# Ordinary Meeting of Council - 21 September 2026 Attachments

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# Pyrenees Shire Council

# ANNUAL FINANCIAL REPORT

## For the year ended 30 June 2026

**Pyrenees Shire Council**
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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: 21st September 2026**
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 2026 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 21st September 2026**
Beaufort Shire Offices

*Cr Rebecca Wardlaw*
**Councillor**
**Date 21st September 2026**
Beaufort Shire Offices

*Sally Jones*
**Chief Executive Officer**

**Date 21st September 2026**
Beaufort Shire Offices

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# Comprehensive Income Statement
## For the Year Ended 30 June 2026

| | Note | 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| **Income / Revenue** | | | |
| Rates and charges | 3.1 | 14,486 | 13,910 |
| Statutory fees and fines | 3.2 | 285 | 236 |
| User fees | 3.3 | 828 | 801 |
| Grants - operating | 3.4 | 13,050 | 14,100 |
| Grants - capital | 3.4 | 10,036 | 6,037 |
| Contributions - monetary | | 383 | 162 |
| Net gain on disposal of property, infrastructure, plant and equipment | 3.5 | 203 | 245 |
| Other income | 3.6 | 1,372 | 898 |
| **Total income / revenue** | | **40,643** | **36,389** |
| | | | |
| **Expenses** | | | |
| Employee costs | 4.1 | 10,215 | 9,554 |
| Materials and services | 4.2 | 10,348 | 9,991 |
| Depreciation | 4.3 | 9,792 | 6,913 |
| Depreciation - right of use assets | | 9 | 9 |
| Allowances for impairment losses | 4.4 | 17 | (7) |
| Borrowing costs | 4.5 | 104 | 66 |
| Finance costs - leases | | - | 3 |
| Other expenses | 4.6 | 356 | 306 |
| Asset revaluation decrement through Surplus / (Deficit) | | - | 1,437 |
| **Total expenses** | | **30,841** | **28,272** |
| | | | |
| **Surplus/(Deficit) for the year** | | **9,802** | **8,117** |
| | | | |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to surplus or deficit in future periods** | | | |
| Net asset revaluation gain/(loss) | 6.1 | 27,482 | 63,990 |
| **Total other comprehensive income** | | **27,482** | **63,990** |
| **Total comprehensive result** | | **37,284** | **72,107** |

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

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# Balance Sheet
## As at 30 June 2026

| | Note | 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 5.1 (a) | 25,154 | 23,877 |
| Trade and other receivables | 5.1 (b) | 3,060 | 2,517 |
| Inventories | 5.2 (a) | 9 | 13 |
| Prepayments | 5.2 (b) | 199 | 148 |
| Other assets | 5.2 (b) | 604 | 1,185 |
| **Total current assets** | | **29,026** | **27,740** |
| | | | |
| **Non-current assets** | | | |
| Trade and other receivables | 5.1 (b) | - | 2 |
| Property, infrastructure, plant and equipment | 6.1 | 401,101 | 369,018 |
| Right-of-use assets | | 20 | 29 |
| **Total non-current assets** | | **401,121** | **369,049** |
| **Total assets** | | **430,147** | **396,789** |
| | | | |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 5.3 (a) | 3,837 | 3,414 |
| Trust funds and deposits | 5.3 (b) | 517 | 504 |
| Contract and other liabilities | 5.3 (c) | 2,608 | 6,942 |
| Provisions | 5.4 | 2,257 | 2,346 |
| Interest-bearing liabilities | 5.5 | 570 | 458 |
| Lease liabilities | | 9 | 11 |
| **Total current liabilities** | | **9,798** | **13,675** |
| | | | |
| **Non-current liabilities** | | | |
| Provisions | 5.4 | 138 | 108 |
| Interest-bearing liabilities | 5.5 | 2,007 | 2,077 |
| Lease liabilities | | 12 | 21 |
| **Total non-current liabilities** | | **2,157** | **2,206** |
| **Total liabilities** | | **11,955** | **15,881** |
| **Net assets** | | **418,192** | **380,908** |
| | | | |
| **Equity** | | | |
| Accumulated surplus | | 135,391 | 125,589 |
| Reserves | 9.1 | 282,801 | 255,319 |
| **Total Equity** | | **418,192** | **380,908** |

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

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# Statement of Changes in Equity
## For the Year Ended 30 June 2026

| 2026 | Note | Total<br>$'000 | Accumulated Surplus<br>$'000 | Revaluation Reserve<br>$'000 | Other Reserves<br>$'000 |
|---|---|---|---|---|---|
| Balance at beginning of the financial year | | 380,908 | 125,589 | 255,258 | 61 |
| Surplus/(Deficit) for the year | | 9,802 | 9,802 | - | - |
| Net asset revaluation gain/(loss) | 9.1 | 27,482 | - | 27,482 | - |
| **Balance at end of the financial year** | | **418,192** | **135,391** | **282,740** | **61** |

| 2025 | | Total<br>$'000 | Accumulated Surplus<br>$'000 | Revaluation Reserve<br>$'000 | Other Reserves<br>$'000 |
|---|---|---|---|---|---|
| Balance at beginning of the financial year | | 308,801 | 117,524 | 191,268 | 9 |
| Surplus/(Deficit) for the year | | 8,117 | 8,117 | - | - |
| Net asset revaluation gain/(loss) | 9.1 | 63,990 | - | 63,990 | - |
| Transfers from (to) other reserves | 9.1 | - | (52) | - | 52 |
| **Balance at end of the financial year** | | **380,908** | **125,589** | **255,258** | **61** |

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

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# Statement of Cash Flows
## For the Year Ended 30 June 2026

| | Note | 2026 Inflows/ (Outflows) $'000 | 2025 Inflows/ (Outflows) $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Rates and charges | | 14,177 | 13,805 |
| Statutory fees and fines | | 285 | 236 |
| User fees | | 635 | 901 |
| Grants - operating | | 13,107 | 18,948 |
| Grants - capital | | 6,216 | 6,137 |
| Contributions - monetary | | 383 | 162 |
| Interest received | | 788 | 458 |
| Other receipts | | 653 | 486 |
| Net GST refund/(payment) | | 915 | 1,079 |
| Employee costs | | (10,274) | (9,552) |
| Materials and services | | (10,957) | (10,143) |
| Net Trust funds and deposits received/(repaid) | | 13 | 185 |
| Other payments | | (392) | (337) |
| **Net cash provided by/(used in) operating activities** | 9.2 | **15,549** | **22,366** |
| **Cash flows from investing activities** | | | |
| Payments for property, infrastructure, plant and equipment | 6.1 | (14,487) | (9,231) |
| Proceeds from sale of property, infrastructure, plant and equipment | | 277 | 525 |
| **Net cash provided by/(used in) investing activities** | | **(14,210)** | **(8,706)** |
| **Cash flows from financing activities** | | | |
| Finance costs | | (104) | (66) |
| Proceeds from borrowings | | 500 | 1,300 |
| Repayment of borrowings | | (458) | (207) |
| Interest paid - lease liability | | - | (3) |
| Repayment of lease liabilities | | - | (9) |
| **Net cash provided by/(used in) financing activities** | | **(62)** | **1,015** |
| Net increase (decrease) in cash and cash equivalents | | 1,277 | 14,675 |
| Cash and cash equivalents at the beginning of the financial year | | 23,877 | 9,202 |
| **Cash and cash equivalents at the end of the financial year** | | **25,154** | **23,877** |
| | | | |
| Financing arrangements | 5.6 | | |

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

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# Statement of Capital Works
## For the Year Ended 30 June 2026

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | $'000 | $'000 |
| **Property** | | | |
| Land Improvemets | | 4,997 | 1,021 |
| **Total land** | | **4,997** | **1,021** |
| Buildings | | 116 | - |
| Building Improvements | | 140 | 1,565 |
| **Total buildings** | | **256** | **1,565** |
| **Total property** | | **5,253** | **2,586** |
| **Plant and equipment** | | | |
| Plant, machinery and equipment | | 1,080 | 687 |
| Fixtures, fittings and furniture | | 14 | 17 |
| Computers and telecommunications | | 70 | 80 |
| Library books | | 35 | 50 |
| **Total plant and equipment** | | **1,199** | **834** |
| **Infrastructure** | | | |
| Roads | | 6,267 | 4,348 |
| Bridges | | 1,367 | 641 |
| Footpaths and cycleways | | 24 | 287 |
| Drainage | | 320 | 557 |
| Recreational, leisure and community facilities | | 37 | - |
| **Total infrastructure** | | **8,015** | **5,833** |
| **Total capital works expenditure** | | **14,467** | **9,253** |
| **Represented by:** | | | |
| New asset expenditure | | 7,716 | 2,277 |
| Asset renewal expenditure | | 6,549 | 5,244 |
| Asset expansion expenditure | | - | 414 |
| Asset upgrade expenditure | | 202 | 1,318 |
| **Total capital works expenditure** | | **14,467** | **9,253** |

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

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# 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.

**Accounting policy information**

**1.1 Basis of accounting**

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

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.

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.

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
  the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)

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- the determination of employee provisions (refer to Note 5.4)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3.4)

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.

**Goods and Service Tax (GST)**
Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

### 1.2 Impact of emergencies and natural disasters

During 2025-26 emergencies or natural disasters impacted Council's operations. Council has noted the following significant impacts on its financial operations:

Funding was recognised

| | 2026 |
|---|---|
| | $'000 |
| Fire Event February 2024 | 630 |
| Fire Event January 2026 | 1,410 |
| Flood Event October 2022 - Certified Claims | 3,122 |
| | **5,162** |

Funding costs incurred:

| | |
|---|---|
| Fire Event February 2024 | 354 |
| Fire Event January 2026 | 607 |
| Flood Certified Claims - works | 3,122 |
| | **4,083** |

Also refer to note 8.1 for further details of contingent assets and liabilities

### 1.3 Impacts of other external events

Council has considered ongoing external events that have contributed to volatility in international markets, disrupted global supply chains and increased inflationary pressure, including the risk that they may cause significant changes in the carrying values of assets and liabilities in the next financial year, and has concluded that there is no material impact on the 2025-26 financial report that requires additional disclosure.

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### 1.4 Employee Benefits

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by Pyrenees Shire Council to the relevant superannuation plans in respect to the services of Pyrenees Shire Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Pyrenees Shire Council is required to comply with.

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# Note 2 Analysis of our results

## 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 that an explanation is warranted only when both a +/- 10 percent and $250,000 movement has occurred. 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.*

### Note 2.1.1 Income / Revenue and expenditure

| | Budget 2026 $'000 | Actual 2026 $'000 | Variance $'000 | Variance % | Ref |
|---|---|---|---|---|---|
| **Income / Revenue** | | | | | |
| Rates and charges | 14,541 | 14,486 | (55) | **0%** | |
| Statutory fees and fines | 296 | 285 | (11) | **-4%** | |
| User fees | 903 | 828 | (75) | **-8%** | |
| Grants - operating | 8,080 | 13,050 | 4,970 | **62%** | **1** |
| Grants - capital | 7,983 | 10,036 | 2,053 | **26%** | **2** |
| Contributions - monetary | 34 | 383 | 349 | **1026%** | **3** |
| Net gain on disposal of property, infrastructure, plant and equipment | - | 203 | 203 | **100%** | |
| Other income | 469 | 1,372 | 903 | **193%** | **4** |
| **Total income / revenue** | **32,306** | **40,643** | **8,337** | **26%** | |
| **Expenses** | | | | | |
| Employee costs | 10,356 | 10,215 | **141** | **1%** | |
| Materials and services | 9,725 | 10,348 | **(623)** | **-6%** | |
| Depreciation | 6,357 | 9,792 | **(3,435)** | **-54%** | **5** |
| Depreciation - right of use assets | 9 | 9 | **-** | **0%** | |
| Allowances for impairment losses | 10 | 17 | **(7)** | **-70%** | |
| Borrowing costs | 122 | 104 | **18** | **15%** | |
| Finance costs - leases | 9 | - | **9** | **100%** | |
| Other expenses | 303 | 356 | **(53)** | **-17%** | |
| **Total expenses** | **26,891** | **30,841** | **(3,950)** | **-15%** | |
| **Surplus/(Deficit) for the year** | **5,415** | **9,802** | **4,387** | **81%** | |

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**(i) Explanation of material variations**

**1 Grants – operating**

The positive variation was due to the receipt of additional grants that were not budgeted for, these relate to:

- Funding for fire events
- Financial Assistance Grant 80% 2026/27 allocation

**2 Grants – capital**

The positive variation was due to the receipt of additional grants that were not budgeted for, these relate to:

- October 2022 Flood grants.
- Roads to Recovery
- Bourke St Workers Accommodation
- TAC (SLRSP; Blackspot)

**3 Contributions - Monetary**

Contributions were received for the following projects that were not budgeted for:

- Waubra Playground Development Project

**4 Other Income**

Additional income in excess of that budgeted for in the 2025/26 budget were received for the following items:

- Additional interest on investments ($378,000)
- Insurance recovery funds

**5 Depreciation**

At the time of preparing the budget for 2025/26, the impact of the revaluation of assets in the 2024/25 year had not been fully considered resulting in lower levels of depreciation budgeted for in the 2025/26 financial year.

