system has acted to reduce the annual rate rises from 2016/17 onwards.

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 2019/20 year gives a brief overview of Council's 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 2019/20 can be found in the Annual Financial Report which is available on Council's website.

James Hogan
Principal Accounting Officer



Section 3:

Our Council



Council Profile

Location

Pyrenees Shire is 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. Agriculture comprises 30% of the workforce. Key areas of production are wool, cereal, hay crops and meat. Grape and wine production has expanded significantly in recent years. 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 7,472 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 several 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. Hang-gliding from Mount Cole and the French game of Petanque in Avoca, attract large numbers of visitors year-round. In recent years, the action sport of mountain bike riding has risen in popularity.

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

Council Offices

Pyrenees Shire Council

5 Lawrence Street,
Beaufort, VIC 3373

T 1300 797 363

E pyrenees@pyrenees.vic.gov.au

www.pyrenees.vic.gov.au

Avoca Information Centre

122 High Street,
Avoca, VIC 3467

T 03 5465 1000

Demographics

7,238 people

3,829 male

3,409 female

Median age 50

1,785 families

Average children per family 1.9

All private dwellings 3,568

Average people per household 2.3

\$876

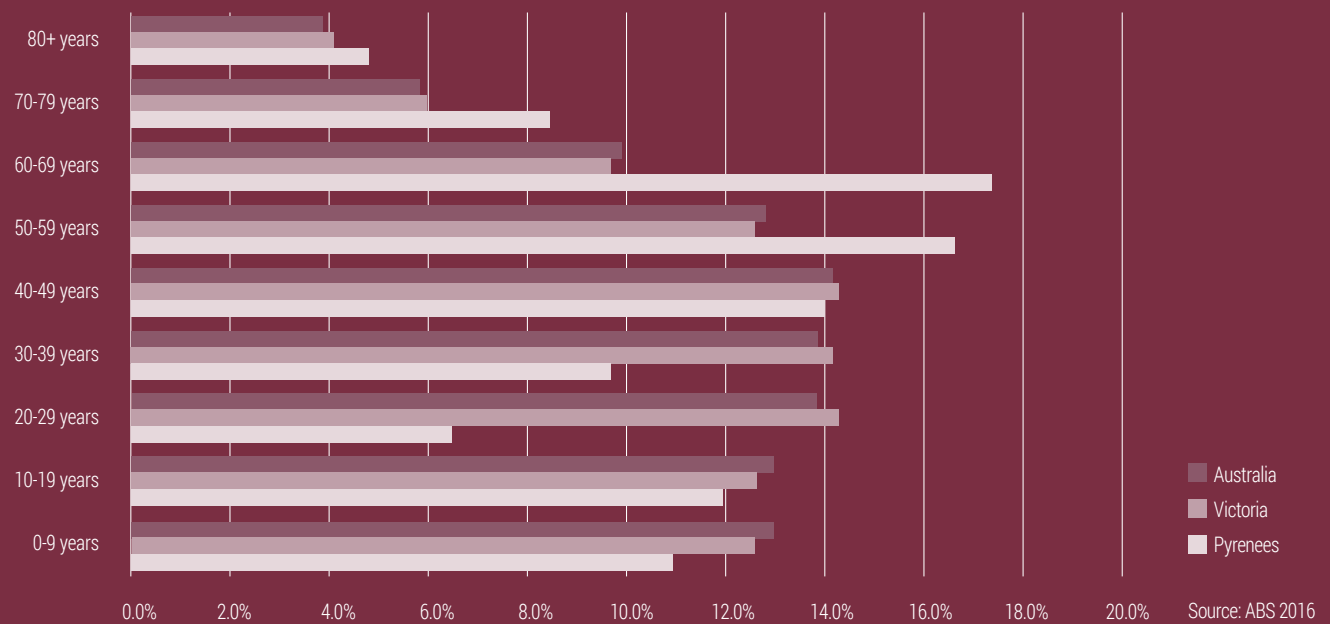
median weekly household income

Median monthly mortgage repayments

\$1,066

Median weekly rent \$160

Average motor vehicles per dwelling 2.2



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

T 0437 662 295 **E** 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. He 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. He 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 – Mayor

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

T 0439 571 480 **E** 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 has been a part of her whole life.

Cr Kehoe was first elected to the Pyrenees Shire Council 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 children.



Cr Robert Vance

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

T 0447 384 500 **E** decameron@pyrenees.vic.gov.au

Cr Robert Vance is a farmer, 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 despite 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

T 0417 374 704 **E** 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 continuing to improve 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.



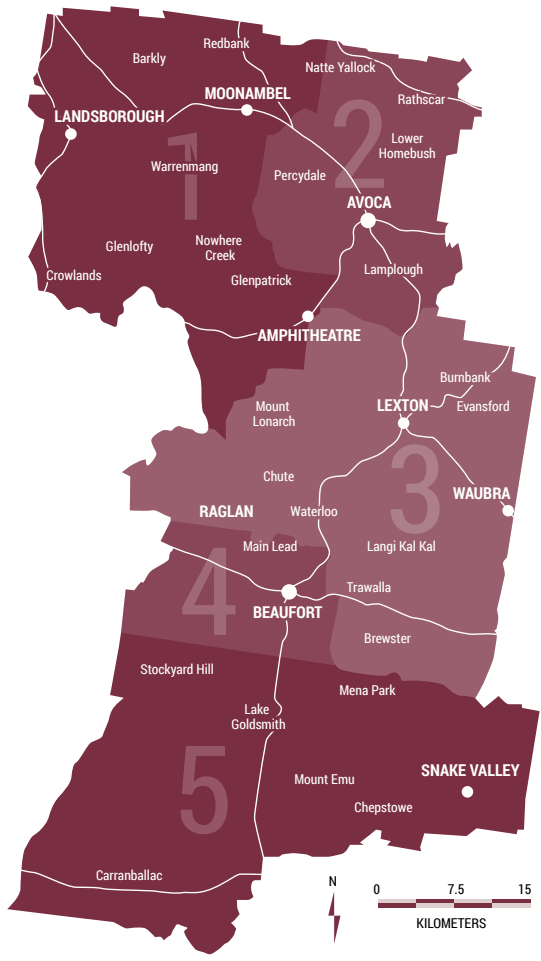
Cr Ron Eason

Avoca Ward – First Elected: 2012, 2016

T 0417 508 471 **E** 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. He has found the community of Avoca so 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
- 2 AVOCA WARD
- 3 ERCILDOUNE WARD
- 4 BEAUFORT WARD
- 5 MOUNT EMU WARD

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.



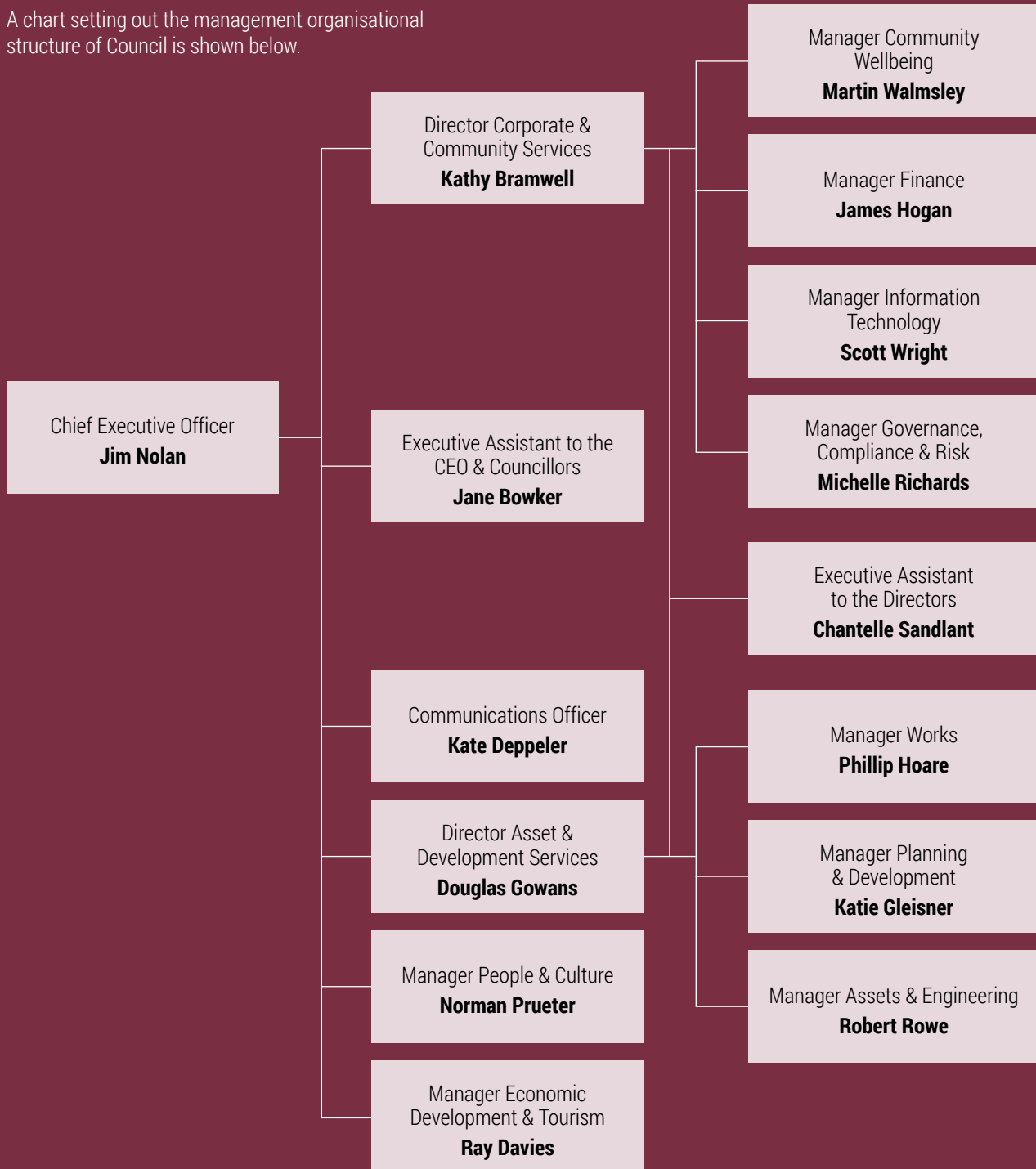
Douglas Gowans – B.Eng
Director Assets and Development

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 below.





Council Staff

As of 30 June 2020, 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	5	0	2	1	14
Permanent Full Time - Male	0	0	16	6	4	9	1	2	7	45
Permanent Part Time - Female	0	2.4	5.5	5.8	3.5	2.4	0.9	0	0	20.5
Permanent Part Time - Male	0	0.4	0	0	0	0.8	0	0	0	1.2
Casual - Female	0.7	0.6	1.6	0	0	0	0	0	0	2.9
Casual - Male	0	0	0	0	0	0	0	0	0	0
Total	0.7	3.4	24.1	13.8	10.5	17.2	1.9	4	8	83.6

Employees

As of 30 June 2020, the Pyrenees Shire Council had a total workforce of 83.6 equivalent fulltime positions. Total staff – 121 employees.

Workforce Profile

	Full Time	Part Time	Casual	Total
Male	44	3	0	47
Female	15	44	15	74

Workforce Age

Age Group	Number of Staff
15 – 19	0
20 – 24	2
25 – 34	14
35 – 44	21
45 – 54	30
55 – 64	44
65 and over	10



Recruitment

During the year, Council advertised 14 positions.

Council continues to receive multiple applications for most positions advertised.

Workcover

Pyrenees Shire Council experienced 4 minor claims during the 2019/20 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 2019/20 includes:

- First Aid/CPR Course
- Participation in Leadership Ballarat & Western Region Program
- Traffic Management
- Operate and maintain chainsaws
- Certificate III in Civil Constructions & Supervisory
- Mental Health First Aid
- Management Workshops
- Equal Employment Opportunity and Workplace Behaviour
- Join Mentoring Program with the City of Ballarat and Hepburn Shire Council.

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.



Section 5:
Our Performance

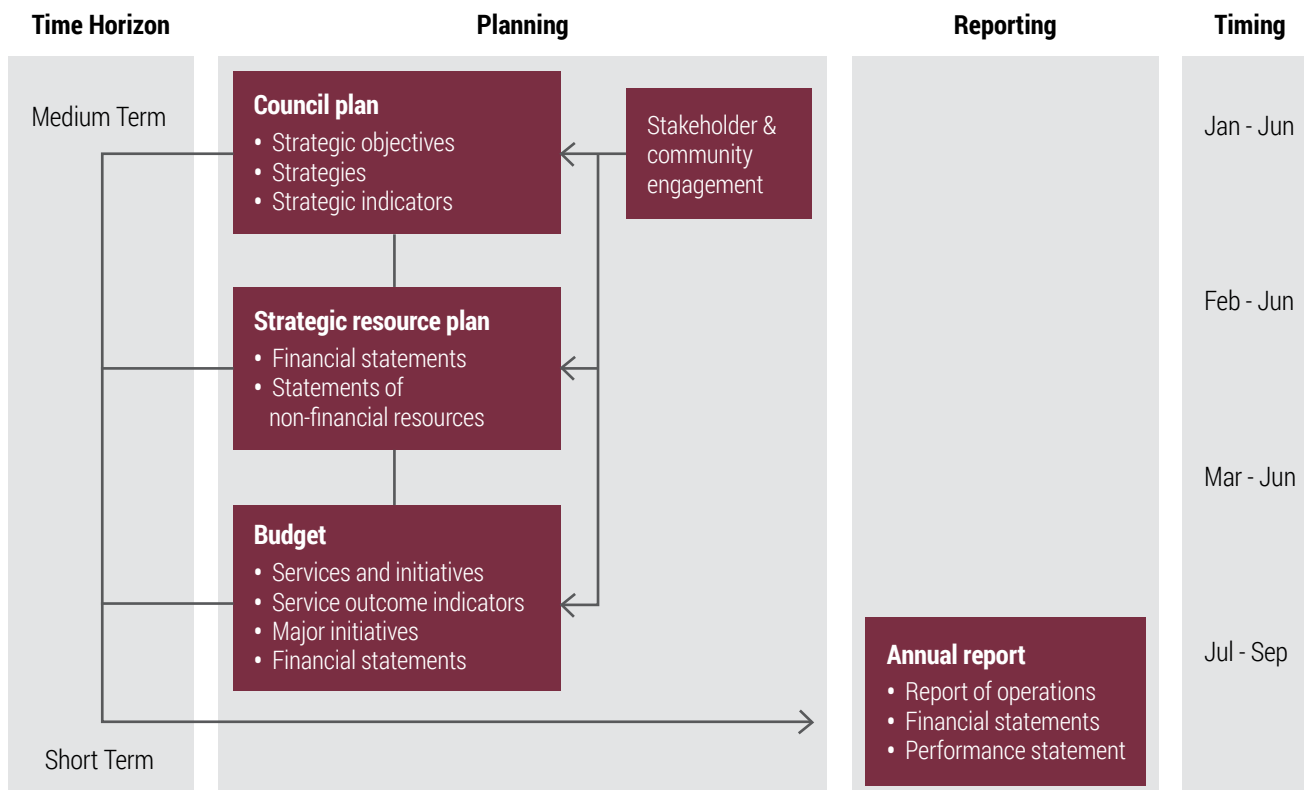


Planning and Accountability Framework

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.





