

Shire of Denmark

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SHIRE OF DENMARK ANNUAL REPORT 2013/2014

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Electronic copies of the Annual Report are available for download from the Shire of Denmark website www.denmark.wa.gov.au

Alternative formats are also available free of charge on request, such as Braille, audio tape and computer disk. (s29 of Disability Services Act 2003)

WELCOME TO DENMARK

Denmark is a very attractive environment and community. It comprises the Valley of the Giants forests, Wilderness National Parks, rivers, ocean, hills and the picturesque Scotsdale Valley.

A mixture of welcoming villages and inviting landscapes, Denmark has many of the highly desirable characteristics of a rural community. It also has a well-developed cultural and environmental life that has accrued over many years.

The town of Denmark is located on the Denmark River and Wilson Inlet convenient to the regional centre of Albany, 50 kilometres to the east.

Community visions for economic development encompass a wide range of strategic directions.

The most prominent goal however is to foster an increased entrepreneurial culture that consciously plans for business and development initiatives within sustainability values, thereby managing a balance of local and externally funded initiatives.

CURRENT STATUS

Population (2011 Census) 5373 Median Age (2011 Census) 47 Population (est - 1 July 2012) 5539 (Source – ABS website)

Annual Population Growth Rate 2.1%(est*) (* Source – Shire of Denmark Local Planning Strategy)

Area - 1860 sq km

Length of Roads

- Sealed - 207 km
- Unsealed - 436 km
Area of Parks & Reserves - 1290 sq km
Length of Coastline - 84 km
Length of Estuary Foreshores - 73 km
Number of Dwellings - 3292

Educational Institutions

- Pre-Schools
- Primary Schools
- High School
- College of Agriculture
- TAFE

VISION

The Shire of Denmark's long term vision for the Shire is:

Denmark in the year 2031 is a leading example of a dynamic, connected, caring and cohesive community, in tune with its environment.



MISSION

The Shire of Denmark aims, through vision and integrity to serve its whole community and value its natural environment.

VALUES

The Shire of Denmark holds the following values:

- · Sustainability,
- Effectiveness,
- Teamwork,
- Transparency,
- Respect,
- Visionary Leadership,
- Honesty & Integrity,
- · Creativity,
- Commitment, and
- Trust

FREEMAN OF THE SHIRE OF DENMARK

Mr Percy Berridge (Dec) (17/11/1973) Mrs Eileen Lunan (10/2/2006)

2014 CITIZENSHIP AWARD WINNERS
Citizen of the Year Award

Alex Syme

Young Citizen of the Year Award Not Awarded

Community Group or Event of the Year Award Southern Ocean Classic Mile

2013 SPORTS AWARD WINNERS
Senior Sportsperson of the Year
Erica Mercer (Swimming)
Junior Sportsperson of the Year
Kyle Chamberlain (Surf Lifesaving)
Services to Sport
Dexter Warne (Country Club)

SHIRE PRESIDENT'S REPORT AND INTRODUCTION

It is my pleasure to present the Shire of Denmark Annual Report for the 2013/2014 financial year in what has again been an extremely busy one for Council.

I am sure that most residents would agree that the Shire has undergone a major transformation in recent years, with some of the major projects completed over the past twelve months being:

- CBD works Stage 2 of the North Road Carpark was completed and work has now commenced on the Morgan Richards Community Centre for future community purposes,
- Extension of the Denmark townsite footpath/bicycle network on Hollings Rd from Walker St to Inlet Drive,
- Continued widening and sealing works of Scotsdale Road,
- Gravel resheeting of sections of Fernley, Kordabup, Sunny Glenn, Tingledale East, Ficofolia, Harewood and Silver Roads,
- Sealing of Lights Beach Access Road and Resealing works of sections of Howe, Hamilton, Bandit and Parker Roads and Illsley and Mohr Drives,
- Continued improvements at Parry Beach including an additional water tank,
- Peaceful Bay improvements including the refurbishment of the Water Supply bore and an upgrade to the Playground and Tourist Information Bay signage,
- Continued improvements to the Kwoorabup Community Park facilities and upgrade to the Hopson Park (Kemsley Estate) Playground.

Of course these works could not occur if not for the significant financial contribution provided to all of these projects by the WA State Government. These contributions came predominantly in the form of road project grants and general purpose payments.

Unfortunately changes to the Royalties for Regions funding program, has resulted in a loss of direct allocation of much of this funding stream that in the past assisted Council in undertaking various improvements within the Shire. That being said this portion of the Royalties for Regions funding stream is now being allocated through the Great Southern Regional Blueprint, which is being administered through the Great Southern Development Commission.

Please be assured that Council will work very closely with the Great Southern Development Commission and lobby hard to leverage new funding opportunities through the Regional Blueprint scheme in order to access further Royalties for Regions funding to ensure best outcomes for the community.

Council undertook significant consultation with our local community and property owners through the year with respect to the formation of a Strategic Community Plan where members of the community invested time and energy into contributing to the various workshops, meetings, calls for submissions etc. that formed part of this process. I thank all members of the community that took part in this process for their valued involvement and input.

The Shire of Denmark Strategic Community Plan was adopted by Council in October 2013.

Further plans are required to be adopted such as a Corporate Business Plan and Long Term Financial Plan which will form part of a series of critical documents that will provide better planning and coordination of the long term strategic direction of the Shire.

Once this process is completed and adopted, they will link to the Local Planning Strategy, adopted in October 2011, to provide a blueprint for the future direction of the Shire and where we will be in twenty years from now.

As a result of the Local Planning Strategy having been adopted, Council has initiated the preparation of Local Planning Scheme No. 4 (LPS 4). LPS 4, which will revoke current Town Planning Scheme No. 3 upon gazettal, will become the statutory document that controls and guides land use, development and subdivisions. The preparation of LPS 4 will require consultation with the community and I encourage everyone's input into this important planning document for the Shire of Denmark.

Council continued to support Community, Sporting, Cultural and Tourism groups and activities throughout the Shire with over \$300,000 being contributed. This level of support to such groups acknowledges the importance of, and vital role, that these groups play within our community to create the social fabric and environment that makes the Shire what it is.

I consider it a great personal honour to serve in the capacity as Councillor and President of the Shire of Denmark and I would like to thank and acknowledge my fellow Councillors for their ongoing support and commitment to dealing with the many difficult issues that they are confronted with on a monthly basis.

In closing I encourage all electors to continue to take a high level of interest in your community's affairs and urge you to contact your Councillors or staff if you have any questions, issues or concerns with Council matters. Your input is vital to ensure that the services and strategic direction of the Council represents your views.

Cr Ross Thornton
Shire President
SHIRE OF DENMARK

COUNCILLORS CONTACT DETAILS

Name	Contact Details	Photo
Cr Ross Thornton Shire President (Term Expires 2015) Town Ward	PO Box 495 Denmark WA 6333 Ph/Fax: 9840 9260 Email: cr.thornton@denmark.wa.gov.au	
Cr John Sampson Deputy Shire President (Term Expires 2017) Scotsdale/Shadforth Ward	571 Lights Road (PO Box 540) Denmark WA 6333 Ph: 9848 1629 Website: http://councillorjohnsampson.denmark.org.au/ Email: cr.sampson@denmark.wa.gov.au	
Cr David Morrell (Term Expiries 2017) Town Ward	9 Crowea Road Denmark WA 6333 Ph: (08) 9848 1300 Mobile: 0477 520 557 Email: davidmorrell321@hotmail.com	
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Cr Jan Lewis (Term Expires 2015) Scotsdale/Shadforth Ward	111 McNess Road Scotsdale WA 6333 Ph: 0438 061 191 Email: jclewis@overbridgefarm.com.au	
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Cr Dawn Pedro (Term Expires 2017) Scotsdale/Shadforth Ward	11 Sunnyglen Road Denmark WA 6333 Ph: 9848 1590 Mob: 0448 654 984 Email: pdpedro@westnet.com.au	
Cr Belinda Rowland (Term Expires 2015) Scotsdale/Shadforth Ward	623 Scotsdale Road Denmark WA 6333 Ph: 9848 3438 Mobile: 0412 693 077 Email: bindy900@hotmail.com	P.
Cr Roger Seeney (Term Expires 2015) Kent/Nornalup Ward	2224 Scotsdale Road Denmark WA 6333 Ph: 9840 9036 Mobile: 0428 409 036 Email: rogerbevseeney@bigpond.com.	

CHIEF EXECUTIVE OFFICER'S REPORT

It has once again been a very busy twelve month period for the Shire of Denmark, with major capital works and strategic planning issues occupying a significant amount of staff resources over the past year.

The following is a summary of major projects and services undertaken by the Shire over the past year and I would welcome any comment or questions from Electors regarding these issues.

Structural Reform and Amalgamation

The Shire of Denmark remains firm in its view that it does not wish to amalgamate with any of our immediate neighbours, although it is always willing to explore partnerships that result in real benefits and/or savings to ratepayers and residents.

The State Government is undertaking structural reform of the local government sector in the Metropolitan area and it would appear a reasonable conclusion that rural Western Australia may well be the next focus of their reform agenda.

Council remains confident that we have all the necessary processes in place to ensure that we can demonstrate to the State that we are a strong and vibrant local authority, with its own unique character, that is well placed to meet the future and current requirements of our residents.

Staffing

The Shire workforce continues to remain relatively stable which provides many benefits to the organisation, including increased corporate knowledge and skills and reduced staff recruitment and attraction expenses.

Council continues to receive much positive feedback in regard to the high level of service received from employees and I would like to thank all employees for the commitment they have displayed to their duties over the past twelve months.

Customer Service Charter

The Shire takes great pride in the commitment displayed by our employees to providing the highest level of service possible to our community. In order to establish minimum customer service standards, a Charter has been adopted by Council to both enshrine these standards and allow our performance to be measured and analysed for future improvement.

The 2015 Biennial Survey will be forwarded to 1,000 randomly selected electors in early 2015 and recipients are strongly encouraged to participate and assist Council by providing much valued feedback.

CBD Redevelopment

Further upgrades to car parking and works at the North Street end of Strickland Street were completed in 2013/2014 providing much needed additional parking within this area.

These works have attracted a lot of positive feedback and have improved the CBD streetscape and access for motorists and pedestrians around the CBD area.



CBD Strickland & North Street

Kwoorabup Community Park

Further improvements were undertaken during 2013/2014 and have been extremely well received and utilised by visitors to the park.



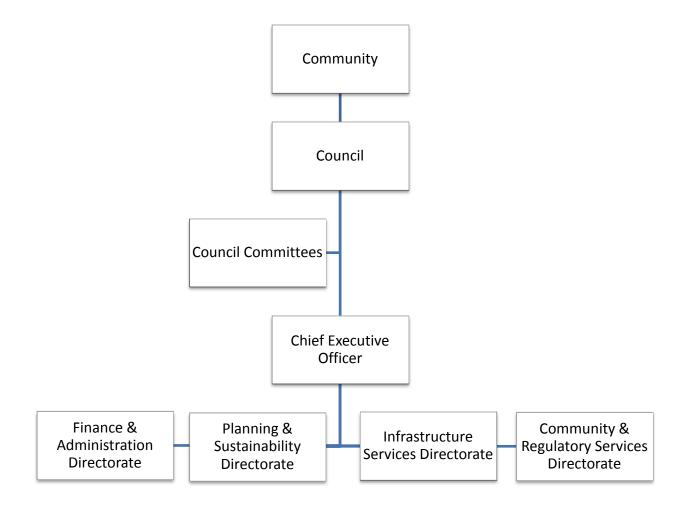
Kwoorabup Community Park - New Barbeque area

In closing I would like to again thank all employees for their commitment and passion to serving the Shire and invite feedback from ratepayers and electors on information contained within the Annual report or any other Shire related matter.

Mr Dale Stewart

Chief Executive Officer

SHIRE OF DENMARK ORGANISATION CHART



Executive Team

Chief Executive Officer Mr Dale Stewart

Director of Finance & Administration Mr Kim Dolzadelli

Director of Planning & Sustainability Mrs Annette Harbron

Director of Infrastructure Services Mr Rob Whooley

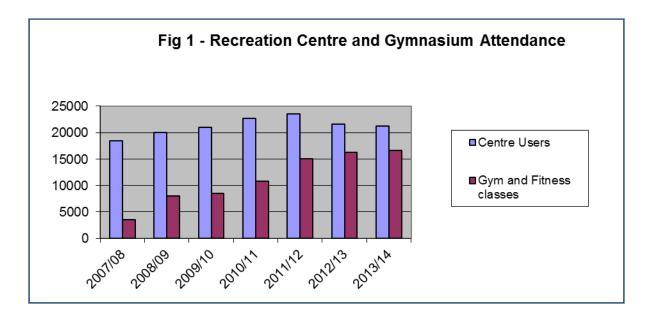
Director of Community & Regulatory Services Mr Gregg Harwood

SUMMARY OF SHIRE SERVICES 2013/2014

Denmark Recreation Centre

The Recreation Centre recorded an extra 344 Gym Fitness attendances for the year 2013/2014. Total attendances increased to 37,926. Gym/Fitness attendances reached 16,651.





The Recreation Centre was nominated for the State award as Best Regional Provider of the Living Longer Living Stronger (LLLS) program, and finished runner up.

Also our LLLS instructor Helen Powley is to be congratulated on being awarded Best Regional Instructor for the State, pictured below with participants in the program.





Betty Hay receiving her runner-up award for the most outstanding participant in the LLLS State awards.

New Programs introduced in 2013/2014

- The Centre started three new programs Kindy Gym for 3 to 4 year olds, Tabata (30 minute exercise class) and Mums and Bubs Fitness Class. These new programs attracted new clientele to the Centre and increased revenue streams.
- New equipment for gym treadmill, rower & bench press has been added to the recreation centre's gym as per Council's budget for 2013/2014.
- Denmark's Biggest Loser The Centre ran a 10 week program called Denmark's Biggest Loser. Teams of 6 were invited to nominate and take part in a 10 week fitness/healthy lifestyle program run from the Recreation Centre with the aim of losing weight and improving their lifestyles. A new program started on 30 April 2014 with 23 women signing up. Out of the 23 women, only 2 have taken part in a previous challenge, with the majority of the women being new faces to the Centre indicating we have been able to engage people in the community who otherwise have not utilised our services or facilities before (fantastic). Weekly PT sessions were well attended and enjoyed by all ladies. Most ladies noted a significant increase in their exercise levels with a number of participants now attending regular fitness classes from our normal timetable boosting attendance figures. One of our challengers also purchased a gold membership.

Gym

Gym Membership as at 30th June 2014 sits at 77 members:

45 – Bronze Gym

7 – Bronze Aerobic

10 - Silver

15 - Gold



Denmark Recreation Centre Gym

Club Development Officer Scheme

Council was successful with their funding application to continue the Club Development Officer (CDO) project for a further 2 years in partnership with the Shires of Plantagenet and Cranbrook.

- Training offered to clubs included:
 - Grant writing course
 - Member Protection
 - Responsible Service of Alcohol training
 - Organised a Sports taping course at the football club rooms
 - Chairperson Workshop
 - > Treasurer Workshop
 - Club Talk Workshop
 - Business Plan Workshop
 - ➤ Level 1 Sports Trainer Course
- Denmark Walpole Football Club received a Community Volunteer Grant to do a Volunteer Management Plan.
- The CDO attended Riverside Clubs brainstorming sessions and facilitated their discussions about calendar of event planning.
- Denmark Surf Life Saving Club completed the Australian Sports Commission Club Health Checklist.

Clubs

- Riverside Clubs The Riverside Club applied for Community Sporting and Recreation Facilities Fund funding through Department of Sport and Recreation this financial year for the new club house facility. Council supported the application at its August 20 meeting and the application was presented to DSR in September 2013. The Club was notified during February that it was unsuccessful in obtaining the grant. The Club representatives and Manger of Recreation and Youth Services met with Department of Sport and Recreation officials to hear why the Club was unsuccessful; the basic reason being that the grant round was heavily over-subscribed with over \$40 million in requests and only \$17.75 million to be distributed. The Riverside application was considered well put together and had no items missing, it was a very competitive round with higher priority projects in the Department's eyes worthy of the funding.
 - The Club is also working through the Regional Boating Facilities Grant it received and conducted the public consultation phase of the project with Louise Duxbury engaged to provide the role of facilitator.
- Tingledale Tennis Club Council was successful in obtaining a grant from Lotterywest for the construction of a new public toilet block with disabled facility and a shelter area.
- Denmark Equestrian Club was successful in obtaining a Community Sporting and Recreation Facilities Fund small grant to construct 20 new holding yards.
- Denmark Pistol Club The Club applied for and was successful in obtaining a small grant through the Community Sporting and Recreation Facilities Fund small grants round for a new all-weather shelter at their 100m range.

Events

- The Shire of Denmark's Sportsperson of the Year Awards closed with 20 nominations a record for nominations, 2013 winners were:
 - Senior Sportsperson of the Year Erica Mercer (Swimming)
 - Junior Sportsperson of the Year Kyle Chamberlain (Surf Lifesaving)
 - Service to Sport Award Dexter Warne (Country Club)

Great Southern Recreational Advisory Group

The Manger of Recreation and Youth Services along with Councillor J Lewis attended the Great Southern Recreational Advisory Group meetings throughout the year, items covered in these meetings included:

- Statewide overview of Department of Sport and Recreation Sport Inclusion practices.
- Integrated planning discussed upcoming Community Sporting and Recreation Facilities Fund projects.
- Travel & Equipment subsidy scheme once-off grant for \$500 available to all regional, incorporated sporting clubs. Travel costs paid direct to family covering out of pocket expenses (travel, accommodation, meals).
- Community Pool revitalisation Program Department of Sport and Recreation of \$30,000 for minor capital works.
- A State wide overview of Department of Sport and Recreation recently announced Community Sporting and Recreation Facilities Fund round.
- An update on the formation of the Great Southern Regional Talent Development entity The Great Southern Sports Talent Association.
- Update on the Athlete Travel Subsidy scheme and Club Equipment subsidy.
- Great Southern Region Aboriginal Sport Development Strategy in partnership with the David Wirrapanda Foundation.
- Discussion with Department of Sport and Recreation Strategic & Research Manager about developing a Regional Sport and Recreation Plan. Department of Sport and Recreation will provide Local Governments with a draft blue print of proposal.
- Regional Overview of Kidsport program. Shire of Denmark has the 2nd largest uptake in the Great Southern behind Albany.
- Update on the formation of the Great Southern Regional Talent Development (GS-STA).
- Introduction from Robbie Miniter representing the David Wirrpanda Foundation as the Great Southern Aboriginal Sport Development Officer.

