



SHIRE OF DENMARK
2025/2026 BUDGET REVIEW REPORT
For the period ending 31 January 2026

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

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31 March 2026 - Attachment 9.2.3

SHIRE OF DENMARK
STATEMENT OF BUDGET REVIEW
(By Nature & Type)
For the Period Ended 31 January 2026

	Note	Adopted Budget 29 July 2025 (a)	Current Amended Budget	Reviewed Budget (b)	Estimated Year at End Amount	Predicted Variance at Year End	YTD Actual	Var. \$ (b)-(a)	Var. % (b)-(a)
Operating Revenue									
		\$	\$	\$	\$	\$	\$	\$	%
		1,813,865	1,813,865	1,942,827	1,942,827	0	1,108,773	128,962	7.11%
		4,054,972	4,054,972	4,240,972	4,240,972	0	3,701,341	186,000	4.59%
		467,201	467,201	499,895	499,895	0	314,058	32,694	7.00%
		51,810	51,810	51,810	51,810	0	49,471	0	0.00%
		98,100	98,100	98,100	98,100	0	0	0	0.00%
	Total (a)	6,485,948	6,485,948	6,833,604	6,833,604	0	5,173,643	347,656	
Operating Expense									
		(8,574,555)	(8,574,555)	(8,829,555)	(8,829,555)	0	(4,999,431)	(255,000)	2.97%
		(4,672,819)	(4,952,819)	(4,806,640)	(4,806,640)	0	(2,175,383)	(133,821)	2.86%
		(262,873)	(262,873)	(262,873)	(262,873)	0	(130,825)	0	0.00%
		(5,717,994)	(5,717,994)	(5,967,994)	(5,967,994)	0	(3,522,733)	(250,000)	4.37%
		(143,497)	(143,497)	(117,429)	(117,429)	0	(54,408)	26,068	(18.17%)
		(366,893)	(366,893)	(366,893)	(366,893)	0	(363,834)	0	0.00%
		(522,383)	(522,383)	(525,383)	(525,383)	0	(299,683)	(3,500)	0.67%
		(30,000)	(30,000)	(30,000)	(30,000)	0	(15,000)	0	0.00%
	Total (a)	(20,291,014)	(20,571,014)	(20,907,267)	(20,907,267)	0	(11,561,297)	(616,253)	
Funding Balance Adjustment									
	(b)	5,717,994	5,717,994	5,967,994	5,967,994	0	3,522,733	250,000	4.37%
	(b)	(68,100)	(68,100)	(68,100)	(68,100)	0	15,000	0	0.00%
	(b)	0	0	0	0	0	(8,738)	0	
	Net Operating	(8,155,172)	(8,435,172)	(8,173,769)	(8,173,769)	0	(2,858,659)	(18,597)	
Capital Revenues									
		7,065,882	7,391,882	7,250,605	7,250,605	0	3,024,671	184,723	2.61%
		523,000	523,000	523,000	523,000	0	275,000	0	0.00%
		1,000,000	1,000,000	0	0	0	0	(1,000,000)	(100.00%)
		21,756	21,756	21,756	21,756	0	10,790	0	0.00%
		2,352,582	2,632,582	2,572,582	2,572,582	0	0	220,000	9.35%
	Total	10,963,220	11,569,220	10,367,943	10,367,943	0	3,310,461	(595,277)	
Capital Expenses									
		(2,175,000)	(2,175,000)	(1,275,000)	(1,275,000)	0	(1,025,861)	900,000	(41.38%)
		(1,361,000)	(1,361,000)	(1,361,000)	(1,361,000)	0	(130,759)	0	0.00%
		(110,000)	(110,000)	(110,000)	(110,000)	0	(30,710)	0	0.00%
		(3,150,500)	(3,476,500)	(3,516,500)	(3,516,500)	0	(784,694)	(366,000)	11.62%
		(3,964,582)	(3,964,582)	(3,629,582)	(3,629,582)	0	(864,751)	335,000	(8.45%)
		(402,909)	(402,909)	(365,186)	(365,186)	0	(180,548)	37,723	(9.36%)
		0	0	0	0	0	0	0	0.00%
		(1,468,513)	(1,468,513)	(1,757,013)	(1,757,013)	0	(65,612)	(288,500)	19.65%
	Total	(12,632,504)	(12,958,504)	(12,014,281)	(12,014,281)	0	(3,082,935)	618,223	
	Net Capital (a)	(1,669,284)	(1,389,284)	(1,646,338)	(1,646,338)	0	227,526	22,946	
	Total Net Operating + Capital	(9,824,456)	(9,824,456)	(9,820,107)	(9,820,107)	0	(2,631,133)	4,349	
	(e)	9,160,749	9,160,749	9,160,749	9,160,749	0	9,133,658	0	0.00%
	(c)	663,707	663,707	659,358	659,358	0	659,358	(4,349)	(0.66%)
	(d)	0	0	0	0	0	7,161,883	0	