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.

1. Roads and Townships

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

2. 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.

3. 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.

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.

5. Development and 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 2019/20 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.

Status Legend

0%	Funding required
25%	Information required
50%	Ongoing
75%	On hold
Complete	Cancelled

Progress against Strategic Initiatives to implement Strategic Objective 1 – as at 30 June 2020






Initiatives	Status	
Implement the following initiatives contained in the Gravel Road Strategy:		
Use of higher quality material for resheeting.	Materials utilised in gravel road re-sheeting have been specified to meet quality criteria for the majority of applications. This is now an ongoing activity.	
Renew and upgrade key strategic roads including:		
Raglan-Elmhurst Road.*	Completed in 2018/2019.	
Eurambeen-Streatham Road.*	Complete.	
Langi Kal Kal.*	In Progress.	
Landsborough-Elmhurst Road (Wimmera River) bridge.*	Complete.	
Review the following key strategic documents:		
Asset Management Strategy.*	Is deferred for completion in 2021 as part of the Local Government Act 2020 implementation.	
Service and Asset Management Plans.		
Roadside Management Plan.*		

Progress against Strategic Initiatives to implement Strategic Objective 1 – as at 30 June 2020

Initiatives	Status	
Undertake condition assessments of the following key assets:		
Buildings.*	Fee proposal being sort from contractor to undertake condition assessments. Have completed loss prevention inspections on all key Council owned / managed buildings. Essential Services audits completed.	
Deliver road and asset renewal programs including:		
Resheeting of gravel roads – 2019-20 program.		
Resealing of sealed surfaces – 2019-20 program.		
Pavement reconstruction – 2019-2020 program.	Complete.	
Bridge and major culvert program – 2019-2020 program.	Complete.	
Drainage program – 2019-2020 program.	Reactive program only. Complete for the 2019-20 FY.	
Water bores.	In Progress.	
Maintain safe roads by controlling encroachment of roadside vegetation.	Ongoing works program. Complete for the 2019-20 FY.	
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.	
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. Complete for the 2019-20 FY.	
Seek funding to implement actions to ensure Beaufort is bypass ready.*	Lake foreshore improvement works included in drought stimulus funding program. Planning underway in collaboration with community representatives.	
Implement funded projects in Avoca including:		
Activate Avoca.	In progress.	
Inclusive play space.		
BBQ shelter.		



Progress against Strategic Initiatives to implement Strategic Objective 1 – as at 30 June 2020

Initiatives	Status	
Implement funded projects in Snake Valley including: Linear Park / Skate Park.* Female Friendly change facility.*	In Progress.	
Implement funded projects in Lexton including: Lexton Community Hub.	Project progressing – almost at tender stage.	
Work with appropriate authorities to develop flood plans for Avoca and Raglan.*		
Continue to advocate for the reclassification of the Eurambeen-Streatham Road.	This issue is raised at every opportunity when meeting with VicRoads/Rural Roads Victoria.	
Undertake two internal audits per annum on compliance with the Road Management Plan.		

Report of Operations

Service Performance Indicators Service / indicator / measure		Results 2019	Results 2020	Comments
Roads				
Satisfaction of use				
R1	Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	13.29	7.72	With lower usage due to COVID, condition of roads has been maintained creating less requests.
Condition				
R2	Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	99.79%	99.13%	
Service cost				
R3	Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$42.88	\$84.04	Variability of costs for this measure is often impacted by complexity of works undertaken in the financial year. During 2019/20 complex projects were undertaken, contributing to an increase in costs - including comprehensive bridgeworks, reconstruction requiring extensive tree removal and a high level of guardrail installation. Costs remain within the expected range.
Service Cost				
R4	Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$5.80	\$4.92	Resealing costs have decreased due to oil price influence.
Satisfaction				
R5	Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	54.00	51.00	



Local Government Community Satisfaction Survey Results – Council’s Performance

Sealed Local Roads

2016	54
2017	55
2018	54
2019	54
2020	51
Small Rural Shires 2020	51
State-wide 2020	54

Streets and Footpaths

2016	58
2017	57
2018	56
2019	53
2020	55
Small Rural Shires 2020	57
State-wide 2020	58

Unsealed Roads

2016	45
2017	44
2018	44
2019	43
2020	43
Small Rural Shires 2020	43
State-wide 2020	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 2020

Initiatives	Status	
Implement the Community Engagement Strategy.	This is now an ongoing activity.	➔
Review the Community Engagement Strategy.	Strategy development is at the planning stage – determining the types of engagement required and when. A community focus group will be convened in Q1 2020/21 to support Council in meeting Local Government Act 2020 obligations. Targeted for completion by Dec 2020 to provide input into new Council Plan development post-election.	🔄
Review and implement Frontline Services with a focus on providing a better service to our communities.	Review project complete with final reports issued. Joint team implemented from 1 July 2020. Project implementation in progress.	✔
Work with others to develop strategy and deliver shared services.	<p>Central Highlands Rural Council Transformation Project continues with ongoing CEO discussions, although some delays experienced due to CEO / Director role changes at City of Ballarat, the lead council for this project.</p> <p>The shared GIS project service with the City of Brimbank is working effectively to supplement in-house resources for major projects and back-fill arrangements. During the increased internal ICT resource need during COVID-19, this has allowed the GIS Officer to refocus on ICT operational support.</p> <p>OPAN project has been suspended for the immediate future.</p> <p>Corporate & Community Services directorates for LGAs in this region are working together to address common issues as they arise.</p>	➔
Provide strong leadership through timely and effective communication with members of Parliament and with relevant government agencies.	Advocacy is undertaken whenever opportunity allows.	➔

Progress against Strategic Initiatives to implement Strategic Objective 2 – as at 30 June 2020

Initiatives	Status	
Advocate to government (in partnership with peak bodies and relevant community and industry groups) on key projects and issues important to our community including:		
Beaufort bypass.	RRV engaged in discussions. Exhibition of EES delayed to 2021.	
Ararat Maryborough Rail line.*		
Improved telecommunications across the Shire.	Optus tower installed in Lexton.	→
Improved access to data communication and successful NBN rollout.	NBN rollout was completed in Avoca and Beaufort during the financial year.	
Roads to Recovery Funding.		
State and Federal Funding for Local Infrastructure.		
Improved water security and access.	Funding was secured in July for the Beaufort recycled water project.	
Equitable cost sharing.		
Develop and foster strategic partnerships by actively engaging with:		
Sector Peak bodies such as the Municipal Association of Victoria, Rural Councils Victoria and the Victorian Local Government Association.	Council is a member of MAV RCV and VLGA. Participation at peak body events.	→
Business Associations including Business for Beaufort and Advance Avoca.		→
Industry sector bodies including Pyrenees grape growers and winemakers, Visit Ballarat, Victorian Farmers Federation and Cultivate Agriculture.		→
Regional bodies including Central Highlands Councils, Central Victorian Greenhouse Alliance and Committee for Ballarat.	PSC is a member of CHCV, CVGA and CfB. Participation in regional body events, advocacy, projects and activities.	→
Local groups and clubs including Community Action Planning Committees, clubs and associations.	Planning underway to collaborate with the community on developing a Community Vision 2020 in accordance with the LGA 2020, which will support development of the Council Plan in 2021.	→
Issue specific lobby groups including Western Highway Action Committee and Ballarat Rail Action Committee.	Participation in WHAC meetings. BRAC activity has reduced in recent months. Rail action and advocacy has been through CFB including recent advocacy efforts.	→
Traditional owner groups to increase awareness of cultural heritage matters.	Implementation of Council's Reflect Reconciliation Action Plan (RAP) is in its final stages, guided by a working group.	◐

Report of Operations

	Service Performance Indicators Service / indicator / measure	Results 2019	Results 2020	Comments
Governance				
Transparency				
G1	Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	9.66%	10.47%	
Consultation and engagement				
G2	Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	57.00	55.00	An extensive project is planned for late 2020 to develop improved consultation processes, in collaboration with a community task force.
Attendance				
G3	Councillor attendance at Council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	96.00%	91.43%	
Service Cost				
G4	Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$44,562.23	\$44,068.12	
Satisfaction				
G5	Satisfaction with Council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	56.00	54.00	



Community Grants 2019/20

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

Organisation	Funded
Round 1	
Beaufort Football Netball Club	\$750.00
Men's Night - Landsborough (Sub-committee Landsborough Bowls Club)	\$750.00
Amphitheatre Mechanics Institute	\$1,500.00
Beaufort Agricultural Society	\$810.00
Advance Avoca Inc	\$750.00
Carngham Recreation Reserve	\$1,500.00
Round 2	
Waubra Recreation Reserve Section 86 Committee of Management	\$1,000.00
Beaufort Community House and Learning Centre	\$1,500.00
Beaufort Pyrenees Food Pantry	\$1,376.00
Eureka Community Kindergarten Association Inc.	\$1,105.00
Raglan Hall and Recreation Reserve COM	\$1,186.00
Avoca Cricket Club	\$1,500.00
Avoca Friends of the Pool	\$600.00
Avoca Chinese Garden Association Inc	\$750.00
Casablanca Movie Club Night	\$750.00
Beaufort Municipal Band Inc	\$750.00

Capital Grants 2019/20

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

Organisation	Funded
Round 1	
Beaufort Cricket Club	\$5,000.00
Carranballac Cricket Club	\$5,000.00
Ripon/Beaufort RSL Sub Branch	\$3,650.00
Carngham Recreation Reserve	\$5,000.00
Beaufort Golf Club	\$5,000.00
Round 2	
Lake Goldsmith Steam Preservation Association	\$5,000.00
Beaufort Progress Association Inc.	\$1,892.00
Moonambel Arts and History Group	\$4,000.00
Avoca Community Arts & Gardens Inc.	\$5,000.00
Moonambel Events Inc.	\$5,000.00
Waubra Bowling Club	\$1,700.00
Avoca Country Golf Bowling Club Inc.	\$4,350.00

Local Government Community Satisfaction Survey Results – Council’s Performance

Overall Performance

2016	61
2017	64
2018	62
2019	60
2020	59
Small Rural Shires 2020	56
State-wide 2020	58

Community Consultation

2016	56
2017	60
2018	55
2019	57
2020	55
Small Rural Shires 2020	54
State-wide 2020	55

Advocacy

2016	55
2017	59
2018	56
2019	54
2020	51
Small Rural Shires 2020	52
State-wide 2020	53

Making Community Decisions

2016	56
2017	62
2018	57
2019	56
2020	54
Small Rural Shires 2020	53
State-wide 2020	53

Customer Service

2016	72
2017	74
2018	73
2019	68
2020	67
Small Rural Shires 2020	70
State-wide 2020	70

Overall Council Direction

2016	54
2017	55
2018	51
2019	48
2020	48
Small Rural Shires 2020	50
State-wide 2020	51



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 2020

Initiatives	Status	
Implementation of the key priorities from the recreation strategy.	Several initiatives are being implemented because of drought funding provided.	
Implementation of the key priorities from the Municipal Public Health and Wellbeing Plan.	<p>“Walk to School” initiative successfully completed.</p> <p>Budget allocation for a Recreation Officer has been included within the 2020-21 budget to support implementation of the Plan. Additional resources being sought as part of COVID-19 Working for Victoria program.</p>	
<p>Plan for, respond to and assist the community to build resilience and recover from natural disasters including:</p> <p>Monitor and review the Municipal Emergency Management Plan (MEMP).</p>	<p>The MEMP review was completed and the revised Plan adopted by Council in June 2020.</p> <p>The Audit by SES was completed in June 2020 and a recommendation for full compliance made. Final audit results are still awaited.</p>	
Participate in the Children and 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 via virtual meetings during the current pandemic.	
<p>Investigate potential options for improved service delivery in the areas of:</p> <p>Youth.</p> <p>Allied Health Services.</p> <p>Other opportunities as they arise.</p>	<p>Currently the only planned Youth related activity is the Western Bulldogs Leadership Program. Complete for the financial year.</p> <p>Additional Growth Funding received under the Commonwealth Home Support Program (CHSP) for Home Maintenance, Transport and goods, equipment, and assistive technology. Complete for the financial year.</p> <p>Nil to report.</p>	



Progress against Strategic Initiatives to implement Strategic Objective 3 – as at 30 June 2020