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**Note 2.1.2 Capital Works**

| | Budget 2026 $'000 | Actual 2026 $'000 | Variance $'000 | Variance % | Ref |
|---|---|---|---|---|---|
| **Property** | | | | | |
| Land | - | - | - | 100% | |
| Land Improvemets | - | 4,997 | 4,997 | 100% | 1 |
| **Total land** | **-** | **4,997** | **4,997** | **100%** | |
| Buildings | 5,614 | 116 | (5,498) | -98% | 2 |
| Building Improvements | 195 | 140 | (55) | -28% | |
| **Total buildings** | **5,809** | **256** | **(5,553)** | **-96%** | |
| **Total property** | **5,809** | **5,253** | **(556)** | **-10%** | |
| | | | | | |
| **Plant and equipment** | | | | | |
| Plant, machinery and equipment | 787 | 1,080 | 293 | 37% | 3 |
| Fixtures, fittings and furniture | 21 | 14 | (7) | -33% | |
| Computers and telecommunications | 164 | 70 | (94) | -57% | |
| Library books | 26 | 35 | 9 | 35% | |
| **Total plant and equipment** | **998** | **1,199** | **201** | **20%** | |
| | | | | | |
| **Infrastructure** | | | | | |
| Roads | 5,107 | 6,267 | 1,160 | 23% | 4 |
| Bridges | 433 | 1,367 | 934 | 216% | 5 |
| Footpaths and cycleways | 31 | 24 | (7) | -23% | |
| Drainage | 205 | 320 | 115 | 56% | |
| Recreational, leaisure and community facilities | 53 | 37 | (16) | -30% | |
| **Total infrastructure** | **5,829** | **8,015** | **2,186** | **38%** | |
| | | | | | |
| **Total capital works expenditure** | **12,636** | **14,467** | **1,831** | **14%** | |
| | | | | | |
| **Represented by:** | | | | | |
| New asset expenditure | 7,390 | 7,716 | 326 | 4% | |
| Asset renewal expenditure | 5,246 | 6,549 | 1,303 | 25% | |
| Asset expansion expenditure | - | - | - | 100% | |
| Asset upgrade expenditure | - | 202 | 202 | 0% | |
| **Total capital works expenditure** | **12,636** | **14,467** | **1,831** | **14%** | |

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**(i) Explanation of material variations**

**1 Land Improvements**
The variation is a reclassification of projects from Buildings to Land Improvements. The main projects in question relate to:
- Regional Workers Accommodation
- Waubra Playground Development

**2 Buildings**
The projects allocated to Buildings at the commencement of the financial year were reallocated to Land improvements at year end when the detail of the work involved was reviewed.

**3 Plant, machinery and equipment**
A number of significant plant items has been order two years earlier and budgeted for at that time however, delays were experienced and were delivered in the 2025/26 financial year.

**4 Roads**
Unbudgeted expenditure on roads relating to rehabilitation works contributed to the October 2022 flood event has resulted in the variation recorded combined with additional funding received for the TAC program which had not been allowed for in the 2025/26 budget.

**5 Bridges**
Unbudgeted expenditure on bridges relating to rehabilitation works contributed to the October 2022 flood event has resulted in the variation recorded.

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## Note 2.2 Analysis of Council results by program.

Council delivers its functions and activities through the following programs:

### 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.

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**Note 2.2.2 Summary of income / revenue, expenses, assets, and capital expenses by program**

| 2026 | Income / Revenue $'000 | Expenses $'000 | Surplus / (Deficit) $'000 | Grants included in income / revenue $'000 | Total assets $'000 |
|---|---|---|---|---|---|
| People and Organisation Development | 820 | 1,265 | (445) | 597 | - |
| Place | 557 | 2,911 | (2,354) | - | - |
| Environment | 3,050 | 2,825 | 225 | 81 | - |
| Economy | 24,262 | 14,048 | 10,214 | 22,408 | 430,147 |
| **Unattributed** | | | | | |
| Net Asset Sales | 203 | - | 203 | - | - |
| Rates Revenue | 11,751 | - | 11,751 | - | - |
| Loss on Asset Revaluation Reserve | - | - | - | - | - |
| Depreciation | - | 9,792 | (9,792) | - | - |
| | **40,643** | **30,841** | **9,802** | **23,086** | **430,147** |

| 2025 | Income / Revenue $'000 | Expenses $'000 | Surplus / (Deficit) $'000 | Grants included in income / revenue $'000 | Total assets $'000 |
|---|---|---|---|---|---|
| People and Organisation Development | 679 | 1,340 | (661) | 651 | - |
| Place | 377 | 3,009 | (2,632) | 138 | - |
| Environment | 2,939 | 2,870 | 69 | 90 | - |
| Economy | 20,835 | 12,703 | 8,132 | 19,258 | 396,789 |
| **Unattributed** | | | | | |
| Net Asset Sales | 245 | - | 245 | - | - |
| Rates Revenue | 11,314 | - | 11,314 | - | - |
| Loss on Asset Revaluation Reserve | - | 1,437 | (1,437) | - | - |
| Depreciation | - | 6,913 | (6,913) | - | - |
| | **36,389** | **28,272** | **8,117** | **20,137** | **396,789** |

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# Note 3 Funding for the delivery of services

## 3.1 Rates and Charges

| | 2026 $'000 | 2025 $'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 2025/26 was $4,877 million (2024/25 $5,254 million).

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| General rates | 10,305 | 9,896 |
| Supplementary rates and rate adjustments | (3) | 14 |
| Waste management charge | 2,735 | 2,596 |
| Interest on rates and charges | 84 | 70 |
| Revenue in lieu of rates | 1,365 | 1,334 |
| **Total rates and charges** | **14,486** | **13,910** |

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2025, and the valuation was first applied in the rating year commencing 1 July 2025.

Annual rates and charges are recognised as income 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

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Environmental health fees | 37 | 40 |
| Fines | 61 | 42 |
| Town planning & building fees | 167 | 126 |
| Land information certificates | 20 | 28 |
| **Total statutory fees and fines** | **285** | **236** |

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

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## 3.3 User Fees

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Caravan park charges | 429 | 388 |
| Fees | 124 | 75 |
| Planning & building charges | 19 | 43 |
| Animal registration charges | 130 | 137 |
| Rental and function charges | 44 | 43 |
| Resource and information centre charges | 27 | 45 |
| Other charges | 55 | 70 |
| **Total user fees** | **828** | **801** |
| **User fees by timing of revenue recognition** | | |
| User fees recognised over time | 174 | 180 |
| User fees recognised at a point in time | 654 | 621 |
| **Total user fees** | **828** | **801** |

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

| | 2026 | 2025 |
|---|---|---|
| Grants were received in respect of the following : | $'000 | $'000 |
| **Summary of grants** | | |
| Commonwealth funded grants | 14,135 | 14,344 |
| State Government funded grants | 8,951 | 5,793 |
| **Total grants received** | **23,086** | **20,137** |
| **(a) Operating Grants** | | |
| ***Recurrent - Commonwealth Government*** | | |
| Financial Assistance Grants | 10,000 | 10,664 |
| ***Recurrent - State Government*** | | |
| Aged Care Services | - | 3 |
| Libraries | 123 | 245 |
| Family & Childrens Services | 323 | 319 |
| Roadside Weeds & Pest Management Prog | 62 | - |
| Other | 34 | 91 |
| **Total recurrent operating grants** | **10,542** | **11,322** |

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| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| ***Non-recurrent - State Government*** | | |
| Lexton Fire | - | 39 |
| Avoca Flood Mitigation Investigation | - | 96 |
| Council Flood Support Fund (AGRN1096) | - | 100 |
| Council Flood Support Fund (AGRN1108) | - | 500 |
| Community Recovery Officer | - | 40 |
| Fire Event February 2024 | 630 | 986 |
| Fire Event January 2026 - Council Support Fund | 750 | - |
| Fire Event January 2026 - DFRA Emergency Works | 500 | - |
| Fire Event January 2026 - CRO & Hub | 160 | - |
| Pyrenees Bushfire Resilience Project | - | 300 |
| Cat Desexing Project | (7) | 7 |
| Implementation of 3 yr old preschool | - | 32 |
| Youth Engagement Project | 40 | 43 |
| Premier Reading Challenge | 6 | 6 |
| Good Things Be Connected Digital Literacy | - | 3 |
| TAC - Pyrenees Shire Road Safety | 25 | - |
| Pyrenees SC Statuatory Planning Assistance | - | 27 |
| Pyrenees Municipal Bushfire Hazard Assessment | - | 43 |
| Rural and Regional Planning Cadet Program | - | 12 |
| Municipal Emergency Resourcing Program | 60 | 60 |
| Rural Councils ICT Infrastructure Support Program | 231 | - |
| Primary Producer Support | 101 | - |
| Avoca Lions Park Revegetation Project | 9 | - |
| Economy Household Education Fund | 3 | 8 |
| Flood Study Implementation Support Grant | - | 56 |
| Community Participation & Support; Old Beaufort Primary School | - | 400 |
| Community Activation & Social Isolation | - | 20 |
| **Total non-recurrent operating grants** | **2,508** | **2,778** |
| **Total operating grants** | **13,050** | **14,100** |

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| | 2026 | 2025 |
|---|---|---|
| **(b) Capital Grants** | **$'000** | **$'000** |
| ***Recurrent - Commonwealth Government*** | | |
| Roads to recovery | 1,778 | 1,996 |
| **Total recurrent capital grants** | **1,778** | **1,996** |
| ***Non-recurrent - Commonwealth Government*** | | |
| Local Roads and Community Infrastructure Program | - | 1,540 |
| Burke Street Workers Accommodation | 2,000 | - |
| LRCIP Phase 4 | 357 | - |
| Lexton Community Facility | - | 144 |
| ***Non-recurrent - State Government*** | | |
| TAC (SLRSP; Blackspot) | 1,200 | - |
| Burke Street Workers Accommodation | 1,579 | |
| Light up Goldfields Recreation Reserve | - | 25 |
| Flood Event October 2022 | - | 683 |
| Flood Event October 2022 - Certified Claims | 3,122 | 930 |
| Burke Street Infrastructure RWAF | - | 139 |
| School Crossing Upgrade-Skipton Rd Beaufort | - | 80 |
| Beaufort Caravan Park | - | 500 |
| **Total non-recurrent capital grants** | **8,258** | **4,041** |
| **Total capital grants** | **10,036** | **6,037** |

**(c) 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 point in 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 of *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.