Other Projects

The Youth Support Service, funded by the Department of Child Protection, organised in partnership with the Denmark High School two adventure camps to Margaret River for 10 teenage boys and girls. The camps ran for one week each and included the Youth Centre Coordinator as a leader. The camps focused on developing an increase in self-esteem, leadership and life skills.

Council receives \$28,000 pa from the Department of Child Protection to organise and run 2 x camps per year for Year 9 students from the Shire and it is pleasing to note that Council was successful in securing funding for the next 2 years and 3 months, expiring in mid 2016.

Denmark Youth Get Active – Department of Sport & Recreation Community Participation Grant

Council's Recreation & Youth Services department was successful in obtaining a grant for \$4,500 from Department of Sport & Recreation to run a trial 8 week program targeted at getting Denmark's youth active.

The project titled, "Denmark DORF", was operating on every Saturday from 4pm – 8pm, starting May 3rd at the Recreation Centre and finished on June 21st. The Denmark Dorf was a huge success with an average of 120 people attending each week. Entry was free, covered by the grant, and it encompassed community sporting and recreational groups offering the opportunity to the youth of Denmark to try/participate in a non-threatening, encouraging environment.

Activities offered included rippaball, badminton, soccer, pizza making, open mic, chess, cards, ropes course and Capoeira and were highly engaging through non-competitive sport. This

allowed for people from all sporting backgrounds (or those with none at all) to participate on an "even playing field" in terms of skill.

Recreation Centre staff, Youth Centre staff and local community members were involved as deliverers of the project as well as acting as mentors.

The project was fully funded by Department of Sport & Recreation with no Council funds required.

Kidsport

- The idea of the program is to provide financial assistance to health care card holders for their children to be involved in community sport. The grant assists with club fees, equipment, uniforms etc. Council was successful in receiving a grant for \$45,000 to operate the program.
- There have been 148 children utilise the opportunity. A fantastic response and a benefit to the sporting community.
- Kidsport to 30 June 2014 saw 148 Vouchers, \$18,049 in funding distributed to Shire of Denmark Community Clubs made up of 61 girls and 87 boys. It is interesting to note that 21 of these participants have not registered with a club before.

Top Clubs:

- ➤ Denmark Junior Soccer Club 70
- Denmark Walpole Football Club 39
- ➤ Denmark Netball Association 25



Playing Courts at the Denmark Recreation Centre

Shire of Denmark Public Library





The Shire of Denmark Public Library offer high quality resources and service. This year it was a great honour to see the Library recognised as Australia's Favourite Rural Library in ALIA's campaign to search for Australia's Favourite Library. The aim of the campaign was to promote and raise the profile of libraries in Australia. The Library received huge support from the community which is testament to the Library service and its wonderful staff.

We do endeavour to provide a friendly, efficient and knowledgeable service with programs and activities to enhance the community's literacy and joy of reading.



The wonderful team of staff at the Denmark Public Library

Library Programs

Our regular programs for adults and children continue to be well supported.

Adult Programs

Programs for adults include a monthly Book Club and Scrabble Club. ABC Open Writers Workshops have been highly popular and have initiated a regular Writing Club.

Although we do not provide a House bound service, library staff assist with the selection of books for those who are unable to select their own books. We are always available to help those in need.

Children's Services

With over 4000 items dedicated to children in the Shire, the library offers a growing selection for junior members to borrow.

The library offers early literacy Storytime for young children, which is a highly popular activity for families in Denmark. Research has shown that for many young children, the public library is where the first contact with the world of books and reading takes place.

Storytime is now being seen as a way to help children on the path to reading by developing preliteracy skills.

Better Beginnings, Better Beginnings Plus and A Smart Start are early intervention programs for children which aim to encourage and support families with children birth to 5 years of age. The AEDI results for Demark pre-primary students were particularly encouraging proving the value of these programs.

In 2013/2014, in addition to our regular programs for adults and children, a number of activities were held:

- Children's Book Week author visit with Kylie Dunston, involving students from Denmark Primary School, Golden Hill Steiner School and the home schooled families.
- Scary Story night, which was a great success.
- Summer Holiday Reading program and activity.
- New Mums morning tea sessions.
- School Visits to Denmark Pre-primary/Kindergarten and Spirit of Play Community School.
- Regular displays including ANZAC Day, Remembrance Day and health displays.
- Author visits with:
 - Linda Bettenav
 - Luke Marshall
 - Annabelle Brayley
 - Kevin Kocher

Statistics

Statistics have remained fairly static, although customer visits and Inter Library loan traffic have both increased considerably. Ebook downloads have increased throughout the year which does not reflect in the total issue of books.

Circulation Statistics

Issues: 62,464Ebook Issue: 1,343

ILL's (Inter Library Loans): 5,255
 Reference Enquiries: 8,089
 Customer Visits: 49,851

Book Stock

SLWA Stock: 7,344Local Stock: 8,452Total Stock: 15,796

Membership (members having used their library card within 2 years)

> 3,228 of which 3,017 are Denmark residents

Regional Activity Plan

The Denmark Library has signed with the Regional Activities Plan for the upcoming year, and we look forward to another year of working together with the Albany Public Library and the other libraries in the Great Southern Region.

Denmark Youth Services

Staff Training

The following training courses were undertaken by Tha House staff:

- First Aid.
- Suicide Awareness and Prevention.
- School Refusal.
- Youth Mental Health and Self Harm.
- Great Southern Institute of Technology Community Service modules:
 - Respond to Critical Situations.
 - Work within a relevant Legal and Ethical framework.
- Kids in (and out) of Control.
- Mandatory Reporting training for Child Sexual Abuse.
- Youth Mental Health First Aid.

Murals

As part of the Denmark Youth Art Program the following murals were created:

- Denmark Sacred Tree / Bakery wall
- Denmark Laundromat
- Big Drop Surf Shop Denmark



One of the fantastic Murals completed

Major Events

- Invited attendance at the Jamie Oliver Pop-Up Supper Club at Castelli Winery as part of the Taste Great Southern Festival.
- Propel Arts state-wide Sketchbook Project travelling art exhibition.
- Skate Boarding Australia Clinics.
- Friday the 13th Christmas Party.
- National Youth Week 4th 13th April.
- Australia Day participation.
- 2 Denmark Youth Services Challenge Camps.
- Sustainability Festival participation.
- Denmark DORF's x 8.

Additions and Improvements to Existing Facility

- Kitchen upgrade new oven, fridge and small electrical appliances.
- · Air-conditioner installed in main room of building.
- Shed, internal rooms and main office cleaned out.
- New BBQ.
- All paper, plastic, glass, aluminium and cardboard is now recycled at Tha House.
- Compost Bin implemented and outdoor raised garden beds established.
- 17 upcycled, donated bicycles for hire (FREE) by young people.
- New donated Table Tennis table.

Grants Received

- National Youth Week grant \$1,000.
- Sport and Recreation Community grant for Denmark DORF's in collaboration with the Denmark Recreation Centre \$4,500.
- Department of Local Government and Communities grant \$10,000.
- Supervisor received a full bursary for attendance at the annual Youth Affairs Council of WA "Fairground" conference in Perth.



Centre staff with some of the local Youth participants

Ongoing Weekly Programs

Art (Wednesdays)

Initially Open Access Art, the Denmark Youth Services has taken over the management of this highly successful weekly workshop.

Bike & Skateboard Repair Workshops (Fridays)

Free bike repair workshops ran for a period of 3 months and were followed by Skateboard repair workshops.

Taste the World (Fridays)

A new addition to the weekly program, added in January 2014, these cooking workshops teach food preparation, hygiene and provide a staple meal for young attendees who may not otherwise have this option. Taste the World also involves a sit down meal where young people and Youth Workers can converse and individuals are responsible for the clean-up of their plates etc.

Movie Nights (Fridays)

Following the Bike / Skateboard Repair and Taste the World workshops a suitable film is played in the movie room.

Make-Up Workshops (Saturdays)

These Saturday afternoon workshops are a new event initiated in 2014 for young women who attend Tha House drop in centre. The workshops are focused on self-esteem and self-confidence building in a casual and non-confronting workshop.

Ceased Weekly Programs

Drumbeat African Drumming

10 week program ran in collaboration with Youth Connections Albany.

Graff Art Workshops

Although successful, it was identified by staff that Graff Art workshops were suffering somewhat of a fatigue from the ongoing and long term nature of them running. These are gradually being re-introduced again through the Wednesday Art workshops in the form of mural design.

Short Film Making Workshops

Run as part of National Youth Week this one-off project was a major success and the resulting short film was shown during Youth Week celebrations at Tha House.

Denmark DORF

8 week trial of community event run in collaboration with the Denmark Recreation Centre was highly successful - funding for the DORF's to be further pursued.

School Holiday Programs

Many and varied School Holiday activities have run over the year, listed below:

- Capoeira and Parkour Workshops.
- Skate Competitions.
- Bouncing Castle.
- Pool Competitions.
- BBQ's.
- Movie Nights.
- Hip-Hop Recording Demonstrations and Workshops.
- Trips to Albany for Art Exhibition and Movies.

Planning Services

Planning & Subdivision Applications

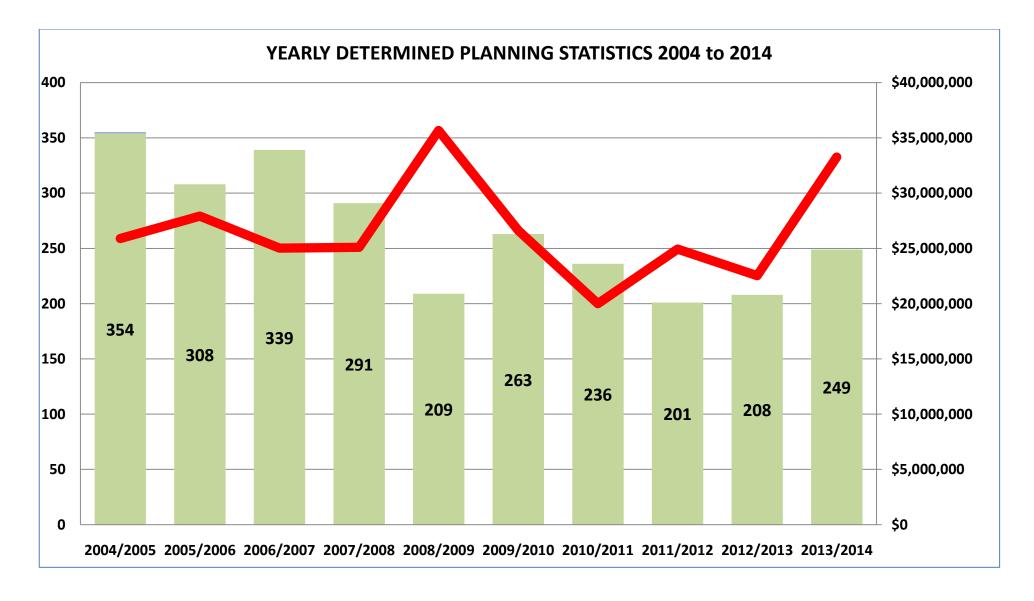
During 2013/2014, Planning Services determined a total of 249 planning applications, with a total value of \$33,266,999. Of the 249 planning applications, 239 (representing approximately 96%) were determined under delegated authority to Planning Services.

Type of Application	Number of Applications Determined	Cost of Development
Single House	61	\$17,461,347
Single House Additions/Alterations	55	\$2,033,070
Grouped Dwellings	2	\$514,740
Second House	2	\$660,000
Modification to Building Envelope	3	-
Holiday Home (Standard)	11	-
Holiday Home (Large)	3	-
Holiday Accommodation	2	-
Outbuilding	46	\$1,127,142
Change of Use	6	\$121,000
Home Occupation	5	\$10,000
Signage	3	\$1,500
Aquaculture	3	\$260,000
Commercial & Industrial	21	\$10,980,200
Rainwater Tank	4	\$75,000
Dam	1	\$26,000
Planning Approval Renewals	3	-
Amendments to Planning Approvals	18	-
Total	249	\$33,269,999

Of the above applications, one (1) planning application was considered by the Great Southern Joint Development Assessment Panel in 2013/2014, being:

Planning Approval of Proposed Shopping Centre Development on No. 82-90 (Lot 50)
 South Coast Highway, Denmark.

In relation to subdivision proposals, Planning Services provided recommendations (approval or refusal) on 26 subdivision applications (freehold and strata subdivisions) to the Western Australian Planning Commission (being the determination body for subdivisions). Of the 26 subdivision applications, a total of 27 new lots were proposed – 11 residential lots, 6 special rural lots, 1 tourist lot and 9 rural lots (includes conservation lots).



Local Planning Scheme No. 4

During 2013/14, Councillors and Planning Services staff have progressed work on draft Local Planning Scheme No. 4 – which included the following:

- Several workshops with Councillors and staff regarding community engagement processes, role of Planning Scheme etc.
- Study tour of several South-West towns that are experiencing permanent residential and tourist growth.
- Community Engagement Sessions in Denmark and Nornalup to discuss with the community the role of a Planning Scheme, its associated processes and to provide opportunities for initial feedback and discussion about the direction of the proposed new Scheme.
- Issues Based Community Workshops.

Town Planning Scheme Amendments

During 2013/2014, the number of Scheme Amendments (including Scheme Amendment requests) progressed were:

- 3 x Scheme Amendment requests were lodged with Planning Services for initial consideration by Council as to whether Council supported proceeding to the formal Scheme Amendment request stage.
- 2 x Scheme Amendments were initiated by Council for advertising purposes.
- 1 x Scheme Amendment was adopted by Council for final approval and is awaiting final approval by the Minister for Planning.

Town Planning Scheme Policies

Town Planning Scheme Policies are guidelines used to assist the Shire of Denmark in making decisions under Town Planning Scheme No. 3 and may address land use as well as development requirements. During 2013/2014, the following Town Planning Scheme Policies were considered by Council:

- Re-adoption of Policy No. 13.4: Outbuildings, and
- Adoption of Policy No. 45: Planning Application Process for Heritage Places.

Sustainability Services

Biosecurity

During 2013/2014, Sustainability Services have completed a number of weed control works and dieback management planning including:

- Control of weeds listed at a local, State or National-level on Shire road, bush land, coastal and foreshore reserves. Weeds controlled included Blackberry (*Rubus anglocandicans*) and Sydney Golden Wattle (*Acacia longifolia*).
- A broad-scale survey for dieback and a hygiene management plan was completed for Mount Hallowell Reserve with the assistance of funding by South Coast NRM.

Natural Resource Management

Sustainability Services assisted in management of the Shire's coastline, waterways and bushland in 2013/2014 by:

- Representation on the South Coast Management Group a regional representative body of coastal planners, managers and community delegates along the South Coast.
- Finalisation of the Parry Inlet Sandbar Opening Protocol.
- Development of a draft Denmark-Nornalup Heritage Rail Trail policy for public comment.
- Survey of the Denmark-Nornalup Heritage Rail Trail for maintenance requirements and infrastructure audit.

- Provision of financial assistance associated with installation of 2.5km of fencing on private property to protect waterways.
- Implementation of recommendations from the Shire of Denmark Coastal Reserves Management Strategy and Action Plan 2010–2020, namely:
 - Fencing improved at Ocean Beach lookout to assist in preventing pedestrian access to the limestone cliffs.
 - Old signage removed from Ocean Beach lookout, which was blocking views.
 - ➤ Environmental approvals and surveys completed and track alignment confirmed for future construction of the Wilderness Ocean Walk Trail, a 7 km-long trail from the Denmark Community Wind Farm to Back Beach and Lights Beach. Construction is dependent upon obtaining external funding.



Views of the Denmark coastline from the future Wilderness Ocean Walk (WOW) Trail

Climate Change Adaptation

Sustainability Services utilise the Planet Footprint Reporting Platform to monitor and analyse energy and water consumption and costs for the Shire's assets, with the aim of identifying opportunities to reduce consumption and/or costs and minimising greenhouse emissions over time.

In 2013/2014, the Shire spent a total of \$93,473 on water and power utilities, which was a decrease of 1.9% compared to 2012-13. This decrease in overall cost is attributed to a <u>7.1% decrease in energy consumption</u>, representing <u>\$7,800 decrease in costs</u> compared to last financial year (total electricity expenditure was \$76,300). However, overall water consumption across the Shire's assets <u>increased by over 35%</u> compared to 2012/13, representing <u>\$5,900 increase in costs</u> (total water expenditure was \$17,100) (see Figure 2).



Figure 2: Utility, water and energy performance for the Shire's assets for the 2013/2014 financial year compared to 2012/2013 financial year.