Initiatives	Status	
Support the participation for youth in the Western Bulldogs Foundation Leadership Program.*	Program complete for 2019.	✓
Review Community Action Plans to inform decision making and Council priorities.	<p>Planning underway in preparation for Community Vision and Plan development as required under the Local Government Act 2020, in collaboration with community representatives including CAP coordinators.</p> <p>The Community Vision and Plan is intended to feed into development of the new Council Plan post general election.</p>	🔄
Provide support to CAP Coordinators to maintain plans that are inclusive and reflective of the whole community.	Review of Community Action Planning Framework will be undertaken in 2020/21 as part of preparation for Community Vision and Plan development as required under the Local Government Act 2020.	➔
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.	<p>Pipeline projects list maintained and regular dialogue with Regional Development Victoria.</p> <p>Grant applications made as opportunity and need exists.</p>	➔
Implementation of the Act@Work Action Plan.	<p>Council continues to implement the three-year Act@Work Action Plan. Complete for the financial year.</p> <p>The working group has been expanded to include other aspects of anti-violence work, including child safety / family violence, CoRE activities and prevention of violence and aggression in the workplace. The new working group has been named Respect & Equity working group.</p>	✓
Continue to promote and participate in the Communities of Respect and Equality (CoRE).	Officers continue to participate in the CoRE Alliance Executive attending the majority of meetings.	➔
Examine and implement improvements in the maintenance of ovals and hard courts.	<p>In 2020-21 this will include review of S86 Committee management agreements as part of changing delegations and committee structures to Asset Management Committees in accordance with the Local Government Act 2020.</p> <p>Risk assessments and asset management inspection regimes will be developed and implemented in collaboration with committees.</p>	➔

Report of Operations

Service Performance Indicators Service / indicator / measure		Results 2019	Results 2020	Comments
Aquatic Facilities				
Service standard				
AF2	Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	3.00	1.00	The inspection rate was undertaken at 1 inspection per facility and remains within the expected range.
Utilisation				
AF6	Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	1.48	1.61	
Service cost				
AF7	Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	\$24.77	New measure introduced in 2020. <i>Note: From 2020, this measure replaced two previous measures: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities', see retired measures.</i>
Animal Management				
Timeliness				
AM1	Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	0.44	Animal management requests are considered a priority and, with additional resources during the financial year, could be addressed within 24 hours - a positive result.
Service standard				
AM2	Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	30.34%	31.78%	
AM5	Animals rehomed [Number of animals rehomed / Number of animals collected] x100	New in 2020	6.98%	New measure introduced in 2020. <i>Note: New measure for 2019-20 financial year.</i>

Report of Operations

Service Performance Indicators Service / indicator / measure		Results 2019	Results 2020	Comments
Animal Management				
Service cost				
AM6	Cost of animal management service per population [Direct cost of the animal management service / Population]	New in 2020	\$28.02	This measure has increased from the previous year as additional resources were input during 2019/20 to improve responsiveness and maximise public safety. The measure remains within the expected range for this service. <i>Note: This measure is replacing previous 'Cost of animal management service' which was based on cost per number of registered animals, see retired measures.</i>
Health and safety				
AM7	Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	100.00%	New measure introduced in 2020. <i>Note: This measure is replacing previous 'Animal management prosecutions' which was a measure of number, not proportion, see retired measures.</i>
Food Safety				
Timeliness				
FS1	Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.00	1.40	Still very responsive and within the expected range.
Service standard				
FS2	Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	98.68%	104.17%	

Report of Operations

Service Performance Indicators Service / indicator / measure		Results 2019	Results 2020	Comments
Food Safety				
Service cost				
FS3	Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$391.43	\$319.91	The cost of this service remains at the lower end of the expected range.
Health and safety				
FS4	Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non- compliance notifications about a food premises] x100	100.00%	100.00%	Notifications were maintained at 100% because of a program, started in 2017/18, to increase public safety and compliance monitoring within the Pyrenees Shire.
Libraries				
Utilisation				
LB1	Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]	2.83	1.77	COVID closures and associated issues in respect of perceptions regarding potential transmission of the virus have contributed to declines in actual visits to libraries and circulation levels in general. <i>Note: From 2019-20, this indicator measures the performance of physical library items as a subset of the wider library collection.</i>
Resource standard				
LB2	Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	68.24%	67.92%	COVID closures provided opportunity to assess the overall stock for usage and currency, ensuring that the collections stayed fresh and current.

Report of Operations

Service Performance Indicators Service / indicator / measure		Results 2019	Results 2020	Comments
Libraries				
Participation				
LB4	Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	11.02%	9.94%	COVID closures have impacted on active membership but the decrease in this measure is also contributed to by member mortality rates over time and housekeeping in respect of member file maintenance.
Service cost				
LB5	Cost of library service per population [Direct cost of the library service / Population]	New in 2020	\$44.96	<i>Note: This measure is replacing the previous 'Cost of library service' indicator which measured based on number of visits, see retired measures.</i>
Maternal and Child Health (MCH)				
Service standard				
MC2	Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.00%	96.55%	
Service cost				
MC3	Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$79.04	\$85.93	
Participation				
MC4	Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	88.62%	93.33%	
MC5	Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	100.00%	93.33%	Low numbers of participants can result in high variations year on year however the participation rate has remains consistent over the last few years.

Report of Operations

Service Performance Indicators Service / <i>indicator</i> / measure		Results 2019	Results 2020	Comments
Maternal and Child Health (MCH)				
Satisfaction				
MC6	Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	New in 2020	101.72%	

Maternal & Child Health Service Provision

	2016/17	2017/18	2018/19	2019/20
Number of infants enrolled from birth notifications	57	52	63	56
Number of new enrolments	67	57	63	62
Number of active infant records	251	233	235	244
Additional consultations	94	130	142	204.25
Telephone consultations	210	6	19	54.2
Community Strengthening Activities	25	11	6	23.75

Pyrenees Community Care Service Provision

	2016/17	2017/18	2018/19	2019/20
Domestic Assistance	7,665 hours	5,857 hours	5,245 hours	5,022 hours
Personal Care	2,494 hours	2,151 hours	1,021 hours	1,599 hours
Respite Care	168 hours	533 hours	828 hours	877 hours
Delivered Meals	3,178 meals	5,670 meals	4,421 meals	4,432 meals
Home Modifications	144 hours	106 hours	126 hours	\$6,028.49
Assessment	2,089 hours	520 hours	867 hours	73 Assessments
Planned Activity Groups	3,486 hours	5,011 hours	4,101 hours	3,808 hours
Community Meals	944 meals	645 meals	417 meals	83 meals
Allied Health & Podiatry	94 hours	46 hours		0
Good and Assistive Technology				\$337.36

*Suspended services due to COVID 19 are:

Social Support Groups (Planned Activity Groups), Community Meals, Allied Health as Hydrotherapy was closed.

Local Government Community Satisfaction Survey Results – Council's Performance

Elderly Support Services

2016	69
2017	74
2018	70
2019	69
2020	68
Small Rural Shires 2020	71
State-wide 2020	68

Family Support Services

2016	68
2017	70
2018	68

2019	68
2020	65
Small Rural Shires 2020	66
State-wide 2020	66

Recreation Facilities

2016	65
2017	72
2018	68
2019	69
2020	68
Small Rural Shires 2020	68
State-wide 2020	70



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 2020

Initiatives	Status
Prepare and submit the annual budget to the Minister by 30th June each year.	<p>2020/21 draft budget complete and published for public consultation and feedback. Council adoption was delayed to allow addressing of significant increase in farming valuations in 2020.</p> <p>Final 2020/21 budget and rating strategy addendum 2020 adopted by Council in July 2020.</p>
Implement three-year internal audit plan integrated with the risk register.	<p>The final audits in the 2019/20 three-year plan were completed in early 2020.</p> <p>The existing contract with Council’s internal auditors (AFS & Associates) was extended for a further twelve months.</p> <p>A new three-year plan is under development and will be in place by August 2020.</p>
Undertake two internal audits per year.	<p>A review of business continuity management practices and an update against the outstanding issues register were completed in late 2019.</p> <p>Internal audit review of project management practices will take place in May 2020.</p> <p>The planned internal audit of operations at the Beaufort Caravan Park, scheduled for early 2020, has been deferred until normal operations re-commence post COVID restrictions.</p> <p>Complete for the financial year.</p>
Review the Long Term Financial Plan incorporating the Strategic Resource Plan on an annual basis in conjunction with the development of the annual budget.	<p>Major review of the LTFP will commence in the latter part of 2020 in accordance with the Local Government Act 2020 and in preparation for final consultation and adoption by the Council post the general election in October 2020.</p>

Progress against Strategic Initiatives to implement Strategic Objective 4 – as at 30 June 2020

Initiatives	Status	
Undertake two service reviews per year against Best Value principles, which consider shared services, and alternative service delivery models.	<p>Service reviews of frontline services (customer service and resource centres) and the Pyrenees Community Care operations are complete with reports being provided to Council.</p> <p>The service delivery methodology is under preparation and work is underway on developing a 10-year service review schedule, aligned with the Rural Councils Transformation Project target areas and with requirements under the Local Government Act 2020.</p>	✓
Continuously improve organisational processes by reviewing and mapping two processes per year to eliminate waste and inefficiency.	Comments as above.	✓
Develop an annual corporate training program.	Training plan has been developed.	✓
Monitor and report on our performance in responding to Customer Action Requests against agreed standards.	<p>Ongoing activity – monthly reports are distributed to Council.</p> <p>Actions to improve completion rates continue which have had a positive effect.</p> <p>All telephone messages are now included in the CAR system to create consistency of approach across the organisation.</p>	→
Implement a Mental Health Plan for the organisation.	<p>Mental Health Steering Group and Working Group in place, with a Mental Health Strategy developed.</p> <p>Increased attention has been made to support staff through the COVID-19 pandemic environment.</p>	→
Review the employee recruitment process.	Recruitment Procedure was reviewed in 2018 and adopted at the Staff Consultative Committee meeting 05.12.2018. Next review due June 2022.	✓
Lever the benefits from the implementation of Council's new website.	<p>A monthly email newsletter is circulated which links directly to the website, driving traffic to it.</p> <p>Advisory information has been maintained during the COVID-19 environment establishing the website as a source of truth in this regard.</p>	→
Conduct an annual Staff Satisfaction Survey and action plan.	Staff survey was completed in 2019 with actions planned and implemented.	✓
Participate in the State Government annual Community Satisfaction Survey and utilise the results to inform the annual review of the Council Plan.	<p>The 2020 Community Satisfaction Survey was completed, and outcome reports received and circulated to Council, the community, and staff.</p> <p>Outcomes are being examined for use as part of community engagement in developing the Community Vision and Council Plan post-election.</p>	✓



Progress against Strategic Initiatives to implement Strategic Objective 4 – as at 30 June 2020

Initiatives	Status
<p>Implement the key recommendations of the ICT Strategy encompassing the digital first methodology.</p>	<p>In 2019 improvements were made to enable staff to work remotely and transition from GRHA to Telstra is complete.</p> <p>Extensive work was undertaken in early 2020 to fast-track enabling of work from home capability in response to the COVID-19 social distancing requirements.</p> <p>Online purchasing processes were implemented. IT updates to enable online payments is underway and additional software to support planning and building activities is in the process of installation.</p>
<p>Implement a program to build a strong organisational culture.</p>	<p>In the COVID-19 environment, direct contact with staff to maintain moral and reduce fear has been a priority for senior staff.</p>
<p>Monitor and report on the development of Council's Risk Register.</p>	<p>Biannual risk reports are provided to Council.</p> <p>Risk appetite tolerance levels were developed with Council in early 2020 and a workshop to review the Strategic Risk Register was completed in July.</p>
<p>Rollout and compliance with the OH&S National Assessment Compliant tool (MAV WorkCare).</p>	<p>The MAV WorkCare OHS improvement program is well-entrenched within the organisation. All key OHS policies, procedures and other key documents have been reviewed at least once since the program began.</p> <p>An internal compliance review program has been developed and monthly meetings with MAV's agent (JLT) continue with recommendations for improvement being monitored for completion.</p> <p>This program is now considered ongoing activity within the organisation in collaboration with the MAV / JLT.</p>

Report of Operations

Financial Performance Indicators Dimension / <i>indicator</i> / measure	Results 2019	Results 2020	Material Variations and Comments
Efficiency			
Expenditure level			
Expenses per property assessment [Total expenses / Number of property assessments]	\$4,089.83	\$3,683.74	
Revenue level			
Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	\$1,407.26	New measure introduced in 2020.
Liquidity			
Working capital			
Current assets compared to current liabilities [Current assets / Current liabilities] x100	402.70%	222.62%	A change in accounting standards with unspent funding now included as a current liability has decreased this measure.
Unrestricted cash			
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	69.07%	107.09%	Unrestricted cash is required to cover staff provisions.
Obligations			
Loans and borrowings			
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	0.00%	0.00%	Council has no loans or borrowings and is debt free.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	0.02%	0.00%	Council has no loans or borrowings and is debt free.
Indebtedness			
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	1.13%	1.78%	Council is debt free and non-current liabilities held reflect employee provisions. An increase on previous measures is due to unspent funding now being counted as a liability.

Report of Operations

Financial Performance Indicators Dimension / <i>indicator</i> / measure	Results 2019	Results 2020	Material Variations and Comments
Obligations			
Asset renewal and upgrade			
Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	128.67%	New measure introduced in 2020.
Operating position			
Adjusted underlying result			
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	10.54%	1.63%	Prior years were boosted by flood recovery money.
Stability			
Rates concentration			
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	36.47%	46.55%	Previous years impacted by flood recovery money
Rates effort			
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.47%	0.45%	The ratio is relatively stable because rates revenue is capped and does not increase in line with property valuation increases.

Report of Operations

Sustainable Capacity Indicators <i>Indicator / measure [formula]</i>	Results 2019	Results 2020	Comments
Population			
Expenses per head of municipal population [Total expenses / Municipal population]	\$3,337.28	\$2,974.30	Expenses for previous years were higher due to flood restoration works - completed in June 2019. Some restoration works were undertaken in 2020 due to bushfire impacts.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$31,000.82	\$30,936.03	
Population density per length of road [Municipal population / Kilometres of local roads]	3.59	3.64	Population density per length of road has remained consistent over the past four years, reflecting a low level of population growth.
Own-source revenue			
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,551.75	\$1,651.23	
Recurrent grants			
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$1,040.12	\$1,184.56	The result for this measure has increased from 2019 due to additional funding being received from Roads to Recovery.
Disadvantage			
Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	3.00	3.00	
Workforce turnover			
Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	16.3%	7.1%	Extensive work was undertaken in the recruitment and retention areas - focusing on recruiting staff for best fit with the organisation to minimise short term turnover, and on proactive and early intervention to address a growing trend in mental health issues.



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.