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The following table provides a summary of unspent grants.

| **(d) Unspent grants received on condition that they be spent in a specific manner** | **2026** | **2025** |
|---|---|---|
| ***Operating*** | **$'000** | **$'000** |
| Balance at start of year | 504 | 403 |
| Received during the financial year and remained unspent at balance date | 56 | 456 |
| Received in prior years and spent during the financial year | - | (355) |
| Balance at year end | **560** | **504** |
| ***Capital*** | | |
| Balance at start of year | 6,438 | 449 |
| Received during the financial year and remained unspent at balance date | 197 | 6,437 |
| Received in prior years and spent during the financial year | (4,587) | (448) |
| Balance at year end | **2,048** | **6,438** |

Unspent grants are determined and disclosed on a cash basis.

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

| | | |
|---|---|---|
| Proceeds of sale | 277 | 525 |
| Written down value of assets disposed | (74) | (280) |
| **Total net gain/(loss) on disposal of property, infrastructure, plant and equipment** | **203** | **245** |

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

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## 3.6 Other income

| | 2026 | 2025 |
|---|---|---|
| | **$'000** | **$'000** |
| Interest | 778 | 456 |
| Reimbursement - Workcover wages | 90 | 90 |
| Reimbursement - State Revenue Office | 99 | 48 |
| Insurance Recovery | 217 | 211 |
| Private Works | 5 | 4 |
| Other | 183 | 89 |
| **Total other income** | **1,372** | **898** |

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

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# Note 4 The cost of delivering services

## 4.1 Employee costs

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Wages and salaries | 8,882 | 8,371 |
| WorkCover | 227 | 214 |
| Superannuation | 1,092 | 954 |
| Fringe benefits tax | 14 | 15 |
| **Total employee costs** | **10,215** | **9,554** |

**(b) Superannuation**

Council made contributions to the following funds:

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Defined benefit fund** | | |
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 90 | 69 |
| | **90** | **69** |
| Employer contributions payable at reporting date. | - | - |
| **Accumulation funds** | | |
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 622 | 513 |
| Employer contributions - other funds | 380 | 372 |
| | **1,002** | **885** |
| Employer contributions payable at reporting date. | - | - |

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

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## 4.2 Materials and services

| | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|
| Contractors | 3,888 | 3,306 |
| Consumables | 1,570 | 2,408 |
| Contracted Service Delivery | 2,436 | 2,012 |
| Insurance | 680 | 599 |
| Electricity, Gas and water | 237 | 226 |
| Plant expenses | 223 | 174 |
| Information technology | 460 | 442 |
| Telecommunications | 208 | 241 |
| Subscriptions and memberships | 168 | 156 |
| Advertising | 96 | 92 |
| Legal fees | 74 | 96 |
| Conferences and training | 118 | 108 |
| Contributions and donations | 163 | 92 |
| Valuations | - | 12 |
| Fire services levy | 27 | 27 |
| **Total materials and services** | **10,348** | **9,991** |

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

## 4.3 Depreciation – Property, Infrastructure, Plant & Equipment

| | | |
|---|---|---|
| Property | 2,141 | 1,150 |
| Plant and equipment | 935 | 1,008 |
| Infrastructure | 6,716 | 4,755 |
| **Total depreciation** | **9,792** | **6,913** |

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

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## 4.4 Allowances form impairment losses

| | 2026 | 2025 |
|---|---|---|
| | $'000 | $'000 |
| General Debtors | 17 | (7) |
| **Total allowance for impairment losses** | **17** | **(7)** |
| | | |
| **Movement in allowance for impairment losses in respect of debtors** | | |
| Balance at the beginning of the year | (10) | (32) |
| New allowances recognised during the year | (15) | 22 |
| Balance at end of year | **(25)** | **(10)** |

An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

## 4.5 Borrowing costs

| | | |
|---|---|---|
| Interest - Borrowings | 104 | 66 |
| **Total borrowing costs** | **104** | **66** |

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

## 4.6 Other expenses

| | | |
|---|---|---|
| Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals (2026) | 54 | 47 |
| Auditors' remuneration - Internal Audit | 23 | 44 |
| Councillors' allowances | 225 | 198 |
| Internal audit committee | 7 | 13 |
| Short term leases | 2 | 4 |
| Other | 45 | - |
| **Total other expenses** | **356** | **259** |

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# Note 5 Investing in and financing our operations

## 5.1 Financial assets

| | 2026 | 2025 |
|---|---|---|
| | $'000 | $'000 |
| **(a) Cash and cash equivalents** | | |
| Cash on hand | 1 | 1 |
| Cash at bank | 14,153 | 10,876 |
| Term deposits | 11,000 | 13,000 |
| **Total cash and cash equivalents** | **25,154** | **23,877** |

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.

**(b) Trade and other receivables**

| | | |
|---|---|---|
| **Current** | | |
| *Statutory receivables* | | |
| Rates debtors | 1,515 | 1,205 |
| Special rate assessment | 5 | 5 |
| GST receivable | 165 | 373 |
| *Non statutory receivables* | | |
| Other debtors | 1,400 | 944 |
| Provision for doubtful debts - other debtors | (25) | (10) |
| Total current trade and other receivables | **3,060** | **2,517** |
| **Non-current** | | |
| *Statutory receivables* | | |
| Special rate scheme | - | 2 |
| Total non-current trade and other receivables | **-** | **2** |
| **Total trade and other receivables** | **3,060** | **2,519** |

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

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**(c) Ageing of Receivables**
The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

| | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|
| Current (not yet due) | 345 | 236 |
| Past due by up to 30 days | 881 | 677 |
| Past due between 31 and 180 days | 11 | 8 |
| Past due between 181 and 365 days | 138 | 2 |
| Past due by more than 1 year | 25 | 21 |
| **Total trade and other receivables** | **1,400** | **944** |

## 5.2 Non-financial assets

**(a) Inventories**

| | | |
|---|---|---|
| Inventories held for distribution | 9 | 13 |
| **Total inventories** | **9** | **13** |

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 | 199 | 148 |
| Accrued Income | 31 | 41 |
| Contract assets | 573 | 1,144 |
| **Total other assets** | **803** | **1,333** |

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## 5.3 Payables, trust funds and deposits and contract and other liabilities

| | 2026 | 2025 |
|---|---|---|
| **(a) Trade and other payables** | **$'000** | **$'000** |
| **Current** | | |
| ***Non-statutory payables*** | | |
| Trade payables | 3,292 | 3,373 |
| Accrued expenses | 508 | 41 |
| ***Statutory payables*** | | |
| Net GST payable | 37 | - |
| **Total current trade and other payables** | **3,837** | **3,414** |
| | | |
| **(b) Trust funds and deposits** | | |
| **Current** | | |
| Refundable deposits | 110 | 108 |
| Retention amounts | 407 | 396 |
| **Total current trust funds and deposits** | **517** | **504** |
| | | |
| **(c) Contract and other liabilities** | | |
| **Contract liabilities** | | |
| **Current** | | |
| Grants received in advance - operating | 561 | 504 |
| **Total contract liabilities** | **561** | **504** |
| **Other liabilities** | | |
| **Current** | | |
| Deferred capital grants | 2,047 | 6,438 |
| **Total other liabilities** | 2,047 | 6,438 |
| **Total contract and other liabilities** | **2,608** | **6,942** |

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*Trust funds and deposits*
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.

*Contract liabilities*
Contract liabilities reflect consideration received in advance from customers in respect of the following:

| Funding Body | Details | 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| Department Justice and Community Safety | Flood Recovery - Certified Claims | 376 | 1,385 |
| Department Justice and Community Safety | Disaster Recovery Heritage Program | 9 | 4 |
| Department Families, Fairness and Housing | Men's Shed Funding | 100 | 100 |
| Department for the Environment | Beggs Street Dog Park Beaufort | 28 | 28 |
| Department of Jobs, Skills, Industry and Regions | Burke Street Infrastructure | 1,343 | 4,921 |
| Department Transaport and Planning | Hillman Road Major Culvert works | 155 | - |
| Department of Jobs, Skills, Industry and Regions | Tiny Towns Fund Rd2 - Avoca Entrance Sculpture | 37 | - |
| | | **2,048** | **6,438** |

Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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*Other liabilities*
The table below details the grant consideration received and the projects to be constructed.

| | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|
| Flood Study Implementation Support | 245 | 245 |
| HACC-PYP Minor Capital | 10 | 10 |
| Kindergarten Infrastructure and Service Plan | 42 | 42 |
| Pyrenees Municipal Bushfire Hazard Assessment | 7 | 7 |
| Increase the visibility;awareness;accessibility of our Libraries | 200 | 200 |
| 2025-26 RPH Pyrenees Housing Needs Assessment | 55 | - |
| rimary Producer Payment Grant | 2 | - |
| | **561** | **504** |

Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

***Purpose and nature of items***

Emergency Services and Volunteers Fund - Council is the collection agent for the Emergency Services and Volunteers Fund 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.

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## 5.4 Provisions

| | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|
| Balance at beginning of the financial year | 2,454 | 2,452 |
| Additional provisions | 1,009 | 838 |
| Amounts used | (944) | (681) |
| Change in the discounted amount arising because of time and the effect of any change in the discount rate | (124) | (155) |
| Balance at the end of the financial year | **2,395** | **2,454** |
| Provisions - current | **2,257** | **2,346** |
| Provisions - non-current | **138** | **108** |

**(a) Employee provisions**

| | | |
|---|---|---|
| **Current provisions expected to be wholly settled within 12 months** | | |
| Annual leave | 590 | 580 |
| Long service leave | 180 | 191 |
| | **770** | **771** |
| **Current provisions expected to be wholly settled after 12 months** | | |
| Annual leave | 89 | 84 |
| Long service leave | 1,398 | 1,491 |
| | **1,487** | **1,575** |
| **Total current employee provisions** | **2,257** | **2,346** |
| **Non-current** | | |
| Long service leave | 138 | 108 |
| **Total non-current employee provisions** | **138** | **108** |
| Aggregate carrying amount of employee provisions: | | |
| Current | 2,257 | 2,346 |
| Non-current | 138 | 108 |
| **Total aggregate carrying amount of employee provisions** | **2,395** | **2,454** |

| Key assumptions: | **2026** | **2025** |
|---|---|---|
| - discount rate | 4.150% | 4.203% |
| - index rate | 4.736% | 4.250% |

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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.

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

*Long service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits. 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 | **2026** | **2025** |
|---|---|---|
| - discount rate | 4.736% | 4.203% |
| - index rate | 4.150% | 4.250% |

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## 5.5 Interest bearing liabilities

| | 2026 | 2025 |
|---|---|---|
| | $'000 | $'000 |
| **Current** | | |
| Treasury Corporation of Victoria borrowings - secured | 428 | 323 |
| Other borrowings - secured | 142 | 135 |
| Total current interest-bearing liabilities | **570** | **458** |
| | | |
| **Non-current** | | |
| Treasury Corporation of Victoria borrowings - secured | 1,970 | 1,897 |
| Other borrowings - secured | 37 | 180 |
| Total non-current interest-bearing liabilities | **2,007** | **2,077** |
| **Total** | **2,577** | **2,535** |

Borrowings are secured by all accounts and other rights, remedies and entitlements (whether arising under statute or otherwise) in respect of general rates and/or council rates (however described) which exist at any time (including the right to charge and collect any such rates)

(a) The maturity profile for Council's borrowings is:

| | | |
|---|---|---|
| Not later than one year | 570 | 458 |
| Later than one year and not later than five years | 1,654 | 1,618 |
| Later than five years | 353 | 459 |
| | **2,577** | **2,535** |

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities based on contractual repayment terms at every balance date.