The top 3 electricity consuming assets in the Shire in the 2013/2014 financial year were:

- 1. **Recreation Centre** 17% of total consumption = 44,910 kWh consumption and \$12,221 in costs. This represents a 1.6% *increase* in consumption and 2.3% *increase* in costs compared to last financial year.
- 2. **Administration Building** 16% of total consumption = 42,413 kWh consumption and \$12,894 in costs. This represents a 32.6% decrease in consumption and 38.5% decrease in costs compared to last financial year. The decrease is primarily attributed to the upgrade of the solar photovoltaic system from 6 to 32.5 kWh in December 2012.
- 3. **McLean Park -** 15% of total consumption = 40,852 kWh consumption and \$11,123 in costs. This represents a 4.5% decrease in consumption and 3.8% decrease in costs compared to last financial year (see Figure 3).

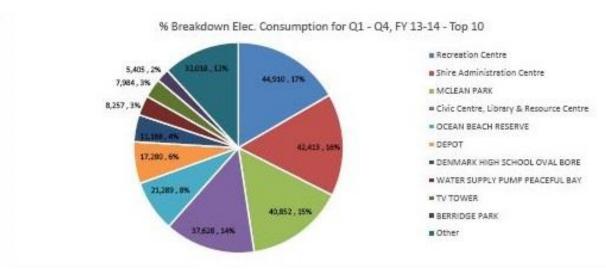


Figure 3: Comparison of total energy consumption for the Shire's assets in 2013/2014 financial year.

The top 3 water consuming assets in the Shire in the 2013/2014 financial year were:

- 1. **Berridge Park -** 26% of total consumption = 5,121 kL consumption and \$5,516 in costs. This represents a 78.3% *increase* in consumption and 130% *increase* in costs compared to last financial year.
- 2. **Zimmerman Street Standpipe -** 17% of total consumption = 3,467 kL consumption and \$1,039 in costs. This represents a 147% *increase* in consumption and 189% *increase* in costs compared to last financial year.
- 3. **McLean Park -** 11% of total consumption = 2,198 kL consumption and \$1,686 in costs. This represents a 9.7% *increase* in consumption and 11% *increase* in costs compared to last financial year (see Figure 4).

BERRIDGE PARK Zimmerman Street Standpipe 2,792,14% 454 2% MCLEAN PARK ■ Surf Life Saving Club 536.3% 5,121,26% ■ DEPOT ■ Visitors Centre 551,3% 628,3% ■ Civic Centre, Library & Resource Centre ■ Old Saleyards Recreation Centre ■ Howe Road Standpipe 3,467,17% 1,346 . 79 Other 2.198 . 11%

% Breakdown Water Consumption for Q1 - Q4, FY 13-14 - Top 10

Figure 4: Comparison of total water consumption for the Shire's assets in 2013/14 financial year.

Environmental Education, Training and Community Engagement

Sustainability Services undertook the following community engagement activities and education and training of internal staff and the community in 2013/2014:

- Sponsorship and display at the Great Southern Sustainable Living Expo.
- Meetings with Friends of Reserve groups to support their activities.
- Delivered a presentation to approximately 30 Murdoch University sustainability students on Shire of Denmark environment and sustainability issues and opportunities.
- Organised delivery (with support from South Coast NRM and Project Dieback) of Green Card dieback hygiene training for 27 Shire staff and local contractors.
- Conducted Native Vegetation Health community workshop. The workshop, which was attended by 33 community members, discussed impacts which could affect the health of native vegetation and management techniques landholders could put in place on their own property to ensure long-term health of their bushland.





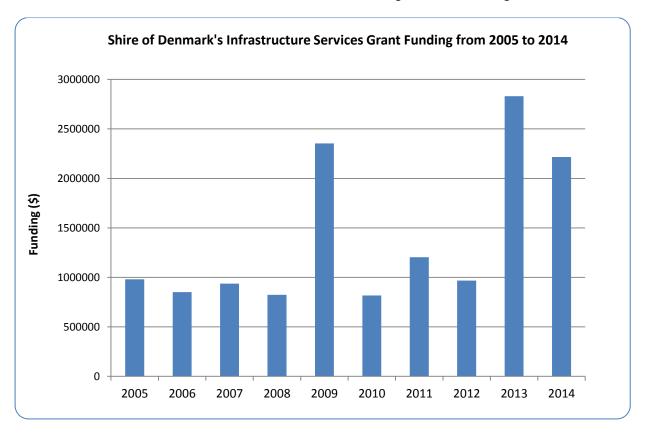
Engineering Services

The Shire Works Crew, which comprises road works, parks and gardens and refuse workers were again busy in ensuring these vital services continued to meet the expectations of local residents, under the direction of the Director of Infrastructure Services, Mr Rob Whooley. The following major projects were completed:

•	Scotsdale Road Resealing	\$ 105,746
•	Scotsdale Road Widening	\$ 1,117,707
•	Kordabup Road Gravel Resheet	\$ 38,629
•	Sunny Glen Road Gravel Resheet	\$ 99,478
•	Tingledale East Gravel Resheeting	\$ 203,295
•	Ficofolia Road Gravel Resheeting	\$ 123,704
•	Skippings Rd Gravel Resheeting	\$ 107,252
•	Harewood Road Gravel Resheeting	\$ 114,520
•	R2R - Silver Road Gravel Resheeting	\$ 35,792
•	R2R - Hamilton Road Reseal	\$ 27,501
•	R2R - Illsley Drive Reseal	\$ 31,962
•	R2R - Mohr Drive Reseal	\$ 26,920
•	Blackspot - Bandit Rd - Seal 50 Metres	\$ 12,346
•	Blackspot - Parker Road Seal	\$ 12,832
•	Randall Park - Carparking and Footpath	\$ 14,131
•	Hollings Road Landscaping	\$ 16,543
•	Lights Beach Access Road - Sealing	\$ 62,089
•	North Road Carpark - Stage 2	\$ 183,654
•	Buckley Street Reconstruction	\$ 44,961

Council's Infrastructure Services continues to source competitive external funding from State and Federal Governments to undertake key infrastructure projects throughout the Shire. The major contributors are:

- Main Roads WA with Road Project and Blackspot funding to improve road safety and help preserve significant local roads of regional importance. Examples of the use of this funding are improvements to Scotsdale Road, the highway through town and various bridge repairs.
- The Regional Bicycle Network with footpath network improvements intended to link larger communities with key destinations like town centres, schools and recreational areas using safe alternatives to motor vehicles. Path improvements have included Hollings Rd, Inlet Drive and Horsley Road.
- Recreational Boating and Fishing with upcoming projects like the Peaceful Bay Finger
 Jetty. This year we managed to secure funding for the project in the next financial year
 as well as finalise the investigative study to enable the planning and construction.
- Commodity Route funding designed to assist with improvements to minor roads transporting commodities like timber, grain and minerals to get to major roads.
- Lottery West providing funding for miscellaneous projects that cannot be financed elsewhere like the recent maintenance to the Heritage Trail Rail Bridge.



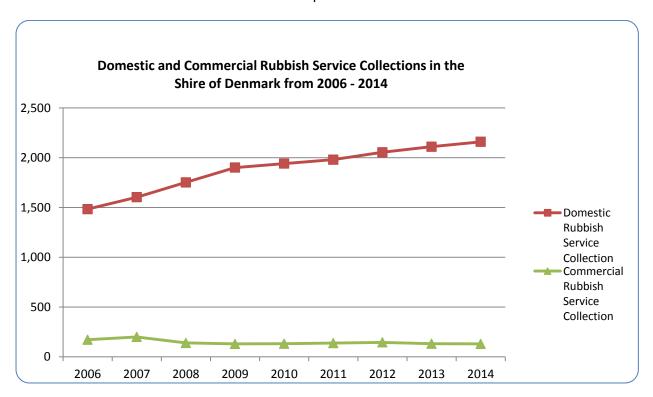
Shire of Denmark Developer Contributions is a funding mechanism designed to assist with the inevitable future upgrades to existing infrastructure as the Shire population increases. The initiative commenced in 2010 and is linked to the future population densities as shown in the town planning scheme. Developers are required to partially contribute to existing infrastructure within the town centre and along the major roads feeding into the town centre.

As the town develops, this fund will grow. The contributions are only paid once actual development occurs. The money will be used for upgrades to roads, footpaths, intersections, drainage and street lighting.

Domestic and Commercial Rubbish Services

Population growth and recent changes to town boundaries have continued to put upward pressure on current resources for dealing with waste. A review of the collection services will be undertaken in 2014 to try to reduce the workload of staff. This may include an extra day of Domestic Rubbish collection.

Commercial collections have slowly declined since 2007 as regional contractors supply diversified services to businesses like bulk skip bins.



Fire Prevention and Emergency Management

Prevention

Control Burn Program

The Shire of Denmark has developed a 5 year burn program which commenced in 2010. The program proved to be very successful and a huge step forward in an area that was previously locked into a no burn policy.

With the completion of the All West Australians Reducing Emergencies (AWARE) project, which saw the Shire's bush reserves mapped for fuel loadings and then risk assessed, a new prescribed burning program will be developed prior to the spring burning period. After adoption of the new Department of Fire and Emergency Services (DFES) controlled burning prescription guidelines in May 2014 the Shire's control burns will be in compliance with ISO31000.

Due to the long dry autumn and permits not being issued, no fuel reduction burning was undertaken.

Strategic Fire Breaks

The annual strategic fire break maintenance program for Shire and UCL reserves was carried out in December 2013 and will be reviewed in line with the AWARE risk assessments. New fire breaks have been installed following the AWARE risk assessments.

Preparedness

A training calendar for 2014 has been developed in conjunction with the DFES District Manager and consists of the following training courses:

- Intro to Fire Fighting 12th April
- Bush Fire Fighting 3rd May
- AIIMS Awareness 14th May Albany
- Crew Leader 17th May
- WAERN Basic 9th June
- FCO Course 19th & 20th July
- Advanced Bush Fire Fighting 23rd August
- Intro to Pump Operations 20th September
- Intro to Fire Fighting 11th October
- Bush Fire Fighting 1st November
- Fire Bombing and Senior First Aid training will be confirmed around August.

The above listed training has been added to the 2014 DFES Regional Training Calendar.

The Shire of Denmark's Evacuation Plan and Welfare Support Plan has identified 5 key relocation centres within the Shire of Denmark. It is intended that this will be updated in early 2015 with the Department of Child Protection and Family Support reviewing the welfare plan and property changing ownership.

The Shire of Denmark has also identified 2 Emergency Coordination Centres, with the main Emergency Control Centre located in the Shire's Committee Room. The room is connected to a backup generator, has connections for 3 WAERN radios, 3 laptops, mapping and data information, a SMART television and a computer linked to the Shire's computer network. This will greatly assist in the logging of information and formation of incident action plans. Shire staff have been receiving basic training in incident support.

A maintenance program of the 26 designated water points located within Denmark is conducted each year prior to the fire season. This identifies any repairs required and any water tanks that need filling prior to the fire season. With recent and future tank instalments, almost every bush fire station within the Shire of Denmark has become a strategic water point, with the objective being to eventually have a minimum of 40,000L of firefighting water available at each fire station.

On the 2nd April 2014 the Shire hosted an evacuation exercise which was facilitated by the DFES Great Southern Chief Emergency Management Officer. The project was undertaken to identify critical information should the Peaceful Bay town site need to be evacuated due to a significant incident.

Response

The Shire of Denmark Volunteer Bush Fire Brigades attended to a total of twenty incidents over the last financial year. Whilst Denmark experienced some severe fire weather conditions there were few sources of ignition and the number of incidents was considerably down on the previous year.

The SES was also kept busy during the year responding to localised flash flooding and storm damage and also provided assistance responding to incidents outside the Shire.

Recovery

The recovery plans were not invoked during the last financial year.



Shire of Denmark, Clear Hills Fire

Building Services

In terms of building activity it can be seen from the accompanying statistics the 2013/2014 numbers of building approvals have increased in all areas in comparison to the preceding years. In addition the cost of development total has increased by \$4,878,926.

The 2013/2014 statistics confirm that the downward trend in numbers of buildings constructed bottomed out in 2011/2012 and that the numbers are now increasing. In addition, the total value of approved work which has continued to increase is now approaching that of the previous building boom year of 2005/2006.

Building Statistics Summary 2013/2014												
No. of Permits Issued Total Value of Approved W												
Description	2012/2013	2013/2014	2012/2013	2013/2014								
Single Houses	47	58	\$12,663,064	\$15,328,094								
Additions to Single Houses	31 54 \$841,3		1 54 \$841,387									
Outbuildings (Not Rural)	29	50	\$639,100	\$1,207,388								
Rural Outbuildings	18	9	\$422,273	\$273,000								
Commercial & Industrial	4	9	\$602,000	\$1,859,614								
TOTAL	129	180	\$15,167,824	\$20,046,750								

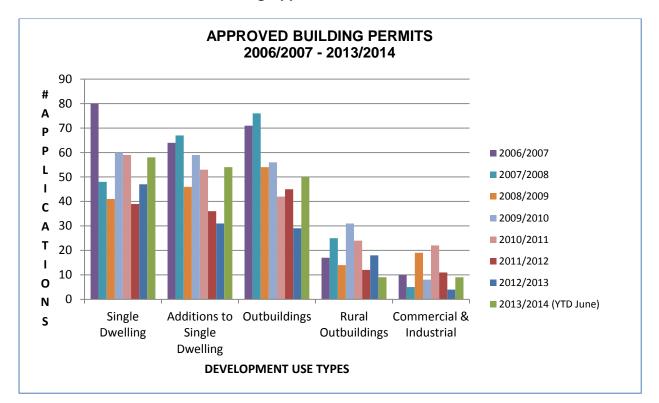


FIG 5 - Building Approvals 2006/2007 to 2013/2014

Law and Order

Kangaroo removal

Livestock Investigation

Ranger activity for the 2013/2014 year was as follows, with a comparison of previous years for information purposes:

Category	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010
Cat Control					
Impounded	10	N/A	N/A	N/A	N/A
Infringements	2	N/A	N/A	N/A	N/A
Dog Control					
Impounded	55	58	39	44	45
Cautions	122	43	62	63	20
Infringements	38	12	9	4	11
Bushfire					
Cautions/Education	942	456	85	179	0
Warnings	0	199	0	0	31
Infringements	10	27	12	14	1
Litter Control					
Verbal Warnings	5	Not Recorded	10	3	0
Infringements	3	1	0	0	0
Camping					
Cautions	12	16	41	44	48
Infringements	37	5	4	0	1
Miscellaneous					
Off Road Vehicle warnings	1	5	2	0	6

55

98

58

109

50

200

Table 1 - Summary of Rangers Activity

49

99

55

131

Category	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010
Livestock Infringement	16	5	1		
Snake removal	16	13	20	35	37
Car parking					
Cautions	141	174	59	74	100
Verbal warnings	246	Not recorded	216	343	302
Infringements	45	62	13	4	5

Ranger Services is responsible to the general public within the Shire of Denmark to educate and enforce various State and Local Laws: animal control, fire mitigation compliance, litter, parking and illegal camping, livestock and the occasional snake relocation.



Ranger David Lonie undertaking a safe Snake removal

We strive to provide excellent customer service when called upon by conducting investigations, inspections in relation to complaints, and provide an outcome that will satisfy both parties.

There are a number of Community events held throughout the year that Rangers are present and assist with: the Denmark Arts Market which hold 5 market days each year, Australia Day Breakfast, Anzac Day Parade, Chamber of Commerce Christmas Parade, New Year's Eve at Peaceful Bay, Million Paws Walk, all being amazing events which bring an influx of visitors and business to our town. These all require out of hours attendance and increased workload, requiring casual Rangers to be brought in from time to time to assist.

Public Health

During the 2013/2014 year the following activities were undertaken by the Principal Environmental Health Officer (PEHO) and by the Director of Community and Regulatory Services who is also a qualified EHO.

- 1. Education to food premises was given, and the "I'm Alert" food programme has been a useful tool that most food handlers have completed.
- 2. Ongoing monitoring of smoke pollution in Denmark and education in smoke reduction when burning garden waste has been conducted.
- 3. Water sampling regarding the water quality in the Wilson Inlet implemented by the Principal Environmental Health Officer is still ongoing and recent consultation with the Department of Health has been conducted regarding the water sampling sites. This program was focused on recreational contact points that are near Denmark's CBD and the Rivermouth sewerage outfall.
- 4. Ongoing water samples at Peaceful Bay have been carried out and a report has been compiled for the Peaceful Bay Non Potable Water Supply audit.
- 5. Information also has been given to Department of Environmental Regulation regarding the most recent monitoring data from the bore samples at the McIntosh Rd Tip site.
- 6. A survey was completed for the Local Health Authorities Analytical Committee and an extensive food access & cost survey was also carried out.
- 7. A number of asbestos samples have been taken and sent to MPL Laboratories for asbestos fibre identification.
- 8. Feedback has been given to the Health Department (Poison Unit) regarding an overspray incident.



Principal Environmental Health Officer Robert Ohle taking swab samples to identify asbestos fibres

The following activities were also undertaken:

Onsite Effluent Disposal

51 septic tank approvals were issued.

Complaint Responses

32 formal complaints were responded to.

Sampling Program

242 water samples were taken comprising, 26 chemical and 215 bacteriological samples and 1 sample was taken for suspended solids.

Caravan Parks

9 caravan and camping ground inspections were undertaken during 2013/2014.

Food Premises

191 food premises assessments were carried out.

7 food businesses registration certificates were issued.

48 stallholders licences have been issued.

Home Holiday Accommodation

20 Home Holiday accommodation premises were inspected.

Meat Inspections

12 meat inspections were carried out.

Peaceful Bay leasehold properties

11 inspections & property reports were carried out.

Peaceful Bay Water Supply

During 2013/2014 the Peaceful Bay non potable (not for drinking) water served 203 leasehold holiday lots and 5 other connections via 2.2km of water mains without a disruption in supply.

The water supply which is licenced under Economic Regulation Authority licence no 39 successfully passed an independent asset and risk management audit that was conducted by Paxon Group and now operates on a 3 yearly audit cycle.

During the 2013/2014 year the following was achieved:

- 1. A full refurbishment of the supply's coastal bore including the fitment of bushfire sprinklers. Taps for monitoring draw down were also fitted to the bore.
- 2. Hour meters were fitted to all of the pumps.
- 3. Photographic operating manuals were produced.
- 4. A full feature survey of the supply and its reticulation mains by Denmark Survey and Mapping.
- 5. Identified the location of the 1.8km long power cable that runs out to the bore and its junction box.
- Appointed Olly Wakka as a part-time water supply maintenance officer to perform minor maintenance, locate property isolation valves and check performance of the system during peak periods.

STATUTORY REPORTING MATTERS

(As prescribed by legislation)

Overview of Plan for the Future

(Local Government Act 1995 Section 5.51 (2) (e)

Section 5.56 of the Local Government Act 1995 requires a Local Government to plan for the future of the district.

This requirement, which replaced the previous Principal Activities Plan, has now been further defined by the Act to require all local authorities to adopt a Ten Year Strategic Community Plan and Corporate Business Plan by 30 June 2014.

Council undertook significant consultation with our local community and property owners through the year with respect to the formation of a Strategic Community Plan where members of the community invested time and energy into contributing to the various workshops, meetings, calls for submissions etc. that formed part of this process.

The Shire of Denmark Strategic Community Plan was adopted by Council in October 2013.

A complete copy of the Shire of Denmark Strategic Community Plan can be downloaded from the Shire's website http://www.denmark.wa.gov.au/governance-documents-and-forms.

Local Laws

During the reporting year Council did not adopt nor review any new local laws.

Public Interest Disclosure Act 2003

In accordance with this legislation, procedures have been implemented to facilitate reporting and action on public interest disclosures.

During the 2013/2014 reporting period no public interest disclosures were lodged.

Responsible Officer: Mr Kim Dolzadelli; Director of Finance and Administration

Disability Access and Inclusion Plan (DAIP)

Council adopted a new Shire of Denmark Disability Access and Inclusion Plan (DAIP) in July 2013 which was subsequently lodged with the Disability Services Commission, pursuant to the Disability Services Act 1993. The next major review of the DAIP is scheduled for June 2018 and the Council's Disability Services Advisory Committee has the ongoing task of working towards achieving the seven (7) major outcomes of the plan.

The DAIP builds on the capacity for people with disabilities to access services, facilities and information in a way that promotes independence, opportunities and inclusion in the community and promotes participation in decision making processes.

The 2013 DAIP identifies 18 strategies to achieve the (7) outcomes. The Disability Services Advisory Committee has commenced working through an Implementation Plan to undertake the actions required to attain the goals which are detailed in the DAIP. A complete copy of the Shire of Denmark DAIP can be downloaded from the Shire's website at http://www.denmark.wa.gov.au/media/uploads/files/Disability_Access_&_Inclusion_Plan_2013_-ADOPTED_090713.pdf

Progress Report 2013-2014 – provided to Disability Services Commission

Name of public authority: Shire of Denmark

1. For 2013–2014, please indicate in each of the outcome areas of your DAIP:

	Number of strategies/ initiatives planned (Strategies/ initiatives planned whether implemented or not).	Strategies/ initiatives completed (Strategies / initiatives that were completed. Include on- going strategies).	Overall how effective have your completed strategies/initiatives been in enhancing access and inclusion on a scale of 1-4? Please rate each completed strategy / initiatives using the rating scale below.													
Outcome 1	12	4	4	4	4	4										
Outcome 2	19	4	4	4	4	3										
Outcome 3	3	0														
Outcome 4	4	1	3													
Outcome 5	5	0														
Outcome 6	5	0				·										
Outcome 7	2	0														

- 1. Ineffective did not enhance access and inclusion.
- 2. Average enhanced access and inclusion in the interim but was not sustainable.
- 3. **Effective –** enhanced access and inclusion.
- **4. Unsure –** unsure or too early to tell whether access and inclusion was enhanced.

2. For 2013—2014, how have you informed Agents and Contractors about your DAIP? (Please tick)

	1
Provided a copy of your agency DAIP	х
Provided a link to the DAIP on your website	✓
Sent a letter	х
Referenced in a contract(s)	x
Referenced in a contract variation(s)	x
Included requirement in funding/sponsorship agreements	x
Other (please describe)	

3. How do Agents or Contractors report progress of outcomes to you? (Please tick)

Through internal annual progress reporting systems (email, meetings etc.)	
Completing a contractor progress reporting template	
Did not report (please explain)	Х
The Agents or Contractors which Council may engage from time to time are involved in projects which are overseen by Council Officers who are aware of the Shire of Denmark's DAIP.	

4. Please provide a description of any significant DAIP initiatives undertaken by your organisation and by agents and contractors in 2013–2014.

Initiatives undertaken by your organisation to enhance access and inclusion.

- Installation of an additional Dual Use Path within the CBD (approx. 1.5km)
- Commenced installation of a Dual Use Path along major connecting Road within the Shire of Denmark (approx. 3km in length). Will connect one of the Primary Schools to the CBD when finished.
- Installation of new sealed car park for Randall Park (within the CBD) including footpath to ramp access.
- Sealed Lights Beach Access Road now all-weather 2wd access.
- Sealing of the Morgan Richards Community Centre car park (within the CBD) inclusion of new, additional ACROD Bay and accessible Dual Use Path.
- Inclusion of a new, additional ACROD parking bay within the CBD, opposite major supermarket, and installation of appropriately located on/off ramps.
- Installation of a second hand rail at the entrance to the Recreation Centre Function Room.
- Activities held in acknowledgement and promotion of the International Day of People with Disability, events held in 2013 were:
 - Wheelchair Challenge Elected Members and Council Officers participated in a wheelchair challenge around the Denmark CBD which provided insight into access & inclusion issues within the CBD for Council and Business Owners.
 - Supported Green Skills Inc in facilitating free art workshops (Hobbies are Healthy) for people with disability & their carers – held over October/November 2013.
- Inclusion of questions relating to accessibility (mobility) in the Council's Event & Function Evaluation Form.
- Implementation of the new Organisation Procedure requesting all Employees to include reference to Council related documents and information being available in alternate formats upon request.
- Disability Services Advisory Committee meetings held every 2 months.

Initiatives undertaken by your agents or contractors to enhance access and inclusion. None.

5. What challenges did you experience with strategies / initiatives not completed? (Please tick):

Budgetary constraints (please explain)	
Lack of support / input and feedback from the community (please explain)	
Difficulties with contractor or agent input (please explain)	
Difficulties coordinating strategies/initiatives (please explain)	
Other (please explain):	

Recordkeeping Plans

During 2013/2014 the Shire of Denmark Record Keeping plan was the subject of a comprehensive review and in March 2014 the State Records Commission approved an amended Recordkeeping Plan (RKP 2013034) for the Shire of Denmark.

Arising from this Plan, Council has adopted a series of policies and procedures that will continue to ensure that records are captured, stored and retained in accordance with the State Records Act 2000.

Staff continue to undergo training in the ERMS and record keeping practices generally, to ensure that all appropriate records are captured and retained and that a system is in place to allow the records to be retrieved. The induction manual for all staff also includes directions on recordkeeping requirements, roles and responsibilities.

Freedom of Information Requests

During the 2013/2014 year, Council received three requests for information under Freedom of Information Act.

Council prides itself on being both accountable and accessible to electors and unless containing certain matters such as personal information etc. is generally able to satisfy all requests for information on any Council related matter outside of the requirements of this Act.

Responsible Officer: Mr Kim Dolzadelli; Director of Finance and Administration

Complaints Lodged Under Provisions of Local Government Act 1995

The Local Government Act was amended during 2007/2008, providing for a new complaints system for breaches of the Act by Councillors and Staff. No complaints were received during 2013/2014.

Responsible Officer: Mr Kim Dolzadelli; Director of Finance and Administration

Employee's Remuneration

In accordance with Section 5.53(2) (g) of the Local Government Act 1995 and Section 19B of the Local Government (Administration) Regulations 1996, the following information is provided with respect to employees' annual salary entitlement:

Set out below, in bands of \$10,000, is the number of employees of the Shire remunerated with an annual salary of \$100,000 or more.

Salary Range \$	Number of Employees
100,000 - 109,999	1
110,000 - 119,999	3
120,000 - 129,999	0
130,000 - 139,999	0
140,000 - 149,999	0
150,000 - 159,999	0
160,000 - 169,999	1

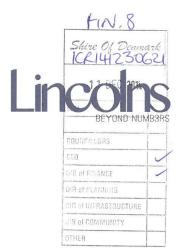


Australia Day 2014 Breakfast Berridge Park Denmark

Independent Auditor Report

9 December 2014

Attn: Dale Stewart Chief Executive Officer Shire of Denmark PO Box 183 DENMARK WA 6333



Dear Councillors,

Audit for the year ended 30 June 2014

We are pleased to report that our audit of the Shire of Denmark's financial statements and records for the year ended 30 June 2014 is now complete.

Accordingly we enclose a signed copy of the financial statements and audit certificate for your attention.

We confirm that we will arrange for one copy to be forwarded directly to the Department of Local Government, and the Shire President on your behalf.

Prior to reporting findings for Council and Management of the nature of audit tests conducted. The work undertaken by us to form an opinion is permeated by judgment, in particular regarding the nature, timing and extent of the audit procedures for gathering of audit evidence and the drawing of conclusions based on the audit evidence gathered.

In addition, there are inherent limitations in any audit. These include the use of testing, collusion and the fact that most audit evidence is persuasive rather than conclusive. As a result, our audit provides reasonable – not absolute – assurance that the financial systems of the Shire of Denmark are functioning reliably.

In general we found the financial statements presented for audit were well prepared and supporting audit papers were complete and readily available.

We undertook a complete assessment of the Shire's financial systems and assessed areas of risk

We are pleased to report that this review confirmed the strong internal controls within the financial and reporting systems of the Shire of Denmark.

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'Liability limited by a Scheme approved under Professional Standards Legislation'

Comment on Financial Position

The following table compares your financial ratios (note 19) to standards prescribed by the Local Government Regulations:

Ratio	Description	Result	Prescribed Standard
Current Ratio	Indicates the Shire's ability to meet short term debt obligations.	0.79	The standard is met if the ratio is greater than 1.
Asset Sustainability Ratio	Indicates that the Shire is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.	0.30	The standard is met if the ratio is 0.9 or higher.
Debt Service Cover Ratio	Indicates the Shire's ability to repay its debt including lease payments.	2.96	A basic standard is met if the ratio is greater than or equal to 2. An advanced standard is met if the ratio is greater than 5.
Operating Surplus Ratio	Indicates the Shire's ability to cover its operational costs and have revenues available for capital funding or other purposes.	(0.22)	A basic standard is met between 0.01 and 0.15. An advanced standard is met if the ratio is greater than 0.15.
Own Source Revenue Coverage Ratio	Indicates the Shire's ability to cover its costs through its own revenue efforts.	0.71	A basic standard is met if the ratio is between 0.4 and 0.6. Intermediate standard is between 0.6 and 0.9. An advanced standard is met if the ratio is greater than 0.9.
Asset Consumption Ratio	Measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost	0.64	The standard is met if the ratio is 0.5 or greater. The standard is improving if the ratio is between 0.6 and 0.75.
Asset Renewal Funding Ratio	Measures the ability of the Shire to fund its projected asset renewal/replacements in the future.	N/A	The standard is met if the ratio is between 0.75 and 0.95. The standard is improving if the ratio is between 0.95 and 1.05.

-3-

Other Matters

We refer you to the attached audit observations and comments schedule.

In conclusion we take this opportunity to thank Kim, Steve and your administration staff for their pleasant and co-operative assistance throughout the audit.

Should there be any matters that you would like to discuss further please do not hesitate to contact us.

Kind Regards

Russell Harrison

Partner

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INDEPENDENT AUDITOR'S REPORT TO THE RATEPAYERS OF THE SHIRE OF DENMARK



Report on the Financial Report

We have audited the accompanying financial report of the Shire of Denmark, which comprises the balance sheet as at 30 June 2014, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud and error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have followed applicable independence requirements of Australian professional ethical pronouncements.

TO 74 Frederick Street, DO SON ASA, ALBANY WA 6731.
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INDEPENDENT AUDITOR'S REPORT TO THE RATEPAYERS OF THE SHIRE OF DENMARK

Emphasis of Matter

Local Government Act 1995 section 6.4 and Local Government (Financial Management) Regulations 1996 (as amended), regulation 50 (1)(c) requires that the annual financial report include an asset renewal funding ratio. Council is unable to calculate the asset renewal funding ratio as supporting data was not available at the time of preparing the annual financial report.

Auditor's Opinion

In our opinion, except for the above emphasis of matter, the financial report of the Shire of Denmark is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- giving a true and fair view of the Shire's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Other Matters

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- (a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- (b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- (c) All necessary information and explanations were obtained by us.
- (d) All audit procedures were satisfactorily completed in conducting our audit.
- e) In relation to the Asset Consumption Ratio presented at page 49 of this report, we have reviewed the calculations as presented and in our opinion this is:
 - i) Based on verifiable information; and
 - ii) Reasonable assumptions.
- (f) In relation to the Asset Renewal Funding Ratio, we note that the information required for the ratio has not been completed.
- (g) The Shire has not completed the Asset Management Plan or Long Term Financial Plan as required by Administration Regulation 19D.

Russell Harrison, Partner

Lincolns Accountants and Business Advisers

70 - 74 Frederick Street, Albany WA Dated this. day of December 2014.

2013/2014 Annual Financial Report Executive Summary

The following is a summary of the financial position of the Shire of Denmark as at 30 June 2014. It is designed to summarise and provide comment on the financial information contained within the Annual Financial Report to assist Electors in comprehending this information.

Overall Financial Position

The Shire of Denmark's Net Result was \$3,328,041 - an increase on the 2012/2013 result which was \$2,397,716. However, the difference was attributable to the bringing to account of land valued at \$1.47m which was not previously recognised as a financial asset of the Shire.

The Council has strong financial reserves and a relatively low loan borrowing position (excluding self-supporting loans), all good indicators of our capacity to fund future projects and ongoing financial commitments. The Draft Long Term Financial Plan, currently being prepared for Council prior to seeking public comment, addresses this issue over the ten year life of this Plan.

The biggest financial concern for the Shire is our need to carefully manage expenditure, particularly salaries and wages costs as our single biggest expenditure item, and ensure they do not reach levels where annual increases (CPI increases, new positions etc.) do not exceed additional income to be received by Council.

Summary of Income and Expenditure

Council's various income and expenditure streams are classified into certain types, specified by the Local Government (Financial Management) Regulations 1996. These classifications are based on either Program (Governance, Recreation and Culture etc.) or Nature and Type (employee costs, rates, insurance etc.).

The following graphs are designed to illustrate where the main sources of revenue for the Shire are derived from and where it is spent.

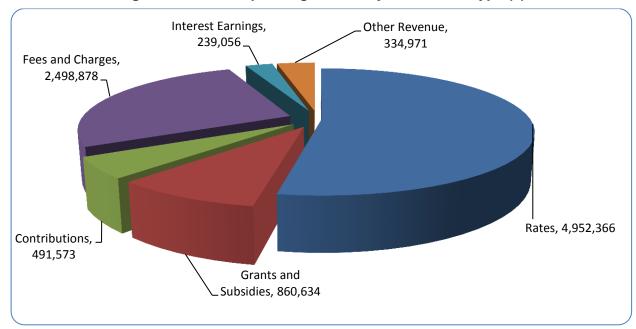


Fig 1 - 2013/2014 Operating Income by Nature and Type (\$)

Rates

Rates paid by property owners are the single largest income stream available to the Shire.

The number of properties that comprised the rates base of the Shire increased by 24 properties which continues a return to the steady growth experienced in the Shire.

This is an important indicator for the Shire, as growth in the number of ratable properties allows the rates burden to be borne by an increased number of owners and reduces the pressure on Council to increase rates on existing owners when determining the annual budget.

The average rates, excluding all service charges, paid by the owner of a four bedroom and two bathroom residence was \$1,308 up from \$1,124 in the previous year.

Table 1 – Summary of Rates Base History for Shire of Denmark Total Asset Expenditure

Year	No of Rateable Properties	Total Rates Levied	Ave Residential Rate (A2077)
2013/2014	3,861	\$4,952,366	\$1,308
2012/2013	3,837	\$4,682,290	\$1,124
2011/2012	3,811	\$4,242,245	\$1,038
2010/2011	3,772	\$3,919,755	\$908
2009/2010	3,656	\$3,700,382	\$856
2008/2009	3,636	\$3,404,550	\$820
2007/2008	3,496	\$3,241,758	\$784

Employee Costs,
4,778,937

Other

Expenditure,
596,233

Materials and
Contracts,
1,979,604

Utilities, 219,975

Loan Interest,
153,819

252,851

Fig 2 - 2013/14 Operating Expenditure by Nature and Type (\$)

Employee costs which are a combination of salary and wages, superannuation, workers compensation insurance, protective clothing/uniforms and fringe benefits tax are the largest operating expense for the Shire. Not withstanding pressures of national wage and Enterprise Bargaining Agreements, Council has managed to keep these to a manageable level in 2013/2014.

Depreciation is a non-cash expense and is deducted from Shire accounts when adopting the Annual Budget. That said, it is still an important financial indicator as this is the amount Council should in theory be expending on capital and maintenance works on these assets to preserve their useful life and ensure they maintain their maximum value.

Loans

Only one new loan was undertaken by Council during 2013/2014 of \$345,000 to fund the purchase of a new Dennis Eagle Compacting Rubbish Truck.

After principal repayments were made on existing loans, Council's total debt position was \$2,403,705. This amount includes self-supporting loans totaling \$175,842 (or 7.31%) which is payable to Council by the various community organisations to whom these funds have been lent.

All Council loans, including self-supporting loans, are undertaken with the Western Australian Treasury Corporation, a lending arm of State Government Treasury, to take advantage of the lower interest rates available to government organisations.

A summary of total debt outstanding for the past ten years is as follows:

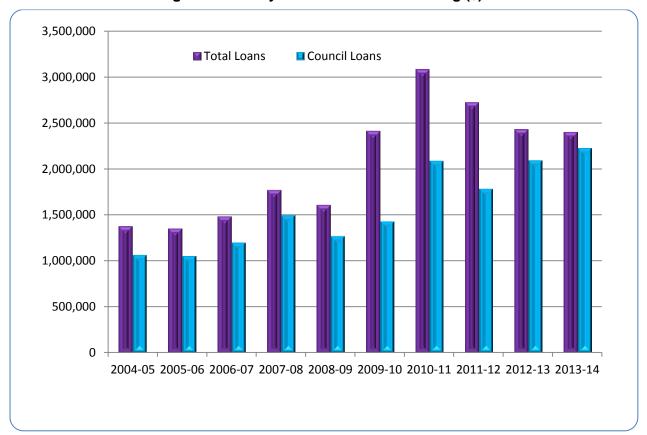


Fig 3 - Summary of Total Debt Outstanding (\$)

Reserves

The Shire of Denmark's total cash-backed Reserve Funds increased by \$1,197,865 during the 2013/14 financial year, to reflect the investment interest earned during the past year and in some cases, lump sum transfers from the Municipal Fund to the Reserves as some of these funds were used for the purpose for which they were set aside.

It is the view of Council and Staff that some of these Reserve Funds, namely the Plant Replacement and Waste Management Reserves, are underfunded to finance future expenditures. A strategy to address this situation is to be implemented with the preparation and adoption of a Ten Year Financial Plan for the Shire.

A summary of Reserve Fund balances for the past ten years is as follows:

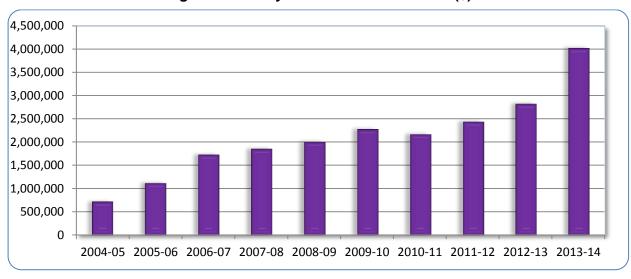


Fig 4 - Summary of Total Reserve Funds (\$)

Capital Expenditure

Expenditure on capital works and purchases for the 2013/2014 year is as follows for the individual classes of assets, with a comparison for the previous financial year for information purposes:

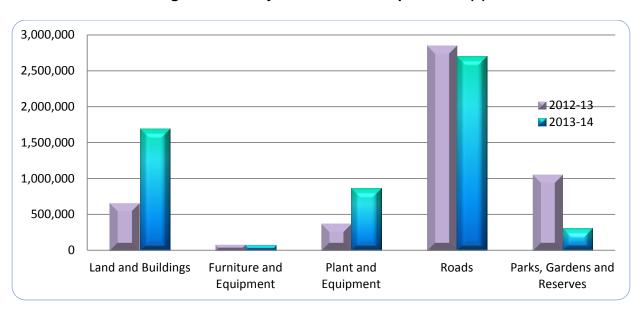


Fig 5 - Summary of Total Asset Expenditure (\$)

Key Financial Indicators (Financial Ratios)

Changes to the Local Government (Financial Management) Regulations 1996, Section 50 (1), introduced a new set of Financial Ratios for all Western Australian Local Governments to report on, the new ratios are as follows:

Ratio	Description	Result	Prescribed Standard
Current	Indicates the Shire's ability to	0.79	The standard is met if the ratio is
Ratio	meet short term debt obligations.		greater than 1.
Asset	Indicates that the Shire is	0.30	The standard is met if the ratio is
Sustainability	replacing or renewing existing		0.9 or higher.
Ratio	non-financial assets at the same rate that its overall asset stock is		
	wearing out.		
Debt Service	Indicates the Shire's ability to	2.96	A basic standard is met if the
Cover Ratio	repay its debt including lease		ratio is greater than or equal to 2.
	payments.		An advanced standard is met if
0 "	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	(0.00)	the ratio is greater than 5.
Operating	Indicates the Shire's ability to	(0.22)	A basic standard is met between
Surplus Ratio	cover its operational costs and have revenues available for		0.01 and 0.15. An advanced standard is met if the ratio is
Nalio	capital funding or other		greater than 0.15.
	purposes.		greater than 5.16.
Own Source	Indicates the Shire's ability to	0.71	A basic standard is met if the
Revenue	cover its costs through its own		ratio is between 0.4 and 0.6.
Coverage	revenue efforts.		Intermediate standard is between
Ratio			0.6 and 0.9. An advanced
			standard is met if the ratio is greater than 0.9.
Asset	Measures the extent to which	0.64	The standard is met if the ratio is
Consumption	depreciable assets have been	0.0	0.5 or greater. The standard is
Ratio	consumed by comparing their		improving if the ratio is between
	written down value to their		0.6 and 0.75.
	replacement cost		
Asset	Measures the ability of the Shire	N/A	The standard is met if the ratio is
Renewal	to fund its projected asset		between 0.75 and 0.95. The
Funding Ratio	renewal/replacements in the future.		standard is improving if the ratio is between 0.95 and 1.05.
Natio	iuluie.		is between 0.30 and 1.00.

Summary

Although there are financial challenges ahead for the Shire of Denmark, particularly to provide for the long term replacement of Council's infrastructure (roads, footpaths etc.) and the management of operating costs, the Shire is generally well placed to meet these challenges due to the expected continued population growth and relatively sound financial position of the Shire.

The Annual Financial Statement is a complex document and Council welcomes any comment or questions from ratepayers and residents regarding any of the information contained therein or on the general financial management of the Shire.

SHIRE OF DENMARK'S PRINCIPAL PREFERRED CONSULTANTS, ADVISORS AND AGENTS

Solicitors

McLeods Barristers and Lawyers Stirling Law Chambers 220-222 Stirling Highway Claremont WA 6010

Auditors

Lincolns Chartered Accountants PO Box 494 Albany WA 6330

Banking Services

National Australia Bank Ltd 59 Strickland St Denmark WA 6333

Debt Recovery Agents

Austral Mercantile Collections Level 12, 256 Adelaide Terrace Perth WA 6000

Insurance Broking

Local Government Insurance Services PO Box 1003 West Perth WA 6872

Taxation and Accounting

WALGA Tax Service/UHY Haines Norton Chartered Accountants 15 Altona St West Perth WA 6872

Human Resources Consultancy

WALGA – Workplace Solutions 15 Altona St West Perth WA 6872

Risk Management/Occupational Health and Safety Consultancy

Local Government Insurance Services PO Box 1003 West Perth WA 6872

(The above list is provided to inform Electors of those companies who provide significant technical advice and expertise to Council. It is not intended to be an exhaustive list of all external parties who are engaged to provide specific services to Council).

APPENDIX A 2013/14 Annual Financial Report



SHIRE OF DENMARK

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2014

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Principal place of business: 952 South Coast Highway, Denmark WA

SHIRE OF DENMARK FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2014

LOCAL GOVERNMENT ACT 1995 LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Denmark being the annual financial report and other information for the financial year ended 30 June 2014 are in my opinion properly drawn up to present fairly the financial position of the Shire of Denmark at 30 June 2014 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the Third day of December 2014

Dale Stewart

Chief Executive Officer

SHIRE OF DENMARK STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE FOR THE YEAR ENDED 30TH JUNE 2014

			Budget	
	NOTE	2014	2014 \$	2013 \$
		\$	Þ	Þ
Revenue				
Rates	23	4,952,366	4,945,310	4,682,920
Operating Grants, Subsidies	29	860,634	2,571,796	2,415,639
Contributions and Reimbursements		491,573	323,466	712,318
Fees and Charges	28	2,498,878	2,271,233	2,351,000
Service Charges	25	0	0	0
Interest Earnings	2(a)	239,056	207,978	233,945
Other Revenue		334,971	267,663	332,604
		9,377,478	10,587,446	10,728,426
Expenses				
Employee Costs		(4,778,937)	(4,755,474)	(4,413,021)
Materials and Contracts		(1,979,604)	(1,865,637)	(2,607,544)
Utility Charges		(219,975)	(224,462)	(216,355)
Depreciation on Non-Current Assets	2(a)	(3,119,429)	(3,324,211)	(3,326,861)
Interest Expenses	2(a)	(153,819)	(149,704)	(169,167)
Insurance Expenses	(/	(252,851)	(265,620)	(232,576)
Other Expenditure		(596,233)	(670,151)	(488,392)
·		(11,100,848)	(11,255,259)	(11,453,916)
		(1,723,370)	(667,813)	(725,490)
Non-Operating Grants, Subsidies and				
Contributions	29	3,563,081	4,000,204	2,864,763
Initial Recognition of Golf Course	23	1,470,320	4,000,204	2,004,700
Loss on Revaluation of Fixed Assets	2(a)	0	0	0
Profit on Asset Disposals	21	36,647	38,649	15,377
Loss on Asset Disposals	21	(18,636)	(17,000)	(19,504)
2000 0117 10001 2 10p000010		(10,000)	(,000)	(10,001)
NET RESULT		3,328,041	3,354,040	2,135,146
Changes on Revaluation of Non-Current Assets	13	12,830,539	0	262,569
Revaluation Reserve Adjustment		(7,582)	0	0
Total Other Comprehensive Income		12,822,957	0	262,569
Total Comprehensive Income		16,150,998	3,354,040	2,397,715
-				

SHIRE OF DENMARK STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014	Budget 2014	2013
D		\$	\$	\$
Revenue Governance		7,642	18,851	13,475
General Purpose Funding		5,731,600	5,677,624	5,981,105
Law, Order, Public Safety		278,895	248,856	288,156
Health		34,893	26,064	28,959
Education and Welfare		53,106	19,743	33,859
Housing		7,430	32,595	13,548
Community Amenities		1,422,677	1,637,050	1,353,315
Recreation and Culture		454,538	507,159	678,949
Transport		406,793	1,598,890	1,418,863
Economic Services		779,694	755,574	751,593
Other Property and Services	o()	200,209	65,037	166,602
Evnances	2(a)	9,377,477	10,587,446	10,728,426
Expenses Governance		(503,394)	(533,606)	(467,009)
General Purpose Funding		(320,342)	(343,054)	(313,158)
Law, Order, Public Safety		(1,024,240)	(1,134,092)	(1,070,226)
Health		(208,685)	(232,835)	(199,086)
Education and Welfare		(285,263)	(259,204)	(244,546)
Housing		(12,689)	(71,161)	(14,689)
Community Amenities		(1,979,581)	(2,141,833)	(1,867,259)
Recreation & Culture		(2,031,275)	(2,050,787)	(1,875,673)
Transport		(3,596,546)	(3,416,802)	(4,318,811)
Economic Services		(823,212)	(857,862)	(740,647)
Other Property and Services		(161,803)	(64,319)	(173,644)
	2(a)	(10,947,030)	(11,105,555)	(11,284,748)
Financial Costs				
Governance		(9,960)	(9,911)	(11,575)
Education and Welfare		0	0	(650)
Housing		(49,266)	(49,551)	(51,864)
Community Amenities		(2,363)	(104)	0
Recreation & Culture		(29,884)	(28,348)	(32,813)
Transport		(20,264)	(19,982)	(27,753)
Economic Services	2(a)	(42,082)	(41,808)	(44,511)
Non-Operating Grants and Subsidies	2(a)	(153,819)	(149,704)	(169,166)
General Purpose Funding		0	0	266,000
Law, Order, Public Safety		381,698	374,240	296,955
Recreation & Culture		2,112,408	2,044,431	581,841
Transport		1,942,599	984,836	1,719,967
Economic Services		596,697	596,697	0
	•	5,033,402	4,000,204	2,864,763
Profit/(Loss) on Disposal of Assets				
Governance		11,158	25,361	1,966
Law, Order, Public Safety		13,830	8,288	(4,546)
Health		0	0	3,443
Community Amenities		0	0	(7,216)
Recreation & Culture		4,077	5,000	0
Transport		0	(17,000)	2,226
Other Property and Services		(11,054)	21.640	(4.127)
		18,011	21,649	(4,127)
Net Result	•	3,328,041	3,354,040	2,135,146
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	12,830,539	0	262,569
Total Other Comprehensive Income		12,830,539	0	262,569
Revaluation Reserve Adjustments		(7,582)	0	0
Total Comprehensive Income	:	16,150,998	3,354,040	2,397,715
This statement is to be read in conjunction with th	e accom	panying notes.	<u></u>	

SHIRE OF DENMARK STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2014

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	5,940,236	4,700,001
Trade and Other Receivables	4	667,390	1,557,427
Inventories	5	89,817	80,162
TOTAL CURRENT ASSETS		6,697,443	6,337,590
NON-CURRENT ASSETS			
Other Receivables	4	345,234	470,326
Investments	6	131,326	4,739
Property, Plant and Equipment	7	27,845,741	13,471,976
Infrastructure	8	62,061,194	61,301,837
TOTAL NON-CURRENT ASSETS		90,383,495	75,248,878
TOTAL ASSETS		97,080,938	81,586,468
CURRENT LIABILITIES			
Trade and Other Payables	9	1,126,439	1,858,691
Current Portion of Long Term Borrowings	10	334,102	288,921
Provisions	11	975,398	862,461
TOTAL CURRENT LIABILITIES		2,435,939	3,010,073
NON-CURRENT LIABILITIES			
Long Term Borrowings	10	2,069,603	2,144,984
Deferred Liabilities	10	106,700	106,700
Provisions	11	81,150	88,164
TOTAL NON-CURRENT LIABILITIES	• •	2,257,453	2,339,848
TOTAL LIABILITIES		4,693,392	5,349,921
NET ASSETS		92,387,548	76,236,550
NET AGGETG		32,307,340	70,200,000
EQUITY		04.000.070	40.000.000
Retained Surplus	10	21,396,378	19,266,202
Reserves - Cash Backed	12 13	4,026,441	2,828,577
Revaluation Surplus TOTAL EQUITY	13	66,964,728	54,141,771 76,236,550
IOTAL EQUIT		92,387,548	10,230,330

SHIRE OF DENMARK STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2012		17,514,974	2,444,659	53,879,202	73,838,835
Comprehensive Income Net Result		2,135,146	0	0	2,135,146
Changes on Revaluation of Non-Current Assets Total Comprehensive Income	13	2,135,146	0	262,569 262,569	262,569 2,397,715
Transfers from/(to) Reserves		(383,918)	383,918	0	0
Balance as at 30 June 2013		19,266,202	2,828,577	54,141,771	76,236,550
Comprehensive Income Net Result Revaluation Reseve Adjustments Changes on Revaluation of Non-Current Assets Total Comprehensive Income	13	3,328,041 0 0 3,328,041	0 0 0 0	0 (7,582) 12,830,539 12,822,957	3,328,041 (7,582) 12,830,539 16,150,998
Transfers from/(to) Reserves		(1,197,865)	1,197,865	0	0
Balance as at 30 June 2014		21,396,378	4,026,441	66,964,728	92,387,548

SHIRE OF DENMARK STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014 \$	2014 Budget	2013 \$
Cash Flows From Operating Activities Receipts			\$	
Rates		4,971,376	4,945,310	4,628,425
Operating Grants, Subsidies		1,630,190	2,571,796	1,506,584
Contributions and Reimbursements		0	323,466	712,318
Fees and Charges		2,498,878	2,271,233	2,351,000
Service Charges		0	0	0
Interest Earnings		239,056	207,978	233,944
Goods and Services Tax		91,209	0	4
Other Revenue	_	334,971	267,663	372,281
_		9,765,680	10,587,446	9,804,556
Payments				
Employee Costs		(4,701,098)	(4,755,474)	(4,344,141)
Materials and Contracts		(2,063,876)	(1,865,637)	(1,819,447)
Utility Charges		(219,975)	(224,462)	(216,355)
Interest Expenses		(156,433)	(149,704)	(172,819)
Insurance Expenses		(252,851)	(265,620)	(232,576)
Goods and Services Tax		0	0	(107,630)
Other Expenditure	_	(596,233)	(670,151)	(488,392)
Not Cook Broyided By (Head In)	_	(7,990,466)	(7,931,048)	(7,381,360)
Net Cash Provided By (Used In) Operating Activities	14(b) _	1,775,214	2,656,398	2,423,196
Cash Flows from Investing Activities				
Payments for Development of		•		
Land Held for Resale		0	0	0
Payments for Purchase of		(4.400.050)	(4.400.040)	(004.000)
Property, Plant & Equipment		(1,163,652)	(4,422,340)	(881,300)
Payments for Construction of		(0.000.507)	(4.000.700)	(0.000.050)
Infrastructure		(3,008,507)	(4,036,702)	(3,903,850)
Advances to Community Groups Non-Operating Grants,		0	0	(14,762)
Subsidies and Contributions		3,432,633	4,000,204	2,864,763
Proceeds from Sale of Fixed Assets		103,312	114,500	88,409
	_	0	0	0
Net Cash Provided by (Used in) Investment Activities		(636,214)	(4,344,338)	(1,846,740)
Coch Flows from Financina Activities				
Cash Flows from Financing Activities		(27E 200)	(200,024)	(204 722)
Repayment of Debentures		(375,200)	(288,921)	(381,722)
Proceeds from Self Supporting Loans Proceeds from New Debentures		130,435	45,262	480,201
Net Cash Provided By (Used In)	_	345,000	1,336,221	87,000
Financing Activities		100,235	1,092,562	185,479
Net Increase (Decrease) in Cash Held		1 240 225	(EOE 279)	764 025
Cash at Beginning of Year		1,240,235 4,700,001	(595,378) 4,699,228	761,935
Cash and Cash Equivalents		4,700,001	4,099,228	3,938,064
at the End of the Year	14(a)	5,940,236	4,103,850	4,699,999
at the Line of the 16al	1 ⁻⁷ (a) =	0,0-10,200	7,100,000	7,000,000

SHIRE OF DENMARK RATE SETTING STATEMENT FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014 Actual \$	2014 Budget \$	2013 Actual \$
Revenue		•	•	•
Governance		18,800	44,212	17,850
General Purpose Funding		779,234	732,314	1,564,185
Law, Order, Public Safety		674,423	631,384	585,111
Health		34,893	26,064	32,402
Education and Welfare		53,106	19,743	33,859
Housing		7,430	32,595	13,548
Community Amenities		1,422,677	1,637,050	1,353,315
Recreation and Culture		2,571,023	2,556,590	1,260,790
Transport		2,349,392	2,583,726	3,146,389
Economic Services		1,376,391	1,352,271	751,593
Other Property and Services		207,791	65,037	166,602
		9,495,160	9,680,986	8,925,644
Expenses				
Governance		(513,354)	(543,517)	(480,993)
General Purpose Funding		(320,342)	(343,054)	(313,158)
Law, Order, Public Safety		(1,024,240)	(1,134,092)	(1,074,772)
Health		(208,685)	(232,835)	(199,086)
Education and Welfare		(285,263)	(259,204)	(245,196)
Housing		(61,955)	(120,712)	(66,553)
Community Amenities		(1,981,944)	(2,141,937)	(1,874,475)
Recreation and Culture		(2,061,159)	(2,079,135)	(1,908,486)
Transport		(3,616,810)	(3,453,784)	(4,351,897)
Economic Services		(865,294)	(899,670)	(785,158)
Other Property and Services		(180,439)	(64,319)	(173,644)
		(11,119,485)	(11,272,259)	(11,473,418)
Net Result Excluding Rates		(1,624,325)	(1,591,273)	(2,547,774)
Adjustments for Cash Budget Requirements:				
(Profit)/Loss on Asset Disposals	21	(18,011)	(21,649)	4,127
Movement in Deferred Pensioner Rates (Non-Current)		7,779	0	(12,573)
Movement in Employee Benefit Provisions (Non-current)		105,923	0	500,081
Depreciation and Amortisation on Assets	2(a)	3,119,429	3,324,211	3,326,861
Movement in Accrued Interest		(2,614)	0	0
Movement in Accued Income		7,978	0	0
Movement in Accrued Expenses		(3,979)	0	0
Movement in Accrued Sal & Wages		(2,266)	0	0
Capital Expenditure and Revenue				
Purchase Land and Buildings	7(a)	(1,692,498)	(3,344,950)	(266,524)
Purchase Furniture and Equipment	7(a)	(72,573)	(80,550)	(56,175)
Purchase Plant and Equipment	7(a)	(867,901)	(996,840)	(558,601)
Purchase Roads	8(a)	(2,702,883)	(4,036,702)	(3,903,850)
Purchase Parks & Gardens	8(a)	(253,874)	0	0
Purchase Airstrip	8(a)	(4,860)	0	0
Purchase Bridges	8(a)	(46,889)	0	0
Proceeds from Disposal of Fixed Assets	21	103,312	114,500	88,409
Repayment of Debentures	22(a)	(375,200)	(288,921)	(381,722)
Proceeds from New Debentures	22(a)	345,000	1,336,221	87,000
Proceeds from Self Supporting Loans	4.0	129,185	45,262	480,201
Transfers to Reserves (Restricted Assets)	12	(1,305,875)	(1,371,730)	(565,168)
Transfers from Reserves (Restricted Assets)	12	108,010	552,953	181,250
Transfers (Restricted Assets Grants Unspent)	12	(895,865)	0	0
Estimated Surplus/(Deficit) July 1 B/Fwd	23(b)	1,590,747	1,399,722	532,733
Estimated Surplus/(Deficit) June 30 C/Fwd	23(b)	606,496	4,875	1,590,747
Total Amount Raised from General Rate	23(a)	(4,958,751)	(4,964,621)	(4,682,472)
	- ()	,,,-	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	, , , = /

This statement is to be read in conjunction with the accompanying notes.

ADD LESS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of the selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 20 to these financial statements.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to the ATO, is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

(e) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Trade and Other Receivables cont'd

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(f) Inventories

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in the statement of comprehensive income at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on Council's intention to release for sale.

(q) Fixed Assets

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or impairment losses.

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at fair value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or
 - (II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Land Under Control

In accordance with local Government (Financial Management) Regulation 16 (a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the *Initial Recognition* section as detailed above.

Those assets carried at fair value will be carried in accordance with the *Revaluation* methodology section as detailed above.

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to fair value, *AASB 13 - Fair Value Measurement* does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in AASB 13 - Fair Value Measurement have been applied to this reporting period (year ended 30 June 2014).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Land under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation periods used for each class of depreciable asset are:

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Bridges	75 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(h) Fair Value of Assets and Liabilities

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of specific asset. The fair values of assets that are not traded in an active market are determined using observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Fair Value of Assets and Liabilities (continued)

Fair Value Hierarchy

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(i) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to the asset previously recognised in other comprehensive income, is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more

events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Impairment cont'd

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continued involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(j) Impairment of Assets

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (eg AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(k) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

(I) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Employee Benefits (continued)

Other Long-Term Employee Benefits cont'd

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(m) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

(n) Provisions

Provisions are recognised when the Council has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(o) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(p) Investments in Associates

An associate is an entity over which the Council has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate. In addition, the Council's share of the profit or loss of the associate is included in the Council's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Council will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

(r) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(s) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

(t) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

(u) Rounding Off Figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar.

(v) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

(w) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows:

adopted are set out as follows.				
	Title	Issued / Compiled	Applicable (1)	Impact
(i)	AASB 9 – Financial Instruments	December 2013	1 January 2017	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii)	AASB 2010 -7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2013	1 January 2017	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iii)	AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities] [AASB 1, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	December 2012	1 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128. It is not expected to have a significant impact on Council.
(iv)	AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	1 January 2014	This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.
			Page 18	It is not expected to have a significant impact on Council.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title	Issued / Compiled	Applicable (1)	Impact
(v)	AASB 2013 - 3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	June 2013	1 January 2014	This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets. It is not expected to have a significant impact on Council.
(vi)	AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities	October 2013	1 January 2014	This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities. It is not expected to have a significant impact on Council.
(vii)	AASB 2013-9: Amendments to Australian December 2013 Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual	Refer Title column	Part A of this standard makes various editorial corrections to Australian Accounting Standards.	
Instru [Ope Fram Mate			Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031.	
	Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C		Part C of this standard makes consequential amendments to AASB 9	
	Financial Instruments – 1 January 2015]		and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.	
	Notes: (1) Applicable to reporting periods commencing on o	or after the given date.		As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 10	AASB 119	AASB 2011 - 7	AASB 2012 - 2	
AASB 11	AASB 127	AASB 2011 - 9	AASB 2012 - 3	
AASB 12	AASB 128	AASB 2011 - 10	AASB 2012	AASB 2012 - 10

Most of the standards adopted had a minimal effect on the accounting and reporting practices of the Council as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

2.	REVENUE AND EXPENSES		2014 \$	2013 \$
(a)	Net Result		¥	*
	The Net Result includes:			
	(i) Charging as an Expense:			
	Significant Expense		0	0
	Auditors RemunerationAudit of the annual financial report		16,875	12,970
	- Financial Management Review		0	0
	- Assistance with the finalisation of the annual	al financial report	0	0
	Depreciation			
	Non-Specialised Buildings		319,999	313,268
	Specialised Buildings Furniture and Equipment		0 57,951	0 45,877
	Plant and Equipment		492,329	785,053
	Tools		0	0
	Roads		2,044,998	1,994,077
	Parks & Gardens		174,475	164,682
	Airstrip		23,903	23,903
	Bridges		5,774 3,119,429	3,326,861
	Interest Expenses (Finance Costs)			
	Debentures (refer Note 22.(a))		153,819	169,167
	5 (10)		153,819	169,167
	Rental Charges - Operating Leases		0	0
	- Operating Leases		0	0
	(ii) Crediting as Revenue:			
	Significant Revenue			
	Initial Recognition of Vested Land		1,470,320	0
			1,470,320	0
	Other Revenue			
	Reimbursements and Recoveries		0	0
	Other		334,971	332,604
			334,971	332,604
		2014	2014	2013
		Actual	Budget	Actual
		\$	\$	\$
	Interest Earnings	4= 00=	2	0.4.65
	- Self Supporting Loans	17,025	01.000	24,123
	- Reserve Funds - Other Funds	88,100 91,381	91,000 82,878	105,458 90,098
	Other Interest Revenue (refer note 27)	42,550	34,100	14,266
		239,056	207,978	233,945

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Denmark is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

GOVERNANCE

Members of Council, general administration expenses including staff, office equipment maintenance and insurances.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants, investment funds and other financial matters.

LAW, ORDER, PUBLIC SAFETY

Supervision of various local laws, fire prevention including Community Fire Manager and Bushfire Brigades, animal control (Rangers) and State Emergency Services operations.

HFALTH

Water and food quality monitoring, effluent disposal and public health compliance control on business premises catering for the large tourism trade and domestic residences.

EDUCATION AND WELFARE

Assistance to early childhood education, provision of educational scholarships, youth services, aged and disability programs

HOUSING

Lionsville Aged Accommodation self supporting loans.

COMMUNITY AMENITIES

Refuse collection services (including recycling), operation of landfill and recycling centres, administration of the Town Planning Scheme, provision of facilities such as the Cemetery and Public Conveniences, effluent disposal (septic tanks) and environmental programs.

RECREATION AND CULTURE

Provision, maintenance and operation of Halls, Civic Centre, Library, Recreation Centre, Swimming areas and beaches and various parks and gardens. TV re-broadcasting tower maintenance.

TRANSPORT

Construction and maintenance of roads including drainage, footpaths, parking facilities, regulatory signs, street cleaning and lighting. Maintenance of Works Depot and road plant purchases.

BUILDING & ECONOMIC SERVICES

The regulation and provision of tourism facilities including the Denmark Tourism Inc. and Parry Beach camping grounds, area promotion, building control, sale yard facilities, noxious weed, pest control and lime sand quarry.

OTHER PROPERTY & SERVICES

Public Works Overheads (engineering staff, leave entitlements and insurances). Plant costs (repair wages, parts, fuel, insurance and licenses), stock and materials and salaries and wages.

2. REVENUE AND EXPENSES (Continued)

(c) Conditions	Over Grants/Contr	ibutions	Opening Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance ⁽¹⁾	Received (2)	Expended ⁽³⁾	Closing Balance
Gran	t/Contribution	Function/ Activity	1/07/12	2012/13	2012/13	30/06/13	2013/14	2013/14	30/06/14
Pension De	eferred Grant	General Purpose	0	1,322	(1,322)	0	1,218	(1,218)	0
Grants Con	nmission	General Purpose	0	1,020,583	(1,020,583)	0	459,784	(459,784)	0
Thank a Vo	lunteer	Governance	0	1,000	(1,000)	0	1,000	(1,000)	0
ESL Grants	3	Law, Order	0	475,976	(475,976)	0	527,492	(527,492)	0
Cat Control	Program	Law, Order	0	2,535	(2,535)	0	0	0	0
AWARE Pr	ogram	Law, Order	0	9,091	(9,091)	0	0	0	0
	ly Communities	Welfare	0	830	(830)	0	1,000	(1,000)	0
Youth Art P	rogram	Welfare	0	14,160	(14,160)	0	19,538	(19,538)	0
Youth Get /	Active	Welfare	0	0	0	0	4,500	(4,500)	0
National Yo	outh Week	Welfare	0	1,000	(1,000)	0	1,000	(1,000)	0
Youth Holic	lay & Festival	Welfare	0	3,000	(3,000)	0	0	0	0
Youth Frier	ndly Communities	Welfare	0	0	0	0	10,000	0	10,000
Youth Supp	ort Service	Welfare	0	20,297	(20,297)	0	28,006	(28,006)	0
Your Welco	ome Initiative	Welfare	0	0	0	0	180	(180)	0
E-Waste		Community	0	0	0	0	10,000	(10,000)	0
DIA Dual N	aming Project	Community	3,000	0	(3,000)	0	0	0	0
Old Hospita	al	Community	0	322,636	0	322,636	0	(322,636)	0
Wilson Inle	t Improvements	Environment	0	5,409	(5,409)	0	0	0	0
Sport 4 All	- Kidsport Program	Recreation	0	41,590	(41,590)	0	0	0	0
Wilson Inle	t Improvements	Recreation	0	4,598	(4,598)	0	0	0	0
Royalties for	or Regions	Recreation	0	259,205	(259,205)	0	571,688	(571,688)	0
CLGF Regi	onal	Recreation	0	0	0	0	80,000	0	80,000
Recreation	al Boating Facilities	Recreation	0	0	0	0	67,670	(67,670)	0
Main Roads	s Grants	Transport	0	1,902,036	(1,902,036)	0	956,564	(956,564)	0
Regional B	icycle Network	Transport	0	39,350	(39,350)	0	139,635	(139,635)	0
Roads to R	ecovery	Transport	0	217,000	(217,000)	0	216,914	(216,914)	0
Royalties for	or Regions - Roads	Transport	0	350,000	(350,000)	0	251,378	(148,210)	103,168
Roadwise	-	Transport	0	500	(500)	0	462	(462)	0
CSRF Timb	er Roads	Transport	0	225,284	(225,284)	0	338,988	(338,988)	0
Bridge impi	rovements	Transport	114,000	363,000	(397,000)	80,000	140,000	(114,000)	106,000
CLGF Regi	onal	Economic	0	0	Ó	0	596,697	Ó	596,697
Total			117,000	5,280,402	(4,994,766)	402,636	4,423,714	(3,930,485)	895,865

2. REVENUE AND EXPENSES (Continued)

(c)	Conditions Over Grants/Contri	ibutions	Opening			Closing			Closing
	Restricted Creditors	Function/ Activity	Balance ⁽¹⁾ 1/07/12 \$	Received ⁽²⁾ 2012/13 \$	Expended ⁽³⁾ 2012/13 \$	Balance ⁽¹⁾ 30/06/13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Balance 30/06/14 \$
	Fire Break Conditions	Law Order	0	0	0	0	4,770	0	4,770
	Developer Contributions	Community	1,665	51,900	0	53,565	10,800	0	64,365
	Tree Planting Bond	Environment	3,150	0	(3,150)	0	0	0	0
	Civic Centre Bonds	Recreation	5,920	2,060	(1,760)	6,220	2,490	(3,030)	5,680
	Recreation Centre Bonds	Recreation	1,400	1,590	(2,270)	720	600	(600)	720
	Bus Hire Bond	Recreation	4,000	4,800	(5,328)	3,472	4,500	(4,512)	3,460
	Kerbing & Footpaths Deposits	Transport	5,000	0	(5,000)	0	0	0	0
	Relocated Dwelling Deposit	Transport	20,000	5,000	0	25,000	0	(4,500)	20,500
	Outstanding Roadworks	Transport	55,216	0	(55,216)	0	0	0	0
	Contributions in lieu of Parking	Transport	53,178	152,625	(74,000)	131,803	10,250	(131,803)	10,250
	Contributions to Roadworks	Transport	225,269	37,216	(35,770)	226,715	98,097	(36,240)	288,572
	Retention on Works	Transport	156,315	128,991	(18,435)	266,871	15,223	(1,000)	281,094
	Extractive Industry Bonds	Economic	3,300	4,400	0	7,700	0	0	7,700
	Total		534,413	388,581	(200,928)	722,067	146,730	(181,685)	687,110

Notes:

- (1) Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

	Note	2014	2013
3. CASH AND CASH EQUIVALENTS		\$	\$
Unrestricted		279,889	717,632
Restricted		5,660,347 5,940,236	3,982,369 4,700,001
The following restrictions have been imposed by regulations or other externally imposed requirement	s:	9,010,200	1,1 00,001
Leave Reserve	11	383,668	372,082
Plant Reserve	11	1,013,404	613,448
Parry Inlet Reserve	11	32,861	31,868
Cemetery Reserve	11	1,805	1,751
Lime Quarry Rehabilitation Reserve	11	122,860	97,814
Land and Building Reserve	11	1,373,696	1,069,560
Refuse Site Development Reserve	11	491,235	476,397
Kwoorabup Community Park Reserve	11	86,094	83,494
Aquatic Facility Development Reserve Lionsville Reserve	11	84,724	82,165
	11	436,094 895,865	0 402,636
Unspent Grants Restricted Creditors	2(c)	687,110	•
Income Received in Advance	2(c)	50,931	722,067 29,091
income Received in Advance		5,660,347	3,982,369
		3,000,341	3,902,309
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates Outstanding		187,537	198,768
Sundry Debtors		415,048	1,176,625
GST Receivable		16,972	108,181
Loans - Clubs/Institutions		31,692	44,813
Accrued Income		6,299	14,278
Short Term Loan DTI		9,841 667,390	14,762 1,557,427
Non-Current		007,390	1,557,427
Rates Outstanding - Pensioners		36,259	44,038
Loans - Clubs/Institutions		308,974	426,288
254/16 Class, mountains		345,233	470,326
5. INVENTORIES			
Current		07.044	22.222
Fuel and Oils		27,014	32,909
Materials		62,803	47,253
		89,817	80,162
6. INVESTMENTS			
Non-Current			
Local Govt House Units		131,226	4,639
Denmark Co-op Shares		100	100
		131,326	4,739

	2014 \$	2013 \$
7. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at: - Independent Valuation 2014 - Cost	1,371,770 4,995	0 600,096
	1,376,765	600,096
Land Vested In and Under the Control of Council at:		
- Independent Valuation 2014	1,470,320	0
- Cost	1,470,320	0
	1,170,020	
Total Land	2,847,085	600,096
Non-Specialised Buildings at:		
- Independent Valuation 2014	20,543,201	0
- Cost	217,183	11,911,598
Less: Accumulated Depreciation	(114,954)	(3,095,631)
	20,645,430	8,815,967
Specialised Buildings at:		
- Independent Valuation 2014	0	0
- Cost	0	0
Less: Accumulated Depreciation	0 0	0
Total Buildings	20,645,430	8,815,967
Total Land and Buildings	23,492,515	9,416,063
•	<u> </u>	
Furniture and Equipment at: - Management Valuation 2013	157 262	880,957
- Management Valuation 2013 - Additions after Valuation - Cost	157,363 68,565	000,957
Less Accumulated Depreciation	(54,093)	(723,594)
	171,835	157,363
Plant and Equipment at:		
- Management Valuation 2013	3,898,550	4,095,488
- Additions after Valuation - Cost	764,411	0
Less Accumulated Depreciation	(481,572)	(196,938)
	4,181,389	3,898,550
	27,845,740	13,471,976

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and Buildings:

The Shire's land and buildings were revalued at 30 June 2014 by independent valuers.