Progress against Strategic Initiatives to implement Strategic Objective 5 – as at 30 June 2020

Initiatives	Status	
<i>Pyrenees Futures</i> – Work with communities to prepare township framework plans to guide future development in Beaufort, Landsborough, Moonambel, Amphitheatre, and Raglan.*	In progress.	
Undertake planning scheme amendments to incorporate updated township plans.*	Project dependent upon outcomes of Pyrenees Futures.	
Develop and implement a strategic planning program including further Planning Scheme amendments to improve its effectiveness.		
Implement actions contained in Council's Growth Strategy including:		
Encourage residential growth by developing Correa Park Estate in Beaufort.	Purchase of the land for Stages 4 and 5 of Correa Park is complete. Tender for infrastructure construction has been awarded.	
Seek commitment from partners to deliver Moonambel Water project.*	No further progress to-date.	
Partner with Northern Grampians and Ararat Councils to deliver the OPAN project.*	The OPAN project has been suspended.	
Deliver targeted initiatives to make Beaufort bypass ready and develop it as a destination town.	No firm timeframe yet received for bypass construction start. EES exhibition by RRV was deferred to 2021.	
Work with Grampians Wimmera Mallee Water and other partners to plan for and develop the East Grampians water project and agricultural precinct.	Work on agricultural precinct scheduled to commence July 2020 beginning with engagement of stakeholders.	
Identify and facilitate economic opportunities flowing renewable energy developments such as Crowlands and Stockyard Hill wind farms.	Current renewables focus is on the straw to energy project. The Skipton Hospital boiler project is funded, and contractors were engaged late November to complete this project by mid-2020. Refer below.	

Progress against Strategic Initiatives to implement Strategic Objective 5 – as at 30 June 2020

Initiatives	Status
<p>Build on opportunities for growth in the agriculture sector identified in the Ballarat Regional Line of Sight Project and the Future Landscapes Project.</p>	<p>PSC has been appointed as the lead organisation on behalf of Central Highlands councils to complete a project to define a sustainable regional agribusiness leadership group model. SED Advisory were engaged to complete the project by end of March. Covid-19 priorities with stakeholders has delayed this project. A draft of the final report was submitted by SED to the PCG in the first week of June. Due to a medical condition suffered by the contractor the closure of the project is likely to be concluded in the September quarter.</p>
<p>Implement actions contained in Council's Tourism Strategy including:</p> <p>Work with tourism partners to develop and implement the Grampians Pyrenees Wine Tourism Marketing Plan.</p>	<p>Funding of stage three of the GPWTM under the Wine Growth Fund has been signed over by the Minister for Grampians Tourism to be the lead agency (initially Ballarat Regional Tourism). Contractors have been appointed to complete the tasks in phase three which is raise the profile of these wine regions by delivering a Melbourne based wine event and through digital promotion. The event is being scheduled for mid-2021 and acquittal due end of Dec 2021.</p>
<p>Support investigation and delivery of effective sustainability projects including:</p> <p>Local Government Energy Saver Program.*</p> <p>Beaufort recycled water project.*</p> <p>Straw to energy project.*</p>	<p>Detailed design due for completion by end of July. Funding application was successful for \$3M capital phase – announcement made in July 2020.</p> <p>Skipton Hospital straw fuelled boiler project scheduled for completion by mid-2020 has been held up due to Covid-19 related shipping delays of components from Italy. Project completion is anticipated by end of December 2021.</p>
<p>Implementation of Local Laws which protect amenity and environmental values.</p>	
<p>Review and implement the Pyrenees Domestic Wastewater Management Plan.</p>	<p>Annual requirement complete.</p>

Report of Operations

Service Performance Indicators Service / indicator / measure		Results 2019	Results 2020	Comments
Statutory Planning				
Timeliness				
SP1	Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	50.00	77.00	This measure increased due to a larger number of applications being processed with more complex decisions being required.
Service standard				
SP2	Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	97.44%	90.00%	
Service cost				
SP3	Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$3,143.50	\$3,123.73	
Decision making				
SP4	Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	0.00%	
Waste Collection				
Satisfaction				
WC1	Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	24.85	32.99	This measure increased during 2019-2020 with 94 new services wanting to be included in the street collection.

Report of Operations

Service Performance Indicators Service / indicator / measure		Results 2019	Results 2020	Comments
Waste Collection				
Service standard				
WC2	Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	7.28	5.07	This measure decreased from the previous year as bins missed because they were placed out incorrectly were reclassified resulting in more accurate data.
Service cost				
WC3	Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$87.45	\$101.81	New service areas were included within the year, including Crowlands, Church Road and Hillcrest. Bin replacement for stolen or damaged bins has remained constant.
Service cost				
WC4	Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$49.58	\$51.86	
Waste diversion				
WC5	Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	31.22%	19.64%	A change was made in the materials permitted in recycling bins. Plastics, other than drink and detergent bottles, were included in general waste as well as glass. Although dedicated skips were available in key townships for glass, many residents continued disposing of glass in general waste. Global recycling markets have contributed to the change.

Local Government Community Satisfaction Survey Results – Council’s Performance

Waste Management

2016	70
2017	75
2018	69
2019	65
2020	58
Small Rural Shires 2020	64
State-wide 2020	65

Planning and Building Permits

2016	54
2017	54
2018	55
2019	47
2020	43
Small Rural Shires 2020	46
State-wide 2020	51

Business / Development / Tourism

2016	60
2017	67
2018	62
2019	61
2020	60
Small Rural Shires 2020	58
State-wide 2020	59



Governance, Management and Other Information

Governance

The Act under which the Pyrenees Shire Council is constituted changed in 2020 from the *Local Government Act 1989* to the *Local Government Act 2020*. Transition is being done in stages, but the role and powers of Council remain similar – to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.

In the performance of its role, Council must give effect to the overarching governance principles:

- a) Council decisions are to be made and actions taken in accordance with the relevant law,
- b) Priority is to be given to achieving the best outcomes for the community, including future generations,
- c) The economic, social, and environmental sustainability of the Pyrenees Shire, including mitigation and planning for climate change risks, is to be promoted,
- d) The Pyrenees community is to be engaged in strategic planning and strategic decision making,
- e) Innovation and continuous improvement are to be pursued,
- f) Collaboration with other councils and governments and statutory bodies is to be sought,
- g) The ongoing financial viability of the Council is to be ensured,
- h) Regional, state, and national plans and policies are to be considered in strategic planning and decision making, and
- i) The transparency of Council decisions, actions and information is to be ensured.

In giving effect to the overarching governance principles, the Pyrenees Shire Council takes into account the following supporting principles:

Community engagement principles

- A community engagement process must have a clearly defined objective and scope,
- Participants in community engagement must have access to objective, relevant and timely information to inform their participation,
- Participants in community engagement must be representative of the persons and groups affected by the matter that is the subject of the community engagement,
- Participants in community engagement are entitled to reasonable support to enable meaningful and informed engagement,
- Participants in community engagement are informed of the ways in which the community engagement process will influence Council decision making.

Public transparency principles

- Council decision making processes must be transparent except when the Council is dealing with information that is confidential,
- Council information must be publicly available unless:
 - The information is confidential,
 - Public availability of the information would be contrary to the public interest,
- Council information must be understandable and accessible to members of the community,
- Public awareness of the availability of Council information must be facilitated.



Strategic planning principles

- An integrated approach to planning, monitoring and performance reporting is to be adopted,
- Strategic planning must address the Community Vision,
- Strategic planning must take into account the resources needed for effective implementation,
- Strategic planning must identify and address the risks to effective implementation,
- Strategic planning must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances.

Financial management principles

- Revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with Council's financial policies and strategic plans,
- Financial risks must be monitored and managed prudently having regard to economic circumstances,
- Financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community,
- Accounts and records that explain the financial operations and financial position of Council must be kept.

Service performance principles

- Services should be provided in an equitable manner and be responsive to the diverse needs of the community,
- Services should be accessible to the members of the community for whom the services are intended,
- Quality and costs standards for services set by the Council should provide good value to the community,
- Council should seek to continuously improve service delivery to the municipal community in response to performance monitoring,
- Service delivery must include a fair and effective process for considering and responding to complaints about service provision.

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, and these will increase as a new Community Vision and Community Engagement Plan are collaboratively developed in 2020/21.

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 2019. The Statutory Meeting, which included election of the Mayor, was held in Lexton on the 30th November 2019.

Councillor Attendance at Council Meetings

Date	Cr Kehoe	Cr Clark	Cr Ferrari	Cr Eason	Cr Vance
16 July 2019	Y	Y	Y	Y	Y
20 August 2019	Y	Y	Y	Y	Y
17 September 2019	Y	Y	Y	Y	Y
15 October 2019	Y	Y	Y	Y	Y
29 October 2019 (Statutory)	Y	Y	Y	Y	N
12 November 2019	Y	Y	Y	Y	Y
10 December 2019	Y	Y	Y	Y	Y
21 January 2020	Y	Y	Y	Y	Y
18 February 2020	Y	Y	Y	Y	Y
17 March 2020	Y	Y	Y	Y	Y
14 April 2020 (Special)	Y	Y	Y	Y	Y
19 May 2020	Y	Y	Y	Y	Y
9 June 2020	Y	Y	Y	Y	Y

Code of Conduct

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

The Code of Conduct is reviewed annually and is available upon request from Council or via our website. The Code was resigned by all Councillors in September 2019 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.

Although this section of the *Local Government Act 1989* was repealed under the implementation of the *Local Government Act 2020*, this section continued to apply until the first determination is made by the Victorian Independent Remuneration Tribunal under section 23A of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* comes into effect.

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

Councillors	Allowance \$
Cr Tanya Kehoe – Mayor/Councillor	53,325
Cr Ron Eason	22,860
Cr David Clark	22,860
Cr Damian Ferrari	22,860
Cr Robert Vance – Mayor/Councillor	37,830



Councillor Expenses

In accordance with Section 40 of the *Local Government Act 2020*, Council must reimburse a Councillor for expenses reasonably incurred whilst performing his or her duties as a Councillor.

Council must adopt and maintain a policy in relation to the reimbursement of expenses for Councillors and members of delegated committees. The policy specifies processes for

reimbursement of expenses and the provision of resources, facilities and other support to the Mayor, Councillors, and members of delegated committees to perform their role, in particular regarded expenses incurred as part of carer responsibilities.

The details of the expenses for the 2019/20 year are set out in the following table.

Councillor	TR \$	CM \$	CC \$	IC \$	CT \$	Total \$
Cr Tanya Kehoe (Mayor)	0	1,660	5,763	0	0	7,422
Cr Ron Eason	0	3,011	0	0	0	3,011
Cr David Clark	0	2,095	1,375	0	0	3,470
Cr Damian Ferrari	0	0	0	0	0	0
Cr Robert Vance (Mayor)	0	5,502	0	0	0	5,502

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

Internal Audit

The Audit and Risk Committee is an Advisory Committee of Council and monitors internal controls, financial management and risk management. During 2019/20 Council's Audit and Risk Committee 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 27 August 2019, 26 November 2019, and 26 May 2020.

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 its Risk Management Framework, Business Continuity Management and Disaster Recovery, Project Management, and Outstanding Issues monitoring.

The Committee also monitored key controls regarding fraud and corruption prevention, financial management, and matters of interest arising from reviews conducted (external to the Pyrenees Shire Council) by public investigative bodies (e.g. Local Government Inspectorate, Victorian Ombudsman and IBAC) where those reports had the potential to impact on Council operations or governance. The Committee maintains oversight over the implementation of the *Local Government Act 2020*.

Community Asset Committees

Council could not operate effectively without the assistance of the many volunteers represented on Council's Community Asset Committees, formerly known as Section 86 Committees. Community Asset Committees are established for the purpose of managing a community asset within the Pyrenees Shire. Powers and duties are delegated to members of Community Asset Communities through formal delegation from the Chief Executive Officer.

The following Committees have been established under the *Local Government Act 2020*. 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

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 and E-Newsletter.
- The use of social media.

In addition, members of the community are welcome to attend and ask questions at monthly Council meetings. In the COVID-19 environment that existed in the latter part of the financial year, ability for community members to attend Council meetings in person was interrupted, however, Council made every attempt to ensure that participation in Council meetings was maintained as much as possible. Technology played a key role in maintaining public participation with meetings being live streamed and questions still allowed to be put forward in advance of the meeting, for reading out at the meeting itself. This resulted in a large increase in the number of our community members that watched proceedings compared to the numbers that regularly attended in person.

Information technology plays an important role in providing residents and staff with an efficient means of communication. Council utilises 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.

The COVID-19 pandemic situation in 2020 resulted in a large effort by Council to maintain frequent communications and support to the community through:

- Update information and provision of links to government provided status information, prevention and safety guidance, and impacts on Council service delivery.
- Ability to source advice or support for community members under COVID related stress – e.g. requiring essential supplies whilst in mandatory or voluntary isolation.
- Maintenance of critical service delivery.

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. Several priority projects were identified during the year and include:

- Lexton Community Hub planning and construction
- Activate Avoca and Avoca Streetscape projects
- Recreation Strategy projects including: Snake Valley Skate Park; Avoca Inclusive Playspace and the Carngham female friendly change rooms

- Community projects throughout the Shire enabled through the receipt of \$2 million drought stimulation funding
- Lexton Telecommunications tower installation

Child Safe Organisation

In 2019/20 Council continued work to ensure the organisation became a child safe organisation, providing training and guidance to staff on implementation of the Victorian Child Safety Standards, and maintain Council and its facilities as a child safe environment.

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.

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	✓
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 May 2020	✓

Governance and Management Items	Assessment
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: 2 September 2019 
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 May 2019 Business Continuity Management Policy 10 October 2019 
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 – 12 November 2019 Progress Report Q2 – 18 February 2020 Progress Report Q3 – 19 May 2020 Progress Report Q4 – 18 April 2020 

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>12 November 2019 ✓</p> <p>18 February 2020</p> <p>19 May 2020</p> <p>18 July 2020</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:</p> <p>17 September 2019 ✓</p> <p>19 May 2020</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 – 17 September 2019 ✓</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: 15 October 2019</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>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: All Delegations reviewed on 19 May 2019 ✓</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>



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* by contacting Council.

- 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.

During COVID-19 restrictions, special arrangements can be made to inspect documents.

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.

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.