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## 5.6 Financing arrangements

| | $'000 | $'000 |
|---|---|---|
| The Council has the following funding arrangements in place as at 30 June 2026 | | |
| Credit card facilities | 75 | 75 |
| Loans | 2,577 | 2,535 |
| **Total facilities** | **2,652** | **2,610** |
| | | |
| Used facilities | 2,593 | 2,593 |
| Unused facilities | **59** | **17** |

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## 5.7 Commitments

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

**(a) Commitments for expenditure**

| 2026 | Not later than 1 year | Later than 1 year and not later than 2 years | Later than 2 years and not later than 5 years | Later than 5 years | Total |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Operating** | | | | | |
| Waste services | 1,210 | - | - | - | 1,210 |
| Environmental Health | 261 | 130 | - | - | 391 |
| Rural Councils Transformation Project | 19 | 20 | 46 | - | 85 |
| Landfill | 553 | 573 | - | - | 1,126 |
| Mobile Waste bins | 28 | 29 | - | - | 57 |
| Cleaning services | 217 | 217 | 325 | - | 759 |
| Total | **2,288** | **969** | **371** | **-** | **3,628** |

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| 2026 | Not later than 1 year | Later than 1 year and not later than 2 years | Total |
|---|---|---|---|
| | $'000 | $'000 | $'000 |
| **Capital** | | | |
| Roads | 850 | 850 | 1,700 |
| Civil Works | 1,218 | - | 1,218 |
| Total | **2,068** | **850** | **2,918** |

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| 2025 | Not later than 1 year | Later than 1 year and not later than 2 years | Later than 2 years and not later than 5 years | Later than 5 years | Total |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Operating** | | | | | |
| Waste services | 1,210 | - | - | - | 1,210 |
| Environmental Health | 247 | 257 | 131 | - | 635 |
| Swimming Pools | 428 | - | - | - | 428 |
| Landfill | 534 | 553 | 573 | - | 1,660 |
| Mobile Waste bins | 27 | 28 | 29 | - | 84 |
| Cleaning services | 217 | 217 | 542 | - | 976 |
| Internal audit | 25 | - | - | - | 25 |
| Total | **2,688** | **1,055** | **1,275** | **-** | **5,018** |
| | | | | | |
| **Capital** | | | | | |
| Roads | 850 | 850 | 1,700 | - | 2,550 |
| Total | **850** | **850** | **1,700** | **-** | **2,550** |

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**(b) Operating lease receivables**
***Operating lease receivables***

The Council has entered into commercial property leases on its property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of less than 1 year.

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

| | **2026** | **2025** |
|---|---|---|
| | **$'000** | **$'000** |
| Not later than one year | 3 | 3 |
| | 3 | 3 |

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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 2025 $'000 | Additions $'000 | Revaluation $'000 | Depreciation $'000 | Disposal $'000 | Write-off $'000 | Transfers $'000 | Carrying amount 30 June 2026 $'000 |
|---|---|---|---|---|---|---|---|---|
| Infrastructure | 284,752 | 1,777 | 23,522 | (6,716) | - | - | 1,037 | 304,372 |
| Plant and equipment | 4,625 | 1,198 | - | (935) | (74) | - | - | 4,814 |
| Property | 77,031 | 760 | 3,960 | (2,141) | - | - | 389 | 79,999 |
| Work in progress | 2,610 | 10,732 | - | - | - | - | (1,426) | 11,916 |
| | **369,018** | **14,467** | **27,482** | **(9,792)** | **(74)** | **-** | **-** | **401,101** |

| **Summary of Work in Progress** | Opening WIP $'000 | Additions $'000 | Write-off $'000 | Transfers $'000 | Closing WIP $'000 |
|---|---|---|---|---|---|
| Infrastructure | 1,892 | 6,239 | - | (1,037) | 7,094 |
| Plant and equipment | - | - | - | - | - |
| Property | 718 | 4,493 | - | (389) | 4,822 |
| Total | **2,610** | **10,732** | **-** | **(1,426)** | **11,916** |

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**(a) Property**

| | Land | Land improvements | Land Under Roads | Total Land & Land Improvements | Buildings - specialised | Work In Progress | Total Property |
|---|---|---|---|---|---|---|---|
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| At historical cost 1 July 2025 | 14,533 | 5,162 | 17,578 | **37,273** | 39,759 | 718 | **77,750** |
| Accumulated depreciation at 1 July 2025 | - | - | - | **-** | (1) | - | **(1)** |
| | **14,533** | **5,162** | **17,578** | **37,273** | **39,758** | **718** | **77,749** |
| **Movements in fair value** | | | | | | | |
| Additions | - | 584 | - | **584** | 176 | 4,493 | **5,253** |
| Revaluation increments / decrements | 1,017 | (378) | 1,231 | **1,870** | (52) | - | **1,818** |
| Transfers | - | - | - | **-** | 389 | (389) | **-** |
| | 1,017 | 206 | 1,231 | **2,454** | 513 | 4,104 | **7,071** |
| **Movements in accumulated depreciation** | | | | | | | |
| Depreciation and amortisation | - | (562) | - | **(562)** | (1,579) | - | **(2,141)** |
| Revaluation increments/decrements | - | 562 | - | **562** | 1,580 | - | **2,142** |
| | - | - | **-** | **-** | 1 | - | **1** |
| At historical cost 30 June 2026 | 15,550 | 5,368 | 18,809 | **39,727** | 40,272 | 4,822 | **84,821** |
| Accumulated depreciation at 30 June 2026 | - | - | **-** | **-** | - | - | **-** |
| Carrying amount | **15,550** | **5,368** | **18,809** | **39,727** | **40,272** | **4,822** | **84,821** |

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**(b) Plant and Equipment**

| | Plant machinery and equipment | Fixtures fittings and furniture | Computers and telecomms | Library books | Total plant and equipment |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| At fair value 1 July 2025 | 8,112 | 616 | 1,036 | 624 | **10,388** |
| Accumulated depreciation at 1 July 2025 | (4,132) | (435) | (767) | (429) | **(5,763)** |
| | 3,980 | 181 | 269 | 195 | **4,625** |
| **Movements in fair value** | | | | | |
| Additions | 1,080 | 14 | 69 | 35 | **1,198** |
| Disposal | (548) | - | (62) | - | **(610)** |
| | 532 | 14 | 7 | 35 | **588** |
| **Movements in accumulated depreciation** | | | | | |
| Depreciation and amortisation | (745) | (29) | (135) | (26) | **(935)** |
| Accumulated depreciation of disposals | 493 | - | 43 | - | **536** |
| | (252) | (29) | (92) | (26) | **(399)** |
| At fair value 30 June 2026 | 8,644 | 630 | 1,043 | 659 | **10,976** |
| Accumulated depreciation at 30 June 2026 | (4,384) | (464) | (859) | (455) | **(6,162)** |
| Carrying amount | **4,260** | **166** | **184** | **204** | **4,814** |

Plant and equipment are carried at historical cost.

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**(c) Infrastructure**

| | Bridges | Drainage | Footpaths and Cycleways | Kerb and Channel | Roads | Work In Progress | Total Infrastructure |
|---|---|---|---|---|---|---|---|
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| At fair value 1 July 2025 | 43,176 | 14,681 | 2,830 | 2,387 | 221,693 | 1,892 | 286,659 |
| Accumulated depreciation at 1 July 2025 | - | (6) | (2) | - | (7) | - | (15) |
| | 43,176 | 14,675 | 2,828 | 2,387 | 221,686 | 1,892 | 286,644 |
| **Movements in fair value** | | | | | | | |
| Additions | 247 | 102 | 70 | 137 | 1,221 | 6,239 | **8,016** |
| Transfers | 1,037 | - | - | - | - | (1,037) | **-** |
| Revaluation increments / decrements | 3,061 | 992 | 141 | 136 | 12,461 | - | **16,791** |
| | 4,345 | 1,094 | 211 | 273 | 13,682 | 5,202 | **24,807** |
| **Movements in accumulated depreciation** | | | | | | | |
| Depreciation and amortisation | (546) | (224) | (89) | (61) | (5,796) | - | **(6,716)** |
| Revaluation increments/decrements | 546 | 230 | 91 | 61 | 5,803 | - | **6,731** |
| | - | 6 | 2 | - | 7 | - | **15** |
| At fair value 30 June 2026 | 47,521 | 15,775 | 3,041 | 2,660 | 235,375 | 7,094 | **311,466** |
| Accumulated depreciation at 30 June 2026 | - | - | - | - | - | - | **-** |
| Carrying amount | **47,521** | **15,775** | **3,041** | **2,660** | **235,375** | **7,094** | **311,466** |

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*Acquisition*

Initial measurement

Council initially measures its property, infrastructure, plant and equipment assets at cost. The cost of an acquired asset is the fair value of the consideration that Council has provided 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. Refer to Note 8.4 for more information on how Council measures fair value.

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 2025** | **Depreciation Period 2026** | **Threshold Limit** |
|---|---|---|---|
| *Asset recognition thresholds and depreciation periods* | | | **$'000** |
| Land & land improvements | | | |
| land | - | - | - |
| land improvements | 15 - 60 years | 50 years | 10 |
| land under roads | - | - | - |
| Buildings | | | |
| buildings | 20 - 150 years | 50 - 150 years | 10 |
| Plant and Equipment | | | |
| plant, machinery and equipment | 5 -20 years | 3 -10 years | 5 |
| computers & Telecommunications | 3 - 10 years | 5 - 10 years | 5 |
| fixtures, fittings, and furniture | 3 - 20 years | 3 - 10 years | 5 |
| library Collection | 10 years | 10 years | 5 |
| Infrastructure | | | |
| Roads | 20 - 110 years | 20 - 110 years | 10 |
| footpaths and cycleways | 53 years | 53 years | 5 |
| kerb and channel | 15 - 85 years | 15 - 85 years | 5 |
| drainage | 100 years | 75 - 100 years | 5 |
| bridges | 128 - 130 years | 50 - 130 years | 10 |

*Land under roads*

Council recognises land under roads it controls at fair value.

*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.

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.

**Valuation of land and buildings**

Valuation of land and buildings were undertaken by a qualified independent valuer Mr Peter Wigg Certified Practicing Valuer, Associate of the Australian Property Institute 62580. 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 as at 30 June 2025. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year, this valuation was based on:

- Land and Land Improvements: The percentage increase of land valuation of the Council provided by the Valuer General.
- Buildings: The percentage increase of building valuation of the Council provided by the Valuer General.

| | Index |
|---|---|
| Buildings | 4.00% |
| Land Improvements | 4.00% |
| Land Under Roads | 7.00% |
| Land | 7.00% |

A full revaluation of these assets will be conducted in 2030/31.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2026 are as follows:

| | Level 1 | Level 2 | Level 3 | Date of Valuation | Type of Valuation |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | | |
| Specialised land | - | - | 7,326 | 6/26 | Indexation |
| Non-Specialised land | - | 8,224 | - | 6/26 | Indexation |
| Land improvements | - | - | 5,368 | 6/26 | Indexation |
| Land under Roads | - | - | 18,809 | 6/26 | Indexation |
| Specialised buildings | - | - | 40,272 | 6/26 | Indexation |
| Total | **-** | **8,224** | **71,775** | | |

**Valuation of infrastructure**

Valuation of bridge, 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 as at 30 June 2025.

Valuations of the following assets classes were undertaken by Council's Assets Manager as at 30 June 2025:

- Drainage
- Footpaths and Cycleways
- Kerb and channel

An index based revaluation was conducted in the current year, this valuation was based on Australian Bureau of Statistics, Producer Price Indexes, Australia June 2026. The following table provides details of the indexes:

| | Index |
|---|---|
| Roads | 8.46% |
| Bridges | 8.46% |
| Footpaths and cycleways | 8.46% |
| Drainage | 8.46% |
| Kerb & Channel | 8.46% |

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Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2026 are as follows:

| | Level 1 | Level 2 | Level 3 | Date of Valuation | Type of Valuation |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | | |
| Roads | - | - | 235,375 | 6/26 | Indexation |
| Bridges | - | - | 47,521 | 6/26 | Indexation |
| Footpaths and cycleways | - | - | 3,041 | 6/26 | Indexation |
| Drainage | - | - | 15,775 | 6/26 | Indexation |
| Kerb & Channel | | | 2,660 | 6/26 | Indexation |
| Total | - | - | **304,372** | | |

***Description of significant unobservable inputs into level 3 valuations***

***Specialised land and land under roads*** are 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 10% and 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. The range of unit rates used were from $0.10 per m2 to $802.50 per m2.

***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. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 50 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings. Current replacement cost is calculated on a square metre basis and ranges from $210 to $16,050 per m2.