In relation to land and non-specialised buildings, valuations were made on the basis of observable open market values of similar assets, adjusted for condition and comparability, at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regard to specialised buildings, these were valued having regard for their current replacement cost utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs).

Given the significance of the Level 3 inputs into the overall fair value measurement, these specialised building assets are deemed to have been valued using Level 3 inputs.

These Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

The revaluation of these assets resulted in an overall increase of \$12,830,539 in the net value of the Shire's land and buildings. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12 for further details) and was recognised as Changes on Revaluation of non-current Assets in the Statement of Comprehensive Income.

As land vested in and under the control of the Council is Crown Land restricted as to usage, it is not possible for an alternative usage to be considered when arriving at the fair value. In addition, due to its nature, any significant value attributable directly to the land would likely be offset by the need to return value to the Crown before any restriction is lifted, thus reducing the net fair value to nil.

Consequently, the original value of deemed cost was obtained having regard for the current replacement cost of the improvements on the land to allow for its current restricted usage.

These included both observable and unobservable inputs being construction costs based on recent contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs).

Given the significance of the Level 3 inputs into the overall fair value measurement, this land vested in and under the control of the Council is deemed to have been valued using Level 3 inputs.

These Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

Due to the mandatory fair value measurement framework as detailed in Note 1(g), Land Vested in and under the control of the Council required a fair value assessment to occur in the current year. This was performed by an independent valuer as at 30 June 2014.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED) Furniture and Equipment

The Shire's Furniture and Equipment were revalued at 30 June 2013 by management valuation having regard for their current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining estimated useful life (Level 3 inputs).

Given the significance of the level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs.

These level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have potential to result in a significantly higher or lower fair value measurement.

The revaluation resulted in neither an increase or a decrease in the net value of the Shire's Furniture and Equipment, Consequently no adjustment was recognised in either the net result or other comprehensive income in the Statement of Comprehensive Income.

Plant and Equipment:

The Shire's Plant and Equipment were revalued at 30 June 2013 by management valuation. All the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

The revaluation resulted in an overall increase of \$262,567 in the net value of the Shire's plant and equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(a) for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

		Balance at the Beginning of the Year \$	Additions \$	(Disposals)	Revaluation Increments/ (Decrements)	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Carrying Amount at the End of Year
Freehold Land	(Level 2)	600,096	4,995	0	771,674	0	0	1,376,765
Land Vested In and Under the Control of Council Total Land	(Level 3)	<u>0</u> 600,096	1,470,320 1,475,315	0 0	<u>0</u> 771,674	<u>0</u>	0 0	1,470,320 2,847,085
Non-Specialised Buildings	(Level 2)	8,815,967	217,183	0	11,932,284	0	(320,005)	20,645,430
Specialised Buildings Total Buildings	(Level 3)	8,815,967	<u>0</u> 217,183	<u>0</u>	11,932,284	<u>0</u>	(320,005)	20,645,430
Total Land and Buildings		9,416,063	1,692,498	0	12,703,958	0	(320,005)	23,492,515
Furniture and Equipment	(Level 3)	157,363	72,573	(4,008)	0	0	(54,093)	171,835
Plant and Equipment	(Level 2)	3,898,550	867,901	(103,490)	0	0	(481,572)	4,181,390
Total Property, Plant and Equipment		13,471,976	2,632,972	(107,498)	12,703,958	0	(855,670)	27,845,740

	2014 \$	2013 \$
8. INFRASTRUCTURE	Φ	Ф
Roads		
- Management Valuation 2003	77,966,394	77,966,394
 Additions after Valuation - Cost 	21,499,722	21,499,722
- Cost	2,702,883	0
Less Accumulated Depreciation	(48,129,197)	(44,218,595)
	54,039,802	55,247,520
Parks & Gardens		
- Management Valuation 2003	2,047,447	2,047,447
 Additions after Valuation - Cost 	4,529,479	4,529,479
- Cost	253,874	0
Less Accumulated Depreciation	(174,475)	(1,611,367)
	6,656,325	4,965,559
Airstrip		
- Management Valuation 2003	286,950	286,950
- Additions after Valuation - Cost	646,502	646,502
- Cost	4,860	0
Less Accumulated Depreciation	(23,903)	(254,235)
	914,409	679,215
Bridges		
- Management Valuation	0	0
- Additions after Valuation - Cost	409,543	409,543
- Cost	46,889	0
Less Accumulated Depreciation	(5,774)	0
•	450,658	409,543
	62,061,194	61,301,837

8. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements)	Impairment (Losses)/ Reversals	Depreciation (Expense) \$	Carrying Amount at the End of Year
Roads	55,247,520	2,702,883	0	0	0	(2,044,998)	55,905,405
Parks & Gardens	4,965,559	253,874	0	0	0	(174,475)	5,044,958
Airstrip	679,215	4,860	0	0	0	(23,903)	660,172
Bridges Total	409,543 61,301,837	46,889 3,008,507	0 0	<u> </u>	<u>0</u>	(5,774) (2,249,150)	450,658 62,061,194

		2014 \$	2013 \$
9. TRADE AND OTHER PAYABLES			
Current Sundry Creditors and Accruals Accrued Interest on Debentures Accrued Salaries and Wages Accrued RDO's Accrued Expenses Income Received In Advance Bonds & Deposits		320,558 16,697 0 51,142 0 50,932 687,110 1,126,439	1,008,996 19,311 0 53,407 25,819 29,092 722,066 1,858,691
10. LONG-TERM BORROWINGS			
Current Secured by Floating Charge Debentures		334,102 334,102	288,921 288,921
Non-Current Secured by Floating Charge Debentures		2,069,603 2,069,603	2,144,984 2,144,984
Additional detail on borrowings is provided in	Note 22.		
Deferred Liabilities Peaceful Bay Caravan Park Buildings Rivermouth Caravan Park Buildings		82,000 24,700 106,700	82,000 24,700 106,700
11. PROVISIONS			
Analysis of Total Provisions			
Current Non-Current		975,398 81,150 1,056,548	862,461 88,164 950,625
	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2013 Additional provision Amounts used Used amount reserved Increase in the discounted amount	549,059 38,924 0 0	401,566 66,999 0 0	950,625 105,923 0 0
arising because of time and the effect of any change in the discounted rate Balance at 30 June 2014	<u>0</u> <u>587,983</u>	0 468,565	1,056,548

		2014 \$	2014 Budget \$	2013 \$
12.	RESERVES - CASH BACKED		•	
(a)	Employee Entitlements Reserve			
	Opening Balance	372,082	372,082	356,695
	Amount Set Aside / Transfer to Reserve Amount Used / Transfer from Reserve	11,586 0	11,930	15,387
	Amount Osed / Transfer from Reserve	383,668	384,012	372,082
(b)	Plant Reserve		001,012	0.2,002
` ,	Opening Balance	613,448	613,448	305,077
	Amount Set Aside / Transfer to Reserve	507,966	469,750	308,371
	Amount Used / Transfer from Reserve	(108,010)	(171,000)	0
(c)	Parry Inlet Reserve	1,013,404	912,198	613,448
(0)	Opening Balance	31,868	31,868	95,259
	Amount Set Aside / Transfer to Reserve	993	1,020	6,609
	Amount Used / Transfer from Reserve	0	0	(70,000)
		32,861	32,888	31,868
(d)	Cemetery Reserve	. ==0	4 ===	4.000
	Opening Balance Amount Set Aside / Transfer to Reserve	1,750	1,750	1,678 72
	Amount Used / Transfer from Reserve	55 0	50 0	0
	Amount Osed / Transfer from Neserve	1,805	1,800	1,750
(e)	Lime Quarry Rehabilitation Reserve			
	Opening Balance	97,814	97,814	63,092
	Amount Set Aside / Transfer to Reserve	25,046	25,150	34,722
	Amount Used / Transfer from Reserve	0	0	0 07.014
(f)	Land and Building Reserve	122,860	122,964	97,814
(1)	Opening Balance	1,069,559	1,069,559	1,134,053
	Amount Set Aside / Transfer to Reserve	304,137	357,076	46,756
	Amount Used / Transfer from Reserve	0	(321,953)	(111,250)
		1,373,696	1,104,682	1,069,559
(g)	Refuse Site Development Reserve	470.000	470.000	400 700
	Opening Balance Amount Set Aside / Transfer to Reserve	476,396 14,839	476,396 65,340	408,763 67,633
	Amount Used / Transfer from Reserve	14,639	(60,000)	07,033
	Amount Cood / Transfer from Records	491,235	481,736	476,396
(h)	Kwoorabup Community Park Reserve			
	Opening Balance	83,494	83,494	80,041
	Amount Set Aside / Transfer to Reserve	2,600	2,670	3,453
	Amount Used / Transfer from Reserve	96,004	<u>0</u> 86,164	92.404
(i)	Aquatic Facility Development Reserve	86,094	00,104	83,494
(•)	Opening Balance	82,165	82,165	0
	Amount Set Aside / Transfer to Reserve	2,559	2,650	82,165
	Amount Used / Transfer from Reserve	0	0	0
4D	=	84,724	84,815	82,165
(J)	Lionsville Reserve	0	0	0
	Opening Balance Amount Set Aside / Transfer to Reserve	0 436,094	0 436,094	0
	Amount Used / Transfer from Reserve	0	0	0
		436,094	436,094	0
	TOTAL RESERVES	4,026,441	3,647,353	2,828,576
	Total Opening Balance	2,828,576	2,828,576	2,444,658
	Total Amount Set Aside / Transfer to Reserve	1,305,875	1,371,730	565,168
	Total Amount Used / Transfer from Reserve	(108,010)	(552,953)	(181,250)
	TOTAL RESERVES	4,026,441	3,647,353	2,828,576

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

12. RESERVES - CASH BACKED (continued)

In accordance with council resolutions in relation to each reserve account, the purpose for which the funds are set aside are as follows:

(a) Employee Entitlements Reserve

- to be used to fund employee entitlements.

(b) Plant Reserve

- to be used for the purchase of major plant as per the plant replacement schedule.

(c) Parry Inlet Reserve

- to be utilised to carry out improvements and maintenance on the Parry Beach Reserve.

(d) Cemetery Reserve

- to be used for the construction of new facilities at the Denmark Cemetery.

(e) Lime Quarry Rehabilitation Reserve

- to be used for the rehabilitation of the Shire Lime Quarry (Reserve 46273, Ocean Beach Road).

(f) Land and Building Reserve

- to be used for the construction of new building or land purchases.

(g) Refuse Site Development Reserve

- to be used for land acquisition and development of a new refuse facility.

(h) Kwoorabup Community Park Reserve

- to be used for the development of the Kwoorabup Community Park.

(i) Aquatic Facility Development Reserve

- to be used for the development of a Aquatic Facility.

(j) Lionsville Reserve

- to be used for the future repayment of loan funds.

13. REVALUATION SURPLUS	2014 \$	2013 \$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:	•	•
(a) Land & Buildings		
Opening Balance	0	0
Revaluation Increment	12,703,952	0
Revaluation Decrement	0	0
	12,703,952	0
(b) Plant & Equipment		
Opening Balance	262,569	0
Revaluation Increment	0	262,569
Revaluation Decrement	(7,581)	0
	254,988	262,569
(b) Roads		
Opening Balance	0	0
Revaluation Increment	0	0
Revaluation Decrement	0	0
	0	0
(c) Other Infrastructure		
Opening Balance	53,879,201	0
Revaluation Increment	0	53,879,201
Revaluation Decrement	0	0
	53,879,201	53,879,201
(d) Investments		
Opening Balance	0	0
Revaluation Increment	126,587	0
Revaluation Decrement	0	0
	126,587	0
TOTAL AGOST DEVALUATION OURDING		
TOTAL ASSET REVALUATION SURPLUS	66,964,728	54,141,770

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2014 \$	2014 Budget \$	2013 \$
Cash and Cash Equivalents	5,940,236	4,103,850	4,700,001
(b) Reconciliation of Net Cash P Operating Activities to Net Re	•		
Net Result	3,328,041	3,354,040	2,135,146
Depreciation	3,119,429	3,324,211	3,326,861
(Profit)/Loss on Sale of Asset	(18,011)	(21,649)	4,127
(Increase)/Decrease in Receiva	ables 1,015,130	317,994	(1,039,111)
(Increase)/Decrease in Invento	ries (9,655)	3,971	10,094
Increase/(Decrease) in Payable	es (732,252)	(331,848)	781,962
Increase/(Decrease) in Employ	ree		
Provisions	105,923	12,854	68,880
Grants Contributions for			
the Development of Assets	(3,563,081)	(4,000,204)	(2,864,763)
Loss on Revaluation of Fixed A	assets 0	0	0
Non-Current Assets recognised	d due to		
changes in legislative requiren	nents (1,470,310)	0	0
Net Cash from Operating Activ	ities 1,775,214	2,659,369	2,423,196
	2014		2013
(c) Undrawn Borrowing Facilitie			\$
Credit Standby Arrangement			
Bank Overdraft limit	0		0
Bank Overdraft at Balance Date			0
Credit Card limit	(30,000)		(30,000)
Credit Card Balance at Balance			5,518
Total Amount of Credit Unus	ed (10,014)		(24,482)
Loan Facilities			
Loan Facilities - Current	334,102		288,921
Loan Facilities - Non-Current	2,069,603		2,144,984
Total Facilities in Use at Bala	nce Date 2,403,705		2,433,905
Unused Loan Facilities at Ba	lance Date0		0

15. CONTINGENT LIABILITIES

The Shire of Denmark has no current contingent liability claims.

16. CAPITAL AND LEASING COMMITMENTS	2014 \$	2013 \$
(a) Operating Lease Commitments	0	0
The Shire did not have any future operating lease commitments at t	he reporting date.	
(b) Capital Expenditure Commitments	0	0

The Shire did not have any future capital expenditure commitments at the reporting date.

17. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2014	2013
	\$	\$
Governance	5,883,890	2,471,022
General Purpose Funding	223,626	242,636
Law, Order, Public Safety	3,358,414	2,426,757
Health	32,280	29,755
Education and Welfare	318,718	264,615
Housing	436,094	277,526
Community Amenities	2,212,962	1,528,728
Recreation and Culture	18,147,604	10,116,034
Transport	58,380,675	58,610,693
Economic Services	2,887,071	1,966,539
Other Property and Services	5,199,604	3,651,995
Unallocated	0	0
	97,080,938	81,586,300

19. FINANCIAL RATIOS	2014	2013	2012		
Current Ratio	0.79	0.89	1.06		
Asset Sustainability Ratio	0.30	1.41	1.95		
Debt Service Cover Ratio	2.96	5.00	6.00		
Operating Surplus Ratio	(0.22)	(0.10)	N/A		
Own Source Revenue Coverage Ratio	0.71	0.63	N/A		
The above ratios are calculated as follows:					
Current Ratio	current assets minus restricted assets				
	current liabiliti	es minus liabilities asso	ociated		
	wit	h restricted assets			
Asset Sustainability Ratio	capital renewal and replacement expenditure				
	Depreciation expenses				
Debt Service Cover Ratio	annual operating surplus before interest and depreciation				
	pri	ncipal and interest			
Operating Surplus Ratio	operating revenue minus operating expenses				
	own so	urce operating revenue			
Own Source Revenue Coverage Ratio	own source operating revenue operating expenses				
	Ot.	crating expenses			

Notes:

Information relating to the Asset Consumption Ratio and the Asset Renewal Funding Ratio can be found at Supplementary Ratio Information on Page 49 of this document.

Two of the 2014 ratios disclosed above are distorted by items of significant revenue totalling \$1,470,320 relating to the initial recognition of Land under the Shire's control in accordance with amendments to the Financial Management Regulations (refer to Notes 1(f), and 2(a)(ii) for further details).

These items form part of operating revenue and have been included in the calculations above.

These items of significant revenue are considered to be "one-off" and are non-cash in nature and, if they were ignored, the calculations disclosed in the 2013 column above would be as follows:

	2014
Debt Service Cover Ratio	5.74
Operating Surplus Ratio	(0.03)

20. TRUST FUNDS

Funds held at balance date over which the Shire has no control and which are not included in the financial statements are as follows:

	Balance 1 July 2013	Amounts Received	Amounts Paid	Balance 30 June 2014
	\$	\$	(\$)	\$
DPI Licensing	0	1,350,377	(1,350,377)	0
BCITF Training Levy	12,071	44,547	(43,294)	13,324
Building Levy	157	24,559	(23,471)	1,245
DAP Applications	0	3,503	(3,503)	0
Lieu of Open Space	159,127	24,516	(30,000)	153,643
Nomination Deposits	0	400	(400)	0
Councillor Donations	2,000	0	0	2,000
Parks & Trails Committee	850	0	0	850
	174,205	1,447,902	(1,451,045)	171,062

21. DISPOSALS OF ASSETS - 2013/14 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Boo	k Value	Sale	Price	Profit (Loss)		
	Actual	Budget	Actual	Budget	Actual	Budget	
	\$	\$	\$	\$	\$	\$	
Plant and Equipment							
Governance							
Replacement CEO Vehicle DE 1	31,462	30,288	38,859	35,000	7,397	4,712	
Replacement DCRS Vehicle DE 45	0	6,851	0	10,000	0	3,149	
Replacement Utility DE 6226	5,000	5,000	8,761	22,500	3,761	17,500	
Law, Order, Public Safety							
Replacement CESM Vehicle DE 54	15,170	14,712	29,000	23,000	13,830	8,288	
Recreation and Culture							
Replacement John Deere Mower	4,000	0	8,000	5,000	4,000	5,000	
Recumbent Bike	150	0	227	0	77	0	
Other Property and Services							
Replacement DIS Vehicle DE 10	37,100	36,000	18,464	19,000	(18,636)	(17,000)	
	92,882	92,851	103,312	114,500	10,429	21,649	

Profit	36,647	38,649
Loss	(18,636)	(17,000)
	18,011	21,649

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	1 July 2013 \$
Governance	Ψ
113 Administration Centre	121,53
153 Photovoltaic System	87,00
Housing	, , , ,
123 Lionsville S/Supporting *	160,63
142 Lionsville	544,12
154 Purchase Reserve 34209	,
155 Remediation Reserve 34209	
Community Amenities	
157 Purchase Land Kernutts Road	
156 Purchase Rubbish Truck	
Recreation and Culture	
129 Scouts S/Supporting	33,18
140 Bowling Club S/Supporting *	49,84
141 Bowling Club S/Supporting *	52,77
144 Recreation Centre Expansion	56,97
145 Recreation - Tennis Club	48,23
147 Recreation - Football Clubrooms	206,61
148 Football Clubrooms S/Supporting *	22,78
Transport	
150 Plant Purchases 10/11	311,69
143 Airport	72,20
Economic Services	
131 Visitors Centre	250,52
151 Denmark Tourism Inc S/Supporting *	18,98
152 Purchase Reserve 27101	396,79
	2.433.90

Deimainal	•	D-:	-!	Dulas		14	
Principal	Mann		Principal Repayments		Principal		rest
1 July	New			30 June 2014		Repay	
2013	Loans	Actual	Budget	Actual	Budget	Actual	Budget
\$	\$	\$	\$	\$	\$	\$	\$
121,533		58,595	58,595	62,938	62,938	6,596	6,596
87,000		10,981	10,981	76,019	76,019	3,364	3,314
07,000		10,501	10,501	70,013	70,013	0,004	0,014
160,635		17,869	17,869	142,766	142,766	11,945	11,945
544,125		18,549	18,549	525,577	525,577	37,320	37,320
,		Ó	Ó	Ó	300,000	Ó	105
		0	0	0	510,000	0	180
					,		
		0	0	0	181,221	0	0
	345,000	0	0	345,000	345,000	2,363	104
						·	
33,183		2,356	2,356	30,827	30,827	1,875	1,875
49,849		49,849	8,627	0	41,221	4,816	3,280
52,774		52,774	7,717	0	45,058	2,501	2,500
56,972		6,777	6,777	50,195	50,195	3,339	3,339
48,237		5,738	5,738	42,498	42,498	2,828	2,828
206,619		7,024	7,024	199,595	199,595	13,190	13,190
22,789		2,711	2,711	20,078	20,078	1,336	1,336
311,690		98,234	98,234	213,456	213,456	15,759	15,477
72,204		4,191	4,191	68,013	68,013	4,505	4,505
250,520		20,890	20,890	229,630	229,630	17,154	17,154
18,980		5,982	5,982	12,998	12,998	960	942
396,795		12,680	12,680	384,115	384,115	23,968	23,712
2,433,905	345,000	375,200	288,921	2,403,705	3,481,205	153,819	149,704

^(*) Self supporting loan financed by payments from third parties. All other loan repayments were financed by general purpose revenue.

22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2013/14

	Amount E	Borrowed	Institution	Loan Type	Term (Years)	Total Interest &	Interest Rate	Amoun	t Used	Balance Unspent
Particulars/Purpose	Actual \$	Budget \$				Charges \$	%	Actual \$	Budget \$	\$
154 Purchase Reserve 34209 155 Remediation Reserve 34209 156 Purchase Rubbish Truck 157 Purchase Land Kernutts Road	0 0 345,000 0	300,000 510,000 345,000 181,221		P&I	7	51,113	3.70%	345,000	345,000	0
	345,000	1,336,221	·			51,113	_	345,000	345,000	0

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2014.

(d) Overdraft

Council did not utilise an overdraft facility during the 2013/2014 financial year.

23. RATING INFORMATION - 2013/14 FINANCIAL YEAR

(a) Rates	Rate in	Number	Rateable	Rate	Interim	Back	Total	Budget	Budget	Budget	Budget
	\$	of Properties	Value \$	Revenue \$	Rates \$	Rates \$	Revenue \$	Rate Revenue	Interim Rate	Back Rate	Total Revenue
RATE TYPE		Properties	ð	Ф	Þ	ð	Þ	\$	Kate \$	Kate \$	\$
Differential General Rate								·	·		
1 Residential Developed	9.7970	1,170	12,857,728	1,259,648	18,650	13,429	1,291,727	1,259,671	25,000		1,284,671
2 Business/Commercial Developed	9.9195	129	4,131,928	409,867	·		409,867	409,867	•		409,867
3 Lifestyle Developed	10.0419	149	1,909,598	191,760			191,760	191,760			191,760
4 Rural Developed	10.0419	349	4,089,602	410,674			410,674	410,674			410,674
5 Holiday Use Developed	10.7767	125	1,521,000	163,914			163,914	163,914			163,914
6 Residential Vacant	14.2595	182	1,576,864	224,853			224,853	224,853			224,853
7 Business/Commercial Vacant	10.8600	6	187,530	20,366			20,366	20,366			20,366
8 Rural Vacant	10.8600	5	103,850	11,278			11,278	11,278			11,278
9 Lifestyle Vacant	14.6160	246	2,260,140	330,342			330,342	330,342			330,342
Unimproved Value Valuations			, ,	ŕ			,	•			,
10 UV Base	0.4142	452	215,298,000	891,764			891,764	891,764			891,764
11 UV Additional Use 1	0.4556	34	17,667,000	80,491			80,491	80,491			80,491
12 UV Additional Use 2	0.4970	9	4,187,000	20,809			20,809	20,809			20,809
13 UV Additional Use 3	0.5385	8	3,537,000	19,047			19,047	19,047			19,047
14 UV Additional Use 4	0.5799	5	2,528,000	14,660			14,660	14,660			14,660
Sub-Totals		2,869	271,855,240	4,049,472	18,650	13,429	4,081,551	4,049,495	25,000	0	4,074,495
	Minimum										
Minimum Payment	\$										
Residential Developed	860.00	498	3,609,472	428,280			428,280	428,280			428,280
2 Business/Commercial Developed	1015.00	104	677,378	105,560			105,560	105,560			105,560
3 Lifestyle Developed	880.00	8	56,290	7,040			7,040	7,040			7,040
4 Rural Developed	880.00	77	598,738	67,760			67,760	67,760			67,760
5 Holiday Use Developed	945.00	13	102,878	12,285			12,285	12,285			12,285
6 Residential Vacant	770.00	160	624,065	123,200			123,200	123,200			123,200
7 Business/Commercial Vacant	910.00	2	10,150	1,820			1,820	1,820			1,820
8 Rural Vacant	910.00	1	8,112	910			910	910			910
9 Lifestyle Vacant	790.00	45	233,520	35,550			35,550	35,550			35,550
Unimproved Value Valuations											
10 UV Base	1050.00	82	17,898,000	86,100			86,100	86,100			86,100
11 UV Additional Use 1	1155.00	2	476,000	2,310			2,310	2,310			2,310
12 UV Additional Use 2	1260.00	0	0	0			0	0			0
13 UV Additional Use 3	1365.00	0	0	0			0	0			0
14 UV Additional Use 4	1470.00	0	0	0			0	0			0
Sub-Totals		992	24,294,603	870,815	0	0	870,815	870,815	0	0	870,815
		•			"		4,952,366				4,945,310
Ex-Gratia Rates											
Discounts (refer note 26.)							0				0
Total Amount Raised From General Rate						İ	4,952,366				4,945,310
Specified Area Rate (refer note 24.)							0				0
Totals						ľ	4,952,366				4,945,310

23. RATING INFORMATION - 2013/14 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward

	2014 (30 June 2014 Carried Forward) \$	2014 (1 July 2013 Brought Forward) \$	2013 (30 June 2013 Carried Forward) \$
Surplus/(Deficit) 1 July 13 Brought Forward	606,496	1,590,747	1,590,747
Comprises:			
Cash and Cash Equivalents	070 000	747.000	747.000
Unrestricted	279,889	717,632	717,632
Restricted	5,660,347	3,982,369	3,982,369
Receivables	407.507	400 700	400 700
Rates Outstanding	187,537	198,768	198,768
Sundry Debtors	415,048	1,176,625	1,176,625
GST Receivable	16,972	108,181	108,181
Loans - Clubs/Institutions	31,692	44,813	44,813
Accrued Income	6,299	14,278	14,278
Short Term Loan DTI	9,841	14,762	14,762
Inventories	07.044	00.000	00.000
Fuel and Oils	27,014	32,909	32,909
Materials •	62,803	47,253	47,253
Less:			
Trade and other Payables	(000 550)	(4 000 000)	(4.000.000)
Sundry Creditors and Accruals	(320,558)	(1,008,996)	(1,008,996)
Accrued Interest on Debentures	(16,697)	(19,311)	(19,311)
Accrued Salaries and Wages	(51,142)	(53,407)	(53,407)
Accrued Expenses	0	(25,819)	(25,819)
Income Received In Advance	(50,932)	(29,092)	(29,092)
Bonds & Deposits	(687,778)	(722,066)	(722,066)
Current Portion of Long Term Borrowings	((/ · · · ·
Secured by Floating Charge Debentures	(334,102)	(288,921)	(288,921)
Debentures	0	0	0
Provisions	/	/	<i>(</i>)
Provision for Annual Leave	(587,983)	(549,059)	(549,059)
Provision for Long Service Leave	(387,415)	(313,402)	(313,402)
Net Current Assets	4,260,835	3,327,517	3,327,517
Less:	(4.000.444)	(0.000.577)	(0.000.577)
Reserves - Restricted Cash	(4,026,441)	(2,828,577)	(2,828,577)
Land Held for Resale - Cost	•	_	
Cost of Acquisition	0	0	0
Restricted Grants	(895,865)	0	0
Loans - Clubs/Institutions	(31,692)	(44,813)	(44,813)
Short Term Loan DTI	(9,841)	(14,762)	(14,762)
Provision for Annual Leave	587,983	549,059	549,059
Provision for Long Service Leave	387,415	313,402	313,402
Add:			
Secured by Floating Charge Debentures	334,102	288,921	288,921
Surplus/(Deficit)	606,496	1,590,747	1,590,747

24. SPECIFIED AREA RATE - 2013/14 FINANCIAL YEAR

No specified area rate charge is applied to properties within the Shire of Denmark.

25. SERVICE CHARGES - 2013/14 FINANCIAL YEAR

No specified service charges are applied to properties within the Shire of Denmark.

26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2013/14 FINANCIAL YEAR

The Shire of Denmark does not offer any discount or early payment incentives for rates paid prior to due date.

Where a small balance remains on a property assessment due to circumstances such as a delay in receipt of mail payments or monies from property settlements and additional daily interest has accumulated, amounts outstanding of \$5.00 and under have been waived, as it is not considered cost effective or equitable to recover. Estimated loss of revenue from this waiver is \$350.00.

Photocopy charges are waived for Volunteer Bushfire Brigades as they are considered to be the responsibility of Council under the Bush Fires Act 1954.

27. INTEREST CHARGES AND INSTALMENTS - 2013/14 FINANCIAL YEAR

	Interest Rate %	Admin. Charge ¢	Revenue \$	Budgeted Revenue
Interest on Unpaid Rates	11.00%	Ψ	22,200	14,100
Interest on Instalments Plan	5.50%		19,132	,
Charges on Instalment Plan		8.00	13,788	18,000
Pensioner Deferred Rate Interest	0		1,218	0
			56,338	52,100

Ratepayers had the option of paying rates in four equal instalments, due on 6 September 2013, 6 November 2013, 6 January 2014 and 10 March 2014. Administration charges and interest applied for the final three instalments.

28. FEES & CHARGES	2014 \$	2013 \$
Governance	33,690	25,071
General Purpose Funding	0	0
Law, Order, Public Safety	38,351	18,849
Health	31,952	27,075
Education and Welfare	9,542	8,200
Housing	0	0
Community Amenities	1,365,369	1,242,368
Recreation and Culture	217,937	207,345
Transport	21,834	89,346
Economic Services	721,611	714,382
Other Property and Services	58,592	18,364
	2,498,878	2,351,000

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

29. GRANT REVENUE

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

By Nature or Type:	2014 \$		2013 \$
Operating Grants, Subsidies and Contributions	860,634		2,415,639
Non-Operating Grants, Subsidies and Contributions	3,563,081		2,864,763
, -	4,423,715	_	5,280,402
By Program:		=	
Governance	1,000		1,000
General Purpose Funding	461,002		1,287,905
Law, Order, Public Safety	527,492		487,602
Health	0		0
Education and Welfare	36,218		18,990
Housing	0		0
Community Amenities	10,000		5,409
Recreation and Culture	747,364		648,326
Transport	2,043,942		2,831,170
Economic Services	596,697		0
Other Property and Services	0	_	0
	4,423,715		5,280,402
		_	
30. EMPLOYEE NUMBERS			
The number of full-time equivalent			
employees at balance date	61.6	=	61.4
	2014	2014	2013
31. ELECTED MEMBERS REMUNERATION	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	74,713	73,125	59,430
President's Allowance	9,692	10,500	10,500
Deputy President's Allowance	2,625	2,625	2,625
Travelling Expenses	7,858	14,000	14,071
Telecommunications Allowance	13,632	11,213	12,600
	108,521	111,463	99,226
		· · · · · · · · · · · · · · · · · · ·	

32. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2013/14.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2013/14 financial year.

34. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value		Fair V	alue
	2014	2013	2014	2013
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	5,940,236	4,700,001	5,939,567	4,700,001
Receivables	1,012,624 2,027,75		1,012,454	2,027,583
	6,952,860	6,727,754	6,952,021	6,727,584
Financial Liabilities				
Payables	1,126,439	1,858,691	1,126,268	1,858,521
Borrowings	2,403,705	2,433,905	2,399,207	2,489,366
	3,530,144	4,292,596	3,525,475	4,347,887

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables estimated to the carrying value which approximates net market value.
- Borrowings, Held-to-Maturity Investments estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets based on quoted market prices at the reporting date or independent valuation.

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2014 \$		2013 \$	
Impact of a 1% ⁽¹⁾ movement in interest rates on cash	·		·	
- Equity	0	(2)	0	(*)
- Statement of Comprehensive Income	195,597	(2)	126,471	()

Notes:

(2) Maximum impact.

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	2014	2013
Percentage of Rates and Annual Charges		
- Current - Overdue	0.00% 100.00%	0.00% 100.00%
Percentage of Other Receivables		
- Current - Overdue	96.48% 3.52%	97.78% 2.22%

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

<u> 2014</u>	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables Borrowings	1,126,439 476,207 1,602,646	0 1,274,651 1,274,651	0 1,639,362 1,639,362	1,126,439 3,390,220 4,516,659	1,126,439 2,403,705 3,530,144
<u>2013</u>					
Payables Borrowings	1,179,567 442,072 1,621,639	678,954 1,326,037 2,004,991	0 1,768,261 1,768,261	1,858,521 3,536,370 5,394,891	1,858,521 2,433,905 4,292,426

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings (Continued)

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the	es set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:					following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:				Weighted Average Effective
	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Interest Rate		
Year Ended 30 June 2014		_	_	_		_				
Borrowings										
Fixed Rate										
Debentures Weighted Average	62,938	226,454	0	0	0	2,114,313	2,403,705	6.05%		
Weighted Average Effective Interest Rate	7.28%	5.58%	0	0	0	6.06%				
Year Ended 30 June 2013										
Borrowings										
Fixed Rate										
Debentures Weighted Average	0	121,533	330,670	0	49,849	1,931,854	2,433,906	6.37%		
Weighted Average Effective Interest Rate	0	7.28%	5.58%	0	5.15%	6.48%				

SHIRE OF DENMARK SUPPLEMENTARY RATIO INFORMATION FOR THE YEAR ENDED 30TH JUNE 2014

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report

	2014	2013	2012			
Asset Consumption Ratio Asset Renewal Funding Ratio	0.64 N/A	0.60 N/A	N/A N/A			
The above ratios are calculated as follows:						
Asset Consumption Ratio		depreciated replacement costs of assets current replacement cost of depreciable assets				
Asset Renewal Funding Ratio		NPV of planning capital renewal over 10 years NPV of required capital expenditure over 10 years				

N/A - In keeping with amendments to Local Government (Financial Management) Regulations 50, comparatives for the two preceeding years (being 2013 and 2012) have not been reported as financial information is not available.