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 processed one Freedom of Information application during 2019/20, with access provided in part and personal information redacted. No other requests were formalised.

Public Interest Disclosure Procedures

In accordance with Victoria's *Public Interest Disclosures Act 2012* a Council must include in their annual report information about how to access the procedures established by the Council under that Act. It is also required to provide certain information about the number and types of public interest disclosures complaints investigated during the financial year.

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

During the 2019/20 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

Council play a critical role in Victoria's emergency management framework, governed by the *Emergency Management Acts 1989 and 2013*.

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 three key points of an emergency where Council has responsibilities:

1. Before:

Council administers the Municipal Emergency Management Planning Committee that works as part of a regional planning focus to develop a Municipal Emergency Management Plan. Key 'Before' focus includes:

- Emergency risk management and mitigation – a process to identify key risks within the Pyrenees Shire and controls that can reduce the risks and/or their impacts upon its community.
- Planning and preparation – maintaining a state of readiness through training, development of operational plans and building strong relationships with relevant agencies.

2. During:

Council has two key roles in the 'During' phase of an emergency:

- Support – supporting the emergency services that respond to the emergency event, e.g. by providing equipment and people resources where requested. Council itself is not a response agency.
- Relief – Opening relief centres and coordinating immediate relief efforts for the community during an emergency event.

3. After:

Council has a lead role in the 'After' phase of an emergency in coordinating the community's recovery from emergencies and assisting individuals to access services and support.

Emergency Management in 2019/20

The 2019/20 year was eventful for the Pyrenees Shire and its community from an emergency management perspective. In December and January, the Lexton-Ben Major bushfire required relief centres to be opened in Avoca and Learmonth and a subsequent recovery centre was opened for three days in Lexton. Ongoing support to impacted community members was provided during the balance of the financial year.

In late January 2020, the COVID-19 global pandemic reached Australia and quickly impacted the lives of everyone. A State of Emergency was declared in Victoria on March 16 and Council's Critical Incident Management Team was quickly activated. A specific COVID-19 response and business continuity plan was developed and implemented to maintain Council's critical services and working groups convened to manage the pandemic impacts on Council operations, its people and community.

Council was fortunate that the implementation of its ICT Strategy meant that 30+ staff had immediate remote working capability and this was subsequently expanded very quickly, resulting in the majority of staff that could work from home, doing so. By the end of the financial year, only 10-12 indoor staff remained working from Council offices. Outdoor staff continued normal work activities with a strict non-contact arrangement between depots maintained to ensure that at least one depot remained at work if a case was detected.

The outcome of the response was that no Council services were interrupted, except where closure directions from government needed to be followed. Where direct interaction with vulnerable community members was interrupted (e.g. closure of library services and aged social group activities) staff were redirected to ongoing and regular telephone contact with people who were now more isolated to maintain communications and check on wellbeing. All impacted staff were redirected to other duties and no staff were laid off.

Some community care clients cancelled their support services in fear of contamination and support staff hours were maintained, keeping in contact with these clients to ensure ongoing wellbeing. Council took over delivery duties for Meals on Wheels services as most hospital volunteers were in the vulnerable categories.

Flood planning continued during the year as part of the 'Before' responsibilities, focusing on the Avoca River and Mt Emu catchment areas.

Emergency Management structure

The municipal arrangements under the Emergency Management Act 2013 requires changes to appointed roles. These changes come into play as of 1st December 2020 and during 2019/20 planning and consultation with Emergency Management Victoria was undertaken in preparation for those changes.

The changes require Council to appoint two new mandated positions and to re-establish the Municipal Emergency Management Planning Committee.

The two newly mandated positions are:

- Municipal Emergency Management Officer [MEMO] – this role will be undertaken by the Manager Governance Risk & Compliance and is a new position comprising an amalgamation of the former Municipal Emergency Resources Officer [MERO] and the non-mandatory Municipal Emergency Manager [MEM] role. The mandate for the MERO has been removed from legislation.
- Municipal Recovery Manager [MRM] – this was a former non-mandated role, now made mandatory and is undertaken by the Manager Community Wellbeing & Development.

Funding for the Emergency Management Coordinator support role was extended to June 2024.

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 responsibilities detailed above.

A three-year review of the MEMP concluded in early 2020 with Council adopting the Plan and supporting appendices (operational plan and sub-plans) in May 2020. The MEMP audit by the State Emergency Service was carried out in June and, although Council is yet to receive official paperwork, the initial feedback was extremely positive and complimentary of the work Council has done in going above and beyond requirements to reach compliance.

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.

Local Government Community Satisfaction Survey Results – Council's Performance

Emergency and Disaster Management

2015	69
2016	73
2017	74
2018	73
2019	72
2020	72
Small Rural Shires 2020	70
State-wide 2020	68

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 2019/20 financial year and the overall position at the end (June 30, 2020) 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 are available to download from Council's website www.pyrenees.vic.gov.au or you can contact the office to request a printed copy.



Pyrenees

Shire Council

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5 Lawrence Street,
Beaufort VIC 3373
T 1300 797 363

Avoca Office

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Avoca VIC 3467
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pyrenees.vic.gov.au



Pyrenees Shire Council

ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2020

Pyrenees Shire Council

Financial Report

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Pyrenees Shire Council
2019/2020 Financial Report

Certification of the
Financial Statements

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.

James Hogan

James Hogan CPA

Principal Accounting Officer

Date : 15 September 2020

Beaufort

In our opinion the accompanying financial statements present fairly the financial transactions of Pyrenees Shire Council for the year ended 30 June 2020 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.

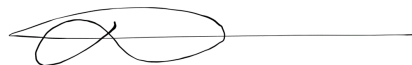
Cr Ron Eason

Ron Eason

Councillor

Date : 15 September 2020

Beaufort



Damian Ferrari

Councillor

Date : 15 September 2020

Beaufort

Jim Nolan

Jim Nolan

Chief Executive Officer

Date : 15 September 2020

Beaufort

Independent Auditor's Report

To the Councillors of Pyrenees Shire Council

Opinion	<p>I have audited the financial report of Pyrenees Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • 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 report. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</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 APES 110 <i>Code of Ethics for Professional Accountants</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors's responsibilities for the financial report	<p>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 <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 a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>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.</p>

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
29 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	10,518	10,004
Statutory fees and fines	3.2	207	229
User fees	3.3	808	796
Grants - operating	3.4	7,981	15,024
Grants - capital	3.4	4,843	4,101
Contributions - monetary	3.5	182	79
Net gain on disposal of property, infrastructure, plant and equipment	3.6	6	46
Other income	3.7	799	335
Total income		25,344	30,614
Expenses			
Employee costs	4.1	(7,703)	(7,002)
Materials and services	4.2	(7,999)	(11,172)
Depreciation	4.3	(6,222)	(6,031)
Amortisation - right of use assets	4.4	(13)	
Bad and doubtful debts	4.5	(30)	(30)
Borrowing costs	4.6	-	(2)
Finance Costs - Leases	4.7	(6)	
Other expenses	4.8	(251)	(302)
Total expenses		(22,224)	(24,539)
Surplus/(deficit) for the year		3,120	6,075
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
Total comprehensive result		3,120	11,275

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

Balance Sheet
As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	14,354	12,029
Trade and other receivables	5.1	1,043	1,843
Other financial assets	5.1	20	20
Inventories	5.2	2	-
Other assets	5.2	761	1,040
Total current assets		16,180	14,932
Non-current assets			
Trade and other receivables	5.1	44	57
Property, infrastructure, plant and equipment	6.1	237,813	234,762
Right-of-use assets	5.7	42	-
Total non-current assets		237,899	234,819
Total assets		254,079	249,751
Liabilities			
Current liabilities			
Trade and other payables	5.3	4,923	1,484
Trust funds and deposits	5.3	148	156
Provisions	5.4	2,167	2,068
Lease liabilities	5.7	13	-
Total current liabilities		7,251	3,708
Non-current liabilities			
Provisions	5.4	188	129
Lease liabilities	5.7	31	-
Total non-current liabilities		219	129
Total liabilities		7,470	3,837
Net assets		246,609	245,914
Equity			
Accumulated surplus		90,970	90,275
Reserves	9	155,639	155,639
Total equity		246,609	245,914

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

		Total	Accumulated surplus	Revaluation Reserve	Other Reseves
	Note	\$'000	\$'000	\$'000	\$'000
2020					
Balance at beginning of the financial year		245,914	90,275	155,630	9
Impact of change in accounting policy - AASB 15					
Revenue from Contracts with Customers		(2,425)	(2,425)	-	-
Adjusted Opening balance		<u>243,489</u>	<u>87,850</u>	<u>155,630</u>	<u>9</u>
Surplus for the year		3,120	3,120	-	-
Balance at end of the financial year		<u>246,609</u>	<u>90,970</u>	<u>155,630</u>	<u>9</u>
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 (decrement)	9.1	5,200	-	5,200	-
Balance at end of the financial year		<u>245,914</u>	<u>90,275</u>	<u>155,630</u>	<u>9</u>

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 2020

		2020	2019
	Note	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		10,493	10,107
Statutory fees and fines		207	229
User fees		1,669	87
Grants - operating		7,984	14,195
Grants - capital		2,736	4,101
Contributions - monetary		200	87
Interest received		121	102
Net Movement in Trust funds and deposits taken/repaid		(8)	36
Other receipts		680	224
Net GST refund		1,539	1,601
Employee costs		(7,545)	(6,809)
Materials and services		(5,068)	(12,277)
Other payments		(309)	(365)
Net cash provided by operating activities	9.2	<u>12,699</u>	<u>11,318</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(10,565)	(8,306)
Proceeds from sale of property, infrastructure, plant and equipment		206	190
Proceeds from sale of land held for resale		-	164
Proceeds from sale of other financial assets		-	(15)
Net cash (used in) investing activities		<u>(10,359)</u>	<u>(7,967)</u>
Cash flows from financing activities			
Finance costs		-	(2)
Interest paid - lease liability		(6)	-
Repayment of lease liabilities		(9)	-
Net cash (used in) financing activities		<u>(15)</u>	<u>(2)</u>
Net increase (decrease) in cash and cash equivalents		2,325	3,349
Cash and cash equivalents at the beginning of the financial year		12,029	8,680
Cash and cash equivalents at the end of the financial year	5.1(a)	<u>14,354</u>	<u>12,029</u>
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 2020

	2020 \$'000	2019 \$'000
Property		
Land - specialised	1,191	146
Land improvements	-	-
Total land	1,191	146
Buildings - specialised	414	469
Building improvements	217	37
Total buildings	631	506
Total property	1,822	652
Plant and equipment		
Plant, machinery and equipment	1,179	759
Fixtures, fittings and furniture	3	14
Computers and telecommunications	210	92
Library collection	35	36
Total plant and equipment	1,427	901
Infrastructure		
Roads	3,904	3,972
Bridges	2,004	847
Footpaths and cycleways	35	316
Drainage	-	417
Recreational, leisure and community facilities	253	289
Waste management	-	-
Other Structures	5	291
Total infrastructure	6,201	6,132
Total capital works expenditure	9,450	7,685
Represented by:		
New asset expenditure	1,444	172
Asset renewal expenditure	7,563	6,981
Asset expansion expenditure	-	308
Asset upgrade expenditure	443	225
Total capital works expenditure	9,450	7,686

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)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

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 (except where transitional requirements of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities do not require restatement of comparatives under the modified retrospective approach adopted by the Council), 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 25 June 2019. 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 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance %	Ref
1.1 Income and expenditure					
Income					
Rates and charges	10,416	10,518	102	1%	1
Statutory fees and fines	203	207	4	2%	
User fees	833	808	(25)	-3%	
Grants - operating	6,795	7,981	1,186	17%	2
Grants - capital	3,755	4,843	1,088	29%	3
Contributions - monetary	40	182	142	355%	4
Net gain on disposal of property, infrastructure, plant and equipment	71	6	(65)	-92%	5
Other income	291	799	508	175%	6
Total income	22,404	25,344	2,940		
Expenses					
Employee costs	7,897	7,703	194	2%	7
Materials and services	6,708	7,999	(1,291)	-19%	8
Depreciation	7,034	6,222	812	12%	10
Amortisation - Right of use assets	-	13	(13)	100%	
Bad and doubtful debts	1	30	(29)	-2900%	9
Finance costs - Leases	-	6	(6)	100%	
Other expenses	279	251	28	10%	
Total expenses	21,919	22,224	(305)		
Surplus/(deficit) for the year	485	3,120	2,635		

Note 1 Performance against budget (continued)

1.1 Income and expenditure(continued)

Explanation of material variations

Ref	Item	Explanation			
1	Rates and charges	Minor variance caused by an unbudgeted growth in supplementary property growth			
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 2019/20. Any unspent grant funding will be carried forward into 2020/21 to facilitate completion of these projects.			
			Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000
	Federal Assistance Grants - early receipt of grants		5,587	5,701	114
	Fire recovery grants - not budgeted		-	508	508
	Drought Relief Funding		-	177	177
	Upper Avoca Flood Study Grant		-	128	128
	Raglan Flood Study		-	83	83
	Integrated Water Management		-	71	71
			<u>5,587</u>	<u>6,668</u>	<u>1,081</u>
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 2019/20. Additional Grants received have been partially offset by Council unsuccessful grant application to the bridges renewal program. Any unspent grant funding will be carried forward into 2020/21 to facilitate completion of these projects.			
			Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000
	Bridge 13 - Beaufort Carngham Road		-	239	239
	Bridge 91 Landsborough Elmhurst Road		-	184	184
	Buildings Energy Efficiency Grant		-	122	122
	Drought Relief Funding		-	164	164
	Lexton Community Hub grant		-	125	125
	Mobile Library Grant		-	47	47
	Additional Roads to Recovery Funding		1,395	2,092	697
	Unsuccessful grant applications bridges renewal program		352	-	(352)
			<u>1,747</u>	<u>2,973</u>	<u>1,226</u>
4	Contributions - monetary	During the year Council received the contributions towards the following projects			
	Central Highlands Agricultural Leadership Project				50
	Integrated Water Management				100
	Skipton Hospital Straw Heating Project				32
					<u>182</u>
5	Net gain 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 \$6,000.			
6	Other income	Council budgeted for other income of \$291,000 and the actual result was \$799,000 this result was driven by increased receipts for Private Works in 2019/20			