***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 130 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.

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| Reconciliation of specialised land | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Recreation | 4,619 | 4,048 |
| Industry | 693 | 648 |
| Tourism | 245 | 229 |
| Waste Management | 576 | 538 |
| Land under Roads | 18,809 | 17,578 |
| Roads | 875 | 818 |
| Administration | 318 | 297 |
| **Total specialised land** | **26,135** | **24,156** |

## 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.

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# Note 7 People and relationships

## 7.1 Council and key management remuneration

**(a) Related Parties**

*Parent entity*
Pyrenees Shire Council is the parent entity.

Subsidiaries and Associates
As at 30 June 2026 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 Damien Ferrari (Mayor) | Mayor from 10 November 2025 to 30 June 2026 |
| Councillor Tanya Kehoe (Mayor) | Mayor from 1 July 2025 to 10 November 2025 |
| Councillor Rebecca Wardlaw | |
| Councillor Megan Phelan | |
| Councillor Simon Tol | |

Jim Nolan – Chief Executive Officer
Jacinta Erdody – Director Corporate and Community Services
Douglas Gowans – Director Assets and Development

| | **2026** | **2025** |
|---|---|---|
| | **No.** | **No.** |
| Total Number of Councillors | 5 | 8 |
| Total of Chief Executive Officer and other Key Management Personnel | 3 | 4 |
| Total Number of Key Management Personnel | **8** | **12** |

**(c) Remuneration of Key Management Personnel**

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

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**Short-term employee benefits** include amounts such as wages, salaries, annual leave, or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Other long-term employee benefits** include long service leave, other long service benefits or deferred compensation.

**Post-employment benefits** include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Termination benefits** include termination of employment payments, such as severance packages.

| | **2026** | **2025** |
|---|---|---|
| | **$'000** | **$'000** |
| Total remuneration of key management personnel was as follows: | | |
| Short-term benefits | 862 | 847 |
| Other long-term benefits | 25 | 15 |
| Post employment benefits | 63 | 67 |
| Total | **950** | **929** |

| The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands: | **2026** | **2025** |
|---|---|---|
| | **No.** | **No.** |
| $0 - $9,998 | - | 1 |
| $10,000 - $19,999 | - | 2 |
| $20,000 - $29,999 | - | 3 |
| $30,000 - $39,999 | 2 | 2 |
| $40,000 - $49,999 | 2 | - |
| $70,000 - $79,999 | 1 | 1 |
| $180,000 - $189,999 | - | 1 |
| $220,000 - $229,999 | 1 | 1 |
| $230,000 - $239,999 | 1 | - |
| $260,000 - $269,999 | 1 | 1 |
| Total | **8** | **12** |

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**(d) Remuneration of other senior staff**

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds $170,000 and who report directly to a member of the KMP.

Pyrenees Shire Council have no other senior staff as defined above (2025: Nil).

## 7.2 Relates party disclosures

There were no related party transactions during the year (2025: Nil).

# 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.

There were no contingent assets as at 30 June 2026

**(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 payment is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. Any adjustments, which are expected to occur at the 3-year and 6-year periods during the liability period will affect participating members. The assessment from WorkSafe Victoria at the 3-year period was a deficiency of $5.776 million payable to WorkSafe Victoria. This was due to evidence of higher-than-expected payments and higher claim lodgements during the first three years of the runoff period.

## 8.2 Australian Accounting Standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period. Council assesses the impact of these new standards.

The Australian Accounting Standards Board (AASB) has issued AASB 18 *Presentation and Disclosure in Financial Statements*. When applicable AASB 18 supersedes AASB 101 *Presentation of Financial Statements*. AASB 18 aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. It is expected to result in presentation and disclosure changes, primarily to Council's Comprehensive Income Statement. AASB 18 is expected to first apply to Council for the 2028-29 financial year.

## 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), Bendigo Bank borrowings, and 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 conducted 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.

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***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 borrowings from the Bendigo Bank at a fixed rate which exposes council 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 allowance 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 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 5.5.

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

**(e) Sensitivity disclosure analysis**

Considering 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 + 1.0% and -1.0% in market interest rates (AUD) from year-end rates of 3.85%. 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. For assets where Council adopts a current replacement cost approach to determine fair value, Council considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

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.

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| **Asset class** | **Revaluation frequency** |
| --- | --- |
| Land | 3 to 5 years |
| Land Improvements | 3 to 5 years |
| Land under roads | 3 to 5 years |
| Buildings | 3 to 5 years |
| Roads | 3 to 5 years |
| Bridges | 3 to 5 years |
| Footpaths and cycleways | 3 to 5 years |
| Drainage | 3 to 5 years |
| Kerb and Channel | 3 to 5 years |

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

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

Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset. The impairment policy above does not apply to Council's property, infrastructure, specialised buildings and other non-current physical assets subsequently measured at fair value.

These are primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity. Their recoverable amount is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

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## 8.5 Events occurring after balance date

No matters have occurred after balance date that requires disclosures in the financial report.

# Note 9 Other matters

## 9.1 Reserevs

| (a) Asset revaluation reserves | Balance at beginning of reporting period $'000 | Increase (decrease) $'000 | Balance at end of reporting period $'000 |
|---|---|---|---|
| **2026** | | | |
| **Property** | | | |
| Land and land improvements | 10,871 | 2,432 | 13,303 |
| Buildings | 30,460 | 1,528 | 31,988 |
| | **41,331** | **3,960** | **45,291** |
| **Infrastructure** | | | |
| Roads | 170,561 | 18,264 | 188,825 |
| Bridges | 31,110 | 3,607 | 34,717 |
| Footpaths and cycleways | 726 | 232 | 958 |
| Kerb and Channel | - | 197 | 197 |
| Drainage | 11,530 | 1,222 | 12,752 |
| | **213,927** | **23,522** | **237,449** |
| **Total asset revaluation reserves** | **255,258** | **27,482** | **282,740** |
| **2025** | | | |
| **Property** | | | |
| Land and land improvements | 12,217 | (1,346) | 10,871 |
| Buildings | 32,166 | (1,706) | 30,460 |
| | **44,383** | **(3,052)** | **41,331** |
| **Infrastructure** | | | |
| Roads | 111,883 | 58,678 | 170,561 |
| Bridges | 20,380 | 10,730 | 31,110 |
| Footpaths and cycleways | 1,115 | (389) | 726 |
| Kerb and Channel | 435 | (435) | - |
| Culverts; Pipes & Pits | 13,072 | (1,542) | 11,530 |
| | **146,885** | **67,042** | **213,927** |
| **Total asset revaluation reserves** | **191,268** | **63,990** | **255,258** |

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

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| | Balance at beginning of reporting period $'000 | Transfer from accumulated surplus $'000 | Transfer to accumulated surplus $'000 | Balance at end of reporting period $'000 |
|---|---|---|---|---|
| **(b) Other reserves** | | | | |
| **2026** | | | | |
| Recreational Land | 61 | - | - | 61 |
| **Total Other reserves** | **61** | **-** | **-** | **61** |
| **2025** | | | | |
| Recreational Land | 9 | 52 | - | 61 |
| **Total Other reserves** | **9** | **52** | **-** | **61** |

**Recreational Land**

The purpose of this reserve is to collect contributions from developers for open space which is used for future Parks and Open Space upgrades including Play spaces. The policy framework for open space contributions is set out in the Subdivision Act 1988 which enshrines a nominal contribution.

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## 9.2 Reconciliation of cash flows from operating activities to surplus / (deficit)

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Surplus/(Deficit) for the year** | 9,802 | 8,117 |
| *Non-cash adjustments* | | |
| Depreciation | 9,792 | 6,913 |
| Depreciation - right of use assets | 9 | 9 |
| Net gain on disposal of property, infrastructure, plan and equipment | (203) | (245) |
| Finance costs - Borrowings | 104 | 66 |
| Finance Cost - Leases | - | 3 |
| Asset revaluation decrement through Surplus / (Deficit) | - | 1,437 |
| ***Change in assets and liabilities:*** | | |
| (Increase)/decrease in trade and other receivables | (541) | (90) |
| (Increase)/decrease in inventories | 4 | 1 |
| (Increase)/decrease in prepayments | (51) | 59 |
| Increase/(decrease) in contract assets | 581 | (1,142) |
| (Decrease)/increase in contract and other liabilities | (4,334) | 6,090 |
| Increase/(decrease) in trade and other payables | 434 | 963 |
| (Decrease)/increase in provisions | (59) | 2 |
| (Decrease)/increase in trust funds and deposits | 11 | 183 |
| **Net cash provided by/(used in) operating activities** | **15,549** | **22,366** |

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## 9.3 Superannuation

Pyrenees Shire Council makes 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. The Defined Benefit category provides lump sum benefits based on years of service and final average salary. In certain circumstances a defined benefit member may be eligible to purchase a lifetime pension with up to 50% of their lump sum benefit. The accumulation category receives fixed contributions from Pyrenees Shire Council and Pyrenees Shire Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Operating 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 2026, this was 12% (11.5% in 2024/25) as required under Superannuation Guarantee legislation. Our commitment to accumulation plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

***Defined Benefit***

As provided under Paragraph 34 of AASB 119 – Employee Benefits, Pyrenees Shire 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 multi employer sponsored plan.

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Pyrenees Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 because of the pooled nature of the Fund's Defined Benefit category.

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***Funding arrangements***

Pyrenees Shire 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 2025, 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 as at 30 June 2025 of which Pyrenees Shire Council is a contributing employer was 110.5%. The financial assumptions used to calculate the VBI were:

| | **30 June 2025 (interim review)** | 30 June 2024 (interim review) |
|---|---|---|
| Net investment return | 5.7% pa | 5.6% pa |
| Salary inflation | 3.5% pa | 3.5% pa |
| Price inflation (CPI) | 2.6% pa | 2.6% pa |

A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2026. It is expected to be completed 31 October 2026.

Vision Super has advised that the VBI at 30 June 2026 was 116.9% (2025: 110.5%). The financial assumptions used to calculate the 30 June 2026 VBI were:

| | **2026** | 2025 |
|---|---|---|
| Net investment return | 6.2% pa | 5.6% pa |
| Salary inflation | 3.50% pa | 3.5% pa |
| Price inflation (CPI) | 3.0% pa to 30 June 2029 and 2.6% pa thereafter | 2.6% pa |

The Australian Prudential Regulation Authority (APRA) superannuation prudential standards (SPS 160) – Defined Benefit Matters determines the funding requirements of a defined benefit (DB) arrangement.

Under this standard:

- The VBI is the measure to determine whether there is an unfunded liability. and
- Any unfunded liability that arises must be paid within three years.

Under SPS 160, the VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2023 triennial actuarial investigation showed that the Defined Benefit category was in a satisfactory financial position under SPS 160. As a result, the Fund Actuary determined that no change was necessary to the Defined Benefits category's funding arrangement from prior years.

The Fund's employer funding arrangements comprise of three components as follows:

1. Regular contributions – which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
2. Funding calls – which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
3. Retrenchment increments – which are additional contributions to cover the increase in liability arising from retrenchments.

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Pyrenees Shire Council is also required to make additional contributions to cover the contributions tax payable on components 2 and 3 referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

***Employer contributions***

**(a) Regular contributions**

On the basis of the results of the 2025 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 2026, this rate was 12.0% of members' salaries (11.5% in 2024/25). This rate will increase in line with any increases in the SG contribution rate.

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 (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

**(b) Funding calls**

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- A fund is an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- A fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund has a shortfall for the purposes 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. There may be circumstances where APRA may approve a period longer than three years.

The fund monitors its VBI on a quarterly basis and the Fund has set the Defined benefit category's shortfall limit at 98% from 26 July 2024 (previously 97%).

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund participating employers (including Pyrenees Shire Council) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

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 Benefits category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

The pre-1 July 1993 and psot-30 June 1993 service liabilities of the Fund are based on:

- The service periods of all active members split between the active members pre-1 July 1993 and post -30 June 1993 service period, and
- The pensioner (including fixed term pension) liabilities which are allocated to the pre 1993 period.

The pre-1 July 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at 30 June 1993.

