



Pyrenees
Shire Council

Annual Report

2021-22





Pyrenees

Shire Council

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.

We acknowledge the people past and present of the Wadawurung, Dja Dja Wurrung, Eastern Maar, and Wotjobaluk tribes whose land forms the Pyrenees Shire. We pay our respect to the customs, traditions and stewardship of the land by the elders and people of these tribes on whose land we meet and work on.

*Photography in this Annual Report by
Chip Riviera, Tess Astbury and Jayne Newgreen*



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Section 1: INTRODUCTION





WELCOME TO THE REPORT OF OPERATIONS 2021–22

The Annual Report of Operations is the primary means of advising the Pyrenees Shire community about Council's operations and performance during the financial year and demonstrates our ongoing commitment to transparent reporting and accountability to the community.

Council's performance is measured against strategic goals and objectives contained within the existing Council Plan. A new Council Plan 2021-2024 was adopted this year with a focus on the following areas:

- People
- Place
- Environment
- Economy

and supported by internal Enabling Principles.

This report includes Council's audited financial statements, an audited performance statement and other details as required by the *Local Government Act 2020*.

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. If you would like a printed copy of the Annual Report, please visit your local Council front counter or ask for a copy via pyrenees@pyrenees.vic.gov.au or by telephoning 1300 797 363.

This report has not yet been reproduced into languages other than English. If you or your community would find this to be of value in increasing accessibility for future productions, please let us know at pyrenees@pyrenees.vic.gov.au or by 1300 797 363.



SNAPSHOT OF COUNCIL

Community Vision

Our vision is for **inclusive, happy and healthy connected** communities that create **sustainable and welcoming** townships, natural environments and rural areas.

We attract diversity through promotion innovation, growth and partnerships while addressing climate and community needs such as reliable and responsive infrastructure, affordable services and housing whilst protecting our natural environment.

Council's Vision

Sustainable and welcoming places and natural environments that create inclusive, happy and healthy connected communities.

Enabling Principles

- Motivate and inspire community involvement
- Provide transparency and accountability
- Use resources efficiently and effectively

Council's History

Pyrenees Shire Council was formed on 23 September 1994 with the amalgamation of the Shires of Ripon, Avoca and Lexton, by an Order of the Governor. It operates in accordance with the *Local Government Act 2020*.

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



Council's locations

Council's administrative offices are located in Beaufort and its two works depots are located in Avoca and Beaufort. Two resource centres are located in Avoca and Beaufort where residents can access libraries, tourism information, meeting rooms, public access computers and wi-fi. Landsborough Resource Centre and Lexton Rural Transaction Centre also provide public access to computers and wi-fi.

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 and Community Centre

122 High Street,
Avoca VIC 3467
T 03 5465 1000



Section 2:

OUR YEAR





MAYOR AND CHIEF EXECUTIVE OFFICER'S MESSAGE

We are pleased to present this Annual Report on behalf of Pyrenees Shire Council for the 2021-22 year.

The COVID-19 pandemic continued to impact countries worldwide during the year. Towards the end of the 2021 calendar year, there was hope that the worst was behind us. Restrictions eased and Victorians enjoyed social gatherings over the Christmas season, however the joy was short-lived. The Omicron strain emerged in January causing a spike in positive cases and increased restrictions to prevent the spread, to save lives and ease the strain on the health system. Following this peak, a further wave began to emerge of the B4 and B5 strains in June, which indicated this virus was going to have an ongoing impact.

The brief respite in December 2021 enabled us to gather staff together for an end of year Christmas event at Summerfield Winery to renew face-to-face interaction, celebrate several work milestones and recognise numerous long serving staff.

The disruption of COVID-19 impacted businesses throughout the shire, in particular the tourism and retail sector. Efforts were made to support economic and social recovery with assistance from the State Government for local events including a twilight street party in Beaufort and a free riverside music event on the Avoca River Flat, both of which were well received. The town markets were also reinvigorated.

The Pandemic Planning Committee that was established at the start of the pandemic continued to oversee the Council response and a range of changes to services, which saw many staff working from home and then progressively returning to the office environment as restrictions allowed. The protracted experience continued to have an impact on staff morale, as well as impacting on many services and Council's ability to engage with our communities.

The Community Satisfaction Survey conducted in early 2022 showed declining satisfaction levels, with only the waste

management service showing significant improvement in community satisfaction. These results were disappointing for Council and staff, and there is a need over coming months to review and refocus on our performance and how we engage with communities to work together to bring about improved satisfaction.

As part of Council's commitment to deliberative engagement, a new online Engagement Hub was established to obtain input from the community into various issues. Among these was strong support for an off-leash dog park in Beaufort, and direction on future siting for EV charging stations in Avoca and Beaufort.

Another key factor affecting Council services and our long-term sustainability is rising inflation due to local and global factors, coupled with capping of Council rates. The cost to deliver services and projects exceeds the income available to Council, and this will require hard decisions to be made in the future about service levels.

The availability of contractors and price escalation impacted many projects. Contract pricing on several projects over 30% of the available funds left Council in a difficult position of either scaling back projects or having to meet the additional expenditure from Council funds. As a result, project delays were encountered, leading to frustration and work to rescope and retender. The Beaufort cricket nets project was one example that has impacted on the ability of the sporting club as well as Council's reputation to deliver infrastructure projects.

The Australian federal election was held on Saturday, 21 May 2022. The advocacy by the Australian Local Government Association (ALGA) on behalf of the sector was never more important than at this time. The election of the Albanese Labor government foreshadowed further change on the horizon with greater emphasis on addressing climate change and the significant national debt created by the pandemic.

Importantly for councils, the elected government committed to indexation of the Federal Assistance Grants (FAGs) to councils, which contributes approximately \$6 million to our annual budget. For rural councils, the ongoing commitment to Roads to Recovery funding was also a critical outcome.

The Local Road and Community Infrastructure Program (LRCIP) introduced during the pandemic enabled numerous projects to be carried out in addition to our ordinary capital works program including footpaths, open space, roads and bridges. The third phase of this program commenced in 2022 and an election commitment was given to an extended program, though it is unclear precisely what that might involve.

With a new government came a commitment to strengthening integrity in government and as a result, funding programs such as the Building Better Regions Fund have been the subject of scrutiny. For Pyrenees, this will likely mean a delay in the outcome of project funding applications including the application made for \$1 million to undertake a much needed upgrade to the Beaufort Caravan Park.

This project was committed to by Council following a strategic review of the caravan park, which provided the evidence needed for investment. This community asset must continue to meet the growing needs of visitors and seasonal workers as it is critical to the growth of our economy. Ongoing advocacy for this project will be necessary ahead of the Victorian election in November 2022.

Regionally significant projects continued to be a focus of communities during 2021-22. The Beaufort Bypass Environment Effect Statement (EES) was completed and placed on exhibition. The technical documentation supporting the proposal was substantial and Regional Roads Victoria nominated a preferred route. Council's submission to the EES highlighted the importance of the economic and social impacts of a future bypass and the need for significant investment in planning and infrastructure to mitigate the identified impacts. At the time of preparing this report, the outcome of the Committee recommendations was unknown, but it is expected that these recommendations will be made to the Minister for Planning in the second half of 2022.

The Western Renewables Link project (previously Western Victorian Transmission Network project) has been the subject of significant community concern across the length of the project including in the Pyrenees. Landowners have raised issues relating to the impact of an overhead line on their ability to farm, concern for firefighting capability, as well as the visual impact, and the adequacy of the level of compensation to affected landowners. Despite significant rallying across the region, the likelihood of an underground line looks increasingly unlikely. Council continues to meet with the proponent,

Ausnet, other councils and with residents. The EES is expected to be placed on exhibition in 2023. Council has agreed to provide support to anyone looking to make a submission to ensure every effort is made to have the residents' concerns documented.

The Victorian Government was successful in its bid to host the 2026 Commonwealth Games, which will be scheduled across several regional cities including in neighbouring Ballarat. This event and the funding allocated by the State to prepare and host the event is an opportunity for future economic benefit.

With the completion of the final stage of the Correa Park residential project in 2021, Council agreed to purchase land in Burke Street, Beaufort as an investment in a further housing enabling project, and an opportunity to leverage off the Commonwealth Games and the Victorian Big House Build.

Significant bridge renewal work commenced across the shire road network including near the communities of Moonambel, Raglan, Lamplough and Carngham. Contracts were let during the year for more than \$3.5 million worth of work to replace aging structures and remove limitations on our strategic freight routes. This is part of Council's strategic objective to open more of our road network for higher mass vehicles to improve access and connectivity.

The three main structures comprising the Lexton Community Hub were practically completed towards the end of 2021. Delays to the wastewater treatment system have meant the building, now valued at around \$3.8 million, was not handed over to the community and at the time of preparing this report, formal handover is anticipated for later in 2022.

There are numerous challenges for Council looking ahead. Ongoing economic recovery from the pandemic in a climate of global uncertainty, inflation and significant national debt highlights the vulnerability of small rural councils to factors beyond our control.

The 2022-23 year will require a recalibration of the Council organisation impacted by the stresses and strains of the pandemic, and a renewed focus on engaging with our communities to prioritise needs that will bring about long term sustainability and improved community satisfaction. The year ahead will be one to embrace the opportunities and work with our communities to ensure they develop into thriving, liveable places for all.

Cr Ron Eason
Mayor

Jim Nolan
Chief Executive Officer



HIGHLIGHTS OF OUR YEAR

Strategic objective: People

Outdoor Arts & Music Events

Bringing people to the Pyrenees

Council utilised the State Government's Outdoor Activation Fund to host a series of events and support local businesses to bring the community and visitors back to the outdoors.

The *Play in the Pyrenees* campaign was designed and implemented to support the economic recovery of key industry sectors by encouraging visitation to the region and for people to stay longer following COVID-19 restrictions.

Two music events, Sunday by the Lake in Beaufort and Sunday by the River in Avoca, were part of the campaign and each received strong attendance from locals and visitors alike.

Beaufort by Twilight was a late-night shopping event that coordinated local businesses, street performers and live entertainment to engage shoppers and give the economy a boost. Many businesses felt the event was so successful they have called for it to be an annual event.

In addition, Council was able to support outdoor live music, art and poetry at venues such as cellar doors and hotels, and contribute to other existing outdoor events.

A dedicated marketing program helped to make these events successful with the production of online articles and social media posts that reached over 80,000 people.

The COVIDSafe Outdoor Activation Program was instrumental in engaging nearly 40 local and regional performing artists and event contractors - businesses that were acutely impacted by lockdowns and event cancellations in the last two years.



Outdoor entertainment was welcomed by community members of all ages.

Early Years

New Parents Group

A New Parents Group commenced in Beaufort in February of this year. Following COVIDSafe guidelines, the group met in an outside setting around the beautiful Beaufort Lake. Parents enjoyed getting out and getting together after long restrictions, enabling them to talk and share their stories and concerns with other families face to face. The lovely weather brought between three and six families to the meetings each week, which is a stronger turnout than previous years.

The second group commenced in May and continues to run on a regular basis. As part of the meetings, Council organised visiting speakers to assist parents with any developmental concerns they may have. These have included Podiatry, Physiotherapy (Paediatric physio) and Consumer Affairs, to talk about the hidden dangers of many toys and some baby equipment on the market.

Sleep and Settling is a constant concern for all new parents, and the group has continued to address this issue as required.

The groups enjoyed the content, as well as the time together in the Beaufort Resource Centre and Library. The Library is such a warm and inviting place for families to get together and also as a great introduction to early reading with their babies.

Support Playgroup

Council facilitates two Supported Playgroups (SPG) in the shire, in addition to some home visits where appropriate, to work with families on their parenting journey utilising the Small Talk program.

The Tuesday SPG operates from the Avoca Kindergarten multi purpose room and it has been pleasing to see an increasing number of families attending and enjoying the company and positive parenting approach.

The Thursday SPG operates from the Beaufort Resource Centre and Library and once again, the Library proves to be a warm, inviting and accessible building.

First Aid

Council arranged a First Aid Program for parents, which was well attended. The facilitator was a highly experienced Paediatric Nurse with invaluable information to pass on to participants. A second session has already been planned, with Council financially supporting families from lower socio economic backgrounds to attend and participate.

Vaccinations

Vaccinations have been a big part of Council's Early Years workload this year, particularly since the Influenza vaccinations became available, and we have been able to vaccinate children from six months of age. Council also experienced an influx of parents seeking the flu vaccination.

Overall, Council administered 800 individual vaccinations, including the Childhood Vaccination Schedule and the Influenza.

Pyrenees Community Care

Pyrenees Community Care (PCC) provides opportunities for older adults to participate in social activities, which is paramount to maintaining good health. The feeling of connectedness to others and to a community helps to improve overall wellbeing and independence.

During the financial year, PCC has delivered services to 355 clients, as well as carers and other residents. Services include personal care, domestic support, respite for carers, shopping assistance, transport, home maintenance, home modifications, Goods and Assistive technology, Allied Health, Meals on Wheels, Meal Voucher Program, Community meal, Social Support Groups, and special events.

COVID-19 meant that several special events and Social Support Groups were adversely impacted.

For Christmas, we were able to host a lunch for over 50 of our clients and carers. Council CEO Jim Nolan, Director Kathy Bramwell, and Manager Community Wellbeing Martin Walmsley attended to help serve the lunch.

In 2021 we conducted a customer satisfaction survey and received pleasing results:

- 98% of clients advised that the service meets their needs, goals and preferences
- 100% of our clients reported that they feel accepted, valued and safe
- 100% reported that the services they receive support their independence, health and wellbeing
- 99% reported that staff provide a quality service, and those clients have confidence in our staff's knowledge and ability.

The Seniors Victoria Festival, *Me and Me Mates*, was held at the start of 2022 and was a hugely successful event for all seniors in the Pyrenees Shire. With over 70 people in attendance, the event was a fantastic day for all.



A successful Christmas lunch for our clients and carers to end the year on a high.

Strategic objective: Place



Our Avenues of Honour are once again a source of pride for the community and a place of respect.

Restoration of Avenues of Honour

Avenues of Honour exist throughout Pyrenees Shire and are a great source of pride for our community. Most avenues are now over 100 years old and require restoration as they have suffered from neglect and the lack of regular maintenance over the decades.

This financial year, a grant from Veterans Affairs and a contribution from Council enabled work to begin on restoring the Stockyard Hill avenue to a reputable condition for visitors to admire and respect.

Previously, the Stockyard Hill avenue was heavily overgrown, and fencing material and rubbish had been dumped amongst the trees. The individual plaques had also been removed from the trees and the site was not sign posted.

Restoration works included the removal of regrowth and rubbish, and the installation of a monument with a plaque identifying those who served our country with distinction during World War I. A picnic table was placed alongside the monument for visitors to sit and reflect on the pride and courage shown by those who served.

The Tanwood Avenue of Honour was planted with cypress trees in 1918 by local school students. Due to recent drought conditions and the spread of cypress canker (a fungal disease), most trees were dead, leaving an unpleasant scar on the landscape.

Council secured a grant from the Federal Government to undertake restoration works including removal of all cypress trees and replanting with red flowering gums. A plaque displaying the names of those who served was mounted on a stone adjacent to seating facilities.

Both these avenues are now in a respectable condition and represent those who served with distinction and dignity, which they richly deserve.

Community pools

In preparation for summer, Council worked hard to ensure the pools in Avoca, Beaufort and Landsborough were ready for use. More than \$200,000 has been spent on servicing and upgrading the three facilities. Some of the main improvements include non-slip flooring at Beaufort and Landsborough Pools, replacement of the pool heating system at Landsborough Pool, re-turfing and installation of an in-ground watering system at Beaufort Pool, and improvements to the pool operating systems and chemical storage across all three pools. The pools also have a new operator, Belgravia Leisure, which has a wealth of experience in managing pool facilities.

While the Pyrenees pools are ready, there is currently a state-wide shortage of lifeguards, which may restrict the opening of some pools.

Council would like to thank Unified Community Sport and Leisure, which took over operation of the Pyrenees' pools at short notice last year and ran them despite multiple disruptions caused by the global pandemic.



After last summer's pandemic-related disruptions, we're sure everyone is looking forward to swimming in the Pyrenees' pools as the weather warms.

Rural Address and Road Naming

In August 2021, it was established that approximately one third of all properties in Pyrenees Shire had no street number or rural address. Therefore, Council determined that all properties in the shire, where activities and occupation were occurring, would require an address that complies with the Australian Standard AS/NZS 4819:2011 – Rural and Urban Addressing.

This step is highly beneficial to the community, as once the address is created and registered in Vicmap Address, it is validated, making it easier for key providers to service the property, including emergency services, Australia Post, Telstra and NBN, and more.

To rectify the matter with its limited resources, Council implemented an extra step in existing internal procedures to include a referral to the Rural Addressing Project Officer so addresses can be generated.

Since August 2021, existing properties with addresses in Pyrenees Shire increased from 2% to 68%, with the number of properties in the shire also increasing. In addition, almost 60 lots spread over 20 subdivisions have been pre-addressed, supporting efficient processing for any activity once the blocks are sold.

To create addresses that comply with the above standard, road names must be considered in line with the Naming Rules for Places requirements of Geographic Names Victoria. As part of the new addressing process, anomalies in road names across the shire were identified, prioritised for attention, and resolved as resources allowed.

Asset and Development

Council's Asset and Development directorate oversees infrastructure maintenance and renewal, road management services, and parks and gardens management. This financial year Council successfully completed:

- Delivery of 43.75 km (212,000 m²) of Gravel Road re-sheets.
- Delivery of 124,970 m² of Sealed roads re-sealing. This equates to 25.1 km re-sealed.
- Re-construction of 3.1 km of sealed roads. These included Crowlands Eversley Rd, Vinoca Rd, Stockyard Hill Rd and Carngham Streatham Rd.
- Renewed/installed line marking to 80 km of Council roads.

Council continued to prioritize work on its unsealed roads network, upgrading over 40 kilometres of roads in the past 12 months.

With an aim to lift the standard of parks and gardens throughout the shire, Council created a new gardeners position on staff. The team's focus is to improve the major parks in Beaufort and Avoca, then branch out to the smaller townships.

Council responded to a number of emergencies this year, mostly relating to storms and fires. Council's initial response to these events was to restore access to properties via the road network. Further clean up from major storm damage is dependent on access to Federal emergency funding.

Strategic objective: Environment

North East Pyrenees Pipeline

In March this year, a public meeting was held to discuss the issue of water supply to areas north of Avoca. The meeting was attended by community members, as well as significant stakeholders such as the Natte Yallock Landcare Group, GWMWater and Pyrenees Shire Council.

Due to the strong public and industry interest at this meeting, Council and GWMWater have developed a project partnership with adjoining municipalities (Northern Grampians and Central Goldfields Shire Councils) and Central Highlands Water to seek funding of \$300,000 for a feasibility study and business case.

Titled *The North East Pyrenees Water Supply Project*, this feasibility study will investigate the viability of a permanent 'fit for purpose' water supply to communities north-east of the Pyrenees Ranges. The investigation will involve an area of close to 150,000 hectares, spanning three municipalities and engage with farmers, wineries, accommodation providers, townships and recreation groups to determine their long-term water needs.

Integrated Water Management Projects

Beaufort Closed Loop Recycle Water Project

This project aims to upgrade facilities at the Beaufort wastewater treatment plant to produce recycled water suitable for use on green spaces including Beaufort Golf Club, Goldfields Recreation Reserve, the schools oval and Beaufort Croquet Club.

Council undertook a feasibility study in 2017, and through its active involvement in the Central Highlands Integrated Water Management Forum, the detail design was completed and funding secured by Central Highlands Water for the construction phase, which commenced in early 2022.

Once the project is commissioned it will provide an alternative and reliable source of water to the lake to ensure Beaufort's sporting facilities can be maintained.

Beaufort Linear Project

Council participated in a joint project, led by Golden Plains Shire Council, to establish the Green Blue Infrastructure (GBI) Guidelines for Small Towns.

The GBI Guidelines aim to improve township amenities in rural towns through innovative water (blue) projects. This could include enhancing green spaces, such as parks and gardens, through smarter use of water.

Following the collaboration that occurred while developing the GBI Guidelines, a new initiative emerged - the Beaufort Linear Project. The objective is to create a green corridor and walking paths along the Garibaldi Creek, from Beaufort Lake in the south to an area north of the railway line that will become a town entry once a highway bypass is built.

Funding is being sought to work with the Beaufort community, including the traditional owners, to develop a masterplan and complete economic and financial analysis of the proposal.

Strategic objective: Economy

COVID-19 Business Concierge & Hospitality Program

This program was introduced by the State Government to support businesses in Victoria to better understand the current COVIDSafe requirements as set by the Victorian Chief Health Officer.

Through the program, Council secured \$90,000 and employed a Business Support Officer to assist hospitality businesses, retail, community venues and other businesses to operate under COVIDSafe settings and navigate the ever-changing restrictions.

Initially, the Business Support Officer ensured local businesses were kept well informed of changes and updates through electronic direct mail (EDM), telephone contact and regular, in-person site visits.

As restrictions eased, the role evolved to be recovery assistance focussed, with Council's Business Support Officer actively assisting local businesses to connect with resources and agencies to aid recovery from the pandemic. Some of these resources included free industry strengthening opportunities; wellbeing and mental health support for business owners via Headway; and connecting small businesses with rural financial counselling service.

A series of networking events through May and June allowed local businesses to reconnect with one another. It was wonderful to see a wide range of business operators networking and collaborating on common issues after a very difficult couple of years.

With the increased local support, small businesses were better able to navigate the ever-changing environment.

Early in the year, the Business Support Officer contributed to the Play in the Pyrenees campaign - a project funded by the State Government's COVIDSafe Outdoor Activation Fund - that aimed to encourage the community and businesses to reconnect at outdoor events in a COVIDsafe manner.

Play in Pyrenees provided a wonderful opportunity for the community to enjoy themselves again, out and about in the Pyrenees Shire, as well as reconnect food vendors, artists and creatives with local business and the community as a whole.

Following the success of Play in the Pyrenees, and the reconnection that occurred between businesses and the community, it is anticipated that similar events will be planned for the coming year.

Pyrenees Region Official Visitor Guide

The Pyrenees Region Official Visitor Guide is a 64 page A5 brochure that includes everything to see and do in the Pyrenees region. Usually reproduced and updated annually, the booklet had not been reprinted since 2019 due to COVID-19 restrictions and visitors unable to visit.

This year, Council provided all tourism businesses the opportunity to be included in the new guide for free. It is the number one piece of printed tourism collateral for the Pyrenees region and is a powerful marketing tool used for travel inspiration and trip planning pre-arrival and in region.



Customer Service Officer Breanna Welsby is ready to hand out the official Pyrenees Visitor Guide - reproduced for the first time since 2019.

Introducing the Tourism App

To expand on the Visit Pyrenees brand, Council introduced a Visit Pyrenees App. The app gives users information about local places to eat and stay, as well as activities and sights to see, even the ability to plan their journey and share it with family or friends. The app has many functions including push notifications, creating personalised itineraries, mapping and more.

Since the app was launched in March 2022, it has been downloaded 1311 times from across the nation:

	New Users	Sessions	Avg. Session Duration
Melbourne, VIC	1023	2447	2m 41s
Sydney, NSW	111	197	3m 11s
Adelaide, SA	40	55	2m 34s
Ballarat, VIC	28	48	3m 10s
Brisbane, QLD	21	46	1m 28s
Austin, TX	18	42	2m 16s
New South Wales	17	49	3m 51s
United States	29	37	0m 43s
Geelong, VIC	15	24	1m 54s
Queensland	9	21	11m 42s



Since launching the new Pyrenees tourism app in March, it has been downloaded 1311 times from across the nation.

Kick Start Events Program

Council secured a \$30,000 grant from the Victorian Government to support local events that would contribute to the social and economic wellbeing of the shire's communities.

The aims of the project were:

- Improved social connectedness
- Improved community health and wellbeing
- Support existing business and generate economic activity
- Support existing volunteers in their community work
- Increase visitation and add to existing tourism offerings
- Create jobs.

Through this initiative Council was able to support seven events, which were attended by a total of 4,500 people of which 2,800 were estimated to be visitors to the shire.



Sunday by the River in Avoca was one of several successful events funded by the Kick Start events program grant.

Beaufort Lake Caravan Park Review and Masterplan

Council has undertaken an operational review of the Beaufort Lake Caravan Park and developed a masterplan for various improvements to the park.

The park was developed 50 years ago and the reports provided recommend renewal and enhancement of the assets to meet the expectations of current day travellers.

Funding is being sought from higher levels of government to enable Council to implement the recommendations of this strategic work.

FAST FACTS



Community grants awarded
(in support of 30 community groups)

34



Sportsgrounds
maintained

2

Playgrounds
maintained

10



Local road network maintained
(738 km sealed; 1,291 km unsealed)

2,029 km



Area

3,434 sq km



Questions or submissions
at Council meetings

22



Hours of aged care
support provided

13,449



Tonnes of waste collected

1,564



Roadside bins emptied

214,488



Statutory planning application
decisions made

123



Library items loaned

21,386



Birth notifications

51



Visits to public swimming pools

7,741



REVIEW OF OPERATIONS

Pyrenees Shire Council is responsible for more than 150 services, from family and children’s services, open space, waste management and community facilities; to matters concerning business support and development, planning for appropriate development, and ensuring accountability for Council’s budget and financial sustainability.

This broad range of community services and infrastructure for residents supports the wellbeing and prosperity of our community. Council’s vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan 2021-25 and associated Budget 2021-22 and reported upon in this document.

The delivery of services, facilities, support and advocacy to achieve our strategic objectives is measured by a set of service performance indicators and measures. Council also has a wide range of responsibilities under Victorian and Australian legislation.

Economic factors

Council was faced with a financial challenge during the 2021-22 year following the unexpected failure of the self-funded workers compensation scheme. It was managed through the Municipal Association of Victoria, with Pyrenees Shire Council as a participant and resulted in additional payments of \$249,700 to WorkSafe as part of the scheme wind-down.

Following the successful completion of the Correa Park housing development in Beaufort, opportunities arose during the year to purchase two additional lots in Beaufort – one for future residential development, and one for additional community green space.

Major Capital Works

During 2021-22, major capital works included:

Overview	
Lexton Community Hub Development	Council appointed contractors to undertake construction of the new Lexton Community Hub with a total cost of \$3.8 million. Although substantially completed within the financial year, delays with wastewater approvals resulted in a projected completion in the 2022-23 financial year.
Wright Street, Crowlands	Works were undertaken to improve pavement, drainage and road width for this important link between the communities of Pyrenees and Northern Grampians Shires. A further stage of works is planned for the 2022-23 financial year to complete widening for the whole length of this road.
Orme Street, Avoca	Works were undertaken to enhance drainage, construct road pavement and seal Orme Street, Avoca between the Pyrenees Highway and Pearson Street.
Crowlands Eversley Road, Crowlands	Works were undertaken to strengthen and widen the existing road pavement from 3.6m to 6.2m, for a total of 855m of Crowlands Eversley Road, Crowlands.
Stockyard Hill Road, Stockyard Hill	Works were undertaken to strengthen and widen the existing road pavement from 3.6m to 6.2m, starting from just north of Frog Hollow Road extending 1.40km south.
Bridge 110 Moonambel-Warrenmang Road	Completed.

Major Changes

In 2021-22 Council decided to amalgamate the customer service department with the staff in the Beaufort and Avoca resource centres to form a single Frontline Services Team, aiming to deliver a more cohesive and customer-focused first point of call service to our community. This team is leading a Customer First project to improve the responsiveness and customer service culture of the organisation over the next few years.

Major Achievements

Outdoor arts and music events bringing people to the Pyrenees: Pyrenees Shire Council hosted three great events with the support of the State Government's COVIDSafe Outdoor Activation Fund. Outdoor music events, such as Sunday by the Lake in Beaufort in January 2022 and Sunday by the River in Avoca in February, were well attended and well received by locals and visitors alike. Beaufort by Twilight, a late-night shopping event which saw street performers and entertainment right throughout Beaufort was so successful, many businesses have called for the event to be mounted annually.

Community Vision: Council and community representatives worked together during the year to develop a Community Vision 2021-2031 detailing what the Pyrenees Shire would look like in 2031.

Council Plan: Based upon the Community Vision, Council developed a strategic plan (Council Plan 2021-2025) which details the priorities for action over the next four years.

Implementation of the Gender Equality Act 2020: The Act requires Council to address obligations to promote gender equality in the workplace, consider gender equality when developing policies and programs and delivering services to the public.

Gender equality is an important social and economic goal. Societies with greater gender equality have lower rates of violence towards women and children, and better outcomes for women in terms of social, political and economic participation. Pyrenees Shire Council understands its pivotal leadership role to advance gender equality within the organisation and within the community, and in the design and delivery of Council's services and programs.

Council undertook a required and detailed gender workforce audit through participation in the "People Matters Survey". Council used the findings from the survey to develop a Gender Equality Action Plan (GEAP), which will guide actions over the next four years to provide an integrated whole-of-Council approach to increase gender equality for women within Council.

Workforce Planning as part of implementation of the Local Government Act 2020: Under the *Local Government Act 2020* Council has an obligation to develop and maintain a Workforce Plan. The overarching principle of workforce planning is to ensure that Council has assessed, planned, and reviewed its current state and future requirements to deliver on our Council Plan and strategy commitments.

As required, a Foundational Workforce Plan was finalised by 31 December 2021 and work continues on developing an Operational Workforce Plan which will build on the strategic workforce planning work.

Challenges

- Improving our responsiveness and providing better customer service to the community.
- Determining the future role of local government in Australia's delivery of home-based aged care services.

Future Outlook

- Collaboratively develop a Beaufort Futures Plan.
- Complete the key community projects commenced in 2021-22.
- Work towards the implementation of Council's Gender Equality Action Plan.
- Deliver the Community Vision towards 2031.
- Plan to investigate opportunities for cost saving and service improvements.



COMMUNITY GRANTS PROGRAM 2021–22

Council provides funding annually through community grants to recognise the importance of providing financial assistance to community groups, services and organisations located or operating within the Pyrenees Shire. These grants are included in Council's annual budget and designed to enable the provision of activities and events which promote community activity, achievement, participation and wellbeing.

Grants are allocated under the following schemes:

Community Grants

- Grants of up to \$1,500 for programs, projects and equipment
- Grants of up \$750 for events
- Grants of up to \$1,000 for programs or projects aimed at increasing awareness or facilities for minority groups or gender equality

Community Capital Grants

- Grants of up to \$5,000 for capital works projects

In 2021-22 Council awarded \$84,370 to our community as part of the community grants program. Two rounds were opened for applications during the year and 34 projects were funded across 30 community groups.



The Crowlands Hall and Reserves Committee was awarded \$5400 as part of the Community Grants Program to install kitchen split systems.



Round	Amount	What for	Who to
1	\$1,000	Avoca Riverside Market	Beaufort Progress Association
	\$550	Avoca Community Christmas Party	Advance Avoca Inc
	\$1,000	What's Your Story Workshops	Avoca Community Arts & Gardens Inc
	\$2,000	Gaming for Youth Project	Avoca Community Arts & Gardens Inc
	\$7,000	Community Arts & Gardens Precinct Landscaping	Avoca Community Arts & Gardens Inc
	\$450	Christmas at the Avoca Pool	Avoca Friends of the Pool
	\$1,000	Youth Lifeguard Training	Avoca Friends of the Pool
	\$1,477	Hardcourt Backboard & Equipment	Barkly Hall & Recreation Reserve Committee
	\$13,000	Basketball / Netball Half-court	Barkly Hall & Recreation Reserve Committee
	\$2,000	Exercise Physiology Rehabilitation Equipment	Beaufort & Skipton Health Service
	\$682	New track lighting for photography display	Beaufort Agricultural Society
	\$391	Turf line marker	Beaufort Croquet Club Inc
	\$5,000	Kitchen equipment	Beaufort Football Netball Club
	\$1,100	Digitising the Collection	Beaufort Historical Society
	\$2,000	Avoca Riverside Market – equipment	Beaufort Progress Association
	\$1,937	Radio 88 Beaufort new computer	Business for Beaufort
	\$5,400	Kitchen split system installation	Crowlands Hall and Reserves Committee Inc
	\$5,262	Boundary protection fence	Moonambel Hall
	\$200	Moonambel Petanque Piste resurface	Pyrenees Petanque Club
	2	\$1,350	Rookie Rollers and Jack Attack Young & Old Bowls Program
\$799		Community BBQ	Burnbank CFA
\$2,000		Kitchen Equipment	Carngham Linton Football Netball Club
\$549		Storage upgrade	CWA Avoca & District Branch
\$1,000		Landsborough Bush Dance	CWA Landsborough
\$6,450		Boundary fence repair	Evansford Community Centre
\$1,760		Presentation display cabinet	Lake Goldsmith – Stockyard Hill Fire Brigade
\$1,015		Storage and teacher's desk restoration	Lake Goldsmith Hall Committee
\$4,500		Power supply upgrade for greens lighting	Landsborough Bowling Club
\$3,900		Spectator seating	Natte-Bealibe Football Netball Club
\$4,854		Tool shed for ANZAC Park	Redbank Community Garden
\$1,526		Sound reduction in Redbank Community Hall	Redbank Reserves Committee
\$1,922		Book: The Carngham General Cemetery	Snake Valley & District Historical Society
\$353		Outdoor Community Notice Board	Snake Valley Hall Committee of Management Inc
\$943		Table trolley	Waubra Community Hub



FINANCIAL OVERVIEW

Throughout 2021-22 Council worked to balance community expectations with maintaining financial sustainability, which is critical in ensuring Council can meet the future needs of the community.

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 financial decisions.

It is important to review the 2021-22 financial results in the context of the long term financial objectives developed by Council. These are:

- Maintain a strong cash position
- Ensure that Council remains financially sustainable in the long-term
- 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 municipality
- Ensure adequate revenue to maintain a sustainable level of services for the community
- Ensure appropriate levels of funding is provided to address Council's infrastructure renewal gap.

The following is a snapshot of the 2021-22 financial position:

	2021-22	2020-21
Operating Surplus	\$4.155 million	\$3.231 million
Total Cash and Investments	\$15.761 million	\$12.953 million
Total Assets	\$274.167 million	\$257.851 million
Working Capital	\$9.896 million (240%)	\$6.255 million (180%)
Capital Expenditure	\$9.303 million	

The overall financial position of Council for the 2021-22 financial year fell within the parameters of Council's ten year Financial Plan adopted in June 2022.

The 2021-22 capital expenditure addressed 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.

Renewal of assets is an ongoing challenge for all councils. In 2021-22 Council received funding under the Roads to Recovery Program and the Local Roads and Community Infrastructure Program, which significantly improved Council's ability to maintain its infrastructure. Council will continue to advocate for more grants that will help improve the renewal of assets.



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. Through this, Council can 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 provides time for conversations with the community, which is key to creating engaged and vibrant communities.

This snapshot for the 2021-22 year gives a brief overview of Council's financial performance and the significant factors that impacted on the financial resources used to support the achievement of long term community service and asset management objectives.

A more detailed analysis of the financial performance for 2021-22 can be found in the Annual Financial Report, which is available on Council's website and is attached to Council's physical Annual Report.

Glenn Kallio

Principal Accounting Officer

Section 3: OUR COMMUNITY





OUR HISTORY

Traditional Owners

The traditional custodians of the lands which make up the Pyrenees Shire comprises the Wadawurrung, Dja Dja Wurrung, Eastern Maar and Wotjobaluk tribes. We pay our respects to the customs, traditions and stewardship of the land by the elders and people of these tribes on whose land we meet and work on.

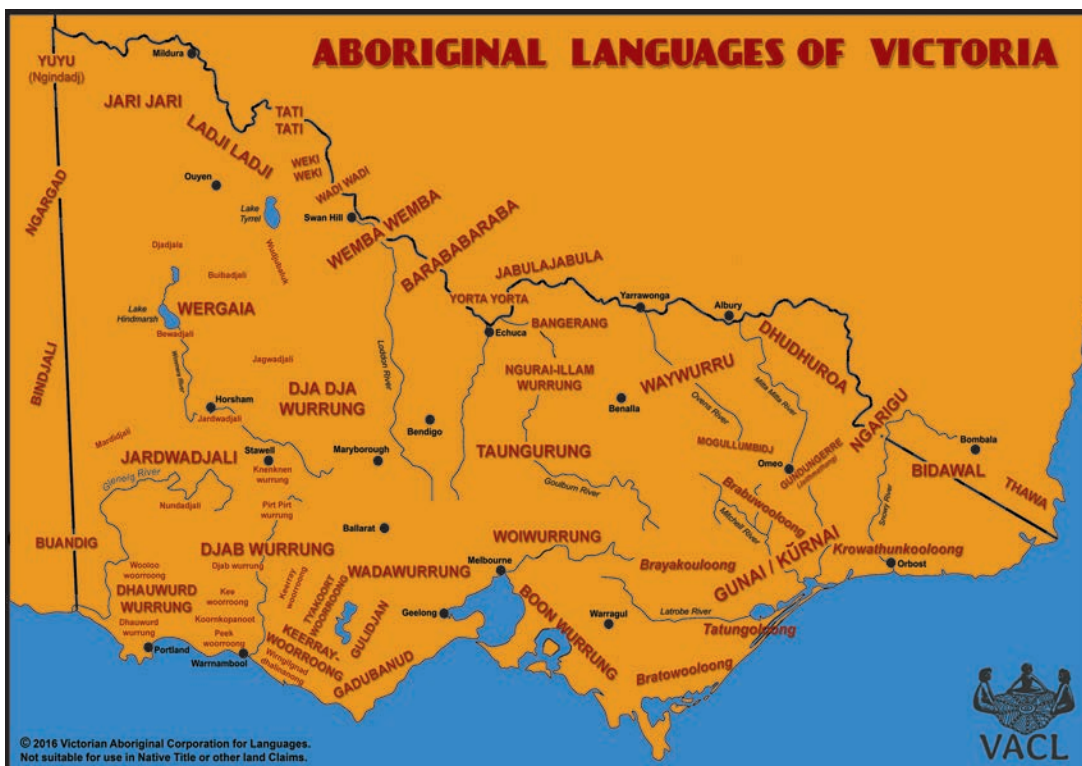
Aboriginal and Torres Strait Islander People currently make up almost 2% of the Pyrenees Shire population.

Council has completed its first introductory Reconciliation Action Plan and is now involved with a reference group of community members in implementing its second Reconciliation Action Plan.

More Recent Past

The shire has a strong history of pioneer settlement, gold exploration and mining, agriculture, and viticulture starting in the early 19th Century. Its community also has strong links to its men and women who served in major conflicts across the globe, including the First World War and Second World War.

The shire is served by dedicated groups of its community who focus on the preserving, collecting and researching the history of the districts within the shire, including the Avoca and District Historical Society, the Beaufort Historical Society, the Woody Yaloak Historical Society and the Linton & District Historical Society; plus the countless number of community groups and organisations with a wealth of historical knowledge.





GEOGRAPHIC PROFILE



The Pyrenees Shire is situated in the beautiful surrounds of the Pyrenees Ranges, nestled adjacent to the popular tourist area of the Grampians National Park in Western Victoria and situated between the regional cities of Ballarat, Ararat, Stawell and Maryborough.

The shire covers some 3,500 square kilometres of a wide range of land types from steep mountainous forested country to basalt plains and cropping lands. The municipality is approximately two hours' drive west of Melbourne via the Western and Sunraysia Highways, and 30 minutes from Ballarat.

Pyrenees Shire contains significant areas of publicly accessible land being the Pyrenees Ranges and Mt Cole State Forest, which form part of Australia's Great Dividing Range. Other forested areas exist in the southern and northern parts of the shire between Moonambel and Redbank / Barkly areas,

along with the Beaufort and Snake Valley districts. Other significant elements of the Great Dividing Range in or adjacent to the shire include Mt Langi Ghiran, Mt Buangor, Mt Cole and Ben Nevis. These areas of public land have farmed foothills associated with them.

The countryside of the shire varies from the very steep hill areas of the Mt Cole, Mt Buangor and Pyrenees Ranges to the undulating flat open terrain around the Natte Yallock, Stoneleigh and Streatham areas. The major streams are the northerly running Wimmera and Avoca Rivers and the Bet Bet Creek, together with the southerly running Middle, Fiery and Emu Creeks.

Sections of the shire which have been cleared have generally been improved for pasture with soil types varying from light gravel / clay soils in the north to very rich volcanic soils in the east and south.



Major water courses still contain and promote stands of native trees. Considerable areas of State forest, pine and blue gum plantations along with private plantations exist in Beaufort, Raglan, Avoca, Landsborough, Moonambel, Waterloo, Chute and Snake Valley. Other plantations are reducing in size at Skipton, Lake Goldsmith, Trawalla, Euramben and Mena Park.

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

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



MUNICIPAL SNAPSHOT



Population
7,622



Councillors
5



Council employees
(87 Full time equivalent)
128



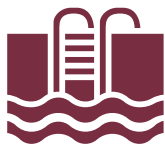
Area
3,434 sq km



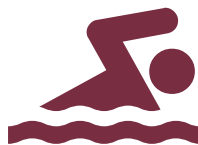
Local roads
(738 km sealed; 1,291 km unsealed)
2,029 km



Rateable properties
6,237



Outdoor pools
(Avoca, Beaufort, Landsborough)
3



Visits to swimming pools
7,741



Library/resource centres
(Avoca, Beaufort)
2



Mobile library outreach service
(Snake Valley, Landsborough, Lexton)



Library collection items
11,899



Library items loaned
21,386



Government primary schools

9



Government secondary school

1



Birth notifications in 2021–22

51



Median age

50

Population over 60 years

35.8%



Aboriginal & Torres Strait
Islander Peoples

1.9%



Housing tenure

Owned outright

50.9%

Rented

11.7%



Median weekly household income

\$1,101



Single person households

32%



Households where a non-English
language is spoken at home

3.2%



ECONOMIC PROFILE

The shire is home to a strong community and economy. It is host to attractive tourism and business operations including the Pyrenees Wine Region and other locally owned enterprises and agriculture.

Council has worked hard to remain debt-free and has a strong record of allocating its budgets to meet areas of priority to local communities.



Community facilities

- Lexton Hub construction almost complete – over \$3 million joint Council and Government investment



Communication improvements

- Council continuously advocates for improvements in the black spot removal program
- Installation of a digital hub in Avoca to support small business and business start-ups is almost complete



Critical Infrastructure

- Over \$9 million invested into infrastructure and community focused capital works projects

The unique features of the shire establish it as the liveable heart of Victoria, celebrated by both tourists, business and our communities, with a broad range of community interests in the arts, sport, its historical background and the numerous natural assets for those interested in bushwalking and cycling. Tourist attractions include:

- Distinctive landscapes, encompassing flat and open plains and hilly terrain, amongst which Mt Cole stands highest
- The Pyrenees Ranges which provides for two separate climates to its north and south

- Situated at the heart of the famous Pyrenees Wine Region, hosting many established vignerons and wineries
- A long and continuing history of gold discovery, reflected in the current bid to add the Victorian Goldfields to the UNESCO World Heritage List
- Heritage precincts across the Shire, particularly in Avoca, Beaufort, Landsborough and Moonambel
- Historic homesteads on the Victorian Heritage Register, including Mawallok, Mount Mitchell, Ercildoune and the Percydale Historic Reserve
- Burgeoning creative sector exemplified by the Art Trax Gallery operating from the refurbished Beaufort train station and the Avoca Arts & Gardens Precinct operating from the former Avoca railway station
- Several high-profile State Parks including Mt Buangor, Pyrenees Ranges State Forest, Mt Cole and Ben Major.

Key industry sectors include an established agricultural industry focussing on wool, meat, hay production, grain, potatoes and nurseries, grapes and forestry; plus four windfarms.

Culture and community

The shire hosts a range of food and wine events throughout the year, including 'Pyrenees Unearthed' wine and food festival in April and cellar door events such as 'Paella in the Pyrenees'. Many wineries also host more informal music and arts events.

Art features prominently in the shire with our two main galleries in Beaufort (Art Trax) and Avoca (Gallery 127), and with major art shows being held in both townships annually. The Avoca Shire Turf Club hosts country race meets twice per year. Moonambel events specialise in mid-winter bonfires or spectacular fireworks displays. Lake Goldsmith Steam Rally is held twice per year.



Other events throughout the year include equestrian endurance rides and races, car rallies, cycling and walking events that take advantage of the state forests or country roads of the Pyrenees. Many smaller towns showcase their area with events such as markets, vintage car rallies, Petanque tournaments, art exhibitions and other seasonal celebrations.

Markets held across the shire attract a range of visitors and locals alike and support a growing group of local artisans, food producers and makers.

Economy

The shire is dependent on primary industry and is renowned for prime lambs, wool, cattle and grains, viticulture and forestry activity.

Businesses in the industry type “sheep cattle and grains” make up nearly half of the total number of businesses in the shire and 25% of the workforce is employed in this industry. Other important industries of employment are construction, wine manufacturing, healthcare and social assistance (12% of the workforce), electricity, gas and waste-water services (9%) and retail trade (8%).

While the total population of the shire has increased by 431 people from 2016 to 2021, the working age population has increased by 132 people over this time.

Tourism is an important industry in the shire. The Pyrenees has a range of natural attributes which lend themselves to outdoor activities such as bushwalking, cycling, and sightseeing with around 20 winery cellar doors operating.

Recent expansion to the corrections facility at Langi Kal Kal has resulted in employment numbers increasing in the Public Administration and Safety sector from 150 in 2013 to 293 in 2017.

The key sectors currently making contribution to the local economy include:

- The sheep, grains and cattle sector produce \$176 million in output (26.5% of all output in the shire), employs 508 staff and creates a value add of \$64 million.
- Wine manufacturing produces \$79.6 million in output, employs 131 staff and creates a value add of \$15.2 million (12% of output).
- The construction industry produces \$78 million in output, employs 134 staff and creates a value add of \$26.5 million (11.7% of output).

According to the ABS, there are 849 businesses registered in the shire (June 2021) of which 488 are sole operators, 348 with fewer than 20 staff and 13 with between 20 and 199 staff.

Section 4:

OUR COUNCIL

Welcome to
Lexton Nature
Conservation
Reserve

Park Information 13 1963 | www.parks.vic.gov.au

Healthy Parks
Healthy People!

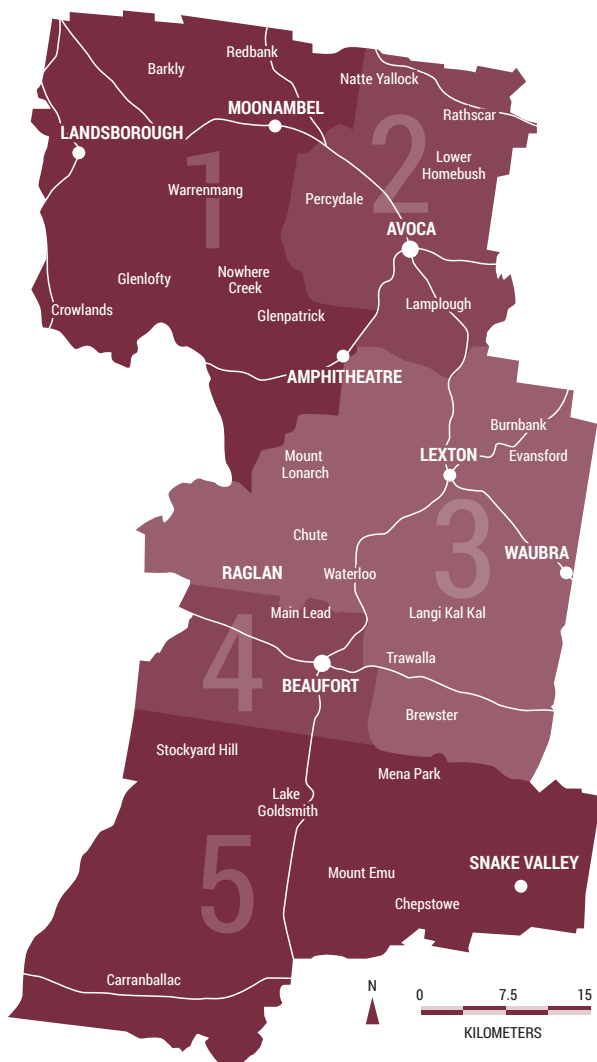
Parks
VIC



OUR COUNCIL

Council is elected by the Pyrenees Shire community to provide leadership for the good governance of the municipal district and the local community. This Council was re-elected on 24 October 2021 for a further four-year term.

The municipality is divided into five wards, each represented by one Councillor. 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.



- 1 De Cameron Ward
- 2 Avoca Ward
- 3 Ercildoune Ward
- 4 Beaufort Ward
- 5 Mount Emu Ward



Councillors



Cr Ron Eason – Mayor

Avoca Ward

First elected 2012, re-elected 2016, 2020

T 0417 508 471 **E** avoca@pyrenees.vic.gov.au

Cr Ron Eason is a businessman and helpful character. Cr Eason's broad working experience includes manufacturing and small business. He loves the picturesque environment around Avoca and has found the community of Avoca so friendly, a big difference to his life in Melbourne and the Goulburn Valley. He highlights a desire to help people in the Pyrenees Shire as his aspiration for standing for Council. Cr Eason would like to see a more sustainable Council that serves the shire. Cr Eason and wife Jenny run the Avoca Newsagency.



Cr David Clark

Ercildoune Ward

First elected 1992, re-elected 1996, 1999, 2008, 2012, 2016, 2020

T 0417 374 704 **E** ercildoune@pyrenees.vic.gov.au

Cr David Clark is a big picture thinker and a champion for the local community. 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, particularly the rolling hills, rich soils, and forests of eucalypts and other species. Cr Clark's motivation to join Council was the chance to make a difference and use his strategic skills. He highlights continuing to improve gravel roads, working towards being 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 and works in Landcare. He shares his life with his wife Peta and their three children.



Cr Damian Ferrari

Beaufort Ward

First elected 2018 (Beaufort Ward by-election), re-elected 2020

T 0437 662 295 **E** beaufort@pyrenees.vic.gov.au

Cr Damian 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 Council be progressive, sustainable, accountable and accessible to the community. Cr Ferrari is passionate about ensuring the long-term sustainability and progress of Beaufort, building a harmonious, resilient and connected community, and protecting our environment. He highlights providing for our elderly and nurturing our youth as his aspirations for this Council term. Cr Ferrari enjoys camping, fishing, gardening and listening to Radio 88 FM.



Cr Tanya Kehoe

Mount Emu Ward

First elected 2012, re-elected 2016, 2020

T 0439 571 480 **E** mountemu@pyrenees.vic.gov.au

Cr Tanya Kehoe is an educator and community advocate. Cr Kehoe's professional experience spans teaching, pastoral care and farming. Cr Kehoe loves the sense of community in the Mount Emu and Snake Valley area, a community that she has been part of her whole life. In her role as Councillor, she wants to use her strengths to better her community, and strongly represent her community. Cr Kehoe would like to see the continued development of the Snake Valley township, improve opportunities for young people, and advocate for better services with regards to roads and facilities. 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 seven children.



Cr Robert Vance

De Cameron Ward

First elected 1987 (Avoca Shire Council), re-elected 1996, 1999, 2008, 2012, 2016, 2020

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

Cr Robert Vance is a farmer, community lobbyist and long-serving Councillor. 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 come together in times of need or grief and to provide support to one another, regardless of difference. Cr Vance highlights giving back to his community as his main reason for standing for Council.

Section 5:

OUR PEOPLE



OUR PEOPLE

Organisational structure

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 Leadership Team (ELT) 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 over 30 years' experience in local government at Glenelg, Southern Grampians and Northern Grampians Shire Councils. Jim has extensive experience across infrastructure, project delivery, community and economic development.

Areas of responsibility:

- Day-to-day operations of Council
- Delivery of the Council Plan
- Implementation of Council decisions
- Economic development
- People and culture
- 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 20 years' experience in governance, risk management and compliance in the Victorian Public Sector – in local government at Brimbank City Council and, before the Pyrenees, at RMIT University in Melbourne.

Areas of responsibility:

- Community Wellbeing and Development
- Frontline Services
- Finance
- Information and Communications Technology
- Governance Risk and Compliance
- Emergency Management

Kathy is also Council's Councillor Conduct Officer and Public Interests Disclosures Coordinator.



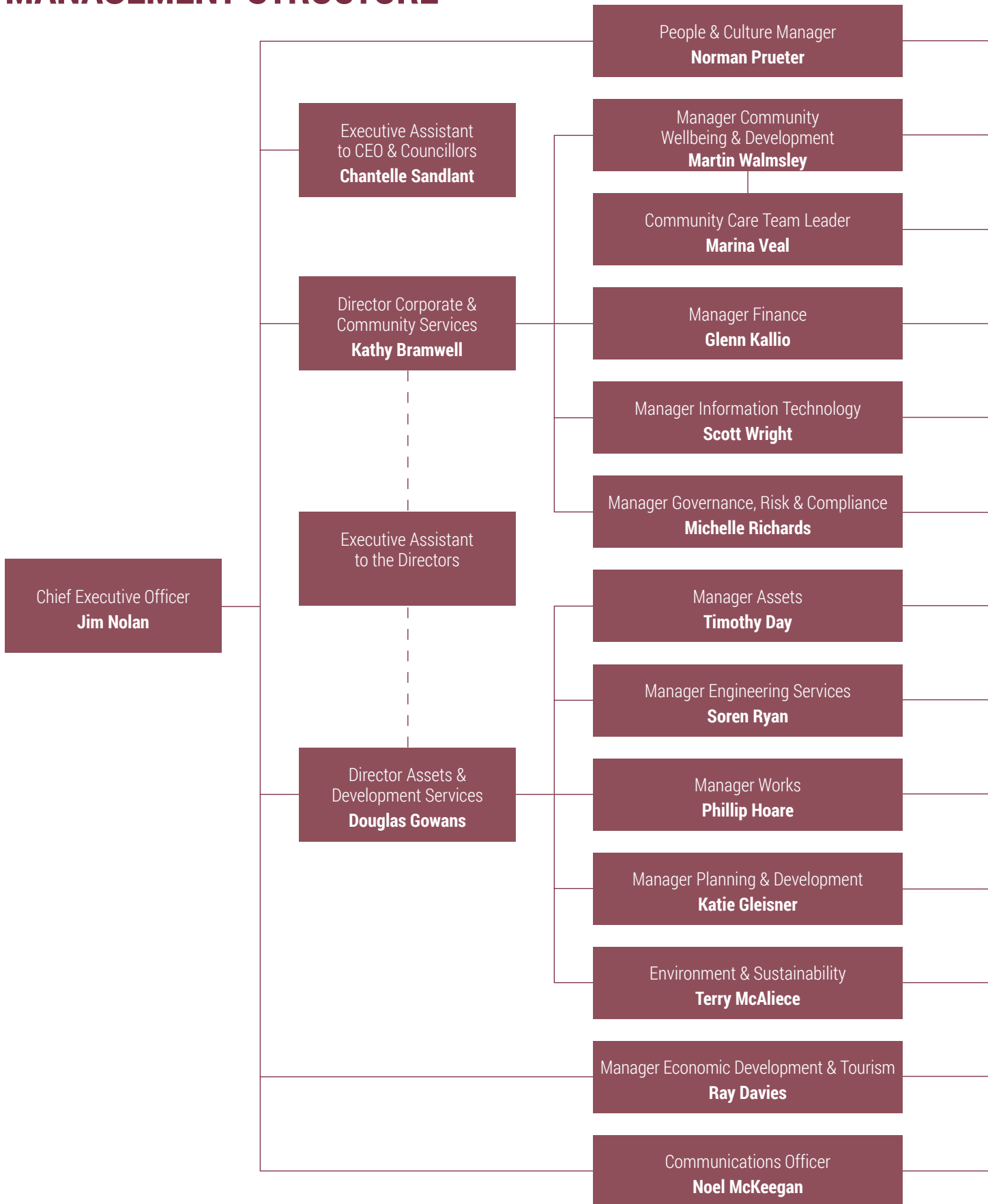
Douglas Gowans – *B.Eng* **Director Assets and Development Services**

Douglas joined Pyrenees Shire Council in 2015. His experience in local government spans two decades including roles at Golden Plains and Hindmarsh Shire Councils.

Areas of responsibility:

- Works / Operations
- Planning and Development
- Community Safety and Public Health
- Asset Management
- Engineering Services
- Environmental Sustainability

MANAGEMENT STRUCTURE



- • Human Resources Management
- • People & Culture
- • Recruitment
- • Workforce Planning
- • Community Planning
- • Family & Children's Services
- • Community Development
- • Sport & Recreation, Health Promotion
- • Community Focused Project Management
- • Community Engagement Support
- • Home-based Aged Care
- • Active Ageing
- • Social Support Groups
- • Financial Management
- • Financial Operations
- • Payroll
- • Creditor / Debtors
- • Revenue & Rates
- • Information Technology
- • Computer Hardware
- • Server
- • Software
- • Telecommunications
- • Geographical Information Systems
- • Policy Systems
- • Risk management
- • Business Continuity
- • Emergency Management
- • Governance
- • Records Management
- • Customer Service
- • Resource Centres and Libraries
- • Capital Works Project Management
- • Asset Management Systems
- • Building Maintenance
- • Strategic Asset Management
- • Engineering Design
- • Waste Management & Recycling
- • Contracts Management
- • Parks & Gardens Maintenance
- • Road & Bridge Maintenance
- • Plant & Equipment Maintenance
- • Public Infrastructure Maintenance
- • Statutory Planning
- • Strategic Planning
- • School Crossing Supervisors
- • Planning Enforcement
- • Environmental Health
- • Building Services
- • Community Safety & Amenity
- • Fire Prevention
- • Planning Referrals
- • Council Sustainability
- • Weed Management
- • Economic Development
- • Tourism
- • Visitor Information Centres
- • Events
- • Communications



WHAT WE DO

The following gives a broad outline of the key functions undertaken by the different departments within the directorates.

Office of the Chief Executive Officer

Communications	Media releases Social media Official communications Website management
Advocacy	Advocating and promoting proposals which are in the best interests of the local community
People & Culture (Human Resources)	Recruitment, retention and staff wellbeing Volunteer management Organisational training and development Industrial relations / grievance management WorkCover and return to work management
Economic Development & Tourism	Economic and business development Business sector monitoring, support, liaison and advice Tourism promotion and marketing Caravan Parks Events promotion

Corporate and Community Services Directorate

Community Wellbeing & Development	Home-based care and support services Senior Citizens centres Supported social activities Maternal & Child Health Supported playgroups Immunisation program Community groups and action planning support Youth services and support Community grants program Community health and wellbeing Sport and recreation planning / aquatic facilities Library services Community engagement Project management facilitation Recovery management
Frontline Services	Customer service / Council business Resource Centres / Libraries Customer Action Requests administration
Finance	Financial management, budgeting and reporting Property and revenue / accounts receivable Fleet procurement and maintenance Accounts payable
Information & Communications Technology	Data and information security / Disaster Recovery Information management Systems development and management Customer support Geographic Information Systems
Governance Risk & Compliance	Governance and corporate compliance Risk management and occupational health & safety Business continuity management Fraud & corruption protection Privacy and FOI management Procurement governance Records management Complaints administration and management Organisation service and process reviews Internal audit
Emergency management	Municipal emergency management planning and administration Municipal relief and recovery support

Assets and Development Services Directorate

Works / Operations	<ul style="list-style-type: none"> Stormwater, bridges, roads and footpath maintenance Parks and gardens, public municipal area maintenance Street tree management Litter management and graffiti removal Traffic management Conservation and bushland management Plant and equipment maintenance Asset inspection schedules and Road Management Plan management / compliance
Planning & Development	<ul style="list-style-type: none"> Customer service, technical advisory and issues resolution Property information Statutory planning Strategic planning (urban design / township, land use, social planning and public spaces, strategic policy & zoning, heritage management) Building control, safety and enforcement Emergency incident post impact assessment
Community safety & public health	<ul style="list-style-type: none"> Fire prevention program Resilient communities / Pyrenees Community Safety Working Group Environmental Health (Food safety, public health & wellbeing, domestic wastewater management) Community Safety & Amenity (local law enforcement, animal & stock management, school crossing supervisors, parking enforcement, footpath trading, public amenity enforcement)
Asset Management	<ul style="list-style-type: none"> Building / facilities maintenance Asset management planning and systems Strategic assets management and lifecycle planning Asset condition inspections and reports
Engineering Services	<ul style="list-style-type: none"> Engineering design Capital works project management Contract and contractor management Roads and footpath provision / planning / construction Roads infrastructure provision Stormwater drainage provision
Environmental sustainability	<ul style="list-style-type: none"> Land management Pest and weed management Environment sustainability and climate change Open air burning / fuel reduction burning Collection of firewood Natural resource management / native vegetation offset management Climate resilient communities Maintenance of bushland reserves and rural walking tracks Support for Friends and Landcare Groups



COUNCIL STAFF

As of 30 June 2022, a summary of the number of full-time equivalent (FTE) staff categorised by employment classification and gender is set out below. This represents a reduction in FTE from the previous year of 6.2.

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 FT – F	0	0	0	4	2	3	1	1	2	13
Permanent FT – M	0	0	16	7	2	9	1	5	6	46
Permanent FT – X	0	0	0	0	0	0	0	0	0	0
Permanent PT – F	0	4.1	2.9	8.5	2.1	4.4	1.7	0	0	23.7
Permanent PT – M	0	0	0	0.4	0.6	0.8	0	0	0	1.8
Permanent PT – X	0	0	0	0	0	0	0	0	0	0
Casual – F	1.2	0.4	0.2	1.2	0	0	0	0	0	3
Casual – M	0	0	0	0	0	0	0	0	0	0
Casual – X	0	0	0	0	0	0	0	0	0	0
Total	1.2	4.5	19.1	21.1	6.7	17.2	3.7	6	8	87.5

FTE = full-time equivalent; FT = full-time; PT = part-time; F = female; M = male; X = Non-binary

As of 30 June 2022, the Pyrenees Shire Council had a total workforce of 87.5 equivalent full time, 121 individuals.

Number of staff categorised by age group

Age group	Number of staff
15-24	4
25-34	11
35-44	30
45-54	29
55-64	39
65 and over	8

Number of staff categorised by employment type

	Full-time	Part-time	Casual	Total
Male	46	1.8	0	47.8
Female	13	23.7	3	39.7
Non-binary	0	0	0	0



OTHER STAFF MATTERS

Gender Equality Program

The objective of Council's Gender Equality 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.

The *Gender Equality Act 2020* was enacted on 30 March 2021 and Council is working through the implementation of the Act as follows:

- Training staff on the key obligations and functions to meet the requirements of the Act
- Undertaking a baseline staff survey on gender equality using questions determined by the Victorian Gender Equality Commission
- Undertaking a Gender Equality Audit of the workplace
- Developing and implementing a process to undertake gender impact assessments of new or changed projects, policies or programs
- Developing, submitting, and implementing the Gender Equality Action Plan (GEAP).

Recruitment, attraction and retention

Council advertised 42 positions in 2021-22. A few positions needed to be advertised multiple times as Council was unable to fill positions due to labour shortages in the market. For most positions advertised, Council continues to receive multiple applications.

Traineeships and work experience

Council provided three (3) new traineeships in early 2022. Furthermore, secondary school students and tertiary students are given the opportunity to undertake Work Experience placements in the organisation.

Preventing violence against women

Prevention of violence against women works primarily through promoting gender equity, building respectful and safe relationships and breaking down stereotypes of women. This year, Council conducted a staff survey and employee engagement with staff to identify where a focus on this was needed in the organisation.

Data gained was used to develop a Gender Equality Action Plan which will be implemented during coming years.

Health, safety and wellbeing

Council has a commitment to providing a healthy and safe workplace for all Councillors, staff, volunteers, contractors and visitors of the Pyrenees Shire Council.

Council's aim is to maintain a health and safety culture that supports an incident and injury-free workplace, while maintaining compliance with all applicable Victorian and Australian safety laws. Over the last 12 months, Council has maintained an Occupational Health and Safety Management System and reports regularly to Council's Audit and Risk Committee, OHS Committee and Risk Management Committee on issues that arise. The Pyrenees Shire Council continuously works towards minimizing harm by focusing on the following four key pillars:

1. **Leadership:** provide direction and support in the provision of high standards of health, safety, wellbeing and environmental standards; aiming to eliminate or reduce as far as is easily practicable the risk of harm and promoting a zero tolerance to workplace aggression or violence;
2. **Systematic Approach:** establish a management framework that supports a strong and compliant health, safety and wellbeing culture, inclusive of behavioural standards that promote good mental health;
3. **Active OHS and Speak Up culture:** promoting an organizational culture that accepts good health, safety and wellbeing; and encourages continuous improvement as an integral part of the way that Council and its workforce undertakes its activities; and
4. **Workplaces and equipment:** ensuring a deep understanding of the nature of hazards inherent within Councils work, activities and undertakings.

Pyrenees Shire Council has been working diligently over the past year to achieve these goals by:

- Ensuring that health, safety and wellbeing is adequately resourced and maintained as an integral part of business planning processes
- Complying, as a minimum, with all relevant OHS laws and regulations
- Identifying, eliminating or mitigating risks, as far as is reasonably practicable, to Council's workforce
- Implementing, maintaining and reviewing our OHS Management system
- Continual and effective improvement of OHS performance, through the setting and review of objectives and targets, which relate to key aspects of the business
- Providing and maintaining an effective mechanism for consultation, communication and partnership with all Councillors and staff on health, safety and wellbeing matters
- Maintaining a culture of employee consultation and teamwork in all aspects of health and safety
- Providing and maintaining an effective process and tools to encourage the reporting, management and resolution of health, safety and wellbeing hazards, risks, incidents and issues
- Providing appropriate health, safety and wellbeing awareness and training to develop an informed and knowledgeable Council and workforce

- Requiring all Councillors, employees, contractors and volunteers to accept responsibility for their own actions, and to behave in a manner that reflects safe work practices.
- Pyrenees Shire Council experienced six (6) minor claims during the 2021-22 insurance period.

Learning and development

Council continues to provide ongoing learning and development to all staff through internal and external programs.

A sample of the training undertaken in 2021-22 includes:

- First Aid/CPR
- Traffic management
- Operation and maintenance of chainsaws
- Occupational health and safety
- Mental Health First Aid
- Emergency Management
- Better Conversations and Triaging of Workplace Issues
- Procurement
- Project Management
- Chemical Management
- Dementia Training
- Report writing training
- Intersectionality training

Furthermore, staff attended conferences organised by the Municipal Association of Victoria (MAV).

Recognition of length of service

Council recognises the length of service that staff contribute as part of its end of year celebrations.

Section 6:

OUR PERFORMANCE



OUR PERFORMANCE

Integrated strategic planning and reporting framework

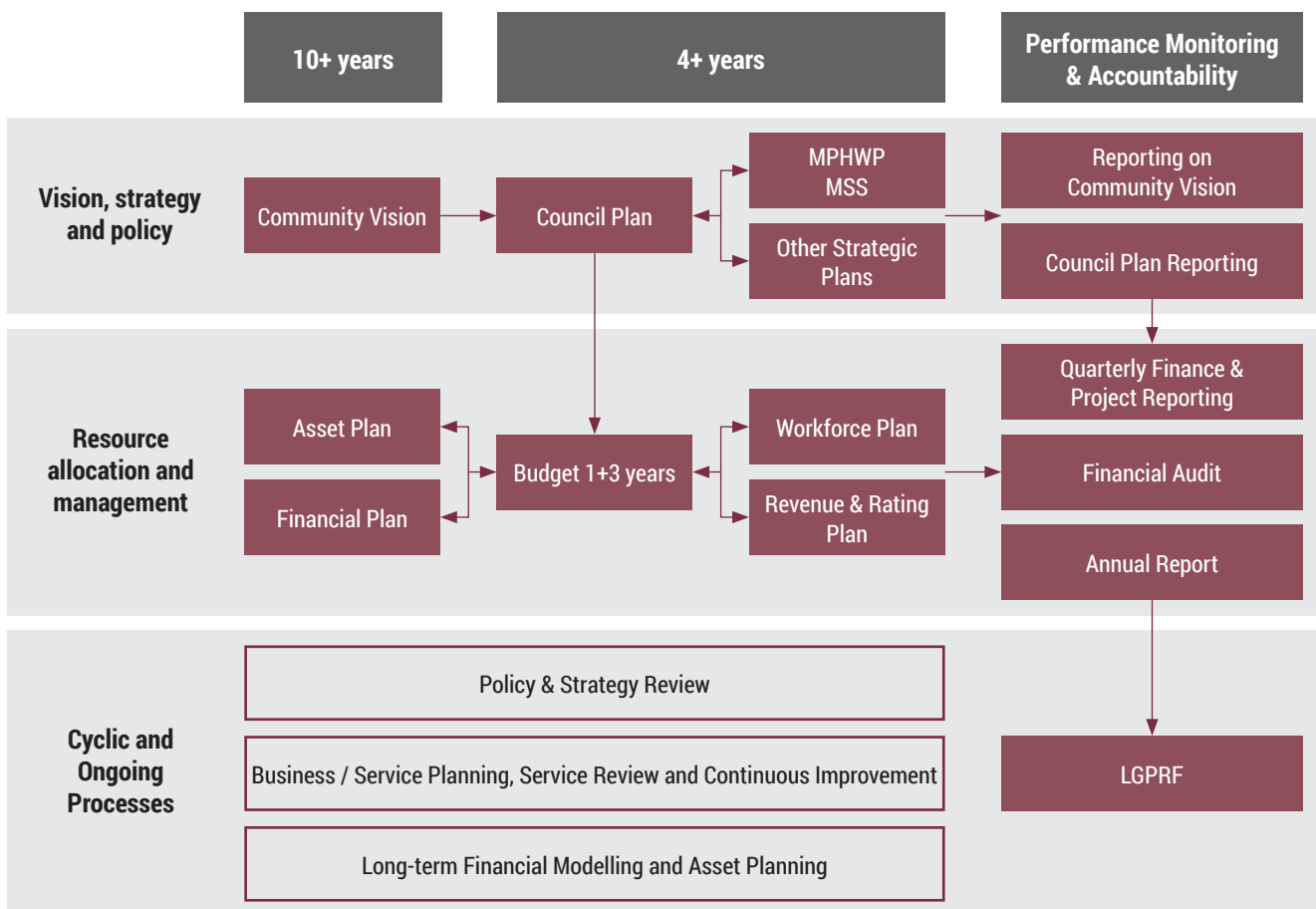
In accordance with Part 4 of the *Local Government Act 2020*, Council prepared the following over the financial year:

- A Community Vision (for at least the next 10 financial years)
- A Council Plan (for at least the next 4 financial years)
- A Financial Plan (for at least the next 10 financial years)
- An Asset Plan (for at least the next 10 financial years)
- A Revenue and Rating Plan (for at least the next 4 financial years)

- An Annual Budget (for the next 4 financial years)
- A Quarterly Budget Report
- An Annual Report (for each financial year)
- Financial Policies.

The Act also requires councils to prepare a Workforce Plan, including protected staffing requirements for at least four years.

The following diagram shows the relationships between the key planning and reporting documents that make up the integrated strategic planning and reporting framework for local government. It also shows the opportunities for community and stakeholder input and feedback.



COUNCIL PLAN

The past 12 months saw a new Council Plan being introduced for the Pyrenees Shire Council, strongly based upon the Pyrenees Shire Community Vision 2021-2031.

The Council Plan 2021-2025 includes strategic objectives, operational strategies for achieving these for the four-year period, and strategic indicators for monitoring achievement of the strategic objectives.

Enabling Principles	
Motivate and inspire community involvement	Provide transparency and accountability
	Use resources efficiently and effectively

Priorities to Achieve the Vision	
People	Place
<ul style="list-style-type: none"> Prepare for emergencies and ensure community safety Support a vibrant community arts, culture and heritage environment Improve accessibility and inclusivity Promote health, wellbeing, engagement and connection Improve social outcomes 	<ul style="list-style-type: none"> Sustain and enhance unique character of our communities Support community sustainability Enhance liveability of our communities Promote responsible development
Environment	Economy
<ul style="list-style-type: none"> Lead and promote environmental sustainability Foster a climate change resilient community Encourage community care of biodiversity and natural values Improve waste management to reduce landfill and reduce harm to the environment 	<ul style="list-style-type: none"> Support our local businesses and help to strengthen key industries Invest in road infrastructure to improve connectivity for commerce and community Advocate for and invest in assets and infrastructure to support industry sustainability

Performance

Council's performance for the 2021-22 year has been reported against each strategic objective to demonstrate Council's progress against the 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 priorities identified to achieve the Vision in the Council Plan
- Services funded in the budget
- Results against the prescribed service performance indicators and measures



COUNCIL PLAN – ENABLING PRINCIPLES

Our Community Panel said in 2031 the Pyrenees Shire Council will have motivated and inspired community engagement and involvement; and provide transparency and accountability.

Council Priorities		Progress
a Motivate and inspire community involvement		
1	Embed community participation in project management framework	<p>A range of conditions are being embedded in the project management framework before approval is provided by the steering group for the project to commence.</p> <p>This includes the need to assess whether a project needs community engagement and, if yes, deliver a communications plan for the project.</p>
2	Work with our communities to understand and release their aspirations	<p>Officers have started a re-invigoration of the Community Action Plan Program.</p> <p>An amalgamated framework is being developed to coordinate and align all funding awarded by Council to its communities. This will be available in 2022-23.</p>
3	Encourage wide representation of community in Council decision-making being diverse in terms of gender, age, culture and occupation	<p>Opportunities for community discussion with Councillors and senior officers are provided monthly in all regions of the shire on a 24-month rotation.</p> <p>An updated Community Engagement & Communications Policy and a new Strategy were adopted by Council in June 2022.</p> <p>An engagement toolkit and guidelines are being developed. When complete, these will be included as a key step in concept planning for a project. These guidelines will provide detailed guidance on when, how and with whom to conduct engagement.</p> <p>A communication plan for 2022-23 is under development.</p>
4	Providing a range of opportunities for community participation, including online, in-person and through different media	<p>Comments relate as in (1), (2), and (3) above.</p> <p>Utilisation of the Engagement Hub application on Council's website is being strongly encouraged and will be supported through training of Engagement Hub Champions in the organisation.</p> <p>From late 2022, an annual engagement / communications plan will be developed and published which will facilitate input from our community on what they want to hear or participate in, when and how.</p>

Council Priorities		Progress
5	Annually report to a community consultative group to review the implementation of the Community Vision	A report on how the Community Vision was implemented will be provided to the community consultative panel that developed the Vision in late 2022. Council is planning to convene an in-person forum with a community consultative panel in 2023.
b Provide transparency and accountability		
6	Reflect community consultation and research findings in decision-making	It is planned to amend the Council report template to include brief reports on community engagement and consultation outcomes.
7	Have goals that are clear and measurable	Measures to monitor the outcomes of this Council Plan are reported against annually. An Operational Plan was developed and adopted by Council to articulate operational activities that will support delivery and achievement of the Council Plan. Reporting against the operational plan will be done every six months.
8	Provide relevant, timely, and accessible updates via a broad range of communication channels to reach groups and individuals without our community (e.g., website, email, e-newsletters, paper newsletters, notice boards)	A "Customer First" project is underway to identify opportunities to improve customer service across the organisation. Part of this project will examine how, when, and where information is provided to our communities and where this can be improved to facilitate both online and physical distribution. The Engagement Hub on Council's website continues to be developed as an online tool for seeking community feedback and participation in projects. All active projects within Council are now included on an interactive dashboard which is being continually improved. Information and shire news continues to be published in weekly newspaper media.
9	Continue to foster a culture of accountability and transparency	Quarterly reporting is provided to Council and Community on progress against the Council Plan and is included in the Annual Report.
c Use resources efficiently and effectively		
10	Continue to build the capability and capacity of Council employees to deliver the Council Plan	Council's executive leadership team are commencing a project to build organisational capacity, which is at the planning and research stage. Workforce planning will feed into this project. Ongoing development of robust project management principles and practices will support the capability to deliver the Council Plan.
11	Promote financially responsible decisions	A project management governance steering committee has been convened to monitor expenditure on key projects, identify financial risks and Council Plan alignment for all new projects or initiatives. An internal audit review recommendation to conduct regular checks on aggregate procurement levels with single suppliers has commenced with reports provided to the executive leadership team. This action will identify where some procurement should in future be done via the tender process to increase transparency.
12	Monitor staff wellbeing and satisfaction	In 2021, a gender equality status survey was conducted instead of the usual staff satisfaction survey. Data collected was used to develop a Gender Equality Action Plan (GEAP). A further staff satisfaction survey is planned for late 2022.

Council Plan – Enabling Principles – Strategic Measures				
Measure	Target	Source	Status Report	
1	Percentage of Council decisions made at meetings open to the public	Maintain to at least 90%	Local Government Performance Report (LGPR)	🔴 89.54% - work continues at minimising decisions made in closed Council meetings.
2	Attendance by Councillors at Council meetings	95% or higher	LGPR	✅ 100%
3	Community satisfaction with community consultation and engagement	Maintain at 55% or above	Community Satisfaction Survey	❌ 51%
4	Online Engagement Hub	At least 12 new engagement activities per year	Engagement Hub report	✅ 11 engagement projects through Engagement Hub plus several face-to-face forums, and direct engagement.
5	Social media activity – number of followers on Facebook	Increase to 2,500	Facebook statistics	🔴 2,411
6	Face-to-face engagements with communities by Councillors and senior officers – community cuppa events	Held in at least 20 localities over a 2-year period	Councillor calendars	❌ 10 Councillor Cuppas – impacted by COVID restrictions.
7	Responses to Customer Action Requests (CARs) submissions	Maintain open CARs below 300	CARs report	✅ 208 as at 30.06.2022.
8	Average rate per property assessment	Maintain below average for small rural councils	LGPR	⚠️ \$1,506.58 Average for small rural councils not available until October.
9	Rates as a percentage of underlying revenue	Under 50%	LGPR	❌ 51.28%
10	Annual percentage of staff turnover	Maintain below 15%	LGPR	❌ 31.02% - high rate in many years after 7% and 12% in the last two years. Reflects global post-COVID trends.
11	Report to Council on health of organisation through Workforce Plan	Annually	Council meeting agenda	⚠️ Will be provided in late 2022.

Council Plan – Enabling Principles – Relevant Service Performance Indicators						
Service Performance Indicator	2019	2020	2021	2022	Comments	
Governance						
G1	Transparency <i>Council decisions made at meetings closed to the public</i>	9.66%	10.47%	15.47%	10.46%	Effort continues to maintain this percentage as low as possible to reflect appropriate transparency of decision-making, with Council introducing a target maximum of 10% for future years.
G2	Consultation and engagement <i>Satisfaction with community consultation and engagement</i>	57	55	55	51	Rate fell, notwithstanding Council's work at improving its engagement practices during the year. There was major change in waste management services during the year which impacted a high percentage of residents. This is a key improvement focus for future years.
G3	Attendance <i>Councillor attendance at Council meetings</i>	96.00%	91.43%	93.85%	100%	All Councillors attended all meetings during the year, reflecting their ongoing commitment.
G4	Service cost <i>Cost of elected representation [Direct cost of the governance service / number of Councillors]</i>	\$44,562	\$44,068	\$41,367	\$50,174	All Councillors attended all meetings during the year, reflecting their ongoing commitment.
G5	Satisfaction <i>Community satisfaction with Council decisions</i>	56.00	54.00	54.00	53.00	Minor reduction.

Council Plan – Enabling Principles – Financial Performance Indicators						
Service Performance Indicator	2019	2020	2021	2022	Comments	
Operating Position						
OP1	Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i>	10.54%	1.63%	1.45%	2.98%	Council strives towards having an underlying surplus each year by good fiscal management.
Liquidity						
L1	Working capital <i>Current assets compared to current liabilities</i>	402.70%	223.13%	179.56%	230.36%	Principal reason for the increase in working capital is cash held at year end to fund unfinished projects that will be carried over to the 22-23 financial year.
L2	Unrestricted cash <i>Unrestricted cash compared to current liabilities</i>	69.07%	66.69%	-70.94%	-64.01%	

Council Plan – Enabling Principles – Financial Performance Indicators						
Service Performance Indicator	2019	2020	2021	2022	Comments	
Obligations						
O2	Loans and borrowings <i>Loans and borrowings compared to rates</i>	0.00%	0.00%	0.00%	0.00%	Council had no loans or borrowings and was debt free at the end of the financial year.
O3	<i>Loans and borrowing repayments compared to rates</i>	0.00%	0.00%	0.00%	0.00%	
O4	Indebtedness <i>Non-current liabilities compared to own source revenue</i>	1.13%	1.78%	1.16%	0.87%	Council was debt free at the end of the year and non-current liabilities held reflect employee provisions.
O5	Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i>	New in 2020	128.67%	109.94%	110.58%	Council's asset policy prioritises renewal of assets ahead of new or upgrade works and this was made possible during the financial year with additional Commonwealth funding.
Stability						
S1	Rates concentration <i>Rates compared to adjusted underlying revenue</i>	36.47%	46.55%	46.57%	51.28%	Increased waste charge due to the expanded kerbside collection service has contributed to the higher percentage along with additional revenue from wind farms.
S2	Rates effort <i>Rates compared to property values</i>	0.47%	0.45%	0.41%	0.40%	This indicator shows rate revenue as a percentage of property values in the municipality. Its capacity to increase at the same rate as property values is limited due to rate increase caps set, resulting in a steady reduction in this measure over recent years.
Efficiency						
E2	Expenditure level <i>Expenses per property assessment</i>	\$4,089.83	\$3,683.74	\$3,961.60	\$3,866.16	Council's expenses per head of population are subject to fluctuation from year to year due to timing of external non-recurrent grants received and expenditure incurred in delivery of funded projects.
E4	Revenue level <i>Average rate per property assessment</i>	New in 2020	\$1,407.26	\$1,462.54	\$1,506.58	This indicator reflects Council's revenue through rates and charges for the reporting year, changes in which are impacted by rate capping. In the reporting period Council increased its waste service charge due to an expanded kerbside collection service in response to the State Circular Economy Policy.

Council Plan – Enabling Principles – Sustainable Capacity Performance Indicators						
Service Performance Indicator	2019	2020	2021	2022	Comments	
Efficiency						
C1	Population <i>Expenses per head of municipal population</i>	\$3,337	\$2,974	\$3,191	\$3,085	
C2	<i>Infrastructure per head of municipal population</i>	\$31,001	\$30,936	\$31,352	\$31,852	
C3	<i>Population density per length of road</i>	3.59	3.64	3.72	3.88	In small rural councils with low/moderate population growth, this figure is likely to remain fairly static from year to year.
C4	Own-source revenue <i>Own-source revenue per head of municipal population</i>	\$1,552	\$1,651	\$1,695	\$1,817	This indicator represents the amount of Council revenue obtained through its rates and charges and remains fairly stable due to rate capping and low/moderate population growth.
C5	Recurrent grants <i>Recurrent grants per head of municipal population</i>	\$1,040	\$1,185	\$1,205	\$1,242	This indicator assesses the level of revenue generated from a range of sources other than through rates and charges – i.e. grants. A higher amount of grant revenue suggests greater capacity to deliver community services but is dependent upon availability of such revenue as small rural councils have little alternate opportunity to increase revenue.
C6	Disadvantage <i>Relative Socio-Economic Disadvantage</i>	3.00	3.00	3.00	3.00	This index summarises a range of information about the economic and social conditions of a community, and ranges from 1 to 10. A lower level may suggest a greater need for some services.

Council Plan – Enabling Principles – Sustainable Capacity Performance Indicators					
Service Performance Indicator	2019	2020	2021	2022	Comments
C7 Workforce turnover <i>Percentage of staff turnover</i>	16.29%	7.11%	12.44%	31.02%	<p>The turnover rate has increased compared to the two previous years where staff movement was restricted by the impacts of COVID-19. The majority of staff resignations were due to contract ending, career progression or retirement. Council has limited capacity to provide career progression opportunities due to financial limitations.</p> <p>High work demands due to being a resource constrained council has contributed to some cases of burn out and staff seeking career change. The uncertainty of the future of home-based aged care and low pay rates have contributed to a high turnover of support staff in home care services.</p> <p>There were a number of staff that left the organisation due to vaccination status.</p>

Council Plan – Retired Service Indicators			
Service Performance Indicator	2018	2019	Comments
Efficiency Revenue level <i>Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]</i>	\$987.67	\$941.00	This measure was replaced from 1 July 2019
Obligations Asset renewal <i>Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100</i>	72.33%	115.75%	This measure was replaced from 1 July 2019








COUNCIL PLAN PRIORITY 1 – PEOPLE

Our Community Panel said by 2031 in Pyrenees Shire the health and wellbeing of our communities will be paramount.

Council Priorities	Role	What we have achieved so far	
a Prepare for emergencies and ensure community safety			
1	Have appropriate and up-to-date emergency management plans	<i>Facilitate</i>	Council officers are working with community emergency response organisations to review the current municipal emergency management plan in preparation for the next audit in 2023.
2	Support communities in times of emergencies and in post-emergency recovery	<i>Support</i>	<p>Staff emergency management capability was improved in 2021 through completion of relevant training.</p> <p>Planning is underway for volunteer recruitment to support staff in relief centres.</p> <p>Council officers continue to participate in regional emergency management team meetings.</p> <p>A funding application for the Safer Together Funding for Community Resilience was successful in collaboration with the Golden Plains Shire. This project will be delivered in 2022-23.</p>
b Support a vibrant community arts, culture, and heritage environment			
3	Develop a Creative Community Strategy	<i>Facilitate</i>	This is awaiting a suitable funding opportunity.
4	Implement the Reconciliation Plan and Reconciliation Advisory Committee	<i>Facilitate</i>	<p>Council's second Reconciliation Action Plan (RAP) is in place.</p> <p>A collaboration between public representatives and Council officers forms a Pyrenees Shire Reconciliation Advisory Committee that meets regularly throughout the year to oversee and monitor RAP implementation.</p> <p>Acknowledgement of Country is done at all meetings and is included in many Council documents.</p>
5	Support our community groups, including historical societies, preserve and understand our region's history	<i>Support</i>	Support was provided to historical societies via community grant funding in 2021-22.
6	Support community events	<i>Support</i>	Sponsorship and community grants programs were completed for 2021-22.

Council Priorities		Role	What we have achieved so far
c Improve accessibility and inclusivity			
7	Facilitate connectivity and increase accessibility through appropriate infrastructure	<i>Advocate</i>	<p>Planning is underway to identify priority projects for funding opportunities relating to improving pathways, linkages, and connections to and between key locations.</p> <p>A 10-year Assets Plan has been drafted and will be provided to Council for adoption in June 2022.</p> <p>Planning is underway to reinvigorate the community action planning framework that will support informing assets / facilities management and improvement plans.</p> <p>An internal audit review of Community Asset Committee governance is planned for late 2022 to identify opportunities for improvement.</p> <p>The Lexton Community Hub, notwithstanding setbacks, is nearing completion.</p> <p>Advocacy is ongoing for public transport and improved telecommunications coverage whenever opportunity allows.</p>
8	Develop a Diversity and Inclusion Strategy	<i>Pending funding</i>	Awaiting appropriate external funding opportunities.
9	Develop an Accessibility Strategy	<i>Pending funding</i>	Awaiting appropriate external funding opportunities.
10	Progress towards improved gender equality	<i>Facilitate</i>	<p>A Gender Equality Audit and Gender Equality Action Plan was conducted and submitted to Government.</p> <p>New Child Safe Standards will be introduced from 1 July 2022. An updated Policy and Child Safe Code of Conduct has been adopted and all processes are under review to ensure continued alignment.</p> <p>A new training module has been developed and purchased for the industry which will be implemented in the second half of 2022.</p>
d Promote health, wellbeing, engagement, and connection			
11	Have a Municipal Health and Wellbeing Plan	<i>Deliver</i>	<p>Complete. A new Municipal Health and Wellbeing Plan was adopted by Council.</p> <p>Implementation is now in progress and partnership continues with the Pyrenees Shire Community Safety Advisory Committee led by Victoria Policy that focuses on part of the plan contents.</p>
12	Assist community with access to appropriate aged care and early years services	<i>Partner / Deliver</i>	<p>Examination of all long term options available for Council is underway to support Council in its long term planning.</p> <p>Information on any potential change in direction through a change in Commonwealth Government is constantly monitored.</p>
13	Work with partners to support young people to be active in our community	<i>Support</i>	<p>Recruitment for a dedicated youth officer was successful.</p> <p>Partnership continues with the Pyrenees Shire Community Safety Advisory Committee which has a large focus on youth safety.</p>

Council Priorities		Role	What we have achieved so far
14	Support communities to have access to high quality assets, facilities, and programs to promote passive and active recreation	<i>Support</i>	Ongoing implementation of Council's Recreation Strategy continues. Ongoing efforts to identify opportunities for funding to maintain, develop, and upgrade community facilities continue. Federal and State government funding has been approved towards power and sports lighting upgrades at the Beaufort Goldfields Recreation Reserve.
15	Advocate for appropriate access to medical and allied health services	<i>Advocate</i>	Ongoing when opportunities arise.
e Improve social outcomes			
16	Support community programs targeted at access to healthy food	<i>Support</i>	Annual funding provision is awarded to both Avoca and Beaufort Food Pantries. The Municipal Health & Wellbeing Plan includes promotion of healthier options. Local community markets are supported.
17	Deliver and support activities aimed at increasing community connections and reducing social isolation	<i>Deliver</i>	The Community Grants program was successfully completed for the 2021-22 financial year.
18	Support learning through provision of knowledge services including contemporary library services	<i>Support</i>	The mobile library outreach program was expanded in 2021-22 as a result of the government funded purchase of the dedicated library van.

Council Plan Priority 1 – People – Strategic Measures				
Measure	Target	Source	Status Report	
1.1	Municipal Emergency Management Plan passes external audit	By June 2023	Audit outcome	 Audit scheduled for 2023.
1.2	Visits to resource centres	Maintain or increase by 5% per year	Door counts	 Increased by 15% although 2020/21 numbers impacted by COVID restrictions.
1.3	Participation in active ageing social support programs	Maintain at least 85 active clients	Client database	 76 clients
1.4	Participation in Maternal and Child Health Service	90% or higher	LGPR	 94.31%
1.5	Community satisfaction with arts centres and libraries	Increase from 69%	Community Satisfaction Survey	 68%

Council Plan Priority 1 – People – Relevant Service Performance Indicators						
Service Performance Indicator	2019	2020	2021	2022	Comments	
Libraries						
LB1	Utilisation <i>Physical library collection usage</i> <i>[number of loans / numbers of collection items]</i>	2.83	1.77	1.65	1.80	Utilisation rose slightly but remained impacted by reluctance to frequent public areas due to the risk of COVID-19 infection. This risk increased locally in early 2022 due to increases in local positive case numbers.
LB2	Resource standard <i>Recently purchased library collection</i> <i>[purchased in <5 years]</i>	68.24%	67.92%	57.57%	60.86%	Purchase of new items has remained fairly steady over the past few years.
LB4	Participation <i>Active library borrowers in municipality</i> <i>[Number of active borrowers / populations]</i>	11.02%	9.94%	8.43%	8.42%	The number of active borrowers remained similar to the previous year, still impacted by community reluctance to frequent public areas due to the risk of COVID-19 infection. This risk increased locally in early 2022 due to increases in local positive case numbers. The introduction of the new mobile library bus has increased accessibility across the municipality to library services.
LB5	Service cost <i>Average cost of library service per person</i>	\$46.18	\$44.96	\$49.62	\$16.80	COVID illness and the difficulty in sourcing trained staff has required services to be restricted during periods of the year resulting in reduced costs.
Maternal and Child Health						
MC2	Service standard <i>% of infant enrolments in the MCH service</i>	100%	96.55%	100%	98.04%	A high percentage suggests a high appreciation of the MCH service. This service supports families in the areas of parenting, health and development, social support and linking with local communities.
MC3	Service cost <i>Average cost of the MCH service per hour worked</i>	\$79.04	\$85.93	\$69.30	\$115.34	Increased involvement in vaccination services and growth in supported playgroup activity.
MC4	Participation <i>Participation in the service / number of children enrolled</i>	88.62%	92.97%	78.46%	94.31%	After the impact of COVID-19 restrictions imposed in the previous year, participation rates increased substantially in 2021-22.

Council Plan Priority 1 – People – Relevant Service Performance Indicators

Service Performance Indicator	2019	2020	2021	2022	Comments
MC5 Participation <i>Participation in the service by Aboriginal children / number of children enrolled</i>	100.00%	93.33%	100.00%	100.00%	Low numbers of participants can result in high variations year on year, but an ongoing high percentage is a great reflection on the quality of the MCH service.
MC6 Satisfaction <i>Participation in 4-week key age and stage visit</i>	New in 2020	101.72%	105.66%	98.04%	A good percentage of infants were enrolled in the 4-week stage.

Pyrenees Community Care Service Overview	2019-20	2020-21	2021-22
Domestic assistance	6414 Hours	6835 Hours	6190 Hours
Personal care	1661 Hours	2041 Hours	1900 Hours
Respite care	976 Hours	1067 Hours	527 Hours
Delivered meals	4563 Meals	4361 Meals	4631 Meals
Home modifications	\$6,629.00	\$14,613.00	\$29,799.00
Assessment*	52 Hours	70 Hours	76 Hours
Planned Activity Groups	5115 Hours	3592 Hours [†]	4331 Hours [†]
Transport [‡]	34 Trips	364 Trips	318 Trips
Home Maintenance [§]	0 Hours	73 Hours	29 Hours
Good Equipment and Assistive Technology [¶]	0 Hours	179 Hours	403 Hours
Allied Health & Podiatry [#]	0 Items	38 Items	35 Items
COVID-19 Support Services	177 Hours	355 Hours	69 Hours
Regional Assessment Service		88 new home support assessments (eligibility for aged care service referrals)	109 Support plan reviews (changes in care needs and updating service referrals)

* Excluding initial assessment undertaken by the regional assessment service

[†] Impacted in 2020-21 by COVID restrictions.

[‡] New funding received for transport from May 2020

[§] New funding received for home maintenance from May 2020

[¶] New funding received for good equipment and assistive technology from May 2020

[#] Difficulties experienced in accessing allied health professionals in rural areas

Maternal & Child Health Service Overview	2019/20	2020/21	2021/22
Number of infants enrolled from birth notifications	56	53	50
Number of new enrolments	62	58	58
Number of active infant records	244	255	262
Additional consultations	204	170	165
Telephone consultations	54.2	22.68	87.25
Community strengthening activities	23.75	9	21.75
Supported playgroup sessions	26	26	49
In home support sessions	-	-	15

Council Plan – Retired Service Indicators		
Service Performance Indicator	2019	Comments
Libraries Service cost <i>Cost of library services</i> <i>[Direct cost of library service / Number of visits]</i>	\$6.46	This measure was replaced by Cost of library service per population for 2020
Maternal and Child Health (MCH) Satisfaction <i>Participation in first MCH home visit</i> <i>[Number of first MCH home visits / Number of birth notifications received] x 100</i>	109.8%	This measure was replaced by Participation in 4-week Key Age and Stage visit for 2020

Council Plan Priority 1 – People – Services Budget				
Service	Description	Budget \$'000's	Actual \$'000's	Variance \$'000's
Library	Purchase of library books and resources.	24	41	-17
Library	Cost of providing the service.	175	128	47
Governance	Cost of providing the service.	281	251	30
Maternal & Child Health	Cost of providing the service.	309	281	28
Aged Care	Cost of providing the service	1,166	1,116	50








COUNCIL PLAN PRIORITY 2 – PLACE

Our Community Panel said by 2031 in Pyrenees Shire communities will be thriving and Growth will be underpinned by universal connectivity, access to technology, advanced services, and sustainable education facilities.

Council Priorities	Role	What we have achieved so far
a Sustain and enhance unique character of our communities		
1	Implement and develop strategic planning projects such as further progression of Pyrenees Futures or the Rural Review	<i>Deliver</i> Beaufort façade improvement guidelines have been drafted together with application forms. It is expected that the first round of façade improvement grants will open late 2022. Officers contributed to Beaufort bypass planning panel and submissions. Funding submissions lodged to redevelop Beaufort Caravan Park.
2	Identify priorities and seek support to identify, preserve, and protect heritage assets	<i>Facilitate</i> An Investment Attraction Strategy was completed in 2022. Ongoing investment support is provided to potential developers in response to enquiries.
3	Maintain a planning scheme that accommodates community values and guides sustainable development	<i>Deliver</i> A 10-year asset management plan was adopted in June 2022.
b Enhance the liveability and resilience of our communities		
4	Manage impacts of large scale infrastructure projects (e.g., the Beaufort Bypass) on communities	<i>Deliver</i> <i>Advocate</i> <i>Support</i> Beaufort façade improvement guidelines have been drafted together with application forms. It is expected that the first round of façade improvement grants will open in late 2022. Planning has commenced on the identification of projects to make Beaufort a destination and withstand business impacts of the bypass implementation. Implementation will be subject to funding availability.
5	Actively invite and encourage investment that supports employment	<i>Advocate</i> <i>Support</i> An Investment Attraction Strategy has been developed. Ongoing investment support is provided to potential developers in response to enquiries.
6	Provide services for towns (e.g., toilets, parks, playgrounds, sports facilities, town entrance signs, etc.)	<i>Deliver</i> A 10-year asset management plan has been developed and adopted by Council in June.

Council Priorities		Role	What we have achieved so far
7	Maintain our streetscapes and public gathering spaces and improve and enhance where funding permits ¹	Deliver	Annual inspection and maintenance programs remain an ongoing activity. Planning for appropriate improvement and place-making initiatives continues and implementation will be subject to funding availability.
8	Provide and maintain appropriate infrastructure ensure a high level of amenity, accessibility, and safety ²	Deliver	Planning and community engagement is underway to collaborate with our communities to re-invigorate the community action planning framework. A 10-year asset management plan was adopted in June.
9	Work with our communities to understand and realise their aspirations	Facilitate	Planning is underway to collaborate with our communities to re-invigorate the community action planning framework.
c This work is awaiting some recruitment activity to replace staff resources.			
10	Adopt and apply principles around sustainable growth and development within townships	Deliver	Not yet commenced – requires project funding to develop and deliver policy and scheme incorporation.

Council Plan Priority 2 – Place – Strategic Measures			
Measure	Target	Source	Status Report
2.1	Planning applications decided within required timeframes	At least 90%	GPR  85.61%
2.2	Community satisfaction with appearance of public areas	Maintain to at least 70%	Community Satisfaction Survey  68%
2.3	Number of townships with Framework Plans	At least 1 new plan developed every 12 months	 Finalising framework plans for Lexton, Waubra and Snake Valley.
2.4	Community satisfaction with recreational facilities	Maintain to at least 69%	Community Satisfaction Survey  68%
2.5	Enforcement of Local Laws performance	Maintain to at least 62%	Community Satisfaction Survey  59%

¹ Within current resourcing, Council has budgeted for maintaining existing level of service in these areas. However, where additional funding or grants are obtained, Council will seek to also improve, enhance and beautify public spaces further.

² Within current resourcing, Council has budgeted for maintaining existing level of service in these areas. However, where additional funding or grants are obtained, Council will seek to also improve, enhance and beautify public spaces further.

Council Plan Priority 2 – Place – Relevant Service Performance Indicators						
Service Performance Indicator	2019	2020	2021	2022	Comments	
Statutory Planning						
SP1	Timeliness <i>Average time taken to decide planning applications [days]</i>	50	77	100	129	Planning application numbers continue to increase, both in quantity and in complexity of decisions required, resulting in increased time needed for decision-making. The timeframes include periods in which Council has sought and awaited additional information on planning applications before they are able to be processed.
SP2	Service standard <i>Planning application decisions made within required time frames</i>	97.44%	90.00%	85.95%	85.61%	Council's processing of applications is within the expected range for State Planning Authorities, having regard to the complexity of the service.
SP3	Service cost <i>Average cost of statutory planning service [per application]</i>	\$3,144	\$3,124	\$2,601	\$2,293	Council has experienced challenges in recruiting qualified personnel to deliver the service for part of the reporting year.
SP4	Decision-making <i>% of planning decisions upheld at VCAT</i>	0.00%	0.00%	0.00%	0.00%	No planning matters were decided at VCAT during the reporting period.
Aquatic facilities						
AF2	Service standard <i>Health inspections of aquatic facilities per facility</i>	3	1	1	1	Council has three public outdoor pools and one authorised officer inspection was carried out per aquatic facility in the reporting year.
AF6	Utilisation <i>Number of visits to aquatic facilities / population</i>	1.48	1.61	0.99	1.02	Impacted by the short season and global shortage of skilled senior life guards.
AF7	Service cost <i>Cost of aquatic facilities / per visit</i>	New in 2020	\$24.77	\$58.72	\$51.65	Notwithstanding relaxing of COVID-19 restrictions in 2021-22, the impacts of a short season for outdoor rural pools and the global shortage of skilled senior life guards contributed to a low utilisation rate and associated high costs for the season.

Council Plan Priority 2 – Place – Relevant Service Performance Indicators						
Service Performance Indicator	2019	2020	2021	2022	Comments	
Animal management						
AM1	Timeliness <i>Average time taken to action animal management requests [days]</i>	1.00	1.00	1.00	1.16	Council has maintained its responsiveness to animal management requests by averaging a response to just over one working day for each report.
AM2	Service standard <i>Animals reclaimed</i>	30.34%	31.78%	39.29%	41.74%	The animal reclamation rate has increased in the previous year, although high costs associated with reclaiming pets and the distance of pound facilities from the shire continue to act as a deterrent, keeping percentages low.
AM5	Service standard <i>Animals rehomed</i>	New in 2020	6.98%	16.67%	34.78%	Rehoming statistics continued to increase demonstrating Council's ongoing commitment to increasing the number of animals rehomed.
AM6	Service cost <i>Cost of animal management service per population</i>	\$22.55	\$28.02	\$26.78	\$16.62	Staff costs have been allocated across multiple service areas which has resulted in less cost associated with animal management.
AM7	Health & Safety <i>Successful animal management prosecutions</i>	New in 2020	100.00%	100.00%	100.00%	One animal matter was successfully prosecuted and no matters were unsuccessful.
Food safety						
FS1	Timeliness <i>Average time taken to action food complaints [days]</i>	1.00	1.40	1.25	1.25	Response time reflects a continued responsive service provided to protect the health and safety of our community.
FS2	Service standard <i>Food safety assessments</i>	98.68%	104.17%	100%	104.41%	Assessments were undertaken of all registered food premises during the reporting year.
FS3	Service cost <i>Average cost of food safety service</i>	\$391.43	\$319.91	\$480.26	\$324.32	Result is consistent with the four year average.
FS4	Health & Safety <i>Critical and major non-compliance outcome notifications</i>	100.00%	100.00%	100.00%	100.00%	Public health and safety remained of paramount importance with 100% of critical non-compliance outcome notifications being followed up.

Council Plan – Retired Service Indicators		
Service Performance Indicator	2019	Comments
Aquatic Facilities Service cost <i>Cost of indoor aquatic facilities</i> <i>[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]</i>	\$0.00	This measure was replaced by Cost of aquatic facilities for 2020.
<i>Cost of outdoor aquatic facilities</i> <i>[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]</i>	\$28.31	This measure was replaced by Cost of aquatic facilities for 2020.
Animal Management Service cost <i>Cost of animal management service [Direct cost of the animal management service / Number of registered animals]</i>	\$59.02	This measure was replaced by Cost of animal management service per population for 2020.
Health and safety <i>Animal management prosecutions [Number of successful animal management prosecutions]</i>	3	This measure was replaced by Animal management prosecutions (%) for 2020.

Council Plan Priority 2 – Place – Services Budget				
Service	Description	Budget \$'000's	Actual \$'000's	Variance \$'000's
Recreational, leisure and community facilities	Maintenance and renewal of recreational, leisure and community facilities	10	145	-135
Buildings	Buildings and building improvements	232	1,886	-1,654
Land	Land purchases for housing and recreation potential.	100	655	-555
Statutory Planning	Cost of providing the service.	424	395	29
Libraries	Cost of providing the service.	175	128	47
Animal management	Cost of providing the service.	145	127	18
Food safety	Cost of providing the service.	43	41	2








COUNCIL PLAN PRIORITY 3 – ENVIRONMENT

Our Community Panel said by 2031 in Pyrenee Shire we will have acted on climate change and have an abundance of conserved natural resources that are highly valued and protected by the local community and visitors.

Council Priorities	Role	What we have achieved so far
a Continue being an environmentally progressive organisation		
1	Continue to implement actions from the Climate Change response and Mitigation Action Plan	<i>Deliver</i> Implementation of Council's climate change mitigation & adaptation plan is underway. A project to install electric vehicle charging stations in Beaufort and Avoca is in progress. Council's target to plant at least 500 trees annually was successfully achieved in 2021-22.
2	Apply environmentally responsible design and construction principles	<i>Deliver</i> Policy reviews are planned for late 2022 to include recycled materials priorities within the Procurement Policy, and to create incentives for inclusion of electric or hybrid vehicles within the Motor Vehicle Policy. Other initiatives identified to support delivery of this priority include: <ul style="list-style-type: none"> • To identify opportunities to use recycled materials in construction projects. • To identify opportunities to improve energy efficiencies and build resilience into Council and public infrastructure. • LED replacement lighting and the construction of electric vehicle charging stations.
3	Continue to increase the energy efficiency of all Council owned facilities	<i>Advocate</i> A range of operational initiatives have been identified to support the implementation of this priority: <ul style="list-style-type: none"> • Improve utilisation of community facilities • Improve energy efficiency of Council-owned facilities • Incorporate energy efficiency requirements into the Procurement Policy • Conduct an energy efficiency audit on Council facilities • Consider convening an environment advisory committee to identify opportunities for improvement.

Council Priorities	Role	What we have achieved so far	
b Continue being an environmentally progressive organisation			
4	Support environmentally responsible technology innovation initiatives	<i>Advocate</i>	<p>A recent priority focus of the Economic Development & Tourism team has been to respond to the impacts of the pandemic on small businesses in the retail and visitor economy sectors, while agricultural commodities and seasons have remained favourable.</p> <p>The next review of Council's light fleet policy will include incentives to purchase more environmentally friendly vehicles.</p>
5	Ensure urban design and placemaking incorporates climate sensitive principles	<i>Deliver</i>	<p>CHW has awarded contracts for the Beaufort recycled water scheme and construction is well advanced.</p> <p>Anticipate connections from trunk pipelined to golf club, recreation reserve and school.</p>
6	Cooperate regionally to implement initiatives identified within the Grampians Region Climate Adaptation Strategy	<i>Partner</i>	Council adopted a climate change mitigation and adaptation strategy in February 2021 aligned with the Grampians Regional Plan.
c Encourage community care of biodiversity and natural values			
7	Encourage ownership and leadership over natural public open space, including participation / lead by First Nations Peoples, youth, industry etc.	<i>Facilitate</i>	<p>LUAA (Dja Dja Wurrung Land Use Activity Agreement) compliance requirements are being included as a prompt within project management processes and governance. Governance checklists are being developed in accordance with 2021 audit improvement recommendations.</p> <p>Council officers are planning to work with community partners to improve public open space – e.g., Avoca River Flats public engagement and with DELWP, and development of the Goldfields Recreation Reserve Masterplan.</p>
8	Support community-led biodiversity projects	<i>Support</i>	Support is being provided to Advance Avoca to host a "Big Thank You" event to celebrate and acknowledge the contributions of community, sports and other organisations who work for the benefit of their local community.
9	Ensure that the implementation of Roadside Management Strategy considers and enhances biodiversity regeneration	<i>Deliver</i>	A planned review of the Roadside Management Strategy will incorporate enhanced biodiversity regeneration, with appropriate community engagement.
d Improve waste management to reduce landfill and reduce harm to the environment			
10	Support a regional waste management community education campaign	<i>Support</i>	Council has been an active participant in the regional waste management forum since its inception and Council is committed to working with Grampians Regional councils on regional waste and recycling issues.
11	Strengthen partnerships with regional and state agencies to develop innovation in services and technology	<i>Partner</i>	Ongoing participation.

Council Priorities		Role	What we have achieved so far
12	Work with local partners to encourage practical waste and recycling opportunities	Support	<p>A range of operational initiatives have been identified to support delivery of this priority:</p> <ul style="list-style-type: none"> To support local businesses in improvement of waste recycling – e.g., steel, concrete, paper, cardboard. Where feasible, to use locally recycled products in Council's construction work.
13	Provide quality and efficient waste management and recycling services for our residents	Deliver	<p>A new Waste Management Plan was adopted by Council in 2022. Information regarding what can be recycled was supplied as part of waste calendar information to residents.</p>

Council Plan Priority 3 – Environment – Strategic Measures				
Measure	Target	Source	Status Report	
3.1	Number of climate change or environmental projects involved in or supported	At least three significant actions delivered and reported on annually	Council Meeting Agenda	 10 completed activities 9 Council Reports 7 current and ongoing projects
3.2	Community satisfaction with waste management and recycling	Maintain to at least 66%	Community Satisfaction Survey	 69%
3.3	Percentage kerbside collection waste diverted from landfill	Increase to at least 50%	LGPR	 24.3% Green waste not measured
3.4	Cost of kerbside garbage bin collection service per bin	Maintain below average for small rural Councils	LFPR	 \$33.24 Average for small rural councils not available until October 2022. 51.58% reduction from previous year.
3.5	Number of trees planted	500 per year		 508

Council Plan Priority 3 – Environment – Relevant Service Performance Indicators						
Service Performance Indicator	2019	2020	2021	2022	Comments	
Waste collection						
WC1	Satisfaction <i>Average number of kerbside bin collection requests</i>	24.85	32.99	20.71	35.07	Council introduced an expanded service during the reporting period to include all properties within the Pyrenees Shire in accordance with the State's circular economy policy. This resulted in more properties being serviced with a kerbside collection resulting in additional collection requests. Additionally, a new contractor included a transition period for new drivers to familiarise themselves with collection routes.
WC2	Service standard <i>Average number of missed kerbside collections</i>	7.28	5.07	5.54	25.69	Bin collection service increased, combined with new routes, increased the number of missed bins.
WC3	Service cost <i>Cost of kerbside garbage bin collection service</i>	\$87.45	\$101.81	\$112.39	\$126.69	Costs increased due to the expansion of the collection to cover the entire shire. The universal service introduced has required further distances to be travelled to service rural and remote areas to ensure all residents have equal access to roadside bin collection.
WC4	Service cost <i>Cost of kerbside recyclables bin collection service</i>	\$49.58	\$51.86	\$68.64	\$33.24	Cost has reduced during the reporting period due to the separation of glass from the co-mingled recycling bin and as a result of competitive tender prices received for the recycling collection service.
WC5	Waste diversion <i>% kerbside collection waste diverted from landfill</i>	31.22%	19.64%	29.56%	24.30%	The percentage of waste diverted from landfill has reduced in part due to increased volumes of waste collected as a result of the expanded waste collection service across the whole of the shire. Green waste is not included in this percentage as Council's practice is to utilise green waste for capping disused landfills which results in a lower figure.

Council Plan Priority 3 – Environment – Services Budget				
Service	Description	Budget \$'000's	Actual \$'000's	Variance \$'000's
Waste Management	Cost of waste management provision	1,846	2,161	-315



COUNCIL PLAN PRIORITY 4 – ECONOMY

Our Community Panel said by 2031 in the Pyrenees Shire, Council will have supported significant economic development.

Council Priorities	Role	What we have achieved so far
a Support our local businesses and help to strengthen key industries		
1	Preserve and promote our built heritage and ecotourism opportunities and support tourism through promotion, marketing, and sponsorship	<i>Advocate Support</i>
		<p>Council continues to maintain a tourism MOU with the City of Ballarat pending the outcomes of the Victorian Government's review of regional tourism boards.</p> <p>Work continues with Ballarat Regional Tourism on industry development programs.</p> <p>A regional consortium is seeking funding from the Victorian and Commonwealth governments to progress the Central Victorian Goldfields World Heritage Bid.</p> <p>Draft guidelines and application form have been developed to implement a Beaufort façade improvement program with a heritage priority.</p> <p>A grant application has been submitted to the Victorian Government's "Enabling Tourism Fund" to continue development of the Avoca to Moonambel cycle track.</p> <p>An Investment Attraction Strategy was completed in 2022.</p>
2	Facilitate networks for industry knowledge-sharing and innovation across tourism, agriculture, and commerce	<i>Facilitate</i>
		Partnerships continue with Ballarat Regional Tourism and the City of Ballarat to develop and grow tourism opportunities and support recovery from the impacts of the pandemic.
3	Build relationships with investors to unlock opportunities for development and innovation and investment that supports employment	<i>Partner</i>
		An Investment Attraction Strategy was adopted in 2022.
4	Promote and protect agricultural sustainability through land use planning and community education	<i>Deliver</i>
		<p>Ongoing long-term multi-year projects support the delivery of this priority:</p> <ul style="list-style-type: none"> • Rural land review, and • The Future Landscapes Project will be reviewed to identify appropriate actions to promote and protect agricultural sustainability.

Council Priorities		Role	What we have achieved so far
5	Collaborate with business associations to facilitate localised economic development	<i>Partner</i>	A partnership with local associations to reactivate the Business Taskforce is scheduled for September 2022.
b Invest in road infrastructure to improve connectivity for commerce and community			
6	Maintain and improve our roads and associated assets to ensure safe and efficient connectivity	<i>Deliver</i>	A 10-year asset management plan was adopted by Council in June 2022. Preparation and delivery of a four-year capital works program for re-sheeting, re-sealing, road and bridge / culvert upgrades is underway. 2021-22 Works Programs complete.
7	Identify infrastructure constraints and facilitate solutions, including investing in access for high-productivity vehicles to support the agricultural sector and access to markets	<i>Deliver</i>	Planned operational initiatives to deliver this priority include: <ul style="list-style-type: none"> • To utilise information gained on infrastructure constraints limiting heavy vehicle access (i.e., 28 bridges) to develop improvement plans to increase load limits and bridges, and identify key routes where improvements are required. • To identify and allocate appropriate funding to increase heavy vehicle accessibility. • To consult with key industry stakeholders on road improvement priorities.
c Encourage and invest in assets and infrastructure for commerce and community			
8	Work with water authorities to facilitate opportunities for secure water sources for rural areas to support agriculture, viticulture, and other economic opportunities	<i>Advocate</i>	Advocacy continues for water projects including the Moonambel Town potable water supply and the NE water pipeline.
9	Work with partners to advocate for improved telecommunications service outcomes	<i>Advocate Support</i>	The Avoca Digital Hub at the Avoca Information Centre was completed. This will provide increased Wi-Fi connectivity following negotiations with Telstra. The STAND project was completed at 20 facilities in 2022. This project provides booster hubs within shire facilities (3 council-owned, 21 community) to enhance internet connectivity as needed during emergency events.
10	Establish relationships and advocate for commitment to continued investment and growth to improve access to water / sewer / internet access / phone connectivity / transport / housing / power upgrades etc	<i>Advocate</i>	Advocacy is underway regarding power upgrades for recreational facilities. Successful funding applications for Beaufort power upgrades and lighting installation, with further funding required at four other townships.
11	Develop a strategic plan for asset service improvement	<i>Deliver</i>	A 10-year asset management plan was adopted by Council in June 2022.
12	Utilise innovation for better outcomes in asset delivery	<i>Deliver</i>	Asset conditions audit was completed in 2022. An internal audit review of contract management is commissioned for mid-2022, to support Council's improvement efforts.

Council Priorities	Role	What we have achieved so far
13 Work with industry stakeholders to capitalise on renewable energy opportunities that will reduce consumption of fossil fuels, reduce greenhouse gas emissions, and provide competitively priced energy to local industries and communities	Partner	<p>A range of operational initiatives have been identified to support the implementation of this initiative, including:</p> <ul style="list-style-type: none"> • Partner with experts to improve Council's environmental responsibility • Identify Council's 2030 energy / emissions target • Advocate for more efficient and consistent local energy efficient power sources and storage • Advocate on achieving a balance between electricity transmission needs / security and preserving community amenity and impact • Identify opportunities for future partnership to develop waste to energy products.

Council Plan Priority 4 – Economy – Strategic Measures				
Measure	Target	Source	Status Report	
4.1 Kilometres of roads gazetted for high-productivity vehicle accessibility	At least an additional 50km of roads per year	Government Gazette / LGPR	❌ Reduction of 63 due to reconciliation of network roads.	
4.2 Number of new dwellings in the municipality per year	50 new dwellings per year	Victorian Building Authority	✅ Increased by 193	
4.3 Rate of unemployment	Maintain at 5% or lower	ABS	✅ National – 3.5% Victoria – 3.2% Pyrenees – data available October 2022	
4.4 Sealed local roads maintained to condition standards	Maintain to at least 95%	LGPR	✅ 99.92%	
4.5 Asset renewal and upgrade as a percentage of depreciation	At least 80%	LGPR	✅ 110.58%	

Council Plan Priority 4 – Economy – Relevant Service Performance Indicators					
Service Performance Indicator	2019	2020	2021	2022	Comments
Roads					
R1 Satisfaction of use <i>Sealed local road requests [Number of sealed local road requests / km of sealed local roads] x 100</i>	13.29	7.72	9.89	10.70	Customer request numbers remain consistent with the four year average.

Council Plan Priority 4 – Economy – Relevant Service Performance Indicators					
Service Performance Indicator	2019	2020	2021	2022	Comments
R2 Condition <i>Sealed local roads maintained to condition standards</i> <i>[Number of km of sealed local roads below the renewal intervention level set by Council / km of sealed local roads] x 100</i>	99.79%	99.13%	99.13%	99.92%	Council uses regular condition reports to manage its high percentage of roads maintained to condition standards.
R3 Service cost <i>Cost of sealed local road reconstruction</i> <i>[Direct cost of sealed local road reconstruction / sq m of sealed local roads reconstructed]</i>	\$42.88	\$84.04	\$88.35	\$64.83	Variability of costs is impacted by the complexity and size of works undertaken in the financial year. Longer lengths of road reconstruction has contributed to a reduction in the unit rate for 2021-22.
R4 Service cost <i>Cost of sealed local road resealing</i> <i>[Direct cost of sealed local road resealing / sq m of sealed local roads resealed]</i>	\$5.80	\$4.92	\$6.21	\$6.26	This service is undertaken by a shared services contract with several other councils and is subject to market testing. Cost of road sealing is influenced by complexity of specific jobs and the price of raw materials.
R5 Satisfaction <i>Satisfaction with sealed local roads</i> <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	54	51	57	50	Community satisfaction with sealed roads fell in 2022, from a high result recorded in the previous year. Funding levels constrain Council's ability to meet community expectations regarding service standards for sealed local roads.

Council Plan Priority 4 – Economy – Services Budget				
Service	Description	Budget \$'000's	Actual \$'000's	Variance \$'000's
Roads	Maintenance and renewal of the shire's critical public assets.	3,827	4,599	772
Bridges		2,978	2,609	-369
Footpaths & cycleways		860	1,019	159
Drainage		1,076	1,280	204
Plant, machinery & equipment	Plant, machinery and equipment needed to maintain and upgrade the shire's critical public assets.	1,089	1,149	60



COMMUNITY SATISFACTION SURVEY OUTCOMES 2022

The Victorian Community Satisfaction Survey is commissioned annually and asks the opinions of local people about the place they live, work and play. Community satisfaction scores represent the community's perception of Council's performance over the previous 12 months. The survey is undertaken by JWS Research.

Comparisons are made with similar Victorian councils (small rural) and the State-wide average.

Perceptions of Council's overall performance declined in 2021-22 and are at their lowest levels in a decade. Performance scores in individual services areas are either in line with or lower than that observed in 2021.

Younger residents (aged 18 to 34 years) consistently provide among the lowest performance ratings, lower than the Council average for 2022. Work is underway to identify why this community cohort has a lower perception of Council performance than other parts of our community.

Overall Council performance:

Council is rated below the small rural and/or state-wide group averages for half of the service area measures tracked. For the remainder, Pyrenees Shire Council performance index scores are in line with these group averages.









Pyrenees 57



State-wide 59



Small Rural 58

<p>The three areas where Council performance is significantly lower by the widest margin when compared to State-wide average:</p>	<ul style="list-style-type: none">  Art centres & libraries  Enforcement of local laws  Consultation & engagement
<p>The three areas where Council performance is significantly lower by the widest margin when compared to small rural group average:</p>	<ul style="list-style-type: none">  Appearance of public areas  Art centres & libraries  Consultation & engagement

Customer service:

Perceptions of customer service have been on a steady decline, from a peak index score of 74 in 2017 to 63 currently. While Council performs in line with the Small Rural group average on this core measure, it is clear that past performance suggests that Council can do better here.

Summary of Pyrenees Shire Council performance scores:

Services	Pyrenees 2022	Pyrenees 2021	Small Rural 2022	State-wide 2022	Highest score	Lowest score
 Overall performance	57	61	58	59	Mt Emu residents, Aged 65+ years	Aged 18-34 years
 Value for money	51	54	51	53	Aged 65+ years, Women	Aged 18-34 years
 Overall council direction	49	49	51	50	Mt Emu residents	Beaufort, Ercildoune residents, Aged 50-64 years
 Customer service	63	66	67	68	Aged 65+ years	Aged 18-34 years
 Waste management	69	66	68	68	Aged 65+ years, Mt Emu residents	Aged 18-34 years
 Recreational facilities	68	69	69	69	Mt Emu residents	Aged 18-49 years
 Elderly support services	68	72	70	67	Aged 50+ years	Aged 18-34 years

Services	Pyrenees 2022	Pyrenees 2021	Small Rural 2022	State-wide 2022	Highest score	Lowest score
 Art centres & Libraries	68	69	71	73	Beaufort, Ercildoune residents, Aged 65+ years	Aged 18-34 years
 Appearance of public areas	68	70	73	71	Aged 35-49 years	Aged 18-34 years, Avoca, DeCameron residents
 Emergency & disaster management	65	72	68	66	Aged 35-49 years	Aged 18-34 years
 Family support services	64	68	64	65	Aged 50+ years	Aged 18-34 years
 Bus/community dev./tourism	60	60	63	60	Women	Men
 Enforcement of local laws	59	62	62	63	Mt Emu residents	Aged 18-34 years
 Community decisions	53	54	54	54	Beaufort, Ercildoune residents, Women	Aged 18-34 years
 Consultation & engagement	51	55	54	54	Aged 50-64 years	Aged 18-34 years
 Sealed local roads	50	57	50	53	Aged 65+ years	Aged 18-34 years
 Unsealed roads	39	44	42	41	Aged 50-64 years, Beaufort, Ercildoune residents	Aged 18-34 years

Green = Significantly higher than Pyrenees Shire Council 2022 result

Red = Significantly lower than Pyrenees Shire Council 2022 result

Section 7: GOVERNANCE AND MANAGEMENT





GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

Governance

The Pyrenees Shire Council is constituted under the *Local Government Act 2020* to provide leadership for the good governance of the municipal district and local community. Council has a number of roles including:

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

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

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

Council meetings

Council conducts open public meetings at 6pm 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.

Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to the Council or make a submission.

Minutes of Council meetings are available for inspection at the Beaufort Shire Office, downloaded from Council's website, requested through any of our front offices, or by telephone 1300 797 363. Viewing of online copies can be arranged at Council's resource centres in Avoca and Beaufort.

The open non-confidential section of Council meetings is generally open to the public. Where impacted by COVID-19 restrictions, this was limited to viewing of the livestream through Council's website or on YouTube; 89.54% of Council decisions were made at open Council meetings.

The majority of Ordinary Council Meetings are held at the Council Chambers, Council Offices in Beaufort. During the year, meetings were also held in Avoca and the Statutory Meeting, which included election of the Mayor, was held in Lexton on 9 November 2020.

In the 2021-22 financial year, the Council held 12 Ordinary Council Meetings and one Statutory Meeting. The following table provides a summary of Councillor attendance at Council meetings for the 2021-22 financial year. Councillor attendance at Council meetings was 100% for the year.

Councillor attendance at Council meetings

Date	Cr Clark	Cr Eason	Cr Ferrari	Cr Kehoe	Cr Vance
20 July 2021	Yes	Yes	Yes	Yes	Yes
17 August 2021	Yes	Yes	Yes	Yes	Yes
21 September 2021	Yes	Yes	Yes	Yes	Yes
19 October 2021	Yes	Yes	Yes	Yes	Yes
9 November 2021 – Statutory Meeting	Yes	Yes	Yes	Yes	Yes
16 November 2021	Yes	Yes	Yes	Yes	Yes
14 December 2021	Yes	Yes	Yes	Yes	Yes
18 January 2022	Yes	Yes	Yes	Yes	Yes
15 February 2022	Yes	Yes	Yes	Yes	Yes
15 March 2022	Yes	Yes	Yes	Yes	Yes
19 April 2022	Yes	Yes	Yes	Yes	Yes
17 May 2022	Yes	Yes	Yes	Yes	Yes
14 June 2022	Yes	Yes	Yes	Yes	Yes

Delegated Committees

The Act allows councils to establish one or more delegated committees consisting of:

- Councillors
- Council staff
- Other persons
- Any combination of the above.

The Pyrenees Shire Council has no Delegated Committees operating at this time.

Code of Conduct

The Act requires councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. In February 2021, Council adopted a revised Councillor Code of Conduct which is designed to:

- Assist councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter.
- Attract the highest level of confidence from Council's stakeholders.
- Assist the Mayor and Councillors to discharge the responsibilities of their public office appropriately.

In addition to setting out the Councillor Conduct Principles, the Code also outlines:

- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality, and conflicts of interest.
- Roles and responsibilities.
- Dispute resolution procedures.

Conflict 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 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 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 and Committee 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. During 2021-22, five (5) conflicts of interest were declared at Council meetings.

Councillor allowances

In accordance with section 39 of the *Local Government Act 2020*, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is entitled to receive a higher allowance to reflect the level of commitment and time required to fulfil the required duties.

The Victorian Government sets the upper and lower levels for allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. Pyrenees Shire Council is recognised as a Category 1 Council. As a Category 1 Council, the Pyrenees Shire Council has a range of permitted allowances:

- Councillors: \$8,833 - \$21,049
- Mayor: up to \$62,884

During 2021-22, Pyrenees Shire Mayor and Councillors' allowances were paid at the maximum allowable levels, plus superannuation of 10%.

During the year, two Councillors were elected Mayor for part of the time – Cr Damian Ferrari from 1 July to 9 November 2021 and Cr Ron Eason from 9 November 2021 to the end of the financial year.

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

Councillor	Allowance \$
Cr Damian Ferrari – Mayor / Councillor	\$46,153.60
Cr Ron Eason – Mayor / Councillor	\$56,817.98
Dr David Clark	\$30,813.92
Dr Ron Eason	\$30,813.92
Cr Tanya Kehoe	\$30,813.92

Councillor expenses

In accordance with section 40 of the Act, a council must reimburse Councillors for expenses incurred whilst performing their duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for councillors. The policy provides guidance for the payment of reimbursements of expenses and provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council

also publishes in its Annual Report the details of the expenses, including the reimbursement of expenses for each Councillor and member of a council committee paid by the Council.

The details of the expenses including reimbursement of expenses for each Councillor and member of a council committee paid by the Council for the 2021-22 year are set out in the following table.

Councillor	TR \$	CM \$	CC \$	IC \$	CT \$	Total \$
Cr David Clark	0	0	\$275.00 \$975.00	0	0	\$1250.00
Cr Ron Eason*	\$91.46 \$253.81 \$214.94 \$214.94	0	0	0	0	\$775.15
Cr Damian Ferrari*	0	0	0	0	0	0
Cr Tanya Kehoe	\$125.76 \$317.84 \$237.81 \$692.84 \$230.95 \$585.37 \$373.86	0	\$187.50 \$462.50 \$900.00 \$1475.00 \$637.50 \$625.00 \$550.00	0	0	\$7401.93
Cr Robert Vance	\$3290.42 + \$1000.00 (Remote) \$3409.32 + \$1080.00 (remote)	0	0	0	0	\$8779.74

*Councillors Ferrari and Eason were both Mayor during part of the year.

Legend: TR - Travel; CM - Car mileage; CC - Child care; IC - Information and communication; CT - Conferences and training

Note: No expenses were paid by Council including reimbursements to members of Council Delegated Committees during the year.

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads 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 the management framework.

Audit & Risk Committee

The Audit and Risk Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management, and fostering an ethical environment.

The Audit and Risk Committee consists of three independent members: Ms Wendy Honeyman (Chair), Mr Rod Poxon, and Mr Brian Keane, and two Councillors. Independent members are appointed for a three-year term, with a maximum of three terms. The chair is elected from amongst the independent members. Councillor members are appointed at the annual Statutory Meeting for the following 12 months.

The Audit and Risk Committee meets three times a year. The Internal Auditor, Chief Executive Officer, Director Corporate & Community Services, Director Assets & Development Services, Manager Finance, and Manager Governance Risk & Compliance attend all Committee meetings. Other management representatives attend as required to present reports. The external auditors attend in May and September each year to present the audit plan and independent audit report.

Recommendations from each Audit and Risk Committee meeting are subsequently reported to, and considered by, Council.

Quality assurance is measured through the annual Audit and Risk Committee self-assessment and completion of the internal audit plan and Committee annual work plan.

Internal Audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across council. Council's Internal Auditors are AFS & Associates, Chartered Accountants and Auditors from Bendigo.

A risk-based internal audit plan is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes, and management input. The Plan is reviewed and approved by the Audit and Risk Committee and Council annually.

The Internal Auditor attends each meeting of the Audit and Risk Committee to report on the status of the Internal Audit Plan, to provide an update on the implementation of audit recommendations and to present findings of completed review. All audit issues identified are risk rated.

Recommendations are assigned to the responsible manager or officer and tracked in Council's performance management system. Managers provide quarterly status updates that are reviewed by the Executive Leadership Team and reported to the Audit & Risk Committee. Status updates are reviewed on an annual basis by the Internal Auditor.

Quality assurance is measured through client satisfaction surveys for each review, the annual Audit and Risk Committee self-assessment, and completion of the internal audit plan.

During the year, internal audit reviews were conducted in the following performance areas:

- Fraud & Corruption Risk Management
- ICT Management
- Integrated Service Level Planning
- Completion of past audit recommendations

AFS & Associates also periodically conduct probity audits on high risk / high value procurement activities.

External audit

Council is externally audited by the Victorian Auditor-General. For the 2021-22 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative – Crowe, Australasia. The external auditors attend the May and September Audit and Risk Committee meetings to present the annual audit plan and independent Audit Report. The external audit management letter and responses are also provided to the Audit and Risk Committee.

Risk management

In 2021, Council reviewed and updated its Risk Management Framework and Policy in line with current AS/NZS 31000 guidelines. The Risk Management Framework and Policy addresses items such as:

- Risk management culture and branding
- Communication and training
- Workplace risk management practice
- Risk registers.

Community Asset Committees

Council could not operate effectively without the assistance of the many volunteers who make up Council's Community Asset Committees (formerly known as Section 86 Committees).

Community Asset Committees are established, in accordance with section 65 of the Local Government Act 2020, to manage a community asset on behalf of Council. Powers and duties are delegated to members of Community Asset Committees through formal Instrument of Delegation from the Chief Executive Officer.

During the year, five Community Asset Committees operated facilities –




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

Meetings of these committees are open to the public and minutes of the meetings are available for public inspection.

Governance and management checklist

Council maintains strong frameworks to provide guidance in good governance and management practice.

As part of its mandatory performance reporting, Council provides an assessment against the governance and management checklist below. 'Act' relates to the *Local Government Act 2020*.

Governance & Management items	Assessment
1. Community Engagement Policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Adopted 16 February 2021 
2. Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation Adopted 2 May 2017 Under review 2022 
3. Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Adopted 19 October 2021 

Governance & Management items	Assessment
<p>4. Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)</p>	<p>Adopted in accordance with section 92 of the Act Adopted 14 June 2022</p>
<p>5. Revenue & Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)</p>	<p>Adopted in accordance with section 93 of the Act Adopted 15 June 2021 Re-adopted 14 June 2022</p>
<p>6. Annual Budget (plan under section 94 the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)</p>	<p>Adopted in accordance with section 94 of the Act Adopted 14 June 2022</p>
<p>7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)</p>	<p>Current policy in operation Adopted 30 September 2020</p>
<p>8. Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)</p>	<p>Current policy in operation Adopted 20 July 2021</p>
<p>9. Municipal Emergency Management Plan (plan under section 60ADB of the <i>Emergency Management Act 2013</i> for emergency mitigation, response, and recovery)</p>	<p>Prepared and maintained in accordance with section 60ADB of the <i>Emergency Management Act 2013</i> Adopted 19 May 2020 Audited June 2020</p>
<p>10. Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)</p>	<p>Adopted in accordance with section 1.8 of the Act Adopted 21 September 2021</p>
<p>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)</p>	<p>Current plan in operation BCM Policy adopted September 2019 BC Plan adopted 14 December 2021 COVID-Safe Plan updated May 2022</p>
<p>12. Disaster Recovery Plan (plan setting out the actions that will be undertaken to recovery and restore business capability in the event of a disaster)</p>	<p>Current plan in operation Adopted 20 January 2015 Under review 2022</p>
<p>13. Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)</p>	<p>Current framework in operation Framework & Plan 2021-2024 adopted 18 May 2021</p>

Governance & Management items	Assessment
14. Audit and Risk Committee (advisory committee of Council in accordance with sections 53 and 54 of the Act)	Established in accordance with section 53 of the Act Re-established 16 June 2020
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)	Internal auditor engaged Contracted extended 14 June 2022
16. Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Current framework in operation Procedure adopted 2020 Updated framework 16 June 2020
17. Council Plan Report (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)	Current reporting done 4 reports done during the financial year: 17 August 2021 19 October 2021 (adoption of new Plan) 15 February 2022 14 June 2022
18. Financial Reporting (quarterly statements to the Council under section 98=7(1) of the Act, comparing actual and budgeted results and an explanation of any material variations)	Reports presented to the Council in accordance with section 97(1) of the Act Reports presented in: 21 September 2021 16 November 2021 15 February 2022 14 June 2022
19. Risk Reporting (6-monthly reports of strategic risks to Council's operations, their likelihood, and consequences of occurring and risk minimisation strategies)	Reports presented to Council: 20 July 2021 15 March 2022
20. Performance Reporting (6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Reports presented: EOFY report 21 September 2021 Mid-year report 15 March 2022

Governance & Management items	Assessment
<p>21. Annual Report (annual report under sections 98, 99, and 100 of the Act containing a report of operations and audited financial and performance statements)</p>	<p>Presented at a meeting of the Council in accordance with section 100 of the Act Presented 16 November 2021</p>
<p>22. Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)</p>	<p>Reviewed and adopted in accordance with section 139 of the Act Adopted 16 February 2021</p>
<p>23. Delegations (documents setting out the powers, duties, and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)</p>	<p>Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Reviewed and adopted 16 November 2021</p>
<p>24. Meeting Procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)</p>	<p>Governance Rules adopted in accordance with section 60 of the Act Adopted 18 August 2020</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 regulation 12 of the *Local Government (General) Regulations 2015* the following are prescribed documents that are available for public inspection or copies of the documents can be obtained for the purposes of section 222 of the Act at 4 Lawrence Street, Beaufort:

- A document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by councillor or any member of council staff in the previous 12 months.
- Minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 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 and are confidential information within the meaning of section 77(2) of the Act.
- The minutes of meetings of special committees established under section 86 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 and are confidential information within the meaning of section 77(2) of the Act.
- A register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act.
- A document containing 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 maintained under section 224(1) of the Act of authorised officers appointed under that section.

- A register 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.

Contracts

During the year Council did not enter into any contracts valued above the thresholds detailed within Council's Procurement Policy, without engaging in a competitive process.

Disability action plan

Council has not prepared a separate Disability Action Plan but will include relevant actions within the 2022-23 annual review of its Council Plan 2021-2025, focused on reducing barriers to persons with a disability in accessing goods, services, and facilities; and obtaining and maintaining employment.

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994* section 68A, Council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report.

Council's Domestic Animal Management Plan 2021-2025 was prepared in mid-2022 for adoption in August 2022 and is published on Council's website. No actions were completed at the date of this report.

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:

- requests should be made in writing
- requests should identify as clearly as possible which document is being requested
- requests should be accompanied by the appropriate application fee (as detailed on the website).

Application fees may be waived in certain circumstances (e.g., financial hardship) upon request to the Freedom of Information Officer. However, a request does not become valid for processing until either payment of the application fee is made or written acceptance of a fee waiver is received.

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

Applications for access to documents should be made addressed to Council's Freedom of Information Officer –

- By mail to Pyrenees Shire Council,
5 Lawrence Street BEAUFORT VIC 3373
- By email to pyrenees@pyrenees.vic.gov.au
(however a request does not become valid until the application fee has been paid)
- In person at any of Council's front counters.

Further information regarding Freedom of Information can be found at www.foi.vic.gov.au

Requests for information made under the Freedom of Information Act

Council processed two non-personal requests for information during the 2021-22 financial year and nil personal requests. Of

these requests, both were granted access in part with personal information redacted. A total of fees and charges collected by Council with regard to these requests are detailed as follows:

- \$60.20 was collected as Application Fees
- \$60.20 was collected as Charges
(e.g. photocopying charges or search times)
- No application fees were waived

Protected disclosure procedures

In accordance with section 60 of the *Protected Disclosure Act 2012* a council must include in their annual report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

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

During the 2021-22 year no disclosures were notified to council officers appointed to receive disclosures, or to IBAC (Independent Broad-based Anti-corruption Commission).

Road Management Act Ministerial Directions

In accordance with section 22 of the *Road Management Act 2004*, a 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.

Infrastructure and development contributions

In accordance with sections 46GM and 46 QD of the *Planning and Environment Act 1987*, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a council's annual report.

For the 2021-22 year no infrastructure and development contributions were received.



GLOSSARY

Act	means the <i>Local Government Act 2020</i>
Annual Report	means a report of the council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement
Appropriateness	means indicators or measures that provide users with sufficient information to assess the extent to which an entity has achieved a pre-determined target, goal, or outcome
Budget	means a plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the strategic objectives specified in the council plan
Council plan	means a plan setting out the medium-term strategic objectives, strategies, strategic indicators, and resources reflecting vision and aspirations of the community for the next four years
Finance performance indicators	means a prescribed set of indicators and measures that assess the effectiveness of financial management in a council covering operating position, liquidity, obligations, stability, and efficiency
Financial statements	means the financial statements and notes prepared in accordance with the Local Government Model Financial Report, Australian Accounting Standards, and other applicable standards as they apply to the general-purpose financial reports and a statement of capital works and included in the annual report
Financial year	means the period of 12 months ending on 30 June each year
Governance and management checklist	means a prescribed checklist of policies, plans, and documents that councils must report the status of in the report of operations, covering engagement, planning, monitoring, reporting, and decision making
Indicator	means what will be measured to assess performance
Initiatives	means actions that are one-off in nature and/or lead to improvements in services
Major initiative	means significant initiatives that will directly contribute to the achievement of the council plan during the current year and have a major focus in the budget
Measure	means how an indicator will be measured and takes the form of a computation, typically including a numerator and denominator
Minister	means the Minister for Local Government
Performance Statement	means a statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the annual report



Integrated strategic planning and reporting framework	means the key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the Act
Regulations	means the Local Government (Planning & Reporting) Regulations 2020
Relevance	means indicators or measures that have a logical and consistent relationship to an entity's objectives and are linked to the outcomes to be achieved
Report of operations	means a report containing a description of the operations of the council during the financial year and included in the annual report
Services	means assistance, support, advice, and other actions undertaken by a council for the benefit of the local community
Service outcome indicators	means the prescribed service performance indicators to be included in the performance statement which measure whether the stated service objective has been achieved
Service performance indicators	means a prescribed set of indicators measuring the effectiveness and efficiency of council services covering appropriateness, quality, cost, and service outcomes
Strategic objectives	means the outcomes a council is seeking to achieve over the next four years and included in the Council Plan
Financial plan	means a plan of the financial and non-financial resources for at least the next ten years required to achieve the strategic objectives in the Council Plan. It is also referred to as a long-term financial plan
Strategies	means high level actions directed at achieving the strategic objectives in the Council Plan
Sustainable capacity indicators	means a prescribed set of indicators measuring whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity, and governance and management

A dirt road winds through a forest of white-barked trees, likely eucalyptus, under a blue sky. The road is made of light-colored gravel or sand and is flanked by trees with dense green foliage. The scene is captured from a low angle, looking down the road.

Section 8: OUR FINANCIALS

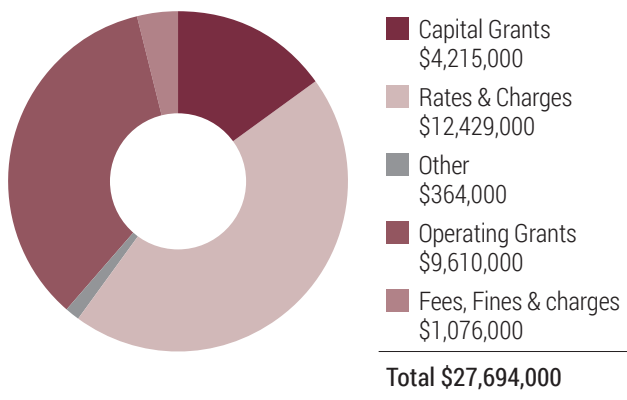
ABOUT COUNCIL REVENUE AND EXPENSES

How Council brings in money

Council activities are funded through a limited number of sources:

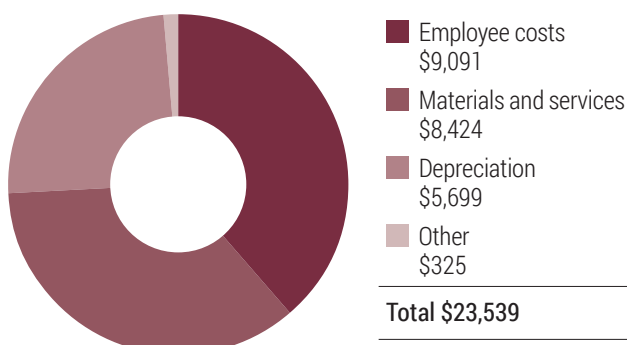
- Rates – there is an expectation that rates income collected from property owners is spent fairly and efficiently (for Pyrenees Shire, rates represent around 45% of total income).
- Operating and Capital Grants – funding from other levels of government have requirements for acquittal and delivery of required outcomes or service outputs (operating grants 35% and capital grants 15%).
- User charges – Council operates a range of services that charge user fees (less than 3.5%).
- Statutory fees and fines – are fees for applications and permits (less than 1.5%).

Revenue



How Council spends money (2021-22 budget)

Expenditure



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 2020* 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 2021-22 financial year and the overall position at the end (June 30, 2022) 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
ANNUAL FINANCIAL REPORT
For the year ended 30 June 2022

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Certification of Financial Statement

In my opinion, the accompanying financial statements have been prepared in accordance with the Local Government Act 2020, the Local Government (Planning and Reporting) Regulations 2020, the Australian Accounting Standards and other mandatory professional reporting requirements.



Glenn Kallio B.Bus CPA
Principal Accounting Officer

Date : 27 September 2022
Beaufort Shire Offices

In our opinion, the accompanying financial statements present fairly the financial transactions of the Pyrenees Shire Council for the year ended 30 June 2022 and the financial position of the Council as at that date.

At the date of signing, we are not aware of any circumstances that 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 2020 to certify the financial statements in their final form.



Cr Damian Ferrari
Councillor

Date 27 September 2022
Beaufort Shire Offices



Cr Robert Vance
Councillor

Date 27 September 2022
Beaufort Shire Offices

**Pyrenees Shire Council
Financial Report**



Jim Nolan
Chief Executive Officer

Date 27 September 2022
Beaufort Shire Offices

Comprehensive Income Statement For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Rates and charges	3.1	12,429	11,393
Statutory fees and fines	3.2	192	212
User fees	3.3	884	809
Grants - operating	3.4	9,610	9,568
Grants - capital	3.4	4,215	4,967
Contributions - monetary	3.5	17	-
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	117	110
Other income	3.7	230	282
Total income		27,694	27,341
Expenses			
Employee costs	4.1	9,091	8,798
Materials and services	4.2	8,424	8,350
Depreciation	4.3	5,699	6,646
Amortisation - right of use assets	4.4	13	13
Bad and doubtful debts	4.5	13	43
Finance costs - leases	4.6	1	2
Other expenses	4.7	298	258
Total expenses		23,539	24,110
Surplus/(deficit) for the year		4,155	3,231
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	12,965	-
Total other comprehensive income		12,965	-
Total comprehensive result		17,120	3,231

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

Balance Sheet
As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	7,730	5,933
Trade and other receivables	5.1	1,106	994
Other financial assets	5.1	8,031	7,020
Inventories	5.2	10	4
Other assets	5.2	105	166
Total current assets		16,982	14,117
Non-current assets			
Trade and other receivables	5.1	21	33
Property, infrastructure, plant and equipment	6.1	257,149	243,672
Right-of-use assets	5.8	15	29
Total non-current assets		257,185	243,734
Total assets		274,167	257,851
Liabilities			
Current liabilities			
Trade and other payables	5.3	1,944	2,427
Trust funds and deposits	5.3	188	374
Unearned income/revenue	5.3	2,557	2,590
Provisions	5.4	2,382	2,457
Lease liabilities	5.7	15	14
Total current liabilities		7,086	7,862
Non-current liabilities			
Provisions	5.4	118	132
Lease liabilities	5.7	3	17
Total non-current liabilities		121	149
Total liabilities		7,207	8,011
Net assets		266,960	249,840
Equity			
Accumulated surplus		98,356	94,201
Reserves	9.1	168,604	155,639
Total Equity		266,960	249,840

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

Statement of Changes in Equity
For the Year Ended 30 June 2022

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2022					
Balance at beginning of the financial year		249,840	94,201	155,630	9
Surplus/(deficit) for the year		4,155	4,155	-	-
Net asset revaluation increment/(decrement)	6.1	12,965	-	12,965	-
Transfers from (to) other reserves	9.1	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		266,960	98,356	168,595	9
Balance at end of the financial year		<hr/> 266,960	<hr/> 98,356	<hr/> 168,595	<hr/> 9

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021					
Balance at beginning of the financial year		246,609	90,970	155,630	9
Surplus/(deficit) for the year		3,231	3,231	-	-
Net asset revaluation increment/(decrement)	6.1	-	-	-	-
Transfers from (to) other reserves	9.1	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		249,840	94,201	155,630	9
Balance at end of the financial year		<hr/> 249,840	<hr/> 94,201	<hr/> 155,630	<hr/> 9

**Statement of Cash Flows
For the Year Ended 30 June 2022**

	Note	2022 Inflows/ (Outflows) \$'000	2021 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		12,317	11,382
Statutory fees and fines		192	212
User fees		983	1,266
Grants - operating		9,577	9,568
Grants - capital		4,215	4,635
Contributions - monetary		17	-
Interest received		25	282
Other receipts		205	-
Net GST refund/payment		(100)	(11)
Employee costs		(9,181)	(8,564)
Materials and services		(8,852)	(7,749)
Trust funds and deposits repaid to Net Trust funds and deposits received/(repaid)		(186)	226
Other payments		(298)	(258)
Net cash provided by/(used in) operating activities	9.2	8,914	10,989
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(9,303)	(12,723)
Proceeds from sale of property, infrastructure, plant and equipment		3,211	328
Payments for investments		(1,011)	(7,000)
Net cash provided by/(used in) investing activities		(7,103)	(19,395)
Cash flows from financing activities			
Interest paid - lease liability		(1)	(2)
Repayment of lease liabilities		(13)	(13)
Net cash provided by/(used in) financing activities		(14)	(15)
Net increase (decrease) in cash and cash equivalents		1,797	(8,421)
Cash and cash equivalents at the beginning of the financial year		5,933	14,354
Cash and cash equivalents at the end of the financial year		7,730	5,933
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 2022**

	Note	2022 \$'000	2021 \$'000
Property			
Land		654	1,504
Total land		654	1,504
Buildings		1,797	2,289
Building improvements		89	131
Total buildings		1,886	2,420
Total property		2,540	3,924
Plant and equipment			
Plant, machinery and equipment		911	1,300
Fixtures, fittings and furniture		140	239
Computers and telecommunications		173	210
Library books		41	28
Total plant and equipment		1,265	1,777
Infrastructure			
Roads		3,396	4,365
Bridges		769	668
Footpaths and cycleways		534	613
Drainage		292	105
Recreational, leisure and community facilities		392	983
Other infrastructure		115	288
Total infrastructure		5,498	7,022
Total capital works expenditure		9,303	12,723
Represented by:			
New asset expenditure		2,862	5,418
Asset renewal expenditure		5,875	5,921
Asset expansion expenditure		139	-
Asset upgrade expenditure		427	1,385
Total capital works expenditure		9,303	12,724

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

Pyrenees Shire Council Financial Report

Note 1 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 2020, and the Local Government (Planning and Reporting) Regulations 2020.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Significant accounting policies

a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, 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.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and 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 6.1)
- the determination of depreciation for buildings, infrastructure, plant, and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific 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)

Pyrenees Shire Council Financial Report

- 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)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable
- 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, and disclosure has been made of any material changes to comparatives.

b) Goods and Service Tax (GST)

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

c) Rounding

Amounts in the Financial Report have been rounded to the nearest thousand dollars unless otherwise stated. Some figures in the financial statement may not equate due to rounding.

d) Impact of Covid-19

During 2021-22 the COVID-19 pandemic continued to impact on Council's operations. Council has noted the following significant impacts on its financial operations:

- i. Additional costs: Council incurred in additional expenditure as part of its COVID Emergency Response.
This included
 - i. additional cleaning costs and costs associated with enabling better social distancing within council offices and to
 - ii. facilitate staff working from home.
- Reduction in revenue from
 - i. Deferral or waiver of registration fees for businesses
 - ii. Full or partial waiver of the rates and charges for some Community groups
 - iii. Decline in user fees and charges.

**Pyrenees Shire Council
Financial Report**

Note 2.1 Performance against budget

The performance against budget notes compares Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2020 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of +/- 10 percent or \$250,000 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.

These notes are prepared to meet the requirements of the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
Income					
Rates and charges	12,357	12,429	72	1%	
Statutory fees and fines	225	192	(33)	-15%	1
User fees	824	884	60	7%	
Grants - operating	7,094	9,610	2,516	35%	2
Grants - capital	4,723	4,215	(508)	-11%	3
Contributions - monetary	-	17	17	0%	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(40)	117	157	-393%	4
Other income	189	230	41	22%	5
Total income	25,372	27,694	2,322	9%	
Expenses					
Employee costs	8,930	9,091	(161)	-2%	
Materials and services	7,716	8,424	(708)	-9%	6
Depreciation	6,471	5,699	772	12%	7
Amortisation - right of use assets	13	13	-	0%	
Bad and doubtful debts	30	13	17	57%	8
Finance costs - leases	6	1	5	0%	
Other expenses	265	298	(33)	-12%	
Total expenses	23,431	23,539	(113)	0%	
Surplus/(deficit) for the year	1,941	4,155	2,435	125%	

**Pyrenees Shire Council
Financial Report**

(i) Explanation of material variations

1. Statutory Fees and Fines
The variance is primarily due to fees waived by Council due to the impacts of COVID-19. The major variance related to Environmental Health Fees.
2. Grants – Operating
The variance being due to 2 factors:
 - i. Council received early part payment of the 2022/23 Federal Assistance Grants.
 - ii. Funding grants were carried over from the 2020/21 financial year
3. Grants – Capital
Changes to the Australian Accounting Standards (AASB 15 & AASB 1058) have had an impact on the timing when recognising Grant income. Grant income is now recognised with regard to the delivery of specific obligations connected to the funding. Capital projects relating to Roads to Recovery and LRCIP projects were not completed in 2021/22. This funding will be carried over to the 22/23 financial year where those projects will be completed, and the funding claimed.
4. Council sold land parcels which had been developed for residential development. These sales had not been budgeted for at the time of adopting the budget.
5. Other Income
Council had completed additional private works throughout the financial year which had not been budgeted for.
6. Material and Services
Due to the impact of COVID-19 and the economic climate during 21/22, the cost of delivery of services such as waste collection had increased greater than budgeted for.
7. Depreciation
Council had carried out a revaluation on the majority of Council assets which had resulted in lower levels of depreciation than budgeted for.
8. Bad and Doubtful Debts
At the time of adopting the 21/22 budget, taking into account the impact of COVID-19, an allowance for the write off debts at a higher level was included. During 21/22 write offs had not met this level.

**Pyrenees Shire Council
Financial Report**

2.1.2 Capital works

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	100	654	554	554%	1
Total land	100	654	554	554%	
Buildings	232	1,797	1,565	675%	2
Building improvements	-	89	89	0%	
Total buildings	232	1,886	1,654	713%	
Total property	332	2,540	2,208	665%	
Plant and equipment					
Plant, machinery and equipment	797	911	114	14%	3
Fixtures, fittings and furniture	38	140	102	268%	4
Computers and telecommunications	152	173	21	14%	5
Library books	24	41	17	71%	6
Total plant and equipment	1,011	1,265	254	25%	
Infrastructure					
Roads	3,756	3,396	(360)	-10%	7
Bridges	2,950	769	(2,181)	-74%	8
Footpaths and cycleways	128	534	406	317%	9
Drainage	594	292	(302)	-51%	10
Recreational, leisure and community facilities	310	392	82	26%	11
Waste management	60	-	(60)	-100%	12
Other infrastructure	-	115	115	0%	
Total infrastructure	7,798	5,498	(2,300)	-29%	
Total capital works expenditure	9,141	9,303	162	2%	
Represented by:					
New asset expenditure	106	2,862	2,756	2600%	
Asset renewal expenditure	8,670	5,875	(2,795)	-32%	
Asset expansion expenditure	-	139	139	0%	
Asset upgrade expenditure	365	427	62	17%	
Total capital works expenditure	9,141	9,303	162	2%	

(i) Explanation of material variations

1. Land
Council resolved in March 2022 to purchase a strategic parcel of land that had come onto the market.
2. Buildings
A number of unfinished projects were carried forward from the 20/21 financial year, the principal project was the Lexton Community Hub.
3. Plant
Additional items of plant were purchased which were offset by the trade in value.

Pyrenees Shire Council Financial Report

4. Fixtures, fittings, and furniture
Grant funding was received for COVID Safe Outdoor Activities which was not budgeted.
5. Computers and Telecommunications
Avoca Digital Hub project was carried over from 2020/21 financial year thus was not include in the adopted budget.
6. Library Books
Additional library books were added to the collection.
7. Roads
A number of unfinished projects from the 2020/21 financial year were carried over after the adoption of the budget and additional projects were approved funded from Roads to Recovery and LRCIP funding.
8. Bridges
The program for work on Council bridges were delayed due to difficulties in obtaining contractors to complete the works. These projects will be carried forward to the 2022/23 financial year for completion.
9. Footpaths and Cycleways
Additional projects were carried out as part of the LRCIP funding which was received after the budget was adopted. In addition, the Activate Avoca Streetscape projects was carried forward from the 2020/21 financial year.
10. Drainage
Drainage projects were delayed due to difficulties in obtaining contractors, these projects will be carried forward to the 2022/23 financial year.
11. Recreational, Leisure and community facilities
Beaufort Lake Foreshore project funded from external grants was received after the budget was adopted.
12. Waste Management
Transfer upgrades were delayed and will be carried forward to the 2022/23 financial year.

Note 2.2 Analysis of Council results by program

2.2.1 People and Organisation Development

Prepare for emergencies and ensure community safety

Support a vibrant community art, culture, and heritage environment

Improve accessibility and inclusivity

Promote health, wellbeing, engagement, and connection

Improve social outcomes

Place

Sustain and enhance unique character of our communities

Support community sustainability

Enhance liveability of our communities

Promote responsible development

Environment

Lead and promote environmental sustainability

Foster a climate change resilient community

Encourage community care of biodiversity and natural values

Improve waste management to reduce landfill and reduce harm to the environment

Economy

Support our local businesses and help to strengthen key industries

Invest in road infrastructure to improve connectivity for commerce and community

Advocate for and invest in assets and infrastructure to support industry sustainability

2.2.2 Summary of income, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
People and Organisation Development	1,958	2,883	(925)	1,339	-
Place	726	2,830	(2,104)	508	-
Environment	2,300	2,902	(602)	112	-
Economy	12,181	9,225	2,956	11,866	274,167
Unattributed					
Net Asset Sales	117	-	117	-	-
Rates Revenue	10,412	-	10,412	-	-
Depreciation	-	5,699	(5,699)	-	-
	27,694	23,539	4,155	13,825	274,167

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
People and Organisation Development	1,761	2,858	(1,097)	1,417	-
Place	1,949	2,830	(881)	1,739	-
Environment	1,918	2,902	(984)	76	-
Economy	11,872	8,874	2,998	11,303	257,851
Unattributed					
Net Asset Sales	110	-	110	-	-
Rates Revenue	9,731	-	9,731	-	-
Depreciation	-	6,646	(6,646)	-	-
	27,341	24,110	3,231	14,535	257,851

**Pyrenees Shire Council
Financial Report**

Note 3 Funding for the delivery of services

2022 **2021**
\$'000 **\$'000**

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

The valuation base used to calculate general rates for 2021/22 was \$4,506 million (2020/21 \$2,759 million).

General rates	9,131	8,770
Supplementary rates and rate adjustments	33	145
Waste management charge	2,014	1,662
Interest on rates and charges	97	38
Revenue in lieu of rates	1,154	778
Total rates and charges	12,429	11,393

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation will be first applied in the rating year commencing 1 July 2021.

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

Environmental health fees	3	5
Fines	24	22
Town planning fees	145	165
Land information certificates	20	20
Total statutory fees and fines	192	212

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

**Pyrenees Shire Council
Financial Report**

	2022	2021
	\$'000	\$'000
3.3 User fees		
Caravan park charges	235	223
Home care charges	260	253
Building charges	56	50
Animal registration charges	133	129
Rental and function charges	36	29
Delivered meals charges	32	28
Goldfields Recreation Reserve venue hire charges	25	11
Waste disposal charges	3	10
Resource and information centre charges	20	35
Community transport charges	5	2
Environmental Health	17	18
Road opening permits	13	6
Other charges	49	15
Total user fees	884	809
User fees by timing of revenue recognition		
User fees recognised over time	169	158
User fees recognised at a point in time	715	651
Total user fees	884	809

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.

3.4 Funding from other levels of government

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	12,442	11,984
State Government funded grants	1,383	2,551
Total grants received	13,825	14,535

(a) Operating Grants

Recurrent - Commonwealth Government

Financial Assistance Grants	7,322	5,828
General home care	661	599

Recurrent - State Government

Aged Care Services	249	152
Libraries	126	122
Family & Childrens Services	312	290
Other	34	22
Total recurrent operating grants	8,704	7,013

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	2022	2021
	\$'000	\$'000
<i>Non-recurrent - Commonwealth Government</i>		
Lexton Fire - 20th December 2019 Reimbursement	(95)	72
Drought Relief Funding	304	1,355
Federal Assistance Grant - Natural Disasters	-	105
Bushfire Support Inc (Commonwealth)	217	91
Regional Tourism Bushfire Recovery Grant	-	30
Kick Starting Events in Pyrenees Grant	30	-
<i>Non-recurrent - State Government</i>		
Working for Victoria	-	274
Avoca War Memorial	22	-
Stockyard Hill & Lake Goldsmith avenue of honour maintenance	11	-
Avoca Oval Playing Surface	4	15
Carngham Recreation Reserve - Female Friendly Toilets	-	155
Jobs Victoria Fund	18	-
Evaluating Transport Connections in the Pyrenees Project	12	-
Youth Engagement Project	23	-
Emergency Planning Process Inc	13	133
Skipton Hospital Straw Heating Project	59	155
Intergrated Water Management - Beaufort Closed Loop	-	29
Business Concierge & Hospitality Program	78	-
Transition Plan Development	30	10
Roadside Weeds & Pest Management	61	56
Pyrenees Planning Scheme Amendment flood studies	-	30
Avoca Digital Hub	61	-
Beaufort New Practice Nets & Storage Shed	16	13
Miscellaneous	42	32
Total non-recurrent operating grants	906	2,555
Total operating grants	9,610	9,568

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	2022	2021
	\$'000	\$'000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,076	2,092
Total recurrent capital grants	1,076	2,092
<i>Non-recurrent - Commonwealth Government</i>		
Local Roads and Community Infrastructure Program	1,576	1,217
AgriLinks - Bridge 110 on the Moonambel Warrenmang Road	311	-
BRP - Bridge 139 Raglan Elmhurst Rd	198	-
Bridge 32 - Carngham Streatham road	161	-
Lexton Community Facility Federal Grant	681	595
<i>Non-recurrent - State Government</i>		
Rural Councils ICT Infrastructure Support Program	-	99
Pyrenees Mobile Library Bus Project State Grant3	11	31
Bridge 110 Moonabell-WarrenmangRoad (Agribus)	-	1
Avoca Pool SV Pools Grant	12	-
Snake Valley Linear Park Skate Component	-	208
Activate Avoca	-	239
Avoca Inclusive Playspace	-	193
Upper Avoca River Flood Study	-	32
Raglan Flood Study	-	21
Beaufort Lake Boating and Fishing Platforms	70	-
COVID Outdoor Eating & Dining Project	11	239
COVID Safe Outdoor Activation Project 2021	108	-
Total non-recurrent capital grants	3,139	2,875
Total capital grants	4,215	4,967

**Pyrenees Shire Council
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	2022	2021
	\$'000	\$'000
(c) Unspent grants received on condition that they be spent in a specific manner		
<i>Operating</i>		
Balance at start of year	1,077	4,063
Received during the financial year and remained unspent at balance date	135	859
Received in prior years and spent during the financial year	(459)	(3,845)
Balance at year end	<u>753</u>	<u>1,077</u>
<i>Capital</i>		
Balance at start of year	1,513	1,206
Received during the financial year and remained unspent at balance date	1,571	1,472
Received in prior years and spent during the financial year	(1,280)	(1,165)
Balance at year end	<u>1,804</u>	<u>1,513</u>

(d) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 Revenue from Contracts with Customers. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 Income for Not-for-Profit Entities.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 Income for Not-for-Profit Entities.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

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	2022	2021
	\$'000	\$'000
Income recognised under AASB 1058 <i>Income of Not-for-Profit Entities</i>		
General purpose	7,448	5,950
Specific purpose grants to acquire non-financial assets	-	-
Other specific purpose grants	2,162	3,618
Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i>		
Specific purpose grants	4,215	4,967
	<u>13,825</u>	<u>14,535</u>

	2022	2021
	\$'000	\$'000
3.5 Contributions - monetary		
Monetary	17	-
Total contributions	<u>17</u>	<u>-</u>

Monetary and non monetary contributions are recognised as revenue at their fair value when Council obtains control over the contributed asset.

	2022	2021
	\$'000	\$'000
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	3,211	328
Written down value of assets disposed	(3,094)	(218)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>117</u>	<u>110</u>

**Pyrenees Shire Council
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3.7 Other income	2022	2021
	\$'000	\$'000
Interest	26	39
Reimbursement - Workcover wages	6	26
Reimbursement - State Revenue Office	45	44
Private Works	151	106
Other	2	67
Total other income	230	282

**Pyrenees Shire Council
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Note 4 The cost of delivering services

	2022	2021
	\$'000	\$'000
4.1 (a) Employee costs		
Wages and salaries	7,850	7,883
WorkCover	381	143
Superannuation	836	736
Fringe benefits tax	24	36
Total employee costs	9,091	8,798

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	107	69
Employer contributions - other funds	-	-
	107	69
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	729	667
Employer contributions - other funds	-	-
	729	667
Employer contributions payable at reporting date.	-	-

Refer to note 9.3 for further information relating to Council's superannuation obligations.

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	2022	2021
	\$'000	\$'000
4.2 Materials and services		
Contractors	4,053	3,643
Consumables	1,764	1,720
Contracted Service Delivery	582	1,342
Insurance	420	402
Electricity and water	182	183
Plant expenses	170	63
Information technology	375	298
Telecommunications	213	221
Subscriptions and memberships	97	95
Advertising	130	88
Legal fees	127	69
Stationery, postage, photocopying and printing	46	56
Conferences and training	86	58
Contributions and donations	143	87
Valuations	18	12
Fire services levy	18	13
Total materials and services	8,424	8,350

4.3 Depreciation

Property	971	1,242
Plant and equipment	796	765
Infrastructure	3,932	4,639
Total depreciation	5,699	6,646

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

4.4 Amortisation - Right of use assets

Printers	13	13
Total Amortisation - Right of use assets	13	13

**Pyrenees Shire Council
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4.5 Bad and doubtful debts

	2022	2021
	\$'000	\$'000
General Debtors	13	43
Total bad and doubtful debts	13	43

Movement in provisions for doubtful debts

Balance at the beginning of the year	(22)	(37)
New provisions recognised during the year	-	(6)
Amounts provided for but recovered during the year	-	21
Balance at end of year	(22)	(22)

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 Finance Costs - Leases

Interest - Lease Liabilities	1	2
Total finance costs	1	2

4.7 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	40	41
Auditors' remuneration - Internal Audit	43	35
Councillors' allowances	202	164
Internal audit committee	5	7
Operating lease rentals	8	11
Total other expenses	298	258

**Pyrenees Shire Council
Financial Report**

Note 5 Our financial position

	2022	2021
	\$'000	\$'000
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	1	1
Cash at bank	7,729	5,932
Total cash and cash equivalents	7,730	5,933
(b) Other financial assets		
Term deposits - current	8,031	7,020
Total other financial assets	8,031	7,020
Total financial assets	15,761	12,953

Councils 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)	188	374
- Recreational land (Note 9(b) Other reserves)	9	9
Total restricted funds	197	383
Total unrestricted cash and cash equivalents	7,533	5,550

Intended allocations

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

- cash held to fund carried forward capital works	4,839	5,833
- Victorian Grants Commission funding received in advance	4,436	3,076
- Other grant funding received in advance	79	2,590
Total funds subject to intended allocations	9,354	11,499

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

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.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

**Pyrenees Shire Council
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	2022	2021
(c) Trade and other receivables	\$'000	\$'000
Current		
<i>Statutory receivables</i>		
Rates debtors	337	316
Special rate assessment	8	10
Net GST receivable	120	220
<i>Non statutory receivables</i>		
Other debtors	663	470
Provision for doubtful debts - other debtors	(22)	(22)
Total current trade and other receivables	<u>1,106</u>	<u>994</u>
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	21	33
Total non-current trade and other receivables	<u>21</u>	<u>33</u>
Total trade and other receivables	<u>1,127</u>	<u>1,027</u>

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.

(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)	263	57
Past due by up to 30 days	5	375
Past due between 31 and 180 days	24	26
Past due between 181 and 365 days	361	4
Past due by more than 1 year	10	8
Total trade and other receivables	<u>663</u>	<u>470</u>

**Pyrenees Shire Council
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5.2 Non-financial assets	2022	2021
(a) Inventories	\$'000	\$'000
Inventories held for distribution	10	4
Total inventories	10	4

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Prepayments	15	70
Accrued income	90	96
Total other assets	105	166

5.3 Payables, trust funds and deposits and unearned income/revenue

(a) Trade and other payables

Non-statutory payables

Trade payables	932	1,161
Accrued expenses	1,012	1,266

Statutory payables

Net GST payable	-	-
Total trade and other payables	1,944	2,427

(b) Trust funds and deposits

Refundable deposits	84	61
Fire services levy	5	219
Retention amounts	99	94
Total trust funds and deposits	188	374

(c) Unearned income/revenue

Grants received in advance - operating	845	1,077
Grants received in advance - capital	1,712	1,513
Total unearned income/revenue	2,557	2,590

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Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of the delivery of specific services and/or the delivery of specific capital works. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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. Refer to Note 3.

Purpose and nature of items

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.

5.4 Provisions	2022	2021
	\$'000	\$'000
2022		
Balance at beginning of the financial year	2,589	2,355
Additional provisions	1,238	1,162
Amounts used	(1,033)	(712)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(294)	(216)
Balance at the end of the financial year	2,500	2,589

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	2022	2021
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	464	505
Long service leave	300	421
	764	926
Current provisions expected to be wholly settled after 12 months		
Annual leave	199	219
Long service leave	1,419	1,312
	1,618	1,531
Total current employee provisions	2,382	2,457
Non-current		
Long service leave	118	132
Annual leave	-	-
Total non-current employee provisions	118	132
Aggregate carrying amount of employee provisions:		
Current	2,382	2,457
Non-current	118	132
Total aggregate carrying amount of employee provisions	2,500	2,589

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

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. 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 and measured at present value.

Key assumptions:

- discount rate	3.850%	2.950%
- index rate	3.696%	1.491%

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	2022	2021
5.5 Financing arrangements	\$'000	\$'000
The Council has the following funding arrangements in place as at 30 June 2022		
Credit card facilities	75	8
Other facilities	-	126
Total facilities	<u>75</u>	<u>134</u>
Used facilities	<u>75</u>	<u>67</u>
Unused facilities	<u>-</u>	<u>67</u>

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5.6 Commitments

The Council has entered 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.

(a) Commitments for expenditure

2022	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					
Waste services	495	505	1,577	-	2,578
Mobilewaste bins	133	-	-	-	133
Transfer station management	479	-	-	-	479
Cleaning services	146	150	-	-	296
Internal audit	18	-	-	-	18
Telecommunications	145	36	-	-	181
Municipal building surveyor	71	73	75	-	218
Environmental health	193	197	100	-	490
Total	1,681	961	1,752	-	4,394
Capital					
Roads	369	-	-	-	369
Footpath	155	-	-	-	155
Total	524	-	-	-	524

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2021	Not later than	Later than 1	Later than 2	Later than 5	Total
	1 year	year and not	years and not	years	
	\$'000	later than 2	later than 5	Later than 5	\$'000
		years	years	years	
		\$'000	\$'000	\$'000	\$'000
Operating					
Waste services	545	556	1,735	-	2,836
Mobilewaste bins	200	-	-	-	200
Transfer station management	527	-	-	-	527
cleaning services	146	150	-	-	296
Internal audit	19	-	-	-	19
Telecommunications	145	36	-	-	181
Municipal building surveyor	78	80	82	-	240
Environmental health	213	217	109	-	539
Total	1,873	1,039	1,926	-	4,838
Capital					
Buildings	1,419	-	-	-	1,419
Roads	576	-	-	-	576
Total	1,995	-	-	-	1,995

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(b) Operating lease receivables

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of less than 1 year. All leases include a CPI based revision of the rental charge annually.

Future undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:

	2022	2021
	\$'000	\$'000
Not later than one year	25	26
Later than one year and not later than five years	-	-
Later than five years	-	-
	<hr/>	<hr/>
	25	26
	<hr/>	<hr/>

5.7 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.

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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.

Right-of-Use Assets

	Printers \$'000	Total \$'000
Balance at 1 July 2021	29	29
Additions	-	-
Amortisation charge	(14)	(14)
Balance at 30 June 2022	<u>15</u>	<u>15</u>

Lease Liabilities

	2022 \$'000	2021 \$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	15	15
One to five years	3	18
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	<u>18</u>	<u>33</u>

Lease liabilities included in the Balance Sheet at 30 June:

Current	15	14
Non-current	3	17
Total lease liabilities	<u>18</u>	<u>31</u>

**Pyrenees Shire Council
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Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2021 \$'000	Additions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Carrying amount 30 June 2022 \$'000
Property	32,989	631	14,237	(971)	(2,967)	-	3,233	47,152
Plant and equipment	5,099	1,002	-	(795)	(127)	-	-	5,179
Infrastructure	199,837	4,980	(1,272)	(3,933)	-	(2)	189	199,799
Work in progress	5,747	2,690	-	-	-	4	(3,422)	5,019
	243,672	9,303	12,965	(5,699)	(3,094)	2	-	257,149

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Infrastructure	383	896	-	(189)	1,090
Plant and equipment	-	76	-	-	76
Property	5,364	1,718	4	(3,233)	3,853
Total	5,747	2,690	4	(3,422)	5,019

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(a) Property

	Land - specialised	Land improvements	Total Land & Land Improvements	Buildings - specialised	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	4,225	6,727	10,952	51,675	5,364	67,991
Accumulated depreciation at 1 July 2021	-	(4,147)	(4,147)	(25,491)	-	(29,638)
	4,225	2,580	6,805	26,184	5,364	38,353
Movements in fair value						
Additions	221	-	221	410	1,718	2,349
Contributions	-	-	-	-	-	-
Revaluation	6,210	(3,231)	2,979	(18,971)	-	(15,992)
Disposal	(2,967)	-	(2,967)	-	-	(2,967)
Write-off	-	-	-	-	4	4
Transfers	3,233	-	3,233	-	(3,233)	-
Impairment losses recognised in operating result	-	-	-	-	-	-
	6,697	(3,231)	3,466	(18,561)	(1,511)	(16,606)
Movements in accumulated depreciation						
Depreciation and amortisation	-	(126)	(126)	(845)	-	(971)
Accumulated depreciation of disposals	-	-	-	-	-	-
Revaluation increments/decrements	-	4,227	4,227	26,002	-	30,229
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
	-	4,101	4,101	25,157	-	29,258
At fair value 30 June 2022	10,922	3,496	14,418	33,114	3,853	51,385
Accumulated depreciation at 30 June 2022	-	(46)	(46)	(334)	-	(380)
Carrying amount	10,922	3,450	14,372	32,780	3,853	51,005

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(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	7,222	563	534	460	-	8,779
Accumulated depreciation at 1 July 2021	(2,838)	(302)	(224)	(316)	-	(3,680)
	4,384	261	310	144	-	5,099
Movements in fair value						
Additions	849	-	112	41	76	1,078
Contributions	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Disposal	(655)	-	-	-	-	(655)
Write-off	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-
	194	-	112	41	76	423
Movements in accumulated depreciation						
Depreciation and amortisation	(632)	(34)	(107)	(22)	-	(795)
Accumulated depreciation of disposals	528	-	-	-	-	528
Revaluation increments/decrements	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
	(104)	(34)	(107)	(22)	-	(267)
At fair value 30 June 2022	7,416	563	646	501	76	9,202
Accumulated depreciation at 30 June 2022	(2,942)	(336)	(331)	(338)	-	(3,947)
Carrying amount	4,474	227	315	163	76	5,255

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(c) Infrastructure

	Bridges	Culverts; Pipes & Pits	Footpaths	Kerb and Channel	Roads	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	48,450	20,995	2,960	6,322	237,702	2,203	383	319,015
Accumulated depreciation at 1 July 2021	(19,880)	(7,710)	(1,112)	(2,736)	(86,734)	(623)	-	(118,795)
	28,570	13,285	1,848	3,586	150,968	1,580	383	200,220
Movements in fair value								
Additions	446	445	413	-	3,014	662	896	5,876
Contributions	-	-	-	-	-	-	-	-
Revaluation	(20,375)	-	(1,277)	(2,302)	(89,950)	-	-	(113,904)
Disposal	-	-	-	-	-	-	-	-
Write-off	-	-	-	(1)	(1)	-	-	(2)
Transfers	-	11	168	-	-	10	(189)	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
	(19,929)	456	(696)	(2,303)	(86,937)	672	707	(108,030)
Movements in accumulated depreciation								
Depreciation and amortisation	(284)	(210)	(49)	(65)	(3,168)	(157)	-	(3,933)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-
Revaluation increments/decrements	20,039	-	1,149	2,773	88,671	-	-	112,632
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
	19,755	(210)	1,100	2,708	85,503	(157)	-	108,699
At fair value 30 June 2022	28,521	21,451	2,264	4,019	150,765	2,875	1,090	210,985
Accumulated depreciation at 30 June 2022	(125)	(7,920)	(12)	(28)	(1,231)	(780)	-	(10,096)
Carrying amount	28,396	13,531	2,252	3,991	149,534	2,095	1,090	200,889

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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.

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Land & land improvements		
land	-	-
land improvements	15 - 60 years	10
Buildings		
buildings	20 - 150 years	10
Plant and Equipment		
plant, machinery and equipment	5 - 20 years	5
computers & Telecommunications	3 - 10 years	5
fixtures, fittings, and furniture	3 - 20 years	5
library Collection	3 - 10 years	
Infrastructure		
sealed roads formation	100 years	10
unsealed roads formation	100 years	10
sealed roads pavement	20 - 110 years	10
unsealed roads pavement	30 years	10
footpaths	53 years	5
kerb and channel	15 - 85 years	5
major culverts, pipes, and pits	100 years	5
bridges	128 - 130 years	10
other structure	10 - 25 years	5

Land under roads

Council recognises land under roads it controls at fair value.

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Depreciation and amortisation

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 above 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.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 1 to 5 year period.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Mr Chris Barrett BSc, MBA, AAPI Certified Practising Valuer API Member No. 63083. 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 and land under roads will have a significant impact on the fair value of these assets.

The date of the current valuation is detailed in the following table.

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Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2022 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Specialised land	-	-	10,922	1/2022
Land improvements	-	-	3,450	1/2022
Specialised buildings	-	-	32,780	1/2022
Total	-	-	47,152	

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.

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

The date of the current valuation is detailed in the following table.

The valuation is at fair value based on current 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 2022 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	149,534	12/2021
Bridges	-	-	28,396	12/2021
Footpaths and cycleways	-	-	2,252	3/2022
Culverts; Pipes & Pits	-	-	13,531	12/2018
Kerb & Channel	-	-	3,991	12/2021
Other infrastructure	-	-	2,095	06/2016
Total	-	-	199,799	

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 current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$141 to \$4575 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 30 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.

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Infrastructure assets are valued based on the current 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 1 years 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.

	2022	2021
Reconciliation of specialised land	\$'000	\$'000
Recreation	5,876	2,102
Industry	2,187	439
Tourism	278	638
Waste Management	840	340
Children's services	185	68
Roads	1,399	571
Administration	157	67
Total specialised land	10,922	4,225

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, or 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.

**Pyrenees Shire Council
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Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Subsidiaries and Associates

As at 30 June 2022 Council does not have any interests in any subsidiaries and/or associates.

(b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing, and controlling the activities of Pyrenees Shire Council. The Councillors, Chief Executive Officer and Directors are deemed KMP.

Councillors

Councillor Ron Eason (Mayor)
Councillor David Clark
Councillor Robert Vance
Councillor Tanya Kehoe
Councillor Damien Ferrari
Jim Nolan – Chief Executive Officer
Kathy Bramwell – Director – Corporate and Community Services
Douglas Gowans – Director – Assets and Development

	2022	2021
	No.	No.
Total Number of Councillors	5	5
Total of Chief Executive Officer and other Key Management Personnel	3	3
Total Number of Key Management Personnel	8	8

(c) Remuneration of Key Management Personnel

	2022	2021
	\$	\$
Total remuneration of key management personnel was as follows:		
Short-term benefits	755	701
Long-term benefits	37	16
Post employment benefits	53	53
Termination benefits	-	-
Total	845	770

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

	2022 No.	2021 No.
\$20,000 - \$29,999	-	3
\$30,000 - \$39,999	2	-
\$40,000 - \$49,999	2	1
\$50,000 - \$59,999	1	1
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	-	1
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999		1
\$230,000 - \$239,999	1	-
	<u>8</u>	<u>8</u>

(d) Senior Officer Remuneration

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

- has management responsibilities and reports directly to the Chief Executive; or
- 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 2020/21).

	2022 \$'000	2021 \$'000
7.2 Related party disclosure		
(a) Transactions with related parties		
During the period Council entered into the following transactions with related parties.		
Purchase of goods and services under normal trading terms	-	12
Employee remuneration under normal employment terms	-	72
	<u>-</u>	<u>84</u>

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

At balance date the Council are not aware of any contingent assets.

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

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.

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.

MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact Council.

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank and/or TCV borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements.

Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls, and risk minimisation.

(b) Market risk

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

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's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / 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 2020. 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.

(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 have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

'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.

(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 settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), 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.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 2.0% and -1.0% in market interest rates (AUD) from year-end rates of 0.85% as at 7 June 2022.

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.

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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 3 to 5 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.

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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 requires disclosures in the financial report.

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Note 9 Other matters

9.1 Reserves	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserves			
2022			
Property			
Land and land improvements	2,455	7,207	9,662
Buildings	20,700	7,030	27,730
	23,155	14,237	37,392
Infrastructure			
Roads	101,327	(1,279)	100,048
Bridges	18,238	(336)	17,902
Footpaths and cycleways	1,111	(128)	983
Drainage	11,458	471	11,929
Plant and equipment	301	-	301
Furniture and fittings	40	-	40
	132,475	(1,272)	131,203
Total asset revaluation reserves	155,630	12,965	168,595
2021			
Property			
Land and land improvements	2,455	-	2,455
Buildings	20,700	-	20,700
	23,155	-	23,155
Infrastructure			
Roads	101,327	-	101,327
Bridges	18,238	-	18,238
Footpaths and cycleways	1,111	-	1,111
Drainage	11,458	-	11,458
Plant and equipment	301	-	301
Furniture and fittings	40	-	40
	132,475	-	132,475
Total asset revaluation reserves	155,630	-	155,630

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

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	2022	2021
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	\$'000	\$'000
Surplus/(deficit) for the year	4,155	3,231
Depreciation	5,699	6,646
Amortisation - Right of use assets	13	13
Net gain on disposal of preproperty, infrastructure, plan and equipment	(117)	(110)
Finance Cost - Leases	1	2
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(584)	49
(Increase)/decrease in inventories	(6)	(2)
(Increase)/decrease in prepayments	55	177
Increase/(decrease) in accrued income	6	418
(Decrease)/increase in unearned income /revenue	(33)	(332)
Increase/(decrease) in trade and other payables	-	426
(Decrease)/increase in provisions	(89)	234
(Decrease)/increase in trust funds and deposits	(186)	226
Net GST on Operating activities	-	11
Net cash provided by/(used in) operating activities	8,914	10,989

9.3 Superannuation

Council makes [all/the 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. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2022, this was 10.0% as required under Superannuation Guarantee (SG) legislation (2021: 9.5%)).

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 [Employer name] 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.

As at 30 June 2021, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category.

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 109.7%. The financial assumptions used to calculate the VBI were:

- Net investment returns 4.75% pa
- Salary information 2.75% pa
- Price inflation (CPI) 2.25% pa.

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2022.

Vision Super has advised that the VBI at 30 June 2022 was 102.2% Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

- Net investment returns 5.5% pa
- Salary information 2.5% pa to 30 June 2023, and 3.5% pa thereafter.
- Price inflation (CPI) 3.0% pa.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2022 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years

Employer contributions

(a) Regular contributions

On the basis of the results of the 2021 interim actuarial investigation conducted by the Fund Actuary, Pyrenees Shire 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 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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

(b) 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 Pyrenees Shire 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 2021 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Pyrenees Shire Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the last full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Pyrenees Shire Council is a contributing employer:

	2021 (Interim) \$m	2020 (Triennial) \$m
- A VBI Surplus	214.7	100.0
- A total service liability surplus	270.3	200.0
- A discounted accrued benefits surplus	285.2	217.8

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 2021.

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 2021.

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 2021.

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

The 2022 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

**Pyrenees Shire Council
Financial Report**

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

Scheme	Type of Scheme	Rate	2022 \$'000	2021 \$'000
Vision super	Defined benefits	10.0% (2021:9.5%)	107	69
Vision super	Accumulation	10.0% (2021:9.5%)	899	667

[In addition to the above contributions, Council has paid unfunded liability payments to Vision Super totalling (\$0, 2020/21 \$0).

There were \$0 contributions outstanding and \$0 loans issued from or to the above schemes as at 30 June 2022.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 is \$112,000.

Note 10 Change in accounting policy

There have been no changes to accounting policies in the 2021-22 year.

There are no pending accounting standards that are likely to have a material impact on council

Independent Auditor's Report

To the Councillors of Pyrenees Shire Council

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

- balance sheet as at 30 June 2022
- comprehensive income statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- statement of capital works for the year then ended
- notes to the financial statements, including significant accounting policies
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020* and applicable Australian Accounting Standards.

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

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

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

Councillors' responsibilities for the financial report The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
5 October 2022



Travis Derricott
as delegate for the Auditor-General of Victoria

Pyrenees Shire Council

Performance Statement

For the year ended 30 June 2022

Performance Statement

For the year ended 30 June 2022

<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 7622 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, Beaufort and Snake Valley 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>Overview of 2021/22</p> <p>During the financial year Council experienced moderate growth in residents and demand for services. Contributing to the growth in the shire was Council's completion of the Correa Park residential development in Beaufort, and the proximity of some areas to the growth being seen in surrounding regional centres.</p> <p>Recovery activities and support from the 2019/20 Ben Major – Lexton bushfire continued during the financial year, alongside emergency clean-up activities arising from the October 2021 windstorm impacts on our trees and roadside vegetation.</p> <p>The COVID-19 global pandemic continued throughout the whole of the 2021/22 financial year, with an increase in direct impact to Council staff and communities through the large increase in</p>
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positive cases and the impact of staff shortages on delivery of council services and the wider business community.

The impact of global financial pressures was seen in rising costs relating to both the delivery of services and in the delivery of Council's capital works and project program, increasing the importance of good fiscal management and control.

Sustainable Capacity Indicators

For the year ended 30 June 2022

	<i>Indicator/measure</i>	Results				Material variations
		2019	2020	2021	2022	
R15(3) Sch3 R16(1) R17(2)	Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$3,337.28	\$2,974.30	\$3,191.30	\$3,085.02	This measure provides an assessment of Council's capacity to provide services to its community.
	<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$31,000.82	\$30,936.03	\$31,352.35	\$31,852.27	This measure provides an assessment of Council's commitment to improving infrastructure and represents Council's high commitment to ongoing infrastructure improvement.
	<i>Population density per length of road</i> [Municipal population / kilometres of local roads]	3.59	3.64	3.72	3.88	In small rural councils with low/moderate population growth, this figure is likely to remain fairly static from year to year.
	Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,551.75	\$1,651.23	\$1,695.04	\$1,817.37	This indicator represents the amount of Council revenue obtained through its rates and charges and remains fairly stable due to rate capping and low population growth.
	Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,040.12	\$1,184.56	\$1,205.16	\$1,242.19	This indicator assesses the level of revenue generated from a range of sources other than through rates and charges – i.e., grants. A higher amount of grant revenue suggests greater capacity to deliver community services but is dependent upon availability of such revenue as small rural councils have little alternate opportunity to increase revenue.
	Disadvantage <i>Relative socio-economic disadvantage of the municipality</i> [Index of Relative Socio-economic Disadvantage by decile]	3.00	3.00	3.00	3.00	This index summarises a range of information about the economic and social conditions of a community, and ranges from 1 to 10. A lower level may suggest a greater need for some services.
	Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff]	16.3%	7.1%	12.4%	31.0%	The turnover rate has increased compared to the two previous years where staff movement was restricted by the impacts of

	resignations and terminations / Average number of permanent staff for the financial year] x100					COVID-19. The majority of staff resignations were due to either career progression or retirement, which are difficult to avoid as Council does not have the breadth of employment to provide career progression opportunities and with an ageing workforce, retirements are likely to be higher than the state-wide average.
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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 2022

	<i>Service/Indicator/measure</i>	Results				Material variations
		2019	2020	2021	2022	
R15(1) Sch3 R16(1) R17(2)	<p>Aquatic facilities utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]</p>	1.48	1.61	0.99	1.02	Notwithstanding relaxing of COVID-19 restrictions in 2021/22, the impacts of a short season for outdoor rural pools and the global shortage of skilled senior lifesavers contributed to a low utilization rate for the season.
	<p>Animal management Health and Safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]</p>	New in 2020	100.00%	100.00%	100.00%	One animal management matter was successfully prosecuted, and no matters were unsuccessful.
	<p>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</p>	100.00%	100.00%	100.00%	100.00%	Public health and safety remained of paramount importance with 100% of critical non-compliance outcome notifications being followed up.
	<p>Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]</p>	56.00	54.00	54.00	53.00	Community satisfaction with how Council has performed in making decisions in the interest of the community remained similar to the previous year (reduction of 1 point) but has reduced from earlier years.

<i>Service/Indicator/measure</i>	Results				Material variations
	2019	2020	2021	2022	
<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>	11.02%	9.94%	8.43%	8.42%	The number of active borrowers remained similar to the previous year, still impacted by community reluctance to frequent public areas due to the risk of COVID-19 infection. This risk increased locally in early 2022 due to increases in local positive case numbers.
<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>	88.62%	92.97%	78.46%	94.31%	After the impact of COVID-19 restrictions imposed during 2020/21, participation rates increased substantially in 2021/22.
<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%	93.33%	100.00%	100.00%	Low numbers of participants can result in high variations year on year.
<p>Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	54.00	51.00	57.00	50.00	Community satisfaction with sealed roads fell in 2022, from a high result recorded in the previous year. Some of this can be attributed to the poor condition of major roads that are not maintained by Council which detracts from community perception of Council's performance.
<p>Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application /Number of VCAT decisions in relation to planning applications] x</p>	0.00%	0.00%	0.00%	0.00%	No planning matters went to VCAT.

	Service/Indicator/measure	Results				Material variations
		2019	2020	2021	2022	
	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	31.22%	19.64%	29.56%	24.30%	Percentages of waste diverted from landfill remains lower than comparative small rural councils, however green waste is not included in this percentage which impacts this efficiency measure.

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>
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Financial Performance Indicators

For the year ended 30 June 2022

	<i>Dimension/indicator/measure</i>	Results				Forecasts				Material variations
		2019	2020	2021	2022	2023	2024	2025	2026	
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]	\$4,089.83	\$3,683.74	\$3,961.60	\$ 3,866.16	\$3,932.06	\$3,904.84	\$3,884.99	\$3,861.60	Council's expenses per property assessment are subject to fluctuation from year to year due to timing of external non-recurrent grants received, and expenditure incurred in delivery of funded projects.
	Revenue level <i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	\$1,407.26	\$1,462.54	\$1,506.58	\$1,515.63	\$1,517.44	\$1,519.12	\$1,520.80	This indicator reflects Council's revenue through rates and charges for the reporting year, on average.
	Liquidity Working Capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x 100	402.70%	223.13%	179.56%	240.50%	107.35%	105.68%	107.73%	110.71%	Liquidity in actual results includes carryovers which distorts the true results. The forecast results assumes that there will be no carryovers and all works will be completed each year.
	Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x 100	69.07%	66.69%	-70.94%	-66.83%	87.68%	86%	88.02%	90.99%	Forecasts assume that all investments have matured and will be held as cash whilst the actuals have some of Council's cash as investments thus not included in the calculation of unrestricted cash.
	Obligations Loans and borrowings <i>Loans and borrowings</i>	0.00%	0.00%	0.00%	0.00%	5.0%	4.3%	3.7%	3.1%	Council had no loans or borrowings and was debt free at the end of the financial year.

<i>Dimension/indicator/measure</i>	Results				Forecasts				Material variations
	2019	2020	2021	2022	2023	2024	2025	2026	
<i>compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rates revenue] x 100									
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	0.00%	0.00%	0.00%	0.00%	0.4%	0.7%	0.7%	0.7%	Council had no loans or borrowings and was debt free at the end of the financial year.
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x 100	1.13%	1.78%	1.16%	0.87%	5.04%	4.46%	3.89%	3.32%	Council was debt free at the end of the financial year and non-current liabilities held reflect employee provisions.
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	128.67%	109.94%	110.58%	101.10%	74.78%	74.00%	73.23%	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100	10.54%	1.63%	1.45%	4.22%	-7.71%	-7.53%	-7.55%	-7.45%	The forecast results do not assume that Council receives grants in advance, in particular the VGC allocation, this allocation distorts the actual results.
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted	36.47%	46.55%	46.57%	50.63%	56.30%	56.60%	56.89%	57.19%	

	<i>Dimension/indicator/measure</i>	Results				Forecasts				Material variations
		2019	2020	2021	2022	2023	2024	2025	2026	
	underlying revenue] x 100									
	Rates effort <i>Rates compared to Property values</i> [Rate revenue / Capital Improved Value of rateable properties in the municipality] x 100	0.47%	0.45%	0.41%	0.40%	0.28%	0.28%	0.27%	0.27%	This indicator shows rate revenue as a percentage of property values in the municipality. Its capacity to increase at the same rate as property values is limited due to rate increase caps set, resulting in a steady reduction in this measure over recent years.

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 2022

	Retired measures <i>Service/Indicator/measure</i>	Results				Material variations
		2018	2019	2020	2021	
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	3.00	Retired in 2020	Retired in 2020	This measure was replaced from 1 July 2019
	Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$987.67	\$941.00	Retired in 2020	Retired in 2020	This measure was replaced from 1 July 2019
	Obligations Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	72.33%	115.75%	Retired in 2020	Retired in 2020	This measure was replaced from 1 July 2019

Other Information

For the year ended 30 June 2022

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 2020</i> and <i>Local Government (Planning and Reporting) Regulations 2020</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 2020</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 on 14 June 2022 in its Budget and Financial Plan; and which forms part of the Council Plan. The financial 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 budget and financial 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 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.



Glenn Kallio
Principal Accounting Officer
Dated: 27 September 2022

In our opinion, the accompanying performance statement of the Pyrenees Shire Council for the year ended 30 June 2022 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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 2020* to certify this performance statement in its final form.



Cr Damian Ferrari
Councillor
Dated: 27 September 2022



Cr Robert Vance
Councillor



Jim Nolan
Chief Executive Officer
Dated: 27 September 2022

Independent Auditor's Report

To the Councillors of Pyrenees Shire Council

Opinion	<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 2022 • sustainable capacity indicators for the year ended 30 June 2022 • service performance indicators for the year ended 30 June 2022 • financial performance indicators for the year ended 30 June 2022 • other information and • certification of the performance statement. <p>In my opinion, the performance statement of Pyrenees Shire Council in respect of the year ended 30 June 2022 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and <i>Local Government (Planning and Reporting) Regulations 2020</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

Auditor's responsibilities for the audit of the performance statement

As required by the *Audit Act 1994*, 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 Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement. As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether 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
5 October 2022



Travis Derricott
as delegate for the Auditor-General of Victoria

Annual Report

2021-22



Pyrenees
Shire Council

Beaufort Office
5 Lawrence Street,
Beaufort VIC 3373
T 1300 797 363

Avoca Office
122 High Street,
Avoca VIC 3467
T 03 5465 1000

E pyrenees@pyrenees.vic.gov.au

pyrenees.vic.gov.au