Note 1 Performance against budget (continued)

1.1 Income and expenditure(continued)

Explanation of material variations

Ref	Item	Explanation
7	Employee costs	Employee costs were predominantly under budget due temporary staff vacancies during the year. Some of these vacancies are offset by contractors.
8	Materials and services	Council incurred significant expenditure on fire recovery activities and this was the prime driver in materials and services expenses being significantly over budget(\$492K). Emergency recovery related expenditure is reimbursed by the Commonwealth Government post analysis of claims. Overspends were also incurred on the delivery of private works projects (\$318K), the Integrated Water Management Project (\$170K), the Skipton Hospital Straw Heating Project (\$94K) Flood Studies (\$153K) and Drought Relief funded projects (\$152K). The COVID-19 pandemic has also resulted in increased expenditure on cleaning, signage and personal protective equipment (\$36K).
9	Bad and doubtful debts	During the year, a review of debtors had indicated that some outstanding amounts were not recoverable. 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 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance %	Ref
1.2 Capital works					
Property					
Land - specialised	993	1,191	198	20%	11
Total Land	993	1,191	198		
Buildings - specialised	115	414	299	260%	12
Building improvements	100	217	117	117%	13
Total Buildings	215	631	416		
Total Property	1,208	1,822	614		
Plant and Equipment					
Plant, machinery and equipment	947	1,179	232	24%	14
Fixtures, fittings and furniture	22	3	(19)	-86%	
Computers and telecommunications	127	210	83	65%	15
Library collection	55	35	(20)	-36%	16
Total Plant and Equipment	1,151	1,427	276		
Infrastructure					
Roads	4,426	3,904	(522)	-12%	17
Bridges	1,358	2,004	646	48%	18
Footpaths and cycleways	26	35	9	35%	19
Recreational, leisure and community facilities	368	253	(115)	-31%	20
Waste Management	57	-	(57)	-100%	21
Other	20	5	(15)	-75%	22
Total Infrastructure	6,255	6,201	(54)		
Total Capital Works Expenditure	8,614	9,450	836		
Represented by:					
New asset expenditure	998	1,444	446		
Asset renewal expenditure	7,133	7,563	430		
Asset expansion expenditure	238	-	(238)		
Asset upgrade expenditure	245	443	198		
Total Capital Works Expenditure	8,614	9,450	836		

Explanation of material variations

Ref	Item	Explanation
11	Land - specialised	Variance relates to works on a residential subdivision project which were carried forward from the 2018/19 budget. Project could not be completed as planned due to protracted negotiations on the acquisition of land required.
12	Building Specialised	The variance primarily relates to works on the Activate Avoca Project (\$226K) this project was originally budgeted for 2018/19 and was dependent on external funding. Notification of funding was not received as at 30 June 2019 so the project was carried forward into 2019/20 to complete.
13	Building Improvements	The variance relates to the 2018/19 carried forward works on the Buildings Energy Efficiency Project. This project could not be completed in 2018/19 as notification of grant funding was received too late in the year.
14	Plant, machinery and equipment	Variance primarily relates to carried forward expenditure from 2018/19. Council was also successful in securing a grant to purchase a new mobile library, to date \$47K has been spent on this project.
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 \$20K.
17	Roads	Planned works on an upgrade to Vinoca Road have been delayed and are now expected to be completed in 2020/21 funding for this project will be carried forward.
18	Bridges	The variance primarily relates to 3 bridge projects on the Landsborough Elmhurst Road which were carried forward from 2018/19 being completed in 2019/20 (\$882K). A number of other bridge work project were completed with additional Roads to Recovery funding received in 2019/20. These overspends have been partially off set by works on Beaufort Carngham Road being deferred as Council was unsuccessful in it grant applications.
19	Footpaths and cycleways	Council was successful in obtaining additional grant funding for Footpath projects in 2019/20
20	Recreational, leisure and community facilities	Underspends on the Avoca Inclusive Playspace Project (\$223K) have been partially offset by Caravan park improvements funded by Drought Relief Funding(\$67K).
22	Other	Due to unavailability of key contractors certain 2019/20 budgeted projects have been carried forward into 2020/21.

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/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Roads and Townships	1,233	5,096	(3,863)	264	225,957
Relationships and Advocacy	96	3,551	(3,455)	2	3,296
Community Connection and Wellbeing	1,634	2,818	(1,184)	1,108	4,933
Financially Sustainable, High Performing Organisation	-	176	(176)	-	-
Development and Environment	2,305	3,638	(1,333)	189	4,700
<u>Unallocated</u>					
Capital grants	6,789	-	6,789	2,417	-
Net asset sales	187	181	6	-	-
Rates Revenue	9,098	-	9,098	-	305
Federal Assistance Grants - general purpose	3,494	-	3,494	3,494	-
Disaster Restoration works	508	542	(34)	507	514
Depreciation	-	6,222	(6,222)	-	-
Cash and cash equivalent and other financial assets	-	-	-	-	14,374
	25,344	22,224	3,120	7,981	254,079
	Income	Expenses	Surplus/ (Deficit)	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	(3,201)	-	3,410
Community Connection and Wellbeing	1,574	2,631	(1,057)	1,190	3,852
Financially Sustainable, High Performing Organisation	-	172	(172)	-	272
Development and Environment	2,134	3,436	(1,302)	241	3,660
<u>Unallocated</u>					
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

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

	2020	2019
	\$'000	\$'000

Note 3 Funding for the delivery of our services

3.1 Rates and 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 2019-2020 was \$2,299 million (2018-2019 was \$2,119 million). The 2018-2019 general rate - cents in the CIV dollar was 0.3998 (2016-2017, was 0.4228).

Farm and Rural	4,293	4,374
Residential	3,070	2,823
Waste service charges	1,420	1,319
Vacant land	822	865
Wind Farm	405	304
Commercial and Industrial	305	256
Interest on rates and charges	44	48
Recreation and Cultural	159	15
Total rates and service charges	10,518	10,004

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	120	148
Environmental health fees	33	40
Land information and building certificate fees	23	21
Fines	31	20
Total statutory fees and fines	207	229

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 fees

Caravan park charges	230	252
Home care charges	182	154
Building charges	34	30
Animal registration charges	112	109
Rental and function charges	17	70
Delivered meals charges	30	35
Goldfields Recreation Reserve venue hire charges	28	45
Waste disposal charges	21	22
Resource and information centre charges	41	27
Community transport charges	10	10
Other charges	103	42
Total user charges	808	796

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

	2020 \$'000	2019 \$'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	9,186	7,119
State funded grants	3,638	12,006
Total grants received	12,824	19,125
Operating Grants		
Recurrent - Commonwealth Government		
Federal Assistance Grants - general purpose	3,494	3,448
Federal Assistance Grants - local roads	2,207	2,174
Commonwealth Home Support Program	545	508
Department of Veterans' Affairs Care	-	10
Recurrent - State Government		
Aged care and senior citizens	146	135
Library	120	117
Maternal & child health	212	226
Other	35	51
Total recurrent operating grants	6,759	6,669
Non-recurrent - Commonwealth Government		
Drought Impacted Community Funding	177	-
Emergency Funding - Lexton	507	-
Fire		
Non-recurrent - State Government		
Flood/Fire damage natural disaster	-	7,110
Recreation strategy	-	3
L2P learner driver mentor program	-	19
Intergrated Water Management - Beaufort Closed Loop	70	
Evaluating Transport Connections	-	15
Snake Valley Safer Together Project	-	80
Emergency planning	60	30
Roadside weeds and pests management	56	48
Avoca Oval - Playing surface	5	41
Snake Valley Golf Club Sustainable Green	-	38
Community Resilience Grant	-	13
Straw Pallet Study	-	20
Walk to School	-	15
Avoca War Memorial	24	30
Recycling Services Temporary relief	-	6
Avoca Inclusive Playspace	-	187
Snake Valley Skate Park	-	225
Carngham Recreation Reserve - Female Friendly Toilets	45	180
Upper Avoca River Flood Study	128	80
Raglan Flood Study	83	52

	2020 \$'000	2019 \$'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
Other	67	13
Total non-recurrent operating grants	1,222	8,355
Total operating grants	7,981	15,024
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,092	979
Total recurrent capital grants	2,092	979
Non-recurrent - Commonwealth Government		
Drought Impacted Community Funding	164	-
Non-recurrent - State Government		
Trawalla Road	-	58
Activate Avoca	260	-
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	184	167
Bridge 13 - Beaufort Carngham Road	239	279
Raglan Elmhurst Road	-	381
Lexton Community Facility	125	520
Raglan, Redbank & Barkly Hall	-	138
Moonambel Water Supply Planning	-	4
Eurambeen Streatham Road - Stage 1 (FCR)	-	600
Bridge 59 - Eurambeen Streatham Road (FCR)	432	173
Eurambeen Streatham Road - Stage 2 (FCR)	216	86
Raglan Elmhurst Road 1.68km Reconstruction (FCR)	438	158
Langi Kal Kal Road 1.75km Reconstruction (FCR)	457	183
Avoca Inclusive Playspace	15	-
Snake Valley Skate park	42	-
Mobile Library	47	-
Buildings Energy Efficiency	122	-
Other	10	-
Total non-recurrent capital grants	2,751	3,122
Total capital grants	4,843	4,101
Total grants	12,824	19,125
Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	3,369	2,779
Received during the financial year and remained unspent at balance date	4,043	3,340
Received in prior years and spent during the financial year	(3,349)	(2,750)
Balance at year end	4,063	3,369
Capital		
Balance at start of year	2,140	999
Received during the financial year and remained unspent at balance date	302	2,107
Received in prior years and spent during the financial year	(1,236)	(966)
Balance at year end	1,206	2,140

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

	2020 \$'000	2019 \$'000
Note 3 Funding for the delivery of our services (continued)		
3.5 Contributions		
Monetary - Operating	182	16
Monetary - Capital	-	63
Total contributions	<u>182</u>	<u>79</u>

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	187	173
Written down value of assets disposed	(181)	(121)
Net gain on disposal of plant and equipment	<u>6</u>	<u>52</u>
Land classified as held for resale		
Proceeds of sale	-	160
Selling costs	-	(11)
Carrying value of assets disposed	-	(155)
Net gain(loss) on disposal of land classified as held for resale	<u>-</u>	<u>(6)</u>
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>6</u>	<u>46</u>

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	119	111
Reimbursement - Workcover wages	88	132
Reimbursement - State Revenue Office	47	71
Legal fees - rates	-	1
Private works	495	19
Other	50	1
Total other income	<u>799</u>	<u>335</u>

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.

	2020 \$'000	2019 \$'000
Note 4 The cost of delivering services		
4.1 Employee costs		
Wages and salaries	6,874	6,251
Superannuation	668	611
Fringe benefits tax	62	65
WorkCover insurance premium	100	75
Total employee costs	7,704	7,002
Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	123	113
	123	113
Defined benefits employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	545	498
Employer contributions - other funds	-	-
	545	498
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	3,602	6,834
Consumables	1,390	1,176
Contracted Service Delivery	1,241	1,504
Insurance	343	348
Electricity and water	250	233
Plant expenses	307	234
Information technology	201	170
Telecommunications	220	159
Subscriptions and memberships	102	83
Advertising	92	117
Legal fees	46	59
Stationery, postage, photocopying and printing	53	64
Conferences and training	68	86
Contributions and donations	56	88
Valuations	15	3
Fire services levy	13	14
Total materials and services	7,999	11,172

	2020 \$'000	2019 \$'000
4.3 Depreciation		
Infrastructure	4,343	4,260
Property	1,247	1,216
Plant and equipment	632	555
Total depreciation	<u>6,222</u>	<u>6,031</u>

Refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 Amortisation - Right of use assets		
Printers	(13)	-
Total Amortisation - Right of use assets	<u>(13)</u>	<u>-</u>

4.5 Bad and doubtful debts		
Community Care	-	2
Fire hazard infringement debtors	20	8
Local laws	-	3
Other debtors	10	18
Total bad and doubtful debts	<u>30</u>	<u>30</u>

Movement in provision for doubtful debts		
Balance at the beginning of the year	(7)	-
New provisions recognised during the year	(30)	(7)
Balance at end of year	<u>(37)</u>	<u>(7)</u>

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.

4.6 Borrowing costs		
Interest on borrowings	-	2
Total borrowing costs	<u>-</u>	<u>2</u>

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.

4.7 Finance Costs - Leases		
Interest - Lease Liabilities	6	-
Total finance costs	<u>6</u>	<u>-</u>

4.8 Other expenses		
Councillors' allowances	167	156
Operating lease rentals	5	69
Auditors' remuneration - internal auditor	30	29
Auditors' remuneration - audit of the financial statements, performance statements and grant acquittals by the Victorian Auditor General's Office (VAGO)	41	37
Internal audit committee	8	11
Total other expenses	<u>251</u>	<u>302</u>

	2020 \$'000	2019 \$'000
Note 5 Our financial position		
5.1 Financial assets		
(a) Cash and cash equivalents		
Term deposits	10,000	6,000
Cash at bank	4,351	6,028
Cash on hand	3	2
Total cash and cash equivalents	14,354	12,030
(b) Other financial assets		
Term deposits - current	20	20
Total other financial assets	20	20
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))	148	156
- Recreational land (Note 9.1)	9	9
Total restricted funds	157	165
Total unrestricted cash and cash equivalents	14,197	11,865
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	4,905	6,065
- Victoria Grants Commission funding received in advance	2,947	2,874
- Other grant funding received in advance	1,509	364
Total funds subject to intended allocations	9,361	9,303
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		
<i>Statutory receivables</i>		
Rates debtors	305	280
Net GST receivable	209	263
Private scheme debtors	11	10
Provision for Doubtful Debts	(36)	(7)
<i>Non statutory receivables</i>		
Sundry debtors	554	1,297
Total current trade and other receivables	1,043	1,843
Non-current		
<i>Statutory receivables</i>		
Private scheme debtors	44	57
Total non-current trade and other receivables	44	57
Total trade and other receivables	1,087	1,900

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.