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The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at the date of 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. In the unlikely event that the Fund is wound up and there is a surplus in the Fund, the surplus cannot be applied for the benefit of the defined benefit employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including lifetime pension obligations) of the Fund.

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.

**(c) Retrenchment increments**

During 2025/26, Pyrenees Shire Council was not required to make payments to the Fund in respect of retrenchment increments (2024/25 nil). Pyrenees Shire Council's liability to the Fund as at 30 June 2026, for retrenchment increments, accrued interest and tax is nil (2024/25 nil).

**The 2025 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 2025 and the last full investigation was conducted as at 30 June 2023.

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

| | 2025 (Interim) $m | 2024 (Interim) $m | 2023 (Triennial) $m |
|---|---|---|---|
| - A VBI Surplus | 200.1 | 108.4 | 85.7 |
| - A total service liability surplus | 229.4 | 141.4 | 123.6 |
| - A discounted accrued benefits surplus | 242.8 | 156.7 | 141.9 |

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 2025.

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 2025.

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 2025.

Pyrenees Shire Council was notified of the 30 June 2025 VBI during August 2025.

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### The 2026 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2026. It is anticipated that this actuarial investigation will be completed by October 2026.

The VBI of the Defined Benefit category at that date was 116.9% as at 30 June 2026. The financial assumptions for the purposes of this investigation are:

| | **30 June 2026 Triennial investigation** | 30 June 2025 Interim investigation |
|---|---|---|
| Net investment return | 6.2% pa | 5.7% pa |
| Salary inflation | 3.5% pa | 3.5% pa |
| Price inflation (CPI) | 3.0% pa to 30 June 2029 and 2.6% pa thereafter | 2.6% pa |

Council was notified of the 30 June 2025 VBI during August 2026.

### Accrued benefits

The Fund's liability for accrued benefits was determined in accordance with the Australian Accounting Standards. The relevant accounting standards is AASB 1056 – Superannuation entities.

| | **2025 (Interim) $m** | **2024 (Interim) $m** |
|---|---|---|
| Net Market Value of Assets | 2,132.8 | 2,155.4 |
| Accrued Benefits | 1,889.9 | 1,998.8 |
| Difference between Assets and Accrued Benefits | **242.9** | **156.6** |
| Vested Benefits | 1,932.6 | 2,047.1 |
| (Minimum sum which must be paid to members when they leave the fund) | | |

The financial assumptions used to calculate the Accrued Benefits for the Defined Benefit category of the Fund were:

| | **30 June 2025** | 30 June 2024 |
|---|---|---|
| Net investment return | 5.7% pa | 5.6% pa |
| Salary inflation | 3.5% pa | 3.5% pa |
| Price inflation | 2.6% pa | 2.6% pa |

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**Superannuation contributions**

Contributions by Pyrenees Shire Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2026 are detailed below:

| Scheme | Type of Scheme | Rate | 2026 $'000 | 2025 $'000 |
|---|---|---|---|---|
| Vision Super | Defined benefits | 12% (2025: 11.5%) | 90 | 69 |
| Vision Super | Accumulation | 12% (2025: 11.5%) | 622 | 513 |
| Other Schemes | Accumulation | 12% (2025: 11.5%) | 380 | 372 |

There were nil contributions outstanding and nil loans issued from or to the above schemes as at 30 June 2026.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2027 is $74,000

## Note 10 Change in accounting policy

There have been no changes to accounting policies in the 2025/26 year.

# Pyrenees Shire Council

## Performance Statement

For the year ended 30 June 2026

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## Certification of the Performance Statement

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 CPA
**Principal Accounting Officer**
**Dated**: *21st September 2026*

In our opinion, the accompanying performance statement of the Pyrenees Shire Council for the year ended 30 June 2026 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**: *21st September 2026*

Cr Rebecca Wardlaw
**Councillor**
**Dated**: *21st September 2026*

Sally Jones
**Chief Executive Officer**
**Dated**: *21st September 2026*

# Victorian Auditor – General's Office Audit Report

## Section 1. Description of municipality

The Pyrenees Shire is in the central west of Victoria, about 130 kilometres northwest 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 significant in recent years. Gold, along with sand, gravel and slate all contribute to the economy.

The Pyrenees Shire comprises an area of nearly 3,500 square kilometres and a population of 7,957 residents. The Shire takes its name from the ranges in the north that hold similarity to the Pyrenees Ranges in Europe.

Council administration is based on the township of Beaufort, and several Council services also operate from the township of Avoca. These services include early years health, roads and infrastructure maintenance, community and economic development and support, library and visitor information services, statutory planning and building services.

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

Tourism is every 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.

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.

# Section 2. Service performance indicators

## For the year ended 30 June 2026

### Results

| | 2023 | 2024 | 2025 | 2026 | | Comment |
|---|---|---|---|---|---|---|
| **Service** / ***Indicator*** / *Measure*<br>[Formula] | Actual | Actual | Actual | Target as per budget | Actual | |
| **Aquatic Facilities**<br>***Utilisation***<br>*Utilisation of aquatic facilities*<br>[Number of visits to aquatic facilities / Municipal population] | 1.22 | 1.03 | 1.08 | N/A | 1.12 | |
| **Animal Management**<br>***Health and safety***<br>*Animal management prosecutions*<br>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100 | 100.00% | 100.00% | 100.00% | N/A | 100.00% | |
| **Food Safety**<br>***Health and safety***<br>*Critical and major non-compliance outcome notifications*<br>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100 | 100.00% | 100.00% | 100.00% | N/A | 100.00% | |

## Results

| | 2023 | 2024 | 2025 | 2026 | | Comment |
|---|---|---|---|---|---|---|
| **Service** / ***Indicator*** / *Measure*<br>[Formula] | Actual | Actual | Actual | Target as per budget | Actual | |
| **Governance**<br>***Consultation and engagement***<br>*Satisfaction with community consultation and engagement*<br>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement ] | 50 | 52 | 51 | 53 | 55 | |
| **Libraries**<br>***Participation***<br>*Library membership*<br>[Number of registered library members / Population] x100 | #N/A | 16.38% | 16.40% | N/A | 15.87% | |
| **Maternal and Child Health (MCH)**<br>***Participation***<br>*Participation in the MCH service*<br>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 | 92.95% | 93.71% | 94.22% | N/A | 94.08% | |
| *Participation in the MCH service by Aboriginal children*<br>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100 | 100.00% | 100.00% | 93.33% | N/A | 85.29% | This variation related to one participant that did not attend as their visit only occurs once every 18 months. |

## Results

| | 2023 | 2024 | 2025 | 2026 | | Comment |
|---|---|---|---|---|---|---|
| **Service** / ***Indicator*** / *Measure*<br>[Formula] | Actual | Actual | Actual | Target as per budget | Actual | |
| **Roads**<br>***Condition***<br>*Sealed local roads maintained to condition standards*<br>(percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal) | 99.93% | 99.98% | 99.92% | 100.00% | 99.92% | |
| **Statutory Planning**<br>***Service standard***<br>*Planning applications decided within required time frames*<br>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100 | 91.05% | 91.78% | 84.29% | 87.00% | 90.91% | |
| **Waste Management**<br>***Waste diversion***<br>*Kerbside collection waste diverted from landfill*<br>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100 | 37.14% | 30.41% | 34.04% | 26.00% | 36.48% | The imporved result copared to target can be attributed to Council having been actively informing the community about what can be recycled and removed from the landfill waste stream. |

# Section 3. Financial performance indicators

## For the year ended 30 June 2026

| | Results | | | | | Forecasts | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 | | 2027 | 2028 | 2029 | 2030 | Material Variations and Comments |
| Dimension / *Indicator* / *Measure* [Formula] | Actual | Actual | Actual | Target as per budget | Actual | Forecasts | Forecasts | Forecasts | Forecasts | |
| **Efficiency** ***Expenditure level*** *Expenses per property assessment* [Total expenses / Number of property assessments] | $4,108.71 | $4,364.60 | $4,486.19 | $4.18 | $4,870.66 | $4,445.92 | $4,265.30 | $4,192.37 | $4,117.54 | The 2026 target disclosed in the 2025/26 Budget was incorrectly stated as $4.18 and should be multiplied by 1,000 to reflect the correct target. The 2026 indicator result is higher than prior years, the budget target, and forecast results due to a significant increase in depreciation following the asset revaluations undertaken as at 30 June 2025. The impact of these revaluations on depreciation expense was not incorporated into the budget target or forecast results, resulting in the higher actual indicator outcome for 2026. |
| ***Revenue level*** *Average rate per property assessment* [Sum of all general rates and municipal charges / Number of property assessments] | $1,512.42 | $1,531.11 | $1,583.62 | $2,329.80 | $1,621.09 | $1,677.58 | $1,645.62 | $1,614.28 | $1,583.53 | Results increased between 2023 and 2027, driven by growth in rate revenue in line with the rate cap. Results are forecast to decline from 2027 to 2030 as property assessments are expected to increase, primarily due to farming properties being subdivided into smaller holdings. The 2026 target result were budgeted higher than the actual result because the target indicator incorrectly included waste management charges and revenue in lieu of rates, which are excluded from the calculation of actual results. |
| **Liquidity** ***Working capital*** *Current assets compared to current liabilities* [Current assets / Current liabilities] x100 | 256.64% | 193.13% | 202.85% | 170.20% | 296.24% | 212.72% | 205.57% | 220.35% | 222.05% | Council has deliberately maintained a surplus of funds to ensure it is financially prepared to respond to a natural disaster. Estimates indicate that, following a natural disaster event, Council may be required to fund up to $1 million in recovery and response costs in the short to medium term before external funding is received. Maintaining this financial buffer enables Council to meet these costs without adversely impacting the delivery of other operational services and programs. The early receipt of grant funding, principally the receipt of 80% of the 2026/27 Financial Assistance Grants has inflated the 2026 result causing the increase compared to target. |

| | Results | | | | | Forecasts | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 | | 2027 | 2028 | 2029 | 2030 | Material Variations and Comments |
| **Dimension** / ***Indicator*** / *Measure* [Formula] | Actual | Actual | Actual | Target as per budget | Actual | Forecasts | Forecasts | Forecasts | Forecasts | |
| ***Unrestricted cash*** *Unrestricted cash compared to current liabilities* [Unrestricted cash / Current liabilities] x100 | 168.04% | 100.68% | 90.39% | 107.00% | 190.32% | 142.00% | 136.00% | 142.00% | 143.00% | The higher result recorded in 2026 reflects the level of project carryovers required to complete works in 2026/27. Note the 2026/27 budget did not use the same indicatotrs as the performance statement, forecast results are based on total cash holdings rather than restricted cash balances only and assume that no project carryovers will occur in future budget years. This assumption results in a lower indicator outcome in the forecast period compared to 2026. |
| **Obligations** ***Loans and borrowings*** *Loans and borrowings compared to rates* [Interest bearing loans and borrowings / Rate revenue] x100 | 4.40% | 10.74% | 18.22% | 22.15% | 17.79% | 17.16% | 13.67% | 8.69% | 7.33% | Note the 2026/27 budget did not use the same indicatotrs as the performance statement. In recent years, Council has undertaken borrowings to fund strategic capital projects, including land acquisitions and the development of the Regional Workers Accommodation project. The Long Term Financial Plan includes only minimal new borrowings and is focused on progressively reducing debt levels over the forecast period. For 2026 Council did not take up the full borrowing amount of $1m, only borrowing $0.5m. |
| *Loans and borrowings repayments compared to rates* [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100 | 0.87% | 1.13% | 1.96% | 2.27% | 3.88% | 4.19% | 3.74% | 5.23% | 1.54% | Note the 2026/27 budget did not use the same indicatotrs as the performance statement. In recent years Council has borrowed funds for strategic capital works such as land purchases and to provide funding for the Regional Workers Accommodation. The future financial plan has minimal borrowings with a view to reduce debt levels. |
| ***Indebtedness*** *Non-current liabilities compared to own source revenue* [Non-current liabilities / Own source revenue] x100 | 4.18% | 9.11% | 13.71% | 18.37% | 12.56% | 13.29% | 8.68% | 7.42% | 6.18% | Forecast results show a decreasing trend over the forecast period as non-current borrowings are expected to reduce. The target result is higher than the actual result because the 2025/26 Budget included additional non-current borrowings that were ultimately not required. As a result, actual debt levels were lower than anticipated, leading to a lower indicator result. |
| ***Asset renewal and upgrade*** *Asset renewal and upgrade compared to depreciation* [Asset renewal and asset upgrade expense / Asset depreciation] x100 | 116.06% | 100.73% | 94.92% | 83.00% | 68.94% | 83.70% | 80.56% | 80.56% | 80.55% | Reducing levels is an indication of restricted cash available for renewal works whilst depreciation continues to increase at a greater rate than available funds. The 2026 actual was impacted by a significant increase in depreciation as a result of the revaluation of assets in 2025. |

| | Results | | | | | Forecasts | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** | | **2027** | **2028** | **2029** | **2030** | **Material Variations and Comments** |
| **Dimension** / ***Indicator*** / *Measure*<br>[Formula] | Actual | Actual | Actual | Target as per budget | Actual | Forecasts | Forecasts | Forecasts | Forecasts | |
| **Operating position**<br>***Adjusted underlying result***<br>*Adjusted underlying surplus (or deficit)*<br>[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100 | 6.16% | -38.96% | 12.60% | 0.17% | 4.77% | -1.96% | -0.28% | -0.84% | -1.33% | The 2025 and 2026 actual results are elevated due to the advance receipt of Commonwealth Financial Assistance Grants relating to future years, together with increased operating grant revenue, including non-recurrent grants associated with fire events. These factors contributed to higher operating income in both years. In contrast, the target and forecast results assume only minimal levels of non-recurrent operating grant funding, resulting in lower indicator outcomes over the forecast period. |
| **Stability**<br>***Rates concentration***<br>*Rates compared to adjusted underlying revenue*<br>[Rate revenue / Adjusted underlying revenue] x100 | 47.19% | 67.88% | 43.00% | 45.00% | 44.73% | 38.47% | 38.69% | 38.82% | 38.96% | Note the 2026/27 budget did not use the same indicatotrs as the performance statement. Council's budget compares rate revenue to adjusted underlying revenue, whereas the Performance Statement compares rates and charges to adjusted underlying revenue. The inclusion of charges in the Performance Statement calculation results in lower indicator outcomes in future years compared to those reported in the budget. |
| ***Rates effort***<br>*Rates compared to property values*<br>[Rate revenue / Capital improved value of rateable properties in the municipality] x100 | 0.28% | 0.25% | 0.26% | 0.31% | 0.30% | 0.23% | 0.23% | 0.24% | 0.25% | Note the 2026/27 budget did not use the same indicatotrs as the performance statement. Council's budget compares rate revenue to the Capital Improved Value (CIV) of rateable properties, whereas the Performance Statement compares rates and charges to the CIV of rateable properties. The inclusion of charges in the Performance Statement calculation results in lower indicator values in future years compared to those reported in the budget. |

# Section 4. Sustainable capacity indicators

## For the year ended 30 June 2026

### Results

| | 2023 | 2024 | 2025 | 2026 | Comment |
|---|---|---|---|---|---|
| ***Indicator*** / *Measure*<br>[Formula] | Actual | Actual | Actual | Actual | |
| ***Population***<br>*Expenses per head of municipal population*<br>[Total expenses / Municipal population] | $3,332.11 | $3,531.60 | $3,552.65 | $3,875.96 | This trend reflects increasing costs associated with the delivery of Council services, together with rising depreciation expenses. These cost pressures are occurring in an environment where population growth within the municipality is expected to remain relatively low, limiting the growth in Council's revenue base and contributing to a deterioration in the indicator over the forecast period. |
| *Infrastructure per head of municipal population*<br>[Value of infrastructure / Municipal population] | $35,540.61 | $35,120.09 | $41,686.98 | $46,090.49 | The higher indicator results recorded in 2025 and 2026 are primarily attributable to significant valuation increases in infrastructure assets during these years. The asset revaluations resulted in a substantial increase in the value of Council's infrastructure portfolio, which in turn influenced the indicator outcomes for both years. |
| *Population density per length of road*<br>[Municipal population / Kilometres of local roads] | 3.79 | 3.88 | 3.82 | 3.93 | |
| ***Own-source revenue***<br>*Own-source revenue per head of municipal population*<br>[Own-source revenue / Municipal population] | $1,925.44 | $1,956.33 | $2,021.86 | $2,158.35 | This trend reflects the municipality's relatively low population growth, while Council revenue is forecast to increase at a higher rate over the same period. As a result, revenue growth is expected to outpace population growth, contributing to an improvement in the indicator over the forecast period. |
| ***Recurrent grants***<br>*Recurrent grants per head of municipal population*<br>[Recurrent grants / Municipal population] | $1,470.77 | $326.74 | $1,673.54 | $1,548.32 | Movements in this indicator primarily reflect the timing of recurrent grant receipts. The 2025 and 2026 results are elevated due to the advance receipt of Commonwealth Financial Assistance Grants relating to future financial years. Commonwealth Financial Assistance Grants of $10.7 million were received in 2024/25, compared to $10.0 million received in 2025/26, resulting in the movement between the 2025 and 2026 indicator results. As grant receipts are recognised when received, variations in the timing of these payments can have a significant impact on the reported outcome for individual years. |

## Results

| | 2023 | 2024 | 2025 | 2026 | Comment |
|---|---|---|---|---|---|
| ***Indicator*** / *Measure*<br>[Formula] | Actual | Actual | Actual | Actual | |
| ***Disadvantage***<br>*Relative Socio-Economic Disadvantage*<br>[Index of Relative Socio-Economic Disadvantage by decile] | 3.00 | 3.00 | 3.00 | 3.00 | |
| ***Workforce turnover***<br>*Percentage of staff turnover*<br>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100 | 15.9% | 22.9% | 18.2% | 25.0% | The municipality is one that is a training ground for staff advancement. Staff achieve strong experience which enables staff to advance to positions in larger organisations. The organisation does not have the capacity to provide advancement opportunities compared to larger organisations. |

# Section 5. Notes to the accounts

## 5.1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. This statement has been prepared to meet the requirements of the Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020.

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 or the Council’s satisfaction survey provider).

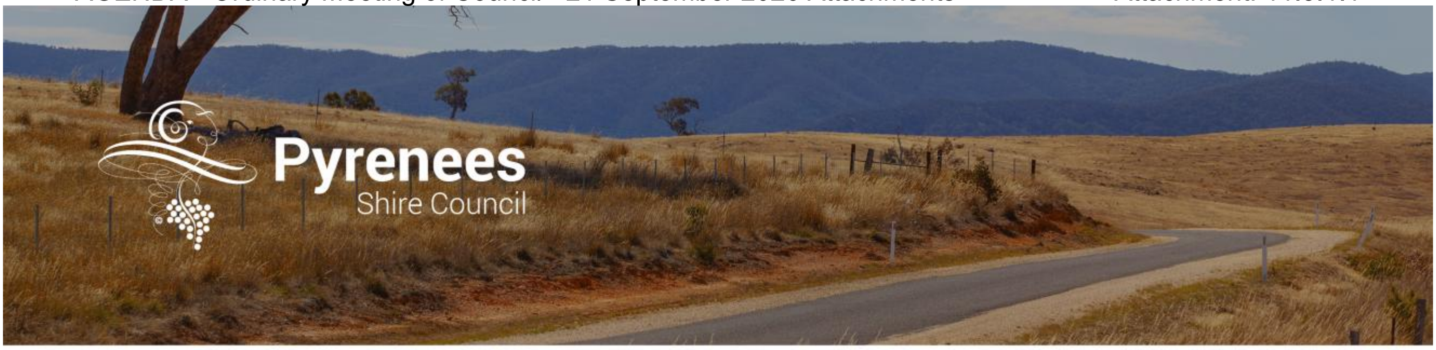
The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the Local Government (Planning and Reporting) Regulations 2020. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2026-27 to 2029-30 by the council's financial plan.

The Local Government (Planning and Reporting) Regulations 2020 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.

## 5.2. Definitions

| Key term | Definition |
|---|---|
| Aboriginal children | means a child who is an Aboriginal person |
| Aboriginal person | has the same meaning as in the Aboriginal Heritage Act 2006 |
| adjusted underlying revenue | means total income other than:<br>• non-recurrent grants used to fund capital expenditure; and<br>• non-monetary asset contributions; and<br>• 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 |
| annual report | means an annual report prepared by a council under section 98 of the Act |
| 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 |
| asset upgrade expenditure | means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life |
| critical non-compliance outcome notification | means a notification received by council under section 19N(3) or (4) of the *Food Act 1984* , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health |
| current assets | has the same meaning as in the Australian Accounting Standards |
| current liabilities | has the same meaning as in the Australian Accounting Standards |
| food premises | has the same meaning as in the *Food Act 1984* |
| intervention level | means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene |
| local road | means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004* |
| major non-compliance outcome notification | means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken |
| MCH | means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age |
| non-current liabilities | means all liabilities other than current liabilities |
| 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 |
| relative socio-economic disadvantage | in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA |
| restricted cash | means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, 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 |
| SEIFA | means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site |
| unrestricted cash | means all cash and cash equivalents other than restricted cash |




# POLICY – COUNCIL/OPERATIONAL*
# *Social Media Policy*

| | |
|---|---|
| **Date created/amended*:** | 4 June 2026 |
| **Date of next review:** | TBC |
| **Adopted by:** | Council/Executive Leadership Team* |
| **Date adopted:** | |
| **Responsible officer:** | Chief Executive Officer |

**Acknowledgement of Country**

Pyrenees Shire Council acknowledges the Wadawurrung, Dja Dja Wurrung, Eastern Maar Peoples and Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk Nations upon whose land the Pyrenees Shire operates in.

## 1. PURPOSE

Pyrenees Shire Council (Council) recognises social media is an important and evolving communication tool enabling timely, accessible and two-way community engagement.

When used appropriately, social media platforms can enhance transparency, strengthen community connections, support service delivery, and complement Council's broader communication and engagement activities.

Council uses social media to share information about services, projects, events and decisions, to promote community wellbeing and safety, and to receive feedback from residents, stakeholders and visitors. Social media interactions may also constitute official Council records and may be subject to public scrutiny.

This policy provides a framework for appropriate, responsible and consistent social media use in the conduct of Council business. It aims to ensure social media use aligns with Council's values, legal obligations, governance responsibilities and community expectations.

The purpose of this policy is to:

- Establish clear expectations for social media use in connection with Council business
- Support respectful, professional and lawful online engagement
- Protect Council's reputation, integrity and operational effectiveness

- Ensure compliance with relevant legislation, including privacy, record-keeping and public sector standards
- Reduce risk associated with inappropriate or unauthorised social media use
- Help Council manage the inherent challenges of speed and immediacy

## 2. SCOPE

This policy applies to:

- Councillors
- Council staff (including temporary and casual employees)
- Volunteers
- Contractors and consultants engaged by Council

The policy applies to:

- Official Council social media accounts
- Any social media activity undertaken on Council's behalf
- Personal social media use where Council business, Council representatives or Council matters are referenced or could reasonably be perceived as representing Council

This policy does not apply to personal use of social media where:

- The author published information in their personal capacity and not on behalf of, or in association with Pyrenees Shire Council
- When no direct or inferred reference is made to Pyrenees Shire Council, staff, policies and services, suppliers or other stakeholders or Council related issues

This policy should be read in conjunction with other relevant policies and procedures of Pyrenees Shire Council.

It is considered this policy does not impact negatively on any rights identified in the Charter of Human Rights Act (2006).