SHIRE OF DENMARK
STATEMENT OF BUDGET REVIEW
For the Period Ended 31 January 2026
SURPLUS/(DEFICIT)

Note	Action	2025/2026 Adopted Budget	31/01/2026 Reviewed Budget	31/01/2026 YTD Actual
(a)	This total is the sum of operating revenue, operating expenditure, capital income and capital expenditure, excluding rates.	(15,474,350)	(15,720,001)	(6,160,128)
(b)	Add back all non cash items	5,649,894	5,899,894	3,528,995
(c)	Add surplus/(deficit) July 1 brought forward	663,707	659,358	659,358
(d)	Deduct surplus/(deficit) June 30 carried forward	0	0	7,161,883
(e)	Sum (a), (b) and (c), deduct amount at (d). Total is amount of rates to be levied	(9,160,749)	(9,160,749)	(9,133,658)

CLOSING FUNDS AND BUDGET AMENDMENTS

Note	Action	Adopted Budget	Reviewed Budget	YTD Actual
(a)	This net current assets total should agree with the statement of financial position in the annual statements or with the budgeted net current assets note.	3,570,288	3,638,788	11,910,813
(b)	Deduct restricted reserve and restricted municipal (usually unspent grants) amounts.	(5,194,132)	(5,262,632)	(6,143,813)
(c)	Deduct Self Supporting Loans Receivables	(21,756)	(21,756)	(10,966)
(d)	Add back current loan and lease repayments due as they represent a current liability for payments to be made over the next 12 months already reflected as budgeted expenditure.	411,627	411,627	184,638
(e)	Add back leave and other provisions.	1,233,973	1,233,973	1,263,194
(f)	Deduct Other Restricted Cash (Bond Receipts)	0	0	(41,985)
(g)	Closing Funds	0	0	7,161,883

SHIRE OF DENMARK
NOTES TO THE BUDGET REVIEW Report
For the Period Ended 31 January 2026

2025/2026 Adopted Budget \$	31/01/2026 Reviewed Budget \$	31/01/2026 YTD Actual \$
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Note 1 : NET CURRENT FUNDING POSITION

Closing funds represented by:

Current Assets

Cash & Cash Equivalents	6,354,915	6,423,415	14,563,160
Receivables (including Contract Assets)	607,918	607,918	2,322,229
Financial Assets - Unrestricted (S/S Loans)	21,756	21,756	10,966
Inventories	95,550	95,550	10,227
Total Current Assets	<u>7,080,139</u>	<u>7,148,639</u>	<u>16,906,582</u>

Current Liabilities

Creditors and Payables (including Contract Liabilities)	1,864,251	1,864,251	3,547,936
Provisions	1,233,973	1,233,973	1,263,194
Current Loan Liability	411,627	411,627	184,638
Total Current Liabilities	<u>3,509,851</u>	<u>3,509,851</u>	<u>4,995,769</u>