	2020	2019
	\$'000	\$'000
Note 5 Our financial position (continued)		
5.1 Financial assets (continued)		
(d) 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)	428	1,226
Past due by up to 30 days	63	39
Past due between 31 and 180 days	19	9
Past due between 181 and 365 days	17	4
Past due by more than 1 year	27	19
Total trade and other receivables	<u>554</u>	<u>1,297</u>
5.2 Non-financial assets		
(a) Inventories		
Inventories held for sale	2	2
Total inventories	<u>2</u>	<u>2</u>
Inventories held for sale are measured at the lower of cost and net realisable value.		
(b) Other assets		
Prepayments	247	200
Accrued Income	514	838
Total other assets	<u>761</u>	<u>1,038</u>

	2020 \$'000	2019 \$'000
Note 5 Our financial position (continued)		
5.3 Payables		
(a) Trade and other payables		
Trade payables	1,484	1,144
Accrued payables	519	340
Total trade and other payables	2,003	1,484
(b) Trust funds and deposits		
Refundable deposits	65	65
Landsborough Community trust funds	66	66
Camp Hill trust funds	17	17
Other refundable deposits	-	8
Total trust funds and deposits	148	156
(c) Unearned income		
Grants received in advance - operating	1,509	-
Grants received in advance - capital	1,412	-
Total unearned income	2,921	-

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.

Purpose and nature of items

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

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

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 elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

	2020 \$'000	2019 \$'000
Note 5 Our financial position (continued)		
5.4 Provisions		
Employee		
Balance at beginning of the financial year	2,197	2,004
Additional provisions	810	604
Amounts used	(686)	(422)
Change in the discounted amount arising because of time and the effect of any change in the discount rate time and the effect of any change in the discount rate	34	11
Balance at the end of the financial year	<u>2,355</u>	<u>2,197</u>
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	424	380
Long service leave	455	570
Total current provisions expected to be wholly settled within 12 months	<u>879</u>	<u>950</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	188	168
Long service leave	1,100	950
Total current provisions expected to be wholly settled after 12 months	<u>1,288</u>	<u>1,118</u>
Total current employee provisions	<u>2,167</u>	<u>2,068</u>
Non-current provisions		
Long service leave	188	129
Total non-current provisions	<u>188</u>	<u>129</u>
Aggregate carrying amount of employee provisions:		
Current	2,167	2,068
Non-current	188	129
Total aggregate carrying amount of employee provisions	<u>2,355</u>	<u>2,197</u>

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.

	2020 \$'000	2019 \$'000
Note 5 Our financial position (continued)		
5.4 Provisions (continued)		
<i>Long service leave</i>		
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	4.250%	4.313%
Weighted average discount rates	0.872%	1.324%
Weighted average long service leave settlement period	15 years	15 years
5.5 Financing arrangements		
Credit card facilities	11	16
Total facilities	11	16
Unused credit card facilities	39	34
Unused facilities	39	34
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.

2020	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	50	-	-	-	50
Waste services	886	-	-	-	886
Cleaning services	142	146	150	-	438
Internal audit	17	-	-	-	17
Telecommunications	145	145	36	-	326
Environmental Health	84	-	-	-	84
Total operating commitments	1,324	291	186	-	1,801
Capital					
Correa Park Subdivision Works	818	-	-	-	818
Total capital commitments	818	-	-	-	818
2019					
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

Note 5 Our financial position (continued)

5.7 Leases

Policy applicable before 1 July 2019

As a lessee, council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 July 2019

Council has applied AASB 16 Leases using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to AASB 16 Leases, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied AASB 16 Leases only to contracts that were previously identified as leases.

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Note 5 Our financial position (continued)

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Right-of-Use Assets	Total
	\$'000
Balance at 1 July 2019	55
Amortisation charge	(13)
Balance at 30 June 2020	<u>42</u>

Lease Liabilities	2020
	\$'000
Maturity analysis - contractual undiscounted cash	13
Less than one year	31
One to five years	-
More than five years	-
Total undiscounted lease liabilities as at 30 June 2020:	<u>44</u>

Lease liabilities included in the Balance Sheet at 30 June 2020:

Current	13
Non-current	31
Total lease liabilities	<u>44</u>

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Expenses relating to:	2020
	\$ '000
Short-term leases	2
Total	<u>2</u>
Variable lease payments (not included in measurement of lease liabilities)	

i. Leases classified as operating leases under AASB 117 Leases

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when applying AASB 16 Leases to leases previously classified as operating leases under AASB 117 Leases:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of AASB 137 Provisions, Contingent Liabilities and Contingent Assets onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

ii. Leases previously classified as finance leases

For leases that were classified as finance leases under AASB 117 Leases, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under AASB 117 Leases immediately before that date.

Council is not required to make any adjustments on transition to AASB 16 Leases for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with AASB 16 Leases from the date of initial application.

Impact on financial statements

On transition to AASB 16 Leases, Council recognised an additional \$55,000 of right-of-use assets and \$55,000 of lease liabilities, recognising the difference in retained earnings. Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of AASB 16 Leases.

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019	Additions	Revaluation	Depreciation	Disposal	Transfers	At Fair Value 30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	6,813	22	-	(182)	-	6	6,659
Buildings	27,967	343	-	(1,065)	-	-	27,245
Plant and Equipment	3,683	1,434	-	(632)	(180)	-	4,305
Infrastructure	195,487	5,868	-	(4,340)	-	575	197,590
Work in progress	812	1,783	-	-	-	(581)	2,014
TOTAL	234,762	9,450	-	(6,219)	(180)	-	237,813

Summary of Work in Progress (WIP)

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Infrastructure	618	75	(575)	-	118
Property	194	1,708	(6)	-	1,896
TOTAL	812	1,783	(581)	-	2,014

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

(a) Property	Land - specialised \$'000	Land improvements \$'000	Total Land \$'000	Buildings - specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2019	4,178	4,774	8,952	53,133	53,133	194	62,279
Accumulated depreciation at 1 July 2019	-	(2,139)	(2,139)	(25,166)	(25,166)	-	(27,305)
Written down value at 1 July 2019	4,178	2,635	6,813	27,967	27,967	194	34,974
Movements in fair value							
Additions	-	22	22	343	343	1,708	2,073
Revaluation	-	-	-	-	-	-	-
Transfers	-	6	6	-	-	(6)	-
Movements in value for year	-	28	28	343	343	1,702	2,073
Movements in accumulated depreciation							
Depreciation	-	(182)	(182)	(1,065)	(1,065)	-	(1,247)
Transfers	-	-	-	-	-	-	-
Movements in accumulated depreciation for year	-	(182)	(182)	(1,065)	(1,065)	-	(1,247)
At fair value 30 June 2020	4,178	4,802	8,980	53,476	53,476	1,896	64,352
Accumulated depreciation at 30 June 2020	-	(2,321)	(2,321)	(26,231)	(26,231)	-	(28,552)
Written down value at 30 June 2020	4,178	2,481	6,659	27,245	27,245	1,896	35,800

(b) Plant and Equipment	Plant, machinery and equipment \$'000	Fixtures, fittings and furniture \$'000	Computers and telecommunications \$'000	Library collection \$'000	Total plant and equipment \$'000
At fair value 1 July 2019	6,201	321	1,455	398	8,375
Accumulated depreciation at 1 July 2019	(2,854)	(270)	(1,290)	(278)	(4,692)
Written down value at 1 July 2019	3,347	51	165	120	3,683
Movements in fair value					
Additions	1,179	3	217	35	1,434
Disposals	(405)	-	1,171	-	766
Movements in value for year	774	3	1,388	35	2,200
Movements in accumulated depreciation					
Depreciation	(521)	(12)	(82)	(17)	(632)
Accumulated depreciation of disposals	224	-	(1,171)	-	(947)
Movements in accumulated depreciation for year	-	297	(1,253)	(17)	(1,579)
At fair value 30 June 2020	6,976	324	2,843	433	10,576
Accumulated depreciation at 30 June 2020	(3,151)	(282)	(2,543)	(295)	(6,271)
Written down value at 30 June 2020	3,825	42	300	138	4,305

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

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Other structures	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	235,808	45,225	2,531	20,902	837	618	305,921
Accumulated depreciation at 1 July 2019	(81,931)	(19,154)	(1,014)	(7,274)	(443)	-	(109,816)
Written down value at 1 July 2019	153,877	26,071	1,517	13,628	394	618	196,105
Movements in fair value							
Additions	3,873	1,995	-	-	-	75	5,943
Revaluation	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-
Transfers	-	575	-	-	-	(575)	-
Movements in value for year	3,873	2,570	-	-	-	(500)	5,943
Movements in accumulated depreciation							
Depreciation	(3,698)	(354)	(49)	(219)	(20)	-	(4,340)
Revaluation	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Movements in accumulated depreciation for year	(3,698)	(354)	(49)	(219)	(20)	-	(4,340)
At fair value 30 June 2020	239,681	47,795	2,531	20,902	837	118	311,864
Accumulated depreciation at 30 June 2020	(85,629)	(19,508)	(1,063)	(7,493)	(463)	-	(114,156)
Written down value at 30 June 2020	154,052	28,287	1,468	13,409	374	118	197,708

Note 6 Assets we manage

6.1 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)		Threshold Limit \$'000
	2020	2019	
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

6.1 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 2020 are as follows:

	Date of Valuation	Level 1	Level 2	Level 3
Specialised land	30.06.2018	-	-	4,178
Land improvements	30.06.2018	-	-	2,481
Specialised buildings	30.06.2018	-	-	27,245
Total property		-	-	33,904

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

6.1 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 2020 are as follows:

	Date of Valuation	Level 1	Level 2	Level 3
Roads	31.12.2018	-	-	154,052
Footpaths and cycleways	31.12.2018	-	-	1,468
Drainage	31.12.2018	-	-	13,409
Bridges	31.12.2018	-	-	28,287
Other structures	30.06.2016	-	-	374
Total infrastructure		-	-	197,590

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.

	2020 \$'000	2019 \$'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

6.2 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.

Note 7 People and relationships

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 2020 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
	Councillor Robert Vance (Mayor 01.07.2019 - 30.10.2019)
	Councillor Ronald Eason
	Councillor Tanya Kehoe (Mayor 30.10.2019 - current)
	Councillor Damien Ferrari
	Jim Nolan - Chief Executive Officer
	Kathy Bramwell - Director Corporate and Community Services
	Douglas Gowans - Director Assets and Development

	2020	2019
	No.	No.
Total Number of Councillors	5	5
Total of Chief Executive Officer and other Key Management Personnel	3	3
Total of Key Management Personnel	8	8

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2020	2019
	\$'000	\$'000
Short-term benefits	702	677
Long-term benefits	(11)	20
Post-employment benefits	50	60
Total Remuneration of Key Management Personnel	741	757

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:

	2020	2019
	No.	No.
Income Range:		
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	3	2
\$30,000 - \$39,999	1	1
\$50,000 - \$59,999	1	1
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	2	1
\$200,000 - \$215,999	1	-
\$230,000 - \$239,999	-	1
Total Key Management Personnel	8	8

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 \$151,000

During the year Council did not have any staff that were deemed to be Senior Officers under the above definition (nil in 2018/2019)

7.2 Related party disclosure

(a) Transactions with related parties

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

	2020	2019
	\$'000	\$'000
Purchase of goods and services under normal trading terms	19	31
Employee remuneration under normal employment terms	71	71
Total transactions with related parties	90	102

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

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets

Council has no disclosable contingent assets.

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

There were no contributions outstanding and no loans issued from or to the above scheme as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 are \$123,000

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 AAS's have been issued that are not mandatory for the 30 June 2020 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.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in *AASB 13 Fair Value Measurement*. Subsequent to
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Note 8 Managing uncertainties (continued)

Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as the Council is not a grantor in a service concession arrangement.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

The Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables)

(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.

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.

Note 8 Managing uncertainties (continued)

(c) 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
- 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.

8.3 (d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to 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

- 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 (continued)

8.4 Fair value measurement

Fair value hierarchy

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.

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 8 Managing uncertainties (continued)

8.6 Impact of COVID-19 pandemic on Pyrenees Shire Council Operations

On 30 January 2020, COVID 19 was declared as a global pandemic by the World Health Organisation. Since then, various measures are taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted Pyrenees Shire Council operations in the following areas for the financial year ended 30 June 2020:

- In response to decreases in demand and various government directives amidst the COVID-19 outbreak, all libraries and community centres were closed. These closures resulted in a decrease in the council user fee revenue by \$ 70 thousand.
- Various other Council operations were impacted by the outbreak of COVID-19. This has resulted in an overall increase in expenses by \$35,817. This mainly relates to cleansing costs, signage and purchases of personal protective equipment.
- No material impact on the valuation of Council's land, building and infrastructure assets.

Note 9 Other matters

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2020			
Property			
Land	2,455	-	2,455
Buildings	20,700	-	20,700
Total property revaluation reserve	23,155	-	23,155
Infrastructure			
Roads	101,328	-	101,328
Footpaths and cycleways	1,111	-	1,111
Drainage	11,458	-	11,458
Bridges	18,238	-	18,238
Plant and equipment	301	-	301
Furniture and fittings	40	-	40
Total infrastructure revaluation reserve	132,475	-	132,475
Total asset revaluation reserves	155,630	-	155,630
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

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

	Balance at beginning of reporting period	Transfer from accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000
(a) Recreational land reserves			
2020			
Recreational land	9	-	9
Total recreational land reserves	9	-	9
2019			
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)	2020 \$'000	2019 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	3,120	6,075
Depreciation	6,222	6,031
Amortisation - right of use assets	13	-
Net gain on disposal of property, infrastructure, plant and equipment	(6)	(46)
Finance Cost - Leases	6	-
Borrowing costs	-	2
Change in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	813	(1,054)
Decrease in inventories	-	2
(Increase) in prepayments	(47)	204
(Increase)/Decrease in accrued income	324	(561)
(Increase)/Decrease in unearned income	496	
Increase in trade and other payables	519	(195)
Increase/(Decrease) in provisions	158	193
Increase/(Decrease) in trust funds and deposits	(8)	36
Net GST on operating activities	1,091	631
Net cash provided by operating activities	12,701	11,318

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 2020, 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.

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

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.