## 3. POLICY STATEMENT

Council's social media use is guided by the following principles:

- **Respect and professionalism** – engagement should be courteous, inclusive and respectful
- **Accuracy and transparency** – information shared should be factual, authorised and timely
- **Accountability** – users are responsible for their actions and communications
- **Consistency** – messaging should align with Council policies, strategies and decisions
- **Compliance** – all use must comply with applicable laws, regulations, Council codes of conduct and Council policies and procedures

Pyrenees Shire Council

- **Reputational** – reinforce the integrity, reputation and values of Council

**3.1 Acceptable Use**

Social media may be used for Council business where the use is lawful, authorised and consistent with Council values, policies and objectives.

Acceptable use includes:

- Sharing accurate, timely and Council-approved information about Council services, projects, decisions, consultations, events and emergencies
- Promoting community safety, wellbeing and participation
- Responding to general enquiries and feedback in a professional and respectful manner
- Encouraging constructive and inclusive community engagement
- Correcting factual inaccuracies where appropriate and authorised
- Referring service requests, complaints or complex matters through appropriate Council channels
- Using social media in a way that protects Council's reputation and public confidence

All content must be:

- Accurate and not misleading
- Respectful, courteous and inclusive
- Consistent with Council-approved messaging
- Appropriate for a public and permanent forum

**3.2 Unacceptable Use**

Social media must not be used in a way that is unlawful, inappropriate, misleading or detrimental to Council, its representatives or the community.

Unacceptable use includes, but is not limited to:

- Posting content which is false or misleading
- Posting or sharing confidential, sensitive or personal information without authorisation
- Making statements that could reasonably be perceived as official Council positions when not authorised
- Using social media to criticise, harass, threaten or abuse individuals or organisations
- Engaging in arguments, inflammatory discussions or personal disputes
- Publishing defamatory, discriminatory, offensive or obscene content
- Commenting on matters that are subject to legal proceedings, confidential negotiations or internal investigations

- Pre-empting, prejudging or undermining Council decision-making processes
- Using social media for political campaigning, lobbying or advocacy unrelated to Council-endorsed positions
- Using Council social media accounts for personal, commercial or promotional purposes
- Breaching copyright, intellectual property or licensing requirements
- Posting content while under the influence of alcohol or drugs
- Using Council logos, branding or imagery without approval
- Posting illegal material or materials designed to encourage law breaking
- Posting content that could compromise Council, employee or system safety
- Spam, meaning the distribution of unsolicited bulk electronic messages

**3.3 Personal Social Media Use**

When using personal social media accounts, Councillors, staff, volunteers and contractors:

- Must not imply they are speaking on behalf of Council unless authorised
- Should include a disclaimer where appropriate that views expressed are personal
- Must not disclose confidential or non-public Council information
- Must not post content that could reasonably be perceived as bringing Council into disrepute
- Must comply with relevant Codes of Conduct and this Policy

**3.4 Consequences of Unacceptable Use**

Failure to comply with this Policy may result in:

- Content removal or restricted access to Council social media accounts
- Disciplinary action in accordance with Council policies and procedures
- Termination of contract or engagement (where applicable)
- Referral to external authorities where unlawful conduct is suspected

**3.5 Purpose of Moderation**

Council is committed to fostering respectful, constructive and inclusive online engagement. Moderation of Council's social media platforms is undertaken to:

- Maintain a safe and respectful online environment
- Encourage meaningful and relevant community discussion
- Protect individuals from harm
- Ensure compliance with legal, regulatory and policy obligations

Council does not remove comments solely because they express criticism of Council, Councillors or Council decisions.

**3.6 Moderation Approach**

Council social media platforms are moderated in accordance with this policy and the terms and conditions of the relevant social media platform.

Moderation:

- Is applied in a fair, consistent and transparent manner
- May occur during business hours or as resources permit
- May be proactive or reactive
- Does not constitute real-time monitoring

Where appropriate, Council may:

- Hide, delete or restrict comments
- Disable comments on specific posts
- Block or restrict users who repeatedly breach this Policy
- Report content to the platform provider

**3.7 Comment Removal Criteria**

Council reserves the right to remove or hide comments or content that include or promote any of the following:

- Abusive, threatening, harassing or bullying language
- Hate speech, discrimination or vilification based on protected attributes
- Profanity or obscene material
- Defamatory or misleading statements presented as fact
- Personal attacks against individuals or groups
- Disclosure of personal, private or confidential information
- Content that breaches privacy, copyright or intellectual property rights
- Content that is unlawful or encourages unlawful activity
- Political campaigning, electioneering or lobbying not authorised by Council
- Commercial advertising, promotions or spam
- Repetitive, off-topic or disruptive comments that detract from constructive discussion
- Comments that compromise public safety or emergency response efforts
- Comments that undermine legal proceedings or Council's decision-making processes

Council may restrict or block users who:

- Repeatedly breach this Policy
- Engage in persistent abusive or disruptive behaviour
- Use social media to intimidate or harass Council representatives or community members

Blocking is considered a measure of last resort and may be temporary or permanent, depending on the severity and frequency of breaches.

**3.8 Disclaimer**

Comments and views expressed by members of the public on Council social media platforms do not necessarily reflect the views of Council.

**3.9 Reference and Related Documents**

### a) Legislation

- *Privacy Act 1988 (Cth)*
- *Online Safety Act 2021 (Cth)*
- *Online Safety Amendment (Social Media Minimum Age) Act 2024*
- *Sex Discrimination Act 1984 (Cth)*
- *Workplace Relations Law (Fair Work Act) 2009 (Cth)*
- *Defamation Law (Common Law & Statutes)*
- *Copyright Act 1968 (Cth)*
- *Australian Human Rights Commission Act 1986 (Cth)*
- *Crimes Act 1958 (Vic)*
- *Defamation Act 2005 (Vic)*
- *Fair Trading Act 1999 (Vic)*
- *Freedom of Information Act 1982 (Vic)*
- *Local Government Act 1989 (Vic)*
- *Equal Opportunity Act 2010 (Vic)*
- *Charter of Human Rights and Responsibilities Act 2006 (Vic)*
- *Racial and Religious Tolerance Act 2001 (Vic)/Anti-Vilification Laws*

### b) Council

- Council acceptable use policies for email, internet, computer use
- *Council Employee Code of Conduct 2023*
- *Council Equal Employment Opportunity and Workplace Behaviour Policy 2022*
- *Council Privacy Policy 2025*
- *Council Procurement Policy 2026*
- *Council Customer Service Charter*
- *Council Records Management 2021*

## 4. DEFINITIONS

For the purposes of this Policy, the following definitions apply:

| | |
|---|---|
| **4.1 Council** | Pyrenees Shire Council |

| | |
|---|---|
| **4.2 Council Business** | Any activity, communication or engagement undertaken in an official capacity on Council's behalf, including matters relating to Council services, projects, policies, decisions, events or advocacy. |
| **4.3 Official Council Social Media Accounts** | Social media accounts that are owned, managed or authorised by Council and used to communicate on Council's behalf. |
| **4.4 Social Media** | Online platforms and tools that enable the creation, sharing or exchange of information, ideas or content through virtual communities and networks. This includes, but is not limited to, platforms such as Facebook, Instagram, LinkedIn, X (formerly Twitter), YouTube, websites and emerging digital platforms. |
| **4.5 Personal Social Media Accounts** | Social media accounts created and operated by individuals in a private capacity and not authorised as official Council accounts. |
| **4.6 Authorised User** | A Councillor, staff member or contractor who has been formally approved by Council to create, post, manage or moderate content on an official Council social media account. |
| **4.7 Content** | Any text, images, video, audio, links, comments, reactions or other material posted or shared on social media platforms. |
| **4.8 Community Engagement** | Two-way interaction between Council and the community through social media, including responding to comments, messages, feedback or enquiries. |
| **4.9 Moderation** | The monitoring, managing and, where necessary, removal of social media content in accordance with Council's guidelines, policies and platform terms of use. |

## 5. ROLES AND RESPONSIBILITIES

| | |
|---|---|
| **5.1 Councillors** | Councillors: |

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|---|---|
| | • May use personal social media accounts to communicate with the community in their capacity as elected representatives<br>• Must clearly distinguish between personal views and official Council positions<br>• Must not represent personal opinions as Council decisions or policy<br>• Must comply with the Councillor Code of Conduct and this Policy when referencing Council matters<br>• Should avoid posting content that could reasonably be perceived as prejudging Council decisions or undermining Council processes<br>• Councillors must not make commitments, promises or representations on behalf of Council that have not been formally resolved by Council or made under an appropriate delegation.<br>• Councillors are not authorised to create or manage official Council social media accounts unless formally approved by Council. |
| **5.2 Chief Executive Officer** | The Chief Executive Officer (CEO):<br>• Is responsible for the overall governance and oversight of Council's social media use<br>• May delegate operational responsibility for social media management to appropriate staff<br>• Ensures systems and processes are in place to manage risk, compliance and record-keeping<br>• May authorise the creation, suspension or closure of official Council social media accounts |
| **5.3 Council Staff** | Council staff:<br>• Must comply with this policy and all relevant Council policies when using social media<br>• Must only post on official Council social media accounts if authorised to do so |

Pyrenees Shire Council

| | |
|---|---|
| | • Must ensure content is accurate, professional and aligned with Council-approved messaging<br>• Must not disclose confidential, sensitive or personal information<br>• Can like, comment on or share official Council social media posts if the reaction, comment or repost is appropriate and respectful, and does not bring the organisation into disrepute<br>• Can only comment on non-Council pages and posts that mention Council only if authorised and appropriate<br>• Must refer media enquiries or sensitive issues to the appropriate communications or management staff |
| **5.4 Volunteers, Contractors and Consultants** | Volunteers, contractors and consultants:<br>• Must comply with this policy when undertaking work on Council's behalf<br>• Must only use social media for Council business if authorised by Council<br>• Must not present themselves as speaking on behalf of Council unless expressly permitted<br>• Are required to follow Council directions regarding content approval, moderation and record-keeping |
| **5.5 Communications Team / Authorised Officers** | Authorised officers responsible for communications:<br>• Manage and maintain official Council social media accounts<br>• Develop, approve and schedule content in accordance with Council priorities<br>• Monitor and moderate interactions in line with Council's moderation guidelines<br>• Respond to relevant queries within a specified time of 48 hours<br>• Escalate issues, complaints or risks to management as required |

Pyrenees Shire Council

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|---|---|
| | • Ensure records of social media activity are captured in accordance with the Public Records Act 1973 |
| **5.6 All Users** | All users of social media in connection with Council business:<br>• Are responsible for their conduct and online interactions<br>• Must act lawfully, ethically and respectfully<br>• Must immediately report any misuse, security breach or unauthorised access to Council social media accounts |

## 6. CONSULTATION AND IMPACT ASSESSMENT

Pyrenees Shire Council is committed to consultation and cooperation between management and its employees. This policy was developed involving the following:

*Please insert a tick where appropriate.*

| | | |
|---|---|---|
| | Consultation with elected employee health and safety representatives. | *Must include consultation for any OHS related policy or any workplace change that may affect the health, safety or wellbeing of employees.* |
| | Consultation with external stakeholders (e.g., community members). | *Must include for any policies or changes requiring deliberative or community engagement under the Local Government Act 2020 or any other Act or Regulation.* |
| X | Consultation with relevant staff and consultative / advisory committees. | *For example, Staff Consultative Committee, Risk Management Committee, ICT Steering Committee.* |
| X | Assessment against the rights identified in the Charter of Human Rights and Responsibilities (2007) | *This assessment is compulsory for all policies.* |
| X | A Gender Impact Assessment. Consideration of this is compulsory for all policies. | *A Gender Impact Assessment provides a useful record for reporting and can assist with demonstrating compliance with the Gender Equality Act.*<br>*Is a Gender Impact Assessment Required to be undertaken for this policy?* — *Yes* — *No* X<br>*If YES, please complete the template in 'FORM – GENDER IMPACT ASSESSMENT TEMPLATE' and*<br>- *Include a copy with the approvals form in RecFind, and*<br>- *Send a copy to the Manager People & Culture.* |

## 7. VERSION HISTORY

| Version Number | Issue date | Reviewer | Description of change |
|---|---|---|---|
| 1.0 | 04/06/2026 | Senior Communications Officer | Review |