Net Current Assets

	(a)	<u>3,570,288</u>	<u>3,638,788</u>	<u>11,910,813</u>
LESS Restricted Reserves	(b)	(5,194,132)	(5,262,632)	(6,143,813)
LESS Current Portion of S/S Loans Receivable	(c)	(21,756)	(21,756)	(10,966)
ADD Back Loan/Lease Repayments	(d)	411,627	411,627	184,638
ADD Back Leave Provisions	(e)	1,233,973	1,233,973	1,263,194
LESS Restricted Cash other than Reserves	(f)	0	0	(41,985)
Closing Funds Surplus (Deficit)	(g)	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>7,161,883</u></u>

Note 2: BUDGET AMENDMENTS

Line	Nature & Type	GL Code	Description	Job	Council Resolution	Original Budget \$	Proposed Amended Budget	Increase / (Decrease)	Non-Cash Item	Reviewed Budget Running Balance	Comment
			Adopted Budget Surplus Position - Y/E 30/06/2026			0				0	
			Actual Opening Surplus B/Fwd. 01/07/2025			663,707	659,358	(4,349)		(4,349)	Amended Surplus calculation after year end adjustments and audit
1	Roads Infrastructure	1220174	MRWA Project Construction	50395	121025	(690,000)	(1,016,000)	(326,000)		(330,349)	Increase Purchase Roads Infrastructure Capital Expense (Refer October 2025 OCM)
2	Capital grants & contributions	1228103	MRWA Project Grants		121025	1,149,333	1,475,333	326,000		(4,349)	Increase Capital Grant Income - Roads Infrastructure Construction (Refer October 2025 OCM)
3	Materials and Contracts	1220412	Infrastructure Concept Planning & Design	16000	170126	(80,000)	(360,000)	(280,000)		(284,349)	RPPP Funding Adjustment (Refer January 2026 OCM)
4	Transfer from Reserves	9502019	Transfer from Infrastructure Reserve		180126	1,788,582	2,068,582	280,000		(4,349)	RPPP Funding Adjustment (Refer January 2026 OCM)
5	Operating grants & contributions	1228403	Grant - MRWA Direct			187,929	175,609	(12,320)		(16,669)	Adjustment to align the budget with the actual grant funding received from Main Roads Western Australia
6	Operating grants & contributions	1517163	Other Fire Income			0	28,321	28,321		11,652	Increase in income estimate to recognise funding received under the All West Australians Reducing Emergencies (AWARE) program. This funding supports delivery of the Bushfire Ready Preparedness Event – “4th Annual Bushfire Ready Weekend
7	Operating grants & contributions	1517173	Fire - Contributions and Donations			58,064	0	(58,064)		(46,412)	Income has been removed to reflect the cessation of the service agreement that previously funded the BRMC role
8	Operating grants & contributions	1228443	Storm Event Damage Recoup DRFAWA			0	32,025	32,025		(14,387)	Recognition of unbudgeted income received under the DRFAWA (Disaster Recovery Funding Arrangements Western Australia) program for storm event compensation
9	Operating grants & contributions	1427203	Contribution & Reimbursement - Other			7,200	36,200	29,000		14,613	Water Damage Insurance Claim Reimbursement – Administration Building
10	Operating grants & contributions	1477653	Reimbursement - Workers Compensation			500	110,500	110,000		124,613	Increase in revenue budget to align with expected reimbursements arising from current workers compensation claims
11	Fees and charges	1337553	Building Licence Fees			95,300	112,300	17,000		141,613	Adjustment made to align the income budget with current revenue trend
12	Fees and charges	1537113	Fines & Penalties - Other Law Order			24,000	48,000	24,000		165,613	Increase revenue forecast related to enforcement of Local Laws
13	Fees and charges	1160113	Income - Gym			195,340	285,340	90,000		255,613	Adjustment made to align the income budget with current revenue trend
14	Fees and charges	1160363	Income - Aerobics			27,600	35,600	8,000		263,613	Adjustment made to align the income budget with current revenue trend
15	Fees and charges	1027283	Domestic Rubbish Fortnightly			455,581	439,581	(16,000)		247,613	Decrease income to reflect the actual charges for the domestic fortnightly waste collection service.
16	Fees and charges	1027303	Domestic Rubbish Weekly			1,122,928	1,105,928	(17,000)		230,613	Decrease income to reflect the actual charges for the domestic weekly waste collection service.
17	Fees and charges	1027313	Commercial Sanitation Charges			157,358	65,358	(92,000)		138,613	Decrease income to reflect the actual charges raised for commercial sanitation services
18	Fees and charges	1027363	Domestic Recycling Charges			47,988	12,988	(35,000)		103,613	Decrease income to reflect the actual charges for the domestic recycling service
19	Fees and charges	1027373	Additional Recycling Collection - Commercial			0	33,000	33,000		136,613	Increase income to reflect the actual charges for the additional commercial recycling service
20	Fees and charges	1027383	Additional Waste Collection - Weekly			0	133,000	133,000		269,613	Increase income to reflect the actual charges for the additional weekly waste collection service
21	Fees and charges	1047403	Planning Application Fees (GST Exempt)			108,900	128,900	20,000		289,613	Adjustment made to align the income budget with current revenue trend
22	Fees and charges	1226503	Engineers Supervision Fees			600	13,600	13,000		302,613	Adjustment made to align the income budget with current revenue trend
23	Fees and charges	1497083	Commissions DPI			92,340	100,340	8,000		310,613	Adjustment made to align the income budget with current revenue trend
24	Interest Earnings	1331003	Interest on Investments			387,554	407,554	20,000		330,613	Adjustment made to align the income budget with current revenue trend
25	Interest Earnings	1318023	Penalty On Rates			42,000	54,694	12,694		343,307	Adjustment made to align the income budget with current revenue trend
26	Employee Costs	1420082	Salaries - Administration			(1,920,882)	(2,065,882)	(145,000)		198,307	Increase employee costs to manage the ERP project in house and complete workforce plan and risk management project. Funding fom a reduction in the corporate services and strategic consultants budget.
27	Employee Costs	1470612	Gross Salaries & Wages			(7,345,485)	(7,490,485)		145,000	198,307	Adjust total salaries budget to include adjustments made above
28	Employee Costs	1470832	Workers Compensation			(500)	(110,500)	(110,000)		88,307	Increase in the workers compendation budget reflects the expected costs for the financial year. The revised estimate incorporates current claims activity.
29	Employee Costs	1476952	Less Sal & Wages Aloc to Works			7,345,485	7,490,485		(145,000)	88,307	Adjust total salaries allocated budget to include adjustments made above
30	Materials and Contracts	1420232	Legal Expenses			(18,800)	(30,800)	(12,000)		76,307	Increase the budget to align with current expenditure associated with Local Government Act prosecutions
31	Materials and Contracts	1028322	Mtce - Denmark Waste Management & Refuse Facility (M &C)	21001		(43,300)	(58,300)	(15,000)		61,307	Increase the expense budget to align with expected spend for e waste processing and mattress recycling at DWMRF

Line	Nature & Type	GL Code	Description	Job	Council Resolution	Original Budget \$	Proposed Amended Budget	Increase / (Decrease)	Non-Cash Item	Reviewed Budget Running Balance	Comment
32	Materials and Contracts	1060162	Sustainability - Environment Education			(3,500)	0	3,500		64,807	Reduce the expense budget and reallocate the funds to Community Grants. This budget was being used to support community grant type activities. This amendment realigns the funding to the correct program for transparency and consistency with the Community Contributions Policy.
33	Materials and Contracts	1131142	Sport & Recreation Facilities Master Plan			(40,000)	0	40,000		104,807	Remove from the budget as it is no longer required, following advice from the Department of Creative Industries, Tourism and Sport (DCITS) that alignment with the Regional Sports & Recreation Master Plan, supported by consistent documents such as the LTFP and Facilities Guide, is sufficient
34	Materials and Contracts	1138102	Maintenance - Parks and Reserves (M & C)	15025		(3,500)	(18,500)	(15,000)		89,807	Increase the expense budget to align with expected spend. The replacement of the bore power feed at the Denmark High school oval
35	Materials and Contracts	1160132	Maintenance - Rec Centre Building (M & C)	11011		(25,900)	(29,900)	(4,000)		85,807	Increase original budget for doors and frames to toilets.
36	Materials and Contracts	1160192	Rec Centre Programmes (M & C)	17001		(40,980)	(60,980)	(20,000)		65,807	Increase the expense budget to reflect additional contractor costs arising from the delivery of additional classes
37	Materials and Contracts	1322002	Peaceful Bay Water Supply	21404		(6,600)	(16,600)	(10,000)		55,807	Increase the expense budget to finalise the backup bore repairs carried over from the 2024/2025 financial year
38	Materials and Contracts	1322122	Dust Suppression - Peaceful Bay (M & C)			(10,000)	(15,000)	(5,000)		50,807	Increase the expense budget to align with actual spend
39	Materials and Contracts	1420302	Corporate Services Projects			(278,000)	(158,000)	120,000		170,807	The expense budget will be reduced, and the corresponding funds will be reallocated to employee costs. The migration of Synergy to a new ERP project will now be delivered in house, rather than through external consultants as originally scoped
40	Materials and Contracts	1420322	Strategic Planning & General Consultancies			(100,000)	(50,000)	50,000		220,807	Decrease the expense budget to align with the expected spend. Workforce plan and risk management were completed inhouse. Reallocate to Employee Costs. The Reconciliation Programme identified in the Council Plan has been superseded by the Great Southern Place Based Pilot program, through which officers and Council have been actively involved in the development of the Region's Reconciliation Action Plan (RAP)
41	Materials and Contracts	1420332	Asset Management Planning			(40,000)	0	40,000		260,807	Decrease the expense budget to align with expected spend. The planned asset revaluation has been postponed to the 2026/2027 financial year
42	Materials and Contracts	1428002	Maintenance - Admin Building	11001		(45,200)	(73,200)	(28,000)		232,807	Water Damage. Funded by insurance reimbursement
43	Materials and Contracts	1440572	Minor Equipment Purchases Depot			(8,000)	(13,000)	(5,000)		227,807	Increase the expense budget to align with expected spend. Chipper Repairs (covered by insurance)
44	Materials and Contracts	1510102	Other Expenses - Fire	60101		(12,600)	(40,921)	(28,321)		199,486	Additional expenditure recognised for the Bushfire Ready Preparedness Event ("4th Annual Bushfire Ready Weekend") following confirmation of funding under the All West Australians Reducing Emergencies (AWARE) Program
45	Materials and Contracts	1620202	Youth Support Service Program			(70,000)	(35,000)	35,000		234,486	Reduce expenditure due to reduction in service levels from AYSA (Albany Youth Support Association) during the 2025/2026 financial year
46	Depreciation	1020502	Depreciation - Sanitation			(105,480)	(113,480)		8,000	234,486	Increase due to new recognised assets (non cash item)
47	Depreciation	1110502	Depreciation - Halls			(217,766)	(232,766)		15,000	234,486	Increase due to new recognised assets (non cash item)
48	Depreciation	1130502	Depreciation - Parks etc			(964,400)	(983,400)		19,000	234,486	Increase due to new recognised assets (non cash item)
49	Depreciation	1160502	Depreciation - Rec Centre			(274,260)	(298,260)		24,000	234,486	Increase due to new recognised assets (non cash item)
50	Depreciation	1228502	Depreciation - Transport Assets			(91,460)	(114,460)		23,000	234,486	Increase due to new recognised assets (non cash item)
51	Depreciation	1234502	Depreciation - Paths Infrastructure			(176,925)	(193,925)		17,000	234,486	Increase due to new recognised assets (non cash item)
52	Depreciation	1510502	Depreciation - Fire			(343,618)	(487,618)		144,000	234,486	Increase due to new recognised assets (non cash item)
53	Finance costs	1220662	Loan Interest - Depot Upgrade Loan 163			(26,068)	0	26,068		260,554	Remove debt service for interest on Depot Redevelopment Loan as it will not be drawn upon during 2025/2026 financial year
54	Other Expenditure	1420342	Community Financial Assistance Program			(50,000)	(53,500)	(3,500)		257,054	Increase the budget to align with the expected spend. Funding for this increase will come from a reduction in sustainability projects budget. This amendment realigns the funding to the correct program for transparency and consistency with the Community Contributions Policy.
55	Capital grants & contributions	1227603	Contribution to Roadworks Income			0	50,000	50,000		307,054	Recognise income from State Government Small Grants Programme for funding to assist with the Turner Road Bike Trail project
56	Capital grants & contributions	1228143	Federal Grant - Roads			340,000	100,000	(240,000)		67,054	Remove Grant Funding in relation to the SLRIP Timber Bridge replacement capital works (funding not approved)
57	Capital grants & contributions	1228723	Funding Assistance Grant - Transport			84,762	133,485	48,723		115,777	Recognise Arena Future Fuels Program funding received
58	Land and Buildings	1221004	Depot Redevelopment	52502		(1,000,000)	(100,000)	900,000		1,015,777	Reduce the capital expense budget to align with anticipated spend

Line	Nature & Type	GL Code	Description	Job	Council Resolution	Original Budget \$	Proposed Amended Budget	Increase / (Decrease)	Non-Cash Item	Reviewed Budget Running Balance	Comment
59	Plant and Equipment	1231054	Plant Replacement Program - Transport Assets			(590,000)	(590,000)	0		1,015,777	The plant replacement program specified the purchase of a new mini excavator and trailer for a total combined value of \$115,000, a review of the plant requirements to best service the needs of the works crew has determined that a backhoe is considered a better option, as such the items for 'Mini Excavator' & 'Trailer for Mini Excavator' should be substituted with 'Replacement for Merlo Tractor' and the budget of \$115,000 remains unchanged.
60	Other Infrastructure	1131154	Hopson Park Improvements (Shade Sails, Gazebo & Soft Fall)	52185		(65,000)	(30,000)	35,000		1,050,777	Decrease the expense budget to align with expected spend. The scope has been changed to only include Shade Sails and Slab.
61	Roads Infrastructure	1220104	Bike Trail Construction - Turner Road	54000		(210,000)	(250,000)	(40,000)		1,010,777	To ensure the project remains compliant with DWER requirements, the scope has been expanded. As a result, the expense budget needs to be increased to align with the updated expected spend associated with these additional obligations.
62	Roads Infrastructure	1220204	SLRIP Timber Bridge Replacement	50519		(300,000)	0	300,000		1,310,777	Project no longer proceeding due to funding not being approved
63	Repayment of Debentures	1220664	Loan Principal Repayment - Depot Redevelopment			(37,723)	0	37,723		1,348,500	Remove debt service for principal on Depot Redevelopment Loan as it will not be drawn upon during 2025/2026 financial year
64	Proceeds from New Debentures	1221655	Proceeds from Borrowings - Depot Redevelopment			1,000,000	0	(1,000,000)		348,500	Remove proceeds from borrowing from adopted budget - will not be drawn upon
65	Transfer from Reserves	9502019	Transfer from Infrastructure Reserve			2,068,582	2,008,582	(60,000)		288,500	Adjust transfer from Infrastructure Reserve related to SLRIP Bridge project
66	Transfer to Reserves	9500019	Transfer to Infrastructure Reserve			(609,056)	(897,556)	(288,500)		0	Balancing transfer to reserves to maintain nil closing position