The 30 June 2020 triennial actuarial investigation is currently underway and a review of the financial and demographic assumptions used in the investigation has been completed. As a result, the 30 June 2020 VBI result is 104.6%

Net investment returns 6.6% pa

Salary information 0.6% pa

Price inflation (CPI) 1.2% pa.

The VBI of 104.6% satisfies APRA's Superannuation Prudential Standard 1600 (SP160). Because the VBI was above 100%, there is no change necessary to the Defined Benefit category's funding arrangements.

Triennial valuation

As indicated above, the 30 June 2020 actuarial review is currently in progress. This is a triennial investigation and will be a comprehensive review of the sub-plan's position and is expected to be completed by 31 December 2020. Until the investigation is completed, the nominated VBI shortfall threshold is 100%. In the event the VBI falls below this threshold, the Fund Actuary will consider the form of a restoration plan as part of the investigation considerations.

Note 9 Other matters (continued)

9.3 Superannuation (continued)

Employer contributions

Regular contributions

On the basis of the results of the 2017 full actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate will increase in line with any increases in the SG contribution rate.

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

Funding calls

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

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

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

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2019 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 2019 and the last full actuarial investigation was conducted as at 30 June 2017.

	2019	2017
	\$	\$
A VBI surplus	\$151.30	\$69.80
A total service liability surplus	\$223.40	\$193.50
A discounted accrued benefits surplus	\$256.70	\$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 2019.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2019.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2019.

Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

Note 9 Other matters (continued)

9.3 Superannuation (continued)

The 2020 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020. The financial assumptions for the purposes of this investigation are:

	2020 Triennial investigation	2017 Triennial investigation
Net investment return	5.6% pa	6.5% pa
Salary Inflation	2.50% pa for the first two years and 2.75% pa thereafter	3.5% pa
Price inflation	2.0% pa	2.5% pa

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Type of Scheme	Rate	2020 \$,000	2019 \$,000
Vision super	Defined benefit	9.50%	123	113
Vision super	Accumulation fund	9.50%	545	498

There were no contributions outstanding and no loans issued from or to the above scheme as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 are \$123,000

Note 10 Change in accounting policy

Council has adopted *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities*, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

AASB 15 Revenue from Contracts with Customers applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted *AASB 15 Revenue from Contracts with Customers* using the modified (cumulative catch up) method. Revenue for 2019 as reported under *AASB 118 Revenue* is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 Revenue from Contracts with Customers requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

b) AASB 16 Leases

AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. The transition impact of these are detailed below.

c) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted *AASB 1058 Income of Not-for-Profit Entities* using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

AASB 1058 Income of Not-for-Profit Entities requires income to be recognised as Council satisfies the performance obligations under the contract.

d) Transition impacts

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019.

	2019
	\$'000
Retained earnings at 30 June 2019	245,914
Revenue adjustment - impact of <i>AASB 15 Revenue from Contracts with Customers</i>	(2,425)
Retained earnings at 1 July 2019	<u>243,489</u>

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of *AASB 16*

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2019.

	As reported 30		
	June 2019	Adjustments	Post adoption
Assets	\$'000	\$'000	\$'000
Right of use assets	-	56	56
	-	56	56
Liabilities			
Unearned income - operating grants	-	319	319
Unearned income - capital grants	-	2,107	2,107
Lease liability - current	-	44	44
Lease liability - non-current	-	12	12

Pyrenees Shire Council

Performance Statement

For the year ended 30 June 2020

REFERENCES

Reg R
Better Practice BP

Performance Statement

For the year ended 30 June 2020

<p>R17(1)</p> <p>BP</p>	<p>Description of municipality</p> <p>The Pyrenees Shire is 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 have 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 7,472 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 several 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> <p>During the financial year Council experienced bushfires in the Natte-Yallock and Lexton areas. The Ben Major-Lexton fires resulted in significant local impact and losses in stock and fencing, and damage to localised public assets – e.g. roads. Recovery activities and support continue into the next financial year.</p> <p>On 30 January 2020, COVID 19 was declared as a global pandemic by the World Health Organisation. Since then, various measures are taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted Pyrenees Shire Council operations leading to the closure of libraries and community centres for part of the year.</p>
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Sustainable Capacity Indicators

For the year ended 30 June 2020

	<i>Indicator/measure</i>	Results				Material variations
		2017	2018	2019	2020	
R15(3) Sch3 R16(1) R17(2)	<p>Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]</p> <p><i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]</p> <p><i>Population density per length of road</i> [Municipal population / kilometres of local roads]</p>	\$3,156.69	\$3,501.57	\$3,337.28	\$2,974.30	<p>The result for this measure has decreased from 2019-2020. Expenses for 2017, 2018 and 2019 were higher than normal due to flood restoration works – completed in June 2019. Some restoration works were undertaken in 2020 due to bushfire impacts.</p> <p>The result for this measure has remained steady, decreasing slightly per capita over the 4-year period from 2017 to 2020.</p> <p>Population density per length of road has remained consistent over the past four years, reflecting a low level of population growth in the Pyrenees Shire.</p>
	<p>Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]</p>	\$1,494.45	\$1,536.68	\$1,551.75	\$1,651.23	
	<p>Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]</p>	\$1,458.98	\$1,116.24	\$1,040.12	\$1,184.56	The result for this measure has increased from 2019 due to additional funding being received from Roads to Recovery.
	<p>Disadvantage <i>Relative socio-economic disadvantage of the municipality</i> [Index of Relative Socio-economic Disadvantage by decile]</p>	1.00	1.00	3.0	3.0	Improvements in the general economic and social conditions of households within the Pyrenees Shire resulted in a SEIFA Index increase in 2019, but at a more localised level there remain pockets of high levels of disadvantage.
	<p>Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations /</p>	14.8%	23.4%	16.3%	7.1%	Extensive work was undertaken in the recruitment and retention areas - focusing on recruiting staff for best fit with the organisation to minimise short term turnover, and on proactive and early intervention to address a growing trend in mental health issues.

	Average number of permanent staff for the financial year] x100					
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BP	<p>Definitions</p> <p>"adjusted underlying revenue" means total income other than:</p> <ul style="list-style-type: none"> (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 <p>"infrastructure" means non-current property, plant and equipment excluding land</p> <p>"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004</p> <p>"population" means the resident population estimated by council</p> <p>"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)</p> <p>"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</p> <p>"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website</p> <p>"unrestricted cash" means all cash and cash equivalents other than restricted cash.</p>
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Service Performance Indicators

For the year ended 30 June 2020

	<i>Service/Indicator/measure</i>	Results				Material variations
		2017	2018	2019	2020	
R15(1) Sch3 R16(1) R17(2)	Aquatic facilities utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.66	1.66	1.48	1.61	The result for this measure increased by 8.62% back to normal levels seen in previous years.
	Animal management Health and Safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	100.00%	Increased enforcement activity, started in 2018/19, continued in 2019/20 to maximise public safety. Increased activity was supported by an additional staff member being recruited in 2019. 100% of the animal management prosecutions were successful.
	Food safety Health and 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	42.86%	75.00%	100.00%	100.00%	Notifications were maintained at 100% because of a program, started in 2017/18, to increase public safety and compliance monitoring within the Shire.
	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)	62.00	57.00	56.00	54.00	Community satisfaction with Council's decision making reduced by 2% but remains above the State-wide and small rural council averages. A collaborative project to improve community engagement over major decisions is underway in 2020-2021.

<i>Service/Indicator/measure</i>	Results				Material variations
	2017	2018	2019	2020	
<p>Libraries participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / the sum of the population for the last three years] x 100</p>	9.78%	11.00%	11.02%	9.94%	<p>The result for this measure has decreased by 1.08% since the previous year but has remained consistent over the four-year period. COVID closures have impacted on active membership but the decrease in this measure is also contributed to by member morality rates over time and housekeeping in respect of member file maintenance.</p> <p>A new dedicated mobile library facility is being prepared in 2020 with the aim of increasing library members throughout our more isolated townships.</p>
<p>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</p>	88.56%	83.77%	88.62%	92.97%	<p>Increased maternal and child health nurse resourcing has enabled the participation rate to increase, notwithstanding the impact on face-to-face participation imposed by COVID-19 restrictions in 2020.</p>
<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>	100.00%	100.00%	100.00%	93.33%	<p>Low numbers of participants can result in high variations year on year; however, the participation rate has remained consistent over the last few years.</p>
<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>	55.00	54.00	54.00	51.00	<p>The result for this measure decreased by 3 points to 51 in the 2020 year. Community satisfaction with sealed roads for 2020 is the same as other small rural councils but has dipped below the State-wide average for the first time in the 4-year reporting period. This may be due to bridge and road reconstruction works being undertaken in a range of areas in the financial year which resulted in periods of detours during the reconstruction.</p>
<p>Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did</p>	0.00%	0.00%	0.00%	0.00%	

	<i>Service/Indicator/measure</i>	Results				Material variations
		2017	2018	2019	2020	
	not set aside council's decision in relation to a planning application /Number of VCAT decisions in relation to planning applications] x 100					
	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	39.36%	42.02%	31.22%	19.64%	The result for this measure reduced for the 2 nd year by 11.58%. A change was made in the materials permitted in recycling bins. Plastics, other than drink and detergent bottles, were included in general waste as well as glass. Although dedicated skips were available in key townships for glass, many residents continued disposing of glass in general waste. Global recycling markets have contributed to the change.

BP	<p>Definitions</p> <p>"Aboriginal child" means a child who is an Aboriginal person</p> <p>"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006</p> <p>"active library member" means a member of a library who has borrowed a book from the library</p> <p>"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act</p> <p>"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English</p> <p>"class 1 food premises" means food premises, within the meaning of the <i>Food Act 1984</i>, that have been declared as class 1 food premises under section 19C of that Act</p> <p>"class 2 food premises" means food premises, within the meaning of the <i>Food Act 1984</i>, that have been declared as class 2 food premises under section 19C of that Act</p> <p>"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i>, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health</p> <p>"food premises" has the same meaning as in the <i>Food Act 1984</i></p> <p>"local road" means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i></p> <p>"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i>, 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</p> <p>"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</p> <p>"population" means the resident population estimated by council</p> <p>"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</p>
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Authority under Part 5 of the *Occupational Health and Safety Act 2004*. 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 2020

	<i>Dimension/indicator/measure</i>	Results				Forecasts				Material variations
		2017	2018	2019	2020	2021	2022	2023	2024	
R15(2) Sch3 R16(1) R16(2) R17(2) R17(3)	Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,920.89	\$4,287.67	\$4,089.83	\$3,683.74	\$4,603.66	\$3,665.70	\$3,717.63	\$3,729.05	This measure has decreased in 2020 – expenses were higher in previous years due to flood recovery. Excluding the impact of carried forward grant funded projects, it is forecast to remain consistent in future years.
	Revenue level <i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	New in 2020	\$1,407.26	\$1,467.81	\$1,482.65	\$1,497.63	\$1,512.88	New measure introduced in 2020.
	Liquidity Working Capital <i>Current assets compared to current liabilities</i> [Current assets / Current	309.32%	276.85%	402.70%	223.13%	167.70%	167.68%	167.65%	167.62%	A change in accounting standards with unspent funding now included as a current liability has decreased this measure.

<i>Dimension/indicator/measure</i>	Results				Forecasts				Material variations
	2017	2018	2019	2020	2021	2022	2023	2024	
liabilities] x 100									
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x 100	5.48%	23.85%	69.07%	66.69%	114.98%	114.95%	114.92%	114.90%	Unrestricted cash is required to cover staff provisions.
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rates revenue] x 100	0.00%	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 principle repayments on interest bearing loans and borrowings / Rate revenue] x 100	5.53%	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.
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x 100	1.47%	0.71%	1.13%	1.78%	1.69%	1.63%	1.58%	1.54%	Council is debt free and non-current liabilities held reflect employee provisions. An increase on previous measures is due to unspent funding now being counted as a liability.
Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and upgrade expense / Asset depreciation] x 100	New in 2020	New in 2020	New in 2020	128.67%	187.24%	88.89%	86.04%	87.01%	New measure introduced in 2020.
Operating position Adjusted underlying result <i>Adjusted underlying surplus</i>	10.47%	-13.12%	10.54%	1.63%	-8.09%	-11.71%	-12.39%	-11.90%	Prior years were boosted by flood recovery money.

<i>Dimension/indicator/measure</i>	Results				Forecasts				Material variations
	2017	2018	2019	2020	2021	2022	2023	2024	
<i>(or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100									
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x 100	35.48%	42.39%	36.47%	46.55%	45.22%	59.44%	59.54%	59.66%	Previous years impacted by flood recovery money.
Rates effort <i>Rates compared to Property values</i> [Rate revenue / Capital Improved Value of rateable properties in the municipality] x 100	0.54%	0.57%	0.47%	0.45%	0.42%	0.43%	0.43%	0.44%	The ratio is relatively stable 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.

Retired Service Performance Indicators

For the year ended 30 June 2020

	Retired measures <i>Service/Indicator/measure</i>	Results				Material variations
		2017	2018	2019	2020	
R15(1) Sch3 R16(1) R17(2)	Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	0.00	3.00	Retired in 2020	
	Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$956.16	\$987.67	\$941.00	Retired in 2020	
	Obligations Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	70.64%	72.33%	115.75%	Retired in 2020	

Other Information

For the year ended 30 June 2020

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 <i>2020</i> and <i>Local Government (Planning and Reporting) Regulations 2014</i>.</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 Council's strategic resource plan. The <i>Local Government (Planning and Reporting) Regulations 2014</i> requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.</p> <p>The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan in 2020 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*, *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2014.



James Hogan
Principal Accounting Officer
Dated: 15 September 2020

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*, *Local Government Act 2020* 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 Ron Eason
Councillor
Dated: 15 September 2020



Cr Damian Ferrari
Councillor
Dated: 15 September 2020



Jim Nolan
Chief Executive Officer
Dated: 15 September 2020

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 2020 • sustainable capacity indicators for the year ended 30 June 2020 • service performance indicators for the year ended 30 June 2020 • financial performance indicators for the year ended 30 June 2020 • notes to the performance statement and • the 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 2020 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>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and 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 is 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 determines 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 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 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
29